

CartonCraft 2024 Impact Report

Contents

About this report	1
About CartonCraft	1
Our alignment to the UN Sustainable Development Goals	2
Endorsement of business and human rights principles	2
Impact Highlights	3
Certification Highlights	3
Environmental topics and goals	4
Emissions and energy use	4
Materials management	5
Water stewardship	6
Waste management	6
Managing our company	7
Ethics	7
Working conditions	7
Career development	8
Labor and human rights KPIs	8

About this report

This document is intended to communicate CartonCraft’s sustainability values, impact, and accomplishments.

About CartonCraft

CartonCraft Incorporated is a renowned folding carton manufacturer headquartered in Illinois, designing, manufacturing, warehousing, and shipping folding cartons globally. Guided by our enduring values, CartonCraft has established a clear purpose that defines our role in the marketplace and our aspirations for the future.

Our Sustainability Motive

Sustainability is at the very heart of the Printing and Packaging Industries. The products we source, print and convert are harvested from forests, one of the earth's most vital ecosystems.

As part of our ongoing commitment to helping preserve our planet for future generations, enhance the lives of our employees and the communities we serve, and maintain the profitability and integrity of our company, we will:

- Actively engage our customers and suppliers to promote sustainable and socially responsible practices.
- Reduce our organization's own environmental footprint wherever possible.
- Make a positive difference in our local communities.
- Take actions to ensure the ongoing viability of CartonCraft Inc. and its employees.

Our alignment to the UN Sustainable Development Goals

As a small business, CartonCraft acknowledges that we may not have the capacity to serve all 17 UN SDG comprehensively at the beginning. However, we endorse and commit to the values these goals represent and strive to integrate them into our operations. We track two SDGs:



Goal 8: Decent Work and Economic Growth

We are committed to ensuring safe, fair, and respectful working conditions for all employees, consistent with U.S. labor laws. We do not tolerate any form of forced, compulsory, or child labor. We ensure that all employees are hired voluntarily, paid fairly, and treated with dignity.



Goal 12: Responsible Consumption and Production

Our operations emphasize the efficient use of raw materials—primarily paperboard and inks—through careful design optimization and waste reduction strategies. We strive to reduce waste generation and increase recycling within our production facilities.

Endorsement of business and human rights principles

In addition to endorsing the UN Sustainable Development Goals, CartonCraft proudly endorses the following principles:

1. ILO Declaration on Fundamental Principles and Rights at Work

CartonCraft endorses the International Labour Organization's (ILO) Core Conventions and their application to our workforce. In accordance with these principles:

- We do not use forced or bonded labor and do not contract with any labor agencies.
- We require all employees to be at least 18 years of age and verify identification at hiring.
- We do not discriminate based on race, gender, age, religion, or background in hiring or employment decisions.
- We comply with all U.S. laws concerning freedom of association and collective bargaining.

2. UN Guiding Principles on Business and Human Rights (UNGPs)

We recognize the responsibility of business to respect human rights and avoid contributing to human rights harm. In line with the UNGPs, we have implemented the following measures:

- Human Rights Due Diligence: Our internal hiring procedures include identity verification and eligibility checks for all employees.
- Supplier Expectations: While most of our suppliers are domestic, we engage them with clear expectations on labor and environmental compliance and reserve the right to review or terminate relationships based on serious non-compliance.

Impact Highlights

At CartonCraft, we work hard to satisfy our customers with quality and sustainable packaging.

- Brightstar verification was [awarded](#) in 2024.
- CartonCraft [donated](#) \$600,000 to local initiatives like Lazarus House, Ronald McDonald House Charities, and Dupage Care Center.
- [Promoted](#) sustainable materials and packaging wherever possible in product lines like PaperPak and Canna Carton

Certification Highlights

At CartonCraft, we understand the importance of trust and transparency. That's why we're committed to upholding the highest standards in every aspect of our business. Here's a closer look at some of the key certifications and sustainability programs that demonstrate our dedication:

- [Forest Stewardship Council](#)



- [Sustainable Forestry Initiative](#)
- [BrightStar Verified](#)
- [Programme for the Endorsement of Forest Certification](#)
- [Chicago Minority Suppliers Development Council](#)

Environmental topics and goals

In line with our commitment to sustainability, CartonCraft has identified four environmental topics that we monitor and have set commitments to drive impact:

Emissions and energy use

Commitment

We are committed to using energy efficiently and being mindful of our carbon footprint.

Where feasible, we evaluate opportunities to reduce energy waste or upgrade to more energy-efficient systems.

Goals

1. Establish Scope 1 and Scope 3 targets by the end of the year
2. Reduce Scope 2 emissions per kWh by 40% by 2040
3. Increase renewable energy use to 10% of total energy consumption by 2040

Data & Highlights

Our company owns 2 facilities in St Charles, IL and Ft Madison, IA.

Our total 2024 energy consumption, including a breakdown of renewable vs. non-renewable electricity, is included in the table below.

2024 energy consumption	Amount	% of total
Total electricity consumption (mWh)	3,474	39%
Electricity from Onsite renewable	0	0%
Electricity from Power Grid	3,474	39%
Total natural gas consumption (mmBTU)	18,505	
Total natural gas consumption (mWh)	5,423	61%
Total energy consumption (mWh)	8,898	100%

Our total 2024 Greenhouse Gases Scope 2 emission, and CO₂e emissions from electricity generation data is included in the table below:

2024 Scope 2 Emissions	Amount
Location-based scope 2 emissions (Mt CO ₂ e)	1,444
Market-based scope 2 emissions (Mt CO ₂ e)	Unknown*
CO ₂ e from electricity generation (kg CO ₂ e/kWh)	0.42

Although market-based scope 2 emissions are unknown, it should be lower than location-based scope 2 GHG emissions, as our Ft Madison site participated in a renewable energy utility program. It supplies energy from grids partially from wind and solar power, reducing the site's effective emission factor compared to the standard grid average.

- Achieved a 40% reduction in lighting kWh per month in 2023
- Reduced carbon dioxide footprint by **107,209 lbs annually** since 2015
- Reduced sulfur dioxide footprint by **701,730 lbs annually** since 2015
- Reduced nitrous oxide footprint by **253,403 lbs annually** since 2015

Materials management

Commitment

CartonCraft prioritizes responsible use of materials, especially fiber-based substrates and inks used in our production processes.

Goals

1. Work with supply chain partners to identify new, innovative sustainable packaging
2. Engage 100% of key material suppliers annually to discuss sustainability attributes of materials (e.g., FSC certification, recycled content, alternative substrates)

Data & Highlights

- **Received Forest Stewardship Council certification**, noting that products from our St. Charles location are 100% made from virgin materials sourced from FSC-certified forests
- **Received Sustainable Forestry Initiative certification**, indicating that products from our St. Charles location use responsibly sourced wood or paper
- CartonCraft procures **100% of wood-based products from suppliers with responsible forest management practices and credentials**



- **70%** of CartonCraft packaging products are **recyclable**

Water stewardship

Commitment

Our goal is to avoid unnecessary water consumption and maintain compliance with all relevant regulations.

Goals

1. Ensure 100% of water fixtures (faucets, toilets, etc.) remain high-efficiency and are regularly maintained to prevent leaks and overuse.
2. Include water use as a discussion point in 100% of annual facility environmental reviews or walkthroughs, starting this year

Data & Highlights

- No water runoff
- In 2023, 1075.5 kgal of water use for all water sources
- In 2023, 4.15 indoor water use intensity (gal/ft²)

Waste management

Commitment

We make an effort to minimize production scrap and packaging waste, and we educate employees on proper waste handling procedures across our operations.

Goals

1. Ensure 100% compliance at all facilities to written policies and protocols
2. Ensure 100% of facility workstations and common areas have clearly labeled bins for landfill, recycling, and (if applicable) compost by the end of the year

Data & Highlights

- Adoption of Sorblts by AbsorbTech reduce waste runoff and spillage risk in production process

Managing our company

Ethics

At CartonCraft, we are committed to conducting our business with integrity, transparency, and respect for the law.

- **Compliance with Laws and Regulations:** All employees and business partners are expected to comply with the laws and regulations applicable to our business
- **Anti-Corruption and Bribery:** CartonCraft has a zero-tolerance policy for corruption, bribery, or unethical influence.
- **Data Privacy and IT Security:** We take information security seriously and are committed to protecting the integrity, confidentiality, and availability of our systems and data.

Our Commitment to Information Security

CartonCraft is committed to safeguarding the confidentiality, integrity, and availability of all digital information across our operations. We do this through our partnership with The True Group, a third party IT consulting group, who maintains our IT network and security protocols.

As a result of these proactive measures, **we are proud to report that we experienced zero data breaches in the past year.**

We continue to evaluate and update our IT infrastructure and security policies to ensure resilience in a rapidly evolving digital environment. For example, **we have deployed Summit, an off-site server location, which offers enhanced security and improved disaster recovery.**

To uphold our IT security standards, CartonCraft requires that **30% of employees**, who interact with digital systems as a material part of their job, receive IT security training which involves **3 hours of learning content annually.**

Working conditions

At CartonCraft, we are committed to providing safe, fair, and respectful working conditions for all employees.

Safety is non-negotiable at CartonCraft. In 2024, across all shifts, we experienced 0 reportable deaths, **3 reportable incidents**, and **24 lost workdays**, compared to **5 incidents** and **18 lost days** the prior year.

We recorded an OSHA Total Recordable Incident Rate (TRIR) of **1.78**, down from **2.91** in 2023 and better than the national average of 2.7, reflecting our intensified focus on safety.

Career development

At CartonCraft, we believe that supporting employee growth and advancement is vital to long-term company success.

- **Equal Access to Growth Opportunities** - All employees have equal access to learning and development opportunities, regardless of role, background, or tenure.
- **On-the-Job Learning** - Employees are encouraged to expand their skills through cross-training, mentorship, and hands-on learning within their roles.

Training & Hours Reporting

All employees receive onboarding and annual refresher training related to workplace safety and Code of Conduct expectations. In 2024, each employee conducted **over 22 hours of comprehensive career development training totaling over 3,264 hours of cumulative training hours for all employees** on topics related to management, anti-harassment, CPR, forklift usage, and other essential topics.

Labor and human rights KPIs

At CartonCraft, we are always looking for ways to improve and create the best workplace possible for our employees because that will help us satisfy our customers. In that spirit, we set out to achieve 5 key labor and human rights related KPIs:

- Reach a total of 2,500 cumulative training hours for all employees
 - 2024 reporting: 3,264 training hours
- Reduce OSHA reportable incidents to 0
 - 2024 reporting: 3 reportable incidents
- Achieve an OSHA rating lower than 2.00 and beat the national average
 - 2024 reporting: 1.78 OSHA rating
- Achieve an employee turnover rate of less than 20%
 - 2024 reporting:
- Resolve 95% of employee grievances within 30 days from the day they were logged
 - 2024 reporting: No data yet

As CartonCraft grows, this list of KPIs, in conjunction with relevant leadership, is updated to reflect actions we need to take to remain a strong workplace.