

Annual report SUSTAINABILITY REPORT 2023

April 2024



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INTRODUCTION

WELCOME TO OUR 2023 SUSTAINABILITY REPORT

As a small, family-owned business based in California, Moquin Press has always recognized the importance of conducting business with integrity and creating value for our workers, customers, and the communities we serve. With a deep commitment to environmental stewardship, we've adhered to California's rigorous environmental regulations and worked alongside various environmental organizations to enhance our sustainability efforts. Our mission remains clear: to accelerate the transition to sustainable, highquality packaging choices for our customers.

ABOUT MOQUIN PRESS

OUR VISION

Moquin Press strives to become a world leader in packaging manufacturing by producing the most sustainable and innovative label and packaging solutions.

OUR MISSION

Our goal is to accelerate our customers' transition to high-quality sustainable packaging choices, helping them reduce the environmental impact of their products.



SUSTAINABILITY PLEDGE

Moquin Press understands that the nature of our business can have a negative impact on the environment which is why we are committed and have made it part of our mission to reduce the impact of our company both in our facilities and our products.

We are focused on offering earth-conscious packaging solutions and minimizing our carbon footprint. From sustainable materials to waste management and carbon offset programs, we never stand still. We continue to partner with global sustainability experts and audit our operations, to improve our environmental policies.

At Moquin Press we understand that producing more with less and consuming more wisely is key to establishing resilient markets that stay within Earth's safe operating space. Therefore, to safeguard our natural wealth and contribute to overall economic and social wellbeing Moquin Press sustainability model consists of the following strategies:

- Printing Process innovation
- Source Reduction
- Earth-conscious material alternatives
- Sustainable supply chain

PROCESS INNOVATION

RETHINK - REDUCE

Founded on the principles of continuous improvement Moquin Press dedicates time and resources to identify environmental innovation opportunities in our printing processes. Through audits and industry research, we have collected enough evidence to recognize the direct correlation between efficient processes and reduced environmental impacts in offset printing. Our efforts throughout the past year have been focused on improving our printing technology and internal manufacturing processes to achieve noticeable carbon footprint reductions in our facility.

SOURCE REDUCTION

WASTE PREVENTION

We have an extensive recycling program which for years has included operating our own onsite compactor. Actively participating in the treatment of the waste prior to the recycling processes has allowed us to better understand the environmental impact of preventing waste at the source and has pushed us to upgrade our machinery to more efficient alternatives.

EARTH CONSCIOUS MATERIALS

REUSE - REDUCE

To determine the printing and packaging materials that we offer our clients we used the waste hierarchy as our guide. The waste hierarchy is a set of priorities for the efficient use of resources, it prioritizes reduction and reuse, as essential to sustainable materials management. This framework advocates for a circular economy mindset that encourages manufacturers like us, to choose repurposed or upcycled sources over traditional materials. Through innovation and extensive research, we were able to make an impact by replacing raw materials that have large impacts on the environment with more earth conscious ones. Moquin's Tree Free Upcycled Paperboard was created with the "3Rs" in mind reduce, reuse and replace.



SUPPLY CHAIN SUSTAINABILITY

REDUCE - REUSE - RECYCLE

We recognize that we are not alone in our journey to safeguard the earth's natural wealth and contribute to overall economic and social wellbeing of the planet. Making a difference in the environmental impact of our business is a collective effort that requires the commitment of all our suppliers. Accordingly, Moquin Press sees the need to build a transparent and sustainable supply chain, that uses environmentally and socially sustainable practices at every stage to protect the people and environments across the whole chain. We want to ensure that all our suppliers' process and guidelines align with our sustainability mindset and that they follow and align with our sustainability standards.

EXECUTIVE SUMMARY

This report marks a key milestone in our sustainability journey, reflecting on our efforts in 2023 and setting the stage for continued progress in the coming years. In 2023, Moquin Press underwent a comprehensive, evidence-based assessment through EcoVadis, a global leader in business sustainability ratings. We were evaluated across 21 sustainability criteria in the areas of Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. After months of collaboration with EcoVadis, we are proud to have earned Silver Medal recognition.

In 2023, Moquin Press also achieved SQF (Safe Quality Food) Certification. This certification reflects our commitment to food safety, sustainability, and community well-being. SQF provides a comprehensive framework that ensures the safety of our products throughout the supply chain, from production to distribution. By adhering to its strict protocols, we mitigate foodborne risks, safeguard consumers, and ensure a safe workplace for our employees.

Moreover, SQF audits evaluate how our operations impact neighboring properties and the surrounding community. This includes assessing factors like noise, waste, and overall environmental footprint to ensure that our manufacturing processes are responsible and considerate of local communities.

Finally, Moquin Press is the first company to purchase and bring to the United States the fastest cut-and-stack label press in the market, manufactured carbon neutral. With this CO2-neutral press, Moquin Press is setting a new standard for sustainable printing. We're proud to offer our clients the highest quality prints while maintaining our commitment to the environment.

As we celebrate our environmental achievements of 2023, we've set new targets for 2024. We aim to maintain our sustainability achievements and pursue new ones, such as obtaining the B Corp Seal. B Corp certification signifies for-profit companies that meet the highest standards of social and environmental performance, transparency, and accountability.

Our goal for 2024 is to continue improving our sustainability efforts and find innovative ways to grow while protecting our people and the planet.

KPI 1: Reduce waste and energy consumptions

Progress: Upgrade Presses To Energy Efficient Machines

HIGH-SPEED, ECO-FRIENDLY PRINTING

The newest Heidelberg Speedmaster XL 106 with a printing speed increased to 21,000 sheets per hour offers a wide range of possibilities from impressive colors to impeccable print finishing, all while maintaining sustainability at the forefront. In terms of the press manufacturing process, greenhouse gas emissions generated during the manufacturing of a printing press are compensated by purchasing climate protection certificates and not only the CO2 emissions caused during the production at Heidelberg will be taken into consideration, but also those of the suppliers. The emission credits or certificates correspond to the Carbon Footprint of the press and are attributed to specific climate protection projects such as the Sodo project.

OUTCOME

Moquin Press installed the Heidelberg Speedmaster XL 106 21K in January of 2024. The 7 color plus coating expands the printing possibilities allowing for a job to be finished faster saving time and energy. Likewise, the implementation of roll feeders instead of paper sheets reduces paper usage from 80% to 96% of the total paper. As a result, Moquin Press expects to reduce waste and increase overall time operations by 14%.

KPI 2: Transition customers to more sustainable paper options

Progress: Partner with the first packaging venture-backed marketplace—ImpackedPackaging.com to promote our Tree Free Upcycled Packaging.

PROMOTE UPCYCLED MATERIALS

Our Tree-Free Upcycled Paperboard is made from the by-product of sugarcane production—the fibrous material that remains after the sugarcane has been crushed to extract its juice. This material is typically discarded or burned, releasing greenhouse gases into the atmosphere. However, at Moquin Press, we give these by-products a second life by upcycling them into Tree-Free Paperboard.

We've partnered with ImpackedPackaging.com to become the first and only secondary packaging option available on their online marketplace. Since Impacked Packaging is dedicated to accelerating the shift toward more sustainable solutions in our industry, our Tree-Free Upcycled Paperboard, which reduces the carbon footprint associated with wood fibers, is the perfect fit for their audience—companies already seeking more sustainable primary packaging options.

<u>OUTCOME</u>

In just 6 months we have been able to reach 60% of Impacked Packaging clients through and made a new market aware of the environmental impact of switching to Tree Free Upcycled Packaging. We estimate that if we are able to convert 30% of impackedpackaging.com customers to Tree Free Upcycled Packaging we will save 16,000+ trees and 6.9 billion BTUs of energy. And avoid the production of 3.5 million gallons of wastewater and 8.7 million net pounds of greenhouse gases.

KPI3: Reduce transportation carbon footprint

Progress: Change to a new provider on the West Coast

SOURCING MATERIALS CLOSER TO OUR FACILITY

As we audited our manufacturing process and the role played by our supply chain, we were able to identify environmental improvement opportunities to reduce the fuel emissions caused by the transport of raw materials to our facility. We realized that choosing a paper mill closer to our facility could make a difference by reducing the environmental impact of fuel emissions.

OUTCOME

Our previous paper supplier was located on the East Coast, requiring shipping across the entire country. We were able to find a new provider located in the West Coast on a neighboring state, reducing the fuel emissions by at least 95%.

KPI 4: Strenghten our supplier code of conduct requirements

Progress: Review of our Supplier Code of Conduct and create a supplier survey form

COLLECTIVE ACCOUNTABILITY

In our journey to become a worldwide leader in sustainable packaging manufacturing we understand the importance of guaranteeing a trustable supply chain for our clients. We see our suppliers as key business partners who play an important role in helping us realize this vision.

Accordingly, we expect them to join our commitment to economic, social and environmental responsibility and to create an environment that replicates our focus on doing business with integrity.

OUTCOME

We have reviewed our Supplier Code of Conduct and created a supplier survey form to help us improve the collection of sustainability data on our suppliers. For the year 2024, we are looking to implement the integration of social or environmental clauses into supplier contracts. We believe that these documents lay the foundation for collective accountability and an earth conscious approach to our business model.

KPI 5: Increasing diversity and inclusion

Progress: Increasing the number of women in our manufacturing

COLLECTIVE ACCOUNTABILITY

At Moquin Press, we take great pride in our commitment to diversity and inclusion. Currently, 74% of our employees are from minority groups, including Latino and Asian/ Pacific Islander backgrounds, reflecting the diverse and vibrant workforce that makes up our team. However, we recognize that gender diversity in our manufacturing workforce remains an area with significant potential for growth. To address this, we've identified increasing the number of women in manufacturing roles as a key performance indicator (KPI) in our sustainability efforts.

OUTCOME

In 2023 the number of women in our manufacturing teams has increased to 20%, we are working toward achieving a goal of 25% female representation or to have at least 40% of our company managers identify as female by 2024. This goal is integral not only to our commitment to social sustainability but also to creating a more inclusive and equitable work environment.

MILESTONE PROJECTION 2024

ECOVADIS GOLD MEDAL

The Ecovadis sustainability assessment methodology is at the heart of our Ratings and Scorecards and is an evaluation of how well a company has integrated the principles of Sustainability/CSR into their business and management system. The methodology of Ecovadis is built on international sustainability standards, including the Global Reporting Initiative, the United Nations Global Compact, and the ISO 26000, covering 200+ spend categories and 175+ countries.

FORMALIZE QUANTITATIVE REPORTING FIGURES

Following the Ecovadis Corrective Action Plan Moquin Press will begin to measure and monitor the effectiveness of our environmental management system internally. As a result we hope to be able to better report our performance to stakeholders and the public.

CONTINUE PROGRESS ON CURRENT KPI'S

Some of our KPIs require continued focus and dedication as we work toward achieving higher goals in the coming year. This includes increasing the number of women in the printing manufacturing industry, as well as reducing waste and energy consumption through more efficient processes and innovative technologies. As we grow and our production capacity increases, we are committed to making sustained progress on these initiatives.



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