Acknowledgements

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Disclosure

This document serves as the 2017 Materiality Assessment Report for FPI and is in partial fulfillment of the student consultant’s Master’s Project (MP) at Duke University’s Nicholas School of the Environment. Haseena Charania, the student consultant, is a candidate of the Master of Environmental Management (MEM) Program with an expected graduation of December 2017.

FPI was pleased to assist the Duke University student in this work. However, FPI is not the author of this report and does not make any claim, expressed or implied, or endorse any claims made by the author of this report. Furthermore, to ensure proprietary business information and future business strategy remain confidential, the company that the student consultant worked with is referenced under the pseudonym Flexible Packaging Incorporated (FPI) or Pack Inc.
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Executive Summary

FPI, a family-run, business-to-business packaging company based in the southern United States, is planning to produce its first corporate sustainability report. Several steps are involved in creating a sustainability report, starting with a materiality assessment to determine which topics should be benchmarked, monitored, and included in the report. The goal of a materiality assessment is to incorporate perspectives from both internal and external stakeholders of an organization in order to create a materiality matrix that maps the importance of various topics in a visual, user-friendly, and quantitative manner. For this report, the materiality assessment ensures that the topics included in the company’s sustainability report are in fact significant, or material, to the organization’s internal and external stakeholders. The materiality assessment is followed by interviewing leadership to gather qualitative data on near-term sustainability priorities.

After collecting all possible material topics from reputable reporting standards, such as the Global Reporting Initiative (GRI) and the Sustainable Accounting Standards Board (SASB), and from the latest sustainability reports of the company’s top 25 current customers and 11 prospective customers, each topic’s internal significance was analyzed by surveying selected departments within the company. The Materiality Survey measured each topic’s importance through general ratings and forced rankings, the company’s level of control over each topic, and perceptions on regional variation for each topic. This survey served to collect the perspectives of internal stakeholders on priorities for material topics. It is recommended that the same survey taken by internal stakeholders is also taken by external stakeholders to gather perspectives for the materiality matrix in a consistent manner. Since this is outside of the scope of this work, a proxy will be used for external stakeholder perspectives until the same survey is completed by the company’s customers. This proxy includes tallies of the number of times each material topic is reported on within the latest sustainability reports of FPI’s top current and prospective customers. Based on this survey, these are the top ten suggested priority topics ranked in order of importance: Waste, Workplace Culture, Consumer Health and Safety, Local Communities, Water, Agriculture/Biodiversity, Climate Change, Occupational Health and Safety, Energy, and Supply Chain. After the materiality assessment, the second step towards a sustainability report, interviewing leadership, was initiated. Interviews were conducted with five leaders from separate divisions within the company and summaries for the interviews are included in this report.

The following includes recommendations for next steps described in the report. As noted briefly, there are pieces remaining from the first two steps towards a sustainability report pursued in this work, the materiality assessment and interviews with leadership. It is recommended that the company finalize these steps before proceeding to the remaining steps, since the subsequent steps are directly linked to findings from these initial two steps. To reiterate, completing these first two steps entails conducting the same survey given to internal stakeholders with external stakeholders and interviewing the remaining internal leadership. After this is accomplished, it is strongly recommended that the company continue on the path towards building a sustainability report; this includes tracking and reporting data for the prioritized material topics, designing and creating the sustainability report, completing quality
control measures, and distributing the report to chosen audiences. Publishing a sustainability report would allow FPI to visibly demonstrate its commitment to environmental, social, and economic sustainability. Moreover, investing the company’s resources in the most important areas of focus for external and internal stakeholders of an organization ensures that current and future business strategies remain effective and any risks to profit and reputation are managed. Overall, this would mean the company is actively investing in its future in a significant, data-driven, and efficient way.

Although considerable time requirements have historically presented challenges to the creation of a sustainability report, this work formalizes FPI’s concern for the environment and interest in improving its sustainable business practices. The materiality assessment will be distributed to the company’s employees; a sustainability report would serve its current and prospective customers, and may be made available to the general public. This report can also be used as a model for other organizations, both public and private, that are pursuing a sustainability report; it highlights best practices for sustainability reporting and incorporates a company’s data and perspectives, which can serve as a case study for others.
Abstract

FPI, a family-run and business-to-business packaging company based in the southern United States, is planning to produce its first corporate sustainability report. Several steps are involved in creating a sustainability report, starting with a materiality assessment to determine which topics should be benchmarked, monitored, and included in the report. The goal of the assessment is to incorporate perspectives from both internal and external stakeholders of the organization to create a materiality matrix that maps the importance of various topics in a visual, user-friendly, and quantitative manner. This ensures that the topics that are included in the sustainability report are in fact significant, or material, to the organization’s internal and external stakeholders. The materiality assessment is followed by interviews with leadership to gather qualitative data on near-term sustainability priorities; this step was initiated with interview from five leaders in separate divisions within the company. Based on the survey, these are the top ten suggested priority topics ranked in order of importance: Waste, Workplace Culture, Consumer Health and Safety, Local Communities, Water, Agriculture/Biodiversity, Climate Change, Occupational Health and Safety, Energy, and Supply Chain.

This work formalizes FPI’s concern for the environment and interest in improving its sustainable business practices.
Introduction

Since its inception just over 60 years ago, FPI has provided flexible, rigid, and medical packaging solutions and has served international clients such as Frito Lay and Coca-Cola (FPI, 2017). FPI is one of the top ten flexible packaging companies in both the United States and in the world. The company is a one-stop shop of business-to-business (B2B) services, including concept to commercial, graphics and prepress, and a number of value-added options, along with manufacturing packaging. The company prides itself in holding a set of strong moral elements and has always operated as a family company. This project served FPI’s international headquarters and included work from the company’s offices in Mexico, China, and India. FPI recognizes that in order to maintain its growth, it must demonstrate a recognition of and attention to sustainability, in addition to reporting internal standards and progress through regular sustainability reporting.

To provide some background, sustainability is defined under the lens of sustainable development, which is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (UN Documents, 1987). Sustainability “seeks to achieve, in a balanced manner, economic development, social development, and environmental protection” (United Nations, n.d.). Based on this definition, sustainability reports aim to showcase an organization’s progress within these economic, social, and environmental branches of development (GRI, n.d.). At least 90% of top global companies report on sustainability, whether through sustainability reports, Corporate Social Responsibility (CSR) Reports or Integrated Reporting (IR) (PWC, 2014; EY, 2016; Searcy & Ahi, 2014). Within these reports, companies home in on select material topics to demonstrate depth and full commitment to these selected areas of growth rather than spreading themselves too thin over many topics. Material topics are defined as topics that “reflect the organization’s significant economic, environmental, and social impacts, or that substantively influence the assessments and decisions of stakeholders;” here, stakeholders are entities or individuals that can significantly affect the organization’s activities and whose perspectives are highly regarded (GRI, 2015a). Material topics can be referenced under the umbrella of materiality, such as in this materiality assessment. Furthermore, the term materiality originated from corporate financial reports to build a bridge for companies to select significant topics to report on in a standardized way (GRI, 2011a).

Recently, leadership at FPI demonstrated an interest in designing a sustainability report after Mars’ 2015 “Principles in Action Summary,” which includes selected sustainability targets, highlights of progress from 2010-2015, and case studies from five material topics (Mars, 2015). It seems this interest stemmed from the fact that Mars Inc. is a private, family company like FPI, so FPI may want to stay on par with Mars, and that Mars’ report can be used as a model as it is an industry best practice report (Mars, 2017). The in-depth research that is needed for a sustainability report has historically been difficult to organize within FPI because of time constraints, so this analysis focuses on the materiality assessment, which is the first step towards building a sustainability report. This report includes a materiality matrix derived from the materiality assessment that highlights priorities from FPI’s internal and external stakeholders, methodology to gather these data, analysis of results in context, and further
steps the company would need to take towards a sustainability report. The next step towards a sustainability report, interviewing internal leadership, was initiated, although analysis of the results is outside the scope of this report and is better conducted once the interviews are completed.

**Established Sustainability Reporting Standards**

There are numerous sustainability reporting frameworks, including those from the Carbon Disclosure Project (CDP), GRI, Sustainability Accounting Standards Board (SASB), and Integrated Reporting Framework, among others; an extensive guide of these various frameworks can be found in EY’s “Value of Sustainability Reporting” Guide (EY, 2016). CDP includes the Forests and Supply Chain Programs, the latter of which contains separate Climate Change and Water Programs. FPI reported for CDP’s Supply Chain Program in 2016, before the Forest Program was introduced in 2017 (GRI and CDP, 2016; CDP, 2017a; CDP, 2017b). GRI is a comprehensive framework that was used by about half of companies reporting on sustainability in 2013; its global reach and recognition along with its ability to be used by nearly any kind of organization make it a reliable reporting framework (GRI, 2015a; GRI, 2015b; GRI, 2011a). SASB may be as comprehensive as GRI, but is intended to be used by US publicly traded companies and does not have a fully global scope (SASB, 2015; Phelps, 2016). For SASB, topics listed as important priorities under the Containers and Packaging Industry include: Greenhouse Gas Emissions, Air Quality, Energy Management, Water and Wastewater Management, Waste and Hazardous Materials Management, Customer Welfare, Product Packaging, Product Quality and Safety, Product Lifecycle Management, and Supply Chain Management; there are only ten relevant indicators for SASB for the industry whereas there are many more options for material topics found under GRI (GRI, 2015b; SASB, 2015; SASB, 2017). Lastly, IR is a framework that combines economic and sustainability reports into one integrated reporting format (IIRC, 2013).

For the purposes of this report, the company’s CDP report was reviewed for context and IR was suggested as an optional reporting framework. Additionally, a list of material topics was gathered from the SASB and GRI frameworks. Topics reported on within the company’s top current and prospective customer sustainability reports were added to this list to create the “Comprehensive, Hybrid List of Material Topics” (Appendix A); references for these reports are not cited to maintain company confidentiality, as per the company’s request.
**Methodology**

**Approach**

To become familiar with FPI, the company’s sustainability goals, and industry best practices for sustainability reporting and materiality assessments, all available background documents were reviewed; industry best practices from consulting guides from companies like Ernst & Young (EY), KPMG, and Price Waterhouse Cooper (PWC) and top sustainability reports were gathered; all aspects of materiality were researched; their importance within the company and the industry were gauged; material topics were narrowed down to a set of five to fifteen priorities for further reporting; and findings were presented to FPI leadership to ensure that recommendations from the assessment were in line with leadership’s guidance (EY, 2016; KPMG International, 2014; PWC, 2014). The available background documents included articles on the company website, searchable news articles outside of the company’s website, and internal documents made available for review, such as economic and manufacturing reports, customer lists, and environmental stewardship presentations. The approach also included the student consultant filling any gaps in knowledge as the Subject Matter Expert (SME) on materiality assessments and sustainability reporting, and absorbing all relevant information from other SME’s within the company and the university. Guidelines for this assessment stem from GRI’s recommended reporting principles and included accuracy, balance, clarity, comparability, reliability, and timeliness (GRI, 2015a).

The approach to communication within the company was also tailored to the work the company does and to the backgrounds of the employees. For example, “stewardship” was generally used in place of “sustainability” for communication with employees within the company as the term “stewardship” currently holds more value within the company than “sustainability.” Since the company is heavily involved in volunteering and philanthropy with the Boy Scouts of America, stewardship is a core value for the Scouts, and “stewardship” is interchangeable with “sustainability,” this approach was effective (The Boy Scouts of America, 2017).

Lastly, the assessment was conducted by the student consultant, Haseena Charania, and the Materiality Assessment Team within FPI that consisted of [Redacted], Market Development Manager, [Redacted], Marketing Communications Manager, and [Redacted], Director of Environmental Health and Safety (EHS). For the duration of this assessment, the Materiality Assessment Team included the student consultant; thus, any following reference of the “team” includes these four individuals.

**Scope and Objectives**

When first discussing the premise of the work, the team considered building out a complete sustainability report, since that is the direction the company is headed in. Upon further research, it was noted that sustainability reports generally involve the following steps:
1. **Planning the Reporting Process**: select framework and standards for reporting, design a vision for the report, and select the audience(s) and medium(s) for distribution whether electronic or print

2. **Materiality Assessment**: identify issues that are material to the organization to ensure selected topics that are reported on within the sustainability report are important to the business and its stakeholders

3. **Interviews**: identify key SME’s for each indicator, understand perspectives for key issues within the company from interviews with leaders in various departments

4. **Identifying, Benchmarking, and Monitor Key Performance Indicators (KPI’s)**: collect and track data on material issues selected from the materiality assessment; set goals for future progress

5. **Quality Check**: validate the quality of the work along the way by checking in with key stakeholders

6. **Audit**: allow KPI data to be reviewed externally to confirm and vouch for values

7. **Organizing, Documenting, and Designing the Sustainability Report**: structure and write the report using the company’s marketing standards for certain audiences and formats

8. **Distribution**: distribute the report to selected audience(s)

9. **Keeping a Consistent Reporting Schedule**: report on key indicators on an annual or biannual basis

10. **Building Findings and Goals from the Sustainability Report into the Company’s Strategic Business Plan**: ensure recommendations for the viability and growth of the company are applied to the company’s strategic plans

Given the time frame and the approximate ten to twelve months needed to build a full sustainability report, a more specific scope was needed. After consulting with an industry leader, reviewing guidelines for sustainability reports and materiality assessments, and examining best practice reports, it was confirmed that conducting a materiality assessment was a good match for both FPI and the student consultant (EY, 2016; PWC, 2014; Godinez, 2012; Gutman, 2013; Dea, 2015; Sustainable Business Council, 2014; Neate, 2016; Heineken, 2016; KPMG International, 2014; ICAS, 2012). The industry leader referenced above was interviewed to gain perspective for the course and scope of the project; see Appendix B for an email outlining guidance on sustainability reports from this leader (Conde, 2017).

To guide the materiality assessment and to set reasonable expectations for the project, a scope, set of goals, and several objectives were defined by the team. These elements are outlined in the following subsections.

**Scope**: The project will seek to define a set of sustainability priorities to develop five to fifteen areas of focus, referred to as material topics, in preparation for FPI’s first sustainability report. This materiality assessment will be guided by the Mars 2015 “Principles in Action Summary” report, as envisioned by the company’s CEO [Redacted] (Mars, 2015).
**Goals and Objectives:** These two elements are highlighted in the table below:

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
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| Provide FPI with the appropriate materials to collect the company’s key business priorities for their first sustainability report | 1. Research all potential materiality topics and their impacts on FPI’s value and supply chains.  
2. Gather possible questions on materiality for review of priorities and selection by internal stakeholders (selected departments within FPI); these questions will seek views on successes, challenges, and opportunities for growth within the past five years and the importance of each topic to the business over the next five to ten years.  
3. Select relevant departments for distribution of survey and the medium(s) for distribution.  
4. Categorize questions into topics and narrow down questions into a 10-15 minute survey; ensure each topic will be thoroughly examined and verify that the methodology is statistically sound.  
5. Survey relevant departments within a predetermined timeframe.  
6. Analyze data to present findings to management.  
7. Engage with management to narrow down on these topics.  
8. Sift out priorities for feedback from external stakeholders. |
| Ensure report quality and methodology is acceptable according to standards of Duke University’s Nicholas School and FPI | 1. Check in with relevant parties along the way as needed such as the MP advisor, the FPI team, and statistical experts |

**Methods**

The methods for this project began with background research on sustainability reports, materiality assessments, the company’s activities and principles, the company’s competitors and their activities, and the framework used as the company’s sustainability report preference. Background documents from the company were shared once anonymity was established though a Non-Disclosure Agreement (NDA) between the student consultant and the company.

To understand the sustainability report expectations set by the company, the following were reviewed: sustainability reporting standards, consulting guides and articles on sustainability reporting by other organizations, and top sustainability reports, including the report the company wanted to design their sustainability report after. Standard sustainability reporting
frameworks that were researched included CDP, GRI, SASB, and Integrated Reporting Framework (CDP, 2017a; CDP, 2017b; GRI and CDP, 2016; GRI, n.d.; GRI, 2011a; GRI, 2015a; GRI, 2015b; GRI, 2011b; IIRC, 2013; SASB, 2015). Consulting guides on sustainability reporting included those from EY, PWC, and the Institute of Chartered Accountants of Scotland and articles included those from GreenBiz and Triple Pundit (EY, 2016; Godínez, 2012; Gutman, 2013; ICAS, 2012; PWC, 2014). Lastly, industry standard sustainability reports included those from AGL Energy, Heineken, Ford, and Mars (AGL Energy, 2015; Heineken, 2016; Ford, 2017; Mars, 2015). Along the way, tips and steps for sustainability reporting were compiled to include these notes for the company. Additionally, the company’s own CDP submission from 2016 was reviewed to understand if it could be supplement the work.

The scope of a sustainability report seemed to be outside of the resources the team had available, so to confirm this and to find options for the project, a discussion with an alumna of the Nicholas School who has led sustainability reporting for many years for a large, multinational company was requested; this expert is Sustainability Consultant Bianca Conde at Fibria (Fibria, 2016; Fibria, 2017a). An email exchange from part of this discussion highlighting the steps towards a full sustainability report is included in Appendix B. After this conversation that indicated that materiality assessments could be an appropriate project for the desired scope, materiality assessments were thoroughly researched.

Research on materiality assessments included reviewing materiality assessment consulting guides and top materiality assessments. The consulting guides and articles included those from CSR-Reporting, KPMG, Intelex, Danyelle Lynn Phelps who is an alumna of the Nicholas School, and SASB (Cohen, 2014; Dea, 2015; KPMG International, 2014; Phelps, 2016; SASB, 2017). The top materiality assessments included those from Ford, PG&E, Bimbo, and Fibria (Ford, 2017; PG&E, 2014; Bimbo, 2016; Fibria, 2017b). Along the way, tips and steps for materiality assessments were noted to include these steps in the final report for the company.

Additionally, for the student consultant to have sufficient background on the company’s activities, the company’s principles and goals, and the company’s competitors, background data on the company and its flexible packaging competitors were researched. All media on FPI’s website, news articles relating to the company, and any shared internal performance documents were reviewed to gain familiarity with FPI’s activities and to start detecting priorities. Top competitors within the industry were also examined to understand the reach of the business’s financial, social, and environmental indicators, and to understand what is standard in the specific industry with regards to sustainability reporting and programs. As these data contain proprietary information, they will not be cited here.

After these background topics were thoroughly researched and a scope seemed clear, these options were discussed with FPI and a charter outlining the details of the collaboration between the student consultant and FPI was drafted. Discussions with FPI included grasping the limitations of the work; understanding what people, time, and material resources were available; and setting a defined timeline.
After defining the scope and details of the collaboration, data began to be collected for the materiality assessment and the final materiality matrix. When looking at the most interesting materiality matrices, it was noted that there are three dimensions of data: internal stakeholder priorities, external stakeholder priorities, and the ability of the organization to impact each material topic (Bimbo, 2016). The X-axis on the matrix hosts data for internal stakeholder priorities with higher priorities on the left side of the matrix, the Y-axis hosts data for external stakeholder priorities with higher priorities towards the top of the matrix, and either the size or color of each material topic indicate how much impact the organization can have on a topic.

The team discussed that a survey could be sent out to selected departments within FPI to gather data for the X-axis of the materiality matrix and the size or color of the topic; however, an alternative needed to be pursued for the Y-axis until the employee materiality survey could be taken by the company’s customers for data on external stakeholders’ priorities. It was decided that tallying the number of times various material topics were reported on within the latest sustainability reports of FPI’s top customers could be an appropriate proxy for the Y-axis.

To compose a list of material topics for the team to survey the company employees on and to tally priorities from external stakeholders for the Y-axis, all material topics from GRI and SASB standards were collected first (SASB, 2015; GRI, 2015a; SASB, 2017). Then, as sustainability reports for the company’s top customers were read, any topics that were not included in the original reporting guidelines were added to create a hybrid material topics list; these new topics are marked in red in Appendix C. Specifically, sustainability reports for FPI’s current top 25 customers and its 11 largest prospective customers were reviewed; these reports will not be cited to maintain company privacy. The Y-axis proxy for the Materiality Matrix in Figure 5 are tallies for reported priorities from the latest sustainability reports, as of September 2017, for the company’s current and prospective customers. This tally provides an updated and quantifiable indication of customers’ priorities. Tallies of the topics were then analyzed to predict what the top ten to twenty external priorities would be; these predicted priorities are marked in bold in “Results from Survey of FPI’s External Stakeholders” found in Appendix C.

Additionally, it was recommended to create an alternate Materiality Matrix using SASB’s already established priorities within the packaging industry. This is not standard industry practice, so this alternative Materiality Matrix was used as a reference and to provide a comparison for the primary Materiality Matrix. As noted, only ten material topics are listed as important priorities within the Containers and Packaging Industry for SASB: Greenhouse Gas Emissions, Air Quality, Energy Management, Water and Wastewater Management, Waste and Hazardous Materials Management, Customer Welfare, Product Packaging, Product Quality and Safety, Product Lifecycle Management, and Supply Chain Management (SASB, 2017). For the SASB Materiality Matrix, Waste Management, Air Quality, and Product Packaging were all summed under the “Waste” umbrella category; this is because they all relate to industrial waste according to their SASB definitions (SASB, 2017; SASB, 2015). In terms of scoring for the Y-axis, if topics were listed as unlikely to be material for both industries and companies in the
sector, a score of 0 was given (SASB, 2017). A score of 1 was assigned to all SASB topics listed above, with “Waste” earning a score of 3 for its combined priorities. Thereafter, values from the Materiality Survey given to employees were used for the X-axis.

Next, the team began narrowing down the list to accurately measure which material topics were important to the company without leading to survey fatigue (Fryrear, 2015; Mahoney, 2009; SurveyGizmo, 2016). To ensure clarity and understanding of surveyed topics, the topics from Appendix A were defined and given alternate wordings, as seen in Appendix D, so they were clear to the team at FPI and the survey participants (GRI, 2015a; GRI, 2015b). Although the Social Stewardship section contained the most material topics in the “Comprehensive, Hybrid List of Material Topics,” social stewardship is heavily included in the company’s Employee Engagement Survey and was thus trimmed down for the Materiality Survey (Appendix A, Appendix E). It was suggested to completely remove the Social Stewardship section to avoid redundancy with the Engagement Survey, but since there was evident concern for social issues from conversations and preliminary research and the student consultant wanted to better compare values between social, environmental, and economic categories, the most important social stewardship topics from conversations were included in the final list. The original list of forty-four umbrella topics, which included related subtopics, was cut down to nineteen material topics; this final list is seen in Appendix F entitled “Condensed List of Materiality Topics.” For survey design assistance to ensure results would have statistical fortitude and to ensure maximum participation, the student consultant presented questions to the Duke Statistical Consulting Center for advice on best survey practices; the report from the Center can be found in Appendix G.

To help the student consultant build rapport with leadership and to begin the next step towards a company sustainability report, interviews were conducted with five leaders within the company. For this step, a list of SME’s to interview within the company was created (Appendix H). That list was then narrowed down to those on the company’s CSR team for limitations on time. Questions for the interviews were designed to mirror questions in the survey (Appendix I). These interviews were then scheduled and conducted with as many interviewees from Round 1 and Round 2, or the highest priority groups, as possible (Appendix H). These interviews were summarized for FPI to use for insight and further qualitative analysis; recordings of these interviews approved for notetaking purposes can be found in the team’s Google Drive (Appendix J). Moreover, suggestions for the survey from the interviews were incorporated in survey design. Questions on demographics, regionality, marketing communications, and general feedback for the company were added to the survey.

Next, a test run of the survey was conducted with the team to confirm the survey fit within the time frame of 10-15 minutes; see Appendix E for the full survey. The company’s Employee Engagement Survey was also reviewed to format the Materiality Survey according to the company’s Employee Engagement Survey. The survey was then sent to the selected departments within the company and any confusions were troubleshooted (Appendix K).
Finally, the results were analyzed, a materiality matrix was created, and this work was shared with the team. Since topics found in the top righthand corner of the matrix indicate material topics that are significant to both internal and external stakeholders, these topics were collected in a list of priorities for the company. Responses to questions on regionality, marketing communications, and general feedback for the company are qualitative and would require further analysis; these are included in Appendix M for review by leadership and for qualitative analysis.

The final step for this project was to present the findings through a Materiality Assessment Report and several presentations. Before producing these final products, the student consultant reviewed the Duke MP standards and confirmed that these align with what the team at FPI wanted. Then, the full Materiality Assessment Report was compiled for distribution to two separate audiences, FPI and Duke; the version created for Duke was anonymized to protect the company’s privacy. The report and a tailored presentation were delivered to FPI’s CSR Team first to receive feedback and workshop the results. Thereafter, the final report was presented to the Duke Nicholas School and a presentation was delivered at Duke with FPI invited to attend.

**Timeline and Deliverables**

Below is a timeline of the interactions for this materiality assessment. A table listing deliverables for the materiality assessment with completion dates is in Appendix L.

- 18 July 2017 – In person meeting at FPI’s headquarters with [Redacted]
- 31 July 2017 – Initial conference call with team to define scope of project
- 18 August 2017 – In person team meeting at FPI Headquarters to lay out goals for first leg of project
- 8 September 2017 – In person team meeting at FPI Headquarters
- 15 September 2017 – Team conference call
- 20 September 2017 – Team conference call, in person meeting
- 21 September - 20 October 2017 – Materiality Assessment Interviews
- 26 September 2017 – Consultation with Duke Statistical Consulting Center
- 2 October 2017 – In person team meeting at FPI Headquarters
- 12 October 2017 – Team conference call
- 16 - 20 October 2017 – Online survey open for internal stakeholders
- 30 October 2017 – Materiality Assessment submitted and reviewed
- 3 November 2017 – Presentation of findings at FPI Headquarters
- 5 December 2017 – Presentation of MP at Duke University’s Nicholas School of the Environment
Organizational Impacts

This work serves two entities, Duke and FPI, and there are separate impacts of this report on each. For FPI, data and research available from the materiality assessment and interviews will set the foundation for a sustainability report and potentially a CSR report. For Duke, this assessment will allow the student consultant to gain hands on experience in her chosen field in the format of an MP.

Predicted Limitations

The assessment was expected to be constrained by the duration and scope of the project set by the student consultant, the advisors at Duke, and the individuals at FPI.

Assumptions

The team assumed that the assessment would tease out five to fifteen companywide sustainability priorities through a mixture of surveys, meetings, and interviews.

Risks

The following risks for this assessment and the plan to tackle these are outlined in the table below:

<table>
<thead>
<tr>
<th>#</th>
<th>Risk Area</th>
<th>Risk Level</th>
<th>Risk Owner</th>
<th>Mitigation Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The team may not be able to narrow down on potential topics</td>
<td>Low</td>
<td>Haseena Charania</td>
<td>Revise scope of project</td>
</tr>
<tr>
<td>2</td>
<td>The team may not be able to identify relevant internal teams to gather</td>
<td>Low</td>
<td>Haseena Charania</td>
<td>Seek interviews or guidance from FPI parties to narrow this down</td>
</tr>
<tr>
<td></td>
<td>perspectives on these topics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The team may not find a methodology to efficiently and effectively</td>
<td>Medium</td>
<td>Haseena Charania</td>
<td>Check in with the communications team and Duke Research offices</td>
</tr>
<tr>
<td></td>
<td>communicate with internal and external stakeholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>The team members have knowledge of the field that we aim to tie together;</td>
<td>Low</td>
<td>Haseena Charania</td>
<td>Seek guidance from advisor or other sources who have conducted materiality</td>
</tr>
<tr>
<td></td>
<td>our research will be limited and we cannot be sure of the outcome of our</td>
<td></td>
<td></td>
<td>assessments previously</td>
</tr>
<tr>
<td></td>
<td>recommendations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Data and Analysis in Context

Overall Survey Results and Analysis
The survey request was sent to 532 employees with a response from 218 of those employees, leading to a 41.0% response rate. This is lower than the 91% response rate for the company’s Employee Engagement Survey sent at the beginning of 2017, and is marginally better than the industry average of 30-40% (Fryrear, 2015). Although all available improvements to survey design were implemented, this is the first survey of its kind within FPI. On the other hand, the Employee Engagement Survey is biannual, employees are familiar with it, and leadership strongly encourages 100% participation for it. Also, although supplementary information for the materiality assessment was purposefully not provided, outside of an introductory email, to avoid biasing the responses, employees may not have had sufficient context for the survey (Appendix B). Nonetheless, a response from 218 employees leads to a confidence interval of 0.05116 and a strong confidence level of 95% (National Statistical Service, n.d.). This means that with a confidence level of 95%, we can estimate each of the resulting values in the survey to be within +5.1% of its true proportion. Furthermore, as seen in the following Demographics Analysis section, the sample seems to have sufficient representation from each surveyed demographic area meaning that it’s unlikely there is any real bias in the data. These two factors indicate that the survey has reliable data.

For future materiality assessment surveys, the team anticipates a higher response rate since employees will be more familiar, and thus more invested, in the assessment.
Section 1 Results: Demographics

1. How many years have you been at FPI? (Optional)

![Years at Company Pie Chart]

Figure 1. Years at Company

Table 3. Years at Company

<table>
<thead>
<tr>
<th>Years</th>
<th>Response Counts</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1 years</td>
<td>38</td>
<td>17.6%</td>
</tr>
<tr>
<td>2-5 years</td>
<td>39</td>
<td>18.1%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>37</td>
<td>17.1%</td>
</tr>
<tr>
<td>10-20 years</td>
<td>49</td>
<td>22.7%</td>
</tr>
<tr>
<td>20+ years</td>
<td>53</td>
<td>24.5%</td>
</tr>
</tbody>
</table>

2. What department are you in at FPI? (Optional)

Table 4. Department Affiliation

<table>
<thead>
<tr>
<th>Department</th>
<th>Response Counts (197 Responses)</th>
<th>Survey Recipients (532 Recipients)</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>2</td>
<td>2</td>
<td>100.0%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>3</td>
<td>60</td>
<td>5.0%</td>
</tr>
<tr>
<td>Engineering</td>
<td>16</td>
<td>52</td>
<td>30.8%</td>
</tr>
<tr>
<td>EHS</td>
<td>10</td>
<td>15</td>
<td>66.7%</td>
</tr>
<tr>
<td>Finance/Accounting</td>
<td>5</td>
<td>73</td>
<td>6.8%</td>
</tr>
<tr>
<td>Human Resources (HR)</td>
<td>24</td>
<td>61</td>
<td>39.3%</td>
</tr>
<tr>
<td>Information Technology (IT)</td>
<td>11</td>
<td>79</td>
<td>13.9%</td>
</tr>
<tr>
<td>Legal</td>
<td>0</td>
<td>4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>4</td>
<td>0.0%</td>
</tr>
<tr>
<td>Marketing</td>
<td>7</td>
<td>12</td>
<td>58.3%</td>
</tr>
<tr>
<td>Operations</td>
<td>24</td>
<td>74</td>
<td>32.4%</td>
</tr>
<tr>
<td>Product Development</td>
<td>28</td>
<td>35</td>
<td>80.0%</td>
</tr>
<tr>
<td>Project Management</td>
<td>0</td>
<td>14</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sales</td>
<td>42</td>
<td>26</td>
<td><strong>161.5%</strong></td>
</tr>
<tr>
<td>Supply Chain</td>
<td>11</td>
<td>5</td>
<td><strong>220.0%</strong></td>
</tr>
<tr>
<td>Other Deps.</td>
<td>0</td>
<td>16</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
3. Gender? (Optional)

**Figure 2. Employee Gender**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Response Counts</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>75</td>
<td>36.1%</td>
</tr>
<tr>
<td>Male</td>
<td>133</td>
<td>63.9%</td>
</tr>
</tbody>
</table>

**Table 5. Employee Gender**

4. Age? (Optional)

**Figure 3. Employee Age**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Response Counts</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>15</td>
<td>7.4%</td>
</tr>
<tr>
<td>26 to 35</td>
<td>34</td>
<td>16.8%</td>
</tr>
<tr>
<td>36 to 45</td>
<td>50</td>
<td>24.8%</td>
</tr>
<tr>
<td>46 to 55</td>
<td>62</td>
<td>30.7%</td>
</tr>
<tr>
<td>56 to 65</td>
<td>39</td>
<td>19.3%</td>
</tr>
<tr>
<td>65+</td>
<td>2</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

**Table 6. Employee Age**
Section 1 Analysis: Demographics

For question 1, the responses within each option are well represented; they range from 17.1% for 6-10 years at the company to 24.5% for 20+ years. Additionally, 216 out of 218 respondents answered this optional question, leading to a nearly 100% response rate for question 1.

For question 2, there were 197 responses out of 218 survey respondents, which is a satisfactory 90.4% response rate. For some departments, the response rate is higher than 100% and 16 survey recipients did not have a department affiliation. The 532 survey recipients were assigned to categories that were believed to be most appropriate based on given demographic data. On the other hand, responses within the survey for departmental affiliation were self-reported. Since there are discrepancies for some departments, it is important to confirm that the categories assigned by the student consultant, who is external to the company, are accurate. Additionally, it is important to ensure all departments have sufficient representation. There are several departments that could improve on their response rates including Customer Service, Engineering, Finance/Accounting, HR, IT, Legal, Manufacturing, Operations, and Project Management; having higher than 50% response from these categories could ensure they’re well represented. For future steps, it could be valuable to confirm who is in which department, to remind survey recipients in specific departments with low response rates to take the survey while it is still open, and to conduct a post stratification analysis to ensure all departments have an equal voice; guidelines for this can be found in the “SCC Client Report” in Appendix G.

For question 3, nearly two thirds of the 208 respondents identified as male. For next steps, it is important to research the proportions of male and female employees at the company and the proportions within the selected survey recipients to see if this is a representative sample of employees by gender. It would also be valuable to understand if and how many employees lie outside of the gender binary to ensure there is not only adequate representation within the company, but also adequate representation within future surveys.

For question 4, age is well represented within the actual age range of employees; from conversations with people within the company and due to the nature of the work, there are not many employees under 25 or past retirement age (65). It is noted that rather than intending to state “25 and Under” as the first response, “Under 25” followed by “26 to 35” may have led to minor confusion for employees who are 25 years of age.
Section 2 Results: Economic Stewardship

Table 7. Economic Stewardship Results

<table>
<thead>
<tr>
<th>Economic Stewardship Results</th>
<th>Economic Performance</th>
<th>Market Presence</th>
<th>Indirect Economic Impacts</th>
<th>Procurement and Supply Chain Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.   While keeping the last 5 years in mind, please rate how important the following Economic Stewardship priorities will be to FPI over the next 5 to 10 years. [5=Extremely Important, 4=Very Important, 3=Moderately Important, 2=Slightly Important, 1=Not Important at All]</td>
<td>4.53</td>
<td>4.47</td>
<td>3.69</td>
<td>3.99</td>
</tr>
<tr>
<td>Average Rating</td>
<td>93.6%</td>
<td>93.6%</td>
<td>57.8%</td>
<td>78.0%</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is very or extremely important</td>
<td>86.2%</td>
<td>81.2%</td>
<td>9.2%</td>
<td>23.4%</td>
</tr>
<tr>
<td>6. While keeping the past 5 years in mind, what would you suggest as FPI's Economic Stewardship priorities over the next 5 to 10 years?</td>
<td>Overall Rank (Average Rank)</td>
<td>1 (1.70)</td>
<td>2 (1.98)</td>
<td>4 (3.17)</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is either the first or second priority</td>
<td>81.7%</td>
<td>82.1%</td>
<td>35.3%</td>
<td>74.3%</td>
</tr>
<tr>
<td>7. How much impact can FPI have over each topic? In other words, how much control does the company have over the topic? [5=Extremely High Impact, 4= High Impact, 3=Moderate Impact, 2=Slight Impact, 1=No Impact]</td>
<td>Average Rating</td>
<td>4.16</td>
<td>4.16</td>
<td>3.15</td>
</tr>
<tr>
<td>Percentage of respondents who believe the company can have high or extremely high impact over the topic</td>
<td>81.7%</td>
<td>82.1%</td>
<td>35.3%</td>
<td>74.3%</td>
</tr>
</tbody>
</table>
Section 2 Analysis: Economic Stewardship

For questions 5 and 6, topic ratings are in the same order as forced ranks. The following economic priorities are ranked in order: “Economic Performance,” “Market Presence,” “Procurement and Supply Chain Practices,” and “Indirect Economic Impacts.”

When forced to rank priorities in question 6, “Indirect Economic Impacts” and “Procurement and Supply Chain Practices” decreased in importance significantly. “Indirect Economic Impacts” dropped from 57.8% of respondents believing that the topic is very or extremely important to 9.2% of respondents believing that the topic is either the first or second priority. “Procurement and Supply Chain Practices” declined from 78.0% of respondents believing that the topic is very or extremely important to 23.4% of respondents believing that the topic is either the first or second priority. It is possible that both topics have lower rankings because internal stakeholders believe the company has less control over changes to infrastructure and supply chain practices than changes to the other topics, since the former rely more heavily on external factors. Although this is valid, there is an opportunity for FPI to better connect for employees how the company can influence these topics, in addition to those that seem more easily influenced. It seems from the Social Stewardship Analysis that employees have been shown that the company can have extremely high impact on a similarly externally controlled topic, “Local Communities.” Internal stakeholders have been able to see the company’s positive effects through its many programs addressing “Local Communities” and now believe the company has a significant impact on the topic; this shift in perception is also possible for the other topics mentioned.
Section 3 Results: Environmental Stewardship

Table 8. Environmental Stewardship Results

<table>
<thead>
<tr>
<th>Resource Use</th>
<th>Energy</th>
<th>Water</th>
<th>Life Cycle Assessment</th>
<th>Voice of the Consumer</th>
<th>Agriculture/Biodiversity</th>
<th>Climate Change</th>
<th>Waste</th>
<th>Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Rating</td>
<td>4.11</td>
<td>4.09</td>
<td>3.73</td>
<td>3.80</td>
<td>4.23</td>
<td>3.20</td>
<td>3.22</td>
<td>4.33</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is very or extremely important</td>
<td>79.8%</td>
<td>79.8%</td>
<td>61.5%</td>
<td>66.1%</td>
<td>82.6%</td>
<td>41.7%</td>
<td>42.7%</td>
<td>87.2%</td>
</tr>
</tbody>
</table>

8. While keeping the last 5 years in mind, please rate how important the following Environmental Stewardship priorities will be to FPI over the next 5 to 10 years.
   
   [5=Extremely Important, 4=Very Important, 3=Moderately Important, 2=Slightly Important, 1=Not Important at All]
9. While keeping the past 5 years in mind, what would you suggest as FPI’s Environmental Stewardship priorities over the next 5 to 10 years?

<table>
<thead>
<tr>
<th>Overall Rank (Average Rank)</th>
<th>Resource Use</th>
<th>Energy</th>
<th>Water</th>
<th>Life Cycle Assessment</th>
<th>Voice of the Consumer</th>
<th>Agriculture/Biodiversity</th>
<th>Climate Change</th>
<th>Waste</th>
<th>Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (3.17)</td>
<td>2 (3.56)</td>
<td>5 (5.00)</td>
<td>6 (5.14)</td>
<td>4 (3.89)</td>
<td>9 (7.12)</td>
<td>8 (6.97)</td>
<td>3 (3.67)</td>
<td>7 (6.49)</td>
<td></td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is 1st priority</td>
<td>25.2%</td>
<td>10.6%</td>
<td>2.8%</td>
<td>8.3%</td>
<td>30.7%</td>
<td>0.0%</td>
<td>4.1%</td>
<td>16.5%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is 2nd priority</td>
<td>20.2%</td>
<td>24.8%</td>
<td>5.5%</td>
<td>8.7%</td>
<td>11.0%</td>
<td>1.4%</td>
<td>1.8%</td>
<td>22.9%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is 3rd priority</td>
<td>18.8%</td>
<td>17.0%</td>
<td>21.1%</td>
<td>9.6%</td>
<td>6.4%</td>
<td>3.2%</td>
<td>3.7%</td>
<td>15.1%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is 9th (last) priority</td>
<td>1.8%</td>
<td>1.4%</td>
<td>3.7%</td>
<td>7.3%</td>
<td>5.5%</td>
<td>23.9%</td>
<td>33.0%</td>
<td>0.5%</td>
<td>22.0%</td>
</tr>
</tbody>
</table>
10. How much impact can FPI have over each topic? In other words, how much control does the company have over the topic?

[5=Extremely High Impact, 4= High Impact, 3=Moderate Impact, 2=Slight Impact, 1=No Impact]

<table>
<thead>
<tr>
<th>Resource Use</th>
<th>Energy</th>
<th>Water</th>
<th>Life Cycle Assessment</th>
<th>Voice of the Consumer</th>
<th>Agriculture/Biodiversity</th>
<th>Climate Change</th>
<th>Waste</th>
<th>Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Rating</strong></td>
<td>4.22</td>
<td>3.97</td>
<td>3.67</td>
<td>3.62</td>
<td>3.67</td>
<td>2.86</td>
<td>2.51</td>
<td>4.36</td>
</tr>
<tr>
<td><strong>Percentage of respondents who believe the company can have either a high or extremely high impact on the topic</strong></td>
<td>82.6%</td>
<td>73.4%</td>
<td>59.2%</td>
<td>55.5%</td>
<td>61.0%</td>
<td>27.1%</td>
<td>18.3%</td>
<td>86.7%</td>
</tr>
</tbody>
</table>
Section 3 Analysis: Environmental Stewardship

For question 8 and 9, topic ratings are in a slightly different order than forced ranks. The following environmental priorities are ranked in order: “Resource Use,” “Energy,” “Waste,” “Voice of the Consumer,” “Water,” “Life Cycle Assessment,” “Transportation,” “Climate Change,” and “Agriculture/Biodiversity.”

When forced to rank priorities in question 9, “Water,” “Life Cycle Assessment,” “Agriculture/Biodiversity,” “Climate Change,” and “Transportation” decreased in importance significantly; this might be because employees see the company having less control over these topics, similar to the perception that employees may have of “Indirect Economic Impacts” and “Procurement and Supply Chain Practices” from the previous section.

It is interesting to note that although “Emissions” and “Agriculture/Biodiversity” relate directly with “Climate Change,” since rising human-made emissions and worsening agricultural practices lead to further change in climate and lower global biodiversity rates lower the planet’s ability to cope with changes in climate, there were disconnects between how much control employees believed the company had over each topic (Perrings, 2010). Additionally, all of the other topics within this section combine to be factors that could improve the environmental condition of the planet, as well as decrease the likelihood of the worst effects of climate change on current and future generations. This discrepancy and potentially high variability in responses may allude to the political nature of the term “climate change,” rather than a purely scientific understanding of the topic.

It is important to note that although agriculture and biodiversity were originally separate topics, they were combined to reduce survey fatigue and because they relate in a similar way to a food packaging company; actions towards the protection of both topics can lead to less risk for the company’s customer base, which are primarily food manufacturing companies. Thus, it is interesting that although FPI’s customers view sustainable agriculture and biodiversity practices as one of the most important priorities, employees at FPI currently view this topic as one of the lowest priorities. This presents an opportunity to educate employees to better prioritize sustainable agriculture and biodiversity practices, and to connect this topic to larger global issues such as changes in climate. It also presents the opportunity to carry through the customer priority of more agriculturally sustainable practices, such as less food waste, into FPI’s manufacturing capabilities. This ensures that customer efforts to preserve and increase the quality of foods are successful at the packaging and distribution stages of the foods’ life cycle.

Although “Life Cycle Assessment” relates directly to “Procurement and Supply Chain Practices” and “Waste” as they are part of a product’s full life cycle, less employees viewed “Life Cycle Assessment” as either extremely important or very important. This is surprising because a significant amount of work has been done to better understand the life cycle of the company’s products. It is also important to note that “Waste,” another aspect of a product’s life cycle was seen as the most important topic within the category. This indicates that there may be a
disconnection between the ideas of waste, supply chain practices and the full life cycle of a product.

Furthermore, “Voice of the Consumer,” or environmental grievance mechanisms for companies to receive environmental complaints and provide solutions, ranked highly as the fourth most important employee priority but ranked quite low amongst FPI’s customers. This may be because FPI values the voice of the consumer and has formalized a process for receiving feedback, which may be well ahead of the curve among customers and competitors.
Section 4 Results: Social Stewardship

Table 9. Social Stewardship Results

<table>
<thead>
<tr>
<th></th>
<th>Local Communities</th>
<th>Partnerships</th>
<th>Workplace Culture</th>
<th>Occupational Health and Safety</th>
<th>Customer Health and Safety</th>
<th>Product Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. While keeping the last 5 years in mind, please rate how important the following Social Stewardship priorities will be to FPI over the next 5 to 10 years. [5=Extremely Important, 4=Very Important, 3=Moderately Important, 2=Slightly Important, 1=Not Important at All]</td>
<td>Average Rating</td>
<td>3.80</td>
<td>3.90</td>
<td>4.55</td>
<td>4.57</td>
<td>4.22</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is very or extremely important</td>
<td>66.5%</td>
<td>70.2%</td>
<td>90.8%</td>
<td>92.2%</td>
<td>81.7%</td>
<td>93.6%</td>
</tr>
<tr>
<td>12. While keeping the past 5 years in mind, what would you suggest as FPI's Social Stewardship priorities over the next 5 to 10 years?</td>
<td>Overall Rank (Average Rank)</td>
<td>6 (4.74)</td>
<td>5 (4.52)</td>
<td>2 (2.65)</td>
<td>1 (2.49)</td>
<td>4 (3.37)</td>
</tr>
<tr>
<td>Percentage of respondents who believe the topic is either the first or second priority</td>
<td>9.2%</td>
<td>13.8%</td>
<td>48.6%</td>
<td>56.9%</td>
<td>39.0%</td>
<td>32.6%</td>
</tr>
</tbody>
</table>
13. How much impact can FPI have over each topic? In other words, how much control does the company have over the topic? [5=Extremely High Impact, 4= High Impact, 3=Moderate Impact, 2=Slight Impact, 1=No Impact]

<table>
<thead>
<tr>
<th>Average Rating</th>
<th>Local Communities</th>
<th>Partnerships</th>
<th>Workplace Culture</th>
<th>Occupational Health and Safety</th>
<th>Customer Health and Safety</th>
<th>Product Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.79</td>
<td>3.82</td>
<td>4.71</td>
<td>4.61</td>
<td>3.94</td>
<td>4.38</td>
<td></td>
</tr>
<tr>
<td>Percentage of respondents who believe the company can have high or extremely high impact over the topic</td>
<td>62.8%</td>
<td>65.1%</td>
<td>95.9%</td>
<td>94.5%</td>
<td>68.3%</td>
<td>89.0%</td>
</tr>
</tbody>
</table>
Section 4 Analysis: Social Stewardship

As a reminder, this section was included to be a comparison for the Economic and Environmental Stewardship sections. More specifically from conversations, interviews, and background research, “Local Communities” was predicted to be the highest priority within this section and possibly amongst all surveyed material topics. With at least two thirds of respondents indicating these social topics as either very or extremely important, social stewardship topics can serve as a comparison for other topics.

For question 11 and 12, topic ratings are in a slightly different order than forced ranks. The following social priorities are ranked the following in order: “Occupational Health and Safety,” “Workplace Culture,” “Product Responsibility,” “Customer Health and Safety,” “Partnerships,” and “Local Communities.” When forced to rank priorities, “Local Communities,” “Partnerships,” “Customer Health and Safety,” and “Product Responsibility” decreased in importance significantly. It is interesting to note that when forced to rank, “Local Communities” was the lowest suggested priority over the next five to ten years, although this is clearly a current and historical priority for the company. This may indicate that employees would like to move some attention from local communities and allow more attention on other stewardship topics.

Lastly, over 62.8% of respondents believe the company can have high or extremely high impact over all of the social stewardship topics. This indicates a perception within the company that there is high control over social issues as compared to other issues, as mentioned previously. There is nearly twice as much belief in the impact potential of the company’s social stewardship work than in the same impact potential over certain economic stewardship topics. There is over three times as much belief in the impact potential of the company’s social stewardship work than the same impact potential over certain environmental topics.

Perhaps engaging in more initiatives outside of the social realm may allow internal stakeholders to better understand how they can have higher influence over economic and environmental issues.

Section 5 Analysis: Regional Differences

Employees agree that all of the topics have some regional difference. It is interesting to note that although employees believe there are strong regional differences in the context of work within local communities, employees still believe the company can have a high influence over the topic.
### Section 5 Results: Regional Differences and Further Thoughts

14. Are there regional differences for any of these topics?

**Figure 4. Regional Differences**

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<thead>
<tr>
<th>Topic</th>
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</tr>
<tr>
<td>Energy</td>
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</tr>
<tr>
<td>Workplace Culture</td>
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</tr>
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<td>Water</td>
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</tr>
<tr>
<td>Economic Performance</td>
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</tr>
<tr>
<td>Resource Use</td>
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</tr>
<tr>
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</tr>
<tr>
<td>Voice of the Consumer</td>
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<td>Procurement and Supply Chain Practices</td>
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<tr>
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<tr>
<td>Indirect Economic Impacts</td>
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<tr>
<td>Climate Change</td>
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</tr>
<tr>
<td>Partnerships</td>
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<td>Life Cycle Assessment</td>
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<td>Product Responsibility</td>
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<tr>
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Response Counts with Percentages
Table 10. Regional Differences

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Responses to the following qualitative questions are found in Appendix M:

15. If so, please provide an explanation for topics selected.
16. What should we communicate to our shareholders, employees (and prospective employees), customers, and consumers?
17. If you had unlimited time and other resources, what projects or initiatives would you personally create or support over the next 5-10 years? Any other thoughts?
Section 6 Results: Materiality Matrix

Figure 5. Final Materiality Matrix. Internal Stakeholder Priorities: 3: Moderately Important, 4: Very Important, 5: Extremely Important.
Figure 6. SASB Materiality Matrix (Alternative Guidelines). Internal Stakeholder Priorities: 1: Not Important at All, 2: Slightly Important, 3: Moderately Important, 4: Very Important, 5: Extremely Important.
Section 6 Analysis: Materiality Matrix

It is important to note that the X-axis here has been narrowed down from a scale of one to five, or “Not Important at All” to “Extremely Important,” to three to five, or “Moderately Important” to “Extremely Important.” This better demonstrates the differences in internal perspectives between each of the material topics. Based on the Materiality Matrix in Figure 5, these are the suggested top priorities for FPI to focus on for their first sustainability report; these topics can, of course, be narrowed down further, if desired:

1. Waste
2. Workplace Culture
3. Consumer Health & Safety
4. Local Communities
5. Water
6. Agriculture/ Biodiversity
7. Climate Change
8. Occupational Health & Safety
9. Energy
10. Supply Chain

These are the remaining material topics in order of importance:

Midline Priorities:
11. Resource Use (Resources)
12. Partnerships

Not high priorities externally although important within company:
13. Economic Performance
14. Product Responsibility
15. Market Presence
16. Voice of Customer

Not high priorities externally nor relatively important within company:
17. Transportation
18. Life Cycle Assessment
19. Indirect Economic Impacts

The additional piece of data in the matrix is the bubble sizes for the topics, which shows perceptions for how much impact the company can have over each topic. Although differences in the level of perceived impact are well represented in the values in Tables 7-9, further transformations of the data need to be done for these differences to show on the final Materiality Matrix.
An alternative materiality matrix was created with SASB’s materiality topics for the Containers and Packaging Industry (SASB, 2015). From this matrix, it is noted that “Waste” is still the highest external stakeholder priority and that tallies for all other external priorities are either 0 to 1, leaving little strength in the results. Also, since only ten topics are reported under the Containers and Packaging Industry for SASB, if a topic was not mentioned in SASB’s guidelines, it was given an automatic value on the Y-axis of 0.

Since SASB’s Materiality Map has less differentiable priorities and the packaging industry is quite diverse, these proxy values are less useful; see Appendix N for a snapshot of the Materiality Map (SASB, 2017). Firstly, the Map does not specify priorities within types of “Containers and Packaging” companies. Additionally, the map indicates which topics are important to a majority of companies within a given industry, but it does not specify a percentage other than 50% to better differentiate how much of the industry cares about these topics. Additionally, companies that package food like FPI will keep an eye on different global issues than companies that package toys, clothes, or other materials. For this reason, the original materiality matrix is preferred over the alternatives as it combines topics from all major reporting indices and better differentiates FPI’s customer priorities.

After returning to the original matrix, it is noted that another variation on the matrix is possible. Although this would stray from standard industry practices for materiality assessments, it would be an interesting next step to visualize a materiality matrix with forced ranks within each stewardship category against customer priorities.
Conclusion and Future Steps

Recommendations

The recommendations described in the report are highlighted below. As noted, there were pieces remaining from the first two steps of FPI’s sustainability report pursued in this project, namely the materiality assessment and the interviews with leadership. It is recommended that the company finalize these before proceeding to the remaining stages, since the subsequent steps are directly linked to findings from these first two steps. To reiterate, completing these initial steps entails conducting the same survey given to internal stakeholders (Appendix E) with external stakeholders and interviewing the remaining leadership listed in Appendix H. After this is accomplished, it is strongly recommended that the company continue on the path towards building a sustainability report. Moreover, if these same objectives can be achieved through a CSR Report, creating a CSR Report could be an equally effective alternative.

The remaining steps towards a sustainability report, with additional notes, include:

- **Conducting statistical analyses on the quantitative and qualitative data**: analyze survey data and interview responses to collect perspectives on material topics for the company to focus on
- **Engaging with a variety of FPI’s partners and stakeholders to achieve a holistic perspective on the company’s stewardship**: as Hain Celestial has demonstrated benefits from engaging with various stakeholders, FPI would similarly benefit from this type of effort (Hain Celestial, 2016)
  - Include data from competitor sustainability reports to ensure the company is aware of their competitors’ work in the field and to better detect competitive advantages
- **Identifying, benchmarking, and monitoring KPI’s**: collect and track data on material issues selected from the materiality assessment, benchmark these values against competitors and measure the results
- **Checking the quality of the report**: verify the quality of the work along the way by checking in with key stakeholders
- **Auditing**: allow KPI data to be reviewed externally to confirm and vouch for values
- **Organizing, documenting, and designing the sustainability report**: structure and write the report using the company’s marketing standards for certain audiences and formats
- **Distributing the report**: share the report with selected audiences while maintaining a desired level of transparency about progress towards goals
- **Maintaining a consistent reporting schedule**: report on key indicators on an annual or biannual basis
- **Incorporating findings and goals from the sustainability report into the company’s strategic business plan**: ensure recommendations for the viability and growth of the company are applied to the company’s strategic plans; as [Redacted] mentioned in
conversation, the goal is to fill the gap between “the company’s cultural assessment and the company’s strategic goals and corporate initiatives”

Publishing a sustainability report would allow FPI to visibly demonstrate its commitment to environmental, social, and economic sustainability. Moreover, investing the company’s resources in the most important areas of focus for the external and internal stakeholders of an organization ensures that current and future business strategies remain effective and any risks to profit and reputation are managed. Overall, this would mean the company is actively investing in its future in a significant, data driven, and efficient way.

Conclusion
This report includes sufficient background, data, and recommendations for FPI to pursue its first sustainability report. From the materiality assessment conducted for the company, the list below highlights the recommended material topics for the company to focus on for its first sustainability report. The remaining material topics surveyed that are not listed here are lower priorities.

1. Waste
2. Workplace Culture
3. Consumer Health & Safety
4. Local Communities
5. Water
6. Agriculture/ Biodiversity
7. Climate Change
8. Occupational Health & Safety
9. Energy
10. Supply Chain

Although significant time requirements have historically presented challenges to the creation of a sustainability report, this work formalizes FPI’s concern for the environment and interest in improving its sustainable business practices. Even though pursuing next steps are outside of the scope of this report, this work seems to have provided impetus for further research and progress towards more sustainability initiatives. The materiality assessment will be distributed to the company’s employees; a sustainability report would serve the company’s current and prospective customers, and may be made available to the general public. It would be interesting to observe the company’s next steps after the distribution of this report.

Lastly, this report can also be used as a model for other organizations, both public and private, that are pursuing a sustainability report; it highlights best practices for sustainability reporting and incorporates a company’s data and perspectives, which can serve as a case study for others.
References


Appendix

Appendix A: Comprehensive, Hybrid List of Materiality Topics

1. Economic Performance
2. Market Presence
3. Indirect Economic Impacts
4. Procurement Practices/traceability
   • Sustainable sourcing
5. Materials
6. Energy
7. Water
8. Biodiversity
9. Agriculture, Forestry/Animal Welfare
10. Emissions
    • Climate change
11. Effluents and Waste
    • Packaging, waste and recyclability; Circular economy; Operational impact (all categories)/Environmental Management Systems (EMS)
12. Products and Services
13. Compliance (Environmental)
14. Transport
15. Supplier Environmental Assessment/ LCA/ Supply chain risk assessment
16. Environmental Grievance Mechanisms
17. Overall (Environmental)

18. Local Communities
    • Women’s empowerment, health, education; Military and their families; Increasing food security/access; Water, sanitation, and hygiene
    • Anti-corruption; Transparency; Customer Privacy
20. Anti-competitive Behavior
    • Stakeholder engagement/inclusive business models/ joining forces with suppliers for commitments
21. Public Policy
22. Compliance (Societal)
23. Supplier Assessment for Impacts on Society
24. Grievance Mechanisms for Impacts on Society

25. Employment
   • Youth employability
26. Labor/Management Relations
   • Workplace culture; Talent attraction, engagement, growth; Retirement benefits
27. Diversity and Equal Opportunity
28. Equal Remuneration for Women and Men/ Gender Equality
29. Supplier Assessment for Labor Practices
30. Labor Practices Grievance Mechanisms
31. Occupational Health and Safety/ well-being
32. Training and Education/ professional development

33. Human Rights
   • Investment (in Human Rights); Child Labor; Forced or Compulsory Labor; Indigenous Rights; Intersectionality
34. Education
35. Non-discrimination
36. Freedom of Association and Collective Bargaining
37. Security Practices
38. Assessment (human rights)
39. Supplier Human Rights Assessment/ socially responsible sourcing/ responsible purchasing
40. Grievance Mechanisms for Human Rights

41. Customer Health and Safety
   • Innovating more nutritious options/health and wellness
   • Overnutrition and undernutrition
42. Product and Service Labeling/ raising consumer awareness
43. Marketing Communications
44. Compliance (Product Responsibility)
   • Corporate Governance, Risk Management and Compliance
Appendix B: Advice from Industry Leader on Scope
On Thu, Jul 20, 2017 at 12:43 PM, Bianca Conde <[Redacted]> wrote:

Hello Haseena,

It is great to hear from you and your studies at Duke. In general preparing a sustainability report is an extensive process and having multinational locations adds some complexity to the overall equation. Below I will describe a bird’s eye view of the process at Fibria.

- Materiality Assessment – in order to write a report one must first undergo a materiality assessment to identify the material issues for the business and for its stakeholders. (Note: Our last materiality assessment refresh took 3 months, 40 internal and external interviews, online survey, workshops. You could possibly investigate if a materiality assessment could be your MP).
- Interviews – We have to interview the leadership of the various departments within the company to see the key takeaways of the year
- Quantitative Information – If FPI does not monitor and report on indicators according to GRI you would have to first identify key indicators that should be addressed given your material issues and then create worksheets for each indicator to facilitate the data collection.
- Focal Points – Identify focal points for each indicator in each office (here is where it gets more complex when you are talking about multinationals) who would be responsible for answering the GRI indicators
- Quality Check – You would then have to receive all the KPIs and check that these several focal points answered using the same assumptions/units/etc.
- Audit – You would probably not do this step with the first report but the indicators would then have to go through an external audit. There would also be an external audit for the GHG Inventory if the company chooses to publish one.
- Defining the “Table of Contents” or how to structure the report – What are the chapters that will be part of the report and how will you distribute the information. How will you include the aforementioned KPIs with text analysis that is readable and interesting.
- Writing – no need to explain this part
- Checking the information with several departments and leadership
- Designing the information – This would probably not be a necessary step for the first report since I am guessing you are planning to write it on Word, correct?

I believe those are the most important milestones when thinking of a report. If you would like we can certainly schedule a skype chat to discuss more in depth. Hope this was helpful.

Best,

Bianca
Appendix C: Results from Review of FPI’s External Stakeholder Priorities

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<td>Local Communities</td>
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<td>Local Communities</td>
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<td>Women’s empowerment, health, education</td>
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<td>Military and their families</td>
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<tr>
<td>Increasing food security/access</td>
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<tr>
<td>Water, sanitation and hygiene</td>
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<td>Stakeholder engagement/inclusive business models/joining forces with suppliers for commitments</td>
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<td>Business Ethics/Corporate Responsibility</td>
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<td>Business Ethics/Corporate Responsibility</td>
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<td>Customer Privacy</td>
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<td>Anti-competitive Behavior</td>
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<td>Public Policy</td>
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<td>Compliance (Societal)</td>
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<tr>
<td>Supplier Assessment for Impacts on Society</td>
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<td>Grievance Mechanisms for Impacts on Society</td>
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<td><strong>Labor Practices and Decent Work</strong></td>
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<td><strong>Labor/Management Relations</strong></td>
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<td>Talent attraction, engagement, growth</td>
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<td>Retirement benefits</td>
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<td><strong>Diversity and Equal Opportunity</strong></td>
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<td>Equal Remuneration for Women and Men/ Gender Equality</td>
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<td><strong>Supplier Assessment for Labor Practices</strong></td>
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<td><strong>Labor Practices Grievance Mechanisms</strong></td>
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<td><strong>Occupational Health and Safety/ well-being</strong></td>
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<td><strong>Training and Education/ professional development</strong></td>
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<td><strong>Human Rights</strong></td>
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<td>Human Rights</td>
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<tr>
<td>Investment (in Human Rights)</td>
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<td>Child Labor</td>
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<td>Forced or Compulsory Labor</td>
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<td>Indigenous Rights</td>
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<td>Intersectionality</td>
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<td><strong>Education</strong></td>
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<td>Non-discrimination</td>
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<td>Freedom of Association and Collective Bargaining</td>
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<td>Security Practices</td>
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<td>Assessment (human rights)</td>
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<td>Supplier Human Rights Assessment/ socially responsible sourcing/ responsible purchasing</td>
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<tr>
<td>Grievance Mechanisms</td>
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<tr>
<td><strong>Product Responsibility</strong></td>
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<td><strong>Customer Health and Safety</strong></td>
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<tr>
<td>Customer Health and Safety</td>
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<td>Innovating more nutritious options/health and wellness</td>
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<tr>
<td>Overnutrition and undernutrition</td>
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<td>Product and Service Labeling/ raising consumer awareness</td>
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<td><strong>Marketing Communications</strong></td>
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<td>Compliance (Product Responsibility)</td>
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<td>Compliance (Product Responsibility)</td>
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<td>Corporate Governance, Risk Management and Compliance</td>
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## Appendix D: Comprehensive List of Materiality Topics with Descriptions and Alternative Wording

<table>
<thead>
<tr>
<th>Umbrella Topics w/ Subtopics</th>
<th>Description</th>
<th>Alternate wording</th>
</tr>
</thead>
</table>
| 1. Economic Performance      | • How the company creates wealth for its stakeholders  
|                              | • The company’s regularly assessed monetary figures  
|                              | • Creation and distribution of company’s economic activity  
|                              | o Ex. Revenue, profits | • Direct economic impacts to stakeholders  
|                              |                           | • Econ. performance |
| 2. Market Presence           | • Company’s presence within the packaging market | |
| 3. Indirect Economic Impacts | • Company’s impacts on local, regional and global economic systems  
|                              | • Contribution to the local, regional and global economies  
|                              | • Contribution to the economic condition of the company’s stakeholders  
|                              | o Ex: infrastructure investment, “changes in the productivity of organizations, sectors, or the whole economy (such as through greater adoption of information technology,” “number of dependents supported through income of a single job,” availability of products to low income individuals  
| 4. Procurement Practices/ traceability  
| a. Sustainable sourcing     | • Who the company supplies its materials and labor from  
|                              | o Ex. Support of local, minority, conflict free suppliers | • Supply Chain  
|                              |                           | • Procurement |
| 5. Materials                 | • Renewable (trees, water) and non-renewable resources (petroleum, natural gas) natural resources used by the company | • Renewable and non-renewable natural resources |
| 6. Energy                    | • Renewable (solar power, wind power, hydropower) and non-renewable (petroleum, natural gas, diesel) energy resources | • Energy resources |
| 7. Water                     | • The company’s use of local, regional and global water resources | • Water resources |
| 8. Biodiversity              | • Depending on and supporting a variety of plant and animal resources to avoid supply risks in case there are issues with any one species | • Protecting a variety of plant and animal resources |
| 9. Agriculture, Forestry/Animal Welfare | • The welfare of crops and animals used for company’s packages/products | • Agriculture/animal welfare |
| 10. Emissions                | • Greenhouse gas emissions from within the company’s operations and those linked to the company/partners within the life cycle of a company  
| a. Climate change            | • The company’s impact on the reduction or acceleration of changes within the world’s climate  
|                              | o Ex. Gas emissions from a company’s “electricity, heating, cooling, and steam” consumption | • ?  
<p>|                              |                           | • Environmental performance and sustainability |</p>
<table>
<thead>
<tr>
<th>Environmental Grievance Mechanisms</th>
<th>• System for receiving environmental complaints and providing solutions</th>
<th>• System for Feedback</th>
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</thead>
<tbody>
<tr>
<td>Overall</td>
<td>• The overall environmental impact of the company’s operations</td>
<td>• Overall environmental impact of the company’s operations</td>
</tr>
<tr>
<td>Local Communities</td>
<td>• persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization’s operations</td>
<td>• Community relations</td>
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<tr>
<td>a. Women’s empowerment, health, education</td>
<td>• ex. Women’s empowerment, food security, energy access, sanitation and hygiene</td>
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<tr>
<td>b. Military and their families</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Increasing food security/access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Water, sanitation, and hygiene</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Ethics/Corporate</td>
<td>• The company’ set of ethics</td>
<td>• Business ethics</td>
</tr>
<tr>
<td>a. Anti-corruption</td>
<td>• Ex. Transparency, customer privacy, anti-corruption</td>
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<tr>
<td>b. Transparency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Customer Privacy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-competitive Behavior</td>
<td>• Engaging with stakeholders (suppliers and partners) for commitments</td>
<td>• Importance of partnership</td>
</tr>
<tr>
<td>a. Stakeholder engagement/inclusive business models/joining forces with suppliers for commitments</td>
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<td>Social/Labor</td>
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</table>
| **21. Public Policy** | • Engaging with local, regional and global organizations to develop and improve policy for the general public  
  o Ex. Lobbying, contributions to political causes | • Engaging in Public Policy |
| **22. Compliance (Societal)** | • Reducing risk by complying with local, regional and global societal laws and policies | • Social policy compliance |
| **23. Supplier Assessment for Impacts on Society** | • Assessing the societal risks of the companies’ suppliers | • Assessing the societal risks of the company’s supply chain |
| **24. Grievance Mechanisms for Impacts on Society** | • System for receiving societal complaints and offering solutions | • System for Feedback |
| **25. Employment** |  |
| a. Youth employability | • Providing jobs to people |  |
| **26. Labor/Management Relations** |  |
| a. Workplace culture | • Creating a positive work culture to attract, engage and manage employees |  |
| b. Talent attraction, engagement, growth |  |
| c. Retirement benefits |  |
| **27. Diversity and Equal Opportunity** | • Equal employment benefits and opportunities for all ethnicities and abilities  
  o Ex. Employing youth, ethnic minorities and other disadvantaged groups | • Equal opportunity  
  • Diversity and inclusion |
| **28. Equal Remuneration for Women and Men/ Gender Equality** | • Equal employment benefits and opportunities for all genders  
  o Ex. Equal pay for men and women | • Gender equality |
| **29. Supplier Assessment for Labor Practices** | • Assessing the labor risks of the companies’ suppliers | • Assessing the labor risks of the company’s supply chain |
| **30. Labor Practices Grievance Mechanisms** | • System for receiving labor complaints and offering solutions | • System for Feedback |
| **31. Occupational Health and Safety/ well-being** | • Health and wellbeing of employees | • Health and safety performance |
| **32. Training and Education/ professional development** | • Professional development opportunities for employees  
  o Ex. Training and education opportunities | • Professional development |
### 33. Human Rights
- **a.** Investment (in Human Rights)
- **b.** Child Labor
- **c.** Forced or Compulsory Labor
- **d.** Indigenous Rights
- **e.** Intersectionality

- Protecting basic human rights through business practices
  - Ex. Avoiding child, forced or compulsory labor
  - Ex. Supporting investment, indigenous rights and intersectionality (stronger cultural struggles on people with multiple minority identities)

### 34. Education
- Equal and high quality education available to all
- Educational opportunity

### 35. Non-discrimination
- Equal benefits and opportunities available to all
- No discrimination against anyone

### 36. Freedom of Association and Collective Bargaining
- The freedom to collaborate with organizations and negotiate working conditions
  - Participate in unions
- Freedom to negotiate working conditions independently or with representatives

### 37. Security Practices
- “Providing effective training in human rights therefore helps to make sure that security personnel understand when to use force in an appropriate way, and how to ensure respect for human rights.”
  - Ex. Training enforcement on internal biases, human trafficking, etc.
- Security enforcement trained in human rights

### 38. Assessment (human rights)
- Assessing the human rights risks within the company and educating employees to screen for impacts
  - “In order to identify, prevent and mitigate negative human rights impacts, an organization can undertake human rights reviews or impact assessments of its operations. It can also implement specialized training that equips employees to address human rights in the course of their regular work. In addition, an organization can integrate human rights criteria in screening, or include human rights criteria in performance requirements when making contracts and agreements with other parties, such as joint ventures and subsidiaries.”

### 39. Supplier Human Rights Assessment/ socially responsible sourcing/ responsible purchasing
- Assessing the human rights risks of the companies’ suppliers
- Sourcing/purchasing from socially responsible suppliers
- Assessing the human rights risks of the company’s supply chain

### 40. Grievance Mechanisms for Human Rights
- System for receiving labor complaints and offering solutions
- System for Feedback
<table>
<thead>
<tr>
<th>41. Customer Health and Safety</th>
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<tbody>
<tr>
<td>a. Innovating more nutritious options/health and wellness</td>
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<tr>
<td>b. Overnutrition and undernutrition</td>
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<tr>
<td>• Improving the nutrition and safety of products</td>
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<thead>
<tr>
<th>42. Product and Service Labeling/raising consumer awareness</th>
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<tbody>
<tr>
<td>• Labeling products with detailed and accurate product information</td>
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<tr>
<td>o Ex. Sharing the footprint of a product on a label</td>
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<table>
<thead>
<tr>
<th>43. Marketing Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Marketing products with detailed and accurate product information</td>
</tr>
<tr>
<td>o Ex. Sharing the footprint of a product in a tv commercial</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>44. Compliance (Product Responsibility)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Corporate Governance, Risk Management and Compliance</td>
</tr>
<tr>
<td>• Reducing risk by complying with local, regional and global product responsibility laws and policies</td>
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<tr>
<th>Safety and Nutrition</th>
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<tbody>
<tr>
<td>Responsible Labeling</td>
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<td>Responsible Marketing</td>
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<td>consumer health and safety policy compliance</td>
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</table>
Appendix E: Materiality Survey for Internal Stakeholders

2017 Materiality Survey

This anonymous form is intended to survey how important different stewardship topics are to FPI. For each question, please think back over the past 5 years and consider FPI's priorities over the next 5 to 10 years. The survey will take 10-15 minutes.

The form will remain open from Monday, October 16 until Friday, October 20.

We thank you for your valued input.

* Required

Your Background

1. How many years have you been at FPI? (Optional) Mark only one oval.
   - [ ] 0-1 years
   - [ ] 2-5 years
   - [ ] 6-10 years
   - [ ] 10-20 years
   - [ ] 20+ years

2. What department are you in at FPI? (Optional) Mark only one oval.
   - [ ] Operations
   - [ ] Marketing
   - [ ] Compliance
   - [ ] Legal
   - [ ] Sales
   - [ ] Supply Chain
   - [ ] Product Development
   - [ ] Project Management
   - [ ] Information Technology
   - [ ] Human Resources
   - [ ] Engineering
   - [ ] Environmental Health and Safety
   - [ ] Other: ____________________________
3. Gender? (Optional)
   *Mark only one oval.*
   - [ ] Female
   - [ ] Male
   - [ ] Other:

4. Your age? (Optional)
   *Mark only one oval.*
   - [ ] Under 25
   - [ ] 26 to 35
   - [ ] 36 to 45
   - [ ] 46 to 55
   - [ ] 56 to 65
   - [ ] 65+

FPI's Economic Stewardship

For your convenience, below are topics that are referenced in this section:

- Economic Performance: how the company creates wealth for its stakeholders; ex. revenue and profits
- Market Presence: the company’s presence within the packaging market, including with customers, suppliers, and competitors
- Indirect Economic Impacts: indirect impacts to local, regional, and global economies; ex. infrastructure, technology, and job opportunities created by the company
- Procurement and Supply Chain Practices: reducing economic risks from the company’s suppliers; ex. tracking suppliers to ensure all risks and opportunities are accounted for

5. While keeping the last 5 years in mind, please rate how important the following Economic Stewardship priorities will be to FPI over the next 5 to 10 years.*
   *Please note that multiple topics can have the same rating.*
   *Mark only one oval per row.*

<table>
<thead>
<tr>
<th></th>
<th>Extremely Important</th>
<th>Very Important</th>
<th>Moderately Important</th>
<th>Slightly Important</th>
<th>Not Important at All</th>
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<td>Market Presence</td>
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<td>Indirect Economic Impacts</td>
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<tr>
<td>Procurement and Supply Chain Practice</td>
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6. While keeping the past 5 years in mind, what would you suggest as FPI's Economic Stewardship priorities over the next 5 to 10 years? *
Please note that topics must be ranked in order.
Mark only one oval per row.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Economic Performance</th>
<th>Market Presence</th>
<th>Indirect Economic Impacts</th>
<th>Procurement and Supply Chain Practice</th>
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7. How much impact can FPI have over each topic? In other words, how much control does the company have over the topic? *
Please note that multiple topics can have the same rating.
Mark only one oval per row.

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<thead>
<tr>
<th>Impact</th>
<th>Economic Performance</th>
<th>Market Presence</th>
<th>Indirect Economic Impacts</th>
<th>Procurement and Supply Chain Practice</th>
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FPI's Environmental Stewardship
For your convenience, below are topics that are referenced in this section:

- Resource Use: the company’s use of renewable and nonrenewable natural resources; ex. wood, palm oil, minerals, aluminum
- Energy: the company’s use of renewable and nonrenewable energy resources; ex. petroleum, natural gas, solar power
- Water: the company’s use of local, regional, and global water resources
- Life Cycle Assessment: assessing and reducing environmental risks of a product’s life cycle, including the manufacturing, supply, transportation, consumption, and waste disposal steps
- Voice of the Consumer: system for receiving environmental complaints and providing solutions
- Agriculture/Biodiversity: the welfare of animals and crops the company uses in its products; supporting and supplying from a variety of plant and animal resources to avoid supply risks from depending on only one species
- Climate Change: reducing greenhouse gas emissions from the company’s operations
- Waste: the ability to reuse and recycle materials; creating, treating, and disposing of waste products to landfills and recycling facilities
- Transportation: clean and efficient transportation of goods and services
8. While keeping the last 5 years in mind, please rate how important the following Environmental Stewardship priorities will be to FPI over the next 5 to 10 years. *

Please note that multiple topics can have the same rating.

Mark only one oval per row.

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<thead>
<tr>
<th>Priority</th>
<th>Extremely Important</th>
<th>Very Important</th>
<th>Moderately Important</th>
<th>Slightly Important</th>
<th>Not Important at All</th>
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<td>Life Cycle Assessment</td>
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<td>Voice of the Consumer</td>
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<td>Agriculture/Biodiversity</td>
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<td>Waste</td>
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<td>Transportation</td>
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9. While keeping the past 5 years in mind, what would you suggest as FPI’s Environmental Stewardship priorities over the next 5 to 10 years? *

Please note that topics must be ranked in order. You may need to scroll to the right or zoom out to see all available priorities.

Mark only one oval per row.

Top Priority: 1  2  3  4  5  6  7  8  Last Priority: 9

<table>
<thead>
<tr>
<th>Priority</th>
<th>Resource Use</th>
<th>Energy</th>
<th>Water</th>
<th>Life Cycle Assessment</th>
<th>Voice of the Consumer</th>
<th>Agriculture/Biodiversity</th>
<th>Climate Change</th>
<th>Waste</th>
<th>Transportation</th>
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<tr>
<td>Priority</td>
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<td>Water</td>
<td>Life Cycle Assessment</td>
<td>Voice of the Consumer</td>
<td>Agriculture/Biodiversity</td>
<td>Climate Change</td>
<td>Waste</td>
<td>Transportation</td>
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</tbody>
</table>

10. How much impact can FPI have over each topic? *

Please note that multiple topics can have the same rating.

Mark only one oval per row.

<table>
<thead>
<tr>
<th>Priority</th>
<th>Extremely High Impact</th>
<th>High Impact</th>
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<td>Voice of the Consumer</td>
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<td>Agriculture/Biodiversity</td>
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<td>Transportation</td>
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FPI's Social Stewardship

For your convenience, below are topics that are referenced in this section:

- Local Communities: education, youth development, water, and community health and empowerment
- Partnerships: collaborations with NGO’s, government, and businesses
- Workplace Culture: talent recruitment and professional growth opportunities
- Occupational Health and Safety: health and well-being of employees
- Customer Health and Safety: health and well-being of consumers, nutrition
- Product Responsibility: providing customers with safe products that comply with related policies and have accurate labeling

While keeping the past 5 years in mind, please rate how important the following Social Stewardship priorities will be to FPI over the next 5 to 10 years. *

Please note that multiple topics can have the same rating.

*Mark only one oval per row.*

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<tr>
<th></th>
<th>Extremely Important</th>
<th>Very Important</th>
<th>Moderately Important</th>
<th>Slightly Important</th>
<th>Not Important at All</th>
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11. While keeping the past 5 years in mind, what would you suggest as FPI’s Social Stewardship priorities over the next 5 to 10 years? *

Please note that topics must be ranked in order.

*Mark only one oval per row.*

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<tr>
<th></th>
<th>Top Priority: 1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Last Priority: 6</th>
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<td>Local Communities</td>
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12. How much impact can FPI have over each topic? *  
Please note that multiple topics can have the same rating.  
Mark only one oval per row.

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<thead>
<tr>
<th>Topic</th>
<th>Extremely High Impact</th>
<th>High Impact</th>
<th>Moderate Impact</th>
<th>Slight Impact</th>
<th>No Impact</th>
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<td>Workplace Culture</td>
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<td>Product Responsibility</td>
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Regional Differences and Further Thoughts

13. Are there regional differences for any of these topics? *  
Check all that apply.

☐ Economic Performance  
☐ Market Presence  
☐ Indirect Economic Impacts  
☐ Procurement and Supply Chain Practices  
☐ Resource Use  
☐ Energy  
☐ Water  
☐ Biodiversity  
☐ Life Cycle Assessment  
☐ Voice of the Consumer  
☐ Agriculture  
☐ Climate Change  
☐ Waste  
☐ Transportation  
☐ Local Communities  
☐ Partnerships  
☐ Workplace Culture  
☐ Occupational Health and Safety  
☐ Customer Health and Safety  
☐ Product Responsibility  
☐ None of the Above  
☐ Other: ____________________________
14. If so, please provide an explanation for topics selected.


15. What should we communicate to our shareholders, employees (and prospective employees), customers, and consumers?


16. If you had unlimited time and other resources, what projects or initiatives would you personally create or support over the next 5-10 years? Any other thoughts?


17. If you would like to receive results from this report, please include your email address below. The results of the survey will still remain anonymous.
Appendix F: Condensed List of Materiality Topics

**Economic Stewardship:**
1. **Economic Performance:** how the company creates wealth for its stakeholders; ex. revenue and profits
2. **Market Presence:** the company’s presence within the packaging market, including with customers, suppliers, and competitors
3. **Indirect Economic Impacts:** indirect impacts to local, regional, and global economies; ex. infrastructure, technology, and job opportunities created by the company
4. **Procurement and Supply Chain Practices:** reducing economic risks from the company’s suppliers; ex. tracking suppliers to ensure all risks and opportunities are accounted for

**Environmental Stewardship:**
1. **Resource Use:** the company’s use of renewable and nonrenewable natural resources; ex. wood, palm oil, minerals, aluminum
2. **Energy:** the company’s use of renewable and nonrenewable energy resources; ex. petroleum, natural gas, solar power
3. **Water:** the company’s use of local, regional, and global water resources
4. **Life Cycle Assessment:** assessing and reducing environmental risks of a product’s life cycle, including the manufacturing, supply, transportation, consumption, and waste disposal steps
5. **Voice of the Consumer:** system for receiving environmental complaints and providing solutions
6. **Agriculture/Biodiversity:** the welfare of animals and crops the company uses in its products; supporting and supplying from a variety of plant and animal resources to avoid supply risks from depending on only one species
7. **Climate Change:** reducing greenhouse gas emissions from the company’s operations
8. **Waste:** the ability to reuse and recycle materials; creating, treating, and disposing of waste products to landfills and recycling facilities
9. **Transportation:** clean and efficient transportation of goods and services

**Social Stewardship:**
1. **Local Communities:** education, youth development, water, and community health and empowerment
2. **Partnerships:** collaborations with NGO’s, government, and businesses
3. **Workplace Culture:** talent recruitment and professional growth opportunities
4. **Occupational Health and Safety:** health and well-being of employees
5. **Customer Health and Safety:** health and well-being of consumers, nutrition
6. **Product Responsibility:** providing customers with safe products that comply with related policies and have accurate labeling
1 Background

An [Redacted] based packaging company of 4000 employees, with manufacturing locations in the US, China, and Mexico, plans to create their first sustainability report, the purpose of which is to determine the economic, environmental and social factors associated with the company’s everyday activities that are most highly related to sustaining its business in the near term. Forty-four economic, environmental and social topics were formulated based on studies of sustainability reports from competitors and customers. The client has interviewed company leadership and will survey the company’s employees on the importance of the topics with respect to the impact on stakeholders and on the company’s reputation as well as the level of influence the company has over the issue. Interviews and survey responses will be used to identify the top five to ten sustainability topics which are of greatest importance to the company and to create a materiality matrix depicting each topic’s impact on the sustainability of the company’s operations, its importance to stakeholders and the degree to which it is under the control of the company. The SCC has been asked for advice on questions related to survey design, execution and analysis of results.

2 Research Question(s)

The employee survey and executive interviews are part of a larger study to determining sustainability topics of material value to the company. The primary research question is: Based on the past two years, what are the five to ten most important sustainability topics the company should focus on over the next five years?

3 Data

The data are drawn from three main sources.

1. A survey of available sustainability reports from peer companies and clients.
   - These reports were used to identify broad topics that would possibly be covered in the company’s sustainability report.

2. Interviews with the company’s leadership.
   - These are textual responses which could theoretically be mined for sentiment or for usage of topic related keywords.
They are used to filter topics that would be covered by the company’s sustainability report.

3. Surveys administered to employees sampled from selected departments.

- Possible information collected includes:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>Ordinal numeric</td>
<td>Ranking of a topic within its category, in terms of a respondent’s belief of its importance. Values range from priority 1 through priority 4.</td>
</tr>
<tr>
<td>Rating</td>
<td>Ordinal categorical</td>
<td>Importance of a topic to the company. Values range from extremely important to not important at all. (Reasonably treated as ordinal scores 5 to 1.)</td>
</tr>
<tr>
<td>Control</td>
<td>Ordinal categorical</td>
<td>Amount of impact the company has on a topic. Values range from extremely high impact to no impact. (Reasonably treated as ordinal scores 5 to 1.)</td>
</tr>
<tr>
<td>Regional Impact</td>
<td>Binary</td>
<td>Whether regional differences in the importance or impact exist for a topic, and why.</td>
</tr>
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</table>

- Possible covariates includes:

<table>
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<tr>
<th>Variable</th>
<th>Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Department</td>
<td>Categorical</td>
<td>The department of the respondent.</td>
</tr>
<tr>
<td>Gender</td>
<td>Categorical</td>
<td>The gender of the respondent.</td>
</tr>
<tr>
<td>Age</td>
<td>Numerical</td>
<td>The age of the respondent.</td>
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</table>

4 Specific Question(s) for the SCC

The SCC offers advice on the following questions in Section 5:

- How can we evaluate ranking and rating? Which form should we use for the numeric summaries that will be used in the materiality matrix?
- What is a good way to word the time frame covered by the ratings?
- What is lost/gained by removing the “social” section?
- What is an appropriate sample size to achieve reasonable power?
- How can we assess differences in rating across region? Should this be a qualitative side note?
- How can we summarize the leadership interview data?
- What are the risks and benefits to the respondents’ loss of anonymity?
- What is an approach to assess and adjust for ‘unit non-response’?
- What are possible benefits of a quick, small-scale pilot study of the survey instrument?
5 Recommendations

5.1 Approach to Ranking and Rating

With respect to creating effective surveys, determining the volume of choices presented to survey participants is an important element. Research has illustrated that, when presented with a variety of choices, many individuals are less likely to make a decision, what Sheena Iyengar calls “decision paralysis” [1]. Finer gradation of the response scale is only useful when the participant can respond to a variety of options in the scale. It is our recommendation that a five–point ratings scale would provide survey participants with enough choices to delineate topic importance, without creating decision paralysis. We suggest that, instead of the mean value, you summarize ratings by the fraction of ratings at or above a given rating level, for example “very important,” and use this value when constructing the materiality matrix. Finally, we don’t see an obvious role for the rankings in the overall importance metric, but they may be interesting to analyzed separately. A summary of the ratings alone should be sufficient.

5.2 Temporal Wording in Survey Questions

The purpose of prefacing a survey question with a temporal element is to ensure that the participants’ responses reflect their answers over the given time period. We think that it would make sense to emphasize the time frame once, prior to asking the individual rating and ranking questions. For example, prefacing the questions with a paragraph introducing the temporal context of the survey questions could be beneficial. Potential options might be:

- “Please answer the following questions with the company’s last two years and coming five years in mind.”
- “Please answer the following questions considering the time frame from 2015 to 2022.”

5.3 Elimination of the Social Category

We see an advantage and a disadvantage to dropping the social questions. Dropping these topics will shorten the survey, making it easier to meet the 10min time limit imposed by the company and, because the survey is shorter, the response rate is likely to be higher. The only limitation that we see is that you will not be able to directly compare or correlate rankings that you collect with the social views of the respondents.

5.4 Sample Size Calculation

The online calculator [3] at


can be used to compute the sample size needed to estimate the fraction of respondents rating a given topic at or above a given level of importance with a pre-specified level of accuracy. In the app, note that “Population Size” is the total number of employees in the departments that will be surveyed. If you want to be 95% sure that you estimate the proportion within 5% of its
true value, set “Confidence Level” to 0.95 and “Confidence Interval” to 0.05. You have flexibility in specifying these values. Finally, you need to specify the true value of the proportion you are estimating. Absent other information, it is common practice to set the proportion equal to 0.5 as this is the least favorable situation (variance is largest). You can find a description of the theoretical development behind the sample size calculation for finite population sampling at https://onlinecourses.science.psu.edu/stat414/node/264.

5.5 Assessing Regional Differences

If assessing regional differences is important and doing so for each domain/area is of interest, then it would make sense for you to assess opinion on this via a yes/no question (as in the google form example) or using an ordinal scale such as used for the rating question. If verbal feedback is of interest, following up w/ on open ended question to provide more detail for each ‘yes’ answer would make sense. The yes/no data can be analyzed as a binary response, while the open–ended data would have to be analyzed qualitatively.

5.6 Summarizing Leadership Interview Data

The leadership interview provides sustainability insights from an entrepreneurial perspective. Unlike the survey, the interview responses are open–ended. One way to summarize an interview response is to define themes that can be used to extract meaning from the interview data. Details are explained in [4]. Researchers often extract key words to characterize each theme. With themes defined, a frequency table recording counts of key words within each theme and interview response provides a way to summarize the importance of the various themes to a given interviewee.

The analysis of text-based data falls under the heading of “natural language processing” (NLP), which is receiving a lot of attention these days. The R NLP “task view” on CRAN at

https://CRAN.R-project.org/view=NaturalLanguageProcessing

provides an overview of R tools for text processing. For example, the R library tm [5] provides comprehensive infrastructure for textual analysis, including facilities for plotting textual correlations and clusterings, while the R package and function word cloud can be used for visualizing keywords by frequency in the popular word format.

5.7 Anonymity

If the survey is anonymized, the company will not know the identity of the respondents and the respondents may be more likely to answer questions honestly. If it is not anonymous, respondents will know that their responses can be traced to them and they may be more likely to bias their answers in favor of what they think the company expects. Loss of anonymity may also negatively impact response rate, but a plausible argument can be made that the opposite is true.
5.8 Unit Non-response

Unit non–response is defined as a completely missing response from a particular participant in the survey. Unit non–response can cause non–response bias, which is the bias that results when respondents differ in meaningful ways from non–respondents. In addition, as a result of non–response, the sample may over–represent some kinds of people and under–represent others, leading to an inaccurate representation of the population. One approach to deal with unit non–response is weighting adjustments. Post–stratification is one such method and is appropriate when samples in different groups are not properly balanced [6]. The stratification part comes from the fact that various known strata (defined by departments, age groups or gender, for example) of the population are used to adjust the sample data, in order to conform more closely to the population's parameters. Population means and proportions can be estimated by calculating a weighted average, where the weights, “weighting class proportions,” are the defined as the proportions in the target population in the strata and are assumed to be known. Post–stratification can not only help reduce the bias resulted from unit non-response, but also provide corrections for frame deficiencies, if the weighting class proportions is properly determined [6].

5.9 Pilot Study

It is sensible to test a survey instrument in a small pilot study before circulating it more widely to a larger group of survey participants. To improve the efficiency of the survey, we suggest that you conduct a pilot study on a small number of people from the population or a similar population. The pilot study should test the exact survey to gauge time to complete and seek advice in wording and flow of the survey. By analyzing the reactions from the respondents in the pilot study, it is possible to detect potential flaws in the survey. Therefore, the survey can be polished and adjusted before it is actually distributed. Some essential steps when conducting a pilot study are listed below:

- Distribute the survey to pilot subjects in exactly the same way as it will be administered to the actual participants.
- Ask the subjects for feedback to identify ambiguities and difficult questions.
- Record the time taken to complete the survey.
- Discard all unnecessary, difficult or ineffective questions.
- Assess whether each question gives an adequate range of responses.
- Check that all questions are answered.
- Re–word or re–scale questions that are ambiguous to the respondents or are not answered as expected.

6 References:


Appendix H: Interviewees and Interview Schedules

People to Interview Individually (Internal Stakeholders):

1st round:
- [Redacted] - Senior VP of Human Resources
  - Thu, September 21
- [Redacted] - VP of Marketing Tech, Sales
  - Thu, September 28

2nd round:
- [Redacted] - VP of Medical
  - Mon, October 16
- [Redacted] - Executive VP
  - Wed, October 18
- [Redacted] - Director of Human Resources
  - Fri, October 20

3rd Round:
- [Redacted] - CEO
- [Redacted] - VP of Sales
- [Redacted] - VP of Sales
- [Redacted] - VP Operations
- [Redacted] - General Counsel
- [Redacted] - Risk Management
- [Redacted] - VP, Supply Chain and Project Management
- [Redacted] - Director of Technology
- [Redacted] - CFO
- [Redacted] - Director of Operations Rigid
- [Redacted] - VP and Treasurer
- [Redacted] - VP and GM FPI Mexico (phone)
- Risk, Financial, Information, Operating, Marketing, Compliance leaders, any other SME’s?

Departments to Survey:
- Operations
- Sustainability
- Marketing/Advertising
- Compliance (EHS, Quality)
- Legal
- Sales
- Supply Chain
- Product Development
- Project management
- IT
- HR
- Engineering
- Others?
Appendix I: Interview Questions for Internal Leadership

1. How would you describe FPI's purpose?
2. What is the company's impact on the communities in which it operates?
3. Overall impact/opportunities within industries it serves?
4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years? Are there any interesting examples of this work? Do you see any interesting opportunities over the next five to ten years?
5. What are the top challenges the company faces? With regards to sustainability?
6. What advantages does FPI have over its competition? With regards to sustainability?
7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D)
8. If it were entirely in your hands, what initiatives for the company would you put money on/invest resources in?
9. Do you have any questions about the work we're doing? Anything to add?
Appendix J: Interview Summaries

[Redacted], Senior Vice President - Human Resources
Thu, Sep 21, 2017 3:30pm – 4:30pm*

1. How would you describe FPI's purpose?
There is not one purpose. The company serves five constituents: people, customers, suppliers, shareholders, and community. From that, we help people make a living and guide consumption that creates other opportunities. Additionally, there is a strong sense of community service within the US and within the company. Shareholders need to make appropriate investments and create a social safety net for society that is not necessarily based on government.

2. What is the company's impact on the communities in which it operates?
That depends on location. In terms of positive benefits, we provide employment, have a large impact on the local economy in smaller towns, and engage in community service around plants. For negative impacts, our flexible appliances release VOC’s, which the company is required to monitor in US but not in Mexico where we have a plant in Guadalajara. That poses the question of whether we should we monitor in Guadalajara and if we would we monitor there without the policy requirement. A few other negative impacts are air pollution, waste pollution potential (like sand), and the wastes from using energy and electricity.

3. What is FPI’s overall impact on industries it serves?
It is a consumer products company and we aim to make packaging to minimize the environmental footprint. We also focus on recyclable product innovation.

4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years? Are there any interesting examples of this work?
Yes, there have been bio-based and sourcing innovation, as well as the use of natural gas in our plants. There is also been educational assistance and the company matched donations for the community in Orange, TX after Hurricane Irma. In terms of social ethics, they are informed by government regulations, but we would do them without these regulations and any economic profitability. For example, we have most of our production in the US but for our China plant, we hold the same standards as those in the US. We also are not discriminatory in our labor practices.

   o Do you see any interesting opportunities over the next five to ten years?
We have not necessarily embraced “sustainability” in a positive framework. About fifteen years ago, there was pressure to change our practices and so sustainability was an attack on our products. We saw it as a political issue, but we are starting to realize that sustainability is as much of a conservative political view as it is a liberal view. The conversation is more around the consumption of resources now, which is easier to wrap your head around. The discussion around product sustainability (bio-based, recyclable) is a little tougher but can be framed more easily from a CSR lens.

5. What are the top challenges the company faces? With regards to sustainability?
The biggest challenges are top line growth (sales revenue increasing), our competition, and an aging workforce. We have a consolidating customer base that can compress margins and make it harder to achieve some of these other goals [he referred here to the complete list of material topics]. Private equity investors expect savings from suppliers, so it makes it difficult to live up to our purposes other than making money. In terms of the highly competitive market, we have customers ranging from Exxon Mobile to Walmart and Amazon, which are market disrupters, and we have to work with both. In terms of demographic pressure, almost half of our workforce is over 50 years old (baby boomers) and Generation X is in shorter supply, so we need to reach into the millennial generation. For the last group, we need to hire the best we can and put them in positions of responsibility probably before they are ready.

Additionally, public policy like healthcare carry fixed costs from government over to companies. The wage gap is growing behind much of the political unrest, there are issues like Charlottesville and the stability of the world is getting worse.

6. What advantages does FPI have over its competition? With regards to sustainability?

The company is a private business, so it can take a long-term perspective. There is a sense of integrity within the company, not just one responding to political or other external forces. We are also building upon a good reputation. I am not sure if we are more sustainable, but we can have more of an advantage there than some other companies that may have to work through public relations challenges.

7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D)

- Corporate Citizenship (correlates with age)
- Product Safety
- Waste Reduction and Solid Waste (more of a neg impact)
- Recycling and Reuse
- Lastly, the atmosphere is a bigger issue than non-recyclability of products

8. If it were entirely in your hands, what initiatives for the company would you put money on/invest resources in?

I would invest in the Guadalajara plant to match US plant standards. Also, investing to improve energy consumption, zero waste practices (Operation Clean Sweep), healthcare spending, labor spending, training opportunities, industry association participation, and waste energy utilization (incineration).

*All times are listed in EST.*
1. How would you describe FPI's purpose?
   The purpose is established within the core values and statement of philosophy. It includes an obligation to customers to serve them well, an obligation to employees to provide a stable place to work, and an obligation to the surrounding communities to give back. Overall, the company stands for something more than just workplace. Any sustainability report would have to tie back to this purpose.

2. What is the company's impact on the communities in which it operates?
   Overall, the company is a provider of stable employment for a long period of time. For example, we are the largest employer in towns like Villa Rica, GA. In terms of safety, the company is a valuable part of a safe supply chain, uses equipment to limit harmful environmental impacts to community, and follows all regulations. There is also quite an amount of charitable giving to communities.

3. What are the overall impacts and opportunities within the industries it serves?
   For the industry, the role our products play in reducing food waste does not get a lot of discussion. There is more food waste in landfill than flexible packaging. Our product really becomes our customer's product whether it is portable, resealable, easily open or efficient, so we sit at a really important place in the supply chain. If we are good at what we do, then it helps our customers become more successful and serve the consumers better.

4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years? Are there any interesting examples of this work?
   Economically, we have invested $200M back into the company. We have lost some jobs but have done our best to survive. Environmentally, we save resources in terms of the weight of packaging. The product does wind up in a landfill, which is an industry issue not a FPI issue, but we want to play our part. We are spending a significant amount of money to get to 0 waste. Socially, we host an annual charitable golf tournament in [Redacted] for charities and our products help people's lives in multiple ways like ensuring a safe, fresh, and hygienic food supply. Our quarterly newsletter includes stories of our employees giving back.
   - Do you see any interesting opportunities over the next five to ten years within these three areas?
     Environmentally, it would be great to recycle all products or use them to make energy. Recyclability is an issue that has both technical and commercial components and it would be interesting to see crossover and viability amongst the two; an opportunity here is to create an all polyethylene pouch. Also, turning flexible packaging back into oil like some case studies we have encountered would be interesting; there has a ski facility in Copenhagen that is also a waste to energy processing plant (Thorne, 2016). Economically, recapturing energy versus throwing it away increases (BTE?) value. Social opportunities include creating space for people to live rather than
having landfills and bettering the knowledge gap of products that are compostable or biodegradable, but are seen as just trash.

5. What are the top challenges the company faces? With regards to sustainability?

The first challenge is that the company has had difficulty achieving sustained growth by year over the last 5-7 years as the market is increasingly competitive. The second is that since it is a family company, it is important to continue the legacy, but there is only one family member from the third generation. And lastly, seeing as there is an aging workforce and we want to continue with growth, it is important to make FPI a great place to work; some of the specific challenges are that people earlier in their careers define work differently than older generations and move around more.

6. What advantages does FPI have over its competition? With regards to sustainability?

The equipment is accessible and not proprietary, so it is about the people and how we develop and retain them. It may sound a little trite, but it is what we believe in. With regards to sustainability, I do not think we do have an advantage; I think we are as clever as anybody else about developing structures. We want to be seen as innovative across all criteria with sustainability being part of that.

7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D)

- Business Ethics/Corporate Services
- Products and Services
- Labor Management Relations
- Customer Health and Safety
- Local Communities
- Effluents and waste

8. If it were entirely in your hands, what initiatives for the company would you put money on/invest resources in?

I would recommend diversifying business away from food packaging but still within flexible packaging, investing in higher margin areas adjacent to the business now, breaking the pattern of slow to no growth, and doing our part to cure world hunger.

9. Do you have any questions about the work we’re doing? Anything to add?

Add demographics granularity to survey like in engagement survey.
1. How would you describe FPI's purpose?
   The company is a service organization, as the last CEO said. Many companies may say we are here to make a profit, but we do more. We provide values to employees (growth and fulfillment), value to suppliers and shareholders (fulfillment for their companies to be successful), and value to customers. If we can do all these things, we want to provide value to the community. The environment is a big part of it and the investment can be through money and time. It is important to be good environmental stewards to the earth that god has given us. The statement of philosophy was referenced.

2. What is the company's impact on the communities in which it operates?
   Employees give to communities and money gets matched by company.

3. Overall impact/opportunities within industries it serves?
   I am the leader of the FPI medical business, which serve 80,000 surgeries per day. Sterilized packaging saves lives. Every year 30K people die from infections in the US, so imagine what that value is in the rest of the world.
   We participate a lot in the food industry—confectionary, snacks, pet food. Over the course of our lives, we will probably see world hunger solved and packaging will be a large part of that. Still, packaging is a huge environmental contributor, so by creating very thin structure we can have better food distribution around the world and packaging that can be transported with less energy and waste. For example, we work with a company called MANA (Mother Assisted Nutritional Aid) that creates liquid peanut butter. We give it to the US government and they send it across the world. 90% of those kids that are served are saved and do not face hunger again.
   Lastly, the company can take a long-term view because it is privately held, and we do not have to report quarterly profit or report to internal board of directors, even though we have an external board.

4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years?
   I do not know if I am an expert in sustainability. What we have done with energy use and our waste stream has always had an economic incentive. We inherited a business and talk to people a lot about our philosophy including a respect for people, a focus on the customer, and continual improvement.
   - Are there any interesting examples of this work?
     We have hired people to work on sustainability—put our money where our mouth is. We are also a founding member of the Sustainable Packaging Coalition (SPC) and have joined educational initiatives at the Flexible Packaging Association (FPA). Not sure if we have LEED buildings since I do not know if they are certified.
     - Do you see any interesting opportunities over the next five to ten years?
I do not have all the answers, but we always get sustainability types of questions. In technology, it looks like heavy packaging will go away, so I wonder what will happen then. Flex packaging is the best out of all alternatives, but we want to make it better (compostable, etc.). Ideally, it would be great for packaging to make it back into energy or more packaging. Also, it would be great to have a way to melt the packaging products down to diff layers.

5. What are the top challenges the company faces? With regards to sustainability?
   On the medical side, there is a tremendous amount of packaging waste in surgical rooms. That area does not have same pressure as some others to be segregated; it is not done because there is no pressure to. Only doctors and nurses care, but that is a smaller proportion. Waste to energy, recyclability, and biodegradability are some other challenges.

6. What advantages does FPI have over its competition? With regards to sustainability?
   I will start with the bigger picture, then get to sustainability. It actually applies to sustainability, too. There are three kinds of companies: family businesses, private equity companies (buy, put lipstick on and sell), and public companies. Because we are a family company, we make long term decisions. It is also strongly a values-based company and it is helped us be successful. Also, the family is well off and philanthropy is their second calling after this business.
   In terms of sustainability, we were leaders in sustainability very early on because of the founders. I am not sure if we have a huge advantage outside of being early to the party. The size of the company is good, too, and we can leverage it.

7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D)
   (will email)

8. If it were entirely in your hands, what initiatives for the company would you put money on/invest resources in?
   (will email)

9. Do you have any questions about the work we are doing? Anything to add?
   The county is very blessed and is a leader with all of this (sustainability work). The field did not exist 10 years ago. With 5% of world’s people and 50% of healthcare leaders, we are quite blessed.
1. How would you describe FPI's purpose?
   The purpose is to provide protection for our customer’s products, promote the company’s brand (printing capabilities), and physically seal and protect against the elements.

2. What is the company's impact on the communities in which it operates?
   We have nineteen plants and leave some impact in every community. Plants employ a large number of people like in Ryland, WI where we employ 200 out of the 7000 people in the community. That helps the employees, but there is additional community involvement and engagement.
   We also have a memorial golf outing in [Redacted] each year in memory of the founder. We have also raised $200K for the Boys and Girls Club.

3. Overall impact/opportunities within industries it serves?
   Back in the beginning, we had more of an impact because we were leading the packaging industry; we were the first to go from cellophane to polypropylene. FPI was the first to work with Motts to create single serve applesauce containers; the industry grew so much by creating barrier products that did not have to be refrigerated to be served. With Dell-Monte, we packaged their diced fruit first, too. On the flexible side, we were the first to bring high graphics flexible printing, but were not the first to create recyclable products.
   In India, we have a four-year-old office in Bangalore. There is about 40% food waste in India because they do not package a lot. I was in charge of acquisitions there. There are also plants in Sujo, China and Thailand. In Sujo, they are taking food that needs to be packaged, which is what the US did forty years ago.

4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years? Are there any interesting examples of this work?
   Economically, we are helping metal and corrugated packaging move into flexible packaging. There is a weight reduction, which helps with whole life cycle of product even though consumer may not see this (shipment, GHG reduction). For example, 60 lb. of beverage uses 50lb of glass or rigid packaging. We have moved six pounds of flexible packaging for that same amount of beverage down to 1.5 pounds and created stand up pouches. This also avoids rigid container issues like Gerber having glass shards in their containers. Transportation for packaging is fairly compact and simple for flexible packaging versus for glass or metal cans; there is so much air in the transportation volume, up to 75% space, that is lost. We have helped to replace cans with cups that can be nested (stacked); it helps to reduce freight resources by sending stacked cups like Keurig’s.
   Environmentally, we use LED efficient lighting, we are constantly watching water usage, and we are very attuned to regulation that deals with solvents and printing plants. We have invested $1-2M to avoid solvents going into the atmosphere. Three of our plants have zero waste to...
landfill, our “natural waste” is recycled, and we have achieved 5-6% waste on average from a 11-13% average ten years ago. Of course, taking the density out of packaging as noted above helps to ship products for less, but also avoids that excess packaging ending up in landfills. We look at all these details monthly: “To remain in business, you have to watch these numbers.”

Socially, sustainability is how we manage the business here. We focus on labor relations and we value long term relationships. We are not focused on burnout, we pay attention to how we treat people, we give people opportunities, we help people develop, we recruit and understand millennials, we understand the ability of people and are involved in D&I work. Lastly, we value that family comes first and that education is very important (from plants to the corporate office).

- Do you see any interesting opportunities over the next five to ten years?

Economically, it would be interesting to replace package types that are not sustainable.

Environmentally, we are focused on how to convince consumers to make a smaller environmental impact. CPG (consumer packaging goods) companies are reacting to feedback on what is better for the environment. We are aiming to find a good way of educating everyone since that is probably our biggest opportunity. With that, we are focusing on “Nimble New Comers” or companies that are newer but are able to rapidly improve their business practices; these include Walmart’s “Chef’s Cut” that makes shelf stable jerky and cheese and Campbell’s Plum Organics.

Socially, we are focused on minorities in order to diversify our business. For example, right now there is one female plant manager out of our nineteen plants.

5. What are the top challenges the company faces? With regards to sustainability?

Size and being private can and will continue to be a challenge. Our annual revenue is about $1.3B. Two other large companies used to be roughly the same size. Because they are public and can raise capital more easily, Bemis is now at $5B and Amcor is at $8B. The big guys are buying up capacity, there are many options for customers, and the packaging industry is disjointed. FPI has to work with the trade association FPA that has a total of about 500 specialized, smaller, and competing companies.

Education of the consumer is definitely a challenge. VT and CA politicians have no idea what they are doing when they are changing regulations in an uneducated way. Kids are smart, but politicians just want to appease voters. Consumers have to drive the change towards sustainability. We will never be able to affect legislation by ourselves, we need the industry behind us.

Another opportunity would be to use incinerators for non-recyclable waste to produce energy.

6. What advantages does FPI have over its competition? With regards to sustainability?

On the flip side, there are lots of advantages to being smaller. People hate Amcor Medical and our size and nimbleness really make a difference. On the people here, we work hard to keep millennials, people love the culture here although they may see this once they have seen other companies (since some end up coming back), and we are smart about where you get our people from (we find those that are not focused on money).
7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D) (will email)

8. If it were entirely in your hands, what initiatives for the company would you put money on?
   I would invest in rigid plastics like biopolymers although there are some LCA issues between sugarcane versus carbon based products.

9. Do you have any questions about the work we are doing? Anything to add?
   I would not like the report to be cookie cutter. It is important to highlight the historical benefits of flexible packaging and highlight work over last ten to fifteen years that people just do not know to give them some credit. The most important thing to convey is that we do not make trash and are not litterbugs.
[Redacted], Vice President - Human Resources, Operations  
Fri, Oct 20, 2017 2pm – 3pm

1. How would you describe FPI's purpose?
I will refer to the Statement of Philosophy here. Obviously, we are here to make a difference, to keep the environment healthy in which we work, to build cooperation between everyone, to be honest, to hold ourselves to higher moral and ethical standards, and to serve. With Hurricane Harvey, there was a plant in Orange County/Beaumont area that was hit hard. The impetus was to take care of our associates. We sent a fifty-three-foot tracker trailer to DFW area, sent people to help rip sheet rock away from studs, and provided trailers for storage.

2. What is the company's impact on the communities in which it operates?
We have a positive impact, like the example above. We earn the greatest reputation in the world (gold standard) and oftentimes it is unsolicited. The company is very philanthropic. We host an annual golf tournament in memory of the founder, have a local charity in Carrollton, GA, help with the Boys and Girls Club, and are involved with job fairs and resume writing.

3. Overall impact/opportunities within industries it serves?
We are building more sustainable packaging that is better suited for less landfills. The industry in general takes up less waste anyway. Opportunities here include more recyclable and more innovative packaging design with the goal of reducing waste to landfill. With packaging weight and other logistics, we are finding more uniform ways to recycle.
   Environmentally, we also keep the air clean by employing cutting-edge oxidizers in our plants. From a social standpoint, we are very active.

4. With the three prongs of sustainability in mind (economic, environmental, social), how would you say FPI has contributed to these three areas in the past, especially the past five years? Are there any interesting examples of this work?
Economically, there is been a major recapitalization of the converting business with several hundred million dollars reinvested into the company. We have built brand new greenfield sites in Rhinelander, WI and Villa Rica, GA; new equipment, higher rated tech, and more skill are needed.
   Socially, we have improved visibility within the community because it is right thing to do; through that, we also find raw talent within a competitive industry.
   Environmentally, our Bloomington, IN building is LEED certified because we wanted to. We are more proactive than we have been in the past to reduce water, electricity, and natural gas use. We are finding ways to get more efficient and use resources more efficiently.
   o Do you see any interesting opportunities over the next five to ten years?
   Economically, employee value proposition (EVP) is important so we can find what would be an incentive for someone to work at FPI. It would be an opportunity to find emerging technology to be on the front end of, so we can have our carbon footprint to be as efficient as possible. We are squeezed between customers and suppliers. We have to get into the zero-waste arena as there is wasted time, product, and energy. It is important to build it into Standard Operating Procedures (SOP) by institutionalizing it all in a Millikan way.
We are very socially responsible and very attuned to the environment that we create for people. That has not changed since I have gotten here (over 40 years ago). We are not just selling a product, but also the culture of the company.

5. What are the top challenges the company faces? With regards to sustainability?
   In terms of business, there is pressure from suppliers to reduce the cost to customers. Volatility like from natural disasters affects our prices since they are mainly petroleum products; it can change costs by several million dollars. We pay attention to “nimble newcomers” who can come in and take market shares quickly, so there is that market pressure. We continue to be in a global environment and some of the barriers companies faced with the global supply chain have come down, so competition has become more difficult.

   None for sustainability challenges, since we are on the front end of looking at this stuff, are innovative enough, and have enough foresight.

6. What advantages does FPI have over its competition? With regards to sustainability?
   We all have the same equipment and materials as other companies, but what really separates us is our people.

7. Are there any topics that stick out to you from the “Comprehensive List of Materiality Topics with Descriptions and Alternative Wording?” (Appendix D)
   - Economic Performance
   - Procurement Practices
   - Energy
   - Water
   - Waste
   - Transportation (supply chain, we create everything in one plant, which has many benefits)
   - Business Ethics=our core values
   - Local Communities; within the FPI system, our workforce is more diverse than in the past as we aim to mirror the world
   - Employment—we take it a step further than the minimum standards (are non-union now, used to have 5-6 unions)
   - Education (very expensive pieces of equipment, better skilled workforce, more education leads to a stronger economic model)
   - Human Rights (sociability audits, make sure that our supply chain aligns with our standards)
   - Customer Health and Safety (supplying products to customers that do not harm them, internal health and safety of employees=looked at as internal customers, safety is one of our pillars)

8. If it were entirely in your hands, what initiatives for the company would you put money on/invest resources in?
I would continue the journey that we are on. There is a tremendous opportunity to reduce our carbon footprint and we can up our game within the communities that we work, both of which will allow us to improve our processes.

9. Do you have any questions about the work we are doing? Anything to add? For FPI, all roads lead to [Redacted] for the company.
Appendix K: Survey Invitation

---------- Forwarded message ----------
From: <[Redacted]>
Date: Sun, Oct 15, 2017 at 9:02 PM
Subject: Stewardship Survey - we need your help!
To: <[Redacted]>

Hello everyone,

FPI has begun its journey to developing its first Stewardship (Sustainability) Report. The very first step is to determine what topics are foremost in the minds of our associates, customers, and other stockholders. Once we know what those are, we will build the report around them. This report will be available for sharing with customers, prospective hires, new associates, etc.

We value your input! Please follow the link below to a Google Survey, which takes no more than 15 minutes to fill out.

Click here to take the survey

Thanks in advance! The survey will be open thru this Friday, October 20.

Best,

--

Dave
[Redacted]
### Appendix L: Materiality Assessment Deliverables

<table>
<thead>
<tr>
<th>Appendix</th>
<th>Deliverable</th>
<th>Date Completed</th>
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<td>18 August 2017</td>
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<tr>
<td>Not Included</td>
<td>Project Charter</td>
<td>18 August 2017</td>
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<tr>
<td>C</td>
<td>Results from survey of FPI’s external stakeholders (priorities from customers’ sustainability reports)</td>
<td>18 August 2017</td>
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<tr>
<td>D</td>
<td>Comprehensive list of materiality topics with descriptions and alternative wording</td>
<td>20 September 2017</td>
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<tr>
<td>H</td>
<td>List of selected teams (internal stakeholders) within FPI to survey</td>
<td>20 September 2017</td>
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<td>I</td>
<td>Interview questions for internal leadership</td>
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<td>E</td>
<td>Survey for Internal Stakeholders</td>
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<td>F</td>
<td>List of revised materiality topics for survey and interviews</td>
<td>8 October 2017</td>
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<td>G</td>
<td>Duke’s Statistical Consulting Center Report</td>
<td>26 October 2017</td>
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<td>Materiality assessment draft with analysis of data for management and stakeholder review</td>
<td>30 October 2017</td>
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<td>Presentation of data to FPI’s CSR Team</td>
<td>3 November 2017</td>
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<td>Not Included</td>
<td>Presentation of MP detailing materiality matrix and learning achievements</td>
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<td>This Document</td>
<td>Flexible Packaging Inc.’s 2017 Materiality Assessment Report</td>
<td>11 December 2017</td>
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Appendix M: Survey Responses for Questions 15-17

**Question 15: If so, please provide an explanation for topics selected.**

1. Each plant has its own culture that is distinctly different than others especially in the referenced areas.

2. They are where our associates should be making connections

3. From what I have seen, different areas of the country the people are very different the way the behave and think. This means that a "one size fits all" approach does not work.

4. Some areas are protected under federal acts and are subject to more strict regulations. Like Chesapeake Bay Watershed Act. Also some areas may just be more sensitive to environmental impact due to history of corporate abuses in those areas.

5. Different locations; different factors

6. "Waste - Some areas of the country don't offer many alternatives for waste handling that are financially responsible.

7. EH&S - Almost all areas of the US are covered by federal & state MOSH but other countries have large holes in this area so it's up to FPI to run all of their facilities as we would in the USA."

8. Energy, rates per location fluctuate, water supply is impacted by location, transportation is based on the ease of back hauling.

9. It seems likely that different areas would have different needs and availability of certain things, like resources and transportation.

10. There is a significant gap between the hourly and low grade salaried positions (level 9) and other salaried and management positions. The bread and butter of the company is not compensated proportionally to the contribution they make to the company. The vacation benefits for loyal, dedicated and long term employees is below the industry standard.

11. Depending on location, weather may be different, along with transportation methods and available resources.

12. Different resources and different customer presence in different areas.

13. Different plants have more or less products that they can make and therefore will make more money, use more energy and create more waste

14. Every region has it's own culture and position, naturally there will be differences.

15. Different regions could affect anything related to cost or culture.

16. Customers in different regions will have varying opinions and different tastes

17. We live in the South which is overall more rural, but we also are in [Redacted] and have to consider how even adding people to the heavy barrage of traffic via commuting work even affects the environment.
18. Depending on where you are in the US (or world), these topics can vary.


20. In Mexico, water supply is sometimes compromised, and it is expected to become even more in the future. Also, consumers don't care much yet about sustainability in general.

21. We are taught to think globally and act locally. While our corporate goals are important, I think it is important to remember the individual needs at each of our plant locations, as well as Corporate and our support centers.

22. "Energy - Energy consumption and pricing structure are different in our part of the country. We have antiquated equipment that are power hogs. We have a culture in the area that power is available and we are going to utilize as much of it while we can. There are no conscious efforts by associates to minimize power consumption.

23. Water - most all sites utilize water from a public entity. The only plant that utilizes water from well is Orange. Currently there is no way to segregate the water consumption from process water and potable water; both come from the same well. We do return water to the state through flushing of RO filters and discharge from the onsite waste water treatment plant for sanitary sewer use. This water return is not captured as returned so our usage does not reflect accurate information. We do have blowdown from the cooling towers and AC condensate that also goes back to waters of the state that is not captured as providing back to the aquifer and surface waters. Orange is not getting accurate water consumption reporting due to this issue.

24. Waste - We have a waste vendor that is segregating and recycling most of our trash. The recycle is concrete, wood, cardboard, and metal. This effort by that company offsets the waste going to landfill on a small margin. The other waste recycling we do is pallets, trim, purge, slab, and repel. This has the greatest offset of our waste stream recycling and lower landfill pounds per ton of production.

25. Occupational Health & Safety - Texas is not a State Plan state so we fall under the federal OSHA regulations. We are a VPP site and do more in the realm of safety that I have seen at other sites. If you can take the food safety portion away from the EHS person on site so he/she can focus on EHS, we stand a better chance of protecting our associates and focus on sustainability efforts of the plant."

26. Within this category, there's always two ways performance can be evaluated. First, the overall cost savings and second the downstream impact (what is being given up). The balance is really in justifying the ROI the customer sees with the economic performance of the product(s) being evaluated.

27. I did not understand the question. It can easily be "All of the above" depending on what exactly is being asked.

28. What do you mean by regional differences?

29. Energy alternatives vary by region, Economic performance sees different challenges by region, water availability varies by region, transportation options vary by region, local community needs vary, as does the workplace culture. Customer focus on safety also varies.
30. Some regions have more opportunity for recycling. Successful interaction with local communities is greatly influenced by regional culture.

31. "FPI is a private Co and therefore does not have to meet 10Q demands.

32. The US does not see climate change as an issue. The use of energy and transportation is a prime example."

33. Local views and needs for energy, water and climate change should impact are focus at that level.

34. Different regions have different cultures outside of the workplace, so I believe that the internal workplace culture may vary too. Different regions also have different regulations for environmental safety practices.

35. These all trickle down to one thought - what is available in that area for us to utilize. All local communities will not respond the exact same way, just like in politics.

36. Every region will have different partnership potential

37. Facilities located in or near smaller municipalities tend to be more dependent on their employment and loyalty and seniority are stronger. Closing facilities in smaller populated areas such as Hendersonville would have a major impact on the whole community.

38. West Coast consumers seem to show more interested in environmental issues that East Coast US consumers

39. "Econ / costs- making money in other regions can be easier (salaries, availability of workers, etc.)

40. SC / transportation practices - some areas have better partnerships vs. just vendors, able to negotiate more favorably

41. Culture / local communities - in some areas of world, the needs of the community differ and same with what people want (culture-wise) out of a workplace"

42. Consumers issues and priorities can vary in different regions and cultures.

43. Impact on local communities would be greater in areas we operate that are of a lower population.

44. More environmental concerns seem to be concentrated on our coasts, so I would expect that for our salespeople and plants on the West or East (particularly Northeast) coasts, these topics could be more top of mind.

45. The topics selected can be unique based on plant locations.

46. There are regional differences regarding environmental issues - if you mean other countries. Underdeveloped countries are still worried about feeding people and safe drinking water and less worried about environmental issues. Within the United States, there are varying concerns about these issues but it seems to be more based on education or politics than region.

47. Geographic location - may not be densely populated area where transportation and trucking can come frequently.
48. Regions of the Country with higher levels of education take a much more active role in Environmental Concerns

49. There are regional differences with associates & community cultures, which we need to be sensitive to, and do have some control over as a company.

50. Culture could be different based on country, region, language, etc

51. Proximity of customers and suppliers, type of product produced

52. Some plants are located nearer to feeder organization; for example, an army or navy base may feed technicians to the local employers. Energy rates are also local concerns that vary widely.

53. Mexico different from the US

54. Areas checked can be dramatically affected by location and what is available or not available.

55. I think the most important topic at the moment for the customer is the environment, the climate change.

56. Yes, different areas have different importance/needs levels for all.

57. Resources and services differ from region to region, so plans for properly using resources and disposing of waste need to be tailored to each individual region rather than mandated across an entire organization.

58. Culture, environment, and ecosystem will likely vary among regions, All of these areas are impacted by them.

59. Depending upon the FPI location, the local communities could have different needs where FPI's involvement would be tweaked

60. Simply that cultural differences in various regions will have an impact on the importance of the respective topics.

61. No matter what region you live or work, it should have the same importance or value.

62. We need to strengthen our procurement relationships and we need to encourage a healthier workplace culture.

63. Different location culture may react different to a product in market

64. At the end of the day, we need to sell what's important to the end-user. In regions with higher amounts of disposable income, added cost for sustainable solutions can be supported. In regions with lower income or poverty, "good enough" is good enough.

65. Local Communities are going to vary by region; Customer health and safety will vary by region; other selections are impacted by regional factors as well

66. The regional differences are affected by the population density of the major cities near our plants. Southeast United States is totally different than the North.

67. "My answers are not precisely about regional differences but differences nonetheless.
68. Local Communities: Villa Rica, Jackson and [Redacted] are all completely different size wise. These differences likely result in significant differences in how FPI can interact with the community.

69. Workplace culture and OH&S: Manufacturing facilities are completely different than corporate environments. I think we short change these efforts for the Plants. This may be due to many HQ folks not understanding the manufacturing environment.

70. Customer Health and Safety / Product Responsibility: A small customer does not have the resources of a CPG nor perhaps the knowledge. We can bring a lot of value in helping guide small customers in meeting their goals."

71. FPI has a larger influence in smaller communities

72. There probably SHOULDN'T be any regional differences in terms of FPI's goals, but I think the realities on the ground in the different countries where FPI operates do play in to what FPI can actually do.

73. Certain Geographic regions are more concerned with Renew-ability and Recyclability of packaging materials

74. different regions can have different indirect economic impacts which affect particular FPI plant(s)

75. Energy is distributed/sold differently in different regions. Local communities vary by region in terms of demographics. Climate change has varying degrees of impact depending on geographic location. Finally economic performance can differ by region depending on state/local taxes, regulations, etc.

76. Different states and regions and customers demand different things. Also different plants prioritize different things.

77. Waste and water are areas we can control. Usage of water can be monitored and controlled by slight modification to process. Waste is an area where making products that are not high impact when they end up in a landfill.

78. I think a common thread in each of the topics I selected is the social/political climate of each community. Those communities with more liberal values will view these topics differently than those communities with more conservative values.

79. I am not sure I understand what you are asking for in this section. I checked items based on how I perceive FPI may be impacted based on manufacturing location and based on regional differences in consumer perceptions.

80. I believe that FPI facilities in different locations have different scarcity of resources factors that may change how initiatives are prioritized. The views of local communities and indirect impacts likely differ from one part of the country to another requiring different prioritization of initiatives.

81. Due to our large footprint across the country, several items are more prevalent in major cities vs. rural areas or vice versa.

82. As you change your geography / location resources, utility's and climate will change. Example i would be a lot more concerned about water, than on the east cost.
83. Certainly there are differences in laws and perceptions in areas like California related to the view of packaging and environmental impacts.

84. Generally speaking, culture, practices and economic environment are different from one country to another. While I do understand that our culture, policies and practices should remain the same worldwide, there are always circumstances we need to consider when designing a strategy for the operation of FPI, in all its aspects, in a different region.

85. Availability of cost effective recycling, alt energy and international differences.

86. Economic performance can be influenced by existing capital/depreciation of assets in a particular location. Changing how we package things or where our operations are located directly affect transportation. Different countries have different cultures and as we continue to sell to and reside in more and more other countries our policies and practices will have to adapt.

87. I would think demographics in certain areas would affect several of these categories, but expectations for the remainder of categories would be consistent no matter where you are located.

88. All of the topics have regional differences. Every area has different processes and priorities as to how they treat the topics.

89. Each region has various effects in transportation abilities as well as weather. Facilities operate at different paces and machinery that alter our waste percentages.

90. Water and Energy have different costs by regional availability, obviously.

91. Yes. The alignment of the Company and continuing in the direction of everyone being held accountable to all of our core initiatives.

92. Market presence, procurement/supply chain, and workplace culture are different in China and Mexico than the US. Market presence and supply chain differences in China are markedly different. Market presence in the Western US is also a challenge. Consistent, reliable (i.e., not disruptive to plant production) energy sourcing, supply and pricing are challenging in the unregulated US energy market.

93. Still need more clarification on the topics...

**All responses from survey respondents are included here verbatim to provide accurate quotes and ensure full transparency.**
Question 16: What should we communicate to our shareholders, employees (and prospective employees), customers, and consumers?**

1. I’m not sure there are big regional differences. I do think we should work as an organization to make careful strategic plans to deal with these stewardship issues. They are important and will shape what FPI looks like in the coming years.

2. that we are trying to make a difference where it matters

3. Our culture, Family, what FPI stands for

4. Plans (internal and customer facing) for the coming months

5. Communicate a sincere effort with relevant statistics.

6. FPI is a responsible company that puts its employees & customers in the forefront.

7. The industry and environment we work in is evolving and FPI is committed to be a leader in our industry and communities and to adapt & evolve as we and our customers and communities see fit.

8. Employees or prospective employees should be made well aware of the expected workplace culture. We should always hire with that in mind. Customers and consumers should be made aware of our efforts to adhere to certain standards regarding climate change, resourcing and product responsibility.

9. Communicate "wins" that FPI has experienced in the market place. Provide scorecard on energy savings, resource savings, waste reduction on internal FPI initiatives.

10. We are always striving to continuously make our product better and cleaner for our customers and the environment. In addition, our associate culture is a forethought thus leading productivity.

11. FPI should communicate that our goal is to make a safe and reliable product that will mature and grow with the changing times.

12. Circular economy, workplace aspects of stewardship

13. FPI is a future oriented company that is always looking for ways to improve and stay innovative.

14. That FPI is a company that believes in safety, environmental preservation, and quality products.

15. That sustainability is important, what our goals are, and how we are going to reach those goals

16. I think we need to be open about how much we are using and how much we are wasting. Waste is not only somewhere we can save ourselves money, but also looks better to our customers/shareholders when we are wasting less.

17. Communicate that we are working to be more sustainable. Many companies these days are focused on biodegradable, compostable, and recyclable materials.

18. FPI is a responsible corporation.
19. FPI is strongly committed to not only become a sustainable business, but to continuously reduce its environmental impact, and thus contribute to a more sustainable planet.

20. Factors impacting success & plan to address

21. Culture

22. We are a safe company relative to our associates and good stewards of our resources (people, raw material, energy, and wastes).

23. Transparency and honesty

24. We are a family and we care about the future generations.

25. FPI cares about people, communities and the environment.


27. Be truthful about what we are doing, we can do, and what we cannot do.

28. What our goals are, why and what are we doing about them.

29. We care and are committed to making a difference and more than willing to work with customers and local governments.

30. We have a plan with priorities and are working toward achieving our goals with them in mind.

31. We are doing all we can to keep the associates that we have happy.

32. We should always show what we are doing to improve the Safety, Health, and Environment. This seems like a "given" in today's marketplace in the US. I am not sure that it would give us an edge unless we can convert ideas into profitable sales.

33. You voice matters, we take your opinions and turn them into action.

34. We need to be more clear about the benefits multilayer structures provide. I find laypeople tend to think, "oh, if they just had a little bit thicker single-material structure, it would provide the same benefit as the thinner multilayer material." No. It would need to be tens or hundreds of times thicker. Get some graphics of what that would look like. We need to hammer home the food waste problem. That all being said, we need to communicate that we do have bio-based and recyclable materials available now as well as in development.

35. Progress toward achieving stated goals. Objectives and initiatives. Focused around reducing GHG, energy, use of renewable resources, reduction of water, reduction of transportation....

36. We need to communicate what we are doing internally - 0 landfill plants... as those things ring responsibility with lots of people - especially millennials. We need to make sure that our customers know recyclable package options exist at FPI.

37. That FPI cares about its customers, consumers, employees and will work diligently to ensure the safety of all.

38. That FPI is 100% invested in Sustainability and provide tangible examples of FPI's activity.
39. FPI's Statement of Philosophy
40. We should highlight our initiatives for environmental responsibility, corporate culture.
41. Statement of Philosophy and Core Values
42. Responsibility for environmental focus.
43. We must change to remain viable in the future. Our actions should reflect the values of what companies of the future should aspire. No company is an island and we need to lead at global and local levels.
44. Our efforts toward being a more sustainable company from every angle, not just recyclability, but sourcing, carbon imprint, etc.
45. make conscience to know how we can be more careful with all the things that impact in the environment.
46. That all have difference importance based on market area
47. Our proactive measures in responsibility and sustainability
48. Strong culture
49. FPI is a good steward of our environment and want to improve when given the opportunity and economics are available.
50. FPI strives to be a part of the community and be a responsible user of our resources.
51. Because there are so many perspectives on what sustainability means, I think we need to pick a single measure for sustainability and then measure that result internally and externally with customer products impact on that measure. My vote is using reducing Carbon Footprint as the measure.
52. PFPI wants to be competitive in cheaper and better products, no bureaucratic.
53. Stable supply of high quality, responsibly sourced and manufactured, products
54. It's important to point out the nothing is free. Whether it is the generation of power via air or solar, there are infrastructure costs and trade-offs made (i.e. need for batteries and fabrication / construction of highly complex facilities). Another example is that PE made from sustainable sources is still PE, just not sourced from oil. There is a lot of basic level understanding of sustainable & or earth friendly endeavors that need to be communicated.
55. Any official stance on an Environmental Stewardship; CSR is an expectation today as consumers are growing frustrated with lawmakers and looking to companies and brands to lead the way
56. The levels at which we can connect and that we can relate as our associates are the consumer in the market as well.
57. Our move to being more proactive in our product stewardship (at least with respect to sustainability). Underline how we're bringing solutions to them and waiting on customer inquiries.
That we're committed to finding new ways to promote sustainability

That FPI is dedicated to the health and well being of it's workers, customers and environment.

Sustainability and stewardship are not just words. We need to have a holistic, multi-pronged approach and we do what is right.

Our efforts to reduce our energy and footprint as well as efforts to our customers and associates.

We are concerned about two major aspects of our business. The employees and the products produced. Communities are impacted by jobs provided by us as an employer, our major impact is on the economics of the community. When your employees are happy about the work they perform and they enjoy living in the community your business will prosper.

I think we should continue to promote and live our Statement of Philosophy, Core Values and Expectations of Leaders to all the constituent bases mentioned.

Annual update on programs to all parties.

We should communicate our commitment to work toward sustainable solutions wherever possible. Being engaged in relevant industry sustainability efforts is key.

The plan, expected benefit(s), actions taken and results from Stewardship activities.

Our values and philosophy and Shareholder return on assets.

That FPI was founded on the premise of standing out from it's competitors by being defined by it's workers. That's what makes FPI special.

That FPI was founded on the premise of standing out from it's competitors by being defined by it's workers. That's what makes FPI special.

We are a progressive company and are always working to innovate and modify our actions to be sensitive to what is happening in the world.

FPI aspires to be environmentally conscientious while manufacturing a high quality, yet economic product. We are responsible to our customers, providing a high level of integrity in our products and to our employees to provide a safe, continually improving and culturally inclusive environment to work.

The advantages of working for, partnering with, or using the products of a privately held, family owned enterprise. FPI as a privately held, family owned enterprise is not subject to the equity market vagaries of publicly held companies.

Clarity, transparency on things we do right and things we do wrong.
**Question 17: If you had unlimited time and other resources, what projects or initiatives would you personally create or support over the next 5-10 years? Any other thoughts?**

1. Addressing the changes in our culture to help ensure we can attract and restrain top talent. This will help ensure we have the resources to address all of these stewardship issues.
2. Documents in multiple languages
3. An alternative energy project
4. Any projects focusing on environmental stewardship both by the company as a consumer and by R&D to create more environmentally responsible options for packaging for our customers.
5. Community awareness and associate development
6. Advanced technology applied toward workplace safety
7. Work with our channel partner and give them incentive to develop and bring sustainable products and services to FPI.
8. Distinctive innovation, Cost leadership, total solution provider
9. Biograde material for shelf life packaging
10. Our associates (keeping them and educating them)
11. Solar energy at PP Facilities
12. Focus on being valuable to our customers by meeting their expectations.
13. Partnership with Tesla, or Solar City. See how we can get our energy consumption to be provided by green energy. We are double dipping. Our plants are massive electricity consumers for the manufacture of petroleum based products.
14. Energy
15. Full IT standardization and update. Moving off of 10+ yr old infrastructure.
16. Energy efficiency and waste reduction
17. Health & wellness programs at all facilities to include a full-time health advocate or nurse practitioner to guide and track the program.
18. Sustainability scorecard with valid, measurable and improving results. Create a clear strategy on sustainability that everyone agrees on and shares.
19. Improve culture
20. Work to be the leader in packaging technology. Set the standard for packaging that will support customer & community goals for cost and environmentally conscious packaging.
21. Leadership and workplace culture
22. Develop stronger team playing between all business units.
24. Local communities
25. Create a recycling program for all raw materials used in the plant and offices.
26. Continue to develop packaging that will minimize food waste by extending product shelf life.
27. Contributions to employees faced with life changing situations.
28. Nothing that doesn't appear to be looked at by the company.
29. Workplace Culture projects. Bringing together associates across all orgs.
30. Associate opportunities and retaining the right Associates are important for a successful company.
31. Figuring out a way to be more innovative by using less to create more in a greater efficiency.
32. Work Place Culture, local communities, economic performance.
33. Less waste, less energy, and continue improving culture and inclusivity for associates.
34. Biodegradable plastic and 100% use of internal waste into product.
35. I would like to see FPI be the front runner for social/reusable plastics, be apart of the Plastic Bank and show case product options that are environmental safe.
36. "Quality system overhaul that drives process improvements in real time to develop standard conditions. This efficiency in operations will improve scheduling, while creating a pressure to standardize specifications.
37. Also, challenging our promotion practices, as people who go out of there way to improve themselves are sometimes overlooked, leaving others to wonder about justifications. It only takes one absurd example to have suspicion of the process."
38. Product safety, employee safety, recyclable/biodegradable packaging innovation, sales focus on health food packaging.
40. I would interview every employee and ask him/her what can FPI do to improve. After gathering all the answers I would go through them, investigate and prioritize issues.
41. Consolidation of structures and raw materials across plants and benchmarking best practices across the organization.
42. I would love to help support a project for the well being of our associates. I also think it is important to let everyone at FPI know what we are doing, so we can all be resources of FPI who can spread the good word!
43. Allow time for a healthier workforce, especially in "desk jobs" by encouraging people to stop working at a reasonable hour and exercise.

44. I would come up with an initiative for corporate workers to work from home some amount of time every week to reduce pollution in [Redacted] area. Our plants can only do so much, so it is a smaller thing we could look at to save money for the employees of the company, increase morale, and reduce our carbon footprint significantly.

45. Partnerships with Recycling, educate the public about plastic. Many people turn up their nose when they hear plastic, because they are misinformed. They need to be aware of the waste coming from plastic, and from paper. Another thing would be organize a trash pickup. I am always seeing our products on the ground.

46. use of more renewable resources

47. Data Analysis/Architect. End use consumer feedback/surveys.

48. Public education as to the benefits of flexible packaging.

49. I would like to see Rigid explore new technologies

50. Create real sustainable packaging structures, and try to convince our customers to move in that direction with all converters

51. Move to cleaner energy options to avoid potential increased or renewed regulatory concerns that may arise in the next 10 years. Invest in local communities that FPI currently operates in/around. This creates a larger more diverse talent pool to choose from for FPI's benefit.

52. Standardized processes throughout FPI plants. More automation with customers & suppliers.

53. Economic Performance

54. Activities in the community

55. Full development of PE pouch for all applications (no haze, fit for multiple barriers). The PE recycle stream is huge!!

56. Better collaboration between business units and departments. Cross functional training, so associates better understand what their counterparts do.

57. All materials and products produced will be biodegradable

58. VPP for all plants. Sustainability SME resources for each plant to spend equal amounts of time on the front end establishing SWOT of the plant. Then focus on those plants that have the greatest needs from Weakness and Threat portions. The plants with best practice Strengths should be utilized to help promote those Strengths to assist other plants develop those same best practices as they relate to the business.

59. Production efficiency in the plants and waste reduction.

60. Focusing on multi-supplier options within our platforms to ensure we are not at the mercy of a single supplier when it comes to risk and financial assessment.
61. I would be educating everyone about the amount of waste our country produces and how it is managed (well in some aspects, poorly in others).

62. Talent Management: Retaining and attracting women in the work place

63. I would have liked to see the creation of a functional group in the company called Corporate Stewardship, responsible for initiatives (both technical leadership and market messaging). Communication would be a KPI.

64. Create a thriving culture of trust and happiness at FPI. Everything else will fall into place.

65. Use of lean manufacturing principles, alternative energy, reduction of water us

66. Upgrade all lighting to the most energy efficient type available and move toward renewable energy sources as much as possible. Our plants have a great opportunity for solar energy due to the large expanses of unused roof top area.

67. Reduce FPI's carbon footprint, e.g. turn the lights off outside the overlook building at night, remove the flat screen TV's they just consume energy. I am not sure the US is ready to accept this.

68. Putting EV charging stations at every plant.

69. More community involvement opportunities

70. Safe (health) and environmentally friendly packaging.

71. upgrade equipment and infrastructure to be the most energy efficient .....unlimited $ and time .... replace resin with eco friendly materials

72. additional automation in our factories

73. customer focused initiatives

74. Continuation of updates/improvement upon E1/PRISM

75. Local community endeavors - you'll have more buy-in, which will provide the momentum. Achieve gender equality and empowerment. Getting to the heart of the real data of our initiatives - not skewed biased reports. Transparency & communication - what are we doing with this data. And if it was truly unlimited, how do we make our plants more efficient (solar power, using corn, etc). And even though food waste is the number one land filler, how can we provide solutions to that and communicate it out?

76. Fully recyclable packaging (in store recyclable)

77. I would invest in stabilizing and developing our big accounts. Develop some strategy sessions to get inputs from the field to include the CDA's. Use the input to develop tactics/actions/timelines.

78. Impact of our company and our raw materials on life cycle.

79. I'm glad that we, FPI, has started this journey!

80. Increase biodegradable capabilities of raw material to make our products more environmentally friendly. Increase innovation on packaging substitution to replace glass and aluminum cans. Bring
innovative concepts/ideas to customers quicker. Lower carbon foot print with more efficient machines and processes. Consolidate MRO suppliers to help drive pricing down on supplies utilized at the plants. Increase the use of AI/Robotics (RPA) in business/manufacturing process. Increase use of mobile computing (hand held touch pads) at the plant for managers/leads to use to monitor equipment/associates while observing on the floor increasing reaction time for decisions and providing more real time feed back to associates. Maintain our existing machines in top performance capability.

81. better stewards of our communities.
82. Hiring and retaining good talent as well as focusing on Organizational Development and career path programs for high performers.
83. Divest ourselves of the China facility and reinvest in the american facilities considered for closing at this time.
84. 1. Develop process to manage the PE polymer reclaim stream to make it a more profitable supply for our business. 2. Purchase a manufacturer of plant based, compostable film to allow us to develop a unique platform of product offerings in this space.
85. "A push for more energy efficient manufacturing (recovering solvent, recovering water, saving on electricity bills using Variable Speed motors, etc.) and
86. waste reduction initiatives in all plants!!! I see 100s of lbs of waste due to press or lam or slitter start ups / change overs... there are projects that could greatly reduce these numbers with some upfront investments and best practices in place."
87. Safe packaging
88. Product (spec) standardization - less specs = more efficient use of resources across our business (not to mention inventory/speed to market/sales cycle efficiencies).
89. How FPI can give back to the community where they are located.
90. Partnership with recyclers and perhaps our competitors to figure out how to take flexible multilayer materials in the normal recycling bin and do something useful with it.
91. I would work to improve negative effects of climate change.
92. I would implement recycling and composting programs for all FPI facilities - we've got to walk the walk!
93. Water conservation
94. Full scale assessment and final development of ebeam technology to facilitate use of recycled materials and/or conversion to monoweb. Stop letting ink, ebeam guys and our customers drive this. Build plant utilizing this technology once "perfected".
95. Create an "Office Optimization Specialist" position. This person would work with plant supervisory personnel to optimize everyday "office" tasks. They would be especially useful in plants where floor workers are promoted from a machine position to a supervisor position but never have the time/opportunity to train on Google and Microsoft products. This gap in training leads to wasted
time in the office for supervisors especially when they are needed on the floor to help train, troubleshoot, etc. Instead they finish their floor work and then are payed hours of overtime while struggling to complete the necessary office work. The “Office Optimization Specialist” would observe what is needed for the position and offer streamlined training for the associate. This training would enable the associate to learn the necessary office skills needed to succeed in the position. The “Office Optimization Specialist” would also offer advice/options on how to improve current office related work such as templates, spreadsheet layouts, etc. They would assist in training, offering improvements and then being available afterward for advice and assistance.

96. (1) Development of broad array of recyclable and broadly sustainable packaging options (understanding that not all customers would pay more for recyclability) (2) Development of a detailed sustainability analysis of the impact of flexible packaging on the environment versus other options, to help FPI articulate the benefits of flexible packaging beyond simple recyclability (ie reductions in food waste, transportation cost, energy consumption, etc).

97. Eco friendly packaging

98. CONTINUE TO WORK WITH CUSTOMER

99. I would support and enjoy projects that promote peace, clean living, communicating skills, sharing life skills, etc.

100. Barrier, recyclable structures for SUPs and other bag styles.

101. partnerships

102. Biodiversity study or Life Cycle Analysis to see how end user products recycle or reuse products.

103. A focused effort on reducing our carbon footprint and providing packaging that no only provides solutions for reducing food waste but also packaging waste. Our sustainability efforts seem to be side projects and not fully resourced. I’d also create a more robust program for looking at the people side of the equation - do we have the right people in the right positions to take FPI to the next level in the next 5-10 years.

104. I would have to give this more thought.

105. Continued investments in plant expansions and equipment improvement. More sales force to expand the market for FPI.

106. Aspects contributing to a cleaner, more sustainable earth, to include environmental impact of products and manufacturing process, natural resource use, continued waste reduction, and climate change impact.

107. improved analytics and enhanced market data. closer partnership with customers to identify future demand (voice of the customer). investment in start up’s/new comers (get in early before these customers grow or are acquired).

108. Reduce reliance on printed (or faxed) paper for information flow (keep everything electronic)

109. Use less water and create less waste

110. Reduced environmental impact.
111. I'd remove all devices that contain mercury (instrumentation, and power switches) in the plants. This is prevalent in extrusion process machinery.

112. Climate change and waste should always be areas that we try to do achieve better results. Workplace culture should also be evaluated and updated as younger employees join FPI.

113. Lessening food waste through longer shelf life.

114. Recyclable packaging

115. Sustainable energy. Plants and sites operate off of sustainable energy whether solar, wind, geothermal, etc.

116. Reduction of material usage, implementation of bioderived materials, reduction of waste

117. I will could investigate more about renewable sources or something that could have less impact on the climate

118. Utilizing our waste in our products - provide a secondary market for plastic

119. Compostable K-Cup and biodegradable packaging

120. I think a comprehensive and well publicized plan for the trim waste and other scrap from our plants would be one of my top priorities. That seems like quite a resource to me, but I currently do not know where it is currently going.

121. Robust Product Stewardship Program including product lifecycle impacts

122. Convert to solar powered plants.

123. Building upon keeping employees informed of all initiatives in which FPI is putting in place to help better achieve involvement and support across the company.

124. Affordable film solutions with good barrier properties

125. I would support Innovation. With all the millennials coming up, it's all about the latest and greatest.

126. Making multilayer plastics easier to recycle

127. Biodegradeable / compostable products

128. Researching B-Corporations and developing Packaging Structures to meet their strict but meaningful Certifications.

129. Communication strategy around sustainability

130. Be aware of climate change and make necessary product changes to slow this down.

131. REDUCE WASTE

132. Reducing FPI's footprint on the planet as a manufacturer.

133. Partnerships with suppliers and customers; Local community involvement
Look at options for renewable energy and recycling heat energy.

Recycling

Renewable resources

strengthening our workplace culture

Take the lead on educating consumers on the Carbon Footprint potential improvement with certain plastic packaging. Make plastic not the problem with sustainability because it is so durable but a potential solution because it is so durable.

Manufacturing waste reduction and increased recycling of manufacturing waste

I will be dedicated to cheaper and better products, competing with Berry & Sealed Air.

Investigate and develop in-line extrusion & thermoforming for rigid markets

Community based help whether its environmental cleanup or helping kids in a local school read. FPI could make a more concerted effort in having a presence. Many associates already do this work but doing it en mass and regularly would create greater ownership.

Creating a robust recycle stream for all mixed items. In this manner, we would make the re-use part of the sustainable cycle more effective. If we can then separate and repurpose in an energy efficient manner it would at least keep trash out of landfills.

Positioning FPI as a B2B2C company and invest more dollars to connecting directly with consumers.

Not just being a donor for community initiatives but being a partner in the development of local communities and programs. Basically let's not just write a donation, but be an active participant in being able to know/see how far our contribution goes to benefiting the organizations we support.

Improve LCA and recylability of our products.

Sustainable film

Occupational health and safety

I would promote more recycling options for Packaging materials

plastics that are totally biodegradable in a much shorter timeframe

PET water bottle replacement

Workplace Culture/Engagement

Tackle the issue of plastics in the ocean and create a better infrastructure for recycling/composting/waste management.

Zero to landfill across all FPI plants.
155. waste to energy electric generation for our film scrap, heat exchangers off our oxidizer, reuse of oxidizer exhaust for convenience heat, solar electric generation, wind turbine generation, green roofs, grey water systems.

156. Updating the interiors of the plants, making them more pleasant and less industrial. Not saying to make them all "Princess", however a nice paining or changing of the floors could go a long way in making the area better.

157. Raw material consolidation. Move toward alternative technologies that require less energy usage and better environmental footprint.

158. I would like to share our Statement of Philosophy, Core Values and Expectations of Leaders with local schools to help impact the next generation with a positive role model. Not that I'm that role model but that our organization seeks to live these values as a whole and as a team.

159. Improved operational efficiency, new products for managing or recycling waste.

160. Energy recovery from waste

161. Artificial Intelligence

162. Transportation reduction, waste reduction

163. Biodegradable packaging options for all formats.

164. Anything that promotes and improves our culture and EHS efforts makes our plants stronger which should help our performance in servicing our customers.

165. Increased marketing campaigns to become more of a presence in the marketplace. Also, more competitive pricing research.

166. Reduce waste as well as continue to look for more environmentally friendly packaging.

167. Biodegradability of plastic resins and the next Eureka product the consumer can't live without.

168. Market presence

169. Focus on industry alignment and communication. Reduce confusion of the consumer on what is best for the environment. Provide context on the issues of food waste and the value of packaging.

170. Partner with other companies to look into more functional green space at the communities (low income areas)

171. Consumer and environmental projects

172. Cultural awareness

173. As the competent workforce availability will be the main concern in the near future, it will be important to make our brand be known in the markets we operate. That will give us the opportunity to have associates from diverse profiles, backgrounds and races/ethnic groups which will lead the business to have superior business results.

174. Waste

176. A recovery for our waste

177. Sustainability focused project

178. Pharmaceuticals

179. Definitely any projects around bettering the workplace culture.

180. I would love to be more involved in the community, counseling and providing support for homeless youth and adults

181. Workplace Culture

182. We should educate consumers on what FPI does and how we affect them.

183. Improving our overall efficiency and effectiveness.

184. Optimize energy use; raise expectations of safety, workmanship, creativity

185. Working to eliminate solvents in our printing. Continued work on biodegradable and recyclable packaging structures.

186. Energy, water, waste, and any other project that can remove cost from the Plants.

187. Packaging innovations

188. personal development tasks for associates

189. When new business is added. Devoting a certain amount of time to developing a plan to how it affects each applicable department. I do not believe enough cross-department collaboration is done when new business is added or transferred.

190. Work on those projects that can help FPI generate sales and make it a significant player in those markets

191. Sustainability is important. Keeping the topic specifics clear and understandable to consumers

192. FPI emergency preparedness to evaluate, respond to and recover from incidents or disasters; property protection partnership to improve FPI facilities' technical risk profile; due diligence assessment of expanded FPI presence/footprint in other markets (i.e., Europe, South America, and a larger Asian presence).

193. Our flexible packaging footprint is either smaller/better or not, than other packaging methods -- this needs to be proven and commercialized where valid from the perspective of substitution.

194. The use of natural resources such as sunlight to help provide daytime lighting naturally as well as using the facility rooftop for solar panel energy collection for smaller electrical systems. This would help offset some costs in energy use at the facility.
Appendix N: SASB’s Materiality Map

## SASB Materiality Map™

SASB’s Materiality Map identifies likely material sustainability issues on an industry-by-industry basis. This map serves as a snapshot of likely material sustainability issues at the time of our initial analysis and may be subject to change as issues and industries are ever-evolving. Click on a highlighted cell at the sector-level and then on any highlighted cell at the industry-level to see suggested accounting metrics and additional information for each issue.

### Sector Level Map
- Issue is likely to be material for more than 90% of industries in sector
- Issue is likely to be material for less than 50% of industries in sector
- Issue is not likely to be material for any of the industries in sector

### Industry Level Map
- Not likely a material issue for companies in the industry
- Likely a material issue for companies in the industry

<table>
<thead>
<tr>
<th>Issues</th>
<th>Health Care</th>
<th>Financials</th>
<th>Technology and Communications</th>
<th>Non-Renewable Resources</th>
<th>Transportation</th>
<th>Services</th>
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<tr>
<td>Environment</td>
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