

Building a Sustainable Future

Fourth Edition



NewAge Industries and Our Commitment to Social, Environmental and Economic Sustainability



ESOP
Employee Owned
for Your Benefit



Manufacturer of
products for



Welcome to NewAge Industries' Sustainability Report, Fourth Edition



Our sustainability practices have evolved since our first report in 2013, but our commitment to our environment and renewable energy sources remains strong. So strong, in fact, that we applied for and received **Certified B Corporation™** status from B Lab™ in 2020. The distinction serves to illustrate how NewAge has evolved as a corporation and how our commitment to our customers, employees, environment and community has become a fundamental part of who we are. B Corps™ like NewAge meet the highest standards of verified social and environmental performance, transparency and accountability while balancing profits and purpose.

As a manufacturer of plastic and rubber tubing, molded Single-Use tubing products and asset tracking solutions, **we understand how our products impact clients.** Our AdvantaPure® high purity items support life-saving biopharm and pharmaceutical discovery and production, including vaccine manufacturing. Medical and surgical device manufacturers rely on RFID systems from our Verigenics® group. Our tubing and hose products are an integral part of processing numerous foods, beverages, liquids and gases.

We are a **critical part of our customers' supply chains**, and we work hard to ensure that needs are met while working toward responsible and sustainable outcomes for safety and product quality. We do this by focusing on conscious, shared, sustainable capitalism that benefits not only ourselves but our customers and our world.

A key aspect of our sustainability and corporate social responsibility was the addition of a **renewable energy source** at our headquarters in southeastern Pennsylvania. In 2011 we installed a rooftop solar array that generates over one megawatt of electricity annually, allowing a substantial portion of our energy needs to be produced cleanly and sustainably.

Equally important is the sustainability of NewAge Industries as a company. To help ensure our continuity, NewAge became a **100% employee owned** corporation in 2019. We pledge to remain independent and will not be sold and absorbed or dismantled.

We are proud of our successes and encourage other companies to join us in business practices that help **build and sustain future generations.**



A handwritten signature in black ink that reads "Ken Baker".

Ken Baker, CEO

Our Sustainability Initiatives

NewAge is committed to minimizing the environmental impact of our operations. We've launched several programs to reduce energy usage, rely on renewable energy sources and minimize waste.

These highlights illustrate our sustainability efforts so far, but we are determined to find new and innovative ways to ensure that our company is environmentally sound and a good corporate neighbor.

Zero Landfill

- NewAge is committed to being a zero landfill organization. Trash that is not recyclable is transported to a nearby energy-from-waste, or EfW, facility. There, metals are removed from the waste and recycled, and the remaining trash is burned for energy recovery in the form of steam and electricity.

EV Charging Station

- A Level 2 electric vehicle charging station was installed as part of a major building renovation in 2017. The station can charge two cars simultaneously, and more stations will be added as needed.



An electric vehicle charging station serves cars that don't run on fossil fuels.

Republic Services BU123
hereby states that
NewAge Industries
Southampton, PA
has achieved the title of a
Environmentally Responsible Company

This company has implemented an environmental sustainability program with the objective of becoming more environmentally responsible with their waste and recycling stream. Residual waste from this facility is either reduced, reused, recycled or processed at a waste-to-energy facility. Waste-to-energy is the conversion of non-recyclable waste materials into useable heat, electricity, or fuel through a variety of processes.



High efficiency motors save energy.

Building Improvements

- We converted our warehouse and manufacturing facility lighting to T8 fluorescent, which uses one-third the energy of conventional lighting. This lighting is also brighter.
- A "cool roof" was installed to prepare for our solar panel system and reduce energy usage. The white roof added two inches of solid insulation

and reflects light and heat to reduce air conditioning usage.

- All windows were replaced with energy-efficient, tinted styles that feature two thermal barriers to reduce heating and cooling energy waste.

- Screens were fitted to all warehouse dock doors to allow natural ventilation without debris and insects entering the building. As a result, exhaust fans on the roof run less often, saving energy.

- Electrical system upgrades included a new bank of capacitors and a new high

voltage transformer to use electricity more efficiently.

- High efficiency electric motors in our manufacturing areas and in the building's air conditioning units improve function and save energy.

- Following an energy audit by an outside company, power correction modules were added to all major pieces of manufacturing process and support equipment. These additions successfully reduced energy consumption and improved equipment efficiency.

- On-demand generators automatically power on to bring electricity to our office areas during a power outage. This helps the company continue to run when electrical service is interrupted.



Lighting upgrades improve working conditions and reduce electricity usage.



LED lighting in new manufacturing areas — bright, efficient and energy saving

- LED lighting is now used in all building expansion areas, including conference rooms and clean room manufacturing areas that became operational in 2018.
- Equipment installed for new Class 7 and 8 clean rooms included high efficiency motors on chillers, air compressors, air handlers, pumps and other machinery.
- Highly efficiency T5 lighting is used in a new warehouse area. It provides high lumens (brightness) in a compact bulb.

Reduce, Reuse, Recycle!

- Company-wide recycling of cardboard, plastic, glass, paper, toner and ink jet cartridges, and single-use batteries reduces our amount of waste. Team members are encouraged to bring in recyclable waste from home that is not handled by their municipalities.
- An industrial trash compactor reduces non-recyclable trash volume.
- A cardboard compactor diminishes the volume of unusable boxes and other cardboard into compact bundles, ready for pick-up and recycling; two tons of cardboard is recycled monthly.
- Tons – literally thousands of pounds – of out-dated computers, monitors and printers are properly recycled by a specialist in computer-related waste. Team members are encouraged to bring in their own electronics-related waste for proper recycling.
- Aluminum water bottles were given to team members to decrease plastic water bottle use.

NewAge's Solar Project: A Bright Idea

NewAge Industries' solar energy system reflects our commitment to renewable energy. It generates a good portion of our annual electricity needs and allows us to be



Inverters help turn the solar energy from the roof into usable electricity in the building.



Electricians manually positioned 18 miles of cables and wires before making individual connections to thousands of solar panels.

environmentally responsible, protect the local ecosystem, reduce our energy costs and improve profitability. System highlights include:

- The capacity to produce up to one megawatt of power continuously
- 4,082 roof-mounted solar panels made it the sixth-largest solar array in Pennsylvania and the largest roof-mounted system in Bucks County when installed
- The system cost \$4.2 million with one-half paid by NewAge and one-half from federal and state sustainability grants
- All major components (panels, inverters, racking systems) were made in the United States as stipulated during the contractor bidding process
- Installation took approximately five months
- The system was powered up in June 2011
- Designer and general contractor: Borrego Solar Systems

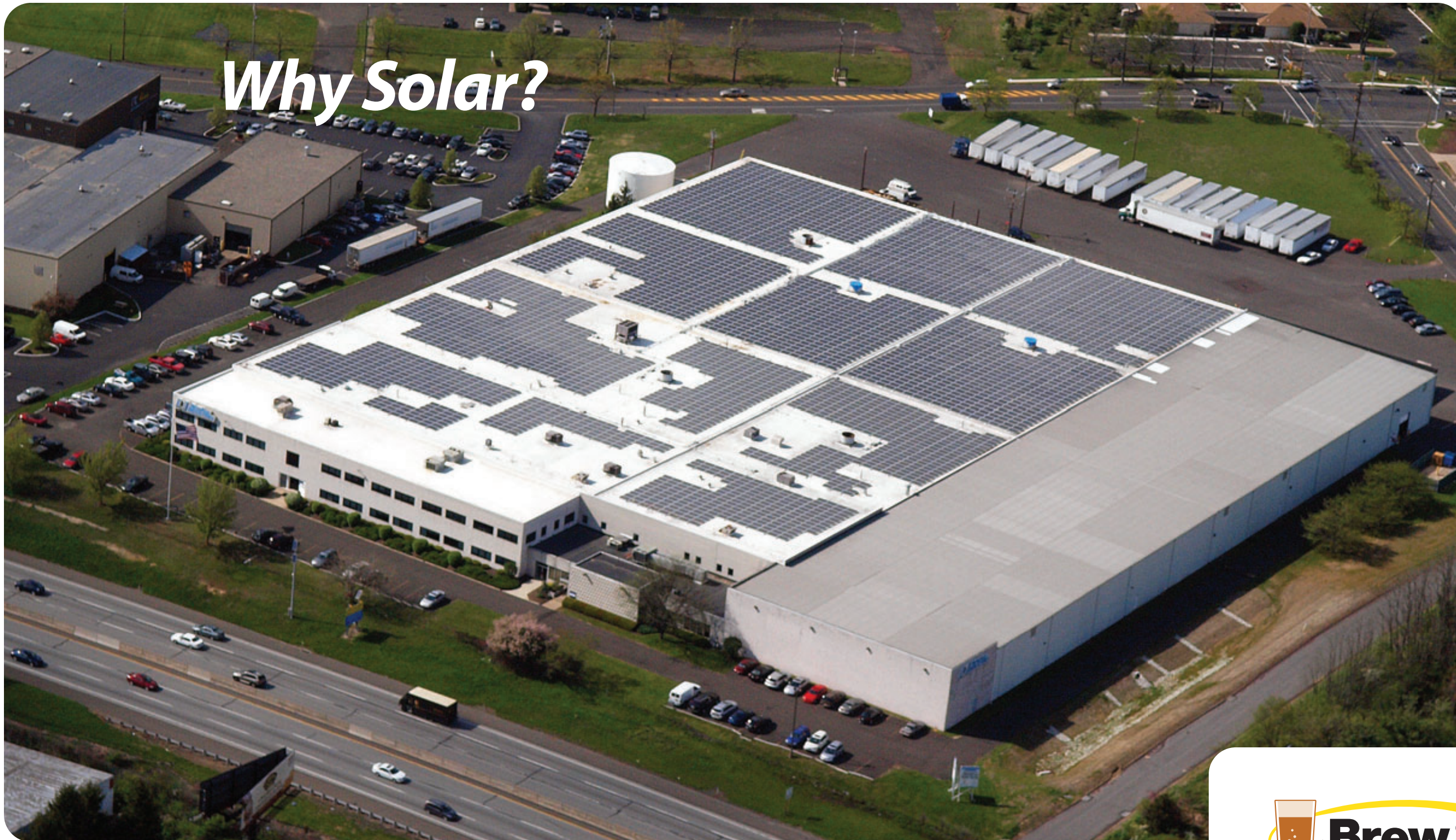


NewAge was awarded the PennFuture "Green Power: Make It" award for our solar installation and other recycling and sustainability initiatives.

NewAge is proud to have been awarded PennFuture's "Green Power: Make It" award in October 2011.



Why Solar?



It takes a lot of energy to operate our manufacturing facility and corporate headquarters. There's production machinery, lighting, computers, and a host of other energy-consuming equipment. Deciding to embrace solar energy allows NewAge to:

- Be a leader in clean, renewal energy
- Set an example of a company that can be progressive, successful and green
- Help our local community and environment
- Save on our electricity expenses

4,082 solar panels installed on the roof of NewAge Industries' corporate headquarters generate a large portion of the company's electricity needs. When installed it was the largest rooftop solar array in Bucks County and the sixth largest in Pennsylvania.



In 2019, NewAge Industries' BrewSavor product group sponsored the annual "Brews from the Sun" competition. Operated by Solar United Neighbors, the event crowns America's favorite solar-powered craft breweries. Learn more at www.brewsfromthesun.org.

Our Sustainability by the Numbers



Any company can say it's green, but hard facts are needed to prove it. NewAge's team members put many hours into researching and implementing our sustainability projects and it shows.

- NewAge's manufacturing operations use approximately three million lbs. of plastic and silicone material a year. Material that is processed but unsellable as tubing – namely tubing run during extrusion start-ups when technicians adjust the equipment for proper tubing dimensions – is called scrap. Most plastic scrap is reground and returned to the manufacturing process. A small percentage is sold to recyclers for other uses; virtually nothing is disposed of as trash. NewAge's silicone scrap is sent to a recycling company that breaks down the material into silicone oil through a multi-step reclamation process. The oil is used in industrial applications such as lubricants, sealants and automotive dressing.

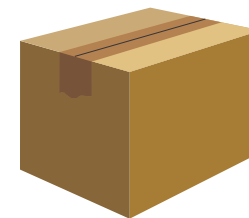


Waste product from our silicone tubing manufacturing process is recycled into industrial silicone oil.

- All reach trucks run on AC technology rather than DC. AC technology delivers extended battery life per battery charge, up to 20% more battery life, and 10% higher operating efficiency over DC motors. In other words, we now move more product with less electricity. Forklifts also run on battery power instead of their previous power source, which was propane. This change eliminated propane emissions in the warehouse.

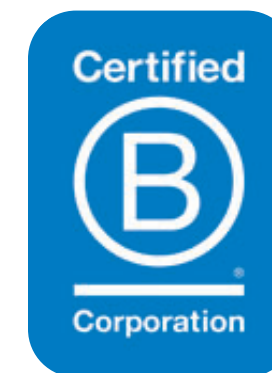


Battery-powered forklifts save electricity and eliminate propane emissions.



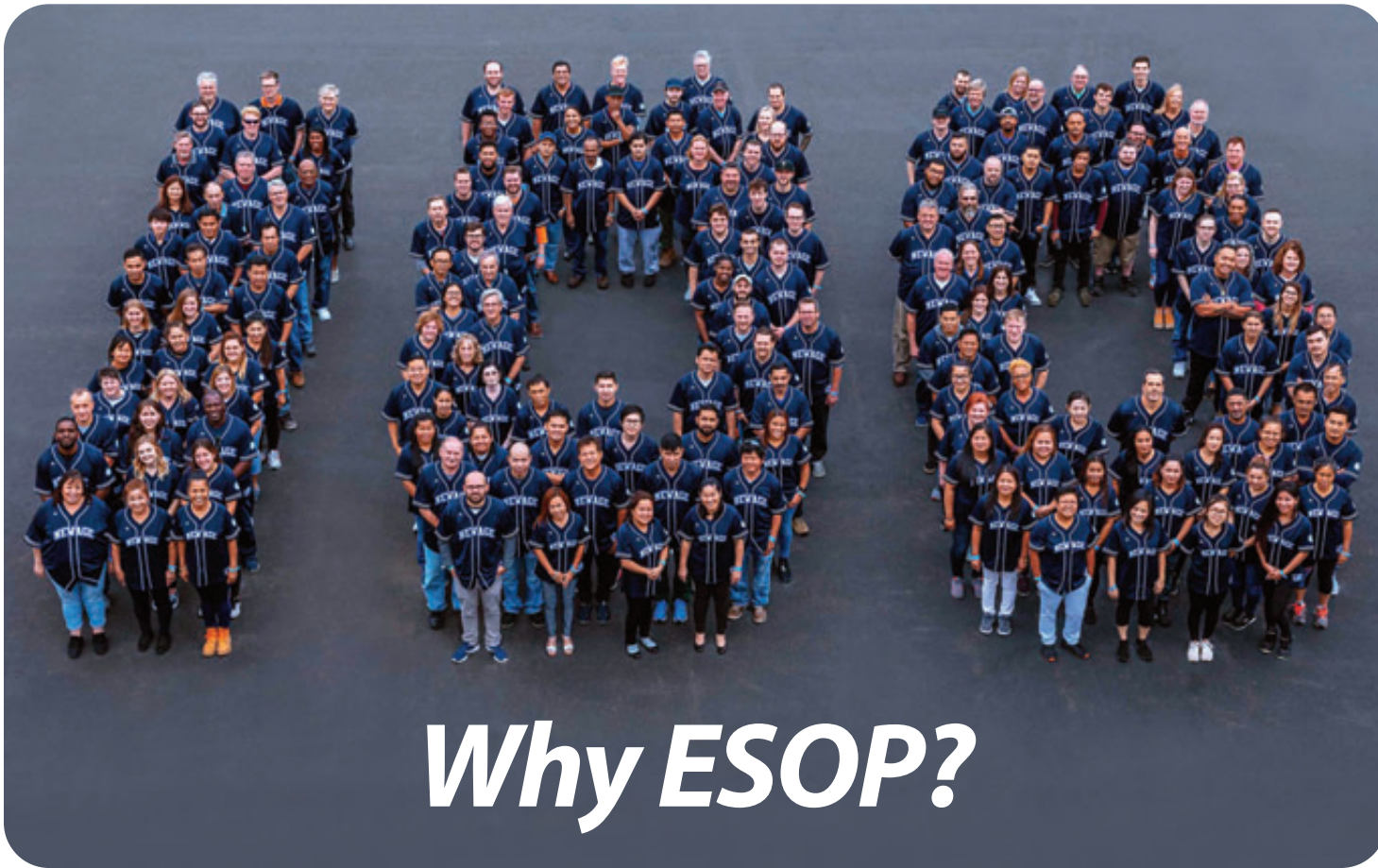
- We no longer produce tens of thousands of copies of a large, all-inclusive product catalog, thus saving the energy and paper used to print it. Most product information is shared electronically, and printed versions are produced in-house on an as-needed basis.

- Twenty-four tons of cardboard waste, mainly of the form of boxes that are no longer unusable, is recycled each year. That's two tons every month.



Many of our sustainability initiatives – our recycling efforts, our solar power system and the steps taken to reduce energy usage, building improvements, our position as a zero landfill organization, employee ownership – and the community outreach activities and employee wellness programs (involving physical, mental and financial health) described on the following pages led to achieving recognition as a B Corp™. It's a designation we're proud of and one that sets us apart from other tubing manufacturers and suppliers, especially those in the biopharm and pharmaceutical industries.

See NewAge's B Corp impact assessment score at <https://bcorporation.net/directory/new-age-industries-inc>.



Why ESOP?

ESOP Employee Owned for Your Benefit

100%
employee
owned

Experience has shown that companies featuring Employee Stock Ownership Plans (ESOPs) can gain a competitive advantage through superior customer service. Advantages of NewAge's employee-owned status include:

- **Better employee retention**, including those with experience and expertise in AdvantaPure's high purity tubing, hose and Single-Use systems;

Verigenics® RFID technology; and BrewSavor®'s craft brewing and beverage dispensing applications.

- **More continuity:** Customers know that key people are in place long-term and best practices will remain in effect. Sales Team Members have been with NewAge an average of over 6 years, and 20% of the entire staff has been with the company more than 10 years; over 40% of

team members have been employee-owners for more than 5 years.*

- Demonstrates to customers that **NewAge is dedicated** to the business and focused on the future, as opposed to being a target for mergers or acquisitions. **NewAge is 100% employee owned and will not be sold to a competitor.**
- **Pride of ownership** helps employees commit to success while sharing rewards and risks.

*As of this printing



Our Sustainability in Action

Ensuring that we are a sustainable organization that demonstrates responsibility toward our customers and our environment is a full-time task and an ongoing, everyday commitment. Along with being an ESOP company, and now a Certified B Corporation, sustainability is part of who we are.

Creating a great work environment for team members – including safe conditions and being treated with respect – is not only crucial for achieving sustainability but also enables us to better serve our customers. This is validated by our consistent growth over the years and by the fact that forty percent of our employees have been with the company for five years or more.

Everyone, customers and team members alike, benefits from our company's success. We invest in creating and maintaining a working environment that includes the sharing of knowledge and interests within our diverse group. In addition to the United States and Puerto Rico, NewAge currently employs people originating from Algeria, Bangladesh, Brazil, Cambodia, Greece, Guyana, India, Indonesia, Iran, Pakistan, the Phillippines, Russia, Taiwan, Thailand, Trinidad and Tabago, Ukraine, Vietnam and Yugoslavia.

Here we share a few examples of initiatives that show how well conscious, shared, sustainable capitalism can coexist with other activities.

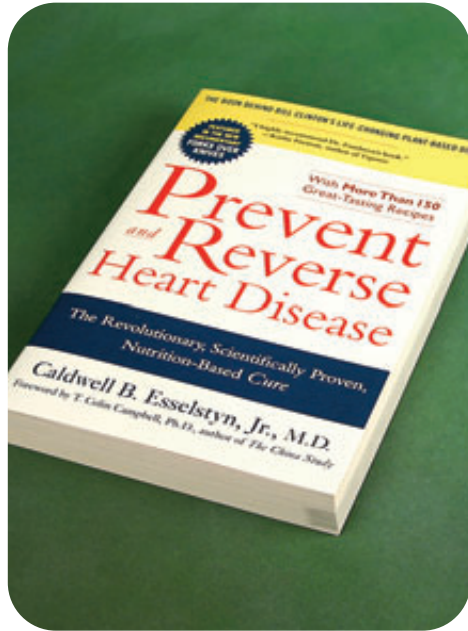
Wellness Committee

The Wellness Committee, comprised of employees from a wide variety of job descriptions, is focused on maximizing employee health and fitness to minimize the need for health care treatment. It's an outstanding example of how everyone shares responsibility for promoting well-being.



Encouraging healthy eating is a Wellness Committee objective.





Wellness Committee activities include:

- Vegetarian dish cook-offs with prizes awarded for favorites
- Free onsite chair massages
- Tips on fitness and stress management
- Books and DVDs about the importance of diet and nutrition for good health given to all team members
- Shared recipes on healthy cooking
- Reimbursement of gym memberships and fitness classes
- A summer weight loss challenge

Cambodian School Computer Project

When team members receive new laptops, the older machines are refurbished and donated to the Caramanico School in northern Cambodia. The school, founded by Anne Marble and Thomas Caramanico and located in rural Ratanakiri province, had only one computer powered by a single solar panel. NewAge provided funding for several solar panels to power the laptops and lights in the school.



Laptop computers donated by NewAge help students in rural Cambodia.



Safety Committee

NewAge's employee-based Safety Committee is involved in developing security protocols, scheduling and performing training for equipment (such as forklifts), and fire prevention training, including a course dealing with potential problems of the solar energy system. The committee also arranges annual onsite training involving first aid, blood borne diseases and AED's (Automated External Defibrillators) for the company's First Responders team.



School District of Hatboro-Horsham PARTNERS IN EDUCATION

Partners in Education Program

NewAge Industries works with a local educational organization, Partners in Education, that matches area businesses with local high schools. Ken Baker, the company's CEO, truly believes that today's students are tomorrow's leaders and is personally involved with the program. Ken visits the business classes of area high schools to speak on topics ranging from business ethics to career development and interviewing skills. NewAge also hosts teachers and students at the company's offices where they can learn about educational requirements, in-demand skills, intern opportunities, and the complexities and rewards of operating a business. In these ways, Partners in Education helps bring the real business world into the classroom.

Green Committee

The Green Committee helps reinforce the reduce-reuse-recycle concept to team members and looks for more ways to help NewAge's sustainability initiatives. The committee set up an alkaline battery recycling program, encourages proper e-waste recycling, collects used ink and toner cartridges for recycling, and has helped green NewAge's outdoor space with additional trees, shrubs, and outdoor seating for lunch and breaks.



Helping Children Enjoy the Holidays



We are proud to be an active partner in the U.S. Marine Corps Reserves' Toys for Tots program. The primary goal of the Toys for Tots collection and distribution program is to

deliver a holiday message of hope to youngsters that will motivate them to grow into responsible, productive, patriotic citizens and community leaders.

Helping Hands

NewAge's Helping Hands Committee gives our team members the chance to demonstrate their sense of social responsibility by giving back to their community. Projects include clothing collections, food drives, and during the holiday season, team members contribute to Toys for Tots, in the form of gifts and time, to help underprivileged families and children in our area.

NewAge also contributes financially to over 25 local and national charities, and a few years ago presented an additional Helping Hands initiative to team members. Each team member was given the opportunity to donate \$500 to a charity of his or her choice. The project was entirely funded by NewAge, although the donations were made in team members' names.

Internships Give Students First-Hand Business Insights

Each summer NewAge team members help students at Hatboro-Horsham High School, located in southeastern Pennsylvania, keep learning, thanks

to the Bridges internship program. Bridges is targeted to juniors and seniors and is designed to help students determine college course selections.

The unpaid internships generally last 60 hours and are spread over the summer. Interns meet regularly with CEO Ken Baker and with the company's team leaders. Students have the opportunity to spend time with team members from various departments and learn about different job requirements and responsibilities.



NewAge also provides internships to engineering students from Drexel University, located in Philadelphia. The full time, six-month programs immerse students in the various day-to-day activities of a progressive manufacturer, allowing them to gain valuable hands-on experience.

Blood Drives

NewAge Industries hosts semiannual blood drives in association with the American Red Cross. Team members are encouraged to donate a unit of life-saving blood to help our community's blood supply sustain healthy levels. Neighboring companies are also invited. NewAge has been hosting drives since 1997, producing over 500 units of blood.



Continuing Team Member Education

The company offers reimbursement up to \$4,000 per year for successfully completed, work-related college courses. Courses can pertain to an employee's current job or to a career in another field. Team members are also encouraged to attend work-related seminars and training to enhance their skills. Internal training on products, procedures, software, business practices, and financial information takes place, too. Why? Because we know that to continue growth, education and learning must also continue.



Pennsylvania Center for Employee Ownership



NewAge Industries is associated with the Pennsylvania Center for Employee Ownership (PaCEO), a non-profit organization co-founded by Ken Baker and developed to promote better understanding of the values of employee ownership among business leaders and others. The PaCEO is an affiliate of the National Center for Employee Ownership (NCEO), a 501(c)(3) public benefit corporation, supported by volunteers from among Pennsylvania ESOP companies, service providers and agencies, and educational institutions. Its goals are to raise awareness of employee ownership as a form of business succession planning, create more employee-owned companies in the state and improve the Pennsylvania economy. Learn more at www.ownershippennsylvania.org.

Notable Honors

In addition to our PennFuture “Green Power: Make It” award, NewAge Industries has been the recipient of the Wharton Family Business of the Year Award, organized by the University of Pennsylvania’s famed Wharton Business School.

NewAge was also selected as a finalist for two consecutive years in a Top Small Company Workplaces competition. NewAge was one of 40 finalist companies chosen from over 500 entrants.



The judges noted that “NewAge Industries has lived up to its name by reinventing itself from a distributor of plastic tubing to a manufacturer, to a premier provider of disposable pharmaceutical processing systems through its AdvantaPure group. Since its founding in 1954, this family-owned business has steadily followed its core values focusing upon customer appreciation, high ethical standards and sharing wealth with employees. This formula has paid off. Today, NewAge is a modern, lean operation with a tenured workforce known for its innovation, commitment and agility. This firm has consistently been profitable throughout its history with its share price steadily increasing.”

Looking Ahead

What we’ve presented here is our version of the Triple Bottom Line: **People, Planet, Profit**. Our practices and B Corp certification prove that this is not only possible but is charitable, environmentally responsible, financially rewarding and allows us to keep an educated eye on the future.

We pledge to continue our sustainability, in all its fashions, and to keep leading the way in successful, corporate social responsibility.





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