



LIBERTY DIVERSIFIED  
INTERNATIONAL

# Committed to Making a Difference

Sustainability Report 2024



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SINCE 1918, LDI HAS CHAMPIONED SUSTAINABILITY, TRANSFORMING WASTE INTO VALUE.

# A Message from our CEO

**We are pleased to present the FY24 Sustainability Report for Liberty Diversified International (LDI), on our ongoing commitment to environmental, social, and governance (ESG) principles.**

Since 1918, LDI has championed sustainability, transforming waste into value. This inaugural report highlights our progress in achieving our ESG goals, showcasing how we're integrating sustainability into every facet of our business. As a leader in the circular economy, we create eco-friendly packaging solutions, minimizing our environmental footprint while maximizing social impact. Our commitment extends to transparent ESG reporting, innovative products, and upholding our core values: Caring, Innovation, Trust, and Excellence. We're not just focused on setting targets; we're actively innovating to design sustainable products, reduce our footprint, and foster a diverse and inclusive workplace. I invite you to explore the details within this report, which demonstrates our dedication to building a legacy that benefits not only our stakeholders but also the planet we share.



**Greg Theis**  
President & CEO

## 2024 Awards

- ▶ **Minnesota Governor's Workplace Safety Award — Silver Award Winner (2024)**  
Liberty Paper received a Silver Achievement Award, in recognition of their excellence in occupational injury prevention throughout 2023. Since 1934, the annual Governor's Workplace Safety Awards program has honored Minnesota employers with exceptional safety performance.
- ▶ **City of Fort Worth Pretreatment Star Award**  
The City of Fort Worth has recognized Liberty Packaging — Fort Worth for their dedication to the environment at the City of Fort Worth Environmental Awards Ceremony. Liberty Packaging — Fort Worth received the Pretreatment Star Award for one year of 100% compliance with local, state, and federal pretreatment regulations.
- ▶ **Minnesota Keystone Program**  
LDI is a proud recipient of the Minnesota Keystone recognition program honoring companies that donate at least two percent of their pre-tax earnings to the community. LDI has been a recipient every year since 2005.

# About LDI

## A legacy of improving lives and the world for over 100 years.

Liberty Diversified International (LDI) is a third-generation, family-owned business and leading provider of innovative, sustainable products with dedicated professionals committed to operational excellence. From our humble beginnings in 1918 to our present status as a global leader in four core markets: Paper, Packaging, Plastics, and Office Furniture, our journey has been shaped by a relentless pursuit of excellence and a commitment to our core values: Caring, Innovation, Trust and Excellence.



### CARING

**Do the right thing!**



### INNOVATION

**We deliver superior solutions!**



### TRUST

**We earn it!**



### EXCELLENCE

**Everyone leads!**

## MISSION & VISION

Our mission at LDI is to work hard every day to make lives better for our employees, customers, suppliers and communities. Continually expanding our capabilities, we are positioning ourselves to better meet the evolving needs of our customers — today, and in the future. Our products and services contribute to a more sustainable world, and the charitable contributions and volunteer efforts of our company and our employees positively impact those in need every day.

## Note from our Chief Legal and Sustainability Officer



Our sustainability journey is a continuous one, and this report — our inaugural, dedicated ESG report — outlines the steps we've taken to gather baseline data to inform our future

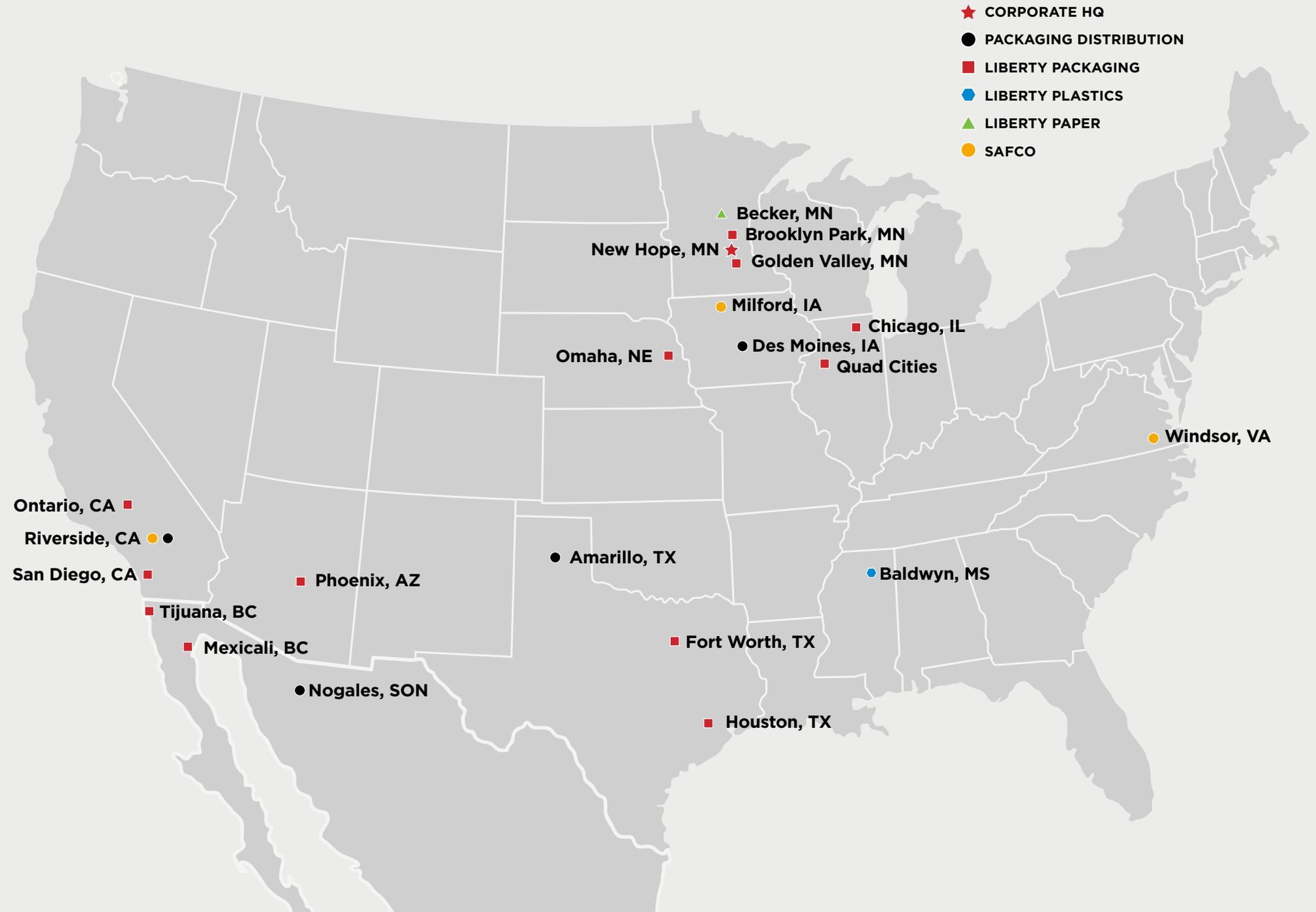
goals and targets. Our commitment to comprehensive ESG reporting ensures transparency as we strive to reduce our environmental impact, enhance employee well-being, improve our communities, and drive sustainable growth. We are excited to share our goals and progress on these important topics. As we look ahead, we remain committed to transparency, accountability, and continuous improvement in our sustainability efforts.

– **Jenny Lindstrom,**  
Chief Legal & Sustainability Officer

## LDI AT-A-GLANCE

Comprised of multiple companies headquartered in New Hope, Minnesota, Liberty Diversified International (LDI) is a privately held company employing more than 1,900 individuals across our manufacturing facilities, production facilities, and core business operations in Minnesota, Iowa, Virginia, Nebraska, Illinois, Mississippi, Texas, Arizona, California, and Mexico. With deep roots in the corrugated box manufacturing industry, we operate in the core markets of paper, packaging, office furniture, corrugated plastics, and building products.

Our innovative solutions include 100% recycled paper, color and functional paper coatings, supply chain solutions, innovative packaging designs, custom corrugated plastic, roofing products, office solutions, and retail fixtures.



## THE LIBERTY LEGACY

In 1918, our founder, Jack Fiterman, was so grateful for the opportunity in this country, he named his new business after one of the country's founding principles: liberty. Liberty Diversified International has grown from a small, family business to a growing family of companies.



## OUR FAMILY OF BUSINESSES



Liberty Packaging leverages scale and integrated capabilities with expertise in creating sustainable supply chain packaging programs and solutions. As stewards of our environment, Liberty Packaging is committed to producing high-quality products while conducting business in a responsible and sustainable manner by minimizing and recycling all scrap material.



Liberty Plastics is a manufacturer of laminate corrugated plastic under the brand Wave-Core™. Specializing in High Density Polyethylene (HDPE) resin extrusion technology, Liberty Plastics works closely with our customers to provide unique and innovative products and solutions. By providing reusable and recyclable packaging that provides better product protection with less materials, Liberty Plastics helps its customers eliminate single-use materials.

Liberty Plastics' Quarrix brand is a leader in specialty roofing materials and building products. Quarrix ventilation products promote sustainability by optimizing airflow, reducing moisture, and preventing roof damage, which minimizes material waste and extends building longevity. Made from durable, HDPE recyclable material, these products contribute to a lower environmental footprint while offering long-term cost savings.



At Liberty Paper, our cutting-edge paper mill transforms recycled old corrugated containers into new paper for packaging. As one of the largest recyclers of corrugated material in the Midwest, we recycle 275,000 tons of old corrugated boxes annually – 90% post-consumer and 10% pre-consumer. We source these materials from a diverse range of customers across the Midwest and Canada, forming strategic partnerships within a closed-loop service model. We collaborate with industry organizations, including the Recycle Paperboard Technical Association and the Recycling Association of Minnesota, to maintain best practices and engage with our community. Liberty Paper introduced the Dreamworks Coating Solutions division in 2001. With significant experience, Dreamworks technical experts change and create a wide range of recyclable protective and enhanced coating combinations for paper, packaging, and print marketing.



Since 1966, our focus has been on quality, service, and delivery. These attributes are still important, and we have chosen to up our game with a deliberate commitment to approachable design and a stronger focus on sustainability. Within commercial furniture and space design, we know customer ideas and needs are unique and varied. Safco is committed to delivering precisely what the market needs to create and complete spaces through Safco and Onsemble brands.

# ESG Governance

LDI’s Board of Directors oversees the corporation’s business and affairs, including oversight of ESG risks and opportunities.

The Board operates under a governance framework established by all applicable laws, the corporation’s Articles of Incorporation and Bylaws, and other corporate governance policies benchmarked against best practices.

The Board is comprised of nine directors, including the non-executive Chair, a third-generation descendant of founder Jack Fiterman, and five independent Directors. The Board meets at least four times per year, and receives quarterly updates on ESG issues, ensuring regular and thorough oversight. In addition, the CEO provides monthly business updates, either via email or calls, fostering a culture of transparency and open communication.

There are three standing committees of the Board: Finance & Audit Committee,

Compensation Committee, and Strategy Committee, each playing a crucial role in the corporation’s governance.

## ESG MANAGEMENT

LDI is committed to integrating Environmental, Social, Governance (ESG), and Environmental Health and Safety (EHS) principles into our daily activities and decision-making processes. We comply with all applicable ESG and EHS laws, regulations, and standards, routinely audit our performance, and continuously seek opportunities to exceed compliance requirements.

Corporate ESG objectives are established by our materiality assessment, proposed by our Chief Sustainability Officer and ESG Lead, supported by the ESG Core and Advisory Teams, and approved by the LDI Officers and Board of Directors. The ESG Core and Advisory Teams consist of representatives

from all business units and all functional areas of the company.

The Sustainability Task Force fosters collaboration and innovation, identifies and implements new initiatives and technologies, establishes metrics and monitoring mechanisms to track progress, measures performance, embraces best practices in sustainability management, and drives continuous improvement in sustainability efforts at the plant level. The Sustainability Task Force empowers employees and key stakeholders with knowledge of sustainability issues and opportunities to encourage the adoption of sustainable practices — including recycling, energy-efficient technologies, and sustainable procurement.

The Sustainability Task Force is equipped with a toolbox of structured materials and plans for implementing sustainability improvement.

### LDI ESG MANAGEMENT STRUCTURE



### Looking Ahead

LDI is in the process of implementing technology to assist in the collection and analysis of ESG data to enable the company to set ESG measurable and achievable goals for future years. We plan to set ambitious targets related to carbon emissions, energy intensity, water intensity, and landfill diversion as the business grows and changes.

# ESG Strategy & Objectives

Liberty Diversified International’s (LDI) history is rooted in environmental stewardship. Over 100 years ago, LDI’s founder recycled and repurposed packaging materials to customer specifications, and much of what we produce today is from recycled materials. LDI leadership recognizes the importance of developing products that minimize impact on the environment, ensuring the health and safety of our employees, customers, and communities, and complying with relevant regulations that are essential to our business success and to our customers’ success.

LDI’s business has grown and evolved substantially over the past 100+ years, but our commitment to sustainability remains as strong as ever. Today, our ESG strategy consists of four pillars:

**1 BUILDING CLIMATE RESILIENCE**  
We are committed to ensuring our operations and supply chains are adaptive, sustainable, and prepared to thrive in the face of change. By investing in sustainable practices, we build resilience for both our business and the communities where we work and live.

**2 MAKING SUSTAINABLE PRODUCTS**  
We create products that are responsibly sourced and manufactured, ensuring minimal environmental impact. Sustainability is at the core of our design and production process.

**3 EMPOWERING PEOPLE**  
We are a team that cares for each other in a safe, engaging work environment that values our communities and is committed to excellence. Empowering our people strengthens our company’s ability to innovate and succeed.

**4 STRENGTHENING COMMUNITIES**  
We actively engage with and support the communities where we work and live. Our initiatives focus on driving positive social and environmental outcomes.

## ESG Objectives for 2025



### REDUCE GREENHOUSE GAS EMISSIONS

In FY25, we are conducting energy efficiency audits at all our plants, and we will put in place plans to improve energy efficiency. We are exploring renewable energy solutions, where applicable.



### ADVANCE SUSTAINABLE WATER MANAGEMENT

We continue to implement water reduction strategies at Liberty Paper to minimize fresh water use.



### COMMIT TO SUSTAINABLE FORESTRY

We are developing a plan for Liberty Packaging’s multisite sustainable forestry chain of custody certification.



### REDUCE WASTE

We are launching an enterprise-wide waste management program and identifying waste streams that can be diverted from landfill through reuse or recycling.



### DRIVE ECONOMIC EQUITY IN OUR COMMUNITIES

Our goal is to give 5% of our annual profits back to the communities where we work and live and to offer four enterprise-wide community events each year geared toward giving back. Additionally, we will gather information on supplier diversity and set targets for diversity spend.



### PREVENT SIGNIFICANT INJURIES

The health and safety of our employees is paramount. While our long-term goal is to strive for zero safety incidents by driving continuous improvement in FY25, our enterprise-wide focus is on significant injury prevention. We believe that by addressing the highest risks, there is a cascading effect where the culture and behaviors improve across the board.

# Double Materiality

In 2024, we conducted our first double materiality assessment to ensure our sustainability efforts are focused on the most impactful risks and opportunities in our value chain. This dual-lens approach assesses how our company’s actions impact society and the environment and how those impacts relate to our financial performance.

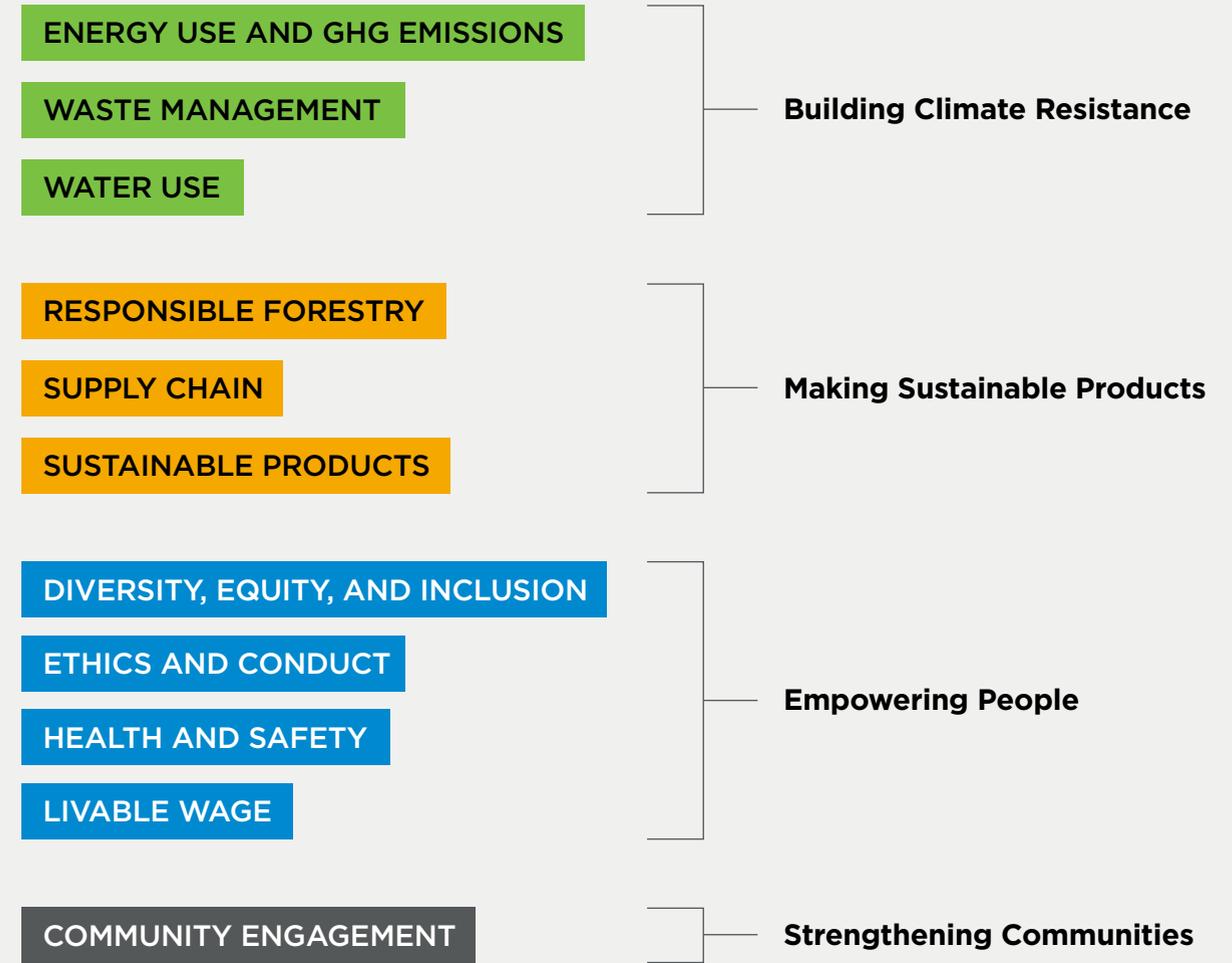
**IMPACT MATERIALITY** reflects the impact of LDI’s business activities on the environment and society — impacts which may have reputational, legal, or market implications.

**FINANCIAL MATERIALITY** refers to the external risks and opportunities arising from environmental, social, and governance (ESG) factors that might impact LDI’s financial performance and market position.

Our assessment process involved gathering input from key internal and external stakeholders — including LDI Board of Directors, executives, production employees, customers, suppliers, and community partners — benchmarking company practices and performance against industry peers and referencing relevant ESG reporting frameworks including the Sustainability Accounting Standards Board (SASB) sector guidance for Containers and Packaging and the Task Force on Climate-Related Financial Disclosures (TCFD).

This double materiality assessment forms the foundation of our ESG strategy, which will be updated as new developments arise that have the potential to impact our assessment of ESG materiality. We asked stakeholders to prioritize topics and evaluate our current performance on a scale from one (“very low”) to five (“very high”).

The following ESG topics were identified as the most material for FY25:



# Building Climate Resilience



# Energy Use and GHG Emissions

LDI is committed to reducing energy consumption and greenhouse gas emissions on a per production unit basis. We are actively seeking out energy-efficient solutions and sustainable practices to minimize our carbon footprint. Under the leadership of the Sustainability Task Force, efforts are currently underway to establish a baseline for Scope 1 and Scope 2 emissions and to identify opportunities to improve operational practices at the facility level – further embracing a culture of sustainability.

## Looking Ahead

We remain focused on reducing energy and greenhouse gas use as our business grows, and we are continuously evaluating opportunities for improved energy efficiencies as part of our capital investment process. We have identified 14 prospective projects with the potential to save nearly 163 metric tons of carbon, and we are currently evaluating the addition of solar panels at several locations.

Once a baseline for emissions has been established, we plan to set ambitious targets for reduction of greenhouse gas emissions and to provide regular updates on our progress via the publication of our annual sustainability report.



▶ LDI has implemented over **100** energy efficiency projects since 2014.

# Making Sustainable Products



# Making Sustainable Products

As stewards of the Earth’s natural resources, LDI embraces practices that reduce negative impacts on the environment and promote long-term ecological health and conservation. Extending our legacy of environmental stewardship requires continuous improvement in our operations and leveraging new technology and practices to enhance enterprise sustainability, including:

- Strengthening our commitment to obtain sustainability certifications and standards for sustainable forestry products
- Improving resource management and efficiency
- Designing more sustainable products
- Conserving water resources
- Embracing circularity, reducing waste, and enhancing product lifecycle management
- Raising awareness and expanding environmental education



## Estimated Annual Benefits of a Circular Economy



**4.67M**

fewer trees harvested from using 275K Tons of old corrugated containers



**350M**

less KWH per year consumed



**150M**

gallons of water saved



**2.2M**

tons of CO<sub>2</sub> emissions equivalent saved

## Case Study

### Packaging Innovations That Enhance Recyclability

Paper coatings are used to enhance packaging performance. Wax is one of the most commonly used coatings, serving as a barrier to moisture. But traditional wax-coated paper products pose significant environmental challenges due to their non-recyclable nature, leading to increased landfill waste. Thanks to a dedicated team of researchers and engineers, LDI developed a fully recyclable coating that could replace wax — enhancing product sustainability and reducing waste to landfill.

The new wax replacement coating is in production and provides customers an environmentally friendly solution that enhances performance, improves recycling rates, and creates cost savings for all customers downstream.

Our wax replacement coating alone has decreased the amount of waste sent to landfills by 10,000 tons per year, while conserving natural resources and promoting sustainable forestry practices. From an economic standpoint, recycled material reduces disposal costs and creates additional efficiencies in recycling and new paper production. As a result, LDI customers benefit from improved recyclability without sacrificing product quality or performance.

The introduction of a recyclable wax replacement coating on paper made for packaging has not only reduced landfill waste but also creates another closed-loop recycling process reducing waste and promoting sustainability. This case study exemplifies LDI's commitment to closed-loop systems, and elevating sustainability standards in the packaging industry. Liberty Paper and Dreamworks Coating Solutions will continue to lead the way in environmental stewardship and corporate responsibility.



# Sustainable Product Design

LDI is committed to continuous improvement in sustainable product design. Our consumer products — including boxes, paper, plastics, and office furniture — are designed and manufactured using eco-friendly materials and processes that reduce environmental impact, promote resource efficiency, and support a circular economy.

Safco’s design and development process is structured to ensure products align with industry leading environmental standards, allowing for an emphasis on product platforms with foundational product attributes and considerate use of environmentally-friendly materials.

Safco intentionally excludes the following materials:

- Chrome plated finish options for new products in 2024 and beyond
- Use of PVC based edge banding
- Wet Coat Paints, our US manufacturing leverages a state-of-the-art powder coating facility
- Non-Water Based Adhesives
- Galvanized Steel

Safco will continue to invest in environmentally-friendly, sustainable materials including bamboo. Additionally, an emphasis will be maintained on steel construction, which is a recycled material with significant recyclability.

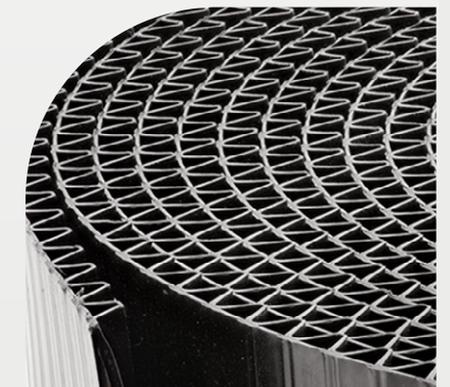


## Case Study

### Improving Manufacturing Efficiency With Reusable Packaging

A multinational food manufacturer was experiencing disruptions in its automated manufacturing system. The corrugated paper boxes used to send empty bottles down the line were jamming the machines — leading to costly line shut downs. The company needed a more durable solution that could withstand the moisture-rich environment, and they looked to Liberty Plastics to work on a custom reusable solution that would improve on-time production and deliver measurable savings long-term.

Liberty Plastics developed a durable, reusable solution that could withstand up to 50 turns, delivering measurable improvements in on-time production, and reducing costs over time. Constructed of HDPE corrugated material, the new packaging solution stores flat, withstands wet environments, can be handled by automated machines, and is fully recyclable.



# Reducing Waste

Minimizing waste is central to our sustainability efforts. Effective waste management requires implementing strategies to reduce, reuse, recycle, and properly dispose of waste materials — minimizing environmental impact and promoting sustainability.

LDI is dedicated to reducing waste at every stage of our production process by optimizing material use and maximizing recycling efforts.

▶ All new Safco products are designed for end-of-life, disassembly and recyclability.

## Looking Ahead

For FY25, we will audit our various waste streams at facilities to determine where there are opportunities to divert materials from the landfill. You have to take small steps to achieve big goals. We will set waste diversion targets and strive for zero waste wherever possible.

## Case Study

### Enhancing Recycling Services in the Twin Cities and Greater Minnesota

Dem-Con Companies, LLC (Dem-Con), a waste management and recycling company serving Scott County and the Twin Cities metro area, partnered with Liberty Paper over ten years ago to create a unique opportunity to enhance services and provide additional recycling capacity to metro area communities. Liberty Paper’s end market expertise and experience moving materials complemented Dem-Con’s operational expertise to successfully recover additional materials helping to increase recycling in Minnesota. Thanks to this innovative partnership, Dem-Con now offers single stream recycling to customers and communities throughout the Twin Cities and greater Minnesota. Dem-Con’s Materials Recovery Facility in Shakopee processes 125,000 tons per year and accepts commingled and source-separated recyclables from residential and commercial sources.



# Water Stewardship

The production of paper for boxes requires significant consumption and management of water resources to process raw materials, requiring efficient practices to minimize environmental impact and ensure sustainability.

We recognize the critical importance of water conservation and implement strategies to reduce water usage in our manufacturing processes and promote responsible water management across all our facilities — ensuring the sustainable use of this vital resource.

▶ Since 2015, Liberty Paper has partnered with the City of Becker Waste Water Treatment Facility investing in building and running an Anaerobic Effluent Treatment Plant.

## FRESH WATER REDUCTION PROGRAM

Formed in 2020, the Fresh Water Reduction Team’s mission leverages new technologies, embraces best practices, and assists in allocating resources to reduce the use of fresh water in our operations.

Flowmeters — advocated by the Fresh Water Reduction Team and installed with a \$40,000 investment — accurately measure the fresh water balance, measure the water demand on Liberty Paper machines, and enable management teams to monitor fresh water use through dashboards that provide relevant performance indicators. When large equipment installations were planned in 2022, the Fresh Water Reduction Team leveraged a number of tactics to offset the additional water consumption, including implementation of press felt shower watersaver mode, auditing and optimization of all paper machine shower nozzles, replacement of the bottom ply headbox shower bar, and reuse of Effluent Treatment Plant (ETP) Treated Process Water in the manufacturing process.



## Looking Ahead

We are currently working on improving the monitoring of our water stewardship efforts and plan to set more ambitious goals in the future. In FY25, we are setting water reduction standards for all our business units — including a 5-year plan for fresh water reduction in our paper mill — while looking to set long-term reduction targets. Our paper mill uses the most water of all our facilities by far, and we know we can make the greatest impact by focusing our efforts there. Additional fresh water savings trials planned for FY25 at Liberty Paper include:

- Fresh water to Vacuum Sump Water Filter replacement with vacuum sump water — potential savings of 10 gallons per minute (gpm) (2%)
- Fresh water dilution to Effluent Treatment Plant Coagulant replacement with cooling tower blowdown water — potentially 2 gpm (.4%)
- Top ply headbox shower replacement (up to 1% savings)
- Fresh water to pump seals replacement with Effluent Treatment Plant Treated Process Water reuse (Savings TBD)

# Sustainable Forestry

Responsible forestry and recognized standards — like the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) certifications — ensure sustainable forest management practices that protect ecosystems, support biodiversity, and provide social and economic benefits while verifying compliance.

▶ Liberty Paper has been SFI and FSC certified since 2009.

## Looking Ahead

For FY25, we are developing a plan to obtain FSC and/or SFI certifications for our box plants while maintaining certification at our paper mill.

# Sustainable Supply Chains

LDI is committed to the management practices that ensure supply chain efficiency and resilience. Our approach emphasizes the inclusion of diverse suppliers and fosters innovation and growth.

For Safco, supply chain initiatives are in progress to reduce and simplify its global footprint. An emphasis on products produced in North America greatly reduces the number of shipping containers and greenhouse gases associated with transportation, reducing both the environmental impact of manufacturing and transportation.

## Case Study

### Strengthening Supply Chain Sustainability For Our Customers

Thanks in part to Liberty Packaging’s partnership and support, J. Skinner received an award from Walmart in recognition for their sustainability efforts. By using our 100% recycled corrugated boxes along with other strategic partnerships, J. Skinner signed on to Walmart’s Project Gigaton — one of the largest private sector consortiums for climate action — and increased their business with Walmart across the country.

## Looking Ahead

In 2024, LDI is gathering supplier diversity information and analyzing spending to inform the establishment of a target for diversity spend. Safco strategic actions are underway to double its North American manufacturing by 2029.

# Empowering People



# Empowering People

**At LDI, we are a team that cares for each other in an engaging work environment that values our communities and is committed to excellence.**

## EMPLOYEE HEALTH & SAFETY

The health and safety of our employees is paramount. LDI is committed to providing a safe and healthy work environment for all. We provide comprehensive health and safety training to all employees, contractors, and visitors, empowering them to work safely and responsibly, identify and assess workplace hazards, and implement controls to mitigate risks and prevent accidents, injuries, and occupational illnesses.

LDI has established mechanisms for reporting incidents, near misses, and concerns promptly, investigating root causes, and implementing corrective actions to prevent recurrence. Our independent ethics hotline, available via phone or internet, provides a channel for anonymous reporting of any safety concerns.

Our long-term goal of zero incidents will be achieved by driving continuous improvement. In FY25, our enterprise-wide focus is on significant injury prevention. Addressing the highest risks creates a cascading effect that improves safety culture and performance across the board and drives parallel reductions in less severe injuries. Initiatives that enhance the adoption of positive behaviors and improve safety engagement reduce significant injury exposure events and create a safer environment for all employees.

### Case Study

## Significant Injury Prevention

As part of our Significant Injury Prevention project, Liberty Packaging recently eliminated 110,000 annual pedestrian exposures by rerouting walking paths around a particularly busy intersection by the corrugator in our Golden Valley, Minnesota facility. In addition, the same facility eliminated 62,500 annual pedestrian exposures by loading in-house waste from the corrugator into trailers to be driven around the outside of the facility to the baler instead of transported on forklifts through the plant. Finally, the same facility is currently in process to eliminate over 150,000 annual pedestrian exposures by adding gates and overhead signals to uncontrolled trolley line/pedestrian crossings and by adding pedestrian restricted traffic control areas with strobe light notification system in the warehouse/roll stock area.



## EMERGENCY PREPAREDNESS AND RESPONSE

LDI maintains effective emergency response plans and procedures to mitigate the impact of potential incidents and emergencies. Regular drills and exercises ensure preparedness and enhance the responsiveness of our personnel in an emergency. We collaborate with and support local authorities, emergency services, and community stakeholders to plan emergency response efforts and support community resilience.

## A CULTURE OF BELONGING

At LDI, we are a caring team that aspires to be at the forefront of the industry, setting a global standard for inclusivity in a workplace where everyone feels like they belong. Our ambition is to continue to create an engaging space where every individual, voice, and lived experience are respected, and our employees feel empowered to contribute their unique insights in a respectful work environment.

Embracing a culture of belonging at LDI is more than a moral compass; it's a strategic alignment that directly enhances our commitment to excellence. We cultivate the talent and ideas critical for growing our business by fostering inclusivity.



In 2023, LDI conducted a rigorous assessment and completed the Global Diversity, Equity, and Inclusion Benchmark (GDEIB) tool to better understand the strengths, challenges, and opportunities to advance diversity, equity, and inclusion outcomes. A long-term roadmap was created based on the GDEIB assessment, including the following areas: drive the strategy, attract and retain talent, listen to and serve our community, and build momentum. Shorter-term goals were then developed with an initial focus on driving the strategy. In FY25, our senior leaders will increase their awareness, knowledge, and skills in diversity, equity, and inclusion by participating in Franklin Covey's Inclusive Leadership training, as well as the Intercultural Development Inventory. Additionally, we will define metrics to measure our progress and communicate those to our employees.



It starts with team culture. I think all leaders are responsible for ensuring we have inclusive environments to keep the diversity we do have and facilitating psychological safety and connectedness with their teams."

- Kristy Howe, Senior Vice President for Safco

## Progress Highlights

- Successfully developed and implemented a comprehensive Inclusion communications plan and calendar of events.
- Ongoing awareness of Inclusion milestones through communication and education. Ability for sites to localize Inclusion milestones.
- As of August 2024, 583 employees and leaders have completed Unconscious Bias training. We've seen active participation in our bi-monthly Inclusion learning sessions. Between December 2020 and July 2024, we held 19 sessions with an average turnout of 102 attendees per session.
- Establishment of a dedicated Inclusion budget to support our diversity, equity, and inclusion initiatives.

## EMPLOYEE ENGAGEMENT, DEVELOPMENT & COMPENSATION

### Fostering Leadership for a Sustainable Future

At LDI, we believe that strong leadership is essential to achieving our sustainability goals. Our values are what we believe in, and our competency framework helps us turn those values into actionable behaviors that we use every day. To guide and develop our leaders, we've established the Leadership Advantage Framework. This comprehensive framework outlines eight core competencies across three levels of leadership — Leading Self, Leading Others, and Leading the Business.

#### COMPETENCY FRAMEWORK



By focusing on areas such as ethical decision-making, resilience, adaptability, strategic thinking, and a commitment to results, the framework empowers leaders to drive positive change and inspire their teams. It ensures that sustainability is not just a corporate initiative, but a value in action that is embedded in our leadership culture. We invest in ongoing development and coaching to ensure our leaders have the skills and mindset needed to navigate complex challenges and seize opportunities for a more sustainable future. Over 110 leaders have participated in our 4-month GROW Coaching Program, a cohort experience designed to equip managers to be more coach-like in their interactions, empower their team, and support individuals to achieve their potential.



### Employee and Leadership Development

Four words guide everything we do at LDI: Caring, Innovation, Trust, and Excellence. They also guide our commitment to helping our people realize their leadership potential. At LDI, leadership is about people. It's all about helping our people pursue their passions through development experiences that

strengthen our workplace culture and unlock their expertise. At LDI, we know that our employees' success is our success, and the commitment we make to employee development has created a company where everyone leads and can achieve their full potential.



Our investment in a robust employee development ecosystem provides our people with the support they need to enhance their skills and prepare for career advancement. 'Elevate' is the name we use to describe our learning environment that allows every employee to choose their own development path. We partner with several industry-leading providers of leadership, professional development, and technical content to help our team members reach new heights in their careers. Partnerships come complete with tools, assessments, videos, digital learning modules, and courses — all available on-demand at the employees' fingertips. To advance our commitment to an ethical workplace, we also partner with a leading provider of courses on environmental sustainability and corporate responsibility. We provide ongoing training throughout the year to employees and leaders to ensure they know our ethical standards and the role they play.

Pairing development with performance feedback, we cultivate a dynamic workplace where personal growth drives organizational excellence. We are dedicated to nurturing strong leaders and fostering an engaged, collaborative workforce. Our leadership development programs inspire our leaders to be effective coaches and mentors, ensuring that all team members receive valuable feedback and support to perform at their best. From 2022 to 2024, more than 100 leaders participated in a five-month development experience that helps them to be more effective coaches to help employees achieve their most important goals, and we plan to continue this work in the next year.

### **Employee Engagement**

LDI’s annual comprehensive employee engagement survey identifies key drivers of team member success and provides critical insights into employee sentiment — enhancing workplace culture and improving organizational strategies.

Our recent employee engagement survey saw robust participation of 84%, highlighting the strong sense of community, improved work-life balance, and high job satisfaction among our employees. Seventy-two percent of employees expressed pride in working for LDI with 69% recommending us as a great place to work — five points higher than industry average.

Listening to employees is a continuous practice at LDI. In addition to driving action on engagement survey feedback throughout the year, we also utilize employee lifecycle surveys to keep a pulse on engagement. These surveys are based on employee service milestones and at exit so we can continually improve the employee experience.

### **Employee Compensation and Livable Wage**

To attract, motivate, and retain our best talent, we offer fair and competitive compensation that supports our employees, while adhering to all applicable State and Federal Regulations.

LDI is committed to livable wages. A livable wage is the minimum income necessary for a worker to meet their basic needs, including housing, food, healthcare, and other essential expenses without requiring additional financial assistance. LDI operates in many regions where local variables present challenges to the adoption of a unified standard. Despite these challenges, our total compensation team works tirelessly to ensure employees are compensated well, not just from their pay but the benefits they receive.

### **Benefits Philosophy**

The LDI Total Rewards Philosophy is not just about compensating employees, but recognizing and celebrating their contributions to the company’s success and ensuring employees feel valued, motivated, and engaged. At LDI, we

offer a range of Total Rewards Programs that go beyond just base pay. Flexible benefits support employee health and financial security while catering to the unique needs and priorities of individual employees.

LDI’s Total Rewards Programs are designed to:

- Attract and retain the highest quality employees through compensation levels that reflect the industry and markets in which we compete for talent.
- Provide a Total Rewards Package that includes a combination of base pay, performance incentives, and comprehensive employee benefit programs.
- Support individual and team-based behaviors that align with organizational values.
- Reward employees for their contributions to the long-term success of the company.
- Align with organizational ability to pay during strong and lean years.
- Provide consistent programs and policies throughout the organization.
- Include flexible benefit systems and practices that contribute to the health and financial security of employees and their families, involving programs that may include cost sharing of benefits between the company and employees.

## Benefits Overview

### Health and Wellness

- Innovative Health Plan Options
- Dental and Vision
- Life Insurance/AD&D
- Critical Illness & Accident Coverage
- Long & Short Term Disability
- Fitness & Wellness Incentives

### Financial

- 401k with Employee Match
- Profit Sharing
- Retirement Planning Resources
- Emergency & Crisis Funding Available
- Tuition Reimbursement
- LDI Scholarship Program

### Work/Life balance

- Paid Time Off
- Personal Leave Options
- Paid Volunteer Hours
- Company Non-profit Match Giving
- Community Involvement
- Learning & Development Programs
- Paid Parental Leave

## ETHICS & CONDUCT

At Liberty Diversified International, our [Code of Conduct](#) is rooted in our core values: Caring, Innovation, Trust, and Excellence. The Code guides how we behave and how we do business.

LDI is committed to complying with all laws and meeting or exceeding regulations wherever we conduct business. Each employee contributes to the care and maintenance of LDI's most important asset — our integrity. Each employee protects and preserves that asset.

LDI's ESG and EHS policies apply to all employees, contractors, suppliers, and partners of LDI. It is the responsibility of each individual to embrace and uphold policy principles, working together to achieve our shared commitment to environmental sustainability, health, and safety excellence. LDI encourages all employees to report any potential ethics violations to the Ethics Hotline,

which is run by an independent company. Retaliation of any kind against an employee who makes a report in good faith is prohibited. When LDI receives allegations of a Code violation, it will immediately undertake a fair, timely, thorough, and objective investigation of the allegations in accordance with all legal requirements.

## HUMAN RIGHTS

### Equal Employment Opportunity and Harassment Policy

LDI is steadfast in our commitment to equal employment opportunity (EEO) and fostering a workplace free from discrimination and harassment. We firmly believe that a diverse workforce enriches our company culture and drives innovation. Therefore, we prohibit any form of discrimination or harassment based on race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or any other protected characteristic.

LDI actively promotes a culture of respect and inclusivity where all employees feel valued and empowered to contribute their unique perspectives. We are dedicated to maintaining a work environment where everyone feels safe, respected, and free from unlawful discrimination or harassment. Our commitment to these principles extends beyond legal compliance, reflecting our core values and our belief in the inherent worth and dignity of every individual.

### Americans with Disabilities Act

LDI is dedicated to fostering an inclusive workplace for all employees. We are committed to complying with the Americans with Disabilities Act (ADA) and providing reasonable accommodations to qualified individuals with disabilities. Our inclusive practices extend beyond legal compliance, reflecting diversity, equity, and respect.

# Strengthening Communities



# Strengthening Communities

LDI is committed to making a meaningful impact in our local communities, especially in the areas of education, food security, and health. Caring is ingrained in our legacy as a company and reflected in the daily conduct of our employees both within and beyond the workplace.

► We proudly donate a total of 5% of our pre-tax profits throughout the communities we serve every fiscal year.

## COMMUNITY IMPACT

LDI offers company-wide events and programs where we encourage all employees to participate in a united LDI event. We have a long history of supporting communities where we live and work. During FY24, we hosted events to pack backpacks for school success, the LDI Cares Choice Giving Campaign, a literacy kit packing event, and a food drive.

### LDI Community Impact At-A-Glance

LDI strives to strengthen communities and make the world a better place through:

- Volunteer Projects
- Community Action Teams
- Employee Giving and Grants
- Volunteer Time Off
- Community Impact Statistics
- Financial Contributions

### Local Community Action Teams

Local employees know where the greatest needs are in their communities. LDI's Community Action Teams (CAT) receive dedicated community action funds, which provide local employees with the discretion to determine how to best give back and make a difference through donations and volunteer projects. LDI is committed to supporting children's causes — we call it Leveling the Playing Field for Kids. LDI encourages each location to focus 75% of their local budget on related initiatives for kids, with the remaining 25% going to causes that are important to their communities.



## LDI Community Goals and Commitments

- Give 5% back to local communities
- 100% of our executive team serve on a nonprofit board
- 100% engagement from employees in community efforts
- One day of paid volunteer time off for each employee
- Hold four enterprise-wide giving events per year, including one sustainability-focused event

## EMPLOYEE DIRECTED GIVING

We encourage our employees to become actively involved in community-related initiatives whenever possible by investing their time and/or money. LDI's Employee Directed Giving Empowerment (EDGE) program is designed to give employees an opportunity to directly influence the funding of the charitable organizations they care about most. Through the EDGE program, each employee is empowered to nominate an eligible 501c3 tax-exempt organization to be considered for a grant of up to \$500. Through our Annual Giving Campaign, LDI matches all employee donations made in that period to give back to organizations focused on kids' health, education and food security.

## VOLUNTEER IMPACT

LDI employees are encouraged to give back to their communities through volunteering. Each employee receives up to 8 hours paid Volunteer Time Off (VTO).

### Highlights of our employee volunteering efforts

**10,000**  
total youth served

**100+**  
nonprofits who received grants

**2,211**  
hours of volunteer time off logged

**\$300,000**  
estimated value of time donated

**\$776,000**  
raised through our employee giving week

**100%**  
of our Executive Team serves on a local board of a nonprofit organization or dedicates significant time to volunteering in their communities





**LIBERTY DIVERSIFIED  
INTERNATIONAL**

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For questions regarding LDI's corporate sustainability activities,  
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LDI is a privately held company and publishes this report voluntarily. Unless otherwise stated, information is based on our best estimate and intentions as of the date of publication.

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