

# 2018

Intertape  
Polymer  
Group Inc.



## A Message from Our CEO



# SUSTAINABILITY REPORT

Deepening our commitment to sustainability  
in packaging and protective solutions

The values of a safe work environment, environmental stewardship and good corporate citizenship are deeply embedded in our culture. Customers, distributors, employees and investors are increasingly interested in working with companies that prioritize these characteristics in their ongoing business. At IPG, we live these values every day through our effective resource management, product innovation and our commitment to meet, or exceed, our customer's expectations.

This report, our inaugural Sustainability Report, highlights how we have approached sustainability as a normal course of our business. It's a record that we are proud of and we believe demonstrates our positive contribution to the global community in which we live, work and serve. We view this first Sustainability Report as an opportunity for us to promote these activities. As we pursue our vision to be a global leader in packaging and protective solutions, we intend to expand these values and deepen our commitment to sustainability. We are designing a framework for a more comprehensive reporting structure for fiscal 2019 and beyond that will establish the benchmarks and data collection to effectively measure our progress over time.

IPG's continued strategy is to support our customers with a unique product bundle that strengthens our competitive position and is the foundation for growth. As part of this strategy we have made significant capital investments in our existing facilities and we have been active on the acquisition front. In the past two years, we have invested more than \$160 million in capital expenditures to expand capacity and improve plant efficiency, including reduced waste. In the same timeframe, we have also acquired four businesses, consisting of 12 plants. We believe we can drive additional improvements at these new IPG facilities that minimizes their environmental footprint through waste reduction, energy conservation and pollution prevention. Managing our environmental footprint is sound business in and of itself, but it also positions us to exceed our customers' expectations as they choose to make more sustainable choices in their supply chain. As an example, in 2018 we joined forces with the Sustainable Packaging Coalition and the How2Recycle program in an effort to ensure that we are communicating recycling instructions to our customers in the most effective manner.

The world around us is changing at an unprecedented rate. Our society is increasingly aware of the amount of waste that is generated worldwide, and that we should be consuming resources more effectively. The elimination of harmful chemicals from our air and our water is a topic of global importance. The actions taken today impact the future, and there is a growing call to action for all of us to make responsible choices. We believe that our continued focus on sustainability will engage our employees, assist our customers with meeting their goals, and provide value for our shareholders. We appreciate the support of all our stakeholders as we continue our plans to achieve a more sustainable future.

**Gregory A.C. Yull**  
Chief Executive Officer and President

# Our Approach

IPG's Vision is **TO BE THE GLOBAL LEADER IN PACKAGING AND PROTECTIVE SOLUTIONS**, supported by our corporate core values and strategy [\(video\)](#).

## SUSTAINABILITY VISION & MISSION

At IPG, we recognize the value of sustainability to drive operational excellence and realize our company vision of global leadership in packaging and protective solutions. To do so, we focus on resource efficiency, safe operations, tailored solutions and product innovation.

## SUSTAINABILITY OBJECTIVES



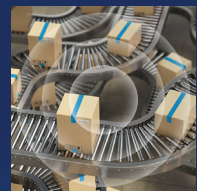
**RESOURCE EFFICIENCY:** We operate our plants in an environmentally efficient manner by tracking and managing our energy, carbon, water and waste performance.



**SAFE OPERATIONS:** We comply fully with all relevant health, safety and environmental requirements and practice safety-focused decision making.



**TAILORED SOLUTIONS:** We engage with our customers to understand and fulfill their sustainability needs and expectations.



**PRODUCT INNOVATION:** We explore opportunities to develop more sustainable products and product stewardship programs, to fulfill emerging market demands.

## ABOUT THIS REPORT

IPG's inaugural sustainability report contains data that pertains to Intertape Polymer Group's 2018 calendar year performance, excluding recent acquisitions and our subsidiary facility in Portugal. We prepared this report using reporting principles and disclosures from the Global Reporting Initiative (GRI) Standards\*. We report on environmental, social and governance (ESG) issues that are relevant to our stakeholders.

\*This material references: Disclosures 102-1, -2, -3, -4, -6, -7, -13, -14 and -53 from GRI 102: General Disclosures 2016; Disclosure 301-3 from GRI 301: Materials 2016; Disclosure 302-4 from GRI 302: Energy 2016; and Disclosures 403-9 and -10 from GRI 403: Occupational Health and Safety 2018.

# Our 2018 Achievements

## RESOURCE EFFICIENCY

Our manufacturing plant operations constitute a significant portion of our environmental footprint, and our greatest opportunity for efficiency. In 2018, IPG worked to expand our corporate energy program and strengthen our partnership with ENERGY STAR. We continued to integrate energy efficiency best practices in new plants, equipment and acquired companies, through a dedicated Energy Playbook applied by corporate as well as plant-level energy management teams. Other highlights of our 2018 resource management successes include:

- Identifying and realizing approximately \$650,000 in energy savings opportunities
- Adopting smart technologies to manage lighting and building systems energy usage at multiple locations
- Attaining Extraordinary Environmental Enterprise (level E4) recognition from the Virginia Department of Environmental Quality, Environmental Excellence Program for our Danville plant
- Hosting Certified Energy Manager training and supporting the Association of Energy Engineers Danville Chapter to promote energy efficiency in the community

In our supply chain, we attempt to maximize order efficiency to optimize truckloads and reduce fuel used per unit of product shipped. Additionally, through our voluntary partnership with Environmental Protection Agency Smart Way, we maintain annual recertification for our efficient freight practices and partnerships.

**2018 Performance**  
**15 MILLION POUNDS**  
of film trim reclaimed during production process



Solar panels installed at our subsidiary facility in Portugal.

## Energy Management Excellence Goals

**Maintain ENERGY STAR Partner of the Year (POY) - Sustained Excellence Award**

**Achieve ENERGY STAR Challenge for Industry at US and Canadian plant locations**

**Achieve US Department of Energy Better Buildings Challenge at key locations**

## ENERGY SUMMIT AWARD WINNERS

Since 2007, IPG has hosted an annual Energy Summit to recognize our people, and our sites, that have made significant contributions to energy management. Honorees for 2018 include:

**ENERGY MANAGER OF THE YEAR**  
 Ron Burge  
 Danville plant  
 Danville, VA

**BEST ENERGY PROJECT**  
 Blythewood Plant  
 Energy Treasure Hunt  
 Blythewood, SC

**BEST ENERGY MANAGEMENT PROGRAM**  
 Truro plant  
 Truro, NS

## EFFECTIVE RESOURCE MANAGEMENT

IPG was awarded the 2016, 2017, 2018 and 2019 ENERGY STAR Partner of the Year – Sustained Excellence designation, and received recognition for the IPG Danville plant as a 2016 IndustryWeek Best Plant as well as the 2016 NASCAR Green/E3 Challenge.

## PLANT RECYCLING INITIATIVES

As a part of our continuing efforts to improve our efficient resource use and environmental impact through waste reduction, our Blythewood facility recognized and engineered a solution to reduce adhesive waste in their production process. Through innovative solutions and capital investment, the facility has been able to reclaim into the production process waste that would have gone to a landfill. This process, implemented in 2018, has already reclaimed over 591,000 pounds of adhesive waste from landfills, with increasing impacts expected in the future. Across all IPG film manufacturing plants, in 2018 we reclaimed over 15 million pounds of film trim.



“IPG is committed to operating its facilities in an efficient, environmentally responsible, and safe manner. We’ve built a world-class energy management program over the past decade and have been incorporating energy efficiency into existing operations as well as new plants and equipment. We are very proud to be an **ENERGY STAR Partner of the Year – Sustained Excellence** award winner for four consecutive years and will use the award as momentum to improve energy management across the company.”

Philip Kauneckas  
Energy Manager

## Safe Operations

Providing a safe work environment is of the utmost importance to IPG. Over the past 15 years, IPG has achieved significant improvements in the rate of safety incidents including reducing our Total Case Incident Rate by more than 50% since 2010, through:

### 2018 Performance

**1.7**  
Total Case Incident Rate (TCIR)<sup>1</sup>

**0.4**  
Lost Workday Case Incident Rate (LWCIP)<sup>2</sup>

- Industry benchmarking to identify improvement opportunities and best practices
- Corporate and plant-level safety pillar teams
- Operator-led manufacturing improvement teams
- Process hazard assessments to identify risks and prioritize risk reduction initiatives
- Cross-plant incident review and internal audits
- Comprehensive training and employee engagement efforts
- Designating plants as gold, silver or bronze-level safety performers based on scoring relative to safety pillar criteria

### CARBONDALE PLANT SAFETY MANAGEMENT PILOT

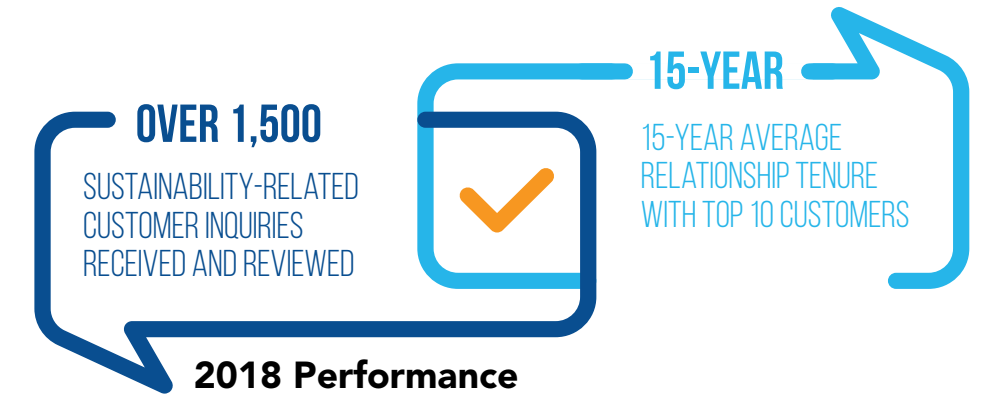
To advance plant safety practices, in late 2018, IPG partnered with DEKRA to implement a comprehensive training and technology program aimed at increasing engagement in safe work practices for employees at the Carbondale plant. The program is creating an open dialogue and culture around safety, and empowering staff from management to the production floor to actively participate in this culture. The second phase of this important strategic initiative will be to roll out the successful implementation in Carbondale at other facilities to further strengthen IPG’s achievement of the company’s overall safety goals.

<sup>1</sup> Number of OSHA recordable injuries and illnesses per 200,000 hours worked.

<sup>2</sup> Number of OSHA recordable injuries and illnesses resulting in lost workdays per 200,000 hours worked.

## Tailored Solutions

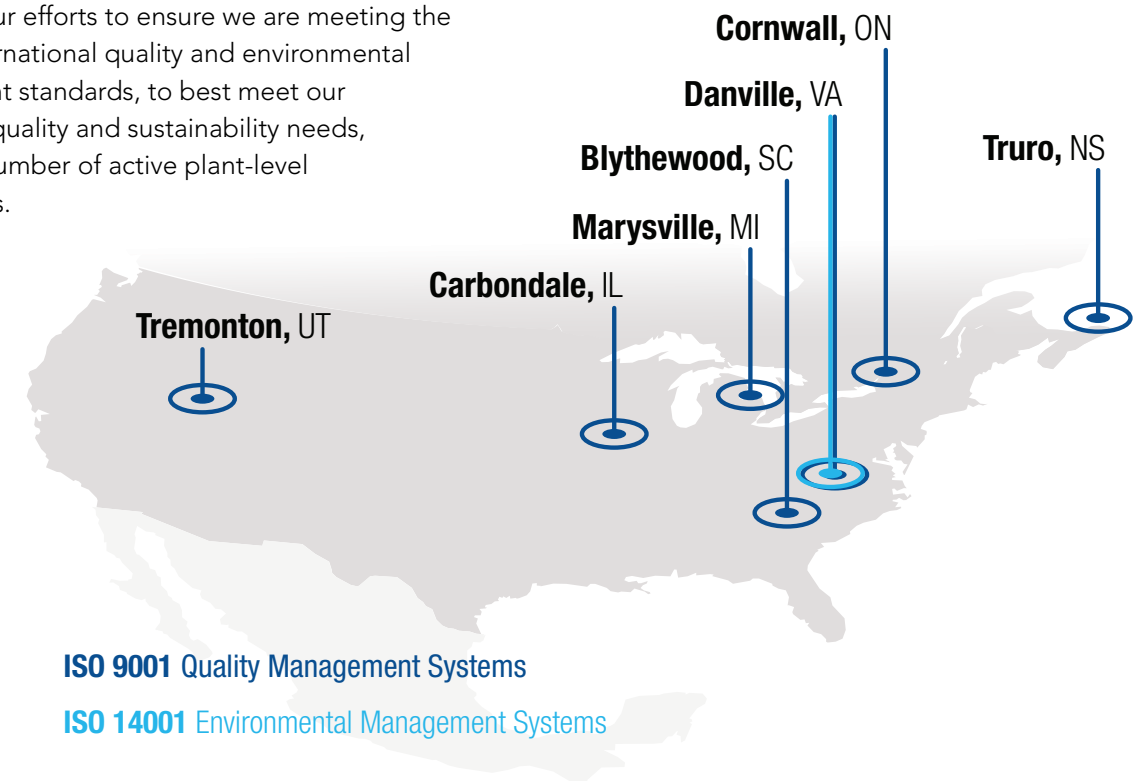
With our extensive product bundle, we offer tailored solutions to customers in food processing, general manufacturing, fulfillment, e-commerce, transportation, building and construction, consumer, oil and gas, agriculture, aerospace, appliance, sports and entertainment, marine, composites military and medical applications sectors.



Many of our customers look to us for products that support their sustainability objectives. Our customers are able to select from a full suite of products, whether they prefer paper or plastic. Beyond offering many products in our existing portfolio that help customers achieve their sustainability goals and targets related to the products they purchase from us, we continue to explore opportunities to expand our product offering with additional, more sustainable options. We recently introduced a shrink film designed to conceal the contents of e-commerce delivery, while reducing the material needs and expense of corrugated containers. We also track and respond to customer and prospective customer inquiries related to product sustainability, performance and regulatory compliance. In 2018, as part of our Polyair acquisition, we worked with the Sustainable Packaging Coalition, leveraging its How2Recycle program to ensure that we are effectively and consistently communicating recycling instructions to our customers.

### MANAGEMENT STANDARDS

As part of our efforts to ensure we are meeting the highest international quality and environmental management standards, to best meet our customers’ quality and sustainability needs, we have a number of active plant-level certifications.



# The Intertape Performance System

At IPG, many of our manufacturing facilities are managed using a continuous improvement process we call the Intertape Performance System (IPS). This process leverages Lean manufacturing techniques and is based on six guiding principles:

- ✔ Engagement
- ✔ Operational focus
- ✔ Alignment
- ✔ Use of zero-based loss techniques
- ✔ Measurement
- ✔ Communication

Throughout our IPS manufacturing facilities our employees focus on the following high-value pillar activities:

- ✔ Sustainability
- ✔ Quality
- ✔ Safety
- ✔ Equipment optimization
- ✔ Visual communication
- ✔ Organizational development

Since adopting the IPS framework in 2012, IPG has realized significant plant performance improvements in all pillars of the program including:

- ✔ Process waste reductions
- ✔ Decreased quality returns
- ✔ Machine uptime improvements
- ✔ Reductions in workplace injuries
- ✔ Employee engagement

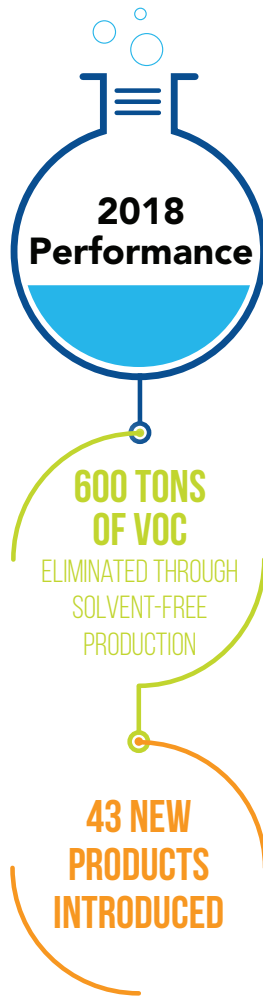
## Product Innovation

Our research and development efforts focus on new products, new production processes and formulations, and technology platform developments. Beyond the resources used directly in our operations, the characteristics of the products we produce and the manufacturing process are an area of focus as we consider our environmental and health impacts. The stretch film market has changed significantly over the last decade. The performance films we are producing today are thinner or downgauged allowing our customers to unitize a pallet or load using the same number of wraps with less stretch film. The downgauging is achieved by combining layered film technology with advanced resins. Today we are able to produce performance films over 40% thinner than was possible 10 years ago.

### SUSTAINABLE MANUFACTURING INNOVATION

At IPG, we believe that sustainability can be an engine for innovation. For example, we developed a proprietary technology to produce our tape adhesives without the use of solvents. IPG has invested \$60 million to construct a new manufacturing facility in Blythewood, South Carolina to produce pressure sensitive tape products using this innovative technology. By eliminating volatile organic compound (VOC) emissions in transitioning production to the Blythewood facility, IPG plants have realized an overall 56% reduction in VOC emissions since 2015, eliminating over 600 tons per year of VOCs

At solvent-based plants, IPG captured over 9,700 tons of VOC emissions for recycling in 2018, preventing these substances from entering the environment.



## INDUSTRY ENGAGEMENT

To extend our impact and align with leading practice, IPG actively supports industry associations and committees, a selection of which are listed below:



## Other 2018 Achievements

### COMMUNITY INVESTMENT

We further contribute to our communities through sponsorships and events focused on empowering youth.

IPG began its corporate sponsorship program with the Boys & Girls Clubs of Sarasota County (BGCSC) in the spring of 2017. In July 2018, IPG participated in the second annual "Rock the Boat" regatta, teaming IPG employees with Club youth to design, construct and race boats made solely of cardboard and a variety of IPG's colored duct tape.

To invest in the education of the next generation, IPG contributed educational grants for Fall 2018 and Spring 2019 semesters to the University of Florida's Integrated Product and Process Design program. In this innovative program, senior-level undergraduate students work in multidisciplinary teams over two semesters to design, build and test authentic products under the mentorship of an industrial sponsor.

### SPONSORED BGCSC EVENTS

Annual Leadership Breakfast (host)

"Champions for Children" fundraising event

"Youth of the Year" Steak & Burger event

In addition to corporate level activities, individual IPG plants likewise contribute to their local communities through philanthropy and volunteering.

## AWARDS

We are pleased to be recognized for our sustainability efforts by receiving the following awards in 2018:

**ENERGY STAR® SUSTAINED EXCELLENCE AWARD**  
(also received in 2016 and 2017)

**INDUSTRYWEEK BEST PLANT AWARD**  
for Tremonton plant

**DANVILLE-PITTSYLVANIA COUNTY CHAMBER OF COMMERCE PINNACLE AWARD**  
for Danville plant

# LOOKING AHEAD

As we move into 2019, IPG will continue to focus on enhancing our existing programs including energy efficiency, and waste and VOC reduction.

We are also exploring new opportunities to expand our programs into new areas that align with our sustainability objectives. These new opportunities include reducing the non-renewable waste streams within our product offering, increasing the recyclability of our product offering, and working collaboratively with supply chain partners to reduce environmental impacts.

We are working with external experts as part of these efforts to develop a strategy for our participation in the circular economy as we enhance our product stewardship programs.

These opportunities are the right things to do from both a sustainability perspective as well as a financial perspective – with the potential for positive impact on both fronts.

At the same time, we are also beginning to design a framework for a more comprehensive reporting structure on our sustainability achievements for fiscal 2019 and beyond, including establishing the benchmarks that best measure progress for a company of our nature and implementing the necessary data collection. As part of this framework, we are strengthening and formalizing internal teams and projects to help us achieve our sustainability commitments.

We look forward to sharing our progress in our second annual sustainability report to be published in 2020, covering 2019 performance and program developments.

## Forward-Looking Statements

This Sustainability Report contains “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (collectively, “forward-looking statements”), which are made in reliance upon the protections provided by such legislation for forward-looking statements. All statements other than statements of historical facts included in this Sustainability Report, may constitute forward-looking statements. These forward-looking statements are based on current beliefs, assumptions, expectations, estimates, forecasts and projections made by the Company’s management. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to assumptions and the Company can give no assurance that these assumptions will prove to have been correct and actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Readers are cautioned not to place undue reliance on any forward-looking statement. For additional information regarding important factors that could cause actual results to differ materially from those expressed in these forward-looking statements and other risks and uncertainties, and the assumptions underlying the forward-looking statements, you are encouraged to read “Item 3 Key Information - Risk Factors”, “Item 5 Operating and Financial Review and Prospects (Management’s Discussion & Analysis)” and statements located elsewhere in the Company’s annual report on Form 20-F for the year ended December 31, 2018 and the other statements and factors contained in the Company’s filings with the Canadian securities regulators and the US Securities and Exchange Commission. Each of these forward-looking statements speaks only as of the date of this Sustainability Report. The Company will not update these statements unless applicable securities laws require it to do so.

## About Us

Intertape Polymer Group Inc. is a recognized leader in the development, manufacture and sale of a variety of paper and film based pressure-sensitive and water-activated tapes, polyethylene and specialized polyolefin films, protective packaging, engineered coated products and complementary packaging systems for industrial and retail use. Headquartered in Montreal, Quebec and Sarasota, Florida, IPG employs approximately 3,500 employees with operations in 30 locations, including 22 manufacturing facilities in North America, three in Asia and one in Europe.

## Contact

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