



# THE TOTAL PACKAGE

CONNECTING THE MAUSER PACKAGING SOLUTIONS FAMILY

Edition 2 - 2020

## ADJUSTING OUR PRIORITIES IN A CHANGING WORLD

**KEN ROESSLER, PRESIDENT & CEO**  
**MAUSER PACKAGING SOLUTIONS**

I would like to take this opportunity to thank all of you for the incredible effort you are putting forth during this difficult time. I have seen, and heard stories of, our teams pulling together to keep our plants running safely, our teams healthy, and customer orders fulfilled during this COVID-19 pandemic. Words cannot adequately convey how much I appreciate your efforts and how proud I am of the resiliency of our great Company.

The first half of the year was the tale of two quarters. The first quarter saw volumes up slightly over the prior year and our earnings right on budget. Our results were lower than last year due to a non-cash revaluation in Small Packaging Metals, which was included in the budget. The picture in the second quarter was not as positive. Both volumes and earnings were below budget and prior year, as our markets are feeling the full impact of the COVID-19 pandemic. We saw many customers shutdown and some key industries (paint, oil field services, and automotive) noticeably reduce volumes. However, we are hopeful that the third and fourth quarters will show nice improvements as businesses and the economy reopen around the world.

Like any business, we are impacted by external factors and must pivot our plan to address this changing landscape. As such, our priorities reflect our revised plan and address the key factors impacting Mauser:

- Address the COVID-19 pandemic - Keeping our employees safe and healthy is our #1 priority.
- Liquidity - Given the uncertainty surrounding COVID-19, we have taken additional measures to insure that the Company has adequate cash should there be a more severe downturn.
- Mauser Platform Optimization (MPO) - Through the first half of 2020, our MPO projects and initiatives are on target. Their success will allow us to create our own future.
- Improve Small Packaging Metal Operations - Our Small Packaging Metal Operations are comprised of our largest and most complex plants. This business has struggled with productivity in this rocky market. As a result, we have made numerous changes in the business and look forward to increased output and lower costs.
- Improve North American Reconditioning Business - Given the difficult markets for both volumes and sourcing used containers, this business has struggled in the first half of 2020. We remain committed to our North American Reconditioning business and see this business as a growth area for the Company in this new reality.

I will end where I started, with my sincere gratitude for all you are doing at work and in your communities. We will manage through this difficult time, together. By working as a team, we will come out of this stronger and with a bright future.

# NAVIGATING THE NEXT NORMAL

## FOCUSING ON PROTECTING OUR PEOPLE AND GROWING THE BUSINESS

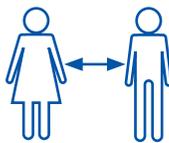
The COVID-19 pandemic has altered every industry in seemingly every way imaginable. While the world will probably never be the same again, neither will our business. To navigate this next normal we must:

- rethink our sales and marketing processes in a virtual environment.
- rethink our supply chain to balance cost effectiveness and safety of supply.
- rethink our operating practices in our manufacturing locations to allow for social distancing and to prepare for potential additional waves of infection.
- rethink our long-term business growth strategy in light of the current recessive environment.

Two primary areas of focus as we navigate forward will be broadening the scope of our employee health and safety initiatives and leveraging available technology to operate more efficiently in a digital work environment.

### EMPLOYEE HEALTH AND SAFETY

While safety has always been a central focus for our company, the scope of our safety initiatives in the past have centered around preventing workplace injuries. COVID-19 has broadened the scope to include risks not historically associated with workplace safety. Preventing a viral disease from spreading while maintaining essential business activity is our new normal. We continue to adhere to all authoritative (CDC and ECDC) guidelines as well as local and regional health guidance to mitigate the exposure risks for employees.



Implementing **SOCIAL DISTANCING** in all facilities and offices

Requiring **SELF-ASSESSMENTS** and **TEMPERATURE SCREENINGS** when reporting for each shift



Increasing **CLEANING** and **DISINFECTING** of all areas

Eliminating **VISITORS \*** allowed in facilities and offices



Mass procurement of **PPE** and recommended use of face coverings where social distancing is not possible

### LEVERAGING TECHNOLOGY

COVID-19 has accelerated a shift towards a digital economy following the rise of online teleconferencing, chats, discussions, and digital marketing.

This pandemic teaches us that with the right technology in place, the way we collaborate both internally and externally with colleagues, customers, vendors, and suppliers is changing.

Packaging industry surveys conducted by McKinsey in April 2020 reveal:

- **90%** of business to business (B2B) sales have transitioned to more remote sales.
- **70%** of B2B companies expect to sustain new sales models for more than 12 months.
- **60%** of B2B companies find remote sales to be equally or more efficient than the traditional in-person model.
- Digital interactions are now **2x** more important for companies than traditional interactions.
- Consumers expect to reduce in-person activities by **30%**.
- Customers are **reassessing supply chains** for more transparency utilizing digital platforms and a more regional set-up.

Investments in technology and training needed to thrive in a digital culture are being made to maintain our standard of excellence.

For more information on the measures being implemented, visit our MauserNOW COVID-19 De-Escalation page. As we continue to mitigate the risk of spreading COVID-19 in the workplace, it is equally important that employees take personal protection measures when at work and when away from work.



\* Visitors are limited at this time to full-time contractors, established vendors, essential personnel, job candidates, and mail delivery personnel.

# REDEFINING SUSTAINABILITY

## THE NEXT STEPS IN OUR SUSTAINABILITY JOURNEY

The importance of sustainability in our business is reflected in our mission, cornerstones, goals and tagline, "Redefining Sustainability." Our unique ability to close the packaging life cycle loop is the foundation through which we create positive, lasting change and move the world forward through sustainable packaging.

As we continue to shape our company and industry, we have a unique opportunity to pave the way for an even brighter future. By taking next steps in our sustainability journey, we are building a robust plan that is good for our business and better for the world around us.

### WHY IS SUSTAINABILITY IMPORTANT?

Sustainability means more than just caring for our environment. It also means caring for and investing in our employees, increasing our positive impact on the communities in which we operate, and creating value for our customers and investors. Ultimately, it's about giving more and taking less; creating a brighter future for everyone.

Our continued investment and commitment to sustainability creates long term value for our company. It differentiates us from competitors, focuses the business on sustainable processes, and creates additional opportunities to attract, develop, and retain passionate Mauser Packaging Solutions employees.

To better understand our current state and identify the right path forward, we have partnered with Corporate Citizenship an industry leading firm that helps companies navigate the sustainability landscape. Together, we are identifying and framing the groundwork for the three pillars of sustainability within our company – environmental, social, and governance (ESG) factors.



## WHAT ARE OUR NEXT STEPS?

In order to bring our brand promise of “Redefining Sustainability” to life, we are working through four stages. This approach will enable us to understand what our environmental, social and governance (ESG) strengths and weaknesses are compared to our peers, competitors, and best practices while identifying specific topics that are most critical to our success in redefining sustainability. Ultimately, are working toward implementing a responsible business strategy focused on giving more than we take.



The most tangible result of this process will be the publication of an annual Sustainability Report. This report enables us to share our successes with external stakeholders and to identify areas for continued improvement. More importantly, we will identify areas of improvement and implement projects to transform our operations to fulfill our mission of “Redefining Sustainability”.

## SUSTAINABILITY TAKES ALL OF US

Mauser Packaging Solutions’ unique sustainability story is ours to grow and share.

The work we are doing now to “Redefine Sustainability” is defining the future of our company, and this work requires all of us. Every one of us has a stake in how we redefine sustainability and in what actions we take to get there. Once we build our strategy, every one of us will contribute to its success. Thank you in advance for your contributions to this important work!

## KEY TAKEAWAYS

- Corporate sustainability is a growing concern among investors who seek not only economic profit but also social good.
- Mauser Packaging Solutions’ three pillars of sustainability: environmental, social, and governance (ESG).
- A sustainability report enables us to share our successes with stakeholders, ambitions for the future, and areas for continued improvement.
- Our continued investment and commitment to sustainability creates long term value for our company.

# RISING TO THE CHALLENGES OF COVID-19

## RESPONDING TO EXTERNAL AND INTERNAL NEEDS

Mauser Packaging Solutions employees have demonstrated their dedication, ingenuity, and generosity in the face of unprecedented and unanticipated challenges. As much of the world sheltered in place to reduce the spread of this disease, we have risen to the challenges of this time and proved why we are an industry leader.

### UNITED STATES

In less than a week, the Mason, Ohio facility made modifications to a drum design and produced 680 drums for DOW Chemical. After fulfillment to DOW, the drums were filled with hand sanitizer and donated to the U.S. National Guard. Drum components were supplied by the Harrisburg, North Carolina facility.



### UNITED KINGDOM AND THE NETHERLANDS

Dedicated Mauser Healthcare employees in the United Kingdom and the Netherlands have met more than a 60% demand increase from the market. While many European countries are re-opening, many governments are increasing stock of our products to cover an anticipated second COVID-19 wave. Investments have been made in both Littleborough (UK) and Oosterhout (NL) to cover increased demand.

### SINGAPORE

When travel restrictions threatened to impose weeks long quarantine on employees traveling to and from work, nine Malaysian employees agreed to remain in Singapore to continue working. Without these employees, the Singapore facility would have been forced to shut down at least one production line. The personal sacrifice of these employees enabled Mauser to continue to be a part of the fight, providing essential products and services.

### PUERTO RICO

Destileria Serrallés, one of the primary distillery and chemical companies in Puerto Rico, relies on Mauser Packaging Solutions to provide the packaging needed to deliver their product. To aid in the fight against COVID-19, Destileria Serrallés used packaging manufactured in our Puerto Rico facility to donate isopropyl alcohol to local hospitals and medical entities.

### BRAZIL

A carpooling\* program has been implemented in Brazil to reduce employee reliance on public transportation. In addition to other environmental and economic advantages, providing an alternative to crowded public transport reduces potential Brazilian employee exposure to contamination.

*\*The carpooling program may, or may not, be suitable for transportation outside Brazil.*

### SPAIN

NCG Iberia made a donation of 200 chemical suits to the Intensive Care Units of two local hospitals: Clínica Diagonal de Barcelona and Hospital Germans Trias i Pujol of Badalona. These suits are normally used in the PCR department while cutting scrap plastics. Additional suits were procured through our supplier for this donation.

### ITALY

Employees in Italy put in extra hours to meet the increased valve demand across our businesses. The dedication demonstrated by employees in Italy enabled our internal supply chain and operations to continue serving our internal and external customers without delay.



## THANK YOU

We value the ingenuity and resourcefulness of all our employees as we navigate through the challenges of the COVID- 19 pandemic. In particular, we salute our 180+ facilities that kept operating when the world was shutting down.

In spite of a pandemic raging across the globe, our facilities have met the demands of the market and continued to play a vital role in the global supply chain. As of June 20,

- All plants are running.
- Mauser Platform Optimization projects are on track.
- Our supply chain is holding up against local, regional, and state shut down orders.

We are proud to be an essential part of the ongoing fight against COVID-19. Thank you for your continued commitment and dedication.



From aerosol cans, tight head containers, drums, IBCs, medical waste containers, and the collection of hazardous waste; our products, services, and most importantly you, are critical for COVID-19 defense.

[mauserpackaging.com](http://mauserpackaging.com)

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