

Change

munchkin

SUSTAINABILTY REPORT 2021

Cannot

Wait



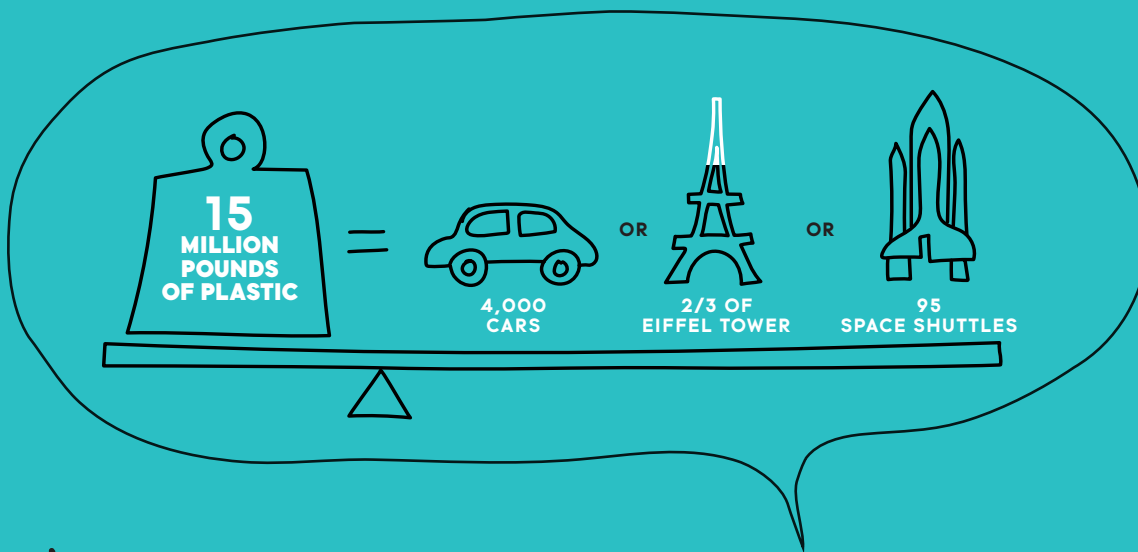
“Treat the Earth well.
It was not given to
you by your parents,
it was loaned to you
by your children.”

Kenyan Proverb



From our CEO, Steven B. Dunn

As a producer of consumer goods for families and parents, we work to *create a* sustainable future for our kids.



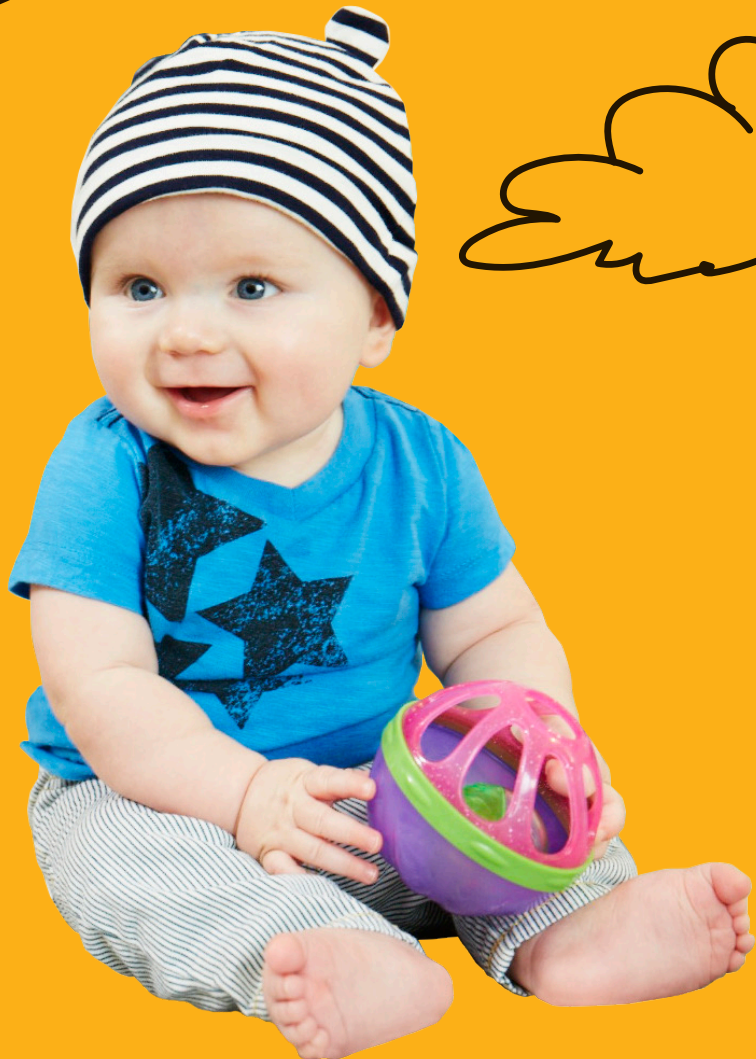
We have programs in place to **reduce our waste, cut emissions and fund environmental organizations**. But let's get real, over 80% of our products are made from plastic. While plastic is absolutely the safest material for baby products, 91% of it is not recycled and ends up in our landfills and oceans for up to 1,000 years.

That is about to change. In the next 5-7 years, our annual goal is to keep 15 million pounds of plastic out of landfills and waterways across the globe. While we work to evolve our products and look forward to sharing more details about this

ambitious goal, we know that change cannot wait. Our planet and our children need us now. We are proud to publish our first Sustainability Report to announce the progress we've made, but more importantly, to share our commitment to a brighter, greener future for generations of Munchkin kids.

STEVEN B DUNN
CEO, Founder, Munchkin Inc.

Introduction



As the magnitude of the global climate crisis grows, Munchkin is dedicated to both the long and short-term commitments needed to meet the *Urgency* of these moments.

As a global leader in the baby products industry, we look back at our accomplishments only as means to measure progress. Our eyes are firmly set on the future and the opportunities that lie ahead. There is much more work to be done. Recently we undertook a series of ambitious goals to curb global emissions. Working in coalition with our retailers, Munchkin joined

Walmart's Project Gigaton—an initiative designed to reduce one billion metric tons of greenhouse gases from the global value chain by 2030. We not only met but surpassed several goals proposed in this initiative and are committed to the completion of all remaining Project Gigaton goals by 2025—five years earlier than the target date.



Driven by our 2020 sustainability milestones, we hit the new year in full stride. We were accepted into the **United Nations Global Compact**, the world's largest corporate sustainability initiative comprised of top companies and are actively seeking ways to improve our commitment to the organization's 10 principles in the areas of human rights, labor, environment and anti-corruption.

WE SUPPORT



With enhanced goals set to achieve greater sustainability through innovation, we have placed emphasis on our Corporate Social Responsibility (CSR) programs, packaging & recyclability efforts and logistics. These initiatives are highly intertwined, and by addressing any one of these opportunities, we can positively affect others. Our ability to recognize and embrace these long-term sustainability practices is paramount to our success as a business and as a member of the global community, but, more importantly, this is how we will leave our children a better planet.

Munchkin Sustainability Goals

By 2022:

Ensure 100% of our packaging is safe for our animal planet

100%

By 2025:

Reduce the amount of material used in packaging by

40%

By 2025:

Increase the amount of recycled content in plastics and films in packaging by

50%

**“The greatest threat
to our *Planet* is the
belief that someone
else will save it.”**

Robert Swan



Corporate Social Responsibility



The Seedling Project

For every diaper pail sold, Munchkin plants a tree. This green program, titled **The Seedling Project**, was launched in 2015 and focuses on planting trees in inner cities, developing countries, and rainforests. Additionally, Munchkin has also partnered with **Trees for the Future** who have planted over 150 million trees throughout the world, bringing oxygen, shade, and biodiversity to over-farmed and less fortunate spaces.

One Munchkin diaper pail is sold every four minutes. To date, Munchkin has planted over 2 million trees through Trees for the Future and has committed to planting at least 1 million every year going forward.

Trees for The Future is on a mission to end hunger and poverty for smallholder farmers through a phased approach of revitalizing degraded lands by developing forest gardens in some of the world's most impoverished countries. 86% of the families that work with this program are food secure after one year.

<https://trees.org>



Project ORCA

“Protecting animals and supporting the welfare of the planet are core beliefs of Munchkin. Our partnerships with the Whale Sanctuary Project and IFAW deepen our commitment to a sustainable future for our children while encouraging empathy and compassion.” – Steven B. Dunn, CEO

Established in 2016, Project Orca is Munchkin’s most long-term cause and was created to support the **Whale Sanctuary Project (WSP)**. WSP is working to establish a model seaside sanctuary where cetaceans (whales and dolphins) can live in an environment

that maximizes well-being and autonomy and is as close as possible to their natural habitat.

It is the first organization focused exclusively on creating seaside sanctuaries in North America for orcas and beluga whales who are being retired from entertainment facilities or have been rescued from the ocean and need rehabilitation or permanent care. In February 2020, Port Hilford, Nova Scotia was selected as the best site to create the sanctuary.

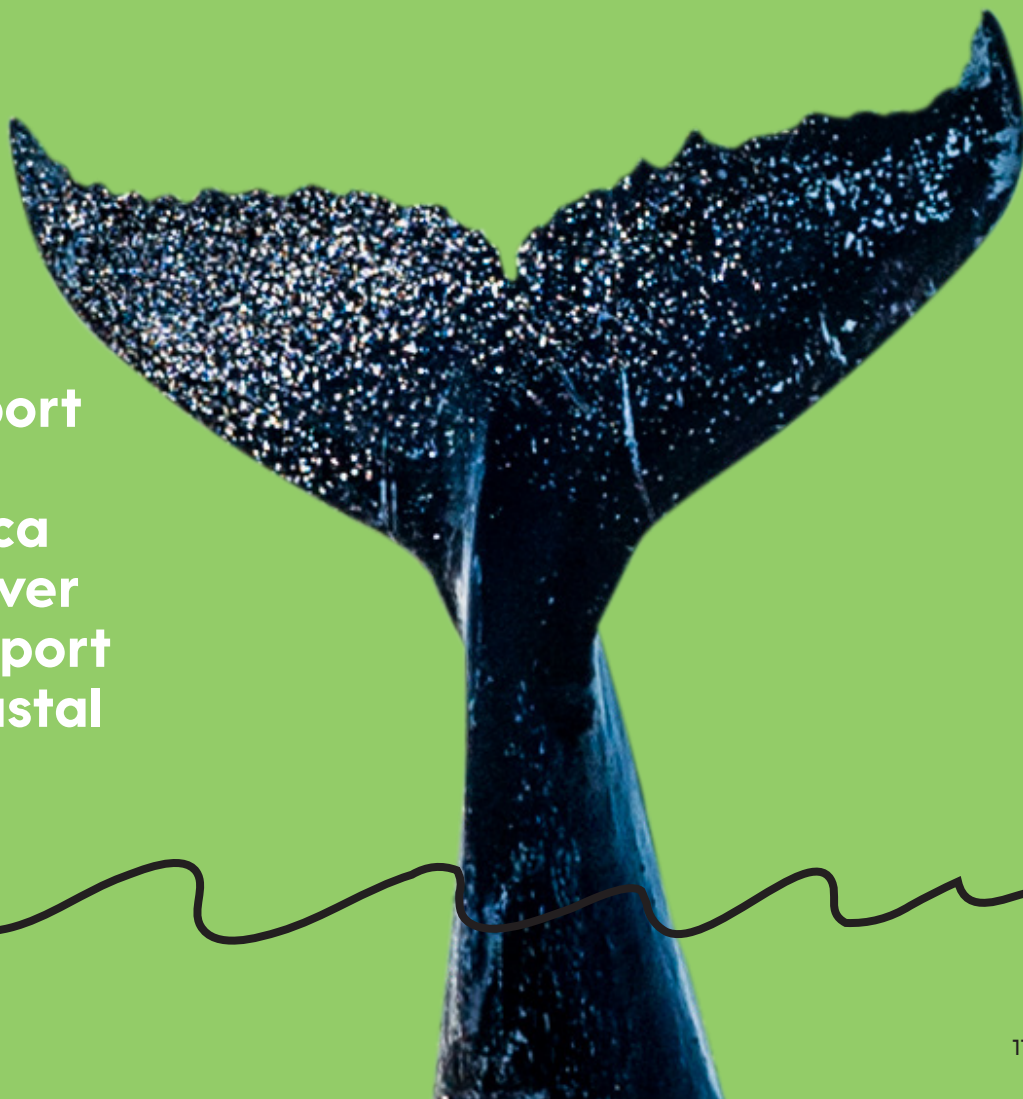
We need a new, more respectful relationship with wildlife and nature if we wish to survive on Earth.

Sanctuaries like this can help build that relationship. While there are sanctuaries for many land animals who are being retired from zoos and circuses, there are none yet for whales and dolphins. Without permanent sanctuaries, they will be confined to concrete tanks for the next 30–40 years, or as long as they live.

WSP recently supported the biggest whale rescue in history, resulting in 97 captive orcas and beluga whales being returned to their ocean home.

<https://whalesanctuaryproject.org>

To bolster our support for WSP, Munchkin created Project Orca and has donated over \$1,000,000 to support the building of coastal ocean sanctuary.



Wild Love

As part of our critical effort to save animal families from harm and extinction, we launched our **WildLove Cups** in 2019, an extension of our #1 Miracle sippy cup product line. The WildLove cups feature illustrations of endangered animals including the African elephant, the polar bear, the red fox, pangolins, orcas and more. All cup packaging includes a letter written in first-person by each of the at-risk animals describing their daily habits, diet and interesting facts. All purchases support our donation to the **International Fund for Animal Welfare** (IFAW), a global non-profit helping animals and people thrive together.

<https://www.ifaw.org>

The special packaging for the WildLove cups is made of 100% recycled and recyclable material, and the WildLove line continues to expand beyond cups into other products—all of which support our donation to IFAW.

The packaging has been internationally recognized with 28 top design awards and published in many design annuals.



**“Sustainability
is here to stay,
or *We* may not be.”**

Niall FitzGerald



Packaging & Recyclability



**“Sustainability takes
forever. And that’s
the *point.*”**

Robert Swan



Our packaging has moved away from the prevailing standard of “take-make-and-dispose,” which is a linear economic model that is both antiquated and unsustainable. Instead, we have embraced and are driven by our dedication to the “circular” economic approach to production which is designed to realize zero plastic waste. This sustainability practice allows for a “make-use-return” model where discarded packaging is recycled or can be completely broken down and returned safely to the earth.

Every Munchkin package is made from recyclable materials, and 99% of our paperboard packaging is made from recycled materials. We are taking our commitment to sustainability one step further by redesigning all packaging for our cups to be animal friendly. This means that upon opening

a Munchkin cup, the packaging either breaks apart (preventing animals from getting stuck or tangled) or quickly breakdowns due to its materials. For example, our paperboard packaging quickly degrades when exposed to moisture.

We have continued our aspiration to realize zero plastic waste by partnering with **Walmart’s Project Gigaton** to reduce greenhouse gas emissions from the global value chain. This collaborative effort is gauged by SMART (Specific, Measurable, Achievable, Relevant, Time Limited) goals that are evaluated on an annual basis. We have been recognized as a **Giga-Guru** by Project Gigaton, which is the initiative’s top accolade for a supplier that has set SMART goals, displayed them with full transparency to the public, and reported having avoided emissions in the most recent year.





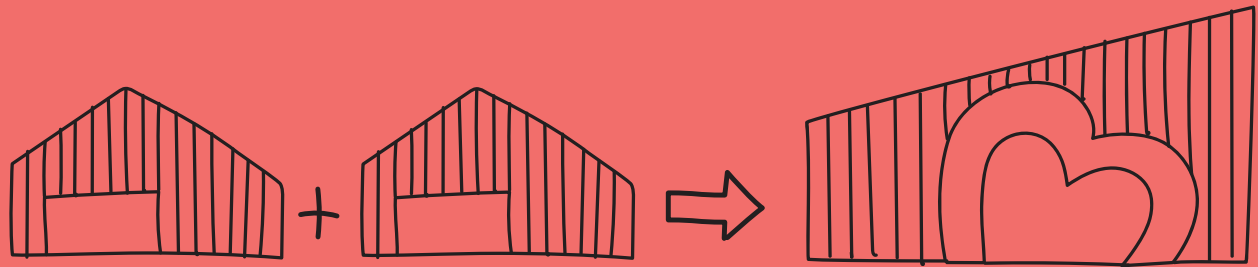
A few of our SMART goals revolve around packaging and are aligned with the Walmart polyvinyl chloride (PVC) initiative. As a supplier of consumer goods, our goal was to eliminate the non-recyclable packaging material PVC in all general merchandise packaging from Munchkin items carried by Walmart by 2020. We have eliminated PVC from all packaging in items carried by Walmart ahead of schedule, and we are committed to having 50% of our plastics and films in all packaging be made with recycled materials by 2025.

Looking forward, we are proactively reconfiguring items that “ship-in-own-container” (SIOC). SIOC allows us to eliminate additional packaging and cut the number of boxes used to ship a product from two boxes down to one. By converting e-commerce only items to SIOC structures we

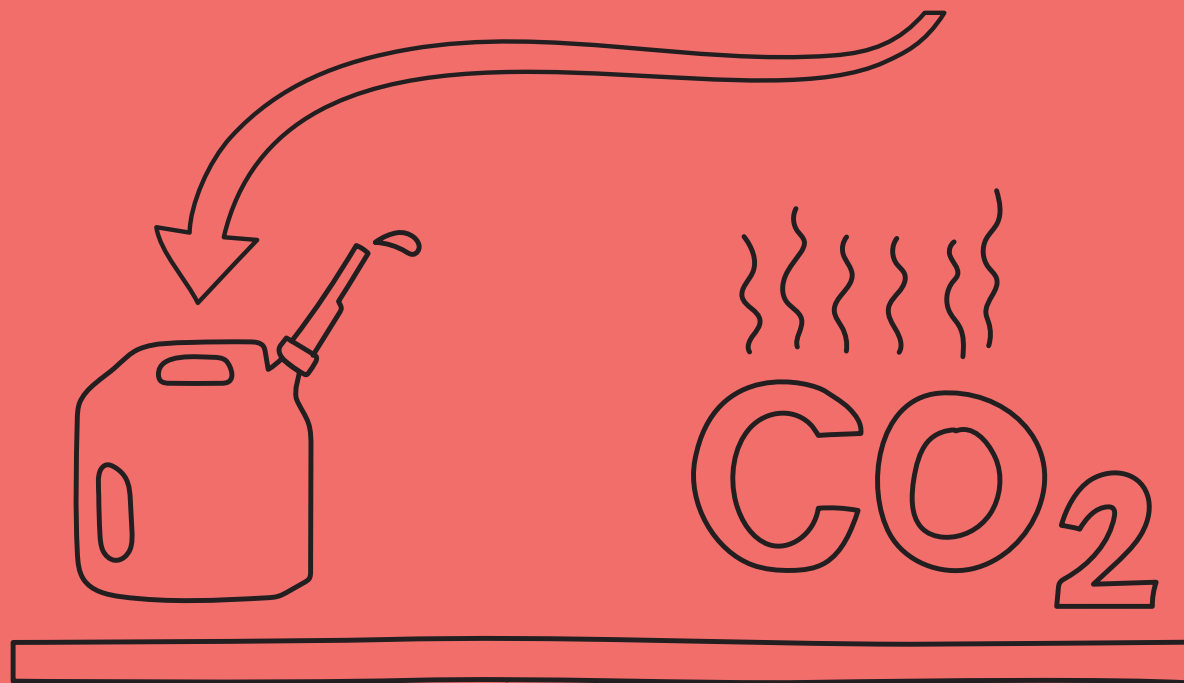
drastically reduce packaging waste. We have also started to eliminate the retail structure on larger items, such as our new Cloud High Chair and certify them as SIOC structures.

Our current packaging endeavors are aimed at discontinuing the use of foam in packaging and transitioning toward a digital instruction manual for all cup packaging in the United States. By transitioning all cup instruction manuals to online versions, we will eliminate approximately 16.2 million physical manuals annually, further curtailing the amount of unnecessary waste produced. In addition, we want to ensure that all packaging materials are properly identified with appropriate recycle symbols. This is a significant step toward reducing the confusion many consumers have when determining what is recyclable.

Reduced Greenhouse Gas Emissions



By consolidating our
2 warehouses into 1



Munchkin saved
10,976 gallons
of gas and
67,812 miles driven.

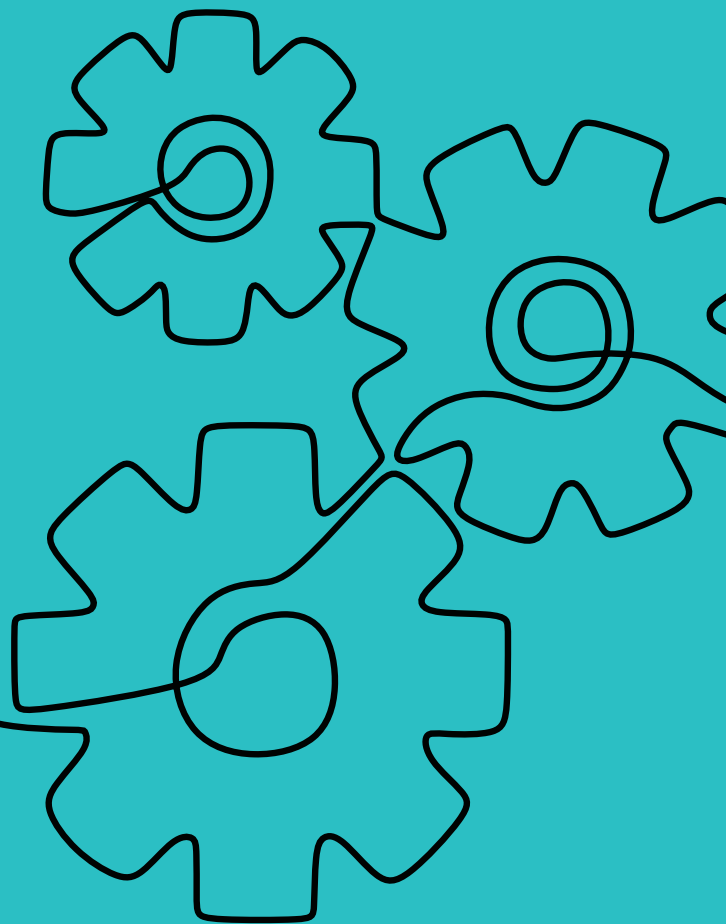
This is the equivalent
of 97.5 metric tons
of CO2 emissions on
shipments alone.

**“To reconnect with
Nature is key if
we want to save
the planet.”**

Jane Goodall



Logistics



The toll of a product *on the Environment* does not just begin and end with the product itself.

There is an enormous environmental cost associated with getting each product from one point to the next, and we are taking proactive, logistical steps to minimize each of those costs. With updates to infrastructure and a company goal of zero waste to landfill warehousing, we are continuing our commitment to corporate sustainability and a circular economy.

In 2019, we teamed up with **UsedCardboardBoxes** and their **UCBZeroWaste** (UCB) program to help assist with our company's zero warehouse waste to landfill goal. The UCB initiative places emphasis on the fact that recycling is good for

the environment, but to reuse is great for it. UCB manages all plastic, wooden and organic waste and offers an even greater value in providing previously used boxes for our use. When finished with those boxes, UCB extends the box life by reusing it once again for another company. In 2019, we diverted 76% of warehouse waste from landfills. In 2020, we further improved on this goal by diverting 86% of warehouse waste from landfills. This single year progress saved an estimated 890 trees and nearly cut our landfill percentage in half, bringing us closer to our zero warehouse waste to landfill goal by 2025.

Zero Warehouse Waste to Landfill Progress

2019:

**Munchkin diverted warehouse waste
from landfills by 76%.**



2020:

**Munchkin diverted warehouse waste
from landfills by 86%.
This single year improvement saved
an estimated 890 trees.**



Curbing emissions in the supply chain is another concerted effort toward greater sustainability. We recently consolidated our warehouses in Southern California to one LEED (Leadership in Energy and Environmental Design) certified building, meaning it was designed and constructed to be environmentally friendly. The warehouse has retrofitted exterior floodlights, wall packs and light pole heads with LED fixtures. These alterations have reduced our warehouse kilowatt usage by

45% and exterior usage by 70%. Consolidating warehouses not only lowered our energy usage but also decreased our greenhouse gas emissions by saving 10,976 gallons of gas and 67,812 miles driven. This is the equivalent of 97.5 metric tons of CO2 emissions on shipments alone. We also invested in 26 electric car charging stations at both our headquarters in Los Angeles and at our warehouse in Redlands to support employees who choose greener modes of transportation to and from work.

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“Our mission meets us at the front door every day at Munchkin. We literally walk in and under our brand identity. It reminds us that our work is for the most worthy of all consumers, brand new life. Our job is to make their journeys safer and more delightful, but our responsibility is to remove our footprint in their circle of life.”

DB, Chief Brand Officer, Munchkin Inc.

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