

# A CENTURY OF INNOVATION



# 2025 SUSTAINABILITY REPORT

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# LETTER FROM THE CHAIR OF THE BOARD



For more than a century, Liberty Diversified International has carried forward values that do not change with time. Our company was built on using resources wisely, caring for people, and supporting the communities where we work and live. These responsibilities are not programs or initiatives but our philosophy as a company.

Sustainability has always been part of our identity. It is not something new, but a continuation of the way this company has chosen to operate from the beginning. That proud history guides us still, reminding us that our work must create value not just for today, but for the generations to come. As shareholders, we expect the business to uphold these principles with consistency and discipline.

As we look ahead, we do so with the same steady commitment that has carried us through the past one hundred years: to build a strong business while upholding our duty to people, communities, and the environment.

Sincerely,

**Mike Fiterman**  
Chair of the Board of Directors

## A Message from our CSO

As we share our 2025 Sustainability Report, I'm proud of the progress we've made and even more excited about the path ahead. This year marks two important milestones: the 30th anniversary of our 100% recycled paper mill and the approval of our 10-year sustainability goals by our Board of Directors. Together, they underscore our long-standing commitment and vision for the future.



What makes this journey truly meaningful is how our teams across LDI are turning these goals into action every day, in every decision. With clear targets, strong leadership, and accountability at every level, we are well equipped to deliver real, measurable impact.

We move ahead with confidence, knowing sustainability is not just part of our strategy, but a reflection of who we are and the future we are building together.

Sincerely,

**Jenny Lindstrom**  
Chief Legal and Sustainability Officer

# 2025 HIGHLIGHTS

## 600 MILLION

Diverted 600M pounds of old corrugated cardboard (OCC) from the landfill this year.

## 4.5 MILLION

Liberty Plastics implemented a repel/regrind program which diverted 4.5M pounds of plastic material from landfill disposal.

## 874 MILLION

We recycled 874M pounds of steam from a nearby energy plant last year.



Implemented a cloud-based ESG data platform aligned with the Greenhouse Gas Protocol to support automated data collection, standardized emission factor application, and audit-ready Scope 1 and 2 reporting.



Achieved 5% annual profit reinvestment in community initiatives, maintaining our longstanding commitment to giving back.



Implemented a process water reuse system at Liberty Packaging Quad Cities, saving 693,500 gallons of water annually.



Reduced Safco imports 20% by expanding our Made in USA designs and production, leveraging recycled steel, and reducing transport emissions.



Transitioned to all-electric forklifts at our San Diego facility, improving indoor air quality, lowering operational costs, and reducing on-site emissions.



With a focus on sustainable growth, we expanded our operations with the acquisition of two new Minnesota locations, broadening our services and improving supply chain efficiency.



Celebrated Liberty Paper's 30th anniversary — marking three decades of circular economy leadership.



Completed our first sustainability focused enterprise-wide volunteer event, further engaging employees in sustainability action.

# ABOUT LDI

Multiple diversified markets, one innovative team.

Liberty Diversified International (LDI) is a fifth-generation family-owned business and leading provider of innovative, sustainable products. Since our founding in 1918, we have grown from humble beginnings into a global leader across four core markets: Paper, Packaging, Plastics, and Contract Furniture. While our business has evolved, some things remain constant: our commitment to operational excellence, and to the core values that guide us: 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 simple: to work hard every day to make life better for our employees, customers, suppliers, and communities.

As we grow and expand our capabilities, we are focused on meeting the evolving needs of our customers — today and in the future. Whether through the products we make or the ways we give back, we are committed to creating a more sustainable world. The charitable contributions and volunteer efforts of our employees and businesses help make a meaningful impact every day.

## 2025 Certifications and Awards



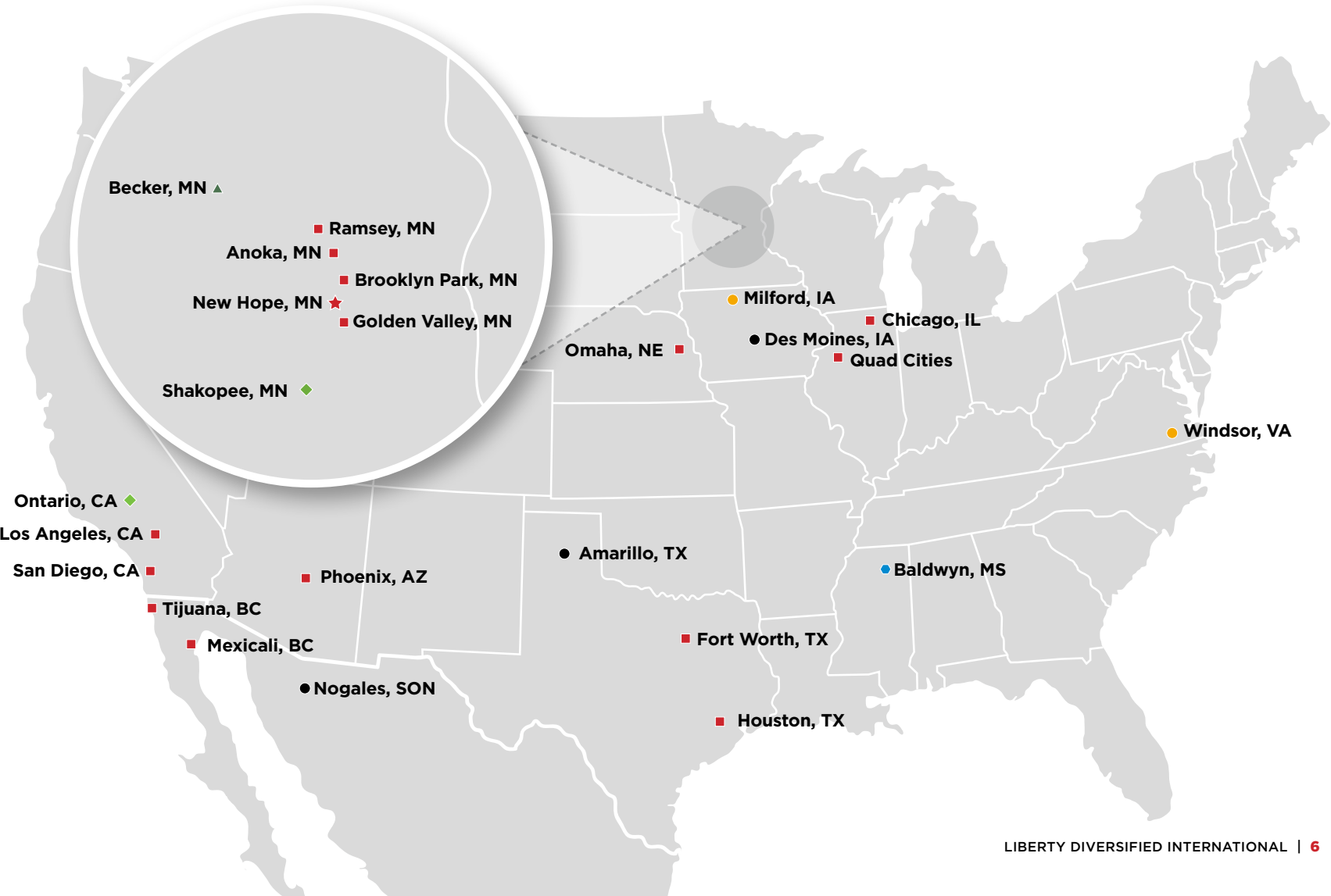
» LDI: Star Tribune Top 200 Workplace Award

- » Liberty Paper: Cintas First Aid & Safety Award
- » Liberty Paper: MNSTAR/OSHA Voluntary Protection Programs
- » Liberty Paper: SFI®, FSC®, and PEFC® Certification
- » Safco: NeoCon Awards: Best of Gold, Best of Innovation and Best of Business Impact
- » Safco: Kristy Howe, SVP of Safco, OPI's 50 Most Influential Women 2025
- » Liberty Plastics (Quarrix): People's Choice Award at the International Roofing Expo

# INDEPENDENT OWNERSHIP. INTERNATIONAL PRESENCE.

As one of the largest privately held companies in the Midwest, LDI combines the reach of an international footprint with the agility of independent ownership. Our ability to scale efficiently, without the constraints of traditional corporate structures, allows us to move with speed, precision, and creativity.

We do what the big players won't and the smaller players can't: deliver tailored solutions that meet complex challenges while staying closely connected to the needs of our customers and communities.



# OUR FAMILY OF BUSINESSES



*Secure. Sustainable. Scalable.*

Liberty Packaging is a strategic partner and leading provider of innovative, sustainable packaging and integrated supply chain solutions. We help customers navigate ever-evolving needs by transforming challenges into opportunities. As environmental stewards, we are committed to producing high-quality products while conducting business in a responsible and sustainable manner.



*People. Planet. Purpose.*

At Liberty Paper, our team transforms 275,000 tons of old boxes each year into new, 100% recycled paper for new boxes. All products produced on our paper machine are 100% recycled, and certified to SFI®, FSC® and PEFC® standards. Our manufacturing process is the start and end of the circular economy for boxes.

Dreamworks Coating Solutions, a division of Liberty Paper, partners with customers to deliver recyclable coatings that enhance product performance while supporting sustainability goals across packaging, paper, and print.



*Durable. Versatile. Recyclable.*

Liberty Plastics manufactures Wave-Core™, a laminate corrugated plastic made with high-density polyethylene (HDPE) resin extrusion technology. Our reusable and recyclable packaging solutions help customers reduce single-use materials while improving product protection and durability.

Liberty Plastics' Quarrix (a Liberty Plastics brand) specializes in sustainable roofing and building products that improve airflow, reduce moisture, and prevent roof damage — extending the life of structures while minimizing material waste. Made from durable, HDPE recyclable material, Quarrix products support a reduced environmental footprint and long-term cost savings.



*Re-imagined. Re-energized. Re-defined.*

Safco designs workspace solutions that help do their best work in any space. Whether in educational, health care, collaborative office, or industrial environments, our Safco and Onsemble brands deliver adaptive furniture, smart storage, and technical workstations built for flexibility, durability, and sustainability. Our approach balances design simplicity with a lasting commitment to sustainability in every solution we deliver.

# ESG GOVERNANCE

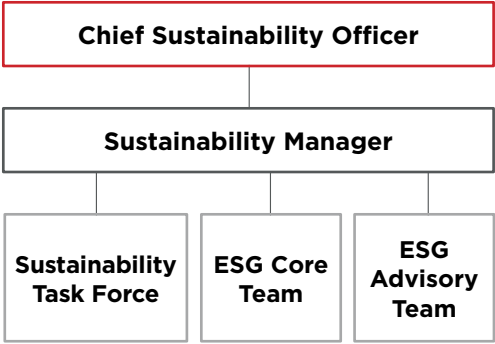
LDI’s Board of Directors provides oversight of the company’s ESG risks and opportunities, meeting regularly and receiving quarterly ESG updates to ensure continued alignment with our strategic goals. The Board includes our interim CEO and Chair and six independent directors, and is supported by three standing committees: Finance & Audit, Compensation, and Strategy.

Environmental, Social, Governance (ESG), and Environmental Health and Safety (EHS) principles are integrated into our daily operations and decision-making. ESG priorities are shaped by our double materiality assessment (completed in 2024), developed by our sustainability leadership team, and approved by LDI Officers and the Board.

Our ESG leadership structure includes a dedicated Chief Sustainability Officer and a newly established Sustainability Manager role to ensure day-to-day accountability and coordination. Together with functional leaders across the business, they oversee goal-setting, implementation, and enterprise-level ESG reporting.

Our cross-functional ESG Core and Advisory Teams, together with the Sustainability Task Force, drive performance, promote innovation, and embed sustainability practices across all business units. These teams help track progress, engage employees, and implement initiatives such as recycling, energy efficiency, and sustainable sourcing.

## LDI ESG MANAGEMENT STRUCTURE



### COLLECTING ESG DATA

LDI implemented a system for tracking carbon emission in fiscal year 2025 which helped us analyze our baseline emissions and set our 10-year goals.

## Industry Associations & Collaboration

As part of our commitment to continuous improvement and alignment with industry best practices, LDI is an active member of the following associations:

- » **Recycled Paperboard Technical Association (RPTA)**  
Promotes the production and use of recycled paperboard through research, technical collaboration, and environmental stewardship.
- » **American Forest & Paper Association (AF&PA)**  
Advocates for sustainable practices and responsible forestry policies across the paper and wood products industry.
- » **Fiber Box Association (FBA)**  
Supports the corrugated packaging industry with sustainability resources, benchmarking tools, and advocacy for fiber-based solutions.

## FEATURE: MEET KRISTIE FRYDENLUND LDI'S SUSTAINABILITY MANAGER



"I want a world where my kids can enjoy nature as much as I do." That simple, powerful motivation is what drives Kristie Frydenlund, LDI's Sustainability Manager, as she leads the charge toward achieving our 10-year environmental goals.

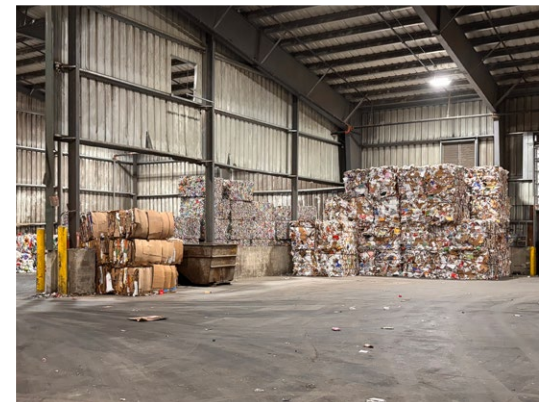
With more than a decade of experience in environmental engineering and a passion for protecting our natural resources, Kristie brings both expertise and energy to this pivotal new role. She focuses on practical, results-driven solutions that not only reduce environmental impact but also support operational efficiency, reduce risk, and create long-term value for the business.

Kristie joined LDI more than five years ago as Environmental Engineer at Liberty Paper. She later became EHS Manager, where she played a key role in elevating the site's environmental performance.

In her new role, Kristie is working across all four of LDI's business units (Paper, Packaging, Plastics, and Safco) to align operations with our environmental goals, including reductions in greenhouse gas emissions, water use, and landfill waste.

"Each business is different, but we all share the same goals and values. My role is about finding those common threads and helping each team identify meaningful, achievable ways to reduce our footprint."

For Kristie, this work is deeply personal and full of purpose. "The exciting part is seeing what's possible when people come together around a common mission. I'm proud of what we've accomplished already, and even more excited about what we're going to achieve together over the next 10 years."



# ESG OBJECTIVES & PROGRESS

As we look toward a sustainable future, our ESG strategy is built on our 100+ year legacy of environmental stewardship and responsible business practices. In 2025, we formalized this commitment with the launch of our 10-year sustainability targets — measurable, impact-driven objectives that reflect our dedication to the planet, our people and communities, and to sound governance.

These goals provide a clear roadmap for embedding sustainability more deeply into every aspect of our operations. They reinforce our ongoing commitment to long-term value creation for all stakeholders while minimizing our environmental footprint. As our business evolves, we will continue to revisit and raise our ambitions, ensuring that our strategy remains relevant, responsive, and resilient.

OUR ESG PILLARS	CATEGORY	GOAL	FY25 PROGRESS
<b>BUILDING CLIMATE RESILIENCE</b> 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.	<b>GHG Emissions</b>	Reduce greenhouse gas absolute Scope 1 and 2 GHG emissions by 15% by 2034.	<b>Scope 1 and Scope 2 (market-based) absolute emissions 1%, or 1,725 metric tons, lower than in 2024.</b>
	<b>Sustainable Products</b>	Achieve Sustainable Forestry (SFI®) certification for all packaging locations by 2026.	<b>On track to obtain sustainable forestry certification.</b>
	<b>Waste</b>	Reduce waste sent to the landfill by 10% from Liberty Packaging, Safco, and Liberty Plastic operations by 2034.	<b>Landfill waste decreased by 2% vs baseline.</b>
	<b>Fresh Water</b>	Reduce fresh water usage by 8% at Paper Mill by 2034.	<b>Water use per production ton decreased by 2% vs baseline.</b>
<b>MAKING SUSTAINABLE PRODUCTS</b> We create products that are responsibly sourced and manufactured, ensuring minimal environmental impact. Sustainability is at the core of our design and production process.	<b>Supplier Sustainability</b>	Increase alignment between addressable supplier spend and our environmental and social responsibility standards — ideally reaching 80% alignment by 2030.	<b>Goal established.</b>

OUR ESG PILLARS	CATEGORY	GOAL	FY25 PROGRESS
<b>EMPOWERING PEOPLE</b> 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.	<b>Empowering People</b>	Ensure 100% of LDI employees are represented in action plans following the 2025 engagement survey.	<b>Goal established.</b>
	<b>Safety</b>	Get brilliant at the basics by standardizing and improving EHS systems across all locations. Strive for 100% safe culture by driving continuous improvement to reduce risk in the workplace and by supporting our teammates’ well-being.	<b>92 Risk Assessments Completed.</b> <b>LDI earned an 81% safety favorability rating in the 2024 employee survey.</b>
	<b>Leadership Development</b>	Embed People Leader Goal in all leader performance reviews, including timely feedback, development plan execution, and engagement action planning.	<b>Goal established.</b>
	<b>Employee Development</b>	Regularly promote and maintain a library of personal and professional development resources accessible to all employees at all levels of the organization.	<b>Continuing to grow and promote our development resource library that supports learning at all levels.</b>
	<b>Ethics</b>	100% of employees will review our Code of Conduct and affirm their compliance.	<b>Goal achieved.</b>
<b>STRENGTHENING COMMUNITIES</b> We actively engage with and support the communities where we work and live. Our initiatives focus on driving positive social and environmental outcomes.	<b>Community</b>	Continue giving back 5% of annual profits to our communities, focusing on children’s health, education, and food security.	<b>Goal achieved.</b>



# 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.



# ENERGY USE & GHG EMISSIONS

In line with our sustainability goals, LDI remains committed to reducing energy use and greenhouse gas (GHG) emissions across our operations. Guided by the Sustainability Task Force, we established a baseline for Scope 1 and Scope 2 emissions in FY25 — a critical step that enabled us to set our 10-year goal of a 15% reduction in GHG emissions by 2034.

We continue to identify and pursue energy-efficient improvements as part of our facility operations and capital planning. In 2025, LDI completed at least 8 energy efficiency projects across its Minnesota operations. These initiatives have the potential to reduce electricity consumption by approximately 1,193,900 kWh per year, supporting progress toward our 10-year emissions reduction goal and operational cost savings. In parallel, we are assessing renewable energy options, including the installation of solar panels at select locations in the coming years.

Looking ahead, we are committed to data-driven decision-making, continuous improvement, and transparent reporting. Our approach aligns with the Greenhouse Gas Protocol and supports future alignment with emerging disclosure expectations.

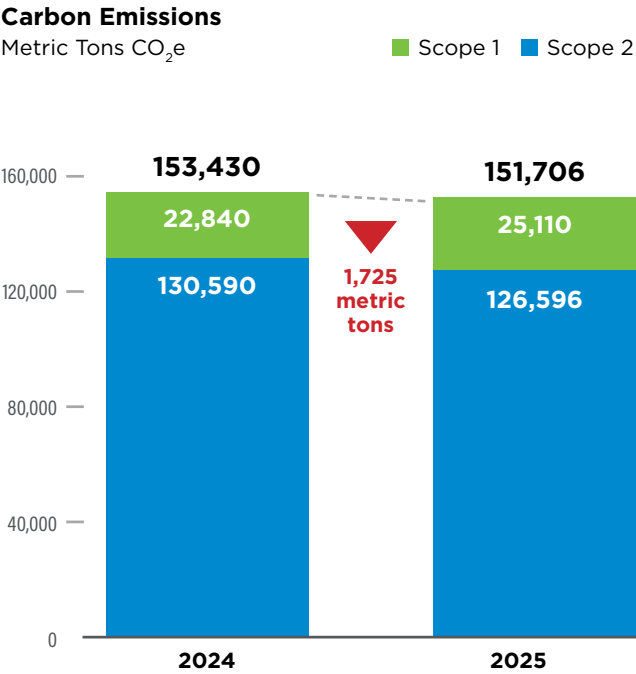
## Industrial Energy Assessments

In the last fiscal year, LDI partnered with U.S. Department of Energy-sponsored Industrial Assessment Centers (IACs) and state funded Technical Assistance Programs to complete energy efficiency audits at eight of our manufacturing facilities. These assessments provided expert recommendations for reducing energy use, improving process efficiency, and identifying cost-saving opportunities.

**IAC's are university-based programs supported by the U.S. Department of Energy that help manufacturers identify energy-saving opportunities.**

**Several of the recommended projects are already in early implementation or evaluation stages. Collectively, these efforts are helping us build the foundation for long-term reductions in our Scope 1 and Scope 2 emissions, in direct support of our goal to reduce GHG emissions by 15% by 2034.**

- » **SCOPE 1 EMISSIONS** refer to direct GHG emissions from company-owned or controlled sources, such as fuel combustion on-site.
- » **SCOPE 2 EMISSIONS** are indirect GHG emissions resulting from the purchase of electricity, steam, heat, or cooling.





# 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.



# SUSTAINABLE PRODUCTS

We strive to design and deliver products that reduce environmental impact and contribute to long-term ecological health. Across all four of our businesses — Paper, Packaging, Plastics, and Safco — we are committed to integrating sustainability principles into every stage of the product lifecycle.

Each business brings a unique perspective to this shared commitment:

- » **IN PAPER AND PACKAGING**, we are deepening our focus on responsible sourcing by pursuing and maintaining Sustainable Forestry (SFI®) certifications across all packaging locations. We continue to improve resource efficiency and minimize waste throughout our manufacturing processes and supply chain solutions.
- » **IN PLASTICS**, we prioritize circularity through the use of High-Density Polyethylene (HDPE). Known for its strength and durability, HDPE is widely accepted at recycling facilities and can be repurposed multiple times without loss of performance.

» **AT SAFCO**, sustainability is embedded in the design process. We emphasize the use of environmentally preferred materials, long-lasting construction, and design strategies that support end-of-life recyclability. Recent products designed with sustainability in mind include Onsemble Modix, Onsemble Accord, and Safco Jurni.

Across all divisions, we are actively working to educate employees, customers, and partners on sustainable practices. Through innovation, collaboration, and a culture of continuous improvement, we aim to deliver lasting environmental benefits while creating long-term value for our customers and communities.

## DID YOU KNOW?

**Dreamworks and Liberty Paper produce a recyclable alternative to traditionally wax-coated paper and plastic liners. This 100% recyclable coated paper helps customers meet their sustainability goals without compromising performance or functionality.**

## CASE STUDY:

### Removing Foam Waste with a Corrugated Solution

A family-owned customer of Liberty Packaging approached us with a challenge: they needed a custom “influencer box” to support a key business growth initiative. Their existing packaging relied on foam inserts — a costly, non-recyclable solution that conflicted with both their budget and sustainability goals.

Our team collaborated closely with the customer to design a packaging solution that aligned with their brand values and environmental priorities. The result was a fully corrugated, 100% recyclable box that eliminated the need for foam while maintaining the product presentation and protection.

The outcome was a win on all fronts: a 79% cost savings over the previous solution, a fully recyclable packaging experience, and a stronger alignment between the customer’s sustainability aspirations and business strategy.

# REDUCING WASTE

Reducing waste to landfill is a key pillar of LDI's 10-year sustainability strategy, with a targeted 10% reduction guiding our efforts through 2034. We recognize that achieving this goal requires more than good intentions; it demands data, accountability, and coordinated action across every part of our operations.

In FY25, we launched comprehensive waste audits across our facilities to better understand material flows and identify opportunities to increase diversion, recycling, and reuse. These audits serve as the foundation for setting meaningful waste reduction targets and tailoring strategies to meet the needs of each business unit.

Our approach is grounded in continuous improvement. We are focused on practical, everyday actions that minimize material waste, optimize production processes, and support circular practices.

**We have already made improvements toward a 10% reduction, reducing waste by 2% over the last year. We reduced our waste to landfill by 108,075 pounds in fiscal year 2025.**

In 2024, Liberty Plastics launched a company-wide repel/regrind initiative aimed at reducing landfill waste and promoting circularity in its manufacturing process. By collecting and reprocessing scrap and off-spec plastic materials, the program enabled Liberty Plastics to reintroduce 4.5 million pounds of plastic back into production instead of sending it to the landfill and improving our operational efficiency.

## Carrying Forward a 100-Year Legacy: 30 Years of Liberty Paper

For over a century, Liberty Diversified International has embraced innovation and responsibility as part of its DNA. Since opening its doors 30 years ago, Liberty Paper has been a vital part of that story transforming old corrugated containers (OCC) into new paper.

In 2025 alone, Liberty Paper diverted over 600 million pounds of OCC from landfills as part of a consistent, long-term effort to keep valuable fiber in circulation. The recycled paper produced at the mill feeds directly into the company's box plants, supporting a closed-loop system that reduces waste and maximizes resources.

Corrugated packaging can be recycled up to seven times, and Liberty Paper plays a critical role in extending the life of that material while helping customers and communities move toward a more circular economy.



**Our Omaha facility eliminated 46,080 plastic bottles this year from the waste stream by switching to reusable bottles and refill stations.**

# WATER STEWARDSHIP

Water is essential in our operations, particularly in paper production, where significant volumes are required to process and manufacture high-quality material. We recognize our responsibility to manage water wisely, not only to improve operational efficiency, but to protect this essential resource for future generations. Throughout the history of Liberty Paper, the mill has partnered with a nearby energy company to reuse their steam saving water and energy by 874M pounds of steam annually.

As part of our broader environmental strategy, we have set a 10-year goal to reduce fresh water usage by 8% by 2034, with a primary focus on our most water-intensive site: the paper mill. This long-term commitment guides our actions as we implement smarter systems, water reuse strategies, and conservation technologies across our operations. In fiscal year 2025, we had a 2% reduction in water consumption for production at Liberty Paper.

## The Fresh Water Reduction Program

Since 2020, LDI's Fresh Water Reduction Program has helped guide and accelerate our enterprise-wide water conservation efforts. Led by a cross-functional team, the program applies data-driven insights, emerging technologies, and proven best practices to reduce water use where it matters most.

One key enabler of this progress has been the installation of advanced flowmeters, made possible through a \$40,000 investment. These meters provide real-time visibility into water use across the facility and power performance dashboards that help teams act quickly and effectively.

Over the past year, Liberty Paper partnered with the Minnesota Technical Assistance Program (MnTAP) to conduct a more detailed water mapping assessment at our paper mill. MnTAP is an outreach program at the University of Minnesota that helps Minnesota businesses develop and implement industry-tailored solutions that prevent pollution at the source, maximize efficient use of resources, and reduce energy use and costs to improve public health and the environment.

This effort deepened our understanding of water flows and helped identify targeted opportunities to improve efficiency. With MnTAP's support and guidance from LPI's Sustainability Team, we implemented several water efficiency projects:

### » Replaced fresh water to the vacuum sump water filter with vacuum sump water

- Total fresh water savings: 525,600 gallons annually of total water usage



» **Substituted fresh water for dilution in the Effluent Treatment Plant coagulant system with cooling tower blowdown water**

- Total fresh water savings: 1.05M gallons annually of total water usage

» **Replaced the bottom ply headbox shower**

- Total fresh water savings: 10.5M gallons annually of total water usage

Together, these improvements represent important steps forward in our efforts to increase water efficiency, reduce our reliance on fresh water, and advance our 10-year reduction goal.

In FY26, we are expanding our partnership with MnTAP to explore freshwater reduction opportunities at our Minnesota packaging locations, building on the success of previous collaborations at our paper mill.

## Looking ahead

Over the past year — continuing into FY26 — we have partnered with a process equipment consultant to take a deeper, systems-level look at water use within our paper mill. This collaboration has helped us better understand the complexities of our water system, and pinpoint opportunities for long-term efficiency gains. In FY26, we are focusing on evaluating additional water clarification technologies. If implemented, these enhancements would improve the overall efficiency of our water system and lay the groundwork for future water reduction initiatives.



I enjoyed working with Liberty Paper on our summer 2024 intern project. It was thrilling to see 11 million gallons of annual water savings implemented in such a short time. MnTAP is looking forward to continuing our partnership with Liberty Diversified International again this summer to help them achieve even more water savings and reach their other sustainability goals.”

–Jane Paulson, Senior Engineer  
Minnesota Technical Assistance Program

### CASE STUDY:

## Liberty Packaging Quad Cities

At our Quad Cities Packaging facility, we installed a secondary wastewater treatment system to recover starch-laden process water for reuse in production. This initiative has significantly reduced the volume of water discharged (approximately 693,500 gallons per year) to the City of Rock Island, reducing our impact on the local municipal system and advancing our water stewardship goals.

While the system is already delivering measurable savings, we continue to optimize its performance to further enhance water recovery and efficiency over time.



# SUSTAINABLE SUPPLY CHAINS

LDI is committed to supply chain practices that promote both efficiency and resilience. Our approach prioritizes working with ethical suppliers, while fostering innovation and long-term value creation across our operations.

At Safco, we have made significant investments to deliver more sustainable products and services to our customers. Through strategic insourcing of finished goods, we have reduced our reliance on foreign-sourced materials, dramatically reducing our global transportation and logistics footprint.

Roughly 10% of our product portfolio has shifted from sourced to designed solutions. By leveraging our U.S. production facilities, we are able to optimize for materials that are both recycled and highly recyclable, including steel in various gauges and compositions. Sustainability is a cornerstone of our design, manufacturing, and engineering processes.

## Examples of this commitment include:

- » Replacing PVC-based Edgebanding to polypropylene
- » Standardizing material thickness to reduce waste



- » Offering made-to-order solutions shipped “knock-down” (KD) to reduce packaging and freight costs
- » Designing durable solutions that last for decades with minimal service or replacement parts

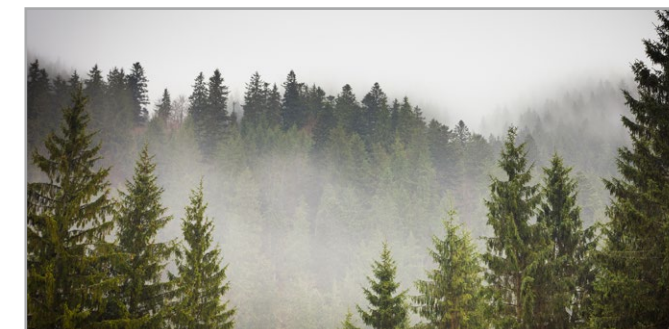
Approximately 70% of the steel we use is made from recycled content, and our powder-coating systems significantly reduce or eliminate the release of harmful volatile organic compounds (VOCs).

As our markets and customer needs evolve, we remain committed to advancing sustainable design and manufacturing processes that align with our values, and with the future of responsible product development.

# SUSTAINABLE FORESTRY

Responsible forestry and third-party certification standards — such as the Forest Stewardship Council (FSC®) and Sustainable Forestry Initiative (SFI®) — play a critical role in ensuring that forest resources are managed in ways that protect ecosystems, support biodiversity, and provide social and economic benefits while verifying compliance.

LDI has already achieved SFI® and FSC® certification at our paper mill, and we have now identified a path forward for extending SFI® certification to our packaging locations. We are actively working towards this goal, with plans to achieve certification across those sites in FY26.





# 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.



# EMPLOYEE HEALTH & SAFETY

At LDI, protecting the health and safety of our employees is not only a priority, but also a foundational commitment that shapes how we work every day. We strive to create an environment where all team members, contractors, and visitors are equipped to work safely and confidently, backed by comprehensive training and clear safety expectations. In the past year, we were proud to receive high favorability scores in the safety category of our employee engagement survey — a reflection of the trust our teams place in our safety programs and our commitment to continuous improvement.

We empower individuals at every level to recognize potential hazards, take proactive steps to mitigate risks, and speak up when something doesn't feel right. Our safety training is reinforced through hands-on learning and continuous communication, ensuring that everyone understands their role in maintaining a safe workplace.

To support open communication, we provide multiple ways to report incidents, near misses, and safety concerns, including an independently managed ethics hotline that allows for anonymous reporting. When

issues arise, we act quickly to investigate, identify root causes, and implement corrective measures to prevent future incidents. While our long-term goal remains zero workplace incidents, our current focus is on reducing exposure to the significant injury risks that have the greatest potential impact. In FY25, we advanced this work across our sites by prioritizing high-risk areas and introducing new tools and behaviors to improve engagement and visibility.

## SAFETY SPOTLIGHT

**As part of our significant risk reduction process, our Omaha EHS team engaged their employees in a What/Where exercise to identify our high-risk areas where we can improve safety. Employees shared what they felt was the riskiest part of their job and where that happens. We are committed to taking steps to ensure improved safety and care for our employees related to their feedback.**



One of our most impactful initiatives this year was conducting 92 targeted risk assessments across our manufacturing facilities. These assessments were driven by the top safety concerns identified directly by employees, helping ensure our efforts are aligned with the real-world needs and experiences of our teams on the floor. This proactive approach has strengthened our ability to reduce risk and prevent incidents.

By addressing the most serious risks first, we are creating a cascading effect that strengthens overall safety culture and reduces less severe injuries in parallel. Through consistent action, shared accountability, and a focus on continuous improvement, we are working to ensure every employee goes home safely, every day.

Looking ahead, our FY2026 EHS strategy is centered around the theme “Brilliant at the Basics.” This initiative focuses on five key priorities designed to improve consistency, strengthen our safety foundation, and support scalable growth across all sites:

- 1 Standardize PPE Requirements** across similar operations and environments, including updated policies for visitors.
- 2 Implement Consistent Training Programs** to ensure every employee receives the same high-quality safety education and reinforcement.
- 3 Unify Safety Audit Programs** to drive accountability and enable benchmarking across locations.
- 4 Improve Incident Management**, including enhanced root cause analysis and corrective action tracking.
- 5 Develop a Company-wide EHS Policy** to align all sites with shared expectations and a clear safety vision.

Through these efforts, we are not only reinforcing compliance but also building a safety-first culture that empowers employees and creates safer workplaces across our entire organization.



## EMERGENCY PREPAREDNESS & RESPONSE

Being prepared for the unexpected is a critical part of how we protect our people, facilities, and communities. LDI maintains comprehensive emergency response plans to reduce the impact of potential incidents. Regular drills and exercises help keep teams prepared and responsive in real-world situations. We also collaborate with local authorities, emergency services, and community partners to strengthen response coordination and support broader community resilience.

In the past year, we formalized a company-wide Business Resiliency Plan to strengthen our ability to prepare for, respond to, and recover from unexpected disruptions. This plan outlines coordinated procedures across our locations and functions, enabling faster decision-making and clear communication during critical events. Its value was recently demonstrated during an unplanned incident that temporarily impacted operations at one of our facilities. Because of the groundwork laid in our resiliency planning, we were able to respond swiftly, minimize downtime, and restore operations efficiently — ensuring the safety of our team members while continuing to meet customer commitments.

## A CULTURE OF BELONGING

At LDI, we are committed to building a workplace where every individual feels respected, valued, and empowered to contribute. Our goal is to create an environment where diverse voices and lived experiences are welcomed, and where belonging is felt not just stated.

Fostering a culture of belonging is not only the right thing to do, but also a strategic priority that strengthens our commitment to excellence. By embracing inclusivity, we unlock the talent and perspectives that drive innovation and support our long-term success.

In FY25, our senior leaders deepened their capabilities through Franklin Covey's Inclusive Leadership training and the Intercultural Development Inventory, equipping them to model inclusive behaviors across the company.



*I choose LDI because I feel seen as a person, not just an employee — and it gives my work meaning knowing I impact the greater supply chain in the U.S. positively."*

– Michaela S., Account Manager,  
Golden Valley, MN

### Progress Highlights:

#### » DEVELOPED FRONTLINE LEADERSHIP

Launched *Lead the Line*, a year-long program designed to support and grow leadership capabilities among frontline leaders in our production facilities.

#### » PRIORITIZED BELONGING

LDI's Executive Team participated in an Inclusive Leader learning experience, which included an assessment, coach debrief and workshop to foster an inclusive culture.

#### » EXPANDED COACHING CULTURE

More than 140 leaders participated in our 4-month *GROW Coaching Program*, which helps managers lead more effectively through empathy, be more coach-like in their interactions, and empower teams and individuals to achieve their potential.

#### » ADVANCED INCLUSIVE DIALOGUE

Continued the *You Belong Here* webinar series with five new installments attended by an average of 180 employees per session.

#### » LOCALIZED INCLUSION EFFORTS

Advanced ongoing awareness of key Inclusion milestones with site-level flexibility to adapt communications and programming to local contexts.

# EMPLOYEE ENGAGEMENT, DEVELOPMENT & COMPENSATION

## Lead the Line

### Lead the Line – Developing the Next Generation of Leaders at LDI

Launched in 2025, *Lead the Line* is LDI's newest leadership development program, designed to equip the next generation of leaders with the tools, mindset, and skills to thrive in a dynamic manufacturing environment. Built around six core modules, the program helps leaders strengthen their personal effectiveness, lead high-performing teams, and foster a culture rooted in care, accountability, and respect.

Training topics include team engagement, safety leadership, planning, performance management, and data-driven decision making. Participants learn how to coach others, provide clear direction, motivate their teams, and model the values that define leadership at LDI.

Ultimately, *Lead the Line* is about more than skill-building, it fosters leaders who not only drive results, but build inclusive, resilient, and safe workplaces where people feel valued and success is shared.



### Fostering Leadership for a Sustainable Future

Strong leadership is essential to achieving LDI's long-term sustainability goals. We continue to invest in the development of leaders who can navigate complexity, drive performance, and lead with purpose.

Our Leadership Advantage Framework translates LDI's core values into tangible, learnable behaviors. It defines eight key competencies across three levels of leadership: Leading Self, Leading Others, and Leading the Business.

By building skills in areas like ethical decision-making, resilience, adaptability, strategic thinking, and a commitment to results, the framework equips our leaders to inspire teams, manage change, and embed sustainability into both operations and culture.

This commitment is supported by ongoing coaching and development opportunities that help leaders build the mindset and capabilities needed to shape a more resilient, values-driven future for our business and the communities we serve.



### Employee and Leadership Development

At LDI, we believe leadership happens at every level. We are committed to giving our people the tools to grow, contribute, and lead with confidence.

Through our Elevate learning environment, employees can chart their own development path, building technical expertise, sharpening leadership skills, and preparing for new roles. We partner with leading content providers to deliver high-quality, on-demand learning across a wide range of topics, including environmental sustainability, corporate responsibility, and ethical workplace practices.

## Employee Engagement

LDI's annual employee engagement survey helps us understand what drives team member success and provides valuable insight into employee sentiment — shaping both culture and strategy.

Eighty-seven percent of employees participated in our most recent survey — a 2.5% increase from 2023 — reflecting a strong sense of community, improved work-life balance, and high job satisfaction among our employees. Seventy-three percent of employees expressed pride in working for LDI, and 68% would recommend it as a great place to work — six points above the industry average.

We view listening as an ongoing commitment. In addition to acting on survey feedback year-round, we use lifecycle surveys at key milestones and upon exit to continually improve the employee experience.

As part of our commitment to fairness and equity, LDI has implemented standardized pay transparency across all job postings — regardless of state requirements. By clearly listing pay ranges in every job posting, we aim to foster trust, support informed career decisions, and ensure a consistent, equitable experience for candidates across all locations.

## Employee Compensation and Livable Wage

At LDI, we believe fair pay is fundamental to attracting and retaining great talent. Our compensation practices are designed to be competitive, transparent, and compliant with all applicable state and federal regulations.

We are committed to providing livable wages — income levels that allow employees to meet their needs, including housing, food, healthcare, and other essential expenses without requiring additional financial assistance. Because we operate in a wide range of regions with varying cost of living, applying a single wage standard is not always practical. Despite these challenges, our total compensation team works diligently to ensure all employees are supported, not just through base pay, but the full value of our benefits, incentives, and wellbeing programs.

## Recognized as a Top Workplace



In 2025, LDI was named one of the Star Tribune's Top 200 Workplaces in Minnesota — an honor based entirely on feedback from our team. This recognition reflects the engaged, supportive, and purpose-driven culture we've built together. It's a testament to the meaningful work our employees do each day and the environment we've created where people feel they belong and can grow.



## Benefits Philosophy

At LDI, our Total Rewards Philosophy is rooted in care, recognition, and respect. We believe compensation is more than a paycheck, it's how we acknowledge each employee's contributions and ensure they feel valued, supported, and motivated to grow.

Our Total Rewards programs go beyond just base pay to include flexible benefits that support employee health, financial security, and personal wellbeing.

### LDI's Total Rewards are designed to:

- » Attract and retain top talent with competitive compensation aligned to industry and market benchmarks.
- » Combine base pay, performance incentives, and comprehensive employee benefits into a meaningful overall package.
- » Support individual and team performance that reflects our core values.
- » Reward employees for their contributions to long-term company success.
- » Remain adaptable to our business needs in both strong and challenging years.
- » Ensure fairness and consistency across all locations.
- » Support the diverse needs of employees and their families, including cost sharing programs and optional benefits designed to meet varying life stages.

## 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, integrity is non-negotiable. Guided by our values — Caring, Innovation, Trust, and Excellence — our [Code of Conduct](#) defines how we act, how we lead, and how we do business.

LDI is committed to complying with all applicable laws and regulations. We hold ourselves to high standards of ethical behavior across every part of our organization. Our employees are stewards of LDI's reputation, and each person plays a vital role in upholding the trust we have earned over more than a century in business.

LDI's ESG and EHS policies apply to all employees, contractors, suppliers, and partners. We expect everyone in our extended network to uphold these standards, and work together to advance environmental sustainability, health, and safety across our operations and supply chain.

To support accountability, we maintain an independently managed Ethics Hotline that allows for anonymous reporting of potential violations. Retaliation against any employee who raises a concern in good faith is strictly prohibited. All reports are investigated fairly, thoroughly, and in accordance with legal requirements.

## HUMAN RIGHTS

### Equal Employment Opportunity and Harassment Policy

We believe that a diverse workforce fuels innovation and strengthens our culture. We provide equal employment opportunities to all individuals and strictly prohibit discrimination or harassment based on race, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, or any other protected characteristic.

Our commitment goes beyond compliance. We actively promote a culture of respect where every employee feels valued, heard, and empowered to contribute. This commitment reflects our core values and our belief in the dignity and worth of every person.

### Americans with Disabilities Act

We are also committed to fostering an inclusive environment for individuals with disabilities. In accordance with the Americans with Disabilities Act (ADA), we provide reasonable accommodations and ensure that all employees have the support they need to thrive. Our inclusive practices reflect not only our legal obligations, but our deeper dedication to fairness, equity, and mutual respect.





# 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.



# COMMUNITY IMPACT

Caring is ingrained in the LDI legacy and reflected in how we conduct business and support our local communities. That's why we proudly donate a total of 5% of our pre-tax profits back to those communities every fiscal year. LDI is committed to making a meaningful impact, especially in the areas of children's education, food security, and wellbeing.

At LDI, giving back is part of who we are. We're proud of our long-standing commitment to supporting the communities where we live and work — and we continue to create meaningful opportunities for our employees to do the same.

## LDI COMMUNITY IMPACT AT-A-GLANCE

We strengthen communities and create lasting impact through:

- » Volunteer Projects
- » Community Action Teams
- » Employee Giving
- » Employee Directed Grants
- » Volunteer Time Off
- » Financial Contributions



Each year, we host four company-wide volunteer events and encourage all employees to take part. In FY25, these efforts included packing backpacks for school success, hosting the LDI Cares Choice Giving Campaign, organizing a company-wide food drive, and launching our first environmental stewardship event.

## Local Community Action Teams

We believe the people closest to our communities are best equipped to drive change. That's why each LDI location has a Community Action Team (CAT) with dedicated funding to support causes that matter locally. Employees lead the way, identifying needs, organizing projects, and allocating resources to make a difference where it counts most.

As part of our commitment to leveling the playing field for kids, we ask teams to direct 75% of their budget toward initiatives that support education, food security, and mental wellbeing. The remaining 25% can be used to support other locally important causes.

## Giving Back, Together

At LDI, we believe community impact starts with empowering our people. We make it easy for employees to support the causes they care about, whether by giving their time, their dollars, or both.

Each employee receives up to 8 hours of paid Volunteer Time Off (VTO) annually to contribute to their communities in meaningful ways. From local food banks to school drives and neighborhood clean-ups, our teams show up where it matters most.

Through our Employee Directed Giving Empowerment (EDGE) program, team members can nominate eligible nonprofits for a grant of up to \$500 — putting charitable decisions directly in employees' hands. We also match employee donations during our Annual Giving Campaign, with a focus on improving children's health, education, and food security.

Together, these efforts reflect our belief that small, intentional actions — multiplied across the organization — can create a powerful ripple effect in the communities we call home.

## CASE STUDY:

### Planting Seeds for the Future

In April 2025, LDI employees came together for a hands-on volunteer event focused on environmental stewardship and education. Team members from across our businesses participated in making seed balls — small, nutrient-rich bundles of native wildflower seeds designed to promote local biodiversity and support pollinators.

These seed balls were donated to local schools, along with checks for \$2,500 to support environmental education programming. The funds will help provide students with hands-on learning experiences that foster a deeper understanding of sustainability, conservation, and the natural world.

This initiative reflects our belief that small actions, when combined with community engagement and education, can grow into lasting impact.



## LDI Community Highlights



- » Gave 5% of annual profits back to the communities where we live and work
- » Provide up to one day of paid volunteer time off (VTO) for every employee
- » Hosted four enterprise-wide volunteer events annually, including one focused on sustainability
- » Achieved 100% location participation in at least one community event
- » Maintained 100% nonprofit board participation among LDI Officers with at least one year of tenure at LDI



**A CENTURY OF INNOVATION**



**LIBERTY DIVERSIFIED  
INTERNATIONAL**

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For questions regarding LDI's corporate sustainability activities, contact Jenny Lindstrom,  
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