



SUSTAINABILITY REPORT 2022



We're not playing around.

Let's start at the beginning. Munchkin products are developed to support parents and babies from day one. Our commitment to improve their lives is embedded in each diaper pail, sippy cup and high chair we create. Though children will age out of Munchkin products, our commitment to give them a better future does not expire.

"<u>Kids grow fast,</u> <u>so we need to</u> work faster."

From our CEO, Steven B. Dunn

Big changes begin with baby steps. But let's cut to the chase; we're way past learning to walk. When I began Munchkin 32 years ago, I had a goal of **simplifying parenting by inventing smart, reliable products**. This promise still holds true today, but it has added weight. Our newest innovations look beyond immediate usage and **focus on long-term environmental sustainability** to support a 360 world. It's not complicated. We invest in our children's future, just as parents do each day. Kids grow fast, so we need to work faster. Our ongoing commitment to the <u>United</u> <u>Nations Global Compact</u> (the world's largest

corporate sustainability initiative) and our recent announcement with <u>Smart Plastic Technologies</u> reinforce the actions we are taking to preserve our children's playground. Concerned about greenwashing? So are we. This report does more than make promises. It is packed with the actions we are making to change the world today.

STEVEN B. DUNN CEO & Founder, Munchkin Inc.





Caring is in Our Nature.



Protecting the most vulnerable creatures of the world is engrained in Munchkin's mission and values. We are inherently invested in providing **a safe and comfortable beginning for babies and new parents**, but this generosity extends to the animal kingdom as well. We are proud to support a leader in wildlife protection, the <u>International Fund for Animal</u> Welfare (IFAW) and its work to safeguard animal populations and their habitats. Munchkin's WildLove product line — which features designs of endangered and at-risk animals supports our donation to IFAW and doubles as educational material for parents to teach their children about conservationism.

The Munchkin WildLove line continues to expand, as does **our goal to instill**

the values of empathy, community and global citizenship in our youngest generation. In 2021 we introduced our Wild Bath Squirts — a collection of bath toys representing at-risk or endangered species, including the African elephant, giraffe, koala, pangolin, snow leopard, tiger, rhino and polar bear.

www.ifaw.org



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Service Project Orca

The operation of wildlife sanctuaries is undoubtedly challenging work that requires ongoing maintenance, a dedicated staff and consistent funding.

But what happens when the species you are focused on saving weighs in at 12,000 lbs each? You can imagine how these challenges are amplified.

Such is the case for the founders of the Whale Sanctuary Project (WSP). Dedicated to building the first refuge for captive orcas (the 12K lbs behemoths), belugas and dolphins, WSP is committed to building a world-class facility for these often misunderstood and mismanaged mammals. With no place to "retire," amusement park cetaceans are destined to live out their shortened lives in the confines of concrete tanks. Unable to echolocate, socialize and swim the many miles they would in open waters, these animals' mental and physical health deteriorates. WSP is changing this narrative. In 2021, the organization secured a location for its sanctuary in Port Hilford, Nova Scotia and opened its **Operations & Visitor Centre.** We continue to support the WSP with funds for the engineering, construction and eventual operation of this refuge.

www.whalesanctuaryproject.org



The Seedling Project

Our partners at <u>Trees for</u> <u>the Future</u> have focused their work in the continent with the greatest possible impact — Africa.

We supported the organization's work with funds to plant an additional 1,000,000 trees across Cameroon, Central African Republic, Chad, The Gambia, Kenya, Mali, Senegal, Tanzania and Uganda. Farmers in these countries find new beginnings in Trees for the Future's Forest Garden Approach, a four-year program that supports them as they regenerate their land and gain agroforestry education.

The program pays off in dividends. At the close of the fourth year, farmers go **from mono-cropping to multicropping**, increase their income, become more food secure and improve their and their families' nutrition while sequestering carbon and cutting greenhouse gas emissions. When farmers succeed, educational opportunities open up for their children. More income affords families the opportunity to send their children to school and help stop the cycle of poverty.

We are proud to continue to support an organization that invests in people, families, the environment and the future well-being of our planet. **For every Munchkin diaper pail sold, we pay for the planting of one tree with Trees for the Future**.

www.trees.org

To date, Munchkin has planted **3 Million** trees.

From Waste to Wow.

A disappearing act.

We recognize that our commitment to environmental conservation must extend beyond charitable contributions and be baked into the products we sell and the packaging we produce.

Plastic is the primary material in many Munchkin products. It is, inarguably, one of the safest materials to use in baby items, yet it is also a significant polluter and has adverse effects on the environment. The latter is about to change. We recently <u>announced a partnership</u> with Smart Plastic Technologies to integrate its SPTek ECLIPSE[™] technology into select Munchkin products in the future. **Designed to alter the very nature of plastic**, the additive breaks down polyethylene and polypropylene at the end of its pre-programmed functional life, resulting in zero microplastics.

Munchkin products and packaging using the additive will disappear from the Earth, leaving zero plastic waste. While we still recommend that all of these items get recycled, if they do end up in landfills or waterways, they will fully breakdown. The potential impact of this partnership is remarkable. Once our partnership is fully realized (in the next 4-6 years), we will **annually remove 15 million pounds of plastic waste** from our planet. This is equivalent to the weight of 4,000 cars, two-thirds of the Eiffel Tower or 95 space shuttles.

In the next 4-6 years

we will annually remove

15 million pounds of plastic waste from our planet

the weight of 95 space shuttles

or -

Munchkin products and packaging using the ECLIPSE[™] technology will disappear from the Earth, leaving zero plastic waste.





Sometimes the catalyst for change comes in unexpected (and fluffier) ways. In February of 2021, a stray kitten found its way into a trash pile where it stepped through the packaging of a Munchkin Any Angle Cup. Unable to escape the plastic ring, the orange tabby quickly grew with the packaging wrapped around its torso. Several weeks later, the cat was discovered, brought to a local rescue and underwent surgery to both remove the plastic and suture its wounds. Upon hearing the story, we contacted the rescue, paid for the cat's medical expenses, donated funds to the organization and committed to updating our cup packaging to ensure

no other animal would face the same plight. After a year of research and development and **over 250 packaging transit tests**, we developed animalsafe packaging for 478 Munchkin cup SKUs. The new design is free of plastic and utilizes e-flute corrugated linerboard made of 60-70% recycled content. Should another animal find itself in a similar situation as this cat, aptly named "Munchkin," the packaging will easily break apart. The fully recyclable and compostable design features a new message we are proud to share: "This packaging was created with love to do no harm to animals or the planet." Thanks to Munchkin the cat, our newly redesigned packaging also reduces plastic usage by 643,630 lbs annually.

During the redesign process, we incorporated QR codes on the cup packaging directing consumers to digital instructional manuals. This allowed us to remove the paper manuals, resulting in 37,278 lbs of paper saved annually. If all our cup instruction manuals were placed endto-end, they would span the length of California 1.5 times.



<section-header><text>

reduced our plastic use by approximately 643,630 lbs annually

or

packaging

the weight of 53 orcas



New messaging on all cup packaging.

"<u>This packaging was</u> <u>created with love to</u> <u>do no harm to animals</u> <u>or the planet."</u>



Sky High Expectations.

MUNCHKIN SUSTAINABILITY REPORT 2022

Big impact. Small footprint.

This packaging redesign fulfills our goal of ensuring 100% of cup packaging is animal safe by 2022 and supports our work to reduce the amount of packaging material by 40% by 2025.

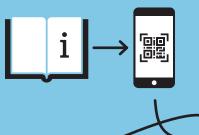
These efforts, among others, resulted in the **third consecutive year of achieving** <u>Walmart Giga Guru</u> **status**. This was accomplished by setting goals with science-based targets and reporting impact in nature, waste, packaging and transportation.

- Redesigned packaging to be more recyclable by making it easy to disassemble before disposing.
- Phasing out the use of materials that are not highly recyclable, including PP and PVC.

Using <u>COMPASS Life Cycle Analysis Tools</u>, environmental performance was monitored and evaluated to measure CO2 emissions from packaging design and materials. Last year, we **reduced 9.86 metric tons** of paperboard material (eliminating 2.00 metric tons of CO2) and reduced 21.80 metric tons of PET plastic material (eliminating 71.60 metric tons of CO2).

Transitioning from physical to digital

instruction manuals for Munchkin cups

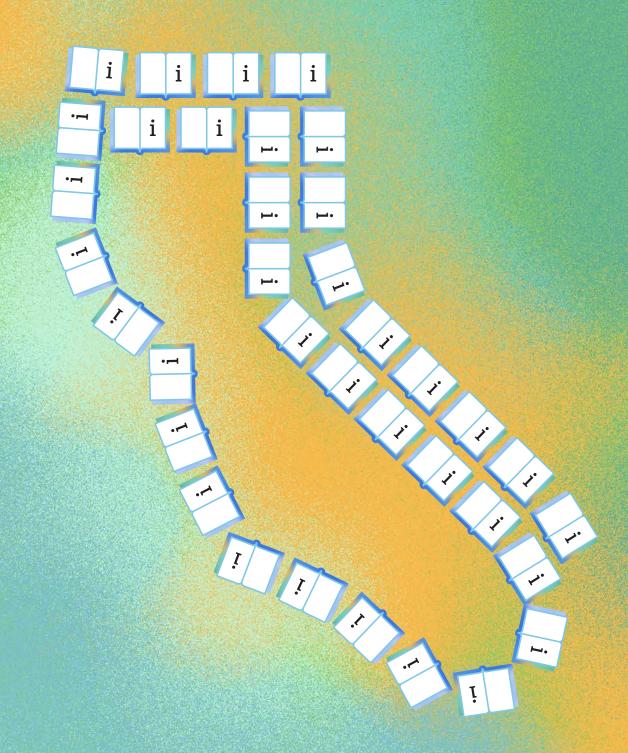


reduces paper use by approximately



the weight of **4 orcas**





If all our cup instruction manuals were placed end-to-end, they would span the **length of California**

1.5 times

"<u>Big changes begin with</u> <u>baby steps. But let's cut</u> <u>to the chase; we're way</u> <u>past learning to walk."</u>

STEVEN B. DUNN CEO & Founder, Munchkin Inc.



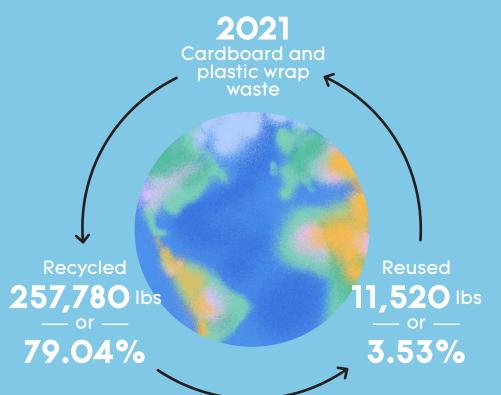
Zero is our favorite number.

Our continued partnership with UsedCardboardBoxes' <u>UCBZeroWaste</u> <u>program</u> to track, recycle, reuse and divert waste from our warehouse supports our goal of zero waste to landfill by 2025.

In 2021 we invested in two new systems to further this goal; the first is a baler system that compacts all our cardboard and plastic shrink wrap from our distribution center. Baler machines support a more **efficient recycling and pick-up process**, reducing emissions to transport recycled goods. The second investment was in <u>SMART Trash</u>, a compactor monitoring system that ensures effective and efficient trash hauls, **eliminating emissions from premature compactor pick-ups**.

Recently, we began utilizing <u>Sigma</u> <u>VANISH</u> powered by SPTek ECLIPSE[™] technology. VANISH is a stretch film engineered to start **breaking down into its original components** after its useful life of two years. The process can occur in any environment, regardless of whether the film is recycled. It leaves behind zero microplastics or toxins and becomes a food source for micro-organisms.

In 2021, we reused 3.53% or 11,520 lbs of cardboard and plastic wrap waste and recycled 79.04% or 257,780 lbs, diverting it from landfills.



"<u>Those landfills</u> <u>aren't going</u> <u>to empty</u> <u>themselves."</u>

DIANA BARNES "DB" Chief Brand Officer & Creative Director, Munchkin Inc.

From our Chief Brand Officer & Creative Director, Diana Barnes "DB"

Few moments in life compare to preparing for the arrival of a new family member. You find yourself asking how someone so small needs so much. A diaper pail, a bottle warmer, a stroller just to start. In no time, you have a collection of sippy cups and snack catchers for your growing tot. But what happens to those items when your "little one" becomes a "big one" and outgrows these products?

We have a solution. This year we announced a partnership with Smart Plastic Technologies to integrate its bio-assimilation technology, SPTek ECLIPSE[™], into specific Munchkin products resulting in the breakdown of the items at the end of their useful lives.

Landfills aren't going to empty themselves! Instead, our products will do the heavy lifting.

In the future, Munchkin items will serve their purpose for you and your family, then fully break down at the end of their useful life, leaving behind no waste.

Today innovation does not exist without sustainability. When companies create without considering the complete lifecycle and disposal of their products, the ultimate byproduct isn't an interesting new gadget; it is everlasting waste. **Our job at Munchkin is to make children's journeys safer and more delightful, but our responsibility is to remove our footprint in their circle of life.**

DIANA BARNES "DB"

Chief Brand Officer & Creative Director, Munchkin Inc.

