



luxuriously responsible™

SUSTAINABILITY
REPORT 2010
CURTIS
PACKAGING



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CEO STATEMENT

■ We began our formal commitment to sustainability in 2004. What started out as a small campaign quickly evolved into an overall paradigm shift. Sustainability is now completely embedded in our business strategy. Like most businesses we weathered cuts during the recession, but our commitment to sustainability did not falter.

Our accomplishments in 2010 include:

- *Performing a life cycle assessment of CurtCHROME®*
- *Beginning the ISO 14001 certification process*
- *Completing our first GRI-compliant sustainability report*
- *Hiring our first ever Director of Sustainability*

We continue to aggressively track environmental and social metrics in conjunction with our financial performance. This baseline data will allow us to set aggressive goals and targets to guide our priorities over the short, medium and long term. Concrete goals will allow us to better serve our stakeholders by promoting continuous improvement and innovation in our products and processes.

Moving forward we will strive to maintain our sector-leading performance and commitment to environmental and social accounting. We can transform our industry by example. We will continue to reinvest our revenues in pioneering eco-sensitive printing innovations. Furthermore, we will seek to engage our customers and suppliers in our sustainability efforts, promoting improvements throughout our supply chain.

Our aspirations include:

- *Transitioning currently unavoidable fossil fuel use to renewables*
- *Increasing the use of certified sustainable forest products*
- *Maximizing the potential of assets traditionally considered waste*
- *Using life cycle assessments to evaluate our products and processes*
- *Actively participating in organizations that will help to rethink packaging in an environmentally aware society*



In 2011, we will make measurable progress in several areas. As a part of our ISO 14001 certification, we are currently developing an internal strategy to effectively communicate our sustainability goals and targets to our employees. This will better allow our employees to focus on measurably improving environmental performance in their everyday activities. Informed and inspired employees are the core of our operations and we are working to cultivate environmental leaders with the capacity to drive our management priorities from within. We are also leveraging external partnerships to gain access to best practices and actively solicit feedback from our stakeholders.

This year, we will:

- *Complete our ISO 14001 Certification, which includes:*
 - *identifying and prioritizing the environmental aspects of our operations*
 - *setting concrete goals and targets for all departments, utilizing management reviews to monitor measurable progress*
 - *developing and implementing a training program for all employees*
- *Divert 10% of our current waste stream to reuse or recycling*
- *Classify the majority of our liquid waste non-hazardous*
- *Complete a life cycle assessment comparing conventional and UV-cured inks*
- *Begin calculating the individual carbon footprint of each customer order*
- *Investigate the cost of replacing our existing boiler*
- *Begin reporting Scope 3 emissions from travel*

At Curtis, transparent and standardized reporting plays a crucial role in our business strategy. Our customers represent a diverse set of market segments—each seeking improved environmental performance documented through greater corporate transparency and assurances provided by third party certifications. We are therefore publishing our comprehensive 2010 sustainability report in line with the Global Reporting Initiative Level C standards. While Level C requires 10 key performance indicators, we are reporting on 24. Ultimately, we are a relatively small company, but we hope to achieve a large impact through the example we set for our industry.

We welcome the challenge, and the opportunity, that our commitment to corporate social responsibility represents. Our experience proves that implementing cost-effective sustainability strategies will protect and support our long-term economic and environmental health and will ultimately improve our profitability. What is now called “sustainability” is what we have always called sound corporate strategy. It is a simple commitment to being a good neighbor, employer, and corporate citizen.



Don Droppo, Jr.
President and CEO



CLOSE-UP ON CURTIS

company profile

Curtis Packaging Corporation is one of the nations leading manufacturers of custom paperboard folding cartons. Our products serve two main functions. They protect their often fragile contents and they serve as a silent salesperson—marketing products to consumers directly from store shelves. We produce packaging primarily for luxury products in the health and beauty, liquor, sporting goods, healthcare, and gourmet confections industries. We are incorporated in the state of Connecticut and operate exclusively in the USA out of a single facility, headquartered in Sandy Hook.

We are proud to be a family owned company, privately held since our founding in 1845. We credit our 151 employees with our growing success. In 2010 our net sales reached \$36 million and we produced 208 million cartons. This represents an increase of \$6 million and 47 million cartons over 2009. At the end of 2010 our debt to equity ratio was 1.07, down .34 since December 2009.

The highest level of responsibility for sustainability sits with Donald Droppo, Jr., President and CEO. He meets with Senior Management bi-weekly to discuss business strategy and works closely with the newly hired Director of Sustainability. Donald Droppo, Sr., retired CEO, chairs the Board of Directors, which oversees all sustainable capital investments. The Board also includes two independent members.

The Director of Sustainability works to coordinate sustainability efforts across departments. She is responsible for supporting department managers' individual efforts and tracking and reporting our progress company wide. In addition, she regularly communicates with our stakeholders, including customers, to ensure we are meeting their environmental expectations.

At Curtis, we strive to go beyond compliance. To do this, we must first have an exemplary record with existing laws and regulations. We complied with all applicable laws in 2010 and therefore did not have any significant fines or non-monetary sanctions. Also, we take great care in handling our environmentally sensitive materials and successfully avoided any significant spills. Nevertheless, we have a thorough and up-to-date emergency preparedness plan. Our commendable performance in these areas has positioned us to pioneer innovative sustainability initiatives in our industry. The remainder of this report details how we are working to define what it means to be a sustainable packaging supplier.

goals

Setting goals is an important component of making real, measurable performance improvement. In 2010, Curtis Packaging committed to completing our first Life Cycle Assessment. We partnered with Yale University to successfully complete an analysis of our proprietary CurtCHROME™, which was found to have a smaller environmental impact than traditional foil lamination. In 2011, we will conduct our second Life Cycle Assessment comparing the use of conventional and UV-cured inks in our processes.

Last year, we also began work on our ISO 14001 certification. Our original concept for an environmental management system evolved over the course of 2011, and the process has therefore taken more time than we originally anticipated. That work will continue into 2011 and we anticipate that it will be completed by the end of this year. This means that we will:

- *Identify and prioritize the environmental aspects of our operations*
- *Set concrete goals and targets for all departments, utilizing management reviews to monitor measurable progress*
- *Develop and implement a training program for all employees*

In addition, we aim to divert 10% of our current waste stream to reuse or recycling and convert 75% of our liquid hazardous waste to non-hazardous.

Curtis recognizes the importance of a shift away from fossil fuels. We are continuing to investigate the possibility of replacing our existing boiler with a heat source that uses renewable energy. In 2011, we will conduct research on the capital investment required for different options. We are also examining ways to increase our use of renewables throughout our energy portfolio as opportunities arise.

Further, we are always looking for ways to assist our customers in better understanding their carbon footprints. In 2011, we will implement software that will allow us to calculate the individual carbon footprint of each customer order. This will give customers the tools they need to offset carbon emissions from individual print jobs.

We are looking forward to an exciting year of progress on sustainability. The goals outlined above will serve to guide us toward measurable, meaningful improvements in all aspects of our business.

stakeholder engagement

Curtis Packaging views stakeholder engagement as a path to both inclusive management and risk mitigation: the more perspectives we understand, the better we operate. Our stakeholders include any individual or organization affected by the decisions we make. We developed the following comprehensive list of stakeholders by carefully considering the identification questions laid out in the ISO 26000 Social Responsibility Standard. We strive to engage regularly with individuals that represent the interests of the groups described in this section. To ensure our interactions are beneficial to all parties, we specifically look for stakeholder representatives that can effectively provide constructive feedback and criticism on our practices.

Employees

We engage our employees directly through quarterly town hall meetings and other unscheduled company-wide meetings. Our senior management team meets bi-weekly to review financial and operating results, and sales

opportunities and challenges. We post monthly manufacturing statistics in prominent locations throughout our facility. Further, our ISO 9001 and 14001 management plans mandate regular communication with company supervisors to discuss performance against our goals and targets.

Customers

Curtis Packaging is committed to continuous improvement. We communicate frequently with customers about quality, sustainability, logistics and contractual obligations. We receive critiques through formal score cards, quarterly meetings, and weekly check-ins. In 2011, we will begin systematically conducting customer satisfaction surveys. This regular contact allows us to build the strong relationships necessary to promote frank, meaningful discourse about our performance. We review and incorporate feedback in our bi-weekly senior management meetings.



Suppliers

Many of the mechanisms we use to interact with customers are also used to engage suppliers. We provide our suppliers with critiques of their performance, as requested, and are in regular contact regarding logistics and contractual obligations. We frequently tour supplier facilities and often offer encouragement, advice and assistance with regard to environmental initiatives. In addition, we partner with suppliers on projects ranging from life-cycle assessments of existing products to development and testing of new products. We value our supplier partnerships and look forward to future collaborations.

Community and Non-Governmental Organizations

Our affiliation with several non-governmental organizations helps us to connect with the community around us. We partner with groups on the global and local levels. Curtis regularly interacts with Ceres, which reviews our annual sustainability report, and holds Forest Stewardship Council and Sustainable Forestry Initiative certifications. In addition, our President and CEO is an active board member of Reforest the Tropics.

We belong to the Independent Carton Group and the Cosmetic Industry Buyers and Suppliers. These two organizations provide insights into industry trends and allow us to partner with other companies to leverage more competitive raw material prices. In addition, our President and CEO is a vice chairman of the Connecticut Business and Industry Association and active participant in the Sustainable Packaging Coalition.

Curtis also has close working relationships with the Yale School of Forestry & Environmental Studies and Fairfield University. From these partnerships we gain insights into cutting-edge best practices and students benefit from real world experience.

Government and Regulators

Curtis Packaging is an active participant in EPA's Green Power Partnership. This relationship helps us connect on the federal level with agencies concerned about renewable energy. We work through two consulting firms, ARCADIS and TRC, to interact with government agencies at the state level. These firms use monthly data compiled on chemical use and solid waste to report our environmental performance to state regulators. They also review current regulations to ensure our consistent compliance and handle site visits from the Department of Environmental Protection. At the local level, we work with the Newtown Department of Economic Development and the Newtown Sustainable Energy Commission.



ENVIRONMENTAL RESPONSIBILITY

environmental performance | Environmental sustainability is of paramount importance to Curtis Packaging. It is tightly woven into the fabric of our business strategy. Curtis is positioned securely at the forefront of the sustainability movement in packaging. Our commitment to sustainability allows us to realize both cost savings (from increased operating efficiency) and reputational benefits (allowing us to increase market share by aligning with environmentally conscious customers).

We will work hard to maintain our reputation for pioneering environmental initiatives and innovating products in our industry. In 2010 we were delighted to receive a Connecticut Green Business Award from the New Haven Register for Sustainable Manufacturing. The following two sections highlight key statistics we use to track our environmental performance and describe the ways we manage for sustainable success.

materials & solid waste

At Curtis Packaging we view all our inputs and outputs as material assets. In this section we examine both the material inputs we purchase from suppliers and the destination of scrap and used materials post production.

Materials

Our actual tonnage of significant material inputs is included in Table 1. Paperboard substrates make up 98% percent by weight of our significant direct material inputs. The remaining 2% consists of inks, coatings, printing plates, and printing blankets.

The increase in total tonnage of material inputs between 2009 and 2010 resulted from an increase in the volume of production over that period. While absolute figures increased, the material intensity decreased on a per dollar and per carton basis.

Where possible we strive to educate our customers about the impacts of their material choices, particularly with regard to paper. We hope that this increased awareness will lead to more sustainable choices. However, substrates are specified by our customers and we do not have direct input in the decision making process. It is important to note that Forest Stewardship Council and Sustainable Forestry Initiative certified virgin paperboard is roughly two percent more expensive than non-certified SBS. Paperboard with 80% post consumer waste content is roughly 70 percent more expensive than traditional SBS. In 2010, 10% of our substrate contained post consumer waste recycled content, as compared to 16% in 2009, and 30% in 2008. Recycled content decreased from 2009 to 2010 because the total volume of jobs requiring chipboard, which contains 100% post consumer waste recycled fiber, decreased.

Table 1. Direct Material Inputs (Tons)

	2008	2009	2010
Total Direct Material Inputs	5,614	6,345	6,556
Total Unlaminated Paperboard	5,530	3,502	3,141
Traditional SBS	3,646	1,622	1,513
FSC/SFI Certified Virgin	203	95	57
FSC Certified 80% PCW	199	122	230
100% PCW Chipboard	1,482	858	398
All Other Substrates	Not recorded	805	943
Metalized Laminated Paperboard	Not recorded	2,741	3,289
Aqueous Coating	9	4	13
UV Coating	45	50	59
UV Ink	30	30	34
Aluminum Plates	Not recorded	10	11
Rubber Blankets	Not recorded	8	9
<i>Financial Intensity (kg/\$)</i>	0.14	0.21	0.18
<i>Material Intensity (kg/carton)</i>	0.03	0.04	0.03

Note: The traditional SBS total for 2008 includes all metalized laminated paperboard.

Water

Our total water withdrawal is included in Table 2. Again, our water use increased in concert with our production from 2009 to 2010. Water per dollar, and per carton, remained constant over the same period. Our overall water use is relatively insignificant. For comparison, according to the American Waterworks Association, the average United States household consumes 127,400 gallons annually.

Table 2. Water Withdrawal (Gallons)

	2008	2009	2010
Well Water	47,255	37,822	43,701
<i>Material Intensity (gallons/thousand \$)</i>	1.20	1.26	1.23
<i>Material Intensity (gallons/thousand cartons)</i>	0.24	0.24	0.21

Post Production Assets

At Curtis we view all post production materials as potentially valuable financial assets, not automatically as waste. This allows us to better evaluate the appropriate destination for things like scrap paper, used printing plates, used printing blankets, and leftover inks and glue. The allocation of post production assets is included in Table 3.

Table 3. Post Production Asset Allocation

	2009	2010
Total Post Production Assets - Solid	2397*	2863*
Paper Recycling	1507	1689
Metal Recycling	Not Recorded	15
Treated Solid Waste (Regulated)	Not Recorded	0.2
Incineration	871	1269.4
Landfill	19	25
<i>Financial Asset Intensity (kg/\$)</i>	0.061*	0.096*
<i>Material Intensity (kg/carton)</i>	0.015*	0.014*
Total Post Production Assets - Liquid	7930*	13724*
Treated Liquid Waste (Hazardous)	7930	8919
Treated Liquid Waste (Regulated)	Not Recorded	4805
<i>Financial Intensity (gal/\$)</i>	0.00020*	0.00046*
<i>Material Intensity (gal/carton)</i>	0.000049*	0.000066*

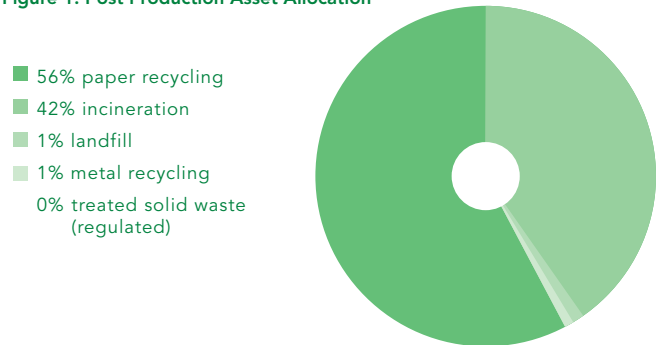
Note: Totals for 2009 do not include the data marked not recorded. This is particularly important in treated liquid waste where it appears that both financial and material intensity increased significantly in 2010.

Our overall waste increased between 2009 and 2010. This can be explained by a number of factors. As previously mentioned we experienced an increase in production between 2009 and 2010. There are also several categories of waste unaccounted for in our 2009 report. The apparent increase in landfilled materials can be explained by the disposal of a large quantity of construction materials and old machinery in 2010. In this case, we were careful to separate out metal parts in the hope that they would be recycled by the waste collection facility.

Figure 1 represents our post production asset allocation in 2010. We classified as waste and incinerated or landfilled 43 percent of these assets. In 2011, we will decrease

incineration and landfilling by 10 percent, diverting those assets to the recycling stream. We expect this to result in a minimum 4.3 percent increase in the recycling portion of our post production asset portfolio.

Figure 1. Post Production Asset Allocation

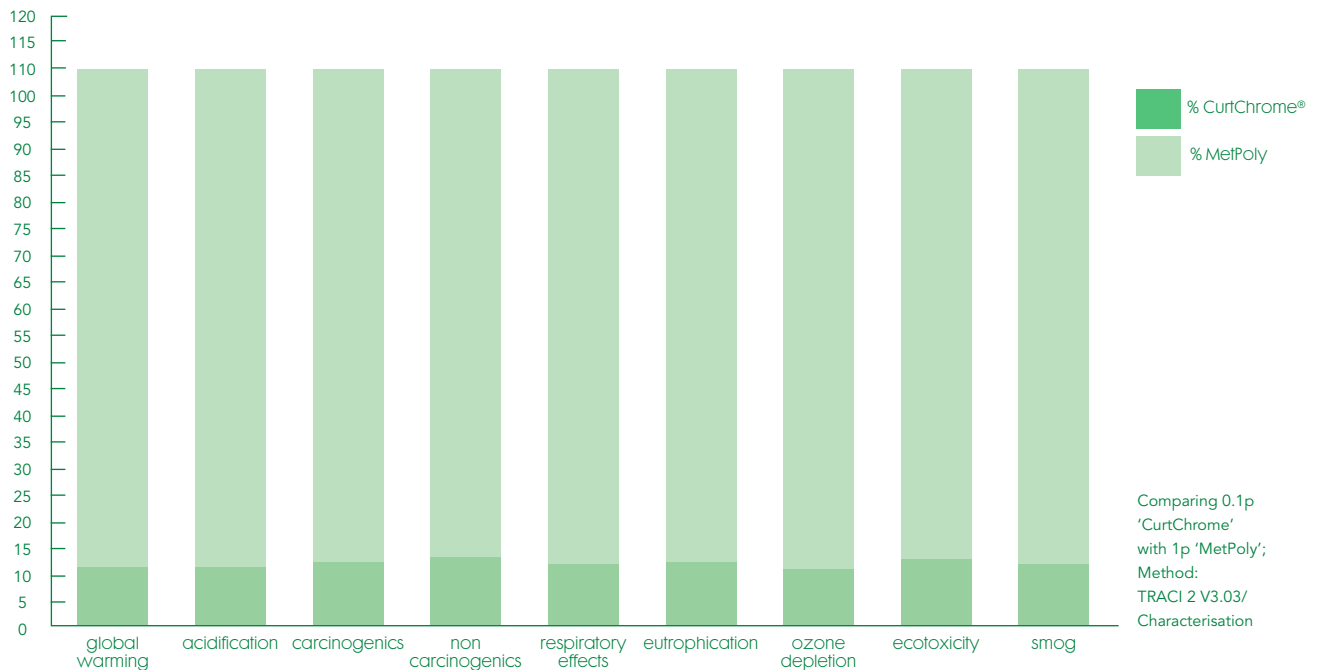


Life Cycle Assessments

Life Cycle Assessment is a valuable tool for comprehensively evaluating our sustainability. In 2010, we partnered with students at the Yale School of Forestry & Environmental Studies to conduct an assessment of our proprietary CurtCHROME®. This process allows our customers to attain metallic graphic effects without using traditional foil laminated board. Our process is less expensive and makes the cartons recyclable. The students found our process to be environmentally superior to traditional foil laminates, as demonstrated in Figure 2.

This figure specifically looks at 10 percent coverage of CurtCHROME as compared to a metalized polyester stock. In 2011, we will again partner with Yale to conduct an assessment of our UV printing process. The results of this landmark study will inform how we compare with conventional printers. More generally, Life Cycle Assessments offer important insights into our real impacts and we look forward to using them in the future wherever we can.

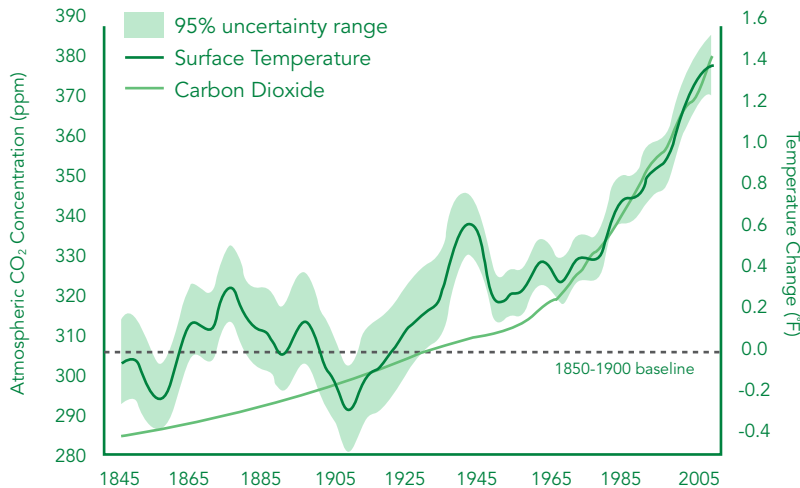
Figure 2. Lifecycle Assessment Results Comparing Metalized Polyester and CurtCHROME®



climate & energy

Human induced climate change is nearly universally accepted by the scientific community. Figure 3 presents the change in global surface temperature and atmospheric concentration of carbon dioxide since Curtis Packaging was founded.

Figure 3. Changes in Global Surface Temperature 1850-2005



Source of CO₂ Concentration data: Keeling, C.D. and T.P. Whorf. 2005. Atmospheric CO₂ records from sites in the SIO air sampling network. In Trends: A compendium of Data on Global Change. Carbon Dioxide Information Analysis Center, Oak Ridge National Laboratory, U.S. DOE, Oak Ridge, Tenn, U.S.A.

Source of Temperature data: Brohan, P., J.J. Kennedy, I. Haris, S.F.B Tett, and P.D. Jones. 2006. Uncertainty estimates in regional and global observed temperature changes: a new dataset from 1850. Journal of Geophysical Research 111:D12106, doi:10.1029/2003JA009974.

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We believe we must do our part to decrease emissions of greenhouse gases. That is why we purchase renewable energy credits for all of our electricity consumption from Community Energy and offset our unavoidable direct (Scope 1) greenhouse gas emissions through projects managed by NativeEnergy. Table 4 (shown on page 12) presents our direct and indirect energy consumption by primary source.

The UV-ink curing process requires a significant amount of electricity. It is therefore unsurprising that changes in our electricity use closely follow increases and decreases in our production levels. We choose to use UV-inks despite the energy requirements because they ultimately produce superior quality printing than can be achieved through conventional printing. In addition, UV ink is free of volatile organic compounds because it is cured nearly instantaneously under UV-lamps rather than air dried using solvents. Figure 4 (shown on page 12) shows the proportion of our energy requirements represented by each fuel type in 2010.

Fuel Oil #4 is used to heat our facility. Use increases and decreases with changes in the weather. A sizeable capital investment will be required to transition from our existing boiler to an alternative heat source and we continue to consider the most appropriate way to increase our use of renewables in this area. We will also evaluate options for decreasing the diesel used in our tractor and gasoline consumed by our sales force.

We carefully track our direct and indirect emissions to ensure we are meeting our commitment to carbon neutrality. Table 5 presents direct (Scope 1) and indirect (Scope 2) emissions resulting from our energy consumption.

Our Scope 1 and 2 emissions increased from 2009 to 2010 due in large part to increased production. This is evidenced by relatively consistent material and financial intensity measures over the same time period.

While we are careful to offset our emissions, it is still important that we identify the activities that significantly impact them. Figure 5 shows the breakdown of greenhouse gas emissions by fuel source.

The electricity mix available in Connecticut has a larger impact on our overall emissions profile than all of our Scope 1 fuel sources combined.

We have already picked many of the low hanging fruit with regard to energy efficiency. While we did not have any specific initiatives to reduce greenhouse gases, we continued to submit data to the Carbon Disclosure Project. Carefully tracking and reporting our emissions will help us establish a new baseline from which to target future energy efficiency efforts.

We often work with our customers to enhance their sustainability. In 2011 we hope to launch a software program that will allow us to report the carbon footprint of individual print jobs. This will allow our customers to better understand how material choices affect carbon emissions. We will also provide them the opportunity to offset the greenhouse gas emissions from materials used in their packaging. We already negate emissions from production through our renewable energy certificates and offsets.

We do not currently see any direct financial implications or risks, nor do we see tremendous opportunities due to climate change. We are, however, well positioned to report and reduce emissions should climate change legislation take effect. This may afford us a short-term competitive advantage compared to other packaging suppliers because we have already invested the capital necessary to develop an efficient greenhouse gas tracking system and investments in carbon neutrality are already built into our business model. We are also well positioned to help our customers meet and report on their sustainability goals and can increase our market share by aligning with environmentally conscious customers.

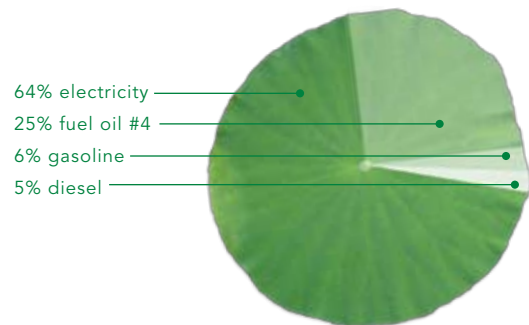
Table 4. Direct & Indirect Energy Consumption by Primary Source

Energy Type	2008	2009	2010
Direct (Gigajoules)			
Fuel Oil #4	9,095	5,127	6,587
Diesel	1,216	1,131	1,196
Gasoline	2,133	1,657	1,620
Indirect (Gigajoules)			
Electricity	21,574	14,196	16,759

Table 5. Total Direct (Scope 1) & Indirect (Scope 2) Emissions

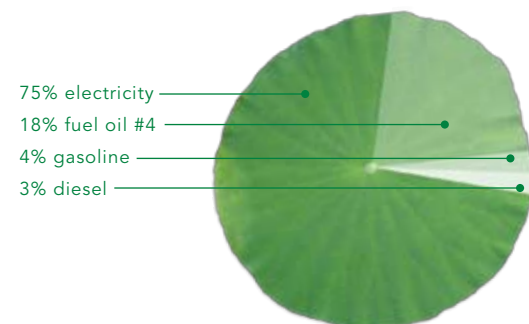
	2008	2009	2010
Scope 1 CO ₂	861	547	650
Scope 1 CH ₄	0.12	0.08	0.09
Scope 1 N ₂ O	0.01	0.00	0.01
Total Scope 1 CO ₂ -e	866	550	654
Total Scope 2 CO ₂ -e	2568	1690	1995
Total Scope 1 & 2 CO ₂ -e	3434	2240	2649
Financial Intensity (kg CO ₂ -e/\$)	0.087	0.075	0.074
Material Intensity (kg CO ₂ -e/carton)	0.017	0.014	0.013

Figure 4. Fuel Type by Percentage of Total Energy Use



Note: The total caloric content of each fuel was used to calculate percentages. This chart does not take efficiency of the fuel use into account.

Figure 5. Fuel Type by Percentage of Total CO₂ Equivalent



OUR COMMUNITY

employees

At Curtis, our employees are our most precious assets. Our products require skilled craftsmanship that is increasingly scarce. We hire the top people in the industry and keep them working for us by fostering a welcoming work environment and a great company culture.

Curtis Packaging has 151 employees, 42 salaried (3 part time) and 109 hourly (3 part time). Our employees are not covered by collective bargaining but we do not have policies to prevent this. Our employee turnover was considerably lower in 2010 than in 2009 and we increased our overall workforce by 10 percent, as shown in Table 6. An increase in overall production in 2010 allowed us to hire additional labor.

All of our full time employees receive:

- Two medical insurance plan options
- Dental insurance
- Eye insurance
- Life insurance
- Short term disability insurance
- Vacation time and paid holidays

Full time and part time employees also have access to our 401k plan.

Our starting wage is 21% above the Connecticut state minimum and 38% above the federal minimum as shown in Table 7.

The ratio of basic salary of men to women by employee category is shown in Table 8.

Table 6. Total Rate of Employee Turnover by Category

	2009	2010
Total Turnover	28%	7%
Female	25%	4%
Male	20%	3%
<40 years old	27%	3%
40-59 years old	22%	3%
>60 years old	10%	1%
Change in size of overall workforce	28% (decrease)	10% (increase)

Table 7. Ratio of Standard Entry Level Wage to Minimum Wage

	2009	2010
Curtis Starting Wage	\$10.00	\$10.00
CT Minimum Wage	\$8.00	\$8.25
Federal Minimum Wage	\$7.25	\$7.25
Ratio Curtis to CT	25%	21%
Ratio Curtis to Federal	38%	38%

Table 8. Ratio of Basic Salary Men:Women

Curtis Starting Wage	1.5
Factory Floor	1.6
Senior Management	N/A
Professionals	1.4
Office Staff	1.4

Note: The senior management category was redefined in 2010 to include only executive level employees.

Figures 6 and 7 present a picture of our staff diversity by ethnicity and gender. An ethnic profile of Connecticut is included in Figure 8.

Figure 6. 2010 Ethnic Diversity of Curtis Packaging

- 63% White
- 21% Hispanic
- 15% Asian/Pacific Islander
- 1% African American
- 0% Multi-racial
- 0% American Indian or Alaska Native

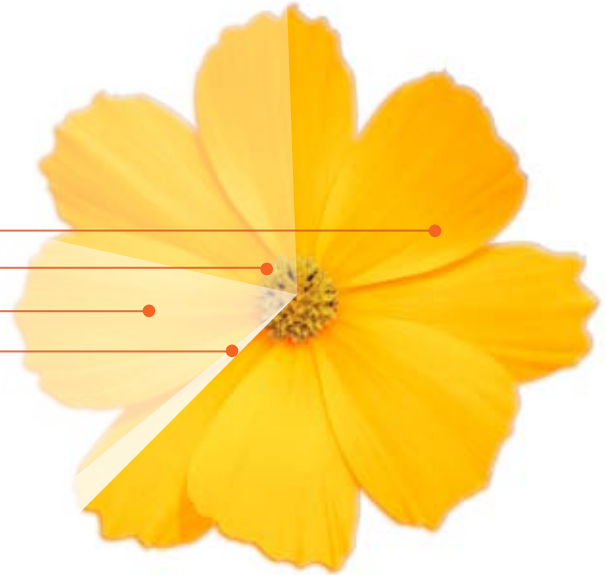
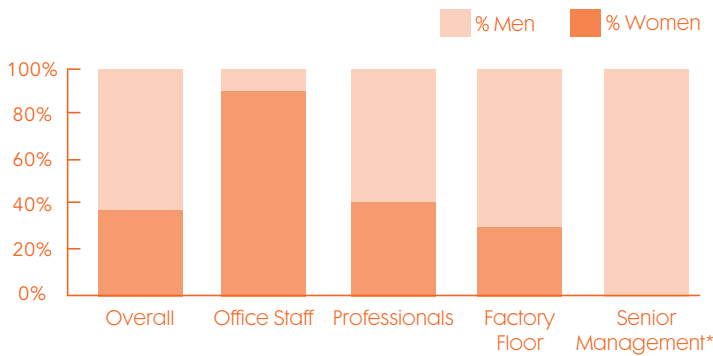


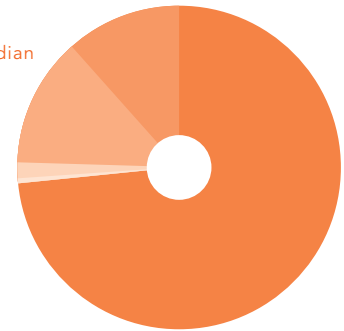
Figure 7. 2010 Gender Diversity



Note: The senior management category was redefined in 2010 to include only executive level employees.

Figure 8. 2010 Ethnic Diversity of Connecticut

- 73% White
- 12% Hispanic
- 10% African American
- 4% Asian/Pacific Islander
- 1% Multi-racial
- 0.4% American Indian or Alaska Native



Curtis employees respect each other. We are proud to report that there were no incidents of discrimination in 2010. Further, our employees have a right to a safe workplace. We aim to keep our injury rates, included in Table 9, low and we have an employee run safety committee that meets regularly to discuss continuous improvement in this area.

We are a relatively small company and employees have direct access to our President and CEO. Senior management maintains an open door policy and solicits feedback directly through town hall style meetings. Curtis is not currently conducting regular performance and career development reviews. Employees do, however, receive reviews on a case-by-case basis when they are deemed necessary. We also have an extensive training and professional development tracking system. Further,

we are working with Fairfield University to develop a system that ensures all employees receive proper training in both ISO 9001 and ISO 14001. These systems outline the key information necessary to succeed in each job and provide a checklist for supervisors to follow. The systems also include mechanisms to test whether employees retain supervisor training. Supervisors are considered ultimately responsible for employee training success.

Table 9. Rate of Injury and Lost Days

	2008	2009	2010
Injuries per hour worked	0.000044	0.000036	0.000079
Lost days per employee	0.51	0.47	0.74



CURTIS CUSTOMERS

■ Curtis Packaging provides custom folding paperboard cartons to consumer facing companies. Our customers produce luxury products in the health and beauty, liquor, sporting goods, healthcare, and gourmet confections industries. We primarily deal with customers with offices in the continental United States. However, our customers are global leaders in their product categories and we frequently produce packaging for products distributed worldwide. These orders often require us to ship to our customers' facilities in Europe and Asia as well as North America. Confidentiality is of primary importance to Curtis Packaging. New product launches requiring the utmost discretion represent a significant portion of our business and we have yet to receive a single complaint.

customer satisfaction is of the utmost importance.

We use feedback from our customers to drive continuous improvement initiatives in our ISO 9001 Quality Management System. Information is gathered in monthly or quarterly reports supplied by customers.

Customer input is then addressed at our management meetings, where we establish goals to meet or exceed customer expectations and reassign resources to address any unsatisfactory trends. In 2011, we will begin regularly soliciting customer feedback through surveys. We are looking forward to seeing the results of this effort and incorporating them in our drive toward continuous improvement.

In 2010 we were honored with two awards from the New Jersey Packaging Executives Club for our work on the packaging for Beyoncé Heat. Curtis Packaging received the Bronze Award in the Fragrance category and the special award for Luxury. We also received three American Package Design Awards for our work on cartons for Baby Phat Fabulosity, Britney Radiance, and Leap Organics Soap. These awards would not have been possible without our close working relationships with Coty, Elizabeth Arden, and Leap Organics. We value the partnerships we establish with each of our customers and look forward to many similar successes.



REPORTING PROGRESS

report parameters

GRI Report

This annual report covers our progress during the calendar year ending December 31, 2010. Our last report, covering the calendar year 2009, was published in October 2010. Last year's report represents our first attempt at a sustainability report meeting the Global Reporting Initiative standards. We have since discovered several small errors in the aggregate statistics that resulted from misinterpretations of the raw data. All 2009 data have been corrected for this report.

Corrections can be found in the following sections:

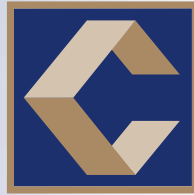
- *Materials (p.8)*
- *Water (p.9)*
- *Post Production Assets (p.9)*
- *Employees (p.13)*

We compiled the 2010 report following the methodology laid out in version 3.0 of the Global Reporting Initiative's Sustainability Reporting Guidelines. This report is intended for all of Curtis Packaging's stakeholders, and cites topics relevant to each group. Copies of this document are publicly available on our Web site, www.curtispackaging.com. This year, we will also be publishing a snapshot of key statistics to help our stakeholders more easily access key performance indicators. The summary will be available in hard copy and online.

The report addresses all activities that fall under our operational control including our single facility, delivery truck, and sales force ground transportation. Our carbon footprint also includes emissions from purchased electricity. We utilized the Greenhouse Gas Protocol endorsed by the World Resources Institute and World Business Council on Sustainable Development to calculate our carbon footprint. Our greenhouse gas accounting relies on the 100-year global warming potential of each trace gas published by the Intergovernmental Panel on Climate Change in 2007.

		Standard Disclosures	Page #
Strategy and Analysis	1.1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	p.3
Organizational Profiles	2.1	Name of the organization	p.5
	2.2	Primary brands, products, and/or services	p.5
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	p.5
	2.4	Location of organization's headquarters	p.5
	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	p.5
	2.6	Nature of ownership and legal form	p.5
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	p.5, 15
	2.8	Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. 	p.5
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	p.5
	2.10	Awards received in the reporting period	p.8, 15
Report Parameters	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	p.16
	3.2	Date of most recent previous report (if any)	p.16
	3.3	Reporting cycle (annual, biennial, etc.)	p.16
	3.4	Contact point for questions regarding the report or its contents	p.19
	3.5	Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	p.16
	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	p.16
	3.7	State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.	N/A
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	p.5
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	p.16
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	p.16
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	N/A
	3.12	Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found: <ul style="list-style-type: none"> • Strategy and Analysis 1.1 – 1.2; • Organizational Profile 2.1 – 2.10; • Report Parameters 3.1 – 3.13; • Governance, Commitments, and Engagement 4.1 – 4.17; • Disclosure of Management Approach, per category; • Core Performance Indicators; • Any GRI Additional Indicators that were included; and • Any GRI Sector Supplement Indicators included in the report. 	p.17

Standard Disclosures			Page #
Governance, Commitments, and Engagement	4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	p.5
	4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	p.5
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	p.5
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	p.14
	4.14	List of stakeholder groups engaged by the organization.	p.6
	4.15	Basis for identification and selection of stakeholders with whom to engage.	p.6
Performance Indicators			
Economic	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	p.12
	EC3	Coverage of the organization's defined benefit plan obligations.	p.13
	EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	p.13
Environmental	EN1	Materials used by weight or volume	p.8
	EN2	Percentage of materials used that are recycled input materials	p.8
	EN3	Direct energy consumption by primary energy source	p.11
	EN4	Indirect energy consumption by primary source	p.11
	EN8	Total water withdrawal by source	p.9
	EN16	Total direct and indirect greenhouse gas emissions by weight	p.12
	EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	p.12
	EN22	Total number and volume of significant spills	p.5
	EN23	Total weight of waste by type and disposal method	p.9
	EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	p.5
Labor	LA1	Total workforce by employment type, employment contract, and region	p.13
	LA2	Total number and rate of employee turnover by age group, gender, and region	p.13
	LA4	Percentage of employees covered by collective bargaining agreements.	p.13
	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	p.14
	LA12	Percentage of employees receiving regular performance and career development reviews.	p.14
	LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	p.14
	LA14	Ratio of basic salary of men to women by employee category.	p.13
Human Rights	HR4	Total number of incidents of discrimination and actions taken.	p.14
Society	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	p.5
Product Responsibility	PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	p.6, 15
	PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	p.15



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We welcome your feedback!
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