

Aptar (ATR) ESG Report

Profile:

Aptar manufactures dispensing pumps, closures, and aerosol valves. Over 40% of sales come from the pharmaceutical industry, with offerings like needle shields for vaccines, dispensing systems for opioid overdose reversal drug Narcan, and moisture mitigation technology used in at-home COVID tests. The rest of the business sells to the skin care, over-the-counter health care, and consumer goods industries.

Our firm believes the most material issue for Aptar is making packaging more recyclable and reusable.

What Aptar Does Well:

Our firm believes Aptar is a trailblazer in ESG efforts. The company was once again awarded a plethora of awards for 2022/2023, including:

- Top 1% Platinum EcoVadis ranking for the third year in a row for achievements in labor, human rights, and environmental standards.
- CDP Supplier Engagement Leader recognizing initiatives to reducing supply chain emissions.
- 100 Most Sustainable Company by Barron's for the fifth consecutive year.
- Forbes' World's Top Female Friendly Companies for the second consecutive year.

Aptar is at the forefront of sustainable initiatives and urging partners to follow suit. A few weeks ago, Aptar updated its Science-Based Targets (SBTs) after exceeding 2020 initial goals. The company is aiming to reduce scope 1 & 2 emissions by 82% and scope 3 emissions by 14% by 2030 with 2019 as the base year; scope 1 & 2 track the company's emissions from operations while scope 3 refers to all other emissions with supply chain footprints being the main factor. Aptar sources 95% of electricity from renewable sources, up from 57% in 2019, and plans to reach 100% by 2030.

Aptar prioritizes a push to a circular economy, where no plastic is single use. The company is striving to use 100% recyclable, reusable, or compostable solutions in all non-Pharma segments by 2025. 65% of company operating sites are "landfill free," meaning the sites reuse or recycle over 90% of operational waste as measured by an independent third-party auditor. The company also announced the world's first certified recyclable plastic beauty plastic in 2020 that was immediately adopted by one of Unilever's brands. In January 2023, the company also released its APF Futurity pump, the first metal-free nasal spray pump that is "designed for recyclability."

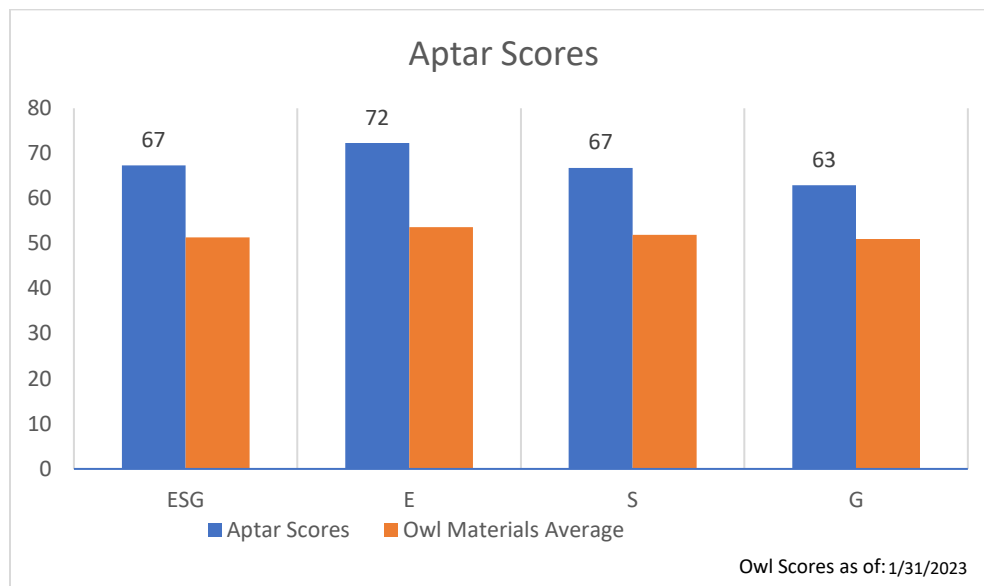
Concerns:

Our firm's main concern with Aptar is the utilization of single use plastics in the pharmaceutical segment. Considering the industry is highly regulated, Aptar's goals around reusable and recycling initiatives largely elude this segment. This is something our firm hopes Aptar addresses in the coming years.

Shareholder Engagement:

None.

ESG Scores:



Conclusion:

Overall, Aptar is a vanguard of responsible stewardship in the materials sector. The company has already set and surpassed meaningful targets for sustainability and plans to continue leading the charge of shifting to a circular economy for plastic. Therefore, our firm believes Aptar is a good ESG-conscious investment.

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