



SUSTAINABILITY REPORT 2024



ABOUT THIS REPORT

REPORT SCOPE AND FREQUENCY

The information in this report applies to all Arkay facilities and employees and covers from January 1st, 2023, to December 31st, 2023, unless otherwise noted. Arkay annually publishes our Sustainability Report.

POINT OF CONTACT

For questions or comments about this report, please contact Arkay's Senior Sustainability Representative: rhonda.justice@arkay.com.

REPORT ALIGNMENTS

Global Reporting Initiative

This report is prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021. GRI is an independent, international organization that provides the world's most widely used standards for sustainability reporting – the GRI Standards. A GRI Disclosure Index can be found in the appendix of this report.

Task Force on Climate-Related Financial Disclosures (TCFD)

This report is aligned with the Task Force on Climate Related Financial Disclosures (TCFD). TCFD recommendations are structured around four areas representative of how organizations operate: governance, strategy, risk management, and metrics and targets. A TCFD Disclosure Index can be found in the appendix of this report.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a set of seventeen interlinked goals serving as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. At Arkay, we identified four SDGs that align with our operations.



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LETTER FROM THE CHAIRMAN/CEO

Dear Valued Stakeholders,

Thank you for your interest in Arkay's Sustainability Report and Communication on Progress for the UN Global Compact. Driven by our exemplary quality, Arkay has over a century's worth of expertise in customer service, innovation, product design, and merchandising solutions. As I reflect on our dynamic 102-year history, it is with great pride that I present Arkay's 2024 sustainability performance.

Notably we have earned [Platinum Certification from EcoVadis](#) for a second consecutive year, confirming our standing in the top 1% of companies worldwide for environmental and social responsibility. Additionally, Arkay achieved a top tier AA+ safety and quality rating from the [BRC Global Standard](#), a valued recognition.

Environmental stewardship is a key component of Arkay's sustainability program. Our Forest Stewardship Council® (FSC®) and Sustainable Forestry Initiative® (SFI®) Certifications affirm our commitment to sourcing materials from sustainably managed forests. In addition, Arkay proudly holds CarbonNeutral® status achieved through greenhouse gas reduction efforts across our value chain and offsetting remaining emissions via the purchase of carbon offsets and Renewable Energy Credits in accordance with the CarbonNeutral® Protocol.

From our greenhouse gas emissions reduction efforts to our advancements in resource efficiency and waste minimization, to our responsible material sourcing requirements, Arkay is dedicated to consistently raising industry standards, exemplifying what it means to be a true leader in sustainable packaging.

We extend our commitment beyond environmental care to also encompass the well-being of our employees and communities. Rooted in the understanding that our people are the heart of our business, safety is a number one priority. As such, we integrate health and safety processes to prevent workplace injuries and

illnesses and offer voluntary wellness programs to promote employee welfare. In addition, Arkay recognizes that a truly safe workplace is one where our employees feel a sense of inclusion and belonging. Through intentional efforts and continuous learning, we actively nurture an inclusive culture where the diverse backgrounds, abilities, and identities of our employees are valued and celebrated. Through purposeful initiatives, such as employee engagement events and service awards, we promote a respectful and attractive workplace where all can thrive.

Beyond our commitment to cultivating a successful work environment, we are deeply passionate about positively impacting the wider Roanoke community where we operate. We take pride in donating our time, talents, and resources to several local organizations, including the Taubman Museum, West Virginia Community College, Botetourt County Public Schools Education Foundation, Opera Roanoke, Center in the Square, Jefferson Center, and the YMCA of Virginia's Blue Ridge.

As we continually build and improve upon our sustainability program, Arkay remains grounded in our pledge to uphold the UN Global Compact's Ten Principles and the core principles established by my grandfather, Max Kaneff, who founded this company 102 years ago in 1922: quality, service, and respect. With pride in all we have achieved on our sustainability journey thus far – and empowered by our dedication and unwavering commitment to achieve even greater heights in sustainable innovation – it is our hope to serve as a model, inspiring and propelling the entire sector forward, ever moving towards a more sustainable future!

Warm Regards,



Mitchell Kaneff

As we continually build and improve upon our sustainability program, Arkay remains grounded in our pledge to uphold the UN Global Compact's Ten Principles and the core principles established by my grandfather, Max Kaneff, who founded this company 102 years ago.





ABOUT ARKAY



With a Design Studio in Hauppauge, New York and our state-of-the-art manufacturing facility in Roanoke, Virginia, Arkay strives to be an indispensable graphic communications resource for our customers by driving innovation, superior quality, and exceptional service. We are active in the health, beauty, and pharmaceutical sectors. Our value chain spans across the United States, Europe, and Asia.

Ultimately, Arkay helps bring your vision to life, eliminating the need to compromise beauty in pursuit of packaging that is both environmentally and socially responsible. With us, you can feel confident knowing that your packaging will be as stunning as it is sustainable.

At Arkay we strive to be an indispensable graphic communications resource for our customers.



EMBOSSING

Arkay has the capability of single-level or multi-level embossing to add dimensionality to a package. Used with other finishing techniques, we create a unique package for products – one that grabs the customer and draws their attention.

TEXTURED FINISHES

Sometimes we want more than a specific look for packaging – we also want a specific feel. At Arkay, we accomplish this using a wide range of textured finishes.

STAMPING

By applying a high-quality (often metallic) finish to an area of a carton, stamping has been a specialty of Arkay's for over sixty years. We have the capability to stamp on top of many different coatings. Using our experience and expertise, we can create a wide variety of effects including holographic or richly pigmented effects.

PAINT ON PRESS®

Arkay's trademarked and registered technique reveals all the true graphic possibilities contained within our customers' artwork. Enhancing the artists' design concept, while working to develop the most cost-effective production methodology, [Paint on Press®](#) presents an invaluable and unique opportunity to benefit our customers!



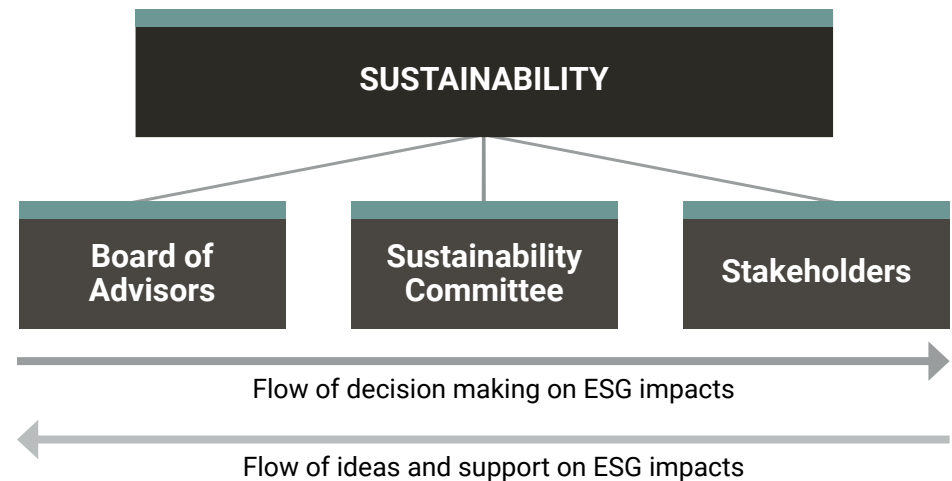


SUSTAINABILITY GOVERNANCE

Embedded within the fabric of our daily operations, Arkay’s governance of sustainability initiatives is fundamental to how we operate. Stakeholder engagement is integral to our sustainability governance, with participation from various stakeholders, including our Executive Leadership Team, employees, customers, and suppliers, each contributing valuable insights that inform and shape our sustainability strategy. Arkay’s Sustainability Committee (‘the Committee’) serves as the primary governance body managing and driving forward Arkay’s sustainability strategy and program. The Committee consists of interdepartmental team members, including members of Arkay’s executive team. Through quarterly management review meetings, the Committee defines the strategic direction of Arkay’s sustainability program by:

- Setting targets and objectives for material ESG issues,
- Implementing new and advanced sustainability initiatives,
- Tracking data to monitor the effectiveness of initiatives in meeting targets, &
- Redefining or improving initiatives for optimal results, as needed.

Facilitating the seamless integration of sustainability initiatives into daily operations is our Senior Sustainability Representative. This dedicated role ensures centralized coordination of day-to-day sustainability efforts. Additional management responsibilities are delegated to other members of the Arkay team as deemed relevant and appropriate by the Committee.



SUSTAINABILITY AND QUALITY ASSESSMENTS



BRCGS

Arkay received a grade of **AA+** from BRC Global Standards, a renowned organization specifying safety, quality, and operational criteria for packaging companies. AA+ is the highest BRC rating possible to achieve and represents our unwavering commitment to maintaining the safety and quality of our products. We are proud and excited to share this acknowledgement as we continue to dedicate ourselves to continual improvement and success in our second century in business.

EcoVadis

At Arkay, our unwavering commitment to sustainability and transparency across our value chain is reinforced by our continuous participation in EcoVadis, the premier global provider of business sustainability ratings. As the world's most trusted third-party organization for assessing supply chain focused ESG risk and performance, EcoVadis conducts evaluations of companies' impact across crucial areas including environment, labor and human rights, ethics, and sustainable procurement. EcoVadis employs a rating methodology, examining the quality of a company's sustainability management system through three pillars: Policies, Actions, and Results.

We take pride in our attainment of **Platinum Level Recognition** for the second year in a row, validating our position in the **top 1%** among the over 1.6 million companies screened across 175+ countries and 200 industries. This accomplishment stands as a testament to the success of our holistic sustainability program, highlighting our commitment to integrate sustainability into the fabric of our company and daily operations. As we celebrate this achievement, we remain dedicated to continuous improvement and the establishment of higher standards for the industry.



We take pride in our attainment of EcoVadis Platinum Level Recognition for the second year in a row, validating our position in the top 1% among the over 1.6 million companies screened across 175+ countries and 200 industries.

CDP

CDP (formerly the Carbon Disclosure Project) is a global disclosure system for investors, companies, cities, states, and regions to measure and report their environmental impact. In 2023, Arkay submitted to three CDP questionnaires: Forests, Water Security, and Climate Change. Submitting these three questionnaires benchmarks our progress and promotes transparency in our forest stewardship, water security, and climate resilience strategies and actions. Arkay received a C rating on each of our CDP submissions in 2023.



SUSTAINABILITY CERTIFICATIONS



Forest Stewardship Council® (FSC®)

FSC® is an international non-profit organization promoting responsible management of the world's forests by setting rigorous certification standards on forest products. Arkay proudly holds third party certification for implementing product control systems in line with the FSC® Chain of Custody standard.



Sustainable Forestry Initiative® (SFI®)

Arkay has achieved certification to the SFI® 2022 Chain of Custody standard. This certification assures that our wood and paper products are sourced from well-managed forests, validated through a rigorous third-party audit.



Programme for the Endorsement of Forest Certification (PEFC)

Arkay proudly upholds the standards of PEFC, an esteemed international non-profit, non-governmental organization dedicated to promoting sustainable forest management. Our management system has successfully attained third-party certification, meeting the Chain of Custody requirements set forth by PEFC.



CarbonNeutral®

Arkay is proud to be certified as a CarbonNeutral® company, demonstrating our proactive approach to addressing greenhouse gas (GHG) emissions. In collaboration with Natural Capital Partners, a world-leading provider of carbon reduction solutions, Arkay offset our remaining greenhouse gas emissions using high quality market-based instruments in accordance with the CarbonNeutral® Protocol.

MATERIAL TOPICS

Materiality Assessment Update

In the face of the continually shifting sustainability landscape, it is imperative for businesses like Arkay to consistently reassess our sustainability priorities. This ongoing commitment ensures that our strategies stay attuned to emerging challenges and opportunities, promoting a culture of continuous improvement and responsiveness within the dynamic environmental and social context in which we operate. Consequently, in 2023, Arkay engaged a third-party consulting firm to conduct a refreshed materiality assessment. Select suppliers, peers, executive leadership, and department representatives were included in the stakeholder engagement interviews and/or industry analysis review of public reporting. Simultaneously, a double materiality impact mapping exercise was completed to identify bidirectional impacts on Arkay and the economy, environment, and society.

Material Topic Determination

Adhering to the principles of the Global Reporting Initiative (GRI), we prioritized our material topics based on impact. Using this approach, our material topics list expanded to include Energy, Materials, Biodiversity and Deforestation, and Supply Chain Engagement. Given their relevance across multiple impact areas, the following topics were removed as standalone topics from our material topics list, and instead are incorporated across topic areas: Customer Satisfaction, Ethics and Integrity, and Efficiency and Reliability.

Arkay's material topics, as identified in our 2023 materiality analysis, include:

- **ENVIRONMENT:** Energy and Greenhouse Gas Emissions; Waste; Materials; Biodiversity and Deforestation
- **SOCIAL:** Diversity and Inclusion; Employee Health and Safety; Employee Retention
- **GOVERNANCE:** Supply Chain Engagement; Quality

This strategic refinement ensures that our sustainability reporting not only aligns with best practices but also emphasizes the topics that carry the greatest impact, underscoring Arkay's commitment to transparency, accountability, and a sustainable future.

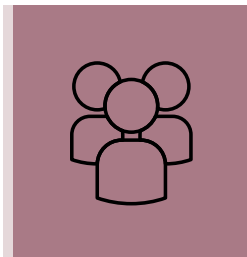


MATERIAL TOPICS



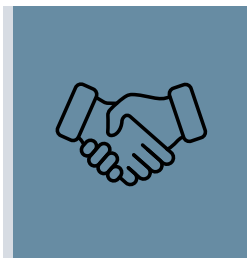
ENVIRONMENT

- Energy and Greenhouse Gas Emissions
- Waste
- Materials
- Biodiversity and Deforestation



SOCIAL

- Diversity and Inclusion
- Employee Health and Safety
- Employee Retention



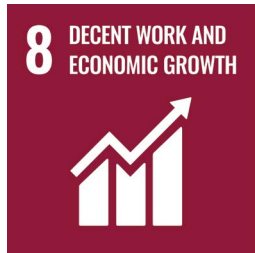
GOVERNANCE

- Supply Chain Engagement
- Quality

UN SUSTAINABLE DEVELOPMENT GOALS AND GLOBAL COMPACT

UN SUSTAINABLE DEVELOPMENT GOALS

Arkay contributes to the following UN Sustainable Development Goals (SDGs):



Goal 8: Decent Work and Economic Growth:

Arkay's employee health and safety program, coupled with due diligence in our operations contributes to SDG 8, target 8.8, 'Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.' Arkay's commitment to gender equality and upholding human and labor rights also supports target 8.5, 'By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.' For more information, please see the Employee Health and Safety and the Human Rights sections of this report.



Goal 10: Reduced Inequalities:

Arkay's diversity and inclusion initiatives, including an annual gender pay gap analysis, contributes to SDG 10, target 10.2, 'By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.' For more information, please see the Diversity, Equity, and Inclusion section of this report.



Goal 12: Responsible Consumption and Production:

Arkay's 94% diversion from landfill rate in 2023 demonstrates our contribution to SDG 12, target 12.2, 'By 2030, achieve the sustainable management and efficient use of natural resources.' For more information, please see the Waste Management section of this report.



Goal 13: Climate Action:

Arkay's contribution to SDG 13, target 13.3, 'Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning' is evident through our practices such as submitting to CDP, tracking our greenhouse gas scope 1, 2, and 3 emissions, committing to a science-based GHG reduction target, and maintaining a CarbonNeutral® status. For more information, please see the Energy and Greenhouse Gas Emissions section of this report.



UN GLOBAL COMPACT

Since 2019, Arkay has been a proud participant of the UN Global Compact. Arkay continues to uphold and endorse the UN Global Compact's Ten Principles across human rights, labor, environment, and anti-corruption.



ENVIRONMENT

GOAL: *Provide sustainable products that minimize negative impacts on the environment.*

TARGETS:

Greenhouse Gases¹:

- Near-term GHG Target: By 2030, reduce scope 1 and scope 2 greenhouse gas emissions by 42% from a 2022 baseline, and measure and reduce scope 3 emissions.
- Long-term GHG Target: Arkay commits to reduce scopes 1, 2, and 3 emissions 90% by 2045 from a 2022 base year. Arkay commits to net-zero greenhouse gas emissions by 2050.

Water:

- By 2025, reduce water withdrawal by 5% from a 2022 baseline.

Product End-of-Life:

- By 2025, provide product recyclability information to 50% of our key customers.

Waste:

- By 2025, achieve 95% of waste diversion from landfill.
- By 2025, reduce hazardous waste to less than 0.05% of our total waste.

¹ In 2024, Arkay's near term and net zero greenhouse gas targets were approved by the Science Based Targets Initiative.



ENERGY AND GREENHOUSE GAS EMISSIONS

Climate change is reshaping the environment, leading to implications for our business and more broadly, the global economy. Increasing temperatures, changing precipitation, and more frequent and intense weather conditions exacerbate current risks and create new ones. Arkaay recognizes the importance of climate change impacts, and as such, has adopted the Task Force on Climate Related Financial Disclosures (TCFD) recommendations into our reporting and strategy.



Governance

Arkaay's Executive Team provides oversight that guides business strategies and manages risks across the organization. Climate-related risks and opportunities are considered throughout our operations, impacting both the process of setting objectives and the management for achieving them. The Executive Team updates and reviews climate related risks and opportunities on an as needed basis and communicates changes to the Chairman and CEO. The day-to-day impacts of climate change are managed by our Sustainability Committee and Senior Sustainability Representative.

Targets

Since we exceeded our 2022 target of achieving a 5% scope 1 and 2 greenhouse gas emissions reduction (from a 2018 baseline), our Sustainability Committee updated our targets in 2023 to be even more ambitious and aligned with the Science Based Targets Initiative (SBTi). Recognized as the gold standard for corporate climate action, SBTi provides companies with a clear blueprint for aligning their GHG reduction plans with scientific imperatives. In 2024, our reduction targets were approved by SBTi, validating that our targets are scientifically grounded and contribute meaningfully to the crucial goal of limiting global warming to 1.5°C, as outlined in the Paris Agreement. Our greenhouse gas emissions reductions targets are:

NEAR TERM: Arkaay commits to reduce scope 1 and scope 2 GHG emissions 42% by 2030 from a 2022 base year, and to measure and reduce its scope 3 emissions.

LONG TERM: Arkaay commits to reduce scopes 1, 2, and 3 emissions 90% by 2045 from a 2022 base year. Arkaay commits to net-zero greenhouse gas emissions by 2050.

Securing SBTi approval for our greenhouse gas reduction targets marks a pivotal milestone, affirming Arkaay's commitment to a climate-friendly trajectory. Recognizing the urgency of the global climate crisis, we are determined to play our part in averting critical climate tipping points, forging a path toward a more sustainable future that benefits all.

Strategy and Risk Management

In 2023, we partnered with a third-party consulting firm to conduct a climate scenario analysis, forecasting the likely business and strategic implications of climate change on our operations. Arkaay identified and evaluated risks related to the transition to a low-carbon economy (transition risks) and risks related to the physical impacts of climate change (physical risks). Our Senior Sustainability Representative oversees our identification and, where feasible, implementation of greenhouse gas emissions reduction and mitigation strategies. Arkaay is continuing to work on integrating our climate risk management into our broader risk management framework for our business continuity and resilience planning. Please refer to our Task Force on Climate-Related Financial Disclosure (TCFD) Methodology in the appendix for more information on the results of our scenario analysis.

Metrics

We disclose several climate related metrics in line with standards such as GRI, CDP, and TCFD. These metrics include annual reporting on scope 1, 2, and 3 greenhouse emissions, energy use consumption, water withdrawal, and waste production.

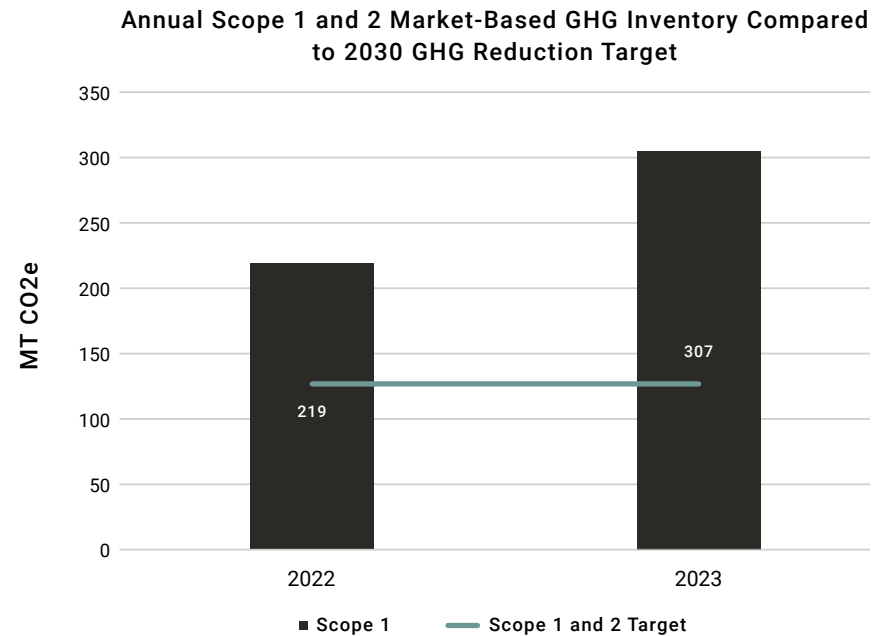
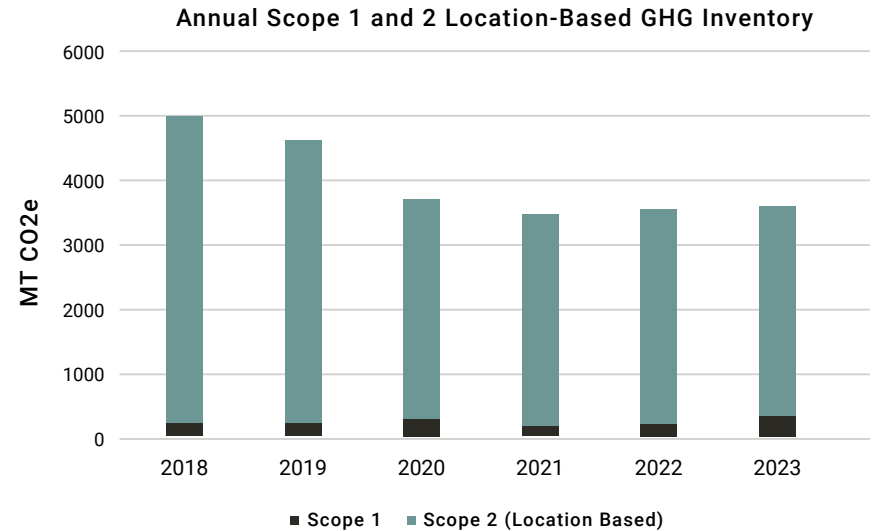
In 2023, our energy consumption from electric and natural gas equaled 7,499 megawatt-hours and our water withdrawal equaled 4.2 megaliters.

In 2023, our greenhouse gas emissions, in metric tons of CO₂ equivalents (CO₂e), are as follows:

| | | |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| SCOPE 1: 307 MT CO ₂ e | SCOPE 2: Location-Based: 3,272 MT CO ₂ e Market-Based: 0 MT CO ₂ e | SCOPE 3: 18,949 MT CO ₂ e |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------|

We calculate our scope 1 and 2 GHG emissions intensity by dividing our market-based GHG emissions by our annual revenue. In 2023, our scope 1 and scope 2 market-based emissions intensity equaled 0.0037 MTCO₂e/thousand USD of revenue.

To align with Science Based Targets Initiative (SBTi) methodology, our base year was updated from 2018 to 2022. Compared to 2022, our overall scope 1 and 2 emissions increased by 0.8% due to increased mileage driven on our company truck in 2023 compared to 2022. The GHG emissions from our truck make up 85% of our emissions from mobile combustion. We optimize our driving routes to minimize the mileage, and therefore GHG emissions, associated with each vehicle trip. We are strategizing additional measures to reduce our GHG emissions from transportation. We are proud to report that our scope 2 emissions in 2023 were the lowest that they have been since we started tracking in 2018. The decrease in our scope 2 emissions is in part due to an upgrade of our HVAC system to a higher efficiency model.



Arkay has 0 MT CO₂e scope 2 emissions in our market-based inventory accounting due to our purchase of green-e certified renewable energy credits.

HIGHLIGHT STORY

Energy Efficiency at the Roanoke Manufacturing Facility

In 2023, Arkay embarked on an energy efficiency upgrade at our Roanoke facility, introducing state-of-the-art Trane air conditioning units on our white roof. Renowned for their optimal cooling, these cutting-edge Trane air conditioning units contribute to a more comfortable workplace for our valued employees while simultaneously minimizing electricity consumption. Consequently, our Roanoke location now operates with enhanced energy efficiency, resulting in reduced energy costs and a smaller scope 2 carbon footprint. Additionally, Arkay is proud of our white roof which helps keep our building cool on sunny days, further improving our manufacturing facility's energy efficiency.





WASTE

Resource efficiency is a key component of our business model. We are committed to minimizing waste in our operations and advancing circular practices. We have set ambitious targets to divert 95% of our manufacturing waste from landfills and reduce hazardous waste to 0.05% or less of our total waste by 2025. We were just shy of meeting our diversion to landfill target, with 94% of our waste being diverted from landfill. We are proud to report that in 2023 we achieved our hazardous waste target with hazardous waste accounting for only .003% of our waste production. To monitor our progress towards these targets, we have a centralized tracking and reporting system for all waste, including hazardous materials.



We are proud to report that in 2023 we achieved our hazardous waste target with hazardous waste accounting for only .003% of our waste production.

Waste Stream Mapping

Through ongoing tracking and mapping of our waste streams onsite at our manufacturing facility, we have identified three primary types of waste from our operations: municipal/solid waste, liquid waste (including hazardous and nonhazardous), and recyclable materials.

Our county waste management company efficiently manages our municipal waste. Our recyclable waste primarily consists of paper and folding cartons. To manage this waste responsibly, we collaborate with a local recycling management company that specializes in reintroducing recyclable materials into the economy. Within our manufacturing facility, waste undergoes bi-weekly inspections conducted by a third-party Environmental Health and Safety (EHS) consultant. This oversight ensures that our waste is managed with precision and separated appropriately for disposal, aligning with our commitment to sustainable waste management practices.

Waste by Composition

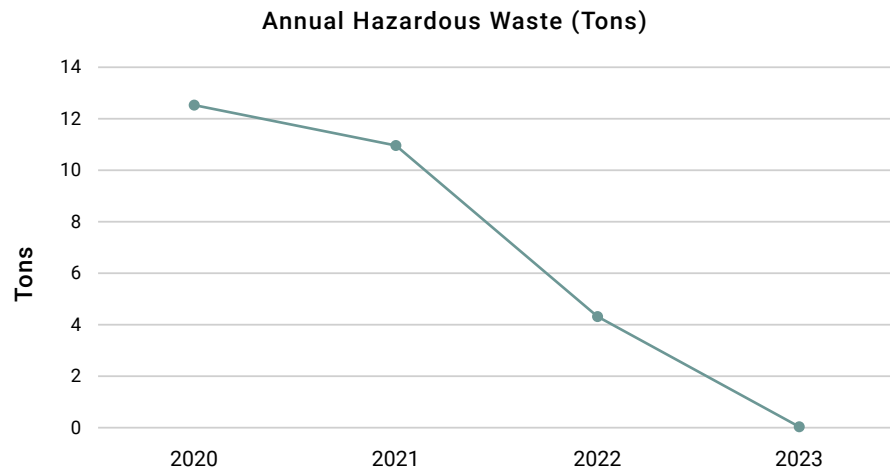
This waste is representative of the waste generated from our manufacturing facility in 2023. Data is tracked based on pickup frequency and container size.

| | Hazardous Waste | | Non-Hazardous Waste | | Landfilled Waste | | Waste Diverted from Landfill | | Total Waste (Tons) |
|-------------|-----------------|---------|---------------------|---------|------------------|---------|------------------------------|---------|--------------------|
| | Tons | Percent | Tons | Percent | Tons | Percent | Tons | Percent | |
| 2022 | 4 | .08 | 5,241 | 99.92 | 416 | 8 | 4,829 | 92 | 5,245 |
| 2023 | 0.18 | .003 | 5,287 | 99.99 | 326 | 6 | 4,961 | 94 | 5,287 |

Hazardous Waste Management

The largest source of our hazardous liquid waste is ACCU Dyne Test Markers which we use to ensure adhesion compatibility between inks and coatings. A noteworthy achievement in 2022 and 2023 was the significant reduction in our hazardous waste tonnage, primarily attributed to the reclassification of Waste UV Coatings. Testing by our third-party EHS consultants concluded that this liquid waste stream is non-hazardous and thus can be managed as part of our non-hazardous liquid disposal.

We have protocols for the management of all hazardous waste, including training, sorting and labeling, emergency preparedness, and systematic disposal procedures. We have established a dedicated satellite area at the point of hazardous waste generation, as well as a designated Hazardous Waste Storage Area, where all drums have strict volume and time limits, and are dated and labeled with yellow hazardous waste labels. Our complete hazardous waste handling and disposal procedure is detailed in our Safety Manual and complies with the Resource Conservation and Recovery Act (RCRA).



Downstream Waste Management

To minimize the environmental impact resulting from the disposal of our products from end consumers, Arkay has implemented a Product End of Life Policy. More information on how to properly recycle our products can be found on the [sustainability section of our website](#). In our ongoing collaboration with partners, we are dedicated to enhancing transparency and communication regarding product recyclability. By 2025, our target is to directly provide specific recyclability information to at least 50% of our key customers. This enables our customers to be well-informed and empowered to make environmentally conscious choices when disposing of our products. Through these efforts, we aim to contribute to a more sustainable and circular approach to product life cycles.



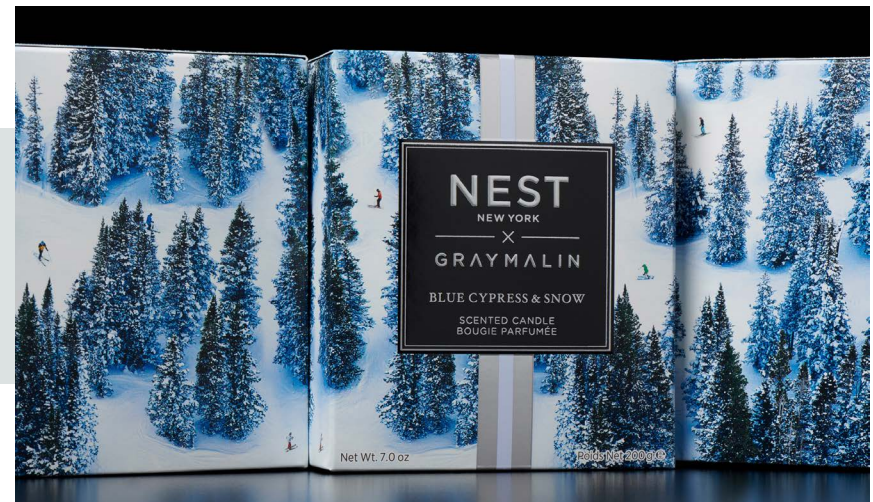


MATERIALS

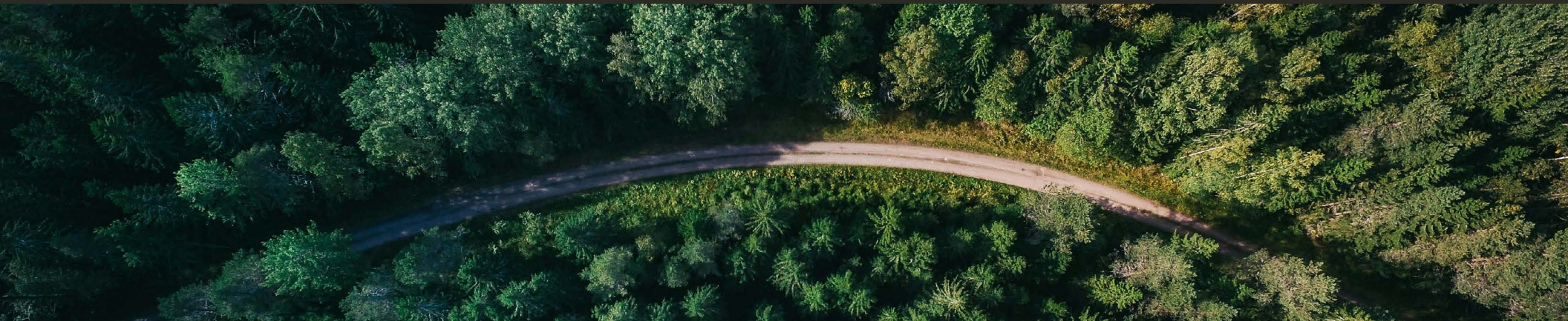
At Arkay, our use of sustainable input materials distinguishes us as a leader in delivering conscientious packaging solutions. In 2023, Arkay procured approximately 1,229 metric tons of triple-certified, in accordance with the leading global sustainable forestry Chain-of-Custody certification systems², paperboard material to produce our packaging. This paperboard is milled within an ISO 9001, ISO 14001, and ISO 45001 certified mill in the United States.

Moving forward, to align with the Global Reporting Initiative requirements for materials disclosures, Arkay plans to develop the systems to track the total weight or volume of materials used to produce our packaging products, broken down by renewable and non-renewable materials. Arkay will furthermore track our recyclable and reclaimed input materials. During this reporting period, Arkay did not have the data available to track this information.

We offer our customers a Forest Stewardship Council™ Certified (FSC® C018866) paper, called Astrolite, that is designed and crafted to effectively meet the luxury marketplace need for environmentally responsible folding boxes.



² Materials certifications include the Forest Stewardship Council® (FSC®-C013430), the Sustainable Forestry Initiative® (SFI®-00199) program, and the Programme for the Endorsement of Forest Certification (PEFC/29-31-354).



BIODIVERSITY AND DEFORESTATION

Arkay is dedicated to protecting and restoring biodiversity. Arkay's roughly 122,000-foot manufacturing facility, in Roanoke, Virginia, is not in or near an International Union for Conservation of Nature (IUCN) Protected Areas. Although our direct operations have a minimal impact on our local biodiversity, we recognize that our supply chain can have significant impacts on deforestation. As such, we embrace our responsibility to make sustainable procurement decisions that safeguard and nurture the rich ecosystems upon which our business, and our world, depends.

Arkay is committed to procuring paper-based goods from suppliers that practice responsible harvesting to protect and maintain forests. Of the roughly 1,229 metric tons of triple-certified³ paperboard material that we procured in 2023, 98% of it was harvested from forests in the USA and Canada, and milled at an ISO 9001, ISO 14001, ISO 45001, and ISO 22000 certified mill.

Moreover, Arkay goes beyond mere protection; we take tangible steps towards restoring habitats and rejuvenating ecosystems. Since 2018, Arkay has supported the Seneca Meadows Landfill Project through our purchase of verified carbon offsets. The Seneca Meadows Landfill Project has enhanced nearly 160 acres of existing woodland wetlands and created almost 420 acres of new wetlands. The wetlands provide habitat for 220 validated species of birds, including endangered and threatened species of New York. Over 400 acres of the wetlands have been seeded with native plants and trees, and extensive work has taken place to prevent habitat destruction from groundwater contamination, stormwater runoff, and erosion. Arkay is proud to help fund this project; more information can be found [here](#).

³ Materials certifications include the Forest Stewardship Council® (FSC®-C013430), the Sustainable Forestry Initiative® (SFI®-00199) program, and the Programme for the Endorsement of Forest Certification (PEFC/29-31-354).



Since 2018, Arkay has supported the Seneca Meadows Landfill Project through our purchase of verified carbon offsets. The Seneca Meadows Landfill Project has enhanced nearly 160 acres of existing woodland wetlands and created almost 420 acres of new wetlands.



SOCIAL

GOAL: *Ensure healthy and safe operations to improve employee retention and engagement.*

TARGETS:

Employee Retention:

- Reach a 25% annual turnover rate by end of calendar year 2025.

Safety:

- Maintain an annual zero Lost Time Injury Rate (LTIR).

Working Conditions:

- By 2025, ensure a living wage analysis has been conducted for 100% of full-time employees.

Human Rights:

- By 2025, ensure 100% of procurement team is trained in preventing child labor, forced labor, and human trafficking.

Diversity, Equity, & Inclusion:

- By 2025, ensure 100% of HR staff are trained in diversity, equity, and inclusion.

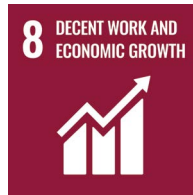
Career Management & Training:

- By 2025, achieve an average of 5 hours of training (including job specific training and safety training) per year per employee.



EMPLOYEE HEALTH AND SAFETY

At Arkay, the safety and well-being of our employees is our top priority. Our employees and contractors are covered under our Occupational Health and Safety Management System. Our Safety Committee oversees policy recommendations for our Safety Manual, continually improves our safety practices, and fosters a safety-conscious culture through employee engagement and education.



Our approach ensures that safety is seamlessly integrated into our daily operations. Mandatory safety training during orientation equips team members with essential knowledge to foster a secure working environment. Our safety training, along with health and safety procedure documents, ensures that every member of our team can access and comprehend critical safety information.

As part of our approach, we offer specific Personal Protective Equipment (PPE) tailored to the potential risks our employees may encounter, for instance:

- **HEARING PROTECTION:** In accordance with our Hearing Conservation Policy, we supply our employees with earplugs, which are required in production areas. Coupled with machine guards to reduce noise, these earplugs effectively mitigate risks associated with harmful noise exposure.
- **HAND PROTECTION:** Employees are equipped with cut-resistant gloves for tasks involving laceration hazards. Additionally, Nitrile gloves are provided for those handling chemicals and other operational products.
- **EYE PROTECTION:** Face shields and/or safety glasses are mandatory in designated areas and during specific tasks, such as the transferring and handling of chemicals.



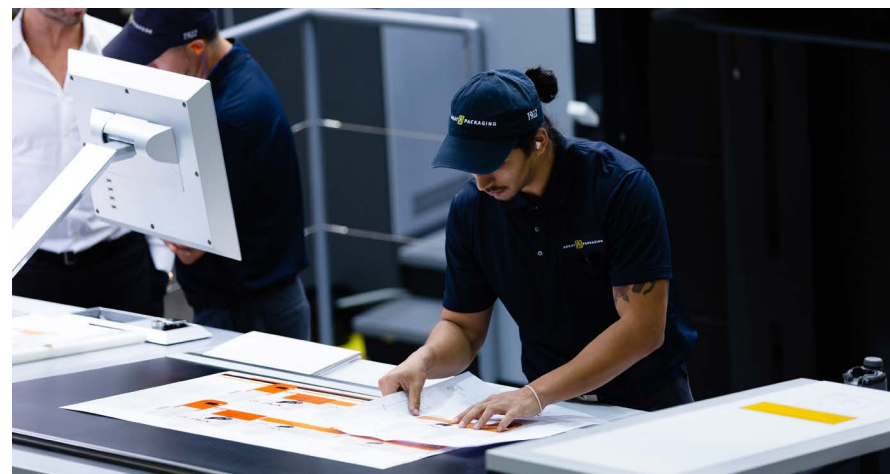
These practices, along with our procedures and employee training for using machinery and handling hazardous waste materials, ensure the effective management and mitigation of safety risks at Arkay. Our safety efforts are supported by our internal audits and risk assessments, bi-weekly site inspections by our third-party EHS consultant, and preventative equipment maintenance.

In the rare event of a workplace accident, our thorough accident investigation procedure is initiated by the supervisor at the location of the incident. This involves implementing temporary control measures, reviewing equipment and processes, interviewing witnesses, and investigating causal conditions and unsafe acts. The supervisor completes an accident investigation report, including recommendations for corrective actions. To ensure a swift response and accountability, these reports must be submitted to the EHS Manager within 24 hours of the incident. This streamlined process reflects our commitment to learning from incidents, improving safety measures, and maintaining a secure working environment.

Our dedication to measurable results is evident in our year-over-year health and safety performance. In 2023, we had three work-related injuries, with one injury resulting in lost time.

| | Total Lost Time Injury (LTI) Events | Total Number of Lost Days Due to Injury | LTI Frequency Rate for Direct Workforce ⁴ | LTI Severity Rate for Direct Workforce ⁵ |
|-------------|-------------------------------------|-----------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| 2020 | 0 | 0 | 0 | 0 |
| 2021 | 2 | 1 | 5.12 | 0.002 |
| 2022 | 0 | 0 | 0 | 0 |
| 2023 | 1 | 45 | 1.93 | 0.09 |

Complementing our proactive safety measures is a voluntary wellness program featuring various activities and annual physicals. Monthly newsletters disseminate health tips and recipes, encouraging employees to prioritize their overall well-being. In doing so, we ensure that every day, our employees arrive at work with confidence, knowing they are both safe and supported in their well-being.



⁴ LTI Frequency Rate for Direct Workforce is calculated using the following formula:

$$\frac{(total\ number\ of\ lost\ time\ in\ injury\ events\ \times\ 1,000,000)}{total\ hours\ worked\ company\ wide}$$

⁵ LTI Severity Rate for Direct Workforce is calculated using the following formula:

$$\frac{(total\ number\ of\ days\ lost\ due\ to\ injuries\ \times\ 1,000)}{total\ hours\ worked\ company\ wide}$$



DIVERSITY AND INCLUSION

Diversity and Inclusion (D&I) stand as foundational values at ArKay that shape our company culture and propel us toward excellence. Our organization's true strength lies in the diverse backgrounds, experiences, perspectives, and talents of our people. Our culture of diversity and inclusion not only creates a thriving community but also serves as a driving force for innovation and success.



Our commitment to D&I is embedded in our company policies and culture. Our dedication to Equal Employment Opportunity (EEO) is outlined in our EEO policy and complaint process. Any employee reporting a discrimination or harassment complaint in good faith is protected from retaliation. In the event of a reported incident, ArKay promptly investigates while maintaining confidentiality of involved parties. Immediate and proportional corrective action, including potential termination of the offender, is taken if the investigation determines that improper conduct in violation of company policy has occurred. As a testament to our focus on upholding an environment of respectful communication and collaborative teamwork that values and represents all groups and perspectives, we proudly report zero incidents of discrimination reported in 2023.

As part of our ongoing commitment to D&I, we conducted a gender pay gap analysis in 2023. This analysis provides valuable insights into our compensation structures, enabling us to address any disparities and strive for pay equity across all levels of our organization.

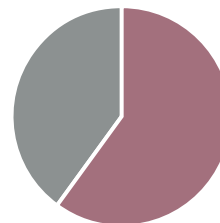
Looking forward, ArKay is dedicated to ensuring that 100% of our Human Resources staff undertake D&I training by 2025. This initiative will further embed D&I principles throughout our organization, ensuring that our HR professionals are equipped to champion diversity and drive inclusive practices in recruitment, retention, and talent development.

Gender Breakdown

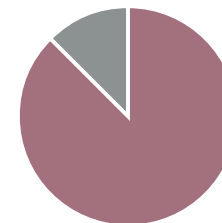
Of ArKay's 260 employees, 104 are women and 160 identify as workers from a minority group. 100% of ArKay's employees are located in the U.S. ArKay's employee count is an average full time equivalent (FTE) number from across the reporting period.

ArKay's highest governance body is our senior leadership team, which is composed of 7 men and 1 woman. Our senior leadership team competencies include: Operations, Communications, Software Development, General Management, Procurement, and Planning and Production.

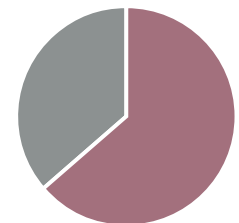
Gender Breakdown: All Employees



Gender Breakdown: Senior Leadership



Gender Breakdown: New Hires

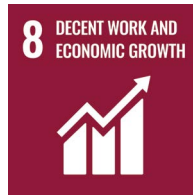


■ Women ■ Men



HUMAN RIGHTS

As a dedicated participant of the UN Global Compact, Arkay is committed to respecting and upholding internationally proclaimed human rights. We have implemented policies addressing various aspects of labor practices and human rights issues, including working conditions, labor relations, and child and forced labor. Arkay does not tolerate any form of modern slavery, human trafficking, forced labor, or child labor and it is strictly prohibited for anyone associated with Arkay in our workplace or our supply chain to use, be complicit in, or benefit from, human rights abuses.



To address the critical issues of child labor, forced labor, and human trafficking, our onboarding process incorporates age verification protocols for all candidates. In 2023, we enhanced our efforts by introducing additional measures including impact assessments and internal audits. Impact assessments aid in identifying potential child and forced labor issues, while internal audits monitor the effectiveness of our control systems specifically designed to address child and forced labor concerns. In our supply chain, we proactively assess and mitigate potential risks through our supplier questionnaire. This multifaceted approach reflects our commitment to ethical practices and continuous improvement across our operations and supply chain.

Our whistleblower procedure further empowers stakeholders to report any instance of company misconduct, including concerns related to child and forced labor, thereby reinforcing our commitment to accountability and transparency. Looking forward, we have set a target to ensure that, by 2025, every member of our procurement team receives specialized training in preventing child labor, forced labor, and human trafficking. This forward-looking commitment reflects our dedication to continuous improvement and the creation of a workplace and supply chain characterized by the highest standards of ethical conduct.

Furthermore, our dedication to ethical labor practices is underscored by our adherence to the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. These principles serve as pillars supporting a workplace culture that values open dialogue, collaboration, and the well-being of every individual involved in our operations.



Arkay has been a participant of the UN Global Compact since 2019. Arkay continues to uphold and endorse the UN Global Compact's Ten Principles across human rights, labor, environment, and anti-corruption.



EMPLOYEE RETENTION

At Arkay, we consider our people to be the heart of our success, and we take pride in fostering a workplace where individuals grow and contribute their talents for decades. Arkay's enduring legacy as a family-owned and operated company for over 100 years is a testament to the positive and nurturing work environment we continuously strive to cultivate, one that celebrates our employees and rewards them for their dedication.

As part of our commitment to employee retention and satisfaction, we clearly communicate our remuneration process and offer competitive wages and benefits, ensuring fair compensation for our dedicated workforce. In 2023, a living wage analysis was conducted in alignment with IDH living wage benchmark and reviewed with the head of Human Resources. By 2025, our goal is to have conducted a living wage analysis for 100% of our full-time employees, reinforcing our dedication to ensuring equitable compensation within the organization. Additionally, we provide a benefits package, encompassing:

- Paid time off for holidays, vacation days and sick/personal days
- Medical and dental insurance coverage
- Group life and accidental death and dismemberment insurance
- Workers' compensation
- Unemployment insurance
- 401(k) retirement plan
- Social security benefits
- Health savings account contributions
- Employee Assistance Program (EAP)
- Employee Wellness Program

Moreover, we place a strong emphasis on career development and training, aiming to enhance the skills and knowledge of our workforce. We actively seek to help employees advance in their careers, providing two-way communication systems for employees to provide input and feedback and allowing managers to directly respond.

Our target is to achieve an average of 5 hours of training per year per employee by 2025, including job-specific and safety training. This commitment ensures our workforce remains adaptable, skilled, and capable of contributing to our sustainable growth.

In 2023, our turnover rate was 25.02%, just slightly exceeding our 25% target. We are proactively implementing strategies such as refining our pre-screening process and adjusting entry-level salaries to minimize our turnover rate. At Arkay, our commitment to the well-being, growth, and satisfaction of our employees remains unwavering, ensuring that our workplace continues to thrive as a supportive and fulfilling environment.

At Arkay, we consider our people to be the heart of our success.

HIGHLIGHT STORY

Fostering Community and Celebrating Success at Arkay's Annual Awards BBQ

At Arkay, we believe in the power of togetherness in building a sustainable and resilient future. This conviction is demonstrated during our Annual Awards BBQ in Roanoke, showcasing Arkay's vibrant company culture that not only applauds business success but also honors the unwavering dedication and enduring commitment of our employees. The event kicked off with a powerful speech by CEO Mitchell Kaneff highlighting the remarkable achievements that made the year a standout for Arkay. Mitchell expressed gratitude to the entire Arkay team by recognizing their collective efforts that contributed to the company's best year yet.

More than just a celebration, this event highlights Arkay's dedication to creating a workplace that values camaraderie and inclusivity, reinforcing the company's commitment to sustainability through the nurturing of a happy and engaged workforce. The familial atmosphere, with Mitchell's sons among the Arkay employees present, exemplifies Arkay's dedication to creating a workplace culture that goes beyond professional accomplishments, prioritizing the importance of community, connection, and shared success. This vibrant celebration not only strengthens the bond among team members but also fosters a sense of unity and purpose, contributing to the sustainability and resilience of Arkay as it looks toward a promising future.





HIGHLIGHT STORY

Nurturing Diversity, Inclusion, and Community Through Taubman Museum’s Women’s Day Luncheon Sponsorship

At Arkay, we pride ourselves on actively engaging with our local community in Roanoke, recognizing that our success is intertwined with the prosperity of the vibrant city we call home. Established over a century ago, Arkay’s enduring presence in Roanoke is a testament to the strong community bonds we have cultivated. As part of our commitment to community engagement, Arkay is deeply involved in supporting cultural institutions that enrich the fabric of Roanoke, including the Taubman Museum.

This year, Arkay was thrilled to align our dedication to community engagement with our commitment to advancing principles of diversity and inclusion as a sponsor of the Taubman Museum’s Annual Women’s Day Luncheon. This sponsorship is just one of the many ways Arkay seeks to emphasize the importance of fostering a community that appreciates and celebrates differences.

Arkay’s involvement with the Taubman Museum reflects our company values and commitment to being a responsible corporate citizen. By actively engaging with cultural events and supporting initiatives that promote diversity and inclusion, Arkay Packaging strengthens its ties with the Roanoke community and ensures that the legacy of community support continues for generations to come. As Arkay looks toward the future, it remains dedicated to fostering a diverse, inclusive, and culturally vibrant community in Roanoke and beyond.





GOVERNANCE



GOAL: *Provide reliable and innovative solutions to be effective partners for our customers.*

TARGETS:

Sustainable Procurement:

- By 2025, 100% of contracted suppliers acknowledge our Supplier Code of Conduct & 50% of targeted suppliers complete our Quality and ESG Supplier Questionnaire.

Anti-Corruption:

- By 2025, ensure 100% of full-time, salaried employees undertake annual anti-corruption training.

Information Security:

- By 2025, ensure 100% of full-time, salaried employees undertake annual information security training.



SUPPLY CHAIN ENGAGEMENT

Arkey is dedicated to collaborating with our suppliers to ensure that our products consistently meet the highest standards of responsibility and performance. Through our annual sustainability questionnaire, we gather data on our suppliers' sustainability practices, including their environmental, social, and product quality performance. In 2023, none of the 101 suppliers engaged through this questionnaire reported material negative environmental or social impacts.

Internally, 100% of Arkey's procurement team is trained through the EcoVadis Academy, an eLearning platform with courses on the Environment, Labor and Human Rights, Ethics, and Sustainable Procurement. Leveraging this training, our procurement team continues to collaborate with our suppliers to advance our sustainability program. For example, our annual questionnaire requests greenhouse gas emissions data from our suppliers which helps us further improve the accuracy of our Scope 3 emissions reporting. Looking ahead, we will also use the questionnaire to share our Supplier Code of Conduct, with a target of reaching 100% of contracted suppliers acknowledging our [Supplier Code of Conduct](#) by the end of 2025. Currently, 100% of our suppliers and other stakeholders can access our Supplier Code of Conduct through our website.

To reinforce the sustainability requirements that we have for our suppliers, Arkey introduced a sustainability clause into 100% of our new supplier terms and conditions contracts in 2023. This clause emphasizes Arkey's adherence to internationally recognized fundamental standards for human rights, labor, environment, and anticorruption, as defined by the Ten Principles of the UN Global Compact and calls upon our suppliers to do the same. If our suppliers are found to be in non-compliance with Arkey's Supplier Code of Conduct, Arkey reserves the right to implement corrective actions, including and up to termination of a business relationship with the supplier.

At Arkey, we are committed to operating with ethical and environmentally sound practices. As part of this commitment, Arkey requires its vendors and suppliers to comply with the following Supplier Code of Conduct and to annually complete our Supplier Questionnaire (Form 100-011). This Code is also intended to complement the Arkey Sustainable Procurement Policy as related to the Supplier Code of Conduct (SOP 100-011), and Supplier Code of Conduct Agreement (Form 100-008).

1. **Legal Compliance:** Arkey is committed to conducting business with the highest ethical and legal requirements. These include local and national laws and regulations, as well as the laws and regulations in the countries where we do business.
2. **Human Rights:** Arkey suppliers shall treat their employees with dignity and respect. Engagement in any kind of discrimination, harassment, or coercion acts in direct violation of this Code.
3. **Ethical Practices and Anti-Corruption:** Arkey employees are prohibited from offering gifts or bribes of any stature to buyers to inappropriately influence internal or external business decisions. Arkey suppliers are likewise prohibited from doing the same to prevent unfair advantages for suppliers. Arkey has a zero tolerance policy for corruption or bribery.
4. **Labor Rights:** Arkey will not tolerate any form of forced, compulsory or child labor and suppliers must adhere to the minimum employment age limit defined by national law. All workers must be paid at least the legal minimum wage of their country of operation, and treated fairly.
5. **Health and Safety:** Arkey employees identify safety as their number one job. Therefore, Arkey suppliers also must ensure that their workers are provided with healthy, safe, and clean work environments.
6. **Environment:** Arkey strives to meet or exceed local and national environmental laws and regulations. At the minimum, Arkey suppliers must comply with the local environmental laws and regulations of their country of operation.
7. **Freedom of Association:** Arkey suppliers must recognize the right of employees to freely associate and must comply with all local laws governing the right of employees to select, or not select, workplace representatives.
8. **Communication:** Arkey suppliers must make all reasonable efforts to communicate the Arkey Supplier Code of Conduct to workers and allow workers to have the opportunity to make questions and complaints under the code.

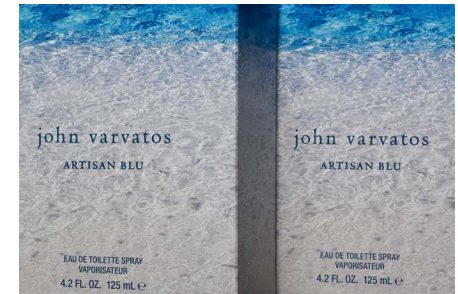


QUALITY

At Arka, [quality is in our company's DNA](#). We guarantee the delivery of superior quality in every product we print, die cut, and emboss—an assurance underscored by our prestigious AA+ BRC Global Standard for Packaging Materials certification, independently verified by third-party experts. Achieving the highest-ranking grade in the BRC Global Standard is a testament to the strength and effectiveness of our product quality and safety management system. Overseen by our Quality Lab Supervisor, our multifaceted quality and safety management system encompasses:

- Document controls and meticulous record-keeping of our policies and procedures
- Stringent specifications for both raw materials and finished products
- Internal audits of product safety and quality plans
- Rigorous supplier monitoring and traceability systems

Through these stringent internal controls, as well as an annual external BRC onsite audit, we demonstrate unwavering adherence to our high product quality standards that are upheld from the procurement of raw materials through to the delivery of our finished products. This rigorous management system reflects our deep sense of responsibility to provide our customers with high value, responsibly sourced, top-quality products, ensuring their confidence in the excellence we uphold at every stage of our production process.



ETHICS

Throughout Arkay's network of stakeholders, spanning employees, leadership, and our entire value chain, we require stringent adherence to the highest standards of business ethics. As a proud member of the UN Global Compact, Arkay actively supports the global imperative that businesses must work against corruption in all its forms, including extortion and bribery. To prevent and mitigate corruption and conflicts of interest throughout all levels of our organization, Arkay's management approach includes:

- Upholding and clearly communicating company policies on conflicts of interest and business ethics to all employees through our Employee Handbook.
- Conducting business ethics training to ensure a shared understanding and commitment throughout our workforce.
- Completing a corruption risk assessment and implementing corrective actions if necessary to fortify our anti-corruption measures.
- Strictly enforcing and clearly communicating our company-wide whistleblower procedure and sensitive transactions procedure to all employees through our Employee Handbook.

At its core, our approach to business ethics is founded on the principle that our employees must avoid any relationship or activity that could impair their ability to make objective and fair decisions when performing their jobs. As such, all transactions made on behalf of our company have a justified business purpose, preserve impartiality, and are made with integrity. Concerns about potential conflicts of interest, corruption, bribery, or other critical concerns must be reported through our whistleblower procedure. Our whistleblower procedure ensures that for all reports made in good faith:

- Arkay will investigate the complaint in a prompt, thorough, and impartial manner.
- The identity of the person who submits the complaint, any witness, the target of the complaint, and/or any information obtained will be kept confidential to the extent possible, consistent with the need for Arkay to conduct a thorough and impartial investigation.
- Arkay will not take nor permit any adverse action (i.e., retaliation) against any individual for reporting a complaint, requesting, or using reasonable accommodation, or providing information during an investigation.

In addition to our handbook policies and whistleblower procedure, we are also committed to training 100% of full-time, salaried employees on anti-corruption by 2025.



Number of critical concerns communicated in 2023

ZERO Harassment Incidents Reported

ZERO Discrimination Incidents Reported

ZERO Legal or Ethics-Related Incidents Reported

ZERO External Human Rights Issues Reported

RESPONSIBLE INFORMATION MANAGEMENT

In a rapidly evolving digital landscape, Arkay recognizes the critical importance of responsible information management and cybersecurity. As part of our proactive approach to safeguarding our organization and stakeholders, we have established strategic partnerships and implemented measures to mitigate cyber-related risks.

Arkay partners with KnowBe4, a security awareness training and simulated phishing platform, to manage our risks of cyber-related attacks. In 2023, 42% of our workforce successfully completed a Security Awareness Proficiency Assessment (SAPA). To further fortify our defenses, we utilized KnowBe4 to conduct simulated phishing attacks. These exercises serve as valuable training opportunities, empowering our employees to recognize and respond effectively to potential threats posed by malicious emails.

Moreover, we have established a transparent and accessible channel for employees to report any information security concerns. Through our whistleblower procedure, individuals can confidently bring attention to potential risks or incidents, allowing our IT Department to promptly investigate and take necessary actions.

In addition to internal initiatives, Arkay commissioned an external party to complete a thorough information security risk assessment in 2023. This assessment identified potential vulnerabilities in our current security system, allowing our IT Department to proactively manage potential threats.

Arkay remains committed to the ongoing education of our employees in cybersecurity. Our IT Department provides continuous training and awareness programs to ensure our workforce stays informed about the latest cyber threats and best practices for safeguarding sensitive information.

As we move forward, Arkay's IT Department will continue to evolve and adapt our information security measures to stay ahead of emerging threats. We are committed to maintaining the highest standards of cybersecurity to protect our organization, employees, and stakeholders. By fostering a culture of vigilance, education, and collaboration, Arkay upholds the trust placed in us by prioritizing the security of digital assets and sensitive information.



By fostering a culture of vigilance, education, and collaboration, Arkay upholds the trust placed in us by prioritizing the security of digital assets and sensitive information.

GRI INDEX

Statement of Use

| | |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Statement of use | Arkay has reported in accordance with the GRI Standards for the reporting period January 1, 2023 to December 31, 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | N/A- No applicable GRI sector standards used. |

General Disclosures

| GRI Disclosure | Page/Response |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-1 Organizational Details | Legal Name: Arkay Packaging Corporation Nature of Ownership: Privately Held Company Location of Headquarters: Hauppauge, New York Countries of Operation: United States |
| 2-2 Entities included in the organization's sustainability reporting | Arkay Packaging |
| 2-3 Reporting period, frequency, and contact point | See the About this Report section of this report. |
| 2-4 Restatements of Information | There are no restatements of information. |
| 2-5 External Assurance | This report is not externally assured. |
| 2-6 Activities, Value Chain, other Business Relationships | See the About Arkay section of this report. |
| 2-7 Employees | See the Diversity and Inclusion section of this report. |
| 2-8 Workers who are not Employees | For reasons of confidentiality, Arkay does not disclose information about workers who are not employees. |
| 2-9 Governance Structure and Composition | See the Diversity and Inclusion section of this report. |

| | |
|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2-10 Nomination and Selection | N/A- Our Executive Leadership Team is not nominated. |
| 2-11 Chair of the Highest Governance Body | The Chair of the highest governance body is Arkay's Chairman and CEO, Mitchell Kaneff. See the Ethics section of this report for information on prevention and mitigation of conflicts of interest. |
| 2-12 Role of Highest Governance Body in Overseeing the Management of Impacts | See Sustainability Governance section of this report. |
| 2-13 Delegation of Responsibility for Managing Impacts | See Sustainability Governance section of this report. |
| 2-14 Role of Highest Governance Body in Sustainability Reporting | See Material Topics section of this report. |
| 2-15 Conflicts of Interest | See Ethics section of this report. |
| 2-16 Communication of Critical Concerns | See Ethics section of this report. |
| 2-17 Collective Knowledge of the Highest Governance Body | See Sustainability Governance section of this report. |
| 2-18 Evaluation of the Performance of the Highest Governance Body | At this time, the highest governance body is not evaluated on its management of Arkay's sustainability impacts. |
| 2-19 Remuneration Policies | For reasons of confidentiality, Arkay does not publicly disclose our remuneration policies. |
| 2-20 Process to Determine Remuneration | For reasons of confidentiality, Arkay does not publicly disclose our remuneration policies. |
| 2-21 Annual Compensation Ratio | For reasons of confidentiality, Arkay does not publicly disclose our annual total compensation ratio. |
| 2-22 Statement on Sustainable Development Strategy | See Letter from the CEO section of this report. |

| | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>2-23</p> <p>Policy Commitments</p> | <p>Arkay is committed to the Ten Principles of the UN Global Compact which include respecting human rights and applying a precautionary approach to environmental challenges. For more information on our commitment to respect human rights, see the Human Rights section of this report.</p> <p>Arkay's participation in the UN Global Compact can be viewed here: Arkay Packaging UN Global Compact</p> <p>Arkay's policy commitments are approved by the most senior level within the organization and apply fully to Arkay's business activities and relationships.</p> <p>Arkay's policy commitments are communicated to workers through our Employee Handbook and to business partners and other relevant parties through our annual Sustainability Report. Arkay tracks the effectiveness of remediation processes through our whistleblower policy and through feedback from the Sustainability Report (see the About this Report section of this report for contact information for providing Sustainability Report feedback).</p> |
| <p>2-24</p> <p>Embedding Policy Commitments</p> | <p>Our policy commitments are embedded internally in our Employee Handbook and shared externally through our Supplier Code of Conduct.</p> |
| <p>2-25</p> <p>Processes to Remediate Negative Impacts</p> | <p>We actively monitor our performance across our sustainability impacts through tracking our progress towards meeting our targets, and where applicable, against our baseline performance. In the event we identify negative impacts through our data tracking, we remediate the impacts through internal corrective action processes.</p> |
| <p>2-26</p> <p>Mechanisms for Seeking Advice and Raising Concerns</p> | <p>See Ethics section of this report.</p> |
| <p>2-27</p> <p>Compliance with Laws and Regulations</p> | <p>Arkay had zero significant instances of non-compliance with laws and regulations during 2023.</p> |
| <p>2-28</p> <p>Membership Associations</p> | <p>The Graphic Source LLC, Printing and Graphics Assoc. Mid Atlantic, Young Presidents Organization, Cosmetics Industries Buyers and Suppliers, Cosmetic Executive Women, Buyer, Importers, Manufacturers, and Salesmen to the Cosmetics Industry, UN Global Compact, AFGA Greenworks</p> |
| <p>2-29 Stakeholder Engagement</p> | <p>See Sustainability Governance section of this report.</p> |
| <p>2-30</p> <p>Collective Bargaining Agreements</p> | <p>Arkay currently has no employees covered by collective bargaining agreements. Arkay respects the right of all workers to form and join a trade union of their choice and the right of collective bargaining without fear of intimidation or reprisal, in accordance with national law.</p> |

Material Topic Disclosures

| GRI Disclosure | Page/Response |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3-1 Process to Determine Material Topics | See Material Topics section of this report. |
| 3-2 List of Material Topics | See Material Topics section of this report. In 2023, Arkay conducted an analysis to update its material topics. Environmental considerations now include a focus on energy, materials, biodiversity, and deforestation. In the social domain, customer satisfaction has been excluded from the material topics. In terms of governance, Ethics and Integrity, as well as Efficiency and Reliability, have been removed, while Supply Chain Engagement has been added as a new material topic. |
| 3-3 Management of Material Topics | See Sustainability Governance section of this report. |

Materials

| | |
|-----------------------------------------------------------|--------------------------------------------------|
| 301-1 Materials Used by Weight or Volume | At this time, this information is not available. |
| 301-2 Recycled Input Materials Used | At this time, this information is not available. |
| 301-3 Reclaimed Products and their Packaging Materials | At this time, this information is not available. |

Energy

| | |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 302-1 Energy Consumption Within the Organization | In 2023, our energy consumption from electric and natural gas equaled 7,499 megawatt-hours. For more information, see the Energy and Greenhouse Gas Emissions section of this report. |
| 302-2 Energy Consumption Outside of the Organization | This is not applicable for Arkay. |
| 302-3 Energy Intensity | 0.00009 MWh/Revenue Energy included in this intensity ratio includes electricity and natural gas used within the organization. |

| | |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>302-4 Reduction of Energy Consumption</p> | <p>Our energy consumption (including electricity and natural gas) reduced by 85.15 MWh from 2022 to 2023 due to conservation and efficiency initiatives, including updating our HVAC system. Comparing against our reduction against a base year of 2022 aligns with our GHG emissions reporting.</p> |
| <p>302-5 Reductions in Energy Requirements of Products and Services</p> | <p>Our sold products do not require energy.</p> |

Emissions

| | |
|----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>305-1 Direct (Scope 1) GHG Emissions</p> | <p>Scope 1 Emissions: 307 Metric Tons CO₂e Gases included: CO₂, CH₄, N₂O, HFCs Base Year: 2022 Base Year Scope 1 Emissions: 219 Metric Tons CO₂e Global Warming Potential and Emission Factor Sources: U.S. EPA GHG Emissions Factor Hub Consolidation Approach: Operational Control Methodology: GHG Protocol Corporate Standard For more information, see Energy and Greenhouse Gas Emissions: Metrics section of this report.</p> |
| <p>305-2 Energy Indirect (Scope 2) GHG Emissions</p> | <p>Scope 2 Location-Based Emissions: 3,272 Metric Tons CO₂e Gases Included: CO₂, CH₄, N₂O Base Year: 2022 Base Year Scope 2 Emissions: 0 Metric Tons CO₂e (Market Based) Global Warming Potential and Emission Factor Sources: eGRID 2021 Summary Table Consolidation Approach: Operational Control Methodology: GHG Protocol Corporate Standard For more information, see Energy and Greenhouse Gas Emissions: Metrics section of this report.</p> |
| <p>305-3 Other Indirect (Scope 3) GHG Emissions</p> | <p>Scope 3 GHG Emissions: 18,949 MT CO₂e For more information, see Energy and Greenhouse Gas Emissions section of this report.</p> |
| <p>305-4 GHG Emissions Intensity</p> | <p>Our scope 1 and scope 2 market-based emissions intensity equaled 0.0037 MTCO₂e/thousand USD of revenue. For more information, see Energy and Greenhouse Gas Emissions section of this report.</p> |
| <p>305-5 Reduction of GHG Emissions</p> | <p>Arkay's Scope 1 and 2 emissions have increased by 0.8% from our 2022 baseline. Gases Included: CO₂, CH₄, N₂O Methodology: GHG Protocol Corporate Standard</p> |

| | |
|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 305-6 Emissions of Ozone-Depleting Substances (ODS) | N/A - Arkay does not produce, import, or export ODS. |
| 305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions | Significant Air Emissions: Due to issues with the software used to track our Volatile Organic Compounds (VOCs) emitted in 2023, we cannot disclose this information. |

Waste Disclosures

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|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 306-1 Waste Generation and Significant Waste-related Impacts | See Waste section of this report. |
| 306-2 Management of Significant Waste-related Impacts | See Waste section of this report. |
| 306-3 Waste Generated | 5,287 Tons. For more information, see Waste section of this report. |
| 306-4 Waste Diverted from Disposal | 4,961 Tons (94% of total waste). For more information, see Waste section of this report. |
| 306-5 Waste Directed to Disposal | 416 Tons (8% of total waste). For more information, see Waste section of this report. |

Supplier Environmental Assessment

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| 308-1 New Suppliers that were Screened Using Environmental Criteria | See Supply Chain Engagement section of this report. |
| 308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken | See Supply Chain Engagement section of this report. |

Employment

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| <p>401-1</p> <p>New Employee Hires and Employee Turnover</p> | <p>Total Number of 2023 New Employee New Hires: 156</p> <p>Gender Breakdown: Women: 61; Men: 95</p> <p>Regional Breakdown: 100% of employees located in the U.S.</p> <p>Methodology: Employee New Hires taken as a total number of new hires during calendar year 2023 as of December 31, 2023.</p> <p>Employee Turnover: 25.02%</p> <p>Methodology: Turnover is based on employee count taken as an average number from across the reporting period.</p> <p>For more information, see Employee Retention section of this report.</p> |
| <p>401-2</p> <p>Benefits Provided to Full-time Employees that are not Provided to Temporary or Part-time Employees</p> | <p>See Employee Retention section of this report.</p> |
| <p>401-3</p> <p>Parental Leave</p> | <p>Arkay does not disclose information about parental leave as this information is unavailable.</p> |

Occupational Health and Safety

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| <p>403-1</p> <p>Occupational Health and Safety Management System</p> | <p>It is the responsibility of each employee to conduct all tasks in a safe and efficient manner complying with all local, state, and federal safety and health regulations and program standards.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-2</p> <p>Hazard Identification, Risk Assessment, and Incident Investigation</p> | <p>Although most safety rules are consistent throughout each department and program, each employee is responsible for identifying and familiarizing themselves with the emergency plan for his/her working area. Each facility has a posted emergency plan detailing procedures in handling emergencies such as fire, weather-related events, and medical crises.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-3</p> <p>Occupational Health Services</p> | <p>See Health and Safety section of this report.</p> |

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| <p>403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety</p> | <p>Workers are instructed to immediately report any work-related injury or illness (however minor) and all unsafe practices or conditions to their Supervisor, the Safety Manager, and/or the Human Resources Department. Workers have the right to review our OSHA Fact Sheet, Arkay's Employee Hazard Communication Program, OSHA "Occupational Noise Exposure" Standard, and Arkay's Lock-Out/Tag-Out Program.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-5 Worker Training on Occupational Health and Safety</p> | <p>All new employees complete a thorough safety orientation on their very first day of employment. No employee, old or new, is permitted to work with any hazardous material, operate any equipment or machinery or perform any task in which they have not received the required training.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-6 Promotion of Worker Health</p> | <p>All employees will receive the Arkay Safety Program during the Safety Orientation held on the first day of employment.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-7 Prevention and Mitigation of Occupational Health and Safety</p> | <p>As a company we strive to be injury free. Education and awareness are the cornerstones to safety. Management requires that every person in the organization assumes the responsibility of individual and organizational safety. Failure to follow company safety and health guidelines or engaging in conduct that places the employee, client or company property at risk can lead to employee disciplinary action and/or termination. The EHS Manager has the responsibility to develop and the authority to implement the safety and health program in the interest of a safer work environment.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-8 Workers Covered by an Occupational Health and Safety Management System</p> | <p>All new employees complete a thorough safety orientation on their very first day of employment. No employee, old or new, is permitted to work with any hazardous material, operate any equipment or machinery or perform any task in which they have not received the required training. All employees have an individual responsibility to protect themselves and their co-workers from injury and should inform their supervisor of lack of training or confidence to complete an assigned task.</p> <p>For more information, see Health and Safety section of this report.</p> |
| <p>403-9 Work-Related Injuries</p> | <p>Number and rate of work-related injuries: 3 Number and rate of high-consequence work-related injuries: 1 Number and rate of recordable work-related injuries: 3 Total hours worked: 519,108 Number and rate of fatalities as a result of work-related injury: 0</p> |

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|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>403-10 Work-Related Ill Health</p> | <p>Number of work-related ill health: 0 Number of cases of recordable work-related ill health: 0 Number of fatalities as a result of work-related ill health: 0</p> |
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Training and Education

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| <p>404-1 Average Hours of Training Per Year Per Employee</p> | <p>Each employee has at least 6 hours of training per year that includes topics surrounding quality, safety, and product-related training.</p> |
| <p>404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs</p> | <p>See the Employee Retention section of this report.</p> |
| <p>404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews</p> | <p>Arkay uses other methods of giving and receiving feedback; employees do not receive performance reviews.</p> |

Diversity and Equal Opportunity

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|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| <p>405-1 Diversity of Governance Bodies and Employees</p> | <p>See the Diversity and Inclusion section of this report.</p> |
| <p>405-2 Ratio of Basic Salary and Remuneration of Women to Men</p> | <p>For reasons of confidentiality, Arkay does not publicly disclose our remuneration policies.</p> |

Non-Discrimination

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| <p>406-1 Incidents of Discrimination and Corrective Actions</p> | <p>There were zero reported incidents of discrimination in 2023.</p> |
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Child Labor

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| <p>408-1 Operations and Suppliers at Significant Risk for Incidents of Child Labor</p> | <p>Zero operations and suppliers at significant risk for incidents of child labor.</p> |
|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|

Forced or Compulsory Labor

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| <p>409-1 Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor</p> | <p>Zero operations and suppliers at significant risk for incidents of forced and compulsory labor.</p> |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|

Supplier Social Assessment

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|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <p>414-1 New Suppliers that were Screened Using Social Criteria</p> | <p>See Supply Chain Engagement section of this report.</p> |
| <p>414-2 Negative Social Impacts in the Supply Chain and Actions Taken</p> | <p>See Supply Chain Engagement section of this report.</p> |

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) REFERENCE TABLE

Governance

Disclose the organization's governance around climate-related risks and opportunities.

| TCFD Disclosure Requirement | Reference |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Describe the board's oversight of climate-related risks and opportunities. | See the Energy and Greenhouse Gas Emissions: Governance section of this report. |
| Describe management's role in assessing and managing climate-related risks and opportunities. | See the Energy and Greenhouse Gas Emissions: Governance section of this report. |

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

| TCFD Disclosure Requirement | Reference |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | See the Energy and Greenhouse Gas Emissions: Strategy section of this report. |
| Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | See the Energy and Greenhouse Gas Emissions: Strategy section of this report. |
| Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | See the Energy and Greenhouse Gas Emissions: Strategy section of this report. |

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

| TCFD Disclosure Requirement | Reference |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Describe the organization's processes for identifying and assessing climate-related risks. | See the Energy and Greenhouse Gas Emissions: Risk Management section of this report. |
| Describe the organization's processes for managing climate-related risks. | See the Energy and Greenhouse Gas Emissions: Risk Management section of this report. |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | See the Energy and Greenhouse Gas Emissions: Risk Management section of this report. |

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

| TCFD Disclosure Requirement | Reference |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | See the Energy and Greenhouse Gas Emissions: Metrics and Energy and Greenhouse Gas Emissions: Targets sections of this report. |
| Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks. | See the Energy and Greenhouse Gas Emissions: Metrics and Energy and Greenhouse Gas Emissions: Targets sections of this report. |
| Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | See the Energy and Greenhouse Gas Emissions: Metrics and Energy and Greenhouse Gas Emissions: Targets sections of this report. |

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) METHODOLOGY

Risk Identification

To identify our transition risks, we conducted industry research and an internal self-assessment. To identify physical risks, we used a publicly available dataset provided by National Oceanic and Atmospheric Administration (NOAA) for identifying acute risks and multiple data sources published by reputable sources including the Intergovernmental Panel on Climate Change (IPCC) for identifying chronic risks.

Table 1. Transition Risks and Opportunities

| Category | Risk Description | Risk likelihood of occurrence and severity per climate scenario ¹ | | | Opportunity Description |
|------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------|----------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | SSP1-2.6 | SSP2-4.5 | SSP5-8.5 | |
| Policy and Legal | Increased pricing of GHG emissions and enhanced emissions-reporting obligations | High | Medium | Medium-Low | Maintain CarbonNeutral® status and support decarbonization research and policies |
| Reputation | Shift in consumer preferences and stigmatization of sector | High-Medium | Medium | Low | Build a competitive advantage by offering low carbon, recyclable and/or reusable products and continue transparent sustainability reporting |
| Market | Change in customer behavior and increased cost of raw materials | High | Medium | Medium | Collaborate with industry partners and customers to forecast and prepare for industry shifts |
| Technology | Cost of substituting existing operations equipment with low carbon technology | High-Medium | Medium | Medium-Low | Utilize federal decarbonization funding opportunities to upgrade to high efficiency equipment, reducing energy demand and associated energy costs of operations |

¹ The Shared Socio-economic Pathways (SSPs) were published in the Sixth Intergovernmental Panel on Climate Change (IPCC) Assessment to explore possible socioeconomic futures to mitigate and adapt to climate change. For more information on the scenarios and the methodology for identifying climate-related risks and opportunities, please see the report appendix.

SSP1-2.6 represents below +2°C warming relative to 1850-1900 by 2100.

SSP2-4.5 represents approximately +2.7°C relative to 1850-1900 by 2100.

SSP5-8.5 represents approximately +4.4°C relative to 1850-1900 by 2100.

Table 2. Physical Risks and Opportunities

| Category | Risk Description | Risk likelihood of occurrence and severity per climate scenario ¹ | | | | Opportunity Description |
|----------|-------------------|------------------------------------------------------------------------------|------------|------------|--------|-------------------------------------------------------------------------------------------------------------------------------|
| | | RCP2.6 | RCP4.5 | RCP6 | RCP8.5 | |
| Acute | Droughts | Low-Medium | Low-Medium | Medium | Medium | Climate resilience and disaster response planning; Implement climate change adaptation measures, focused on flood preparation |
| | Severe storms | Medium | Medium | High | High | |
| | Tropical cyclones | Medium | Medium | Medium | Medium | |
| Chronic | Precipitation | Low | Low | Low | Medium | |
| | Water Stress | Low | Low | Low-Medium | Medium | |

Scope: The physical risks and opportunities presented in this table are reflective of climate modeling for our Roanoke, Virginia manufacturing and warehouse locations.

¹ A Representative Concentration Pathway (RCP) is a greenhouse gas concentration trajectory adopted by the Intergovernmental Panel on Climate Change (IPCC). For more information on the scenarios and the methodology for identifying climate-related risks and opportunities, please see the report appendix.

RCP2.6 represents below +2°C warming relative to 1850-1900 by 2100.

RCP4.5 represents approximately +2.7°C relative to 1850-1900 by 2100.

RCP6 represents approximately +3.4°C relative to 1850-1900 by 2100.

RCP8.5 represents approximately +4.4°C relative to 1850-1900 by 2100.