

ARKAY  PACKAGING

2021 CSR REPORT

ARKAY  PACKAGING





Table of Contents

- Letter from the CEO _____ 02
- Mission, Vision, Values _____ 03
- Green Initiatives + Memberships and Associations _____ 04
- Risk Management + Decision Making _____ 05
- Stakeholder Engagement _____ 06
- Materiality Matrix _____ 07
- United Nations Sustainable Development Goals _____ 08
- People, Partners, Planet _____ 09
- People _____ 10
- Taking Care of our People _____ 11
- Partners _____ 12
- Supporting our Partners _____ 13
- Planet _____ 14
- Going Solar _____ 15
- Appendix _____ 16

From the CEO



At Arkay Packaging, our core values reflect our desire for – and our continuous direction towards – operating with respect to Environment, Social, and Governance (ESG) concerns.

We are proud to be certified to the SFI® standards with Forest Stewardship Council (FSC), the Sustainable Forestry Initiative® (SFI®), and Community Energy. Additionally, we are honored to have received Agfa's Greenworks™ Environmental Recognition, due to our adoption of green policies and the progress we have made in reducing our carbon footprint.

To that end, Arkay is also honored to have achieved CarbonNeutral® status, having offset our greenhouse gas (GHG) emissions in accordance with The CarbonNeutral® Protocol, the global standard for carbon neutral certification. In the past year we purchased Green-e certified renewable energy credits (RECs) from Natural Capital Partner's Seneca Meadows Landfill, an award-winning project that not only captures and converts methane from landfill gas (LFG) emitted by the 178-acre expansion to the Seneca Meadows landfill site, but has also created almost 420 acres of new wetlands, established an Environmental Education Center, and generates electricity from the LFG to power 18,000 homes.

In our continuing effort to contribute to the fight against climate change, Arkay has a white roof on our Roanoke facility, which aids in the reduction of our energy consumption. In 2020 we implemented LED lights to light up our entire facility and we are in the process of adding solar panels to our roof

Arkay cares deeply about creating – and subsidizing – groundbreaking, eco-friendly technologies and we are gratified to be acknowledged as a vanguard in this vital effort. Further to the above, since its inception by my grandfather in 1922, Arkay has operated with a belief in quality and service, which has remained with us for 99 years. Leading our industry with passion, integrity, and continuous commitment to our clients, Arkay conveys a company philosophy in which all individuals of many different backgrounds are empowered to develop and succeed. By embracing an ideal of inclusion and diversification, Arkay implements a culture that encourages mutual respect, honesty, teamwork, and advancement. With Arkay's attention to diversity within our workforce – and our consequent focus on addressing any bias – we maintain an atmosphere of trust, inspiring a workforce proud to contribute to Arkay's success. Ours is a family business and we treat our employees as family. The Blue Cross Blue Shield health insurance options we extend to our employees is excellent and everyone who works for Arkay has the opportunity to join in our very generous 401K profit-sharing.

Not only do we cultivate this environment of mutual respect, but we ensure that everyone who enters our doors is protected. Our dedication to the safety of our employees, customers, and vendors is one of the mainstays of who we are as a company. While we are devoted to the protection of our surrounding environment by way of the above-referenced actions, we are devoted to the protection of our internal environment, as well, utilizing cutting edge technology to help us accomplish our goal of healthy and safety for everyone.

One of the many lessons 2020 taught us is the importance of adhering to safety protocols within our workplace. Whether it is our insistence on mask-wearing, our numerous stations providing hand sanitizers, our ability to take everyone's temperature who enters our buildings, our assembling plexiglass dividers in our cafeterias, our ordering of thousands of pairs of gloves for our workers, masks for our workers, sanitizers for our workers, we have shown how much we care for the well-being of our people. Our machinery is constantly being checked and maintained, as well, and our EHS manager walks the floor inspecting every corner to make sure we are up to date with our safety precautions.

Arkay's brand is one of strength, honesty, diligence, and marketability. We value our customers and they witness this with every action we take – whether it be our on time delivery or dedication to our craftsmanship, whether it be the materials we use or the equipment we purchase – we honor our word and our word is our bond. We have zero tolerance for even a hint of corruption or subterfuge in how we deal with the world – this is the bedrock of who we are as a company, whether we're onboarding an employee in our human resources department, negotiating a contract with a customer, signing an invoice with a vendor, we never swerve from our core.

Succinctly put, the foundation we set 99 years ago of quality and service has grown into the twin pillars of our company culture. Embracing the ideal of pride in craftsmanship combined with service to our customers – and linking it to mutual respect, honesty, and teamwork – is our "Arkay Way." This also includes Arkay's dedication to its community and to contributing financially to the needs of our vicinity and our world. Whether we donate to the Taubman Museum for art, to West Virginia Community College for education, to the Alzheimer's Drug Discovery Foundation for medical research, to the Jefferson Center for music, to the Botetourt YMCA for nurturing our neighbors in Roanoke, we are aligned with the desire to give back.

On this threshold of our Centennial in 2022, Arkay is even more aware than ever of who we are and the debt we owe to our world. We have come a long way in almost hundred years – and we look forward to continuing to grow and to serve for at least another hundred years to come.

Mitchell Kaneff

Chairman/CEO



Mission, Vision, Values

"Arkay Packaging cares about creating groundbreaking, eco-friendly technologies and we are gratified to be acknowledged as a vanguard in this vital effort"



MISSION

To be an indispensable graphic communications resource to our customers through:

- Driving Innovation
- Superior Quality
- Exceptional Service

To lead our associates with passion, integrity, and a continuous commitment to profitability and a sustainable future.

VISION

In addition to 9 decades of expertise in product design, improvement and responsiveness, our creative, innovative marketing and merchandising solutions begin with each employee. through a culture of encouraging creative action, mutual respect, teamwork and professional development.

Building on our passion for innovation, we give each product a distinctive marketplace presence. Since 1922, we have designed and manufactured value added, high performance outer packaging.

VALUES

Arkay Packaging provides the creative engine to meet our customers' exacting needs. Our operations and customer service are built on trust and accountability.

We deliver Integrity:

- What you expect
- When you expect it
- Every time

Memberships and Associations

- The Graphic Source L.L.C
- PGAMA: Printing & Graphics Assoc. Mid-Atlantic
- YPO: Young Presidents Organization
- CIBS: Cosmetic Industries Buyers and Suppliers
- CEW: Cosmetic Executive Women
- BIMS: Buyers, Importers, Manufacturers, & Salesmen to the Cosmetic Industry

Arkay Packaging Sponsor of:

- YMCA Virginia's Blue Ridge



Green Initiatives

This year Arkay purchased Green-e certified renewable energy credits (RECs) from Natural Capital Partners' Seneca Meadows Landfill, an award-winning project that not only captures and converts methane from landfill gas (LFG) emitted by the 178-acre expansion to the Seneca Meadows landfill site, but has also created almost 420 acres of new wetlands, established an Environmental Education Center, and generates electricity from the LFG to power 18,000 homes.

In our continuing effort to contribute to the fight against global warming, Arkay Packaging has added a white roof to our facility in Roanoke, VA, which aids in the reduction of our energy consumption, and we are in the process of installing LED lighting throughout the plant. We are also planning to add a complete solar panel system to our facility this year.

Our on-going initiatives and commitments include:



SUSTAINABLE FORESTRY INITIATIVE

The Sustainable Forestry Initiative® (SFI®) label is a sign you are buying wood and paper products from well-managed forests, backed by a rigorous, third-party certification audit. SFI Inc. improves sustainable forest management in North America and supports responsible procurement globally.



COMMUNITY ENERGY

Community Energy is committed to increasing the domestic supply of clean, fuel-free energy. They deliver real solutions to climate change in the form of new wind power generation and carbon offsets. Aligned with IBERDROLA RENEWABLES – the world leader in wind energy development – Community Energy is leading the way to energy independence and a healthier environment at a time when pollution-free energy has never been more important.



FOREST STEWARDSHIP COUNCIL

The Forest Stewardship Council® (FSC®) is an international non-profit organization promoting responsible management of the world's forests by setting standards on forest products, along with certifying and labeling them as eco-friendly.



AGFA GREENWORKS ENVIRONMENTAL AWARD

We are honored to have received AGFA's Greenworks™ Environmental Recognition Award, due to our adoption of green policies and the progress we have made in reducing our carbon footprint.



CERTIFIED CARBON NEUTRAL COMPANY

We have CarbonNeutral® status and are working with Natural Capital Partners, a world-leading provider of carbon reduction solutions. Arkay has offset its greenhouse gas (GHG) emissions in accordance with The CarbonNeutral® Protocol, the global standard for carbon neutral certification.



PROGRAMME FOR THE ENDORSEMENT OF FOREST CERTIFICATION

Arkay has also been approved for the PEFC standard (PEFC), an international non-profit, non-governmental organization dedicated to promoting Sustainable Forest Management (SFM) through independent third-party certification. Thanks to this eco-label – which Arkay has – customers and consumers are able to identify products from sustainably managed forests.



Risk Management

Health and Safety	<p>To manage its highest priority risks, Arkay audits the safety of its operations, cyber security and financials quarterly and annually through certified third party auditors. Arkay also has on-going training for all employees in multiple areas of Health and Safety from general factory to specific work-related hazards.</p> <p>To reduce the impact of deforestation and climate change, Arkay only sources from FSC Certified suppliers to ensure that its products are deriving from sustainably managed forests.</p>
Climate Change	
Deforestation	
Cyber Security	
Pathogens and Hazardous	<p>To manage Arkay's medium priority risks, the company has established policies to reduce the risk of spills, bloodborne pathogens, and machine operating errors. In addition to training and policies that detail how to avoid these incidents, Arkay also details how to best communicate and mitigate in the unlikely chance an incident does occur. All employees receive training on these policies.</p>
Supply Chain Incidents	
Lock-Out Tag Out	
Fire Hazardous	<p>Arkay's lowest priority risks are proactively managed through comprehensive fire safety policies and air pollution permits. Arkay obtains permits in different areas of its operation to ensure air pollution limits are not surpassed. Because of how extensive our protocols are in these areas they are considered low risk.</p>
Air Pollution	

Sustainability in Decision Making



- Board of Advisors** Arkay's Board reviews ESG impacts, risks and provides general guidance for business decisions and ways to advance the company and industry.
- Senior Leadership** Arkay's senior leadership is responsible for the strategic guidance and the monitoring and accountability of management of the company and its stakeholders.
- Stakeholders** Arkay's stakeholders provide the foundation of the company's sustainability strategy through feedback during our materiality assessment process.



Stakeholder Engagement

Arkay aimed to strike a balance between internal and external stakeholders with whom to conduct research, interviews, and surveys for its materiality assessment. The stakeholders chosen are significantly affected by Arkay's activities and also have a great influence on Arkay's business strategies and objectives. All interviews and surveys remained anonymous in the data collection process. The lists below represent the top priority areas broken down by stakeholder group. Arkay plans to conduct similar and thorough materiality analyses every 2-3 years depending on shifts in business, industry and need.

Employees

1. Customer Satisfaction
2. Employee Health and Safety
3. Ethics/Integrity
4. Innovation
5. Quality

Management

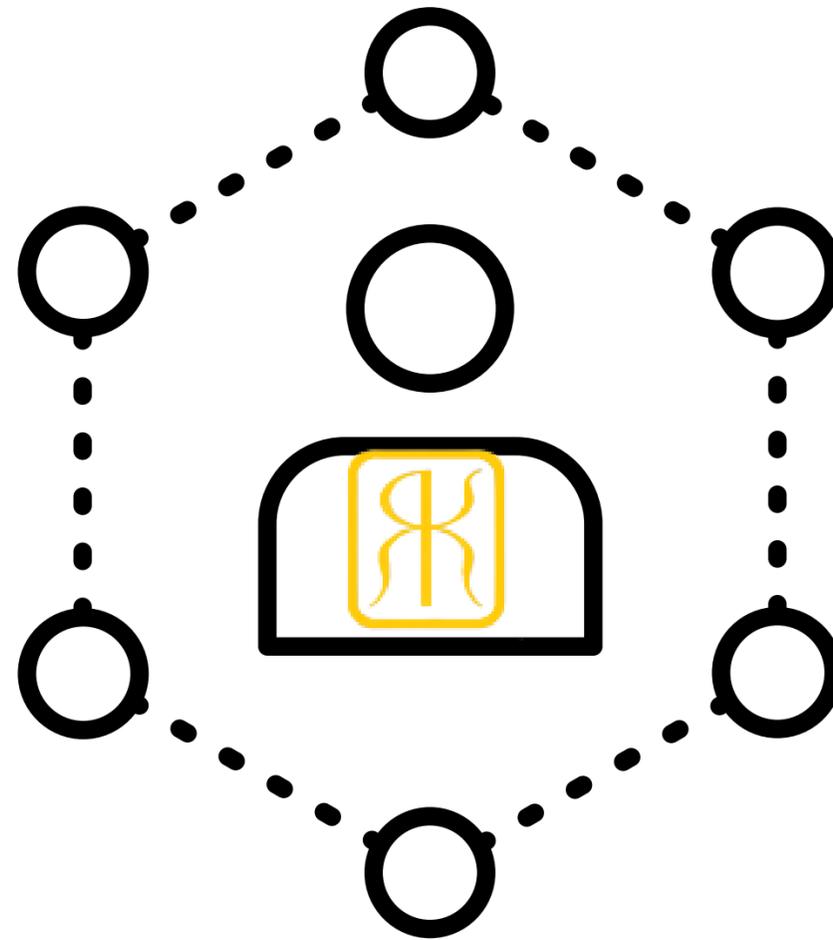
1. Customer Satisfaction
2. Economic Performance
3. Employee Health and Safety
4. Quality

Suppliers

1. Customer Satisfaction
2. Efficiency/Reliability
3. Employee Health and Safety
4. Ethics/Integrity
5. Labor and Human Rights

Customers

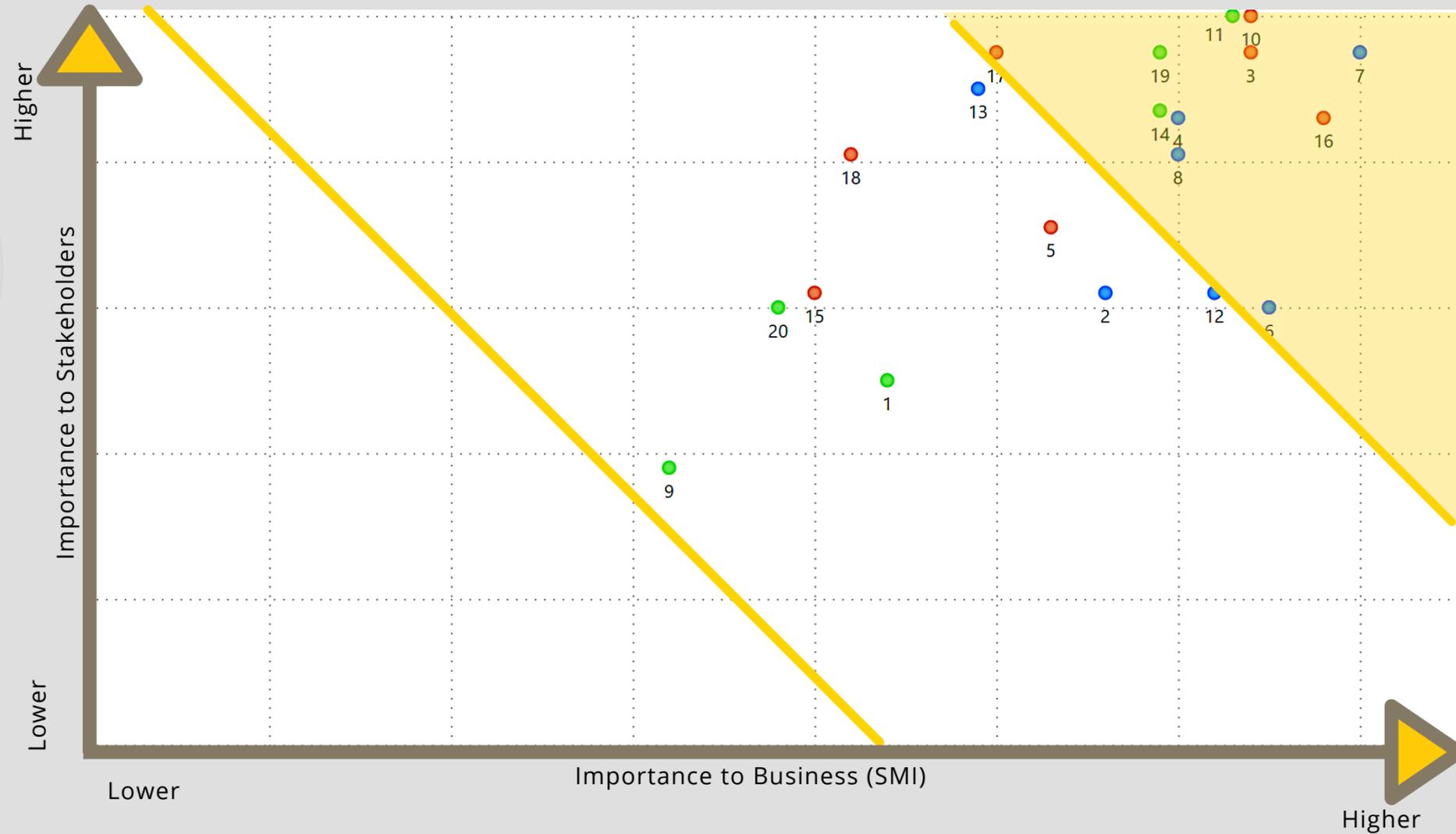
1. Greenhouse Gas Emissions
2. Waste Management
3. Responsible Sourcing
4. Product circularity



Materiality Matrix

Input from employees, business partners, industry peers, and other key stakeholders was collected from research, surveys and interviews to determine what is most important, or material, in regard to Arkay's operations. Compared against what Arkay believes is most material to business, the following matrix was created to then influence Arkay's Key Performance Indicators (KPIs) and goals.

- People
- Partners
- Planet



TOP IMPACT AREAS + BOUNDARIES

People

Employee Health and Safety
Diversity and Inclusion
Employee Retention

These impacts occur at Arkay and are generated by Arkay

Partners

Ethics and Integrity
Customer Satisfaction
Quality
Efficiency/Reliability

These impacts occur at Arkay and our suppliers and customers. These impacts are contributed by Arkay and directly linked through Arkay's business relationships.

Planet

Greenhouse Gas Emissions
Waste Management
Product Circularity

These impacts occur at Arkay especially our production site, through Employee travels as well as our suppliers. These impacts are contributed by Arkay and directly linked through Arkay's business relationships.

- 1. Air quality
- 2. Continual improvement/innovation
- 3. Customer satisfaction
- 4. Diversity and inclusion
- 5. Economic performance
- 6. Efficiency/Reliability
- 7. Employee health and Safety
- 8. Employee retention
- 9. Environmental compliance
- 10. Ethics/ Integrity
- 11. Green house gas emissions
- 12. Innovation
- 13. Labor and human rights
- 14. Product circularity
- 15. Public policy and advocacy
- 16. Quality
- 17. Responsible material sourcing
- 18. Transparency
- 19. Waste management
- 20. Water consumption and reduction



United Nations Sustainable Development Goals

TOP IMPACT AREAS

- People

Employee Health and Safety
Diversity and Inclusion
Employee Retention

- Partners

Ethics and Integrity
Customer Satisfaction
Quality
Efficiency/Reliability

- Planet

Greenhouse Gas Emissions
Waste Management
Product Circularity



We realize that the more we take care of our **people, partners and planet**, the more successful we will be. That is why we aim to continuously improve the sustainability lens we see our business through. From how we treat our employees to who we source our materials from, we will continue to work to integrate sustainability into all parts of our business. In identifying our top impact areas, we have rooted our sustainability strategy in the areas most important to our stakeholders. These impact areas drive our goals and targets. We also align these goals and targets with the **United Nations Sustainable Development Goals (UNSDGs)**. Our impacts are often local but we understand our goals are part of a much larger global effort. Therefore it's crucial that we continue to build our strategy with the UNSDGs so we can translate our local impact globally. Throughout this report our 10 Impact Areas coincide with 6 UNSDGs.



People. Partners. Planet.

At Arkay Packaging, we believe that increased profit and business longevity is the natural result of caring for our **people**, our **partners**, and our **planet**. We have set goals that engulf all three categories and that directly relate to our material impacts.

PARTNER GOALS

Provide reliable and innovative solutions to be effective partners for our customers and the communities in which we operate

PEOPLE GOALS

Ensure healthy and safe operations to improve employee retention

PLANET GOALS

Reduce all consumption metrics by 5%



People



of employees
230

Material Impacts:

Employee Health and Safety, Diversity and Inclusion, Employee Retention

Objectives and Metrics:

Retaining employees begins with creating a safe and desirable work environment and product offering. We will measure our progress to our goal through the on-going collection and tracking of:

- Turn Over Rates
- Lost Time Injury Rates (LTIR)
- Employee Satisfaction Surveys

Our survey responses give us insight into areas of improvement for our employees. We take these opportunities to gain insight seriously and prioritize change and improvement to the areas that our employees care about the most. Through consistent and regular surveying leading to actionable improvement, we hope to lower our Turnover and LTIR rates and close the gap between performance and goals.

"Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well."

OUR GOAL

Ensure healthy and safe operations to improve employee retention

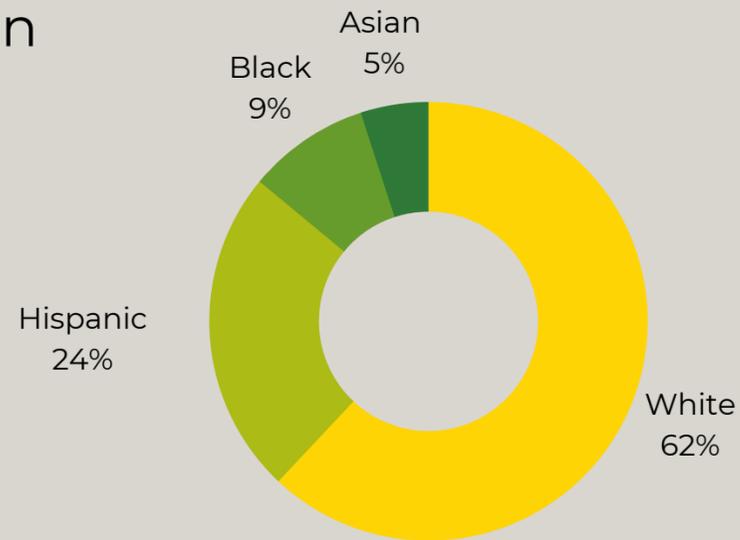
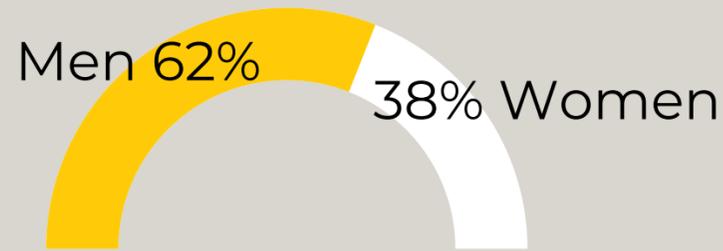
	2018 Baseline	2020 Target	2020 Performance	2022 Target
YTD Turnover <small>*See pg 11 for more context</small>	19.8%	15%	19.8%	15%
LTIR	0	0	0	0



Taking care of our People

Diversity

Arkay Packaging is committed to fostering, cultivating and preserving a culture of diversity and inclusion



Trainings

- Quality Assurance
- Environment, Health and Safety
- Ethics

Employee Benefits

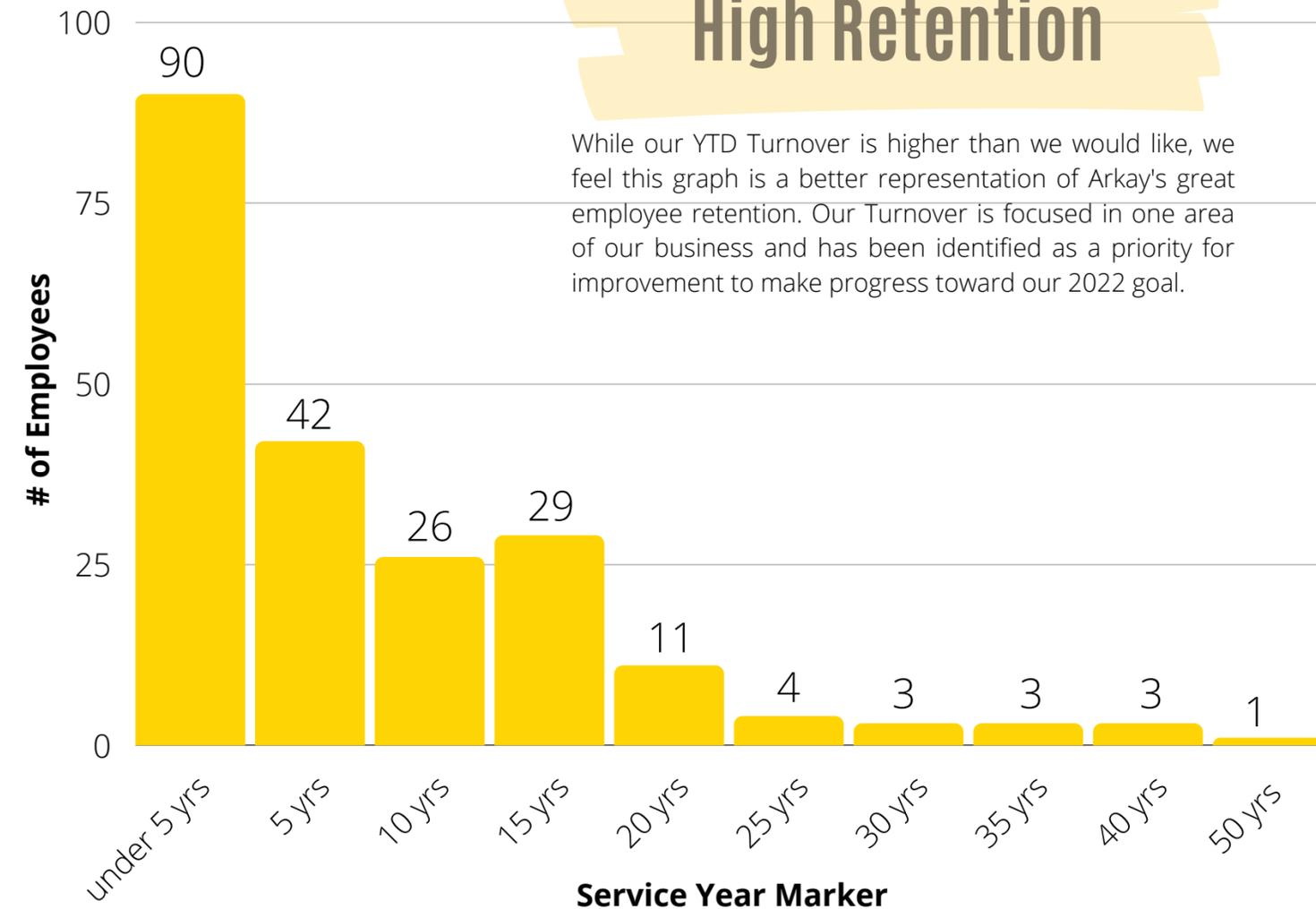
- | | |
|---|--|
| Unemployment Insurance | 401(k) Retirement Plan |
| Workers Compensation | Employee Assistance Program |
| Social Security Contributions & HSA | Competitive Pay* |
| Paid Holidays, Vacation, Sick | Voluntary Wellness Program with Incentives |
| Medical & Dental Insurance | |
| Group Life & Accidental Death and Dismemberment Insurance | |

*Wages vary from employee to employee and are based on level of skill and experience. Arkay conducts regular evaluations of all employees. We believe our compensation levels are competitive and tend to average higher than that of surrounding businesses and against industry standards.



High Retention

While our YTD Turnover is higher than we would like, we feel this graph is a better representation of Arkay's great employee retention. Our Turnover is focused in one area of our business and has been identified as a priority for improvement to make progress toward our 2022 goal.



Partners



Material Impacts:

Ethics and Integrity, Customer Satisfaction, Quality, Efficiency/Reliability

Objectives and Metrics:

We created our Supplier Code of Conduct in 2018 to be able to ensure that our Suppliers share our quality standards and our commitment to Ethics and Integrity. Our Code of Conduct outlines our required standards with Legal Compliance, Human Rights, Ethical Practices and Anti-Corruption, Labor Rights, Health and Safety, Environment, Freedom of Association and Communication. We also define our protocol for violations, non-compliance, corrective action and termination. Any potentially new supplier must demonstrate compliance before partnership can commence. Our 2022 Target is for 100% of our suppliers to have signed our code of conduct.

We invest in our local communities through routine donations and sponsorships to medical, academia, art organizations and various non-profits. Our Community Goal objective is to have more intentional charitable giving and volunteer efforts with a goal of spending more time volunteering with the local organizations in our community.

We are continuously innovating our product offering and production techniques so we can provide our customers with the best service time and time again. This is best represented through our investment in Research and Development. We absorb all costs that incur from working to satisfy our customers. We work directly with our customers to create products that meet their needs.

Customers, Suppliers and our Community

Our partners provide us with our resources and support our innovation. Our community is our sense of place, where we operate and where our employees live and work. We stay committed to the partners who drive us forward and the communities that we call home.

\$200,000+
spent in R&D
in 2020

OUR GOAL

Provide reliable and innovative solutions to be effective partners for our customers and the communities in which we operate.

of suppliers
106

	2018 Goal Set	2020 Target	2020 Performance	2022 Target
Suppliers	Created supplier code of conduct	Implement supplier code of conduct	96%	100%
Community	Total Donations	Track Donations	\$204,045.00	Same or more
Customers	\$ spent on R&D	Total R&D Numbers	\$200,000 +	\$200,000+

Our Supply Chain



Supporting Our Partners

Philanthropic Partners the *Fresh Air* fund serving children since 1877



Customer Satisfaction Through Innovation

"From the first day you [Arkey] walked into our office you presented yourselves like partners and everyone has lived up to that reputation, beautifully."

- Laura Slatkin, CEO Nest Fragrances

A great example of Arkey's innovation to meet customer satisfaction is our *Paint on Press* registered and trademarked technique which Arkey uses to reveal all of the true graphic possibilities contained within Arkey's customers' artwork. This innovative process and technique allows us to give our customers multiple options to consider before delivering a final product, resulting in a guaranteed satisfied customer whose expectations are surpassed.

Recently a long-term partner, Nest Fragrances, came to Arkey with a request to create a product using their test artwork and with specific material specifications. Arkey elected to utilize its *Paint On Press* process to develop multiple alternatives that would reveal all of the true possibilities contained within their graphic design, all at Arkey's expense. Arkey developed 18 versions to present to Laura Slatkin, CEO, and team at their NYC office including sustainable options which had not been part of the initial customer request.

Success! Laura and her team were impressed with the multiple options and chose a sustainable material option as it was the best opportunity for the brand's future. With a global push for environmentally sustainable materials throughout the packaging industry the NEST brand elected to lead therefore also allowing them to communicate the sustainability of their package to the entire market. By leveraging our trademarked technique Arkey was able to perform beyond Nest's expectations and help guide them towards their sustainability goals. Arkey is honored to be a partner to our customers in this way.



Planet



Material Impacts:

GHG Emissions, Waste Management, Product Circularity

Objectives and Metrics:

Customers no longer have to choose between a sustainable product and a high quality product. Through tracking and monitoring our energy usage, hazardous and non-hazardous waste, and emissions of our daily operations, we are able to make the commitment to reduce all consumption metrics by 5%.



Recycling and Waste Programs

Arkay utilizes InkFormulation software which controls exact supply for specific jobs and only bills Arkay for ink that is actually used for jobs. Any excess ink is recycled back into the inkroom. This reduces all ink waste in our production and cuts overall costs for one of our most important inputs.



Arkay moves an average of 2,100 tons of fiber per month! To ensure we are recycling properly Arkay implemented a robust **Recycling Management Program**. Our program maximizes the efficiency with which fiber waste is recycled by arranging its transport from plant to paper mill in a measurable, defined way on a daily basis. Through this program we saved \$150,000 in our first year working with "The Program" and increased our mill-direct shipments by 21%.



Reducing Energy Consumption with LED Lighting

In Arkay's ongoing pursuit of reducing energy consumption, our Roanoke plant is now 100% LED lighting: We have *literally lit it up*, shining a light on our dedication to sustainability and how seriously we take our role. Now our 140,000 square foot state-of-the-art Roanoke plant glows with all-LED lighting, a testament to our ongoing resolve to improve the ecosystem – and our mission to lead by example!



OUR GOAL

Reduce all consumption metrics by 5% by 2022

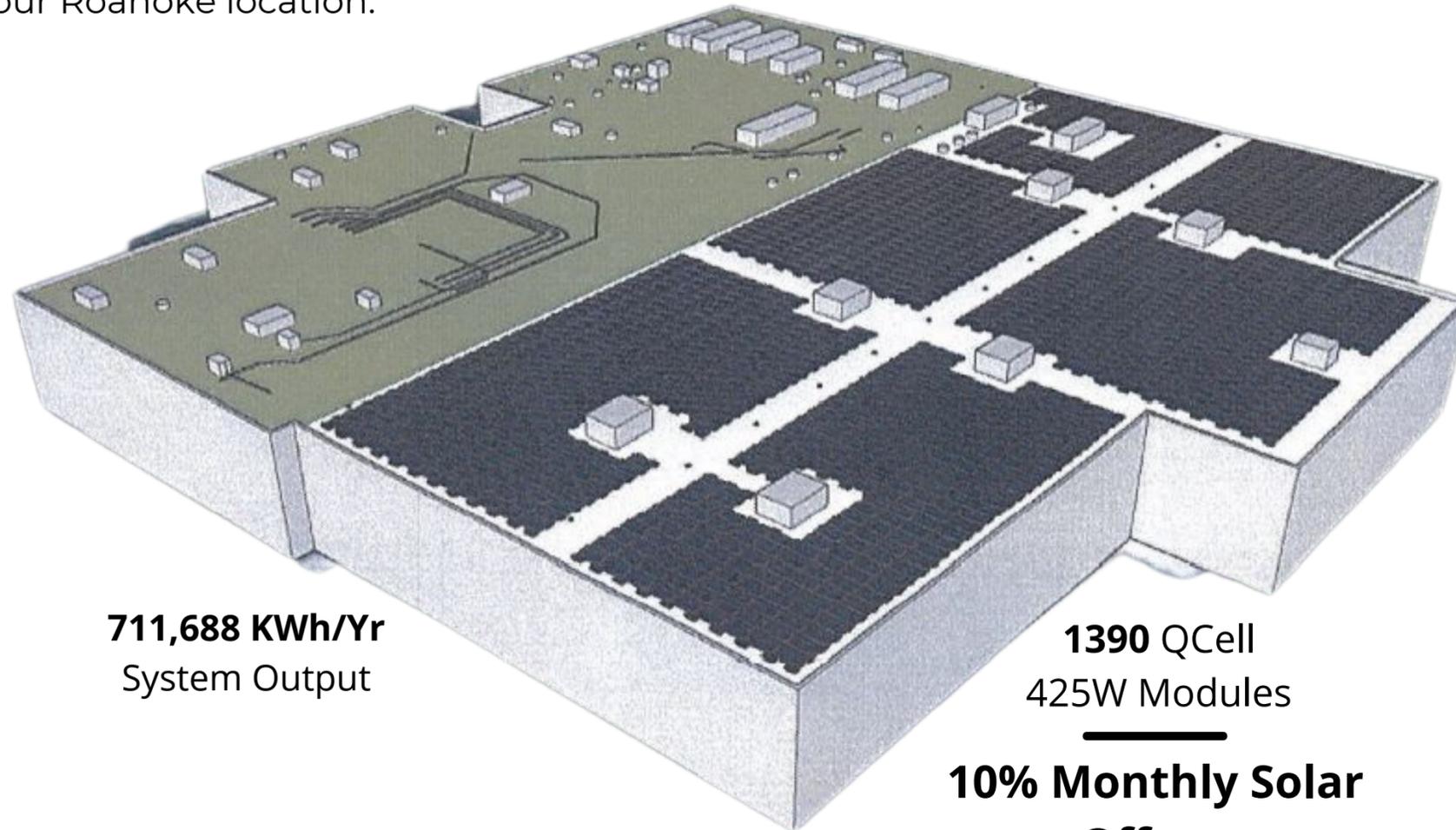
	2018 Baseline	2020 Target	2020 Performance	2022 Target
Energy	9,438.98MWh	8,967.03MWh	8,058.725 MWh	7,655.789 MWh
Hazardous Waste	11.6 tons	11.02 tons	13.62 tons	12.93 tons
Non-Hazardous	218.98 tons	208.031 tons	85.515 tons	81.24 tons
Emissions	Carbon neutral	Carbon neutral	Carbon neutral	Carbon neutral (with less offsets)



Going Solar

Clean Renewable Energy

This year we are installing a complete solar PV system onto our Roanoke location.



711,688 KWh/Yr
System Output

1390 QCell
425W Modules

10% Monthly Solar
Offset

We are excited to bring the benefits of commercial solar to our first location. The choice to go solar was an easy one with obvious benefits to our business, community and the planet. In less than 6 years we will have paid back the investment cost of the system. We'll immediately see an internal rate of return of 15.2% and over 25 years we expect to save over \$2 million in the cost of electricity. The environmental impact is just as compelling. Being less dependent on the grid and therefore requiring less fossil fuel energy translates to:

- ✔ Less air pollution
- ✔ Reduction of our carbon footprint
- ✔ Less water usage

Additional Benefits

Increased property value

Solar job creation

Tax Benefits

Sustainable business community



Appendix



Appendix

GRI General Disclosures

GRI #	Disclosure	Page/Response
102-2	Activities, brands, products, and services	Premier folding cartons / Wholesale
102-3	Location of headquarters	Hauppauge, New York
102-4	Location of operations	Roanoke, Virginia
102-5	Ownership and legal forms	Privately held
102-6	Markets served	Health & Beauty, Pharmaceutical
102-7	Scale of the organization	235 employees
102-8	Information on employees and other workers	Pg. 10, 11
102-9	Supply Chain	Pg. 12
102-10	Significant changes to the organization and its supply chain	Pg. 2
102-11	Precautionary principle or approach	N/A
102-12	External initiatives	N/A
102-13	Membership of associations	Pg. 4
102-14	Statement from senior decision-maker	Pg. 2
102-15	Key impacts, risks and opportunities	Pg. 5, 6, 7
102-16	Values, principals, standards, and norms of behavior	Pg. 2, 3
102-17	Mechanisms for advice and concerns about ethics	Policy and process are referenced in Employee Handbook
102-18	Governance structure	Pg. 5
102-19	Delegating authority	Pg. 5
102-20	Executive-level responsibility for economic, environmental, and social topics	Pg. 5
102-21	Consulting stakeholders on economic, environmental, and social topics	Pg. 6, 7
102-22	Composition of the highest governance body and its committees	Board of Advisors (industry experts, internal and external parties)
102-24	Nominating and selecting the highest governance body	Board of Advisors review and re-elect members every 2-3 years based on needs and stakeholder desires and input
102-25	Conflicts of interest	N/A
102-26	Role of highest governance body in setting purpose, values, and strategy	Board of Advisors regularly review ESG impacts, risks, and provide general guidance for business decisions and ways to advance the company and industry
102-27	Collective knowledge of highest governance body	Retail, Manufacturing, Forestry
102-28	Evaluating the highest governance body's performance	Regular review cycles (2-3 years)
102-29	Identifying and managing economic, environmental, and social impacts	a. Arkay participates in the EcoVadis supply chain Questionnaire which provides industry benchmarked sustainability ratings. Our EcoVadis scorecard demonstrates clear opportunity areas, risks and strengths as they related to ESG factors. b. Stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.



Appendix

GRI General Disclosures Cont.

GRI #	Disclosure	Page/Response
102-30	Highest governing bodies role is reviewing the effectiveness of risk management processes	Pg 5, During regular meetings, the Board of Advisors assesses risks related to safety, natural and human-caused disasters, sustainability, and supplier codes of conduct
102-31	Review of economic, environmental, and social topics	Pg. 5, 6, 7, 9, 10, 11, 12, 13, 14
102-32	Highest governance body's role in sustainability reporting	The members of the Sustainability Team include: Brian Hopkins (Corporate VP of Operations), Walter Shiels (Chief Operating Officer), John Sheridan (Corporate Direct-Quality Assurance), and Rhonda Justice (QA Data Coordinator)
102-33	Communicating critical concerns	N/A
102-34	Nature and total number of critical concerns	N/A
102-35	Remuneration policies	Pg. 11
102-36	Process for determining remuneration	Pg. 11
102-40	List of stakeholder groups	Pg. 6, 7
102-42	identifying and selecting stakeholders	Pg. 7
102-43	Approach to stakeholder engagement	Pg. 7
102-44	Key topics and concerns raised	Pg. 5, 6, 7
102-45	Entities included in the consolidated financial statements	The only entity is Arkay
102-46	Defining report content and topic boundaries	Pg. 6, 7
102-47	List of material topics	Pg. 7
102-48	Restatement of information	N/A
102-49	Changes in reporting	None
102-50	Reporting period	2020
102-51	Date of most recent report	2019
102-52	Reporting cycle	This is our second report since 2019
102-53	Contact point for questions regarding the report	John Sheridan (john.sheridan@arkay.com)
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core Option
102-55	GRI content index	Pg. 16
102-56	External Assurance	None



Appendix

Economic Disclosures

GRI #	Disclosure	Page/Response
205-2	Communication and training anti-corruption policies and procedures	All employees sign the Employee Handbook which covers anti-corruption policies and procedures. Additionally, 15 employees from different departments receive training specifically on ethics
205-3	Confirmed incidents of corruptions and actions taken	0 Incidents

Environmental Disclosures

GRI #	Disclosure	Page/Response
301-2	Recycled input materials used	20% of wood and wood-based products Arkay sources is recycled. 100% of the wood or wood-based products are FSC Certified
302-1	Energy consumption within the organization	8,058.725 MWh
302-4	Reduction of energy consumption	1,380.225 MWh reduction since 2018
303-5	Water consumption	1,003,757 gallons
304-3	Habitats protected or restored	Seneca Meadows Landfill (pg. 4)
305-1	Direct (Scope 1) GHG emissions	2.80 tons of CO2e
305-2	Energy indirect (Scope 2) GHG emissions	13,417.578 tons of CO2e
305-3	Other indirect (Scope 3) GHG emissions	7.008 tons of CO2e
306-3	Significant spills	0
307-1	Non-compliance with environmental laws and regulations	0



Appendix

Social Disclosures

GRI #	Disclosure	Page/Response
403-4	Worker participation, consultation, and communication on occupational health and safety	Pg. 5, 10, 11
403-5	Worker training on occupational health and safety	Pg. 5, 11
403-6	Promotion of worker health	Pg. 11
403-9	Work-related injuries	0 Days lost to work-related injuries, 0 LTI
403-10	Work-related ill health	0 Days lost to work-related ill health
404-1	Average hours of training per year per employee	0.22
404-3	Percentage of employees receiving regular performance and career development reviews	100%
405-1	Diversity of governance bodies and employees	20% of executive positions are held by women
406-1	Incidents of discrimination and corrective actions taken	0
411-1	Incidents of violations involving rights of indigenous peoples	0
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	0
417-2	Incidents of non-compliance concerning product and service information and labeling	0
417-3	Incidents of non-compliance concerning marketing communications	0
419-1	Non-compliance with laws and regulations in the social and economic area	0

