



Sustainability Report 2025



Table of Contents



Introduction.....03

Letter from the CEO 04

About Arkay..... 05

About this Report 06

Year in Review07

Sustainability Governance..... 08

Materiality10

United Nations Sustainable Development Goals..... 11



Environmental 12

Greenhouse Gas Emissions..... 14

Waste 16

Materials..... 18

Biodiversity and Deforestation ... 19



Social.....20

Employee Health and Safety..... 22

Inclusion and Belonging24

Human Rights.....26

Employee Retention27



Governance30

Sustainable Procurement32

Quality..... 34

Anti-Corruption36

Information Security 38



Appendix39

Additional Data..... 40

GRI Index41

AA1000 Assurance Statement.....47



CHAPTER

01

Introduction

Letter from the CEO

Dear Valued Stakeholders,

I very much appreciate your review of Arkay's latest Sustainability Report and Communication on Progress for the United Nations Global Compact. With Arkay's 103 years of expertise in customer service, innovation, product design, environmental awareness, and merchandising solutions, we take great pride in both our rich heritage and our accomplishments. To that end, I am pleased to present Arkay's 2025 sustainability performance.

Driven by our pursuit of excellence, we earned a Platinum medal from EcoVadis for a third consecutive year, positioning Arkay in the top 1% of companies worldwide for environmental and social responsibility. And for the second year in a row, Arkay has achieved a top tier AA+ safety and quality rating from the BRC Global Standard.

Our environmental stewardship is a key component of our sustainability program. We hold Forest Stewardship Council® (FSC®) and Sustainable Forestry Initiative® (SFI®) Certifications that affirm our commitment to sourcing materials from sustainably managed forests. Arkay takes a proactive approach to reducing greenhouse gas emissions, so we are proud to hold CarbonNeutral® status, which we achieved through our greenhouse gas reduction efforts and by purchasing carbon offsets and Renewable Energy Credits (RECs) in accordance with the CarbonNeutral® Protocol.

Our approach to sustainability includes looking after the health and well-being of all our employees. People are at the core of everything we do, and their safety comes first, which is why we have made it a priority to strengthen our health and safety measures to prevent workplace injuries and illnesses. In addition, we offer voluntary Wellness Programs designed to support the overall well-being of our entire staff. At Arkay, we know that a truly safe workplace is one where every employee feels included and valued, so – with that in mind – we continue our commitment to creating an environment where everyone feels a sense of belonging. We recognize and celebrate our team's diverse backgrounds, abilities, and identities, and ensure that respect and appreciation are the bedrock of our culture. Through initiatives like employee engagement events and service awards, we build a workplace where everyone can feel supported and motivated to succeed.

Our dedication goes beyond building a thriving workplace – we care deeply about making meaningful contributions to the Roanoke community, which we call home, and we are active in ways to offer our time and resources to local organizations that make a difference, including the Taubman Museum of Art, Virginia Western Educational Foundation and Virginia Western Community College, Miss Virginia Opportunity, Botetourt County Public Schools Education Foundation, Botetourt County Sheriff's Office, Roanoke Rampage Military Police and Fire Football Team, Opera Roanoke, Center in the Square, Jefferson Center, and the YMCA of Virginia's Blue Ridge.

As we continue to grow and strengthen our sustainability efforts, Arkay remains committed to the United Nations Global Compact's Ten Principles and the foundational values set by my grandfather, Max Kaneff, when he started this company in 1922: Quality, service, and respect.

We take great pride in the progress four generations of my family have made on our 103-year journey – and we remain driven by our passion and determination to push the boundaries of sustainable innovation. Our goal is not just to advance our initiatives, but to inspire and elevate the entire industry as we work toward a more sustainable future. Arkay is dedicated to consistently raising industry standards, and we are excited to continue to exemplify what it means to be a true leader in sustainable packaging.



Warm Regards,



Mitchell Kaneff
Chairman and Chief
Executive Officer



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, spirits, and pharmaceuticals sectors. Our value chain spans across the United States, Europe, and Asia.

Arkay helps bring your vision to life without the need to compromise beauty in pursuit of packaging that is environmentally and socially responsible. Our services give our customers confidence that their packaging solutions will be both stunning and sustainable.

About Arkay

The Arkay Difference

Our packaging sets the standard for excellence in both sustainability and aesthetics. Arkay meets any visual challenge using the most advanced technologies and works with a palette of decorative special effects.



EMBOSSING

Arkay can use single-level or multi-level embossing to add dimensionality to a package. When combined with other finishing techniques, we create a unique package for products—one that grabs the customer's attention.



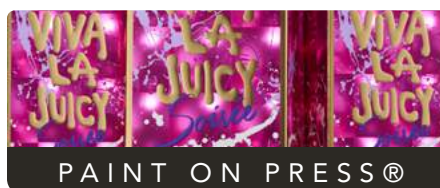
TEXTURED FINISHES

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

For over sixty years, Arkay has specialized in stamping, which involves applying a high-quality (often metallic) finish to an area of a carton. We can 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 in 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.

About this Report

Report Scope and Frequency

Arkay publishes a sustainability report annually. Unless otherwise noted, the information in this report applies to all Arkay facilities and employees and covers the period from January 1st, 2024, to December 31st, 2024.



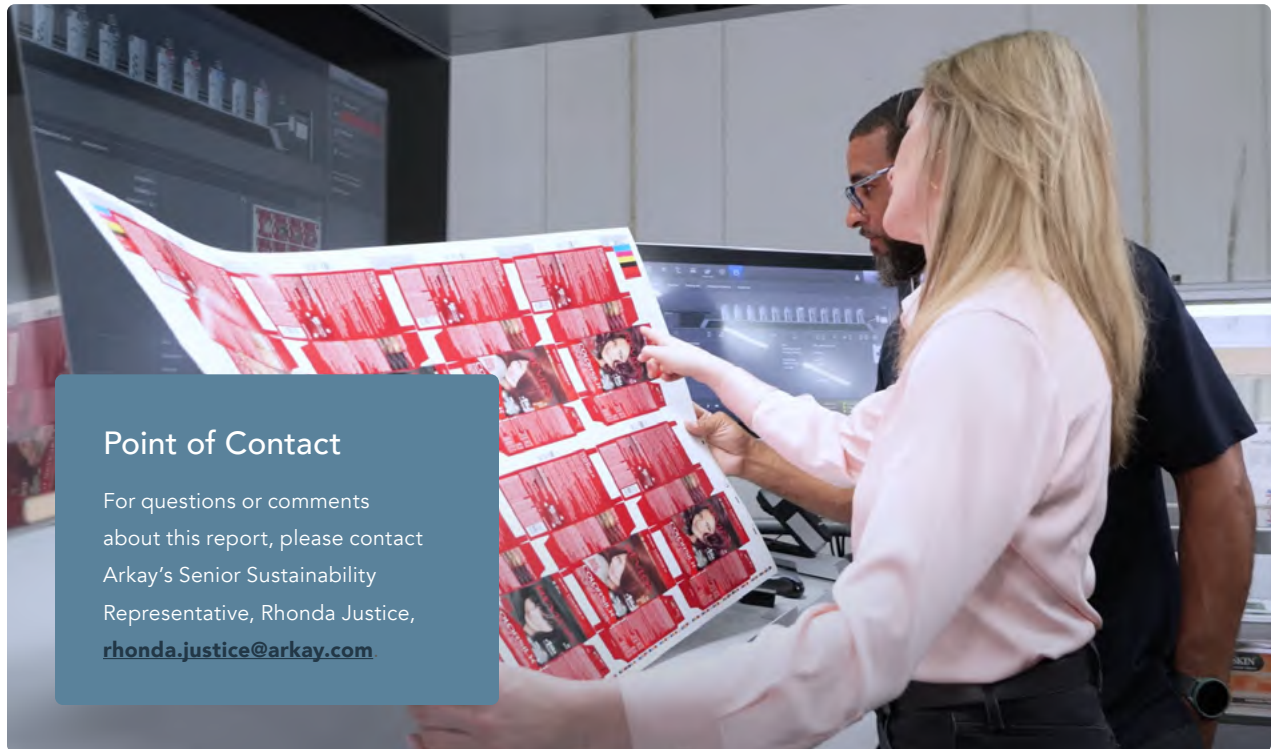
Report Alignments

Global Reporting Initiative

This report is prepared in accordance with the 2021 Global Reporting Initiative (GRI) Universal Standards. GRI is an independent international organization that sets the world's most widely recognized standards for sustainability reporting. A GRI Disclosure Index is included in the appendix of this report.

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the UN in 2015 as a set of 17 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. Additional information on our alignment to the SDGs can be found within the section United Nations Sustainable Development Goals, pg. 11.



Point of Contact

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

Year in Review



EcoVadis Platinum Medal

For the third consecutive year, Arkay achieved Platinum recognition from EcoVadis, the leading assessment for corporate sustainability performance. A Platinum rating positions us in the top 1% of the over 1.6 million companies screened across 175+ countries and 200 industries. We are proud of this accomplishment and look forward to continually improving our sustainability performance.

For more information on this accomplishment, see Sustainability Certifications and Awards, pg. 09.



Zero Tons of Hazardous Waste

Arkay met our goal of eliminating hazardous waste. This is a critical step in reducing our environmental impact and making our operations safer, as hazardous waste requires specialized handling and disposal. Eliminating it entirely means fewer risks for people and less strain on the environment.

For more information on how we achieved this see Waste, pg. 16.



CDP Score Improvement

We earned a CDP score of “B” in 2024—an improvement from our “C” score from 2023. CDP is a global disclosure system for investors, companies, cities, states, and regions to measure and report their environmental impact. We submitted to the CDP questionnaire to benchmark our progress and sustainability journey. Our score increase highlights the improvement of our sustainability practices and management of environmental impacts.

For more information on this accomplishment, see Sustainability Certifications and Awards, pg. 09.



New Quality Measures

In 2024, we launched the Internal Defects Program to track and analyze production issues. It has helped us pursue continuous quality improvements across all areas and will improve the quality of our operations.

For more information on how we achieved this, see Quality, pg. 34.



Sustainability Governance

Strong governance is fundamental to our operations, and we work to embed governance initiatives into our daily operations. An integral aspect of this is stakeholder engagement. Participation and valuable experience from our Executive Leadership Team, employees, customers, suppliers, and other key stakeholders inform and shape our sustainability strategy. Arkay's Sustainability Committee ("the Committee") has served as the primary governing body to manage and drive forward our sustainability strategy and program. The Committee is being re-evaluated and restructured in 2024 to best meet the Company's needs.

Our 2024 Sustainability Committee members included our Chief Communications Officer, Vice President of Operations, General Manager for the Plant, Human Resources Manager, Third-Party Consultant, Maintenance Manager, and Senior Sustainability Representative.

Our Senior Sustainability Representative oversees the integration of sustainability initiatives into daily operations and ensures that our day-to-day sustainability efforts are centralized and coordinated. Additional management responsibilities are delegated to other members of the Arkay team as deemed relevant and appropriate by the Committee.

Through quarterly management review meetings, the Committee defined the strategic direction of Arkay's sustainability program by:

-  Setting targets and objectives for material sustainability 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

Sustainability Certifications and Awards

EcoVadis

With our continuous participation in EcoVadis, the premier global provider of business sustainability ratings, we demonstrate our commitment to sustainability and transparency across our value chain. EcoVadis is a globally trusted third-party organization for assessing supply chain-focused environmental, social, and governance risk and performance. The assessment conducts evaluations of our company's impact across key areas of sustainability: environment, labor, human rights, ethics, and sustainable procurement.

Arkay is proud to have obtained a **Platinum rating** for the third consecutive year, an achievement that positions us in



the top 1% of the over 1.6 million companies screened across 175+ countries and 200 industries. This accomplishment is a testament to the strength of our sustainability efforts and our commitment to making it a core part of our business and daily practices.

As we celebrate this success, we stay focused on continually improving and setting new benchmarks and standards for our industry.

CDP

CDP is a global disclosure system for investors, companies, cities, states, and regions to measure and report their environmental impact. We submitted the 2024 CDP



questionnaire, reinforcing our commitment to sustainability and documenting our benchmarks and progress. We promote a culture of transparency in our impact on forest stewardship, water security, and climate resilience strategies. This commitment can be seen through our **B rating** on our CDP submission for 2024. For additional information on how we manage our environmental impacts, please refer to the section Environmental, pg. 12.

BRCGS for Packaging Materials

Arkay earned an **AA+ grade** from BRCGS for Packaging Materials, a respected authority on safety, quality, and operational standards for packaging companies. Achieving



the highest possible rating reflects our steadfast dedication to upholding exceptional product safety and quality. We are thrilled to share this recognition and remain focused on continuous improvement and excellence in our second century of business.

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 is third-party certified 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 international non-profit, non-governmental organization dedicated to promoting sustainable forest management. Our management system successfully attained third-party certification, meeting the chain of custody requirements 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 GHG emissions using high-quality, market-based instruments in accordance with the CarbonNeutral® Protocol.



Materiality

2024 Materiality Assessment Update

As the sustainability landscape evolves, Arkay recognizes the importance of regularly revisiting our priorities to address emerging challenges and opportunities. In 2024, we partnered with a third-party consulting firm to refresh our materiality assessment, engaging stakeholders such as select suppliers, peers, executive leaders, and department representatives through interviews and desktop research. This process also included a mapping exercise to evaluate how Arkay both influences and is influenced by economic, environmental, and social factors. This approach reflects our commitment to being adaptable and forward-thinking in a dynamic world.

In alignment with the Global Reporting Initiative (GRI), we prioritized material topics by assessing their impact. As a result, our list of material topics now includes Energy, Materials, Biodiversity and Deforestation, and Supply Chain Engagement. Topics like Customer Satisfaction, Ethics and Integrity, and Efficiency and Reliability, which are relevant across various impact areas, have been integrated into broader categories rather than standalone topics.

Arkay's material topics, as identified in our 2024 materiality analysis, include:

- **Environmental:** Greenhouse Gas Emissions; Waste; Materials; Biodiversity and Deforestation
- **Social:** Employee Health & Safety; Inclusion & Belonging; Human Rights; Employee Retention
- **Governance:** Sustainable Procurement; Quality; Anti-corruption; Information Security



United Nations Sustainable Development Goals & Global Compact

The UN Sustainable Development Goals (UN SDGs) and Global Compact are important to us as they guide our commitment to responsible business practices, sustainability, and contributing positively to global challenges.

UN SDGs

The UN SDGs are a global framework that addresses key challenges such as poverty, inequality, climate change, and environmental degradation. These goals provide a shared vision for a more sustainable and equitable future.

In 2024, Arkay continued working diligently to contribute to the following UN SDGs:

UN Global Compact

Since 2019, Arkay has been a proud participant in the UN Global Compact, a voluntary initiative that encourages businesses to align their operations with 10 universally accepted principles in human rights, labor, environment, and anti-corruption.

8 DECENT WORK AND ECONOMIC GROWTH



Goal 8 – Decent Work and Economic Growth

Arkay's employee health and safety program and focus on operational diligence support target 8.8 by protecting labor rights and creating safe working conditions for all employees. In addition, our focus on gender equality and the protection of human and labor rights advances target 8.5, which seeks to achieve full, productive employment for all women and equal pay for equal work by 2030. For more information, please refer to the section Social, pg. 20.

10 REDUCED INEQUALITIES



Goal 10 – Reduced Inequalities

Arkay's diversity and inclusion initiatives, including a gender pay gap analysis, contribute to target 10.2, which aims to "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 by 2030." For more information, please refer to the section Inclusion and Belonging, pg. 24.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Goal 12 – Responsible Consumption and Production

Arkay's 94% diversion from landfill rate in 2024 demonstrates our contribution to target 12.2: "by 2030, achieve the sustainable management and efficient use of natural resources." For more information, please refer to the section Waste, pg. 16.

13 CLIMATE ACTION



Goal 13 – Climate Action

Arkay is committed to target 13.3, which aims to "improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning," is demonstrated through our actions such as submitting to CDP, monitoring our GHG scope 1, 2, and 3 emissions, setting a science-based GHG reduction target, and maintaining CarbonNeutral® status. For more information, please refer to the section Greenhouse Gas Emissions, pg. 14.



CHAPTER

02



Environmental



GOAL

Provide sustainable products that minimize negative impacts on the environment by addressing key areas of environmental impact, such as greenhouse gas emissions, waste management, and the end-of-life of our products.

Environmental

TARGETS

Our targets outline Arkay's commitment to sustainable environmental practices and our efforts to reduce our ecological footprint. Setting clear, measurable environmental targets is fundamental in having a positive impact and ensuring we contribute positively to global sustainability goals. These targets reflect our dedication to addressing key environmental challenges and helping guide operational decisions.



Greenhouse Gas (GHG) Emissions

The Science Based Targets Initiative (SBTi), a corporate climate action organization that defines and promotes best practices in emissions reductions and net-zero targets in line with climate science, approved these targets.

- **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 by 90% by 2045 from a 2022 base year. Arkay commits to net-zero greenhouse gas emissions by 2050



Waste

- By the end of 2025, achieve 95% of waste diversion
- By the end of 2025, reduce hazardous waste to less than 0.05% of our total waste



Materials

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



Greenhouse Gas Emissions

Arkay's Executive Team oversees strategies and addresses associated risks across the organization.

The Sustainability Committee and Senior Sustainability Representative manage the impacts of climate change on our business.

We incorporate climate-related risks and opportunities into our operational planning and strategic decisions. The Executive Team reviews and updates these risks and opportunities and communicates changes to the Chairman and CEO.

SBTi Targets

Climate change is transforming the environment, presenting immediate and long-term challenges for our business and the global economy. Rising temperatures alter precipitation patterns, and more extreme weather events are exacerbating existing risks and introducing new ones. Acknowledging the importance of these changes, we prioritize managing GHG emissions to mitigate our impact, adapt to changing conditions, and support worldwide efforts to combat climate change.

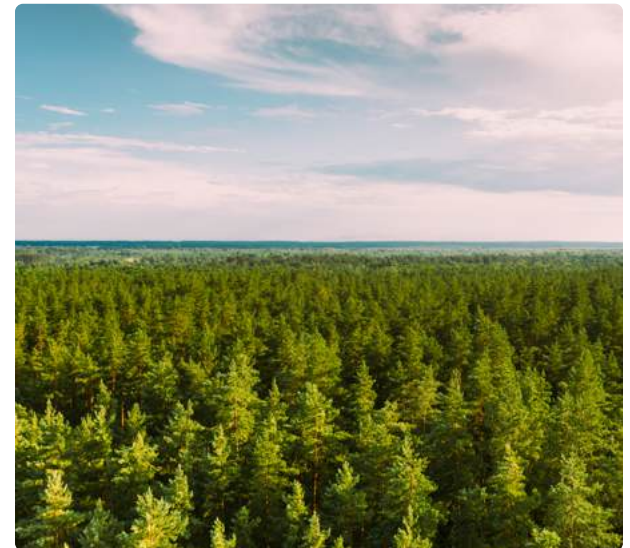
After surpassing our 2022 goal of a 5% reduction from our 2018 baseline in scope 1 and 2 GHG emissions, our Sustainability Committee took the opportunity in 2023 to set even more ambitious targets, leveraging the requirements set by SBTi, a widely recognized framework for corporate climate action, providing companies with a clear framework

to ensure their GHG reduction goals are based on the latest scientific standards. In 2024, our targets were approved by SBTi, confirming that they are grounded in science to contribute to the critical goal of limiting global warming to 1.5°C, as outlined in the Paris Agreement. Our GHG emissions reduction targets are detailed earlier in this section.

Achieving SBTi approval for our targets represents a key milestone. Fully aware of the urgency of the global climate crisis, we are determined to take the necessary steps to contribute to a sustainable future for generations to come.

TARGETS

- **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



HVAC and Roofing Upgrades

This year, we took important steps to enhance energy efficiency and sustainability with upgrades to our heating, ventilation, and air conditioning (HVAC) systems and roofing. By installing new high-efficiency HVAC units, we are using energy more effectively while maintaining a comfortable environment year-round. These modern systems help optimize performance and contribute to a more sustainable operation.



Another key improvement was the installation of a new white roof, replacing the previous ballasted design. The reflective surface helps reduce heat absorption during the summer months, lowering the demand for air conditioning. Additional insulation improves heat retention in the winter, leading to greater energy efficiency.

Performance

We disclose several climate-related metrics in line with GRI, the Task Force on Climate-Related Financial Disclosures, and CDP. These metrics include annual reporting on scopes 1, 2, and 3 GHG emissions, energy use, water withdrawal, and waste.

We are proud to announce that we saw a 10% reduction in our total emissions, seeing a decrease in emissions in each scope. The main cause for our emissions reduction was a decrease in emissions in our scope 3 category 1, purchased goods and services.

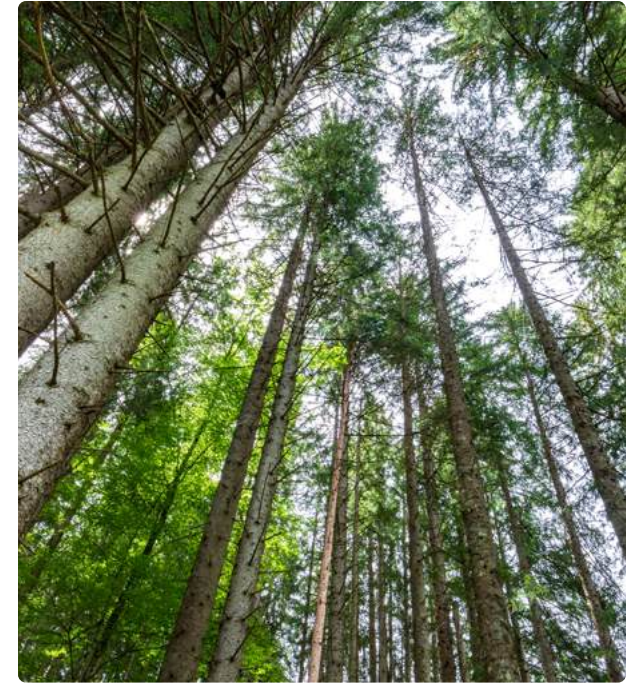
Annual Energy Consumption

	Unit	2022	2023	2024
Purchased Electricity	kWh	6,969,928	7,160,288	7,289,908
Purchased Fuel	Gallons	10,578	27,769	29,390
Natural Gas	Therm	20,952	21,253	23,815
Refrigerants	Pounds	NR	39	47.5

Annual Scope 1, 2, and 3 Location-Based GHG Inventory

Year	Scope 1	Scope 2 (Location-Based)	Scope 3
2018	211	4,798	NR
2019	220	4,405	NR
2020	251	3,452	NR
2021	179	3,292	NR
2022	219	3,331	12,825
2023	307	3,272	18,949
2024	467	3,035	17,392

NR=Not reported



Accuracy in our Air Emissions Reporting

Arkey conducted an internal audit of coatings in 2024 and adjusted our operations to optimize material purchasing. As part of our emissions tracking, once materials are purchased, we account for their full usage and incorporate them into our volatile organic compounds (VOCs) calculations. By refining our purchasing process and returning products that would not be utilized in our operations, we were able to report more accurate emissions. This process allowed us to be more intentional about what we bring into our operations and helped us avoid unnecessary waste as well.



Waste

Resource efficiency is fundamental to our business strategy because it reduces costs and waste and aligns with UN SDGs. By minimizing waste, we can decrease our environmental impact and promote circular economy practices across our operations to extend the lifecycle of materials.

TARGETS

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

Diversion and Reduction

We have set diversion and reduction targets to reduce our environmental footprint. To track our progress, we use a centralized system that monitors and reports all waste, including hazardous materials. Through ongoing tracking and mapping of our waste streams onsite at our manufacturing facility, we identified three primary types of waste from our operations: municipal/solid waste, liquid waste (including hazardous and nonhazardous), and recyclable materials.

At our manufacturing facility, our municipal waste is managed by the county's waste services. We primarily recycle paper and folding cartons, working with a local recycling company focusing on reintroducing these materials into the economy. Additionally, a third-party Environmental Health and Safety (EHS) consultant conducts bi-weekly inspections at our facility to ensure proper waste segregation and disposal, aligning with our commitment to sustainable waste management practices.

Performance

Waste Breakdown and Diversion Summary for Manufacturing Facility (2022-2024)

Year	Hazardous Waste		Non-Hazardous Waste		Landfilled Waste		Waste Diverted from Landfill		Total Waste
	Tons	Percent	Tons	Percent	Tons	Percent	Tons	Percent	Tons
2022	4	.08%	5,241	99.92%	416	8%	4,829	92%	5,245
2023	0.18	.01%	5,287	99.99%	326	6%	4,961	94%	5,287
2024	0	0%	5,098	100%	306	6%	4,793	94%	5,098

Scope: This waste represents the waste generated from our manufacturing facility in 2024. Data is tracked based on pickup frequency and container size.

Hazardous Waste Management

In 2024, we prioritized waste handling by integrating it into our new hire orientation, equipping employees with the knowledge needed to contribute to Arkay's waste management efforts. We expect to finalize this training by early 2025, enabling all future employees to contribute to our environmental efforts from day one.

This year, Arkay achieved our hazardous waste reduction target, aiming for less than 0.05% and closing out the year with 0%. In the event that hazardous waste is created, we have protocols in place for managing hazardous waste, including employee training, proper sorting and labeling, emergency preparedness, and a systematic disposal process. We have a dedicated satellite area at the point of hazardous waste generation and a Hazardous Waste Storage Area, where all drums have strict volume and time limits, clearly dated and labeled with yellow hazardous waste labels. Our established hazardous waste handling procedures are fully outlined in our Safety Manual and adhere to the guidelines set forth by the Resource Conservation and Recovery Act (RCRA).



Downstream Waste Management

In preparation for 2025, Arkay is focused on directly providing recyclability information to at least 50% of our key customers, empowering them to make informed, environmentally conscious choices when they finish with our products. This goal builds on efforts initiated in 2023, when we laid the foundation for improving transparency and communication around product recyclability. Resources such as information on how to recycle our products, available in the sustainability section of our website, and Arkay's End of Life Policy support our progress toward this goal.

As part of our commitment to achieve 95% waste diversion from landfills by 2025, Arkay implemented new standard operating procedures to describe a safe and identifiable procedure for banding scrap and waste materials to be placed on exporting trucks. These procedures have improved waste separation practices and strengthened our waste diversion efforts.

Additionally, Arkay has collaborated closely with managers to develop new processes for product development and testing options. Through a review of processes, we identified that this step within a product lifecycle can produce unnecessary waste. These new processes have optimized material usage and reduced waste generated during testing. By leveraging knowledge of waste management within our team, our managers have gained a stronger understanding of how products such as ink and coatings are introduced for testing and how to minimize waste by optimizing material usage more effectively.



Materials

To support sustainable resource management and contribute to long-term environmental health, we continued to source paperboard from mills certified under the leading global sustainable forestry chain of custody certification systems¹ and produced within an ISO 9001-, ISO 14001-, and ISO 45001-certified mill in the United States. Our commitment to sourcing responsibly is part of our contribution to mitigating our operations' impact on the environment and communities.

T A R G E T

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

Looking ahead, Arkay remains focused on advancing our data collection to comply with GRI's requirements. We aim to develop systems to track and report the total weight or volume of materials used in our packaging products, distinguishing between renewable and non-renewable materials. We will also monitor recyclable and reclaimed materials in our production process. Although this data was not available during this reporting period, we are working to gather the necessary information to support these disclosures in the future.



Performance

	2022	2023	2024
Metric Tons of Triple-certified Paperboard	NR	1,229	1,739
Metric Tons of Certified* Paperboard Purchased	NR	NR	9,350
Number of Wood or Wood-Based Products/Materials Produced	10	10	10
Number of Certified* Wood or Wood-Based Products/Materials Produced	10	10	10
Number of Recycled Content Wood or Wood-Based Products/Materials Produced	2	2	2

*The following certified products/materials are included in this calculation: tonnage FSC certified, tonnage SFI certified, tonnage PEFC certified, other certifications
NR=Not reported

1. Materials certifications include the Forest Stewardship Council® (FSC®-C014955), the Sustainable Forestry Initiative® (SFI®) program, and the Programme for the Endorsement of Forest Certification (PEFC/29-31-10).



Biodiversity & Deforestation

Arkay is committed to preserving and restoring biodiversity. Our manufacturing facility in Roanoke, Virginia, covers approximately 122,000 square feet. While our direct operations have a minimal impact on local biodiversity, we acknowledge the potential environmental effects of our supply chain, particularly concerning deforestation. Therefore, we take seriously our responsibility to make sustainable procurement decisions to ensure that we protect our natural resources.

We contribute to biodiversity efforts through our offset purchasing efforts. Through these efforts we were able to contribute to the reforestation of the Savannah Grasslands in Vichada near the Orinoco River, Colombia. The objective of the project is to restore and stabilize

a currently fragile ecosystem through planting timber trees such as acacia, pine, and eucalyptus that can support local native wildlife habitats, improve soil quality, conserves water, and contributes to climate change mitigation. [Learn more about the project here.](#)



Performance

	2020	2021	2022	2023	2024
Biodiversity Incidents Reported	0	0	0	0	0

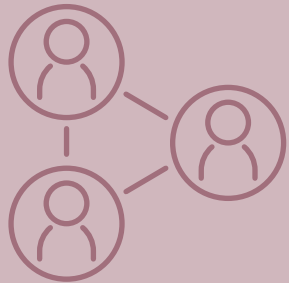


CHAPTER

03



Social



GOAL

Ensure healthy and safe operations to improve employee retention and engagement.

Social

TARGETS

At Arkay, we prioritize our employees' health, safety, and well-being as a key aspect of our sustainability efforts. By promoting a safe and supportive work environment, we aim to improve employee satisfaction and engagement. In 2024, Arkay continued to work toward our 2025 targets, reflecting our commitment to ensure that our employees are protected and empowered to thrive.



Employee Health & Safety

- By the end of 2025, achieve an annual zero Lost Time Injury Rate (LTIR).



Inclusion & Belonging

- By the end of 2025, ensure 100% of HR staff are trained in inclusion and belonging.
- By the end of 2025, ensure a living wage analysis has been conducted for 100% of full-time employees.



Human Rights

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



Employee Retention

- Reach a 25% annual turnover rate by end of 2025.
- By the end of 2025, achieve an average of 5 hours of training (including job-specific training and safety training) per year per employee.





Employee Health & Safety

At Arkay, the health, safety, and well-being of our employees are at the core of our operations. We prioritize creating a safe work environment where every team member is supported and protected. Our Occupational Health and Safety Management System covers all employees and contractors, verifying that our safety measures are in place.

T A R G E T

- By the end of 2025, achieve an annual zero Lost Time Injury Rate (LTIR).

We integrate safety practices into our daily operations to ensure that employees have the necessary knowledge. Our Safety Committee plays a key role in continuing to improve our safety protocols and encouraging a safety-first mindset through active employee participation and education. Mandatory safety training during orientation, along with health and safety procedure documents, ensures that team members can easily access and understand our safety protocols.

Continuing our efforts from 2023, we hold monthly health and safety meetings with department managers to discuss different safety topics, including reviewing third-party safety reports prepared for Arkay and Occupational Safety and Health Administration (OSHA)-related updates. Additionally, we have strengthened communication across all levels by emphasizing to our managers the importance of health and safety discussions through our weekly Toolbox Talks. Manager safety meetings have been instrumental in keeping employees informed, serving as an effective way to communicate and reinforce important safety messages.

If time-sensitive health and safety information needs to be shared, Arkay ensures it is communicated swiftly and effectively. We recognize the importance of clear health and safety communication in safeguarding our employees. That is why we also provide versions of our communications in Spanish and other main languages, making them accessible to all team members.

The Emergency Medical Services Strategic Planning Forum Initiatives

Arkay's General Manager of the Roanoke Division, John Sheridan, participated this year in the Emergency Medical Services Strategic Planning Forum for Future Initiatives, organized by the Botetourt County Department of Fire & Emergency Medical Services. The forum resulted in the development of the department's first strategic plan, marking a significant achievement. Arkay values community involvement, and John's participation reflects our commitment to supporting

local initiatives that strengthen public safety and emergency response planning.



John Sheridan

Safety

At Arkay, we prioritize the safety and well-being of our employees by offering personal protective equipment (PPE) to address potential workplace hazards. Our production areas involve potential risks such as harmful noise levels from machinery, exposure to chemicals during operational processes, and laceration hazards associated with manual tasks. To mitigate these risks, we implement the following safety measures:

- Hearing Protection:** In accordance with our Hearing Conservation Policy, we supply our employees with earplugs, which are required in production areas to effectively mitigate risks associated with harmful noise exposure. We also provide machine guards to reduce noise and further protect our employees.
- 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 transferring and handling chemicals.

These practices, including machinery handling protocols and hazardous waste management training, are key actions we take to manage and mitigate the safety risks our employees may encounter. To measure the effectiveness of our safety program, we conduct regular internal audits, host bi-weekly

site inspections with an external EHS consultant, and perform routine preventive maintenance on our equipment.

In the rare event of a workplace accident, our accident investigation protocol is initiated by the relevant supervisor. This includes implementing temporary controls, reviewing equipment and processes, and interviewing witnesses. The supervisor completes an investigation report, which is submitted to the EHS consultant within 24 hours, implementing corrective actions to prevent incidents from reoccurring. Our protocol is fundamental to continually improving our safety practices.

Performance

Our year-over-year safety performance demonstrates our commitment to maintaining a safe workplace. In 2024, we decreased our health and safety incidents to zero, eliminating incidents in our key tracking metrics.

Year-Over-Year Safety Performance

	2020	2021	2022	2023	2024
Total Lost Time Injury (LTI) Events	0	2	0	1	0
Total Number of Lost Days Due to Injury	0	1	0	45	0
LTI Frequency Rate for Direct Workforce ²	0	5.12	0	1.93	0
LTI Severity Rate for Direct Workforce ³	0	<1	0	0.09	0
Total Number of Work-Related Cases of Ill Health	NR	NR	NR	0	0

2. LTI Frequency Rate = ([Number of lost time injuries in the reporting period] x 1,000,000) / (Total hours worked in the reporting period)
3. LTI Severity Rate = (Total Lost Workdays / Total Hours Worked) * 200,000
NR=Not Reported



Employee Wellness

In addition to safety measures, we offer a voluntary wellness program, which includes annual physicals, wellness activities, and monthly newsletters with health tips and recipes. By creating a culture of well-being, we aim to support our employees both physically and mentally, arriving at work confident and ready to contribute to a safe, productive environment.



Inclusion & Belonging

Our culture of inclusion and belonging creates a thriving community because our strength lies in the diverse backgrounds, experiences, perspectives, and talents of our people. We integrate inclusion and belonging principles into our core values and organizational culture, as seen through our Equal Employment Opportunity (EEO) Policy and complaint process.

T A R G E T S

- By the end of 2025, ensure 100% of HR staff are trained in inclusion and belonging
- By the end of 2025, ensure a living wage analysis has been conducted for 100% of full-time employees

At Arkay, we are committed to creating a secure environment where employees can report discrimination or harassment without fear of retaliation. When a report is made, we thoroughly investigate the matter and respect the privacy of all parties. Should the investigation find a breach of company policies, immediate and appropriate corrective steps will be taken to address the matter. Reflecting our commitment to fostering respectful communication and inclusive collaboration, we are pleased to report that no incidents of discrimination were reported in 2024.

Arkay set the target to have all our HR staff undertake inclusion and belonging training by the end of 2025, and we are proud to report that we have met this target. One hundred percent of our HR staff completed inclusion and belonging training, which covered topics to educate our staff on how to cultivate an inclusive and welcoming environment for all employees. This effort empowered our HR professionals to promote diversity and implement inclusive strategies across recruitment, employee retention, and talent development.



Supporting Hispanic Artists

Arkay is proud that our CEO, Mitchell Kaneff, co-chaired the Hispanics in Art opening exhibit at the Parrish Art Museum in Water Mill, New York. The exhibit celebrated the contributions of Hispanic artists, including the work of his grandmother, Annette Nancarrow, who, although American, lived and worked for most of her life in Mexico. Supporting diverse artistic expression and cultural heritage aligns with company values, making this event a meaningful way for our CEO to celebrate inclusivity and creativity.



Performance

Employee and Leadership Demographics

		2021	2022	2023	2024
2024 Employees	Total	242	248	260	265
	Female	88	97	104	105
	Minority	145	160	160	163
New Hires	Total	114	155	156	154
	Female	50	76	61	60
	Minority	53	79	78	78
Leadership	Total	9	9	8	8
	Female	2	2	1	1
	Minority	0	0	0	1

Percentage of HR Staff Trained in Inclusion and Belonging

2022	2023	2024
0%	100%	100%

Reported Incidents of Discrimination and Harassment

	2022	2023	2024
Number of Incidents of Discrimination Reported	0	0	0
Number of Harassment Incidents Reported	0	0	0



Human Rights

As a signatory of the UN Global Compact, Arkay is committed to upholding internationally recognized human rights standards, including the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In line with these commitments, we have instituted policies that address prohibiting child labor, forced labor, modern slavery, and human trafficking in our workplace and supply chain.

T A R G E T

- By the end of 2025, 100% of the procurement team will be trained in preventing child labor, forced labor, and human trafficking

Our zero-tolerance stance enshrines our commitment that no individual or entity within Arkay's operations engages in, supports, or benefits from such human rights violations.

To enforce this policy, Arkay has implemented measures, such as age verification procedures during the hiring process, to combat child labor, forced labor, and human trafficking. Our Whistleblower Policy empowers stakeholders to report any instances of misconduct, including concerns about child or forced labor. These measures emphasize our commitment to transparency and accountability. Moreover, as part of our commitment to providing specialized training for procurement team members on the prevention of child labor, forced labor, and human trafficking by 2025.

Performance

	2022	2023	2024
Number of Confirmed External Human Rights Issues	0	0	0
Percent of Procurement Team Trained in Child Labor, Forced Labor, and Human Trafficking	0%	50%	0%
Percent of Suppliers at Significant Risk for Incidents of Child Labor, Forced Labor, or Compulsory Labor	NR	0%	0%

NR=Not Reported

Safeguarding Human Rights Through Internal Audits

In 2024, we strengthened our commitment to combating child and forced labor by implementing additional safeguards, such as impact assessments, internal audits, and stronger due diligence procedures. Within the calendar year, we conduct impact and risk assessments focused on identifying potential risks related to child labor, forced labor, and human trafficking across our operations. These assessments are intended to identify potential issues and provide corrective actions to address them. Our internal audits evaluate the effectiveness of existing policies and controls, addressing potential gaps or weaknesses.



Employee Retention

At Arkay, we believe our people are the driving force behind our success. We are committed to creating an environment where individuals can thrive, grow, and contribute their talents over the long term. With a history spanning over 100 years as a family-owned business, Arkay's success is a testament to the positive, supportive workplace culture we actively nurture, which recognizes and rewards our employees' hard work and loyalty.

In 2024, our employee turnover rate was 25.3%, slightly above our target of 25%. To improve this further, we are refining our hiring processes by improving our pre-screening practices and reviewing entry-level compensation to retain talent. At Arkay, we are fully committed to nurturing an environment where our employees can grow, feel valued, and contribute to our collective success.

This year, our Roanoke team recently came together for a summer BBQ, enjoying great food, laughter, and recognition for their hard work. Arkay's CEO Mitchell Kaneff highlighted the team's dedication to quality and presented service awards to employees celebrating milestones of 10, 15, 20, and even 50 years. The event was a meaningful way to show appreciation for our employees, whose loyalty and commitment continue to shape our success.



T A R G E T S

- By the end of 2025, lower the annual turnover rate to 25%
- By the end of 2025, achieve an average of five hours of training (including job-specific training and safety training) per year per employee

To recognize and value our employees, we also focus on initiatives that support long-term retention and engagement. Arkay offers an employee referral program that rewards both the referring employee and the new hire. Upon joining our team, each receives a \$500 bonus as a token of appreciation. To encourage long-term engagement, an additional \$500 is awarded to both employees after the new hire completes one year with us. This referral program has been highly successful, with 62% of employees benefiting from it.

Arkay’s goal was to complete a living wage analysis for all our full-time employees by 2025. In line with our commitment to equitable pay across the organization, we successfully collaborated with an independent third party to conduct a Living Wage and Gender Pay Gap Analysis. In 2024, we completed our analysis, and the Arkay team has reviewed the findings to identify our next steps, which include identifying opportunities for closing gaps, conducting annual recalculations to track year-to-year trends, and encouraging the hiring and promotion of women in leadership positions.

Training

We are pleased to announce that we have achieved our goal of providing an average of five hours of training per employee annually, well before the end of 2025. This training encompasses both job-specific skills and safety protocols. We now aim to have 6-10 hours of training per employee annually. This investment in training ensures that our team remains agile, knowledgeable, and well-equipped to support our long-term objectives. In addition, we have a New Hire Orientation conducted by our Talent Acquisition Specialist.

We offer the following benefits package designed to support the well-being of our employees:

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

It encompasses job-specific skills and safety protocols in preparation for their new role with Arkay.

Moreover, we prioritize the growth and development of our employees, focusing on building their skills and expertise to create a culture of continuous improvement. Arkay values the time and effort our experienced operators put into training new team members. To show our appreciation, we offer a \$2,000 bonus to our current operators who train a new operator, which we pay after the standard six-month

training period. We recognize that training is a complex and time-intensive process, and we want to acknowledge and reward the commitment our employees make to supporting new hires.



Arkay is proud to recognize the success of our Roanoke team for their four sessions of Arkay’s Fire Extinguisher Onsite Training. We strongly believe in putting safety first, and our teams carry these values in the workplace and beyond.

Partnering with the American Red Cross

Through our commitment to SDG13—Climate Action, we recognize the increasing frequency and severity of wildfires, which remind us of the urgent need for climate change mitigation. In response to the devastating fires in California, which have destroyed homes, livelihoods, and entire communities, Arkay partnered with the American Red Cross to support relief efforts. We encouraged our community to join us in donating and helping to alleviate the suffering caused by these disasters.

Performance

	2020	2021	2022	2023	2024
Employee Turnover Rate	20%	12%	58%	25%	25%

Annual Employee Training Metrics

	2021	2022	2023	2024
Total Training Hours	414	412	1,560	360





CHAPTER

04



Governance



GOAL

Provide sustainable products that minimize negative impacts on the environment through effective governance practices.

Governance

TARGETS

Arkay is committed to strong governance practices that drive accountability and transparency across all operations. By establishing objectives, we ensure that our actions align with global standards and contribute to the success and integrity of our organization. These governance targets guide our decision-making process and dedication to maintaining ethical practices while effectively addressing the challenges we face.



Sustainable Procurement

- By the end of 2025, 100% of contracted suppliers will acknowledge our Supplier Code of Conduct & 50% of targeted suppliers will complete our Quality and Sustainability Supplier Questionnaire



Anti-Corruption

- By the end of 2025, ensure 100% of full-time, salaried employees from the Purchasing, Human Resources, Sales and Customer Service, and Accounting departments undertake annual anti-corruption training



Information Security

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





Sustainable Procurement

At Arkay, we are committed to working closely with our suppliers to ensure that our products meet the highest standards of responsibility and performance. Procurement is vital to this process, as it influences the quality and sustainability of our business. By prioritizing responsible sourcing, we align our materials and practices with our values and strengthen overall business success.

T A R G E T

- By the end of 2025, 100% of contracted suppliers will acknowledge our Supplier Code of Conduct & 50% of targeted suppliers will complete our Quality and Sustainability Supplier Questionnaire

Each year, we assess our suppliers' sustainability practices through a detailed questionnaire, which includes their environmental, social, and product quality metrics. This information allows us to evaluate their alignment with our sustainability standards and identify areas for improvement. For example, our questionnaire collects GHG emissions data from suppliers, which helps improve the accuracy of our scope 3 emissions reporting. Looking ahead, we plan to have all our contracted suppliers acknowledge the Code of Conduct by the end of 2025. Our Code of Conduct is also accessible to all our suppliers and stakeholders [through our website](#).



In 2024, 50% of our targeted suppliers responded to our supplier questionnaire, of which 100% committed to our Supplier Code of Conduct.

Our Procurement Team plays a fundamental role in our sustainability initiatives by working closely with suppliers to support responsible sourcing. Our Procurement Team participates in training through the EcoVadis Academy, an eLearning platform that covers topics like environmental practices, labor rights, ethics, and sustainable procurement. This training helps the team make informed decisions that drive our sustainability goals and improve our supply chain practices.

To further solidify our sustainability expectations, Arkay enforced our sustainability clause in all new supplier contracts in 2024. This clause emphasized our commitment to the UN Global Compact's Ten Principles, covering human rights, labor, environmental standards, and anti-corruption measures, and required our suppliers to uphold the same principles. If a supplier is found to be non-compliant with our Supplier Code of Conduct, we reserve the right to take corrective action, including potentially ending the business relationship.

Performance

Supplier Responsibility and Engagement Metrics

	2020	2021	2022	2023	2024
Number of Targeted Suppliers	100	60	193	193	193
Number of Targeted Suppliers Who Have Signed the Supplier Code of Conduct	80	33	96	N/A*	N/A*
Number of Targeted Suppliers Covered by a Corporate Social Responsibility Assessment	86	0	75	0	0
Number of Targeted Suppliers Covered by a Corporate Social Responsibility On-Site Audit	0	0	0	0	0
Number of Targeted Suppliers Engaged in Corrective Actions or Capacity Building	0	1	0	0	0

Assessment of Targeted Contracts

	2020	2021	2022	2023	2024
Number of Targeted Contracts	5	5	5	5	5
Number of Targeted Contracts that Include Clauses on Environmental, Labor, and Human Rights Requirements	5	5	5	5	5
Number of Targeted Contracts that Include Clauses on Environmental, Labor, and Human Rights Requirements	5	5	5	5	5






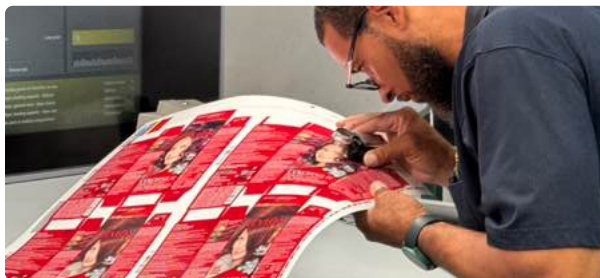


Quality

At Arkay, delivering exceptional quality is fundamental to our operations. We strive to produce the highest-quality products across every stage of production, from printing to die cutting and embossing. This commitment is validated by our AA+ certification under the BRCGS for Packaging Materials, an independent evaluation that affirms the strength of our product quality and safety systems. Achieving the top rating in the BRCGS highlights our dedication to maintaining superior quality management practices.

Our extensive quality and safety system, managed by our Quality Lab Supervisor, includes:

-  Strict document control and meticulous record-keeping for all policies and procedures
-  Precise specifications for raw materials and finished products
-  Regular internal audits of product safety and quality plans
-  Thorough supplier monitoring and traceability measures



Catching potential quality issues in-house is a priority. Products are immediately placed on hold for thorough review and correction if a potential concern arises. Our rigorous sampling process allows continuous monitoring, with our quality teams assessing cases throughout production. If concerns arise, our internal team addresses them before products reach customers.

Internal Defects Program

In 2024, Arkay launched the Internal Defects Program to track and analyze production issues. Every defect detected is logged, reviewed biweekly with department managers, and used as a learning tool for ongoing improvement. Trend analyses help monitor internal and external defects and help us pursue continuous quality improvements across all areas, from pre-press to finishing.

Corrective actions are a key part of our process and commitment to excellence. If a customer flags an issue, a structured review system ensures managers investigate the root cause, engage with operators, and implement necessary adjustments. Internally, a non-conforming product process addresses complaints, product non-conformities, or training needs.



These internal processes and our annual BRCGS audit ensure our continued compliance with the highest product quality standards. From sourcing raw materials to delivering finished goods, we focus on quality, so we can provide our customers with responsibly sourced, top-tier products that inspire confidence in our commitment to excellence. Our primary focus for 2025 is to reduce internal defects, knowing that long-term improvements will also lead to fewer external issues. With a production volume of 250–275 million cartons in 2024, we maintained a 99.86% acceptance rate and received just seven customer rejections. Our goal for 2025 is to achieve a 99.9% acceptance rate.



New Quality Systems

In 2024, we implemented new equipment designed to automatically identify defects and improve the accuracy of our quality control systems. Additionally, automation was introduced to the printing press, which allows it to independently maintain color consistency. This system operates more efficiently than manual adjustments, helping our process of precise color matching and reducing variability in the production process.





Anti-Corruption

At Arkay, maintaining the highest standards of business ethics is a non-negotiable expectation across our entire network of stakeholders, including employees, leadership, and the broader value chain. As a committed member of the UN Global Compact, we stand united with the global call for businesses to actively combat all forms of corruption, such as bribery and extortion.

T A R G E T

- By the end of 2025, 100% of full-time, salaried employees will undertake annual anti-corruption training

To uphold our commitment to transparency and ethical conduct, Arkay has a stringent management approach that includes the following:



Providing regular business ethics training to ensure alignment across our workforce



Communicating our policies on conflicts of interest and business ethics to all employees via the Employee Handbook



Conducting thorough corruption risk assessments and implementing corrective actions as necessary to strengthen our anti-corruption protocols



Enforcing and disseminating our company-wide whistleblower and sensitive transactions procedures through our Employee Handbook

At its core, our ethical approach is rooted in our employees avoiding any activities or relationships that could compromise their ability to make objective, fair decisions in their roles. Therefore, every transaction conducted on behalf of Arkay must be justified by legitimate business needs, uphold impartiality, and be carried out with integrity. Any concerns related to conflicts of interest, corruption, bribery, or other ethical matters are addressed through our whistleblower procedure, which ensures that:

- Complaints are investigated promptly, thoroughly, and impartially.
- The identities of whistleblowers, witnesses, and other involved parties are kept confidential as much as possible, while ensuring a fair investigation.
- No retaliatory actions are taken against individuals for reporting concerns, seeking accommodation, or cooperating during investigations.

In addition to our policies and whistleblower procedures, we are dedicated to training all full-time, salaried employees in anti-corruption measures, with the goal of reaching 100% completion by 2025.

Performance

Ethics Training

	2022	2023	2024
Number of Employees Trained on Ethics	248	4	1

Number of Critical Concerns Communicated

	2022	2023	2024
Legal or Ethics-Related Incidents Reported	0	0	0
Number of Critical Concerns Communicated/ Whistleblower Reports	0	0	0





Information Security

In today's rapidly changing digital environment, Arkay understands the vital importance of effective information management and strong cybersecurity. To safeguard the safety of our organization and stakeholders, we have adopted a preventative approach and implemented strategies to mitigate cyber risks.

T A R G E T

- By the end of 2025, 100% of full-time, salaried employees will undertake annual information security training

Arkay utilizes KnowBe4, a platform specializing in security awareness training and simulated phishing attacks, to help reduce the risks posed by cyber threats. In 2024, 100% of our workforce completed the Security Awareness Proficiency Assessment (SAPA). Additionally, KnowBe4 conducted simulated phishing exercises, which serve as critical training tools, helping employees learn how to identify and respond to potential threats from malicious emails.

We established an open and accessible process for employees to report any concerns regarding information security. Our whistleblower procedure provides guidance so that individuals can report potential risks or incidents with confidence. By creating this open communication, the Policy enables our IT team to investigate and act quickly as needed. Arkay remains dedicated to continuous cybersecurity education for our employees. Our IT Department offers ongoing training and awareness programs to keep our team updated on the latest cyber threats and best practices for protecting sensitive data.

Beyond internal efforts, Arkay commissioned an independent party to conduct an information security risk assessment in 2024. The assessment helped identify areas of vulnerability within our security infrastructure, allowing our IT team to address potential threats.

Arkay's IT Department will continue to evolve our cybersecurity measures to stay ahead of emerging risks. We are committed to safeguarding the digital assets and sensitive information that our organization, employees, and stakeholders rely on.



Performance

	2022	2023	2024
Percent of employees trained in information security	100%	100%	100%
Number of confirmed IT incidents communicated	0	0	0



CHAPTER

05

Appendix

Additional Data

Water

Target: By the end of 2025, reduce water withdrawal by 5% from a 2022 baseline

Performance: Gallons of water withdrawn

2020	2021	2022	2023	2024
1,003,757	949,743	926,735	1,115,778	1,243,403

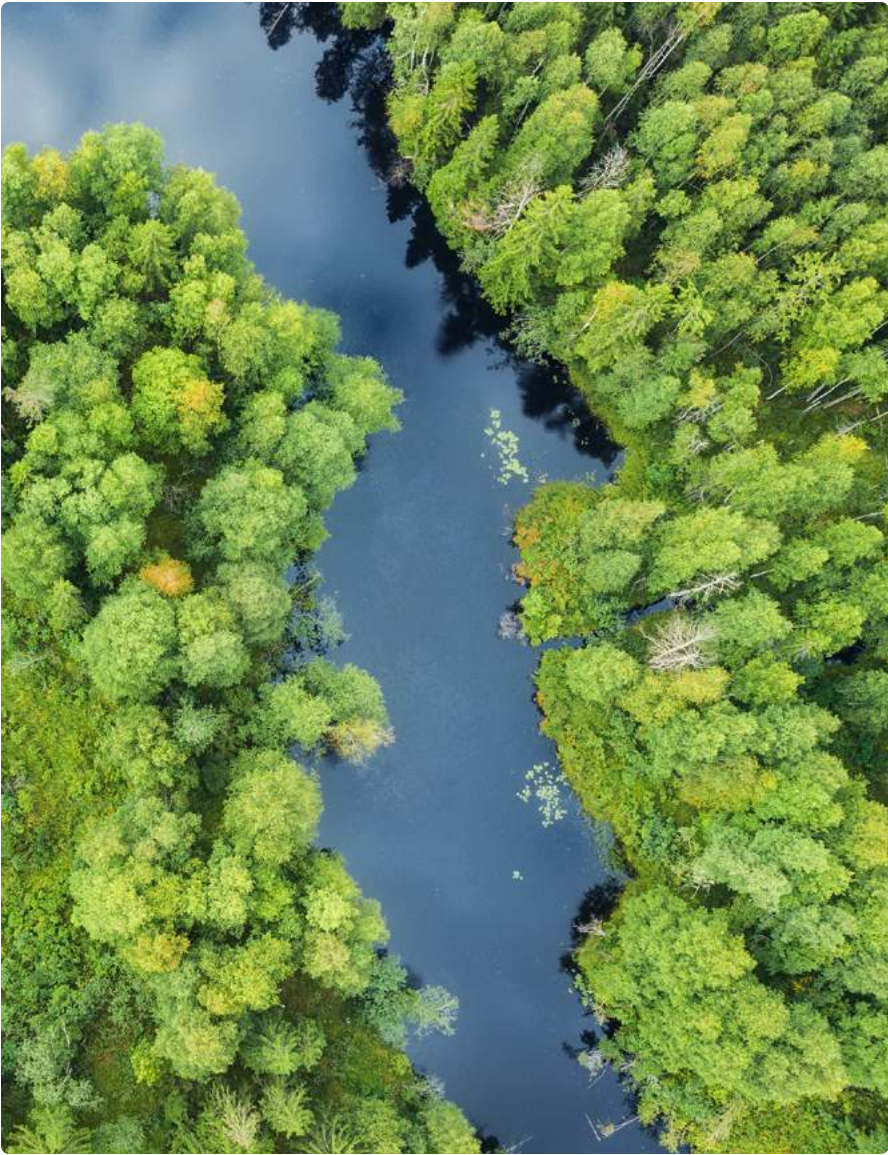
Customer Health & Safety

Customer Health & Safety Incidents Reported

2020	2021	2022	2023	2024
0	0	0	0	0

Employee Working Conditions

	2022	2023	2024
Percentage of employees provided benefits including health care coverage	100%	100%	100%
Percentage of employees receiving parental leave	0%	0%	0%



GRI Index

Statement of Use

Statement of Use	Arkay has reported in accordance with the GRI Standards for the reporting period January 1, 2024, to December 31, 2024.
Standard 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	About this Report, pg. 06
2-3	Reporting period, frequency, and contact point	About this Report, pg. 06
2-4	Restatements of information	There are no restatements of information.
2-5	External assurance	This report was assured with moderate assurance to the AA1000 AccountAbility Principles. Our assurance statement can be found on pg. 48.
2-6	Activities, value chain, and other business relationships	About this Report, pg. 06
2-7	Employees	Inclusion and Belonging, pg. 24

GRI Disclosure		Page/Response
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	Inclusion and Belonging, pg. 24
2-10	Nomination and selection of the highest governance body	Due the nature of our business being privately held, our executive 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 Anti-Corruption section, pg. 36 of this report for information on prevention and mitigation of conflicts of interest.
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, pg. 08
2-13	Delegation of responsibility for managing impacts	Sustainability Governance, pg. 08
2-14	Role of the highest governance body in sustainability reporting	Materiality, pg. 10
2-15	Conflicts of interest	Anti-Corruption, pg. 36
2-16	Communication of critical concerns	Anti-Corruption, pg. 36
2-17	Collective knowledge of the highest governance body	Sustainability Governance, pg. 08
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.

GRI Disclosure		Page/Response
2-21	Annual total compensation ratio	For reasons of confidentiality, Arkay does not publicly disclose our annual total compensation ratio.
2-22	Statement on sustainable development strategy	Letter from the CEO, pg. 04
2-23	Policy commitments	About this Report, pg. 06
2-24	Embedding policy commitments	Our policy commitments are embedded internally in our Employee Handbook and shared externally through our Supplier Code of Conduct.
2-25	Process to remediate negative impacts	We regularly assess our sustainability performance by tracking our progress toward established goals and comparing it to baseline metrics. If our monitoring reveals any adverse impacts, we take immediate corrective actions within our internal processes to address and mitigate these issues.
2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption, pg. 36
2-27	Compliance with laws and regulations	There have been no instances of non-compliance that occurred within the reporting period
2-28	Membership associations	The Graphic Source LLC, Printing and Graphics Assoc. Mid Atlantic (PGMA), Young Presidents Organization (YPO), Cosmetics Industries Buyers and Suppliers (CIBS), Cosmetic Executive Women (CEW), UN Global Compact (UNGC), AGFA Greenworks, Graphic Design USA (GDUSA), New Jersey Packaging Executive Club (NJPEC), Roanoke Chamber of Commerce, YMCA of Blue Ridge Mountains, Botetourt Family YMCA, Taubman Museum of Art
2-29	Approach to stakeholder engagement	Sustainability Governance, pg. 08
2-30	Collective bargaining agreements	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.



Material Topics

GRI Disclosure		Page/Response
3-1	Process to determine material topics	Materiality, pg. 10
3-2	List of material topics	Materiality, pg. 10
3-3	Management of material topics	Sustainability Governance, pg. 08

Materials

GRI Disclosure		Page/Response
3-3	Management of material topics	Materials, pg. 18
301-1	Materials used by weight or volume	Materials, pg. 18
301-2	Recycled input materials used	Materials, pg. 18
301-3	Reclaimed products and their packaging materials	Materials, pg. 18

Energy

GRI Disclosure		Page/Response
3-3	Management of material topics	Greenhouse Gas Emissions, pg. 14
302-1	Energy consumption within the organization	Greenhouse Gas Emissions, pg. 14
302-2	Energy consumption outside of the organization	Greenhouse Gas Emissions, pg. 14
302-3	Energy intensity	Due to confidentiality regarding our revenue, Arkay does not report on this metric.

GRI Disclosure		Page/Response
302-4	Reduction of energy consumption	Greenhouse Gas Emissions, pg. 14
302-5	Reductions in energy requirements of products and services	Our products sold do not require energy.

Emissions

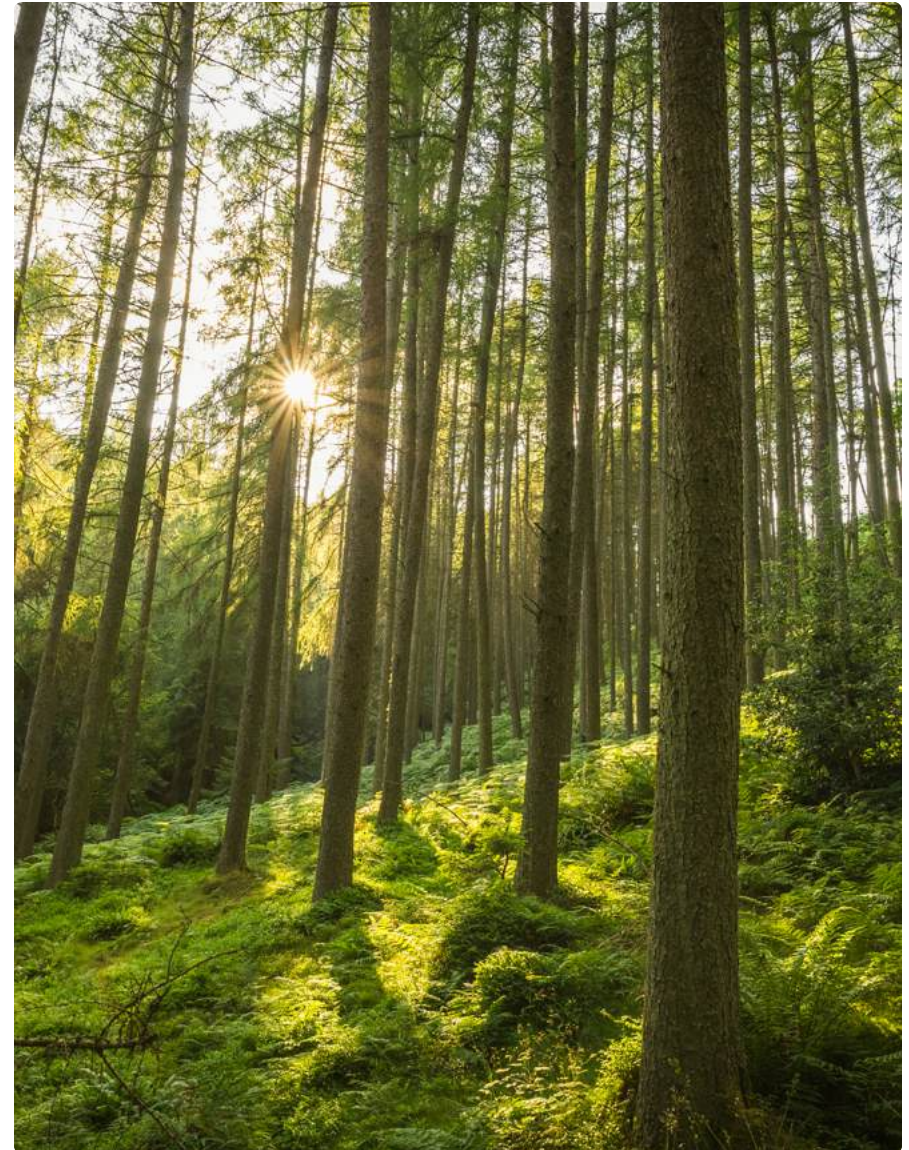
GRI Disclosure		Page/Response
3-3	Management of material topics	Greenhouse Gas Emissions, pg. 14
305-1	Direct (scope 1) GHG emissions	Greenhouse Gas Emissions, pg. 14
305-2	Energy indirect (scope 2) GHG emissions	Greenhouse Gas Emissions, pg. 14
305-3	Other indirect (scope 3) GHG emissions	Greenhouse Gas Emissions, pg. 14
305-4	GHG emissions intensity	Due to confidentiality regarding our revenue, Arkay does not report on this metric.
305-5	Reduction of GHG emissions	Greenhouse Gas Emissions, pg. 14
305-6	Emissions of ozone-depleting substances (ODS)	Arkay does not produce, import, or export ODS.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Arkay emitted a total of 8.02 tons of VOCs from cleaning operations and 12.54 tons of VOCs from the operation of all four presses on site.

Waste

	GRI Disclosure	Page/Response
3-3	Management of material topics	Waste, pg. 16
306-1	Waste generation and significant waste-related impacts	Waste, pg. 16
306-2	Management of significant waste-related impacts	Waste, pg. 16
306-3	Waste generated	Waste, pg. 16
306-4	Waste diverted from disposal	Waste, pg. 16
306-5	Waste directed to disposal	Waste, pg. 16

Supplier Environmental Assessment

	GRI Disclosure	Page/Response
3-3	Management of material topics	Sustainable Procurement, pg. 32
308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement, pg. 32
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement, pg. 32



Employment

GRI Disclosure		Page/Response
3-3	Management of material topics	Employee Retention, pg. 27
401-1	New employee hires and employee turnover	Employee Retention, pg. 27 Inclusion and Belonging, pg. 24
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Retention, pg. 27
401-3	Parental leave	Arkay does not disclose information about parental leave as this information is currently unavailable.

Occupational Health & Safety

GRI Disclosure		Page/Response
3-3	Management of material topics	Employee Health and Safety, pg. 22
403-1	Occupational health and safety management system	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. Employee Health and Safety, pg. 22
403-2	Hazard identification, risk assessment, and incident investigation	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. Employee Health and Safety, pg. 22

GRI Disclosure		Page/Response
403-3	Occupational health services	Employee Health and Safety, pg. 22
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Health and Safety, pg. 22
403-5	Worker training on occupational health and safety	Employee Health and Safety, pg. 22
403-6	Promotion of worker health	Employee Health and Safety, pg. 22
403-7	Prevention and mitigation of occupational health and safety management system	Employee Health and Safety, pg. 22
403-8	Workers covered by an occupational health and safety management system	Employee Health and Safety, pg. 22
403-9	Work-related injuries	Employee Health and Safety, pg. 22
403-10	Work-related ill health	Employee Health and Safety, pg. 22

Diversity and Equal Opportunity

GRI Disclosure		Page/Response
3-3	Management of material topics	Inclusion and Belonging, pg. 24
405-1	Diversity of governance bodies and employees	Inclusion and Belonging, pg. 24
405-2	Ratio of basic salary and remuneration of women to men	For reasons of confidentiality, Arkay does not publicly disclose our remuneration policies.

Non-discrimination

GRI Disclosure		Page/Response
3-3	Management of material topics	Inclusion and Belonging, pg. 24
406-1	Incidents of discrimination and corrective actions taken	Inclusion and Belonging, pg. 24

Child Labor

GRI Disclosure		Page/Response
3-3	Management of material topics	Human Rights, pg. 26
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights, pg. 26

Forced or Compulsory Labor

GRI Disclosure		Page/Response
3-3	Management of material topics	Human Rights, pg. 26
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, pg. 26

Supplier Social Assessment

GRI Disclosure		Page/Response
3-3	Management of material topics	Sustainable Procurement, pg. 32
414-1	New suppliers that were screened using social criteria	Sustainable Procurement, pg. 32
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Procurement, pg. 32



AA1000 Assurance Statement



AA1000AS v3 Assurance Statement

Prepared for: Arkay Packaging
Intended Users: Arkay Packaging and its Stakeholders
Date Issued: September 12, 2025

I. Introduction

Sustainability Assurance Services (SAS) has conducted an independent third-party, Type 2 Moderate Assurance review of Arkay's 2025 sustainability report and data for the year ending December 31, 2024, in accordance with AccountAbility's AA1000 Assurance Standard 2020 (AA1000AS v3). This review assessed the accountability and reliability of Arkay's sustainability management, performance and reporting practices.

The objective of this Type 2 Moderate level assurance review was to assess the inclusivity, materiality, responsiveness, impact ("the Principles") and information reliability and quality set out in the AA1000 Assurance Standard v3.

II. Roles and Responsibilities

For a Type 2 assurance engagement, the SAS Assurance Team assesses the extent of the organization's adherence to all four AA1000 AccountAbility Principles and provide relevant findings and conclusions, and shall, additionally, assess and evidence the reliability and quality of specified sustainability performance and disclosed information, providing relevant findings and conclusions.

Arkay is responsible for the preparation, collation and reporting of qualitative and quantitative data and reporting materials in addition to the establishment and maintenance of appropriate performance management and internal control systems from which the reported information is derived. If information is spread across multiple disclosures – such as company reports, company webpages, stakeholder reports, or regulatory-specific disclosures – Arkay is responsible for ensuring that the information is not edited or amended in any way after assurance.

III. Independence and Competence

As part of its independent assessment, SAS does not make recommendations to its clients, but it does identify gaps in reporting that can be used for improvements. Further, SAS was not involved in the development of the sustainability report or other provided information, nor does SAS retain a relationship with its clients that would cause a conflict of interest or compromise its ability to perform an independent assessment.

The SAS assurance team comprised:

Lindsey Mifsud Berger, Lead Auditor – Certified Sustainability Assurance Practitioner
Gina MacIlwraith, Team Auditor – Lead Certified Sustainability Assurance Practitioner

IV. Process and Scope of Assurance

The scope of the assurance included Arkay's 2025 Sustainability Report, which was prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards, AA1000SEs, and included alignment to the UN Sustainability Development Goals. To review the design of processes, systems, and controls for managing

Document ID: ISOCDL-742193352-262

Version No.: 0.1 Page 1 of 2



reliability and quality of specified information, the SAS Assurance team also reviewed internal Arkay data tracking sheets, presentations, sustainability working group meeting topics, stakeholder engagement results and materiality assessment summaries.

V. Methodology

The SAS assurance team conducted an information gathering session with Arkay using question-and-answer format. Arkay presented relevant documentation from stakeholders and shared both public and internal documents to demonstrate adherence to the AA1000 principles. Public reports and internal data tracking sheets and procedures were shared by Arkay to support the sustainability performance data reliability and quality.

VI. Limitations

An assurance engagement is conducted at a point in time and not performed continuously throughout the year. The procedures performed aimed at collecting information throughout the entire reporting year to gather as much historical, present and forward-looking information as possible.

No significant findings have come to our attention that cause us to believe that the sustainability management, reporting and performance has not been conducted in adherence to the AA1000 AccountAbility Principles. In all material respects, Arkay has adhered to the AA1000AS v3 2020 Standard and has provided sufficient evidence to support Moderate level of assurance for reliable and quality performance data for the year ending 31 December 2024.

Lindsey M. Berger

Lindsey Mifsud Berger
AA1000 Certified Sustainability Assurance Practitioner
Sustainability Assurance Services
September 12, 2025

Document ID: ISOCDL-742193352-262

Version No.: 0.1 Page 2 of 2



Sustainability Report 2025

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