

Kwik Lok®

CORPORATE
SUSTAINABILITY
REPORT





Kwik Lok is pleased to offer its first annual Corporate Sustainability Report (CSR).

This CSR reflects our 2018 Fresh Start theme and our family-forward approach to our business. Fresh Start embodies our continuing quest for better ways to keep food fresh sustainably—to better serve our customers, our employees, their families and communities worldwide.

Kwik Lok products are sold in 80 countries on six continents. We're a market leader in automated, consumer-product closure systems that improve the lives and protect the health of millions of people and families throughout the world. Our systems include reusable closures and highly reliable closing machines with versatile label printers that are simple to run.

Kwik Lok closures are a low-cost way to protect food and other consumer products—whether a few ounces or 90 lbs. They feature easy reclosing that lengthens useful product life and reduces waste. Kwik Lok closures are 100% traceable, reusable and recyclable.

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OUR MISSION

At Kwik Lok Corporation, we are dedicated to creating the best bag closing and printing solutions for the baking and produce industries, among others, around the world. While implementing responsible manufacturing practices, we provide the highest-quality equipment and closures, top-level service and constant innovation and we are making aggressive efforts to improve in all areas. This results in one of life's little conveniences: the ability to easily reclose a package.



OUR JOURNEY

Kwik Lok was founded by Floyd Paxton. He was an engineer who saw that packaging technologies, following World War II, were changing. At that time, his company was supplying wooden produce-box nailing and labeling machines to the Washington State apple industry. When apple distributors moved from boxes to bags, they didn't like the wire-and-tape closures in use at the time and asked Floyd for help. That was when he invented the Kwik Lok closure.

In 1954, he formed Kwik Lok Corporation. In that first year, its unique closure system quickly became the preferred method for keeping bags of Washington State apples safe and fresh.

Today we have six factories, we employ over 337 people and our product has been used by billions of people in over 80 countries on six continents.

A FRESH START

We are very excited about what comes next.

In 2015, a new generation of the Paxton family stepped into our 64-year-old business. We are now owned by sisters Stephanie Paxton Jackson, Kimberly Paxton-Hagner and Melissa Steiner.

The sisters, along with our board and management team, recognize that global food safety and sustainability go hand in hand with our family-forward approach to caring for our employees and customers. The company is using this transition as an opportunity to make a fresh start that builds on our history of commitment to doing right by our customers, employees, families and communities.

We recognize that with a global footprint comes extraordinary responsibility and an incredible opportunity to drive change. We fully understand that as a plastics company, we must transform our business to minimize our impact while continuing to be cost competitive. We must and will lend our voice to finding solutions for the plastic waste so prevalent in our environment.

We believe the most effective way to achieve sustainability is through responsible and accountable stewardship. We have instituted a sustainability planning, governance and reporting system so we can hold ourselves to the highest standards. We are also working to unlock opportunities for our workers, families and communities while protecting their health, safety and well-being.

In this first CSR report, we've created four sustainability strategies. Now we're beginning to identify actions to implement our strategies, starting with our headquarters in Yakima, Washington, followed closely by a comprehensive North American rollout in 2019 and to all other company sites in subsequent years.

This first CSR also covers our 2015-2018 sustainability efforts.



CORPORATE SUSTAINABILITY STRATEGIES

Our sustainability stewardship approach begins with four strategies:

- Strategy 1:** Unlocking opportunities through education and economic success
- Strategy 2:** Improving the health, safety and well-being of all people
- Strategy 3:** Protecting people, places and the planet
- Strategy 4:** Fostering innovation in food safety, access and manufacturing

KWIK LOK STRATEGIES AND CORRESPONDING UNITED NATIONS SUSTAINABILITY GOALS

UNLOCKING OPPORTUNITY	GOAL 4, GOAL 5, GOAL 8
IMPROVING WELL-BEING	GOAL 3, GOAL 5, GOAL 8
PROTECTING RESOURCES	GOAL 12
FOSTERING INNOVATION	GOAL 9, GOAL 12

GLOBAL ALIGNMENT

We believe there is power in collaboration.

That's why our actions and efforts can be amplified when we build upon the efforts of others. That's why we've aligned our four sustainability strategies with the United Nations' Sustainability Goals, and much of our past sustainability work also fits under one or more of these UN goals (see Sustainability Highlights 2015-2018 below).

We will work toward achieving the following UN goals:

- Goal 3:** Good health and well-being
- Goal 4:** Quality education
- Goal 5:** Gender equality
- Goal 8:** Decent work and economic growth
- Goal 9:** Industry, innovation and infrastructure
- Goal 12:** Responsible consumption and production

We will seek to collaborate with other organizations in communities throughout the world to achieve these goals.

CORPORATE SUSTAINABILITY GOVERNANCE

Corporate sustainability governance is key to fully integrating our sustainability strategies into our decision-making. The

Kwik Lok Board of Directors has chartered a CSR Subcommittee to provide oversight for our sustainability initiative and performance. The subcommittee has also reviewed and approved this Corporate Sustainability Report.

Committee members Stephanie Paxton Jackson, owner; Alan Cottle, board member; and Melissa Paxton-Steiner, owner, have full authority to make policy decisions for the company. The subcommittee makes sure we operate responsibly and deliver on our strategies using sound business practices.

Our COO, Don Carrell, is responsible for implementing our four strategies. Don heads a team of colleagues throughout the company, including all members of leadership. This team aligns the CSR with Kwik Lok business strategies.

As Kwik Lok implements corporate sustainability practices, we envision adding senior managers who have direct oversight of our strategies. They will be responsible for driving performance and meeting established targets, as well as identifying risks and new opportunities. We also anticipate creating a point person to facilitate corporate sustainability integration throughout the company.



SUSTAINABILITY HIGHLIGHTS 2015-2018

FOOD SAFETY

We have instituted high standards for food-safe packaging products, including a food safety management system at all sites. We have successfully achieved food safety management system certifications from SGS North America in Yakima, Washington, and Cambridge, Ontario, Canada.

CONTINUOUS IMPROVEMENT OF WORKER SAFETY

Since our inception, we have been improving our worker safety record, policies and practices.

SOIL & GROUNDWATER VOLUNTARY EVALUATION AND REMEDIATION

We have voluntarily worked with the State of Washington to determine compliance with applicable state and federal laws, the appropriate site remediation and monitoring, and the appropriate use of long-term solutions at our Yakima headquarters. The State of Washington determined that we had taken the appropriate actions to remediate and protect groundwater.

[Compliance Letter](#)

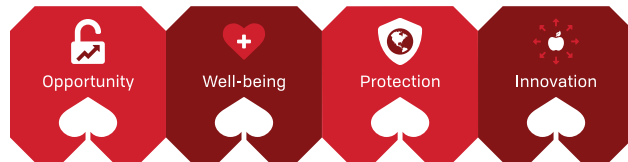
BUILDING REDESIGN & RENOVATION

We renovated our Yakima headquarters in 2015 to improve productivity and economic output, worker safety, and health and well-being, while reducing our electrical use.

CORPORATE SUSTAINABILITY REPORT

We have implemented a formal corporate sustainability process and management system that includes this first CSR.

CORPORATE SUSTAINABILITY STRATEGIES



Our sustainability stewardship approach begins with four strategies:

STRATEGY 1

Unlocking opportunities through education and economic success

STRATEGY 2

Improving the health, safety and well-being of all people

STRATEGY 3

Protecting people, places and the planet

STRATEGY 4

Fostering innovation in food safety, access and manufacturing





STRATEGY 1

UNLOCKING OPPORTUNITIES THROUGH EDUCATION AND ECONOMIC SUCCESS

Kwik Lok prioritizes investments that unlock opportunities for our employees, our communities and vulnerable people around the world. We understand that educational opportunities and economic success will help our families and communities thrive.

EDUCATION

Kwik Lok understands that education grows potential and possibilities. A more diverse future begins with inclusive educational opportunities.

Kwik Lok provides on-the-job training and several educational options. Over the next year, we will be developing a more robust job-training program, which will be included in our next CSR. We currently support employee learning through the following efforts:

- We provide voluntary computer skills training for midlevel staff. Four of our employees have taken advantage of this two-day opportunity.
- In some departments, we provide cross-training opportunities that provide growth potential and additional job security for employees.
- Ten of our staff members are certified for first aid, automated external defibrillators (AEDs) and CPR as of July 2018.
- Kwik Lok has created an online learning program and fielded a one-year pilot with the goal of supporting ongoing employee learning, personal growth and career development. The pilot program gives employees access to LinkedIn learning courses on a wide range of subjects.

EDUCATING THE NEXT GENERATION

Kwik Lok also knows that growing skills and expertise in upcoming generations provides opportunities for individuals while driving our economy.

Kwik Lok is proud of its 17-year collaboration with Perry Technical Institute in Yakima, Washington. Over the past three years, Kwik Lok has provided over \$30,000 in scholarships, resulting in improved job opportunities for 18 students through its North American Foundation (recently renamed the Kwik Lok Corporation Endowed Scholarship). Some of these students now work at Kwik Lok, and others have found placement in technical positions elsewhere. We continue to offer scholarships annually and gave \$10,500 in such scholarships in 2017.



Among the Perry Tech graduates now at Kwik Lok is Eddie Rodriguez, an assembly technician at Kwik Lok and 2016 Instrumentation and Industrial Automation Technology program graduate. Caleb Clark and Cody Oberlander also graduated from this program and now work in Kwik Lok's engineering building; Caleb is an engineer in training and Cody is an instrumentation technician.

Kwik Lok not only supports Perry Tech through donations and hiring graduates but also supports Perry Tech alumni's continued growth. In 2017, the company sent Caleb to the International Consumer Electronics Show in Las Vegas. Caleb and Cody will both be attending the Automation Fair 2018 in Philadelphia.

At right is a typical thank-you letter sent to the Kwik Lok Corporation Endowed Scholarship from a scholarship recipient.

In addition to scholarships, the Endowed Scholarship made a generous donation to Perry Tech's Instrumentation Capital Campaign, which was key to the development of Perry's instrumentation building, Plath Hall.

Kwik Lok executives also give back to the community by donating time and expertise to organizations, including

Rotary International, Yakima Specialties, YV Tech, Epic, Northwest Harvest and the Salvation Army, among others. Kwik Lok executives donated over 300 volunteer hours in 2017.

Kwik Lok has been working on other community collaborations and will build a more robust plan for achieving our goals to promote education. While we have a lot of work to do to amplify our impact, we've begun some exploratory work. For example, we partnered with Villages of Hope: Africa Society to support an orphanage in Tanzania. For more information on Villages of Hope, go to vohafrica.com.

In the coming years, we will learn more about how to best help kids improve their futures through educational outreach.

11/21/2017

Dear Mr. Paul Barbeau and the Trustees of the North American Foundation,

I formally would like to show my appreciation for this award by writing this letter. The North American Foundation Scholarship awarded to me from Mr. Paul Barbeau and the Trustees of the North American Foundation will help serve my time at Perry Tech in much needed assistance. I am extremely grateful that I was selected to receive your scholarship.

I grew up in Yakima Washington and attended Naches Valley High school. I played sports as a kid and enjoyed growing up in a small town. I always enjoyed math and science, which pushed me in the direction of attending Perry Tech's Electrical program.

I plan to do great things as an electrician once I graduate from Perry Tech. I am currently in the 3rd of 8 quarters in the electrical program. I take pride in the work that I do, which is reflected in my 4.0 GPA and perfect attendance so far at Perry Tech. I plan to become a Journeyman electrician and get an electrical engineering degree.

Again, I would like to express my appreciation for this scholarship. I currently work part time while attending Perry Tech. Although I am blessed to have this job, I am not able to make enough money for living expenses. This Scholarship will help me a tremendous amount as I continue through Perry Tech. Thank you again for your generous gift.

Sincerely,



ECONOMIC SUCCESS

WAGES

Kwik Lok values its employees and ensures that they are generously compensated. Our lowest pay rate is nearly 18% above minimum wage in Washington State and 25% above a living wage in our Yakima headquarters. Yakima has a cost of living that is 6% below the national average in the United States.

LENGTH OF EMPLOYMENT

Our employees know that Kwik Lok offers them long-term economic opportunity. The average length of employment at the company is 11 years. This provides stability and certainty for families, and the resulting reduction in economic risk contributes to our families' well-being by reducing stress.

WORKPLACE ACCOMMODATION

Despite our best efforts to reduce accidents, sometimes unforeseen things happen. Kwik Lok has a workplace accommodation program to address work outages due to on-the-job injury. Kwik Lok keeps employees working through light-duty work opportunities, where possible. The program reduces the number of days employees miss work. In 2017, employees worked a total of 42 days on light duty

that otherwise they would have missed. In situations where an injury prevents employees from working or where light-duty work isn't available, Kwik Lok pays a "kept on salary" stipend. Together, these actions help ensure the economic security of our families.

WORKERS WITH DISABILITIES

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation), as well as job assignments, classifications, organizational structures, position descriptions, lines of progression and seniority lists. We make all types of leaves of absence available to all employees on an equal basis.

HEALTH SAFETY NET & FAMILY LEAVE

Providing excellent healthcare has a direct, positive impact on economic success. An unforeseen health crisis is one of life's events that most frequently destabilizes household economic security. We have a comprehensive, affordable health and wellness program to prevent illness and missed workdays.

We also protect employees' jobs through fully complying with the United States Family and Medical Leave Act of 1993.

It requires covered employers to provide employees with job-protected and unpaid leave for qualified medical and family reasons. Eligible employees can take up to 12 workweeks of unpaid leave during any 12-month period for pregnancy care or care of a newborn child, for the adoption or foster care of a child or to attend to a serious health condition in the employee or his or her parent, spouse or child.



STRATEGY 2

IMPROVING THE HEALTH, SAFETY AND WELL-BEING OF ALL PEOPLE

Kwik Lok is dedicated to fostering a safe, healthy and inclusive work environment, so that all employees have the opportunity to excel and thrive.

IMPROVING HEALTH

Kwik Lok families in the United States have access to health insurance that is affordable and comprehensive and provides medical, prescription drug, mental health, dental and vision coverage. This economic safety net is made available to our employees for a subsidized cost.

WORKPLACE SAFETY

Keeping workers safe is critical to our mission. We want all employees to feel assured that when they go to work each day, they will safely return home at the end of the day.

Kwik Lok has a worker health and safety committee consisting of 43% management and 57% staff, which jointly monitors and advises on occupational health and safety. This is a key component of our safety plan.

To ensure consistent reporting and metrics, Kwik Lok follows the US Occupational Safety and Health Administration (OSHA) record-keeping rules and formulas to record and measure injury and illness rates in its Yakima headquarters and New Haven facilities. We perform audits of record-keeping practices and review incident data, the quality of our investigations and any corrective actions taken.

Kwik Lok evaluates all chemicals for risk before approving them for use at our Yakima headquarters. We've also completed baseline noise-exposure risk assessments for production positions, as well as baseline testing of production employees at our Yakima plant. Ongoing assessments include annual environmental sampling plans, hearing conservation programs and personal protective equipment programs. The results of these assessments help us determine whether the company will make any changes to its exposure management programs. In 2017, of the 190,911 hours worked, only 36 hours were lost due to work safety issues.

AFFORDABLE HEALTH CARE COVERAGE: UNITED STATES

100% of our employees who work over 30 hours a week are eligible.

COVERAGE	COST / MONTH
EMPLOYEE ONLY	\$66
EMPLOYEE + CHILD	\$178
EMPLOYEE + SPOUSE	\$224
EMPLOYEE + FAMILY	\$280



WELL-BEING

Kwik Lok manages a wellness program that allows full-time employees and family members not covered by other insurance to track their wellness activities through an app or manually. Wellness activities contribute to physical and emotional health and well-being. For each wellness activity, employees earn points that lower their financial contribution to our health care program. We also allow people to qualify for the award by other means.

The wellness activities include the following:

- Regular physical activity
- Community-based events, such as 5K runs
- Participation in individual challenges, such as smoking cessation
- Preventive care
- Dental exams and teeth cleaning
- Flu shots and vaccinations
- Talking with a care management professional
- Meditation
- Unplugging from electronic devices
- Journaling
- Reading health-related articles
- Other sports activities
- Volunteering

A WELCOMING WORKPLACE

A workplace that is welcoming to a diverse set of people improves employee well-being and Kwik Lok's productivity and business opportunities. Over time, our workforce has become more diverse.

An important part of our work is to make sure that everyone feels safe and welcome. As part of this, in 2017, we implemented a sexual harassment training program with 100% participation by leadership in Yakima. We are putting processes into place to maintain 100% program compliance as we move forward.

In a 2018 survey, employees were asked to indicate their level of agreement with the statement "The company provides a safe and secure environment for its employees." More than 92% of respondents either agreed or strongly agreed with this statement.

We have codified affirmative action and employee equity practices in our Employee Handbook; we require new employees to read and agree to follow all policies stated therein.

Our affirmative action policies and programs are designed to ensure equal opportunities for qualified minorities, women, covered veterans and individuals with disabilities, and to provide reasonable accommodation to individuals with disabilities.

Our equal employment opportunity policy covers all employment practices, including job selection, job assignment, compensation, discipline, termination and access to benefits and training.

To give equal employment and advancement opportunities to all people, we make employment decisions at Kwik Lok Corporation based on each person's performance, qualifications and abilities. Kwik Lok does not discriminate in employment opportunities or practices based on race, color, religion, sex, sexual

orientation, national origin, age, disability, or any other characteristic protected by law.

Employees are encouraged to ask questions about any type of discrimination at work, by talking with a member of management staff or the Personnel Department. Our Employee Handbook states that employees will not be punished for asking questions about this. Also, if we find out that anyone was illegally discriminating, that person will be subject to disciplinary action, up to and including termination of employment.

As of 2017, our Yakima headquarters personnel was made up of 38% women and 62% men. Importantly, the distribution of women throughout the company is uneven. We are building a culture that is working toward gender equality—specifically, ensuring women's full and effective participation with equal opportunities for leadership at all levels.

In 2017, our Yakima headquarters was approximately 20% Hispanic/Latino.

THE COMPANY PROVIDES A SAFE AND SECURE ENVIRONMENT FOR ITS EMPLOYEES.

STRONGLY AGREE	40.86%
AGREE	51.61%
NEITHER AGREE NOR DISAGREE	7.53%
DISAGREE	0%
STRONGLY DISAGREE	0%

A PEOPLE-FRIENDLY WORK ENVIRONMENT

In addition to feeling safe, we want our employees and the people in our community to prosper.

Since our transition to new management, we have increased our efforts to improve employee well-being. Our Yakima headquarters renovation in 2015 improved the work environment through the addition of improved lighting, including natural lighting in the manufacturing areas. As part of this, we upgraded our materials laboratory, storage facilities and shelving and introduced bar coding. We also added an on-site gym and a more spacious lunchroom. These changes have resulted in significant time savings, increased productivity, improved workplace quality and enhanced employee safety.

WORKPLACE ETHICS & NORM CLARITY

Clearly defined ethics and cultural norms increase well-being by helping employees make decisions, define positive behavioral expectations and reduce conflict and stressful ambiguity.

We have codified the following workplace ethics in our Employee Handbook:

- ▶ We expect Kwik Lok Corporation employees to be ethical in their conduct. It affects our reputation and success. Kwik Lok requires employees to carefully follow all laws and regulations and maintain the highest standards of conduct and personal integrity.

Our continued success depends on our customers' trust. Employees owe a duty to Kwik Lok customers and shareholders

to act in ways that will earn the continued trust and confidence of the public.

As an organization, Kwik Lok will comply with all applicable laws and regulations. We expect all directors, officers and employees to conduct business in accordance with the letter, spirit and intent of all relevant laws and to not do anything that is illegal, dishonest or unethical.

If employees use good judgment and follow high ethical principles, they will make the right decisions. However, if they are not sure if an action is ethical or proper, they should discuss the matter openly with their supervisor. If necessary, they may also contact the Personnel Department for advice and consultation.

It is the responsibility of every Kwik Lok employee to comply with our policy of

business ethics and conduct. Employees who ignore or do not comply with this standard of business ethics and conduct may be subject to disciplinary action, up to and including possible termination of employment.





STRATEGY 3

PROTECTING PEOPLE, PLACES AND THE PLANET

Kwik Lok's business is to support the delivery of fresh food safely, extend its life and reduce waste for the benefit of people and families everywhere in the world.

We pay close attention to the standards necessary for a healthy, productive workforce, a healthy community and healthy consumers.

PROTECTING PEOPLE

Kwik Lok is committed to food safety. It works with standards and verification organizations, conducts food safety training and has instituted a food safety management system to help ensure the delivery of food-safe packaging products. The company will conduct annual reviews on existing materials and processes. We will communicate any changes to our customers and our distributors.

FOOD SAFETY CERTIFICATIONS & TRAININGS

We recognize the importance of food safety throughout the entire food supply chain, especially at all stages where Kwik Lok closures are used. Our efforts in this area enable us to better align and support our customers and distributors in delivering food-safe packaging products.

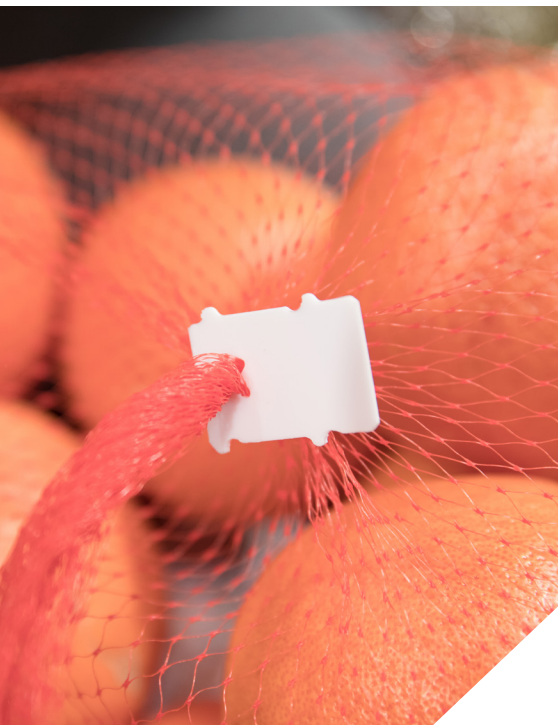
Kwik Lok is certified by the American Institute of Baking (AIB) as compliant with the Consolidated Standards for Nonfood Contact Packaging Manufacturing Facilities. This third-party verification is a standard of excellence in the baking industry.

Kwik Lok is transitioning from AIB GMPs to the FSSC 22000 food safety management system, which is recognized by the GFSI. SGS North America is the certifying body that ensures that Kwik Lok is continuously in compliance with the adopted food safety management system. We have successfully achieved food safety management system certifications in Yakima, Washington, and Cambridge, Ontario, Canada. We will be implementing the FSSC 22000 food safety management system and attaining certifications in New Haven, Indiana; Australia; Japan; and Ireland in

the future. This new management system helps us make continual improvements. It also provides confirmation that we are offering customers a food-safe packaging product held to high global standards. It will help us reduce product and process risk even further and is supported by process documentation.

Kwik Lok has undergone HACCP & food safety training that covers standard processes in the following programs: vendor approval, chemical control, corrective and preventive maintenance, employee, visitor, environmental monitoring, food defense and bioterrorism, foreign matter, glass and brittle plastic, pest control, product recall, receiving and shipping, product ID and traceability GMPs.





PROTECTING PLACES

WATER MANAGEMENT & CONSERVATION

Water is perhaps the world's most important and limited natural resource. One in nine people lack access to clean water, and lack of water is one of the world's leading causes of conflict.

Our efforts to protect the planet start in our own backyard. No processed water is used or expelled into public sewer systems during closure extrusion. Kwik Lok cools its extruders using a closed-loop cooling system.

From 2016 to 2018, Kwik Lok took another significant step to ensure the effective protection of our water resources. We took voluntary action with the State of Washington to review the impact of historic operations on nearby groundwater sources and the potential for soil contamination. The State of Washington Department of Ecology conducted groundwater testing and extensive soil sampling for several quarters. It found Kwik Lok's efforts to limit its current impact and mitigate its past impact to be effective and to have removed us from concern for contamination. The State issued a notification that Kwik Lok meets all standards for human health and environmental safety, complies with mitigation standards, complies

with applicable state and federal laws, conducts appropriate site monitoring and has implemented appropriate long-term solutions.

As part of our remodel, Kwik Lok installed water dispenser systems in its Yakima site. Since installation, employees have avoided using 17,000 water bottles.

As Kwik Lok moves forward, it will continue to explore ways to reduce its water use and minimize negative impacts on vulnerable water habitats at all its sites around the world.

WASTE MANAGEMENT

Kwik Lok is committed to being a leader in waste-management strategies. Our goal is to reach zero waste. We work to eliminate waste wherever we find it.

An exciting aspect of our corporate sustainability efforts will be to collaborate and identify where our products can help reduce or eliminate waste—especially plastic waste used in food storage.

We're also addressing waste in our production facilities. During the first stage of production, we collect and process waste plastic and reintroduce it to the manufacturing process. This allows us to

achieve nearly 100% reuse of production by-product.

We will continue to identify areas for reducing waste in our production facilities and incorporate them into our corporate sustainability practices.

PROTECTING THE PLANET

The planet is our home. All people need to feel secure and know that they have a safe place to live. We are working to ensure that people have a safe and healthy place to call home. Our focus will be on maintaining and improving the environment around our plants and contributing to safe places for families to live.

COMBATING CLIMATE CHANGE

We know that the effects of climate change are real and are impacting families and communities around the world. Farmers are among our most important partners—whether they are raising grain for bread or fruits and vegetables for direct consumption. Farmers are particularly vulnerable to climate change as crop viability and harvesting success become harder and harder to predict. Natural disasters such as flooding, violent storms and drought are further threatening farm-based livelihoods.

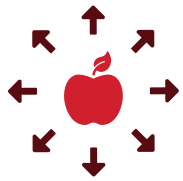
We will continue to innovate our product to lessen its impact on the environment. We intend to push the limits of our industry and come up with new ways to solve big problems.

Kwik Lok is also committed to reducing our climate footprint, with a near-term goal of reducing our energy usage in our main facility by an additional 20% by 2025. Our facility improvements have already significantly reduced our energy consumption. Since our Yakima plant renovation in 2015, we have saved 1,257,140 kWh despite adding climate control to make our workers more comfortable. That represents a 36% reduction in energy use at our headquarters in Yakima. We realized a 50% reduction in the administration building, an 80% reduction in our extrusion facility and a 57% reduction in assembly.

We are now working to responsibly manage our manufacturing emissions and improve our energy efficiency per unit of product produced. We have installed a new, enhanced filtration system in Yakima, which prevents nearly all particulates from being expelled into the air.

We look forward to working throughout our supply chain to further reduce emissions.





STRATEGY 4

FOSTERING INNOVATION IN FOOD SAFETY, ACCESS AND MANUFACTURING

Kwik Lok started with an act of creativity that launched it on a journey of closure product and closure systems improvement. The result has been a significant improvement in food safety through effective and affordable closures and a resulting greater access to food in both developed and developing countries.

KWIK LOK CLOSURE & PACKAGING INNOVATION

Throughout its over 60-year history, Kwik Lok has been a leader in helping its customers reduce food loss. We do this through a system that brings safe food storage and effective food waste reduction within reach for customers in both developed and developing countries.

Kwik Lok closure systems provide customers and consumers with a practical, time-saving and low-cost way to keep food fresh, manage food shelf life and trace food sources. Our systems provide customers with a turnkey closure system that is scaled to their production needs. They provide consumers with better access to fresh food with easy-to-open and resealable packaging that maximizes freshness and nutrition while minimizing waste and spoilage. Because Kwik Lok

closures can be reused by consumers, they can also help ensure freshness and minimize waste of other food products.

ENVIRONMENTALLY SOUND PRODUCT MANAGEMENT

We have been working on improving the earth-friendly features of the Kwik Lok closure and will continue to focus on this effort. Currently, Kwik Lok closures are recyclable.

Our research and development department has been investigating polylactic acid (PLA) and starch resins, which have promising potential for future product application. PLA and starch resins are considered bioplastics because they are organic-based yet have the versatility, strength and stability of petroleum-based plastics. Unlike traditional plastics, they can be designed to naturally degrade when composted.

PROMOTING REUSE AND RECYCLING

Kwik Lok has used its promotional materials and website to demonstrate to consumers the benefits of reuse and to encourage closure recycling. We work together with other vendors and customers to encourage reuse with the goal of reducing landfills. Reuse has the added benefit of protecting food and reducing global food waste. We will continue to work with our vendors to raise awareness around recycling and reuse.

We are in the process of defining the goals and timetable for our five other plants around the world.

We are actively seeking methods to reduce our electrical demands through inventing and installing new, more efficient closure-manufacturing machinery.

MANUFACTURING INVESTMENT & INNOVATION

In 2015, Kwik Lok renovated its Yakima manufacturing plant to optimize worker safety, health and well-being, productivity and waste reduction while also reducing its resource footprint.





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