



the creative werks
sustainability report
2018

CONTENTS

| | | | |
|----|---|----|---|
| 02 | From Our Founder | 18 | Environment |
| 03 | Recognition & Partnerships | 19 | Climate and Energy |
| 04 | CW Sustainability Statement | 20 | Water Stewardship & Water Inventory by Location |
| 05 | Our Business | 20 | Waste Management |
| 06 | About CW | 22 | Human Rights & Social Impact |
| 07 | Strategy for Sustainability | 14 | Inclusive Workforce, Building Community, & Employee Resource Groups |
| 08 | Stakeholder Engagement | 15 | Philanthropy around Industry-related Diversity & Inclusion |
| | - Key Corporate Responsibility Challenges and Opportunities | 16 | Strategy for Social Impact |
| | - Stakeholders Identified | 17 | Employee Philanthropy |
| | - Materiality Assessment | 18 | Our Social Initiatives |
| 10 | Goals & KPIs | | - Human Rights |
| 14 | Supply Chain Responsibility | | - Intro Human Capital / Internal Development & Learning Initiatives |
| 15 | Code of Conduct | | - Health & Safety |
| | - Compliance with the Law | | - Employee Feedback & Internal Surveys |
| | - Health & Safety | 19 | Appendix |
| | - Food Safety & Security | 20 | About This Report |
| | - Forced Labor & Child Labor | 21 | Sustainable Development Goals |
| | - Conflicts of Interest | 22 | Additional Charts, Graphs |
| | - Environmental Responsibility | 23 | Reader Feedback Survey |
| | - Business & Financial Records | | |
| | - Working Hours & Overtime | | |
| | - Bribery | | |
| | - Confidentiality | | |
| | - Gifts, Meals, & Entertainment | | |
| | - Reporting Misconduct | | |

FROM OUR FOUNDER

Since our inception, creative werks has aimed to be a packaging company and solutions provider with a mission to improve the lives of our associates and their families and make our communities stronger. Even though we are a small company we understand our responsibility to the environment and our planet. How we do business is just as important as what we do and the value we provide. With this aim in mind, practicing sustainable business is inherent in how we work and how we collaborate with our clients. It has become a competitive advantage and will be vital to our corporate growth and crucial to our longevity.

We are in our tenth year of investing in renewable energy through the purchase of Renewable Energy Credits (RECs) to power our facilities. The Environmental Protection Agency (EPA) has recognized creative werks once again as an EPA Green Power Leader for this commitment and our focus on reducing our carbon footprint. This is just one example of how our business has made a strategic decision to invest in sustainable energy markets to help progress the industry forward.

With the guidance from our brand partners and clients, we are also working with a renewed focus on sustainable design. As designers and manufacturers of packaging, we are exploring the latest technologies in materials to partner with our clients on recyclable packaging and eliminating packaging waste where possible. Remaining at the forefront of a renewable plastic economy will be key to our growth, and our clients' growth. Also crucial in this endeavor is consumer education and providing helpful tools so the consumer can recycle and dispose of packaging responsibly.

In November of 2018, EcoVadis scored creative werks in the top 5% of companies for our social and environmental practices, resulting in the Gold Designation. This designation serves as a reminder that small changes matter and we are making important progress on this journey. Despite our efforts and commitments, there is still more work to be done and more progress to be made. With the bar set high, we must reach new heights and continue to challenge the status quo. This is a challenge we embrace and will work toward with rigor and enthusiasm.

This year creative werks turns 20. We are in a position of great strength and vitality as a business. Our team of professionals is committed to helping us grow and continue to practice business responsibly. We are united in this front and only together will we move the needle toward a more sustainable and humane world. I'm encouraged by the optimism and curiosity that our team demonstrates toward environmental challenges and how this will shape our future. As we grow and adapt to change, we will need this mindset of optimism and curiosity to confront urgent challenges and build a stronger future for decades to come.



Steve Schroeder
President & CEO

[TABLE OF
CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN
RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS &
SOCIAL IMPACT](#)

[APPENDIX](#)

RECOGNITION & PARTNERSHIPS



creative werks is proud to be awarded the EcoVadis Gold ranking, which indicates the company scored in the top 5% of all companies who completed the EcoVadis Corporate Social Responsibility assessment. The company has retained it's EPA Green Power Partnership for five years, along with an SQF Food Safety Code of Manufacturing and SQF Food Quality Code (formerly named SQF Level 3). Additionally, the company is proud to be members of F4SS, Sedex, and AIM Progress, where the latter of which it holds a seat on the Leadership team.



[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)



CW Sustainability Statement

2019 marks creative werks' first Sustainability Report that aligns with the UN Sustainable Development Goals (UNSDGs). It's important to acknowledge that the supplier's perspective has only recently been weighed more heavily in the sustainability equation. Our place in the sustainability conversation is unique and important; as a fully integrated packaging supplier that designs packaging, manufactures plastics, and co-packs, we are excited to compile company successes around sustainability and share current progress with stakeholders. By framing creative werks' goals around metrics that allow for comparability across peers and visibility of progress, this report aims to increase transparency and address industry-relevant sustainability challenges. With the launch of the first annual report, we completed an introductory Materiality Assessment to understand what is important to our stakeholders. The scope of the Assessment will expand over time, ensuring CW's social, governance, and environmental initiatives continue to be robust and relevant.

Our sustainability programs may have first taken root within the company walls; however, the company has cultivated the programs to extend up and down its supply chain. In this report you will find further details about the growth and status of these programs, including: energy; water; product design; outreach; philanthropy; human rights; and waste and material flow. It is important to balance the daily, inward-facing goals with broader, global perspectives. The UNSDGs serve as a guide on our journey; throughout the report we highlight which UNSDGs have been weighed against our program management. The growth of CW's sustainability programs also serves to establish a stronger presence across the industry. We keep abreast of forthcoming sustainability challenges, lending our insight on solutions alongside fellow industry leaders and coalitions for shared learning.

We look forward to the hearing our stakeholders' feedback on this report (see: [Reader Feedback Survey](#)) and will continuously aim to improve our programs. Our team aims to be an inspiration for positive change within the industry.

Let's keep moving forward, together!
Erik Connelly
Environmental Specialist



OUR BUSINESS

Founded in 1999, creative werks turns 20 this November. As the company grows, so too does its sense of responsibility to do more with less, lead with purpose, and work collaboratively with industry professionals to reduce its carbon footprint and improve the world and environment.

ABOUT CREATIVE WERKS

As a strategic partner to our clients, all top 100 food brands, creative werks brings ideas to market through its design, manufacturing, and co-packing services. True to its name, CW is focused on innovation and how it can use its creative energy to unlock new technologies in manufacturing and materials. Together with its fortune 100 clients, CW is committed to reducing material usage and waste, investing in sustainable energy like LED lighting and RECs, and educating associates and consumers on the importance of recycling, food waste, and sustainable materials. Beyond the company's ability to innovate and manufacture, it also shares the collective challenge to improve the sustainability of the supply chain and reduce our carbon footprint where we can.

OUR MISSION IS TO BE YOUR ULTIMATE PACKAGING PARTNER, TO DELIVER THE HIGHEST QUALITY PRODUCTS THAT EXCEED OUR CLIENTS' EXPECTATIONS AND WIN THE HEART OF CONSUMERS.

In addition to a focus on manufacturing responsibly, CW is also deeply concerned about its social impact and how it can improve the livelihood of its associates and communities.

As a key partner to global brand companies, creative werks has the unique opportunity to impact the sustainability challenges affecting the globe. To be the ultimate packaging partner, CW must embrace sustainability challenges and work fervently with its clients to find solutions and minimize impact where it can.

creative werks by the numbers

| | |
|---|---------------------|
| Year Founded: | 1999 |
| Founder and CEO : | Steve Schroeder |
| Associates: | 150 |
| Avg Temp Labor Associates: | 1,000 |
| Consumer Units Produced in 2018: | 500MM+ |
| Pallets Produced: | 393,318 |
| KwH of Energy as a Percent of CUs produced: | 28.5kWh per pallet |
| Percent increase from 2017: | 11% |
| Tons of Waste to Landfill 2018: | 997 |
| Percent increase/decrease from 2017: | 40% decrease |
| 2018 Food & Recycling Materials Recovery: | 5,908 tons diverted |

[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)

STRATEGY FOR SUSTAINABILITY AT CW

At creative werks, we recognize the importance of Corporate Responsibility by putting our cares and concerns into action and measuring our progress. Although we are early in our Sustainability journey, we have made meaningful strides to date across several categories.

We aligned our sustainability initiatives with the United Nations Sustainable Development Goals (UNSDGs) and each section of the Report corresponds to a relevant UNSDG. This alignment ensures our programs are tied directly to the global effort to mitigate negative impacts on people and the planet.

Corporate Responsibility at creative werks has included environmental topics, such as packaging design and waste reduction, as well as social initiatives, like Diversity & Inclusion and Human Rights programs. We have made an initial engagement with stakeholders to highlight material issues, and we plan to expand this outreach in future reports. On the topic of engagement, creative werks has increased transparency to stakeholders around our sustainability reporting through programs like the Carbon Disclosure Project (CDP) and establishing the company Sustainability Report.

With regard to Greenhouse Gas emissions, creative werks is on the path to gathering more data on Scope 1, Scope 2, and Scope 3 emissions. Internal management of this data is being developed to allow for more specific planning in reductions and data gathering in upcoming years. Currently, 100% of Scope 2 emissions and partial Scope 1 emissions are off-set through RECs purchases and we look forward to taking on the challenge of measuring our broader supply chain emissions footprint and planning for further emissions reductions.

creative werks is in a period of setting baselines and gathering more data to inform our annual goals, operational changes, and sustainability program investments. These calculated actions are already seeing results, improving the company and impacting the overall packaging industry.

[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)

STAKEHOLDER ENGAGEMENT

In 2018 we identified 21 areas to focus our attention and determine what level of impact the business can have on them. We engaged our stakeholders by completing a materiality assessment. Though all focus areas are important, we needed to prioritize what can be addressed by creative works to drive change. The matrix on the next page reflects where all topics stand with regard to both creative works and its stakeholders.

The aim was to gather insights on the environmental, social and business-critical issues of our company. We do this to ensure we are addressing these focus areas in the best possible way. The areas which stood out as highest priorities to the stakeholders are:

1. **Food Safety & Product Quality**
2. **Sustainable Packaging Innovation**
3. **Worker Health & Safety**
4. **Ethical Economical Growth**

Additional charts, which expand on the three categories of Social, Environmental, and Business-Critical focus areas, can be found in the [appendix](#).

KEY CORPORATE RESPONSIBILITY CHALLENGES AND OPPORTUNITIES

- **Materials recyclability**
- **Label packaging for proper disposal**
- **Educating the consumer**
- **End of life and circular economy**
- **Cross industry collaboration for change**
- **Climate change – carbon footprint & overall environmental impact of (1) business and (2) packaging**
- **Recycled content**

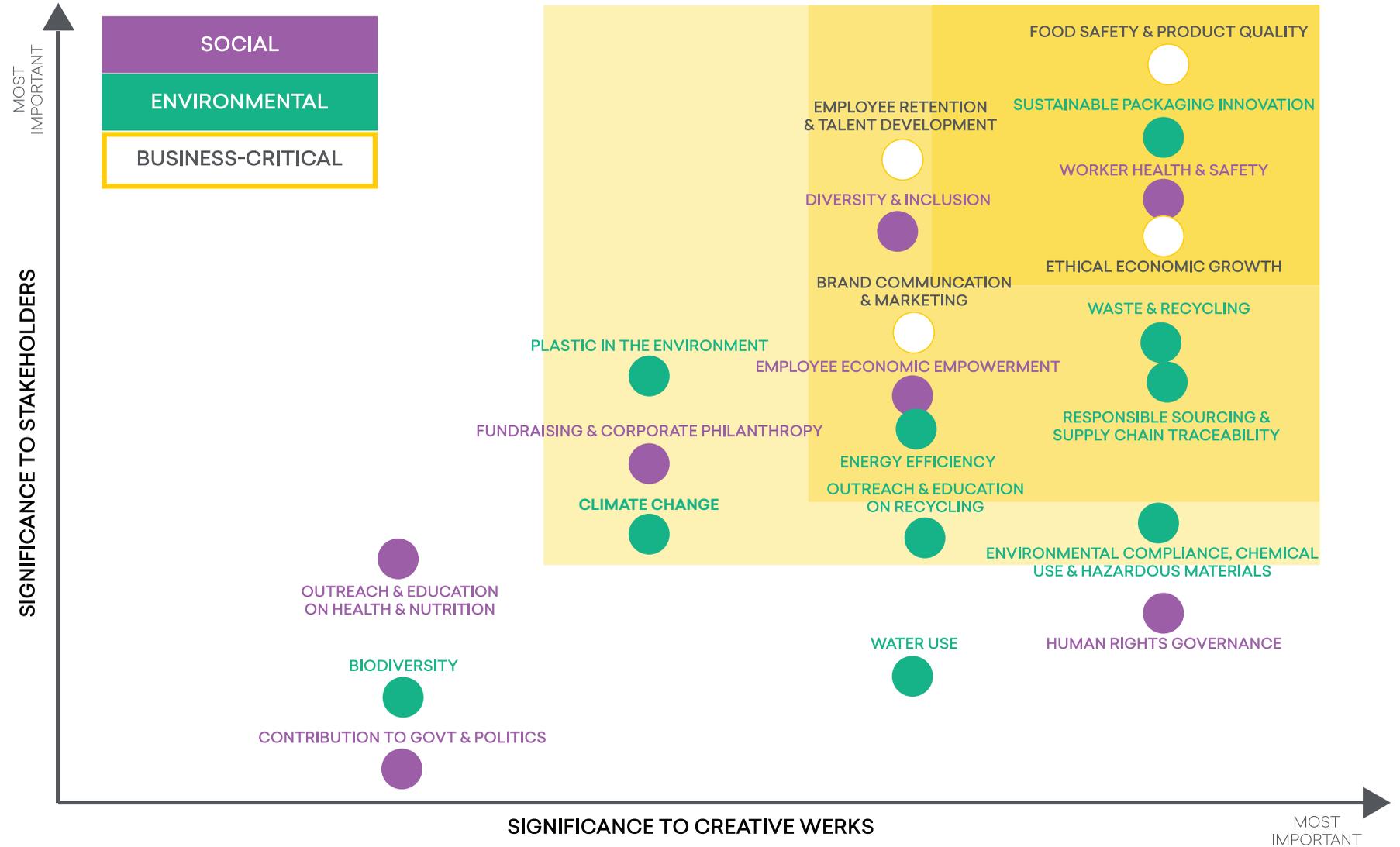
CREATIVE WERKS' MATERIALITY ASSESSMENT

Currently identified stakeholders:

- CW associates

To be engaged in future stakeholder surveys:

- CEO, advisory board, vendors, clients



ENVIRONMENTAL GOALS & METRICS

| 2019 GOAL | METRIC | 2018 PROGRESS |
|---|--|--|
| 1. Establish annual sustainability report and format to an accredited management system (i.e. GRI, SASB, UN SDGs, etc.) | Annual release starting in 2019 | -Release of 2018 internal sustainability summary -Preparation underway for first annual sustainability report |
| 2. Align creative werks' resources with vendor &/ or client goals to engage and identify projects | Document 100% of suppliers' & clients' sustainability goals by end of 2019 to identify opportunities to support or align on projects | Working with suppliers to R&D innovative adhesive that aims to increase recyclability of plastic food packaging |
| 3. Identify sustainably harvested pulp/paper options for corrugate (ex: FSC / FSI certifications) within our current Vendors by end of 2019 | Host a training in 2019 for creative werks Procurement Team on these material options and the value of sustainable sourcing programs | Met with Green Bay Packaging and gathered data of current use of FSC and FSI corrugate |
| 4. Identify recycled content vendors for plastic resins | - Complete at least one PCR or Bioplastic resin trial by the end of 2019 - Log PCR and Bioplastic resin suppliers in creative werks supplier database | N/A: Established in 2019 |
| 5. Support a global culture of recycling through consumer education on packaging | Add recycling symbol & resin code to at least one mold for manufactured plastics by the end of 2019 | N/A: Established in 2019 |

| 2019 GOAL | METRIC | 2018 PROGRESS |
|---|--|---|
| 6. Continue gathering waste data and build baselines | <ul style="list-style-type: none"> - Identify percentage of waste that was recycled in FY 2018 - Based on 2017 baseline year, increase or maintain the number of recycling streams & landfill reducing outlets in 2018 | Established more data points to determine root more causes and drivers of waste |
| 7. Increase client access to sustainably designed packaging | One new sustainable packaging design ¹ option per year starting in 2019 | N/A: Established in 2019 |
| 8. Support industry efforts to scale sustainable packaging | Become a member of Sustainable Packaging Coalition (How2Recycle) or similar leading organization | Budgeted for first sustainability conference attendance |
| 9. Complete sustainability requests from clients, vendors, and suppliers | Continue to comply with 100% of social & environmental reporting requests from clients, vendors, and suppliers | EcoVadis Gold Level; F4SS Supplier Reporting; SMETA |
| 10. Company philanthropy projects to be industry-relevant social, environmental, or governance topics | - At least one volunteer event per year directly related to environmental & social themes | - Neighborhood park cleanup |
| 11. Foster culture of sustainability among creative werks employees | Monthly opportunities for office staff to engage and learn about sustainability | Monthly sustainability challenge & awareness posters |

| 2019 GOAL | METRIC | 2018 PROGRESS |
|--|---|--|
| 12. Improve facilities' implementation of waste & recycling practices | - Establish training programs for creative werks leadership on the handling of waste & recycling | N/A: Established in 2019 |
| 13. Identify all sources of Scope 1 GHG Emissions & estimate emissions | <ul style="list-style-type: none"> - Complete the Scope 1 Emissions list by end of 2019 - Report Scope 1 Emissions estimate in Annual Sustainability Report by end of 2020 | Started list of emissions sources (3PLs, Equip Transfer, Materials Transfer, local pickups of equipment) |
| 14. Maintain 100% energy usage with wind RECs | Report annual energy consumed and what percentage is renewably sourced | RECs purchased to offset Scope II (and partial Scope I emissions) |
| 15. Identify energy savings in production | Implement ComEd efficiency findings & report savings | ComEd assessment of energy inefficiencies at all facilities |
| 16. Gather additional baseline water usage data for further reduction planning | Report annual water usage | Reported water per pallet in 2018 |
| 17. Report Policies: Supplier Code of Conduct, Environmental Policy, and Human Rights Policy | <ul style="list-style-type: none"> - The Human Rights and Environmental Policies are shared with 100% of creative werks employees by end of 2019 - 100% of creative werks employees state their pledge to uphold the Human Rights and Environmental policies by the end of 2020 | Edited and updated the Supplier Code of Conduct, Environmental Policy, and Human Rights Policy |

| 2019 GOAL | METRIC | 2018 PROGRESS |
|---|---|--|
| 18. Identify stakeholders & survey for feedback on sustainability topics | Survey internal stakeholders and begin identifying external stakeholders | Wrote stakeholder survey questionnaire |
| 19. Develop Responsible Sourcing plan | Establish responsible sourcing targets & KPIs by 2020 | Created vendor survey |
| 20. Gather baseline data to understand full environmental impacts of packaging for platform items | <ul style="list-style-type: none"> - Investigate Life Cycle Analysis software by end of 2020 - Run LCA for at least two manufactured items by end of 2020 | N/A: Established in 2019 |
| 21. Establish Sustainability Board at creative werks to review social and environmental successes and goals | Hold annual meeting | N/A: Established in 2019 |

¹ Sustainably Designed Packaging as defined by creative werks is: an improvement to packaging over the conventional packaging in at least one of the following categories: (a) constructed with greater material efficiency; (b) single material or fewer packaging components; (c) recycled paper prioritized over plastics; (d) readily recyclable plastics (#1, #2, #4, #5) prioritized over mixed-material or difficult to recycle plastics (#3, #6, #7); (e) labels or packaging include consumer education information for recycling and disposal; (f) mixed material packaging components easily separable to allow for recycling



SUPPLY CHAIN RESPONSIBILITY

As we progress in our sustainability journey, we have begun to engage with suppliers in our network through surveys; we are further developing this process to track supplier performance via supplier information entered into our enterprise resource planning (ERP) software.

SUPPLY CHAIN RESPONSIBILITY

As a key partner to global brands, we recognize that building a supply chain grounded in trust and transparency is fundamental for growth and longevity. As our clients have high expectations of us, we too have high expectations of our suppliers.

Our Code of Conduct outlines the ethical, social, and environmental expectations we have of our suppliers in every facet of our business. We have a responsibility to our clients and consumers to ensure all practices within our supply chain were made ethically and responsibly – our Code of Conduct is one measure to ensure these practices are followed.

Code of Conduct

As a company committed to high ethical standards, creative werks practices corporate stewardship and responsible sourcing, and believes in the equal and fair treatment of our suppliers and all partners throughout our supply chain. Likewise, we expect our suppliers to adhere and insist upon safety, fairness, and the equal rights of all people. Our Supplier Code of Conduct (SCoC) follows industry-recognized standards, including the Universal Declaration on Human Rights, the United Nation’s Global Compact, and the conventions outlined in the International Labour Organization. In this document, the term “supplier” refers to any vendor or company from which creative werks procures goods or services.

Compliance with the Law

At creative werks, we insist that all our employees and suppliers comply with local, state, and federal laws in the country where they operate.

Health & Safety

Keeping a safe workplace and ensuring the safety of our food products are two of creative werks’ highest priorities. We expect our employees and suppliers to comply with Good Manufacturing Practices (GMPs) and all food safety regulations.

Forced Labor & Child Labor

Suppliers are prohibited from using forced labor of any kind including indentured servitude, imprisonment or debt servitude. In addition, supplier will not employ child labor of any kind as outlined by the International Labor Organization’s 1998 Declaration on Fundamental Principles and Rights at Work.

Conflicts of Interest

Suppliers of creative werks should act in the best interest of creative werks. Therefore, suppliers and employees must avoid situations where their personal interests may conflict.

Environmental Responsibility

creative werks expects our suppliers to act in environmentally responsible ways and respect creative werks’ Environmental Policy, attached in Appendix A. creative werks strives to minimize its environmental impact and is required to submit environmental metrics to their clients. creative werks may request environmental emission information from vendors for reporting purposes.

Business & Financial Records

Both the supplier and creative werks must keep accurate financial records of all transactions involving creative werks and the supplier. This includes invoices and expense reports. Suppliers should send invoices in a timely manner.

SUPPLY CHAIN RESPONSIBILITY

Working Hours & Overtime

Suppliers must obey local and federal laws in accordance to overtime and overtime pay, including the allotment of 24 hours of consecutive rest during every 7-day working period. Furthermore, supplier must not force any associate to work overtime, and associates may not be punished for refusing to work overtime.

Bribery

Employees and suppliers acting on behalf of creative werks are forbidden from offering or accepting bribery of any kind to any government official or stakeholder. This includes gifts, contracts, or favors.

Confidentiality

Suppliers and vendors are required to sign a Non-Disclosure Agreement upon entering a contract with creative werks. In addition to suppliers, employees are prohibited from sharing confidential information, trade secrets and knowledge with anyone, unless instructed to do so by creative werks. If information was sent to or received by an employee in error, the employee should notify creative werks' Human Resources immediately.

Gifts, Meals & Entertainment

Employees of creative werks are prohibited from accepting gifts from suppliers, stakeholders, or clients. All gifts (i.e.: tickets, merchandise, food, gift certificates or cash equivalents) must be turned over to creative werks' Human Resources or Executive Management.

Reporting Misconduct

Associates who suspect any creative werks employee has engaged in illegal or unethical activity should notify creative werks' Executive Management immediately. The employee's disclosure will not negatively affect their relationship with creative werks in any way.

FOOD SAFETY & SECURITY

As a Tier 1 supplier to the world's largest food manufacturing companies, we place the safety and integrity of our clients' products as our top priority. With the advent of the Food Safety Modernization Act (FSMA), creative werks requires all suppliers be in compliance with the three primary FDA rules pertaining to supplier verification:

1. Foreign Supplier Verification Program for Importers of Food for Humans & Animals
2. Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Human Food
3. Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventive Controls for Food for Animals

By enforcing the rules outlined within FSMA's Supplier Verification Program, creative werks is able to identify vulnerabilities within the supply chain and prioritize suppliers based on risk level and compliance with the rules and regulations outlined by FSMA.

At creative werks, we recognize that compliance is a bare minimum. Every day we strive to improve the quality and safety of our products, and our clients', by fostering a mindset of continuous improvement and safety. As regulation becomes more important, we are committed to setting a high bar and ensuring that our practices, and our suppliers, are a model of quality and safety.



ENVIRONMENT

At creative works we recognize the importance of corporate responsibility and follow through by putting our cares and concerns into action, measuring our progress and goals. Although we are early in our sustainability journey, having implemented a recycling program in 2016, we are quickly making meaningful strides.

ENVIRONMENT

In addition to our efforts to mitigate end-of-life packaging and product waste, we also are keenly focused on energy and water reduction and improving product design - especially related to packaging. In 2018, we established goals for sustainable packaging design within our corporate strategy as we begin to partner with our clients on more sustainable packaging options. We also developed policies for regulating packaging materials, and to improve water and energy efficiencies. As we move along our journey our hope is to make progress each year through thoughtful actions and meaningful impact. Below, read about how we have made improvements in Climate & Energy, Water, and Waste.

Climate & Energy

creative werks has been proactive in limiting the impacts of its Greenhouse Gas (GHG) emissions through a variety of programs and business practices. While we are still in-process to measure our GHG footprint from Scope 3 emissions, we have a robust management of our Scope 2 emissions. Scope 1 GHG emissions are partially measured and currently under analysis, as we are working to establish baseline data.

Renewable Energy Certificates (RECs) are purchased for 100% of our electricity usage across creative werks' one million square feet of operations and office space. This ensures our Scope 2 emissions are at zero through the wind RECs. We are proud to support the market development of alternative and renewable energy. creative werks recognizes the importance of increasing demand for renewable energy in order to wean the planet off a fossil fuel-based energy grid.

creative werks also prides itself on flexibility to meet customer needs while running at maximum operational efficiency. To maintain this high degree of performance, we do not shy away from continuous improvement opportunities. In 2018, creative werks sought out ComEd to perform energy usage evaluations, resulting in not only financial savings for the business, but also annual energy savings of approximately 243,304 kWh through infrastructure improvements and retrofitting across all facilities. Some improvements included LED light installations, motion sensors, and air leak fixes. With the installation of new equipment, we have also purchased chiller units that are more water and energy efficient. According to manufacturer data, savings for the chiller units are an estimated 554,000 kWh per year and water savings are 95% more efficient (using only an estimated 22,000 gal per year) as compared to other similar units.

[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)

TARGETED UN SUSTAINABLE DEVELOPMENT GOALS



Goal 7: Affordable & Clean Energy



Goal 12: Responsible Consumption & Production



Goal 14: Life Below Water



Goal 15: Life on Land



Goal 16: Peace, Justice, & Strong Institutions

ENVIRONMENT

Water Stewardship & Water Inventory by Location

Most of creative werks' operations are dry processes and thus we utilize relatively little water in our production facilities. However, we have invested in water-efficient infrastructure and sensors at hand-washing stations and within bathrooms to conserve as much water as possible. Water usage increased overall for 2018 versus 2017, but with the infrastructure additions, we will continue to monitor in 2019 and future years to manage water usage.

Waste Management

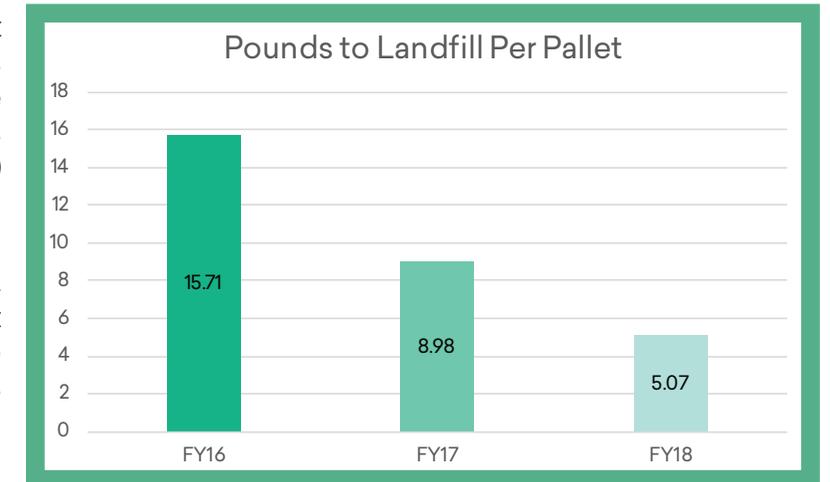
The top three focus areas identified by stakeholders in the Environmental category of the materiality assessment fall under creative werks' waste management programs: (1) Sustainable Packaging R&D, (2) Waste & Recycling at creative werks, and (3) Responsible Sourcing & Supply Chain Traceability.

On the topic of Sustainable Packaging innovation, creative werks has invested in new projects and engaged, for the first time, with vendors in collaborative R&D efforts. Although projects are still in process, testing continues in hopes that resulting developments could lead to greater recyclability of rigid plastic packaging.

Waste streams at creative werks have evolved over time as the management of recycling has improved. The number of recycling streams has increased since creative werks first started its recycling program in 2016 and overall waste generated per pallet of finished good has decreased. We cut unnecessary waste generation in 2018 through new programs that clean and reuse tools or materials, where feasible and within health regulations. Additionally, investment in equipment, such as our new horizontal baler, allows us to be more effective with managing our recycling streams.

creative werks set a goal to reduce waste to landfill by 1 lb per pallet in 2018 over the 2017 baseline. This goal was a great success, and was surpassed by nearly four times. Reductions of waste to landfill per pallet dropped from approximately 9 lbs per pallet in 2017 to 5 lbs per pallet in 2018. This has been a significant challenge, as much of today's packaging and flexible films are non-recyclable. We are proud about these significant reductions and will continue to reduce to be as close to zero as possible. creative werks is aware of the option to send our landfilled materials to be incinerated through Waste to Energy (W2E) programs, but we are first working to ensure all recoverable materials reach their maximum value and utility before incineration for W2E is pursued.

We recognize the latest challenges the recycling industry is facing in the aftermath of China's National Sword Policy. As U.S. domestic Materials Recovery Facilities (MRFs) struggle with limited outlets for their materials, creative werks aims to support recyclability of packaging and the market development for Post-Consumer Recycled content (PCR). This will ultimately ensure materials recovery is, in fact, happening for recyclable items. Part of this process is guaranteeing our internal recycling processes are as clean as possible to reduce the burden of contamination that MRFs face daily. We are also participating in the recycled plastics market to support its growth - we sell onto the recycled content market, sell onto secondary markets, reuse items internally where possible, and are looking for future opportunities to utilize recycled plastics and paper content in our own packaging. All these efforts support the supply and demand that domestic U.S. recycling markets need during this transition period away from China.



[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)

A photograph of a worker in a white lab coat, hairnet, and safety glasses pushing a pallet jack in a warehouse. The image is overlaid with a semi-transparent red filter. The worker is looking directly at the camera. The background shows stacks of boxes and industrial equipment.

HUMAN RIGHTS & SOCIAL IMPACT

creative werks not only mitigates our environmental impacts, but also recognizes the global challenges surrounding human rights. We work to make a positive social impact through our business operations. Core to who we are, and the culture we have worked to build, we foster an environment grounded in respect and integrity. To reinforce the importance of human rights, we have established resource groups and outlets to celebrate diversity and make sure all voices are heard and protected.

HUMAN RIGHTS & SOCIAL IMPACT

Diversity & Inclusion

Diversity & Inclusion (D&I) is especially important to creative werks, as we proudly employ people from an array of backgrounds and cultures. To ensure all employees are equipped with the tools to navigate D&I in the workplace effectively, a training program was launched across creative werks through a third party specializing in workplace diversity and inclusion.

A key follow up to this training was the subsequent launch of the creative werks Diversity & Inclusion Taskforce. The Taskforce is working to maximize inclusivity across creative werks offices and facilities, resulting in cultural and systemic changes with very real impact on the daily lives of employees. creative werks is celebrating diversity through cultural and community awareness campaigns, philanthropy events centered on inclusivity, and updating D&I policies and practices.

Employee Philanthropy

Philanthropy at creative werks is guided by the UN Sustainability Development Goals, specifically centering on: Goal 1 No Poverty; Goal 4 Quality Education; Goal 16 Peace, Justice, and Strong Institutions; as well as four environmentally-related goals: Goals 7 Affordable and Clean Energy; Goal 12 Responsible Production and Consumption; Goal 14 Life below Water; and Goal 15 Life on Land. We proudly support these initiatives.

TARGETED UN SUSTAINABLE DEVELOPMENT GOALS



Goal 1: No Poverty

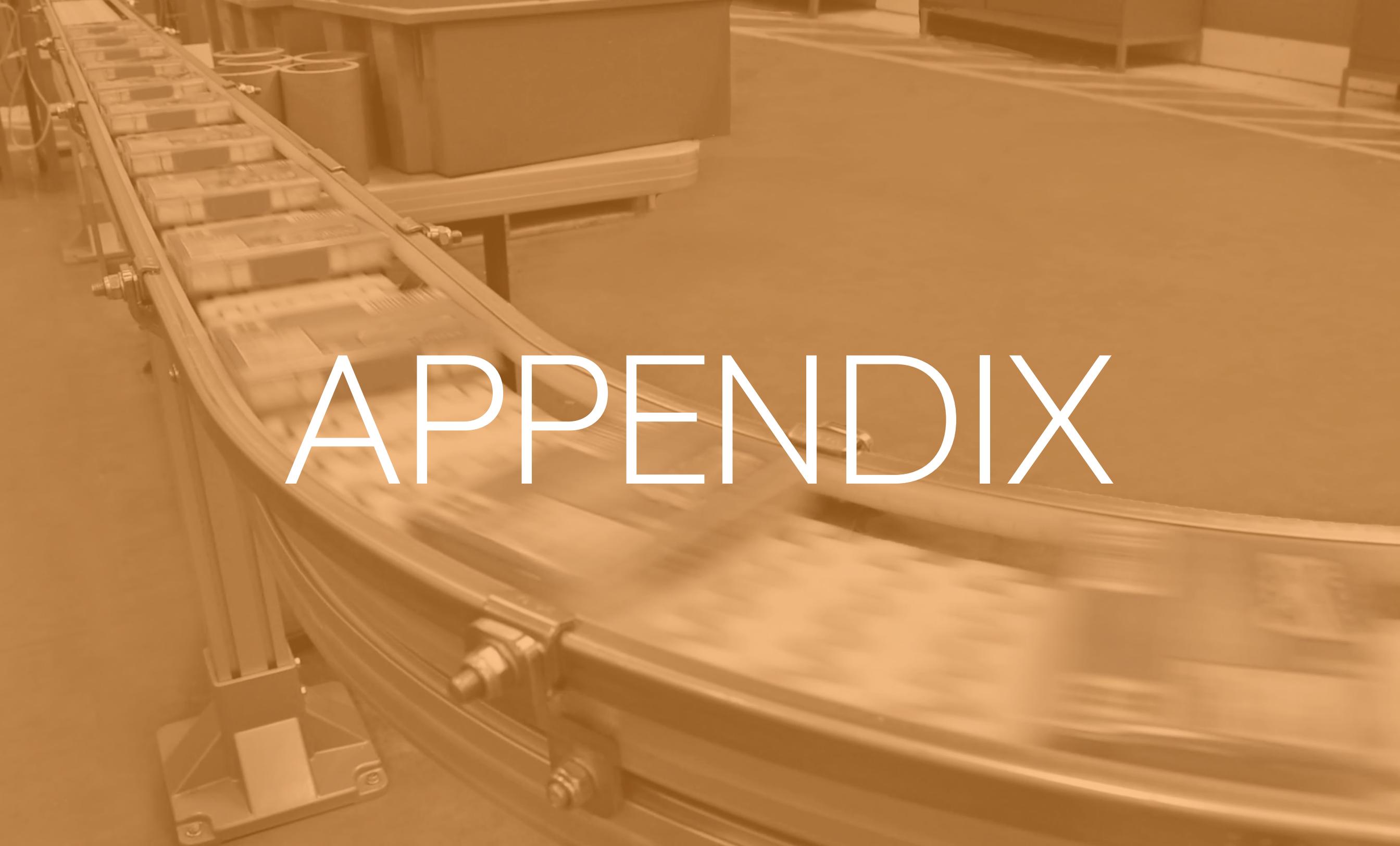


Goal 4: Quality Education



Goal 16: Peace, Justice, & Strong Institutions



A sepia-toned photograph of a factory conveyor belt. The belt is curved and carries several rectangular boxes. The background shows industrial equipment and a large open area. The word "APPENDIX" is overlaid in the center in a white, sans-serif font.

APPENDIX

APPENDIX

About Our Report

Our report reflects accurate data to the best of our knowledge and we plan to improve overall reporting transparency in future years through investment in Report Assurance and deeper data development. We utilized the United Nations Sustainable Development Goals (UNSDGs) as guidance and framework. Readers are encouraged to communicate questions via sustainability@CWerksglobal.com and the reader survey found below.

Environmental programs driven by :

- Goal 12: Responsible Consumption and Production
- Goal 14: Life Below Water
- Goal 15: Life on Land // Plastic pollution, waste, consumer education, leadership in R&D

Social programs are driven by:

- Goal 1: No Poverty, Goal 2: Zero Hunger
- Goal 3: Good Health and Well-being?
- Goal 4: Quality Education



APPENDIX

Goal 7: Affordable and Clean Energy

To ensure access to affordable, reliable, sustainable and modern energy for all

Goal 12: Responsible Consumption and Production

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Goal 13: Climate Action

Taking urgent action to tackle climate change and its impacts



APPENDIX

Goal 14: Life Below Water

14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

14.C Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in UNCLOS, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of The Future We Want

Goal 15: Life on Land

15.2 END DEFORESTATION AND RESTORE DEGRADED FORESTS: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

15.A INCREASE FINANCIAL RESOURCES TO CONSERVE AND SUSTAINABLY USE ECOSYSTEM AND BIODIVERSITY: Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.

15.B FINANCE AND INCENTIVIZE SUSTAINABLE FOREST MANAGEMENT: Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.

Environmental, Health, & Safety Violations

Top Production, Capital, Services, & Logistics Suppliers

Sources / Citations:

[UN Sustainable Development Goals](#)

[UN Environment's Legal Limits on Single-Use Plastics and Microplastics: A Global Review of National Laws and Regulations](#)



APPENDIX

Goal 1: No Poverty

1.2 REDUCE POVERTY BY AT LEAST 50%: By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.4 EQUAL RIGHTS TO OWNERSHIP, BASIC SERVICES, TECHNOLOGY AND ECONOMIC RESOURCES: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5 BUILD RESILIENCE TO ENVIRONMENTAL, ECONOMIC AND SOCIAL DISASTERS: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1.A MOBILIZE RESOURCES TO IMPLEMENT POLICIES TO END POVERTY: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

1.B CREATE PRO-POOR AND GENDER-SENSITIVE POLICY FRAMEWORKS: Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions protection due to conflict

Goal 4: Quality Education

4.1 FREE PRIMARY AND SECONDARY EDUCATION: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

4.2 EQUAL ACCESS TO QUALITY PRE-PRIMARY EDUCATION: By 2030, ensure that all girls and boys have access to quality early childhood development, care and preprimary education so that they are ready for primary education



APPENDIX

4.3 EQUAL ACCESS TO AFFORDABLE TECHNICAL, VOCATIONAL AND HIGHER EDUCATION: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 ELIMINATE ALL DISCRIMINATION IN EDUCATION: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

4.6 UNIVERSAL LITERACY AND NUMERACY: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy

4.7 EDUCATION FOR SUSTAINABLE DEVELOPMENT AND GLOBAL CITIZENSHIP: By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development

4.A BUILD AND UPGRADE INCLUSIVE AND SAFE SCHOOLS: Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all

4.B EXPAND HIGHER EDUCATION SCHOLARSHIPS FOR DEVELOPING COUNTRIES: By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrollment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries

4.C INCREASE THE SUPPLY OF QUALIFIED TEACHERS IN DEVELOPING COUNTRIES: By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing states



APPENDIX

CW Philanthropy for Environment:

Goal 7 Affordable and Clean Energy - To ensure access to affordable, reliable, sustainable and modern energy for all

Goal 12 Responsible Consumption and Production - To ensure sustainable consumption and production patterns

12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

12.7 PROMOTE SUSTAINABLE PUBLIC PROCUREMENT PRACTICES: Promote public procurement practices that are sustainable, in accordance with national policies and priorities.

12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Goal 14 Life Below Water - To conserve and sustainably use the world’s oceans, seas, and marine resources

14.1 REDUCE MARINE POLLUTION: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.



APPENDIX

Goal 15 Life on Land - To sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss

15.1 CONSERVE AND RESTORE TERRESTRIAL AND FRESHWATER ECOSYSTEMS: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

15.A INCREASE FINANCIAL RESOURCES TO CONSERVE AND SUSTAINABLY USE ECOSYSTEM AND BIODIVERSITY: Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

Goal 16: Peace, Justice, and Strong Institutions

16.1 REDUCE VIOLENCE EVERYWHERE: Significantly reduce all forms of violence and related death rates everywhere

16.2 PROTECT CHILDREN FROM ABUSE, EXPLOITATION, TRAFFICKING AND VIOLENCE: End abuse, exploitation, trafficking and all forms of violence against and torture of children

16.3 PROMOTE THE RULE OF LAW AND ENSURE EQUAL ACCESS TO JUSTICE: Promote the rule of law at the national and international levels and ensure equal access to justice for all

16.4 COMBAT ORGANIZED CRIME AND ILLICIT FINANCIAL AND ARMS FLOWS: By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets, and combat all forms of organized crime

16.5 SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY: Substantially reduce corruption and bribery in all their forms



APPENDIX

16.6 DEVELOP EFFECTIVE, ACCOUNTABLE AND TRANSPARENT INSTITUTIONS: Develop effective, accountable and transparent institutions at all levels

16.7 ENSURE RESPONSIVE, INCLUSIVE AND REPRESENTATIVE DECISION-MAKING: Ensure responsive, inclusive, participatory and representative decision-making at all levels

16.8 STRENGTHEN THE PARTICIPATION IN GLOBAL GOVERNANCE: Broaden and strengthen the participation of developing countries in the institutions of global governance

16.9 PROVIDE UNIVERSAL LEGAL IDENTITY: By 2030, provide legal identity for all, including birth registration

16.10 ENSURE PUBLIC ACCESS TO INFORMATION AND PROTECT FUNDAMENTAL FREEDOMS: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements

16.A STRENGTHEN NATIONAL INSTITUTIONS TO PREVENT VIOLENCE AND COMBAT TERRORISM AND CRIME: Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime

16.B PROMOTE AND ENFORCE NON-DISCRIMINATORY LAWS AND POLICIES: Promote and enforce non-discriminatory laws and policies for sustainable development



[TABLE OF CONTENTS](#)

[OUR BUSINESS](#)

[SUPPLY CHAIN RESPONSIBILITY](#)

[ENVIRONMENT](#)

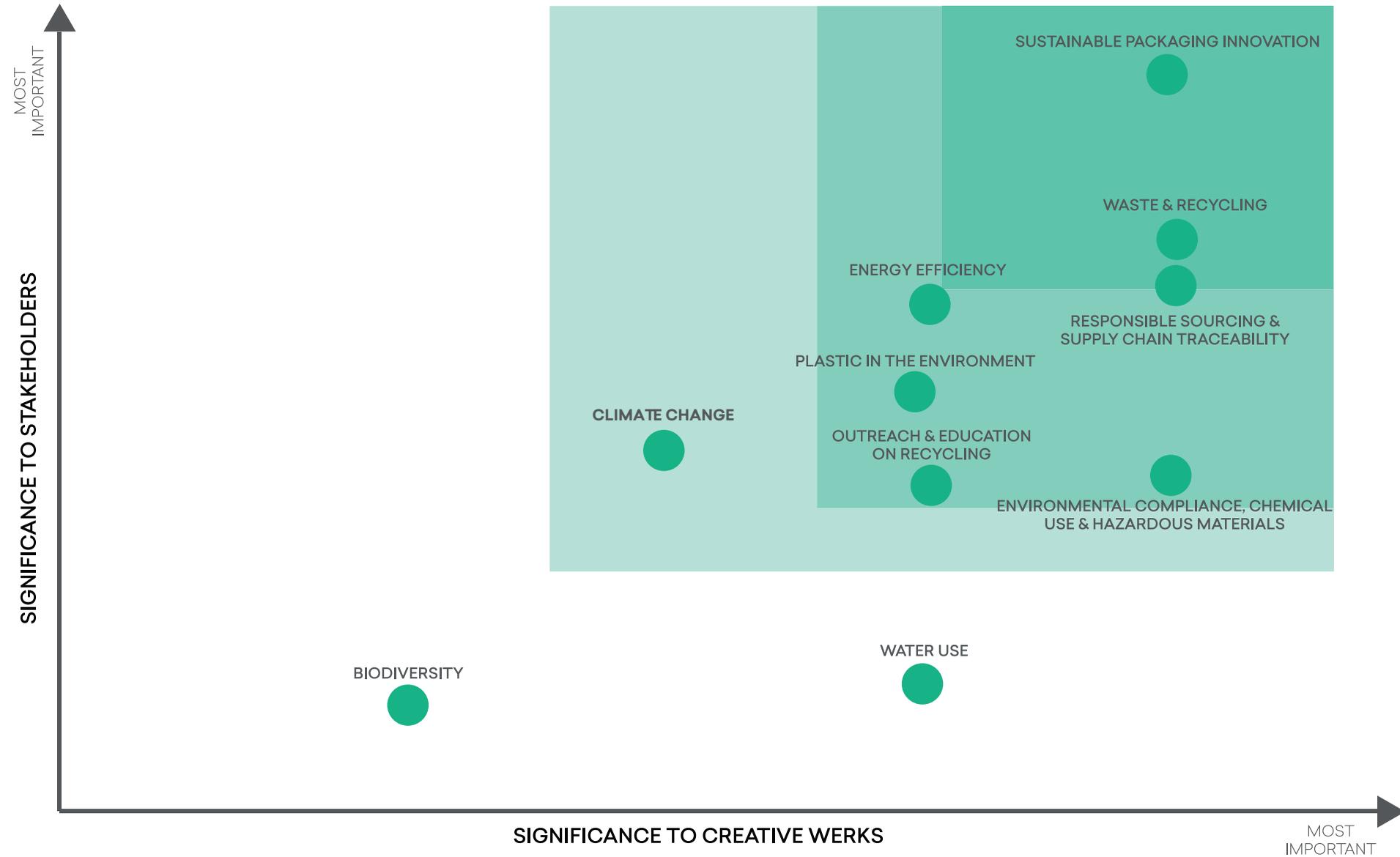
[HUMAN RIGHTS & SOCIAL IMPACT](#)

[APPENDIX](#)

APPENDIX

Chart 2. The focus areas which stood out in the Environmental category as highest priority are:

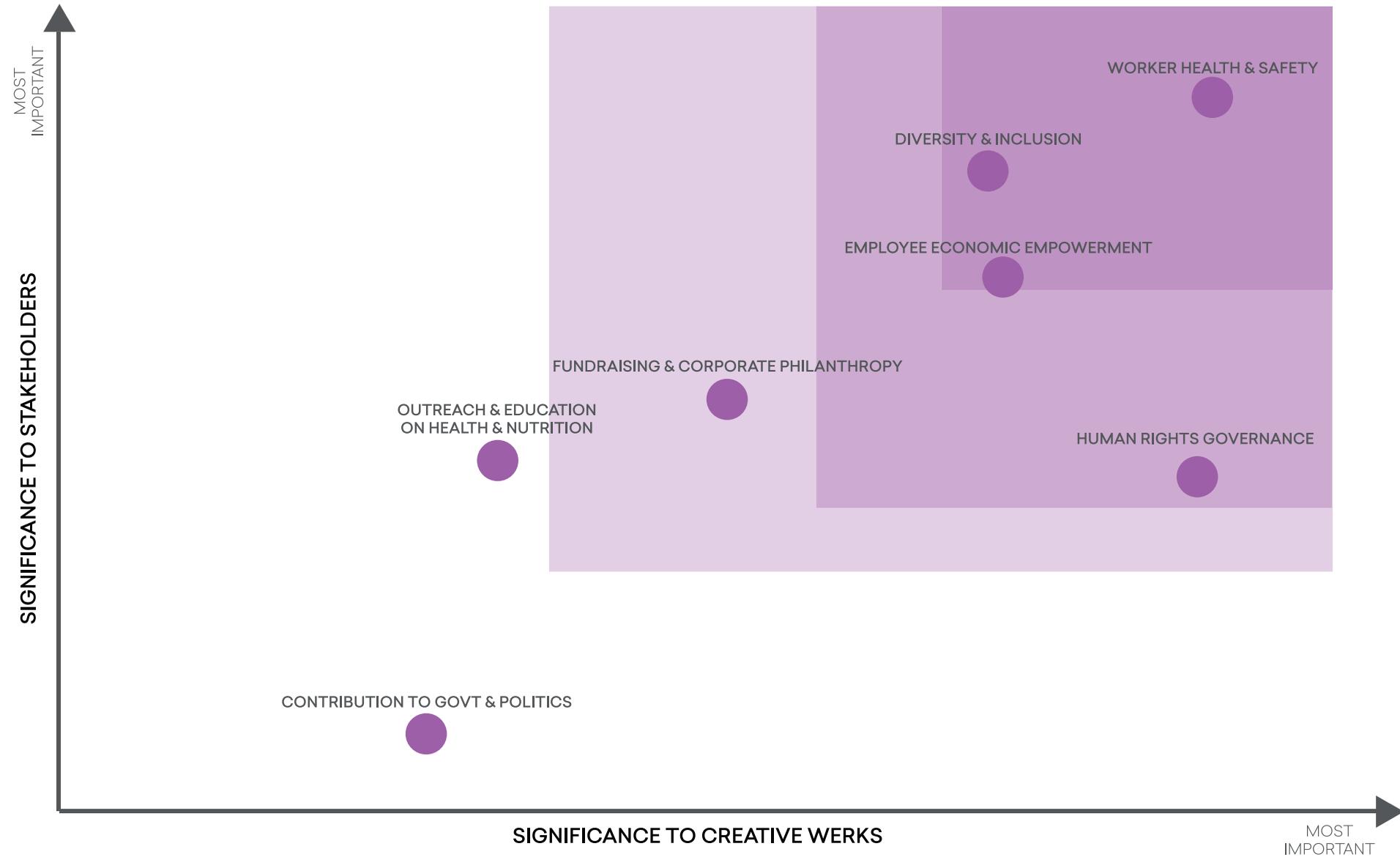
- (1) Sustainable Packaging Innovation, Design, & Testing
- (2) Waste & Recycling within creative werks
- (3) Responsible Sourcing & Materials Traceability in the Supply Chain



APPENDIX

Chart 3. The focus areas which stood out in the Social category as highest priority are:

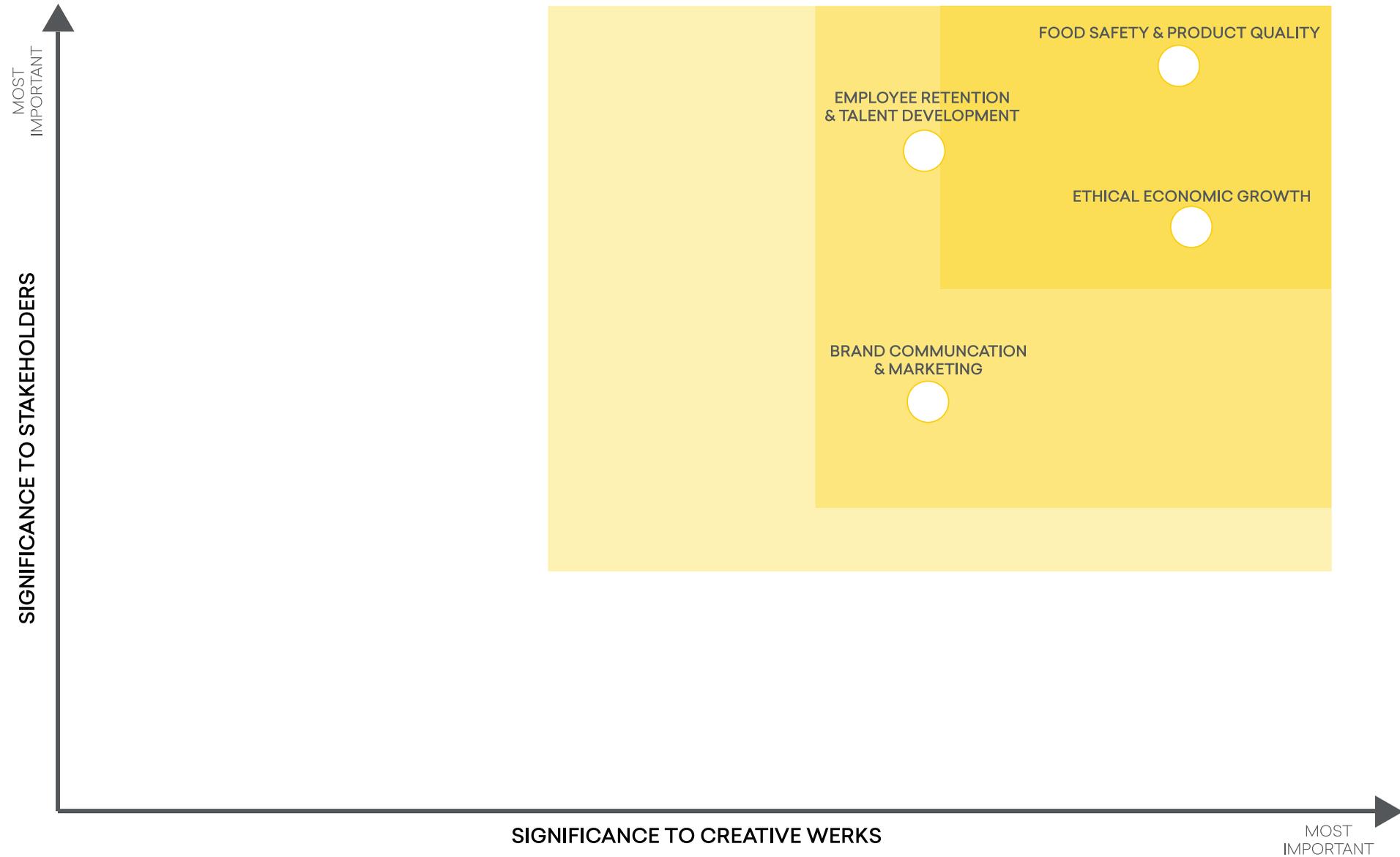
- (1) Worker Health & Safety
- (2) Diversity & Inclusion
- (3) Employee Economic Empowerment



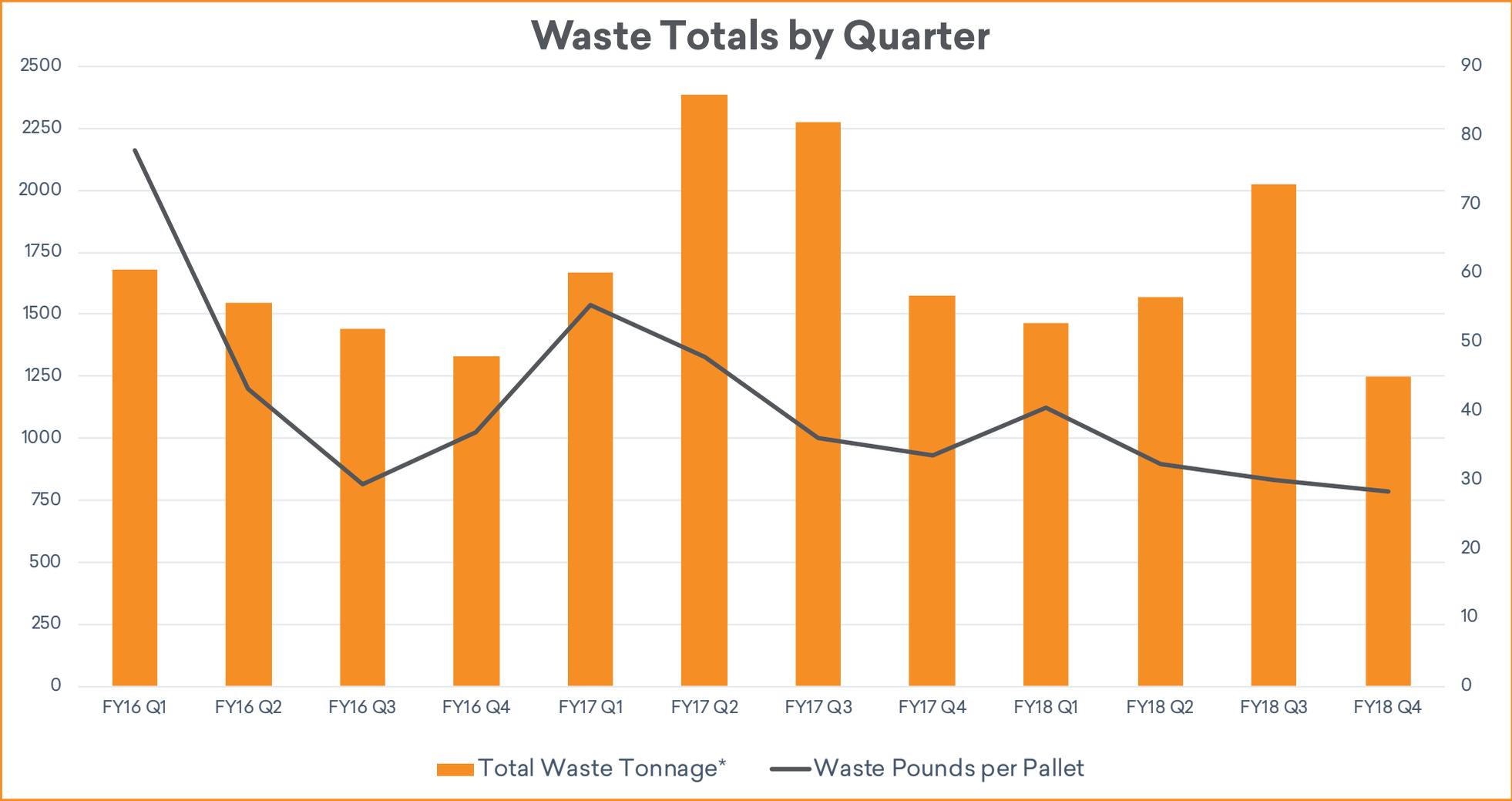
APPENDIX

Chart 4. The focus areas which stood out in the Business-Critical category as highest priority are:

- (1) Food Safety & Product Quality
- (2) Financial & Economic Health of the Company

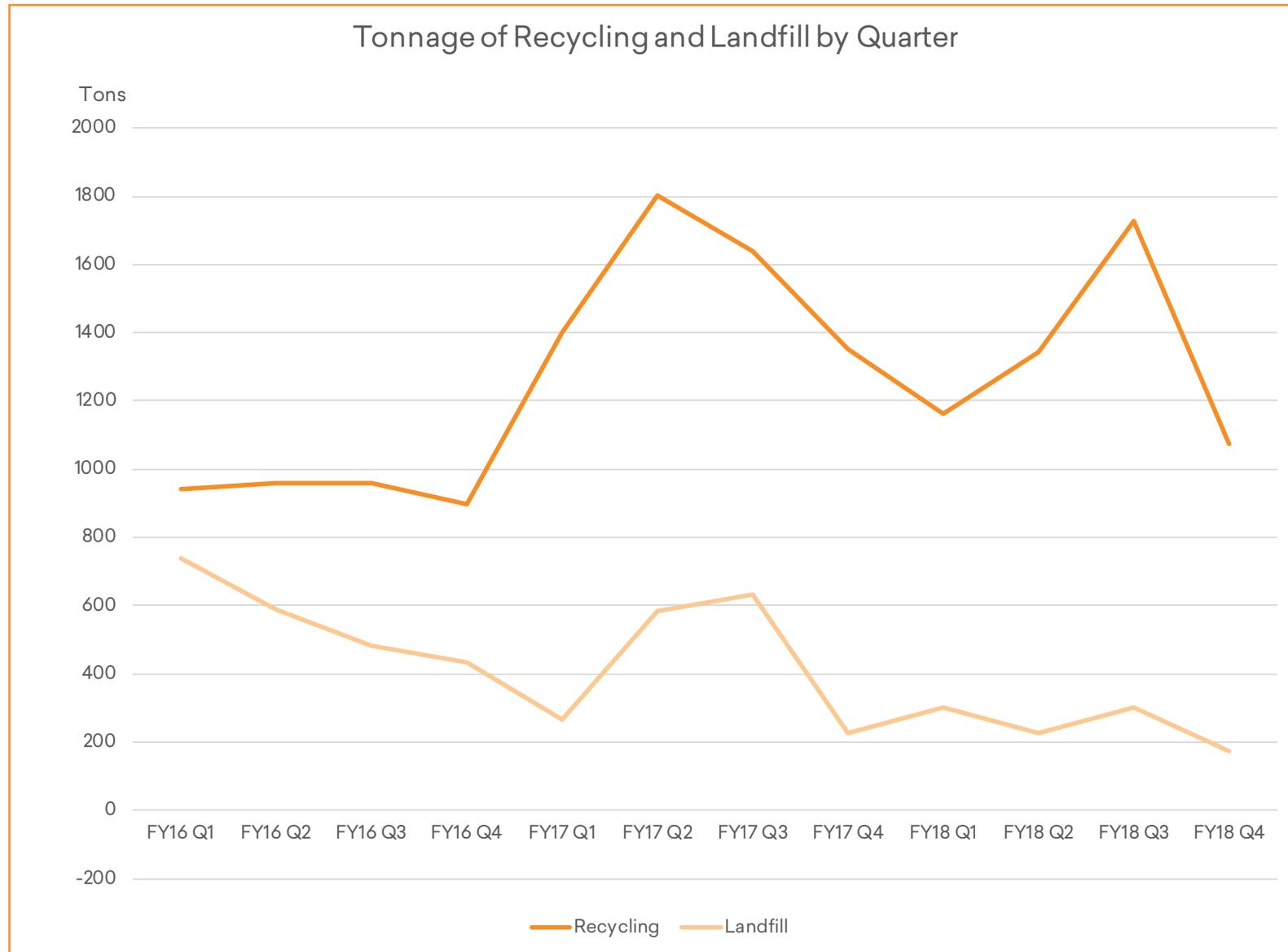


APPENDIX

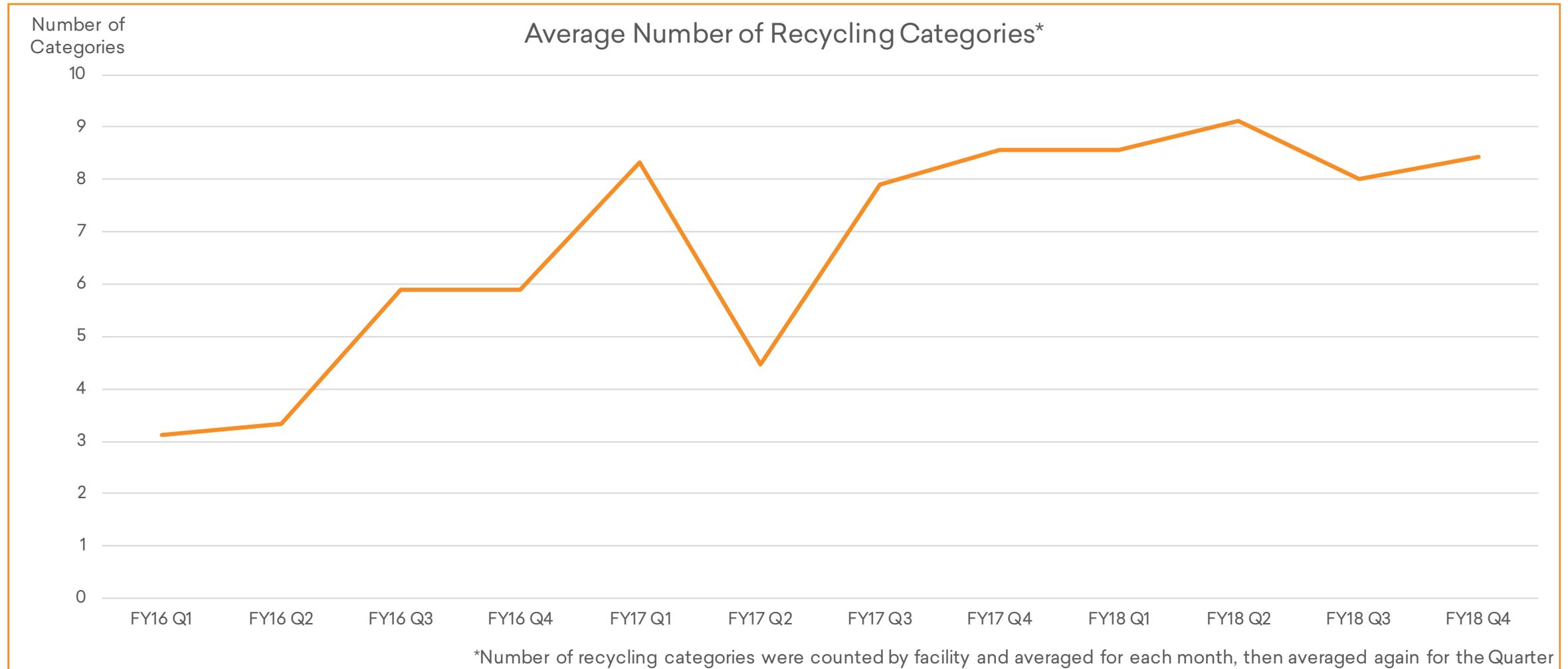


*excluding food waste and pallets

APPENDIX

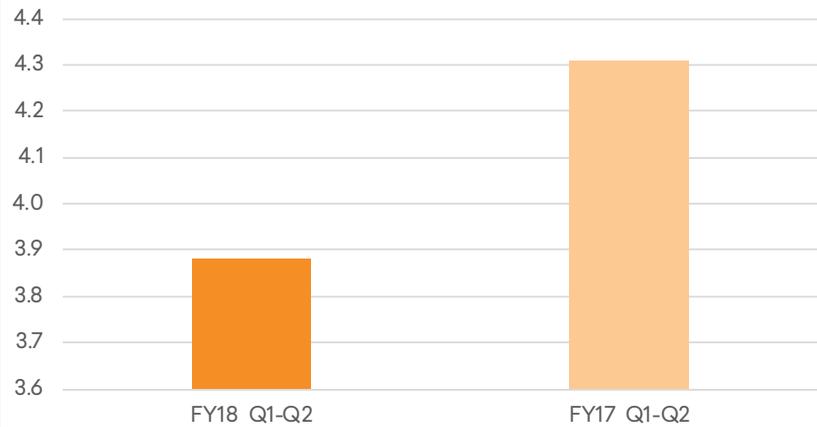


APPENDIX

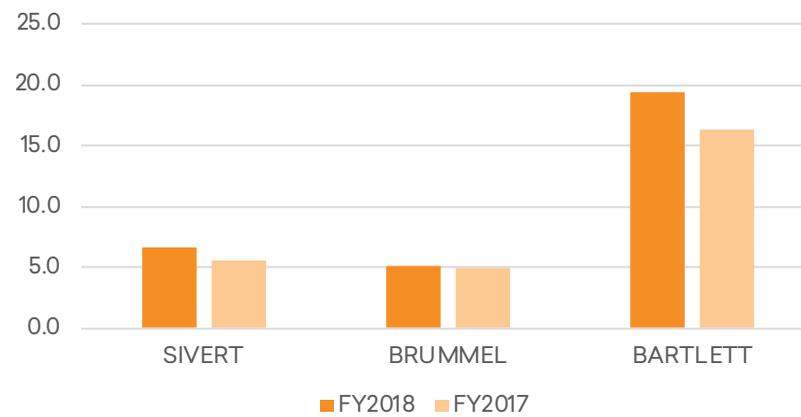


APPENDIX

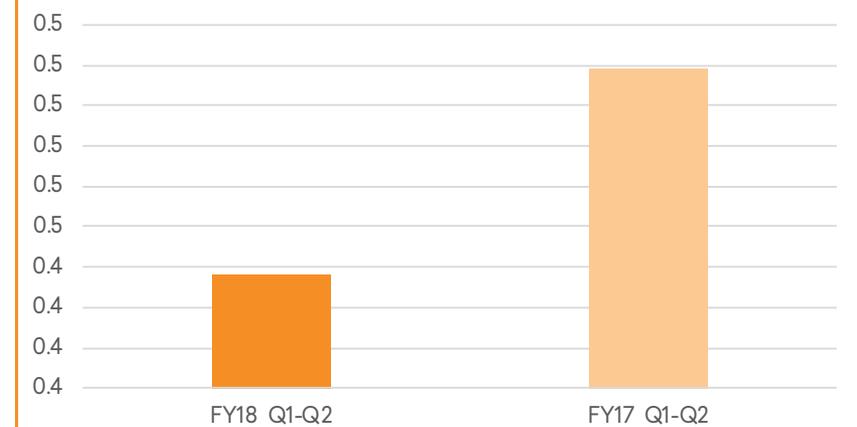
Water Usage
(In Gallons/pallet)



Electricity Usage (kWh/pallet) by Facility



Gas Usage
(In Therms/pallet)



READER FEEDBACK SURVEY

creative werks values our stakeholders' perspectives. Please feel free to utilize one of the following three methods below to share your feedback on the Report.

If reading digitally, clicking here on the [Reader Feedback Survey](#) link will navigate you to an online version of the survey to complete. If reading a paper copy of the report, please mail a hard copy to:

Attn: creative werks Sustainability Team
 1470 Brummel Ave.
 Elk Grove Village, IL
 60007

1. Do you identify as (select only one):

Customer
 Employee of creative werks
 Board Member
 NGO
 Vendor
 Student
 Researcher / Academic
 Local Community Member
 Government Representative / Employee
 Other – Please specify within Number 5 (below)

2. Which of the following areas should creative werks prioritize? Rank up to 11, where 1 is highest priority:

| | |
|---|--|
| <input type="checkbox"/> Food Safety & Product Quality | <input type="checkbox"/> Waste and Recycling at creative werks |
| <input type="checkbox"/> Diversity & Inclusion | <input type="checkbox"/> Human Rights Governance |
| <input type="checkbox"/> Climate Change | <input type="checkbox"/> creative werks' Contribution to Government & Politics |
| <input type="checkbox"/> Employee Economic Empowerment | <input type="checkbox"/> Responsible Sourcing & Materials |
| <input type="checkbox"/> Sustainable Packaging Innovation, Design, & Testing | <input type="checkbox"/> Traceability in the Supply Chain |
| <input type="checkbox"/> Plastic in the Environment | <input type="checkbox"/> Fundraising & Corporate Philanthropy |
| <input type="checkbox"/> Outreach & Education on Recycling | <input type="checkbox"/> Water Use |
| <input type="checkbox"/> Biodiversity | <input type="checkbox"/> Outreach & Education on Health & Nutrition |
| <input type="checkbox"/> Employee Retention & Talent Development | <input type="checkbox"/> CW Brand Communication & Marketing |
| <input type="checkbox"/> Energy Efficiency | |
| <input type="checkbox"/> Environmental Compliance, Chemicals Use, & Hazardous Materials | |
| <input type="checkbox"/> Financial/Economic Health of the Company | |
| <input type="checkbox"/> Worker Health & Safety | |

3. The 2019 Sustainability Report is organized in a clear and logical way:

- Highly Agree
- Agree
- Disagree
- Highly Disagree

4. In your opinion, the 2019 Sustainability Report includes all material issues:

- Highly Agree
- Agree
- Disagree
- Highly Disagree

5. If you have further comments about the 2019 Sustainability Report, please include them below:

creative werks, LLC
Sustainability Report published in 2019
This Sustainability Report reviews fiscal
year January – December 2018

Going green werks!