ROYAL PLASTICS INC

*Molding Success for Industrial, Commercial and Consumer Businesses*

# Royal Plastics 2020 Sustainability Report

Royal Plastics, Inc. is excited to share our 2020 Sustainability Report. We are committed to do our best to create a responsible and sustainable work environment, supporting our environmental policy. This report will cover the goals we met in 2019, 2020 and the goals we're setting out for 2021. We'll work toward continuing our improvement next year.

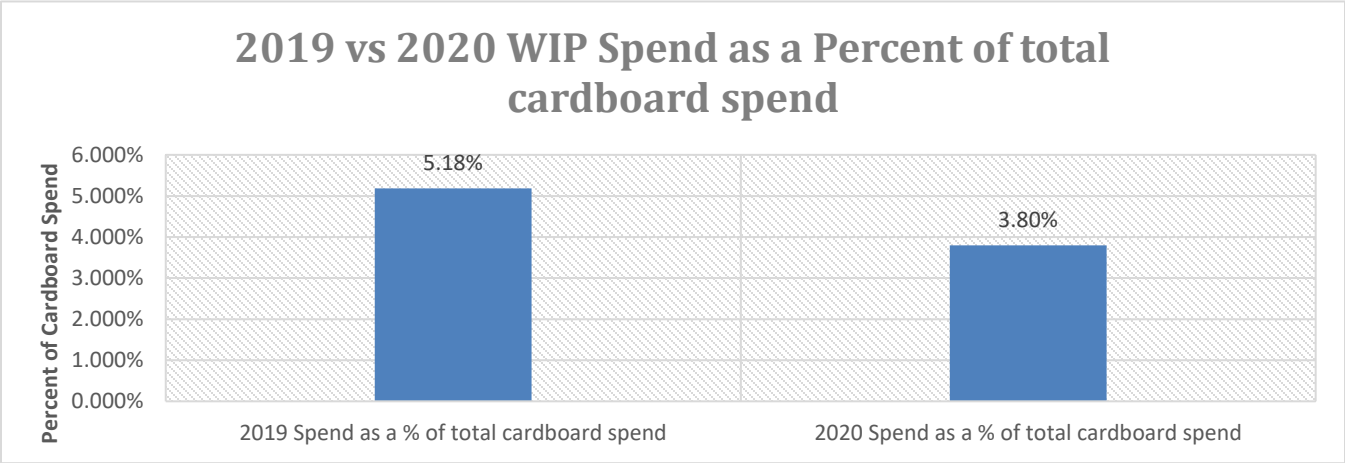
Our first goal was to create our first written sustainability report and environmental policy, add it to our ISO Management Review System and publish it. It makes sustainability a part of our culture, and provides a measure for us to continuously improve. We think, we do, we are. It will also show our customers, vendors, and employees that we're taking sustainability seriously.

1. **RPI reduced internal cardboard use by 20% in 2020 by**:

    a. Engaging in Plastic Re-useable Dunnage (PRD), totes and bins for inter/intra plant operations.

    b. Engaging in PRD's for closed loop returnable systems with customers.

    c. They're easy to use, easy to identify, our associates and partners know we're making an improvement, and the PRD's pay for themselves in less than 5 turns. Increased use of PRD's mitigates internal packaging costs and offsets other increased costs. Also, we're not buying as much cardboard to put in a recycle baler, or sending it to our customers to disposition.




2. **RPI reduced Electricity usage in 2020 by 17% by:**

    a. Replacing and installing 8 new presses, one 100T, four 180T, two 300T and one 530T injection mold presses. RPI will replace at least 2 more machines in 2021: one 500T, one 300T machine…with more to come.

        i. These new molding machines are more energy efficient and provide better control so that technicians and operators can make the same parts in less time. We're able to make more dispensers with the same resources. The energy savings pays for the

investment in more efficient equipment and offsets other increasing operating expenses. Less power consumption means more for others, or less need overall.

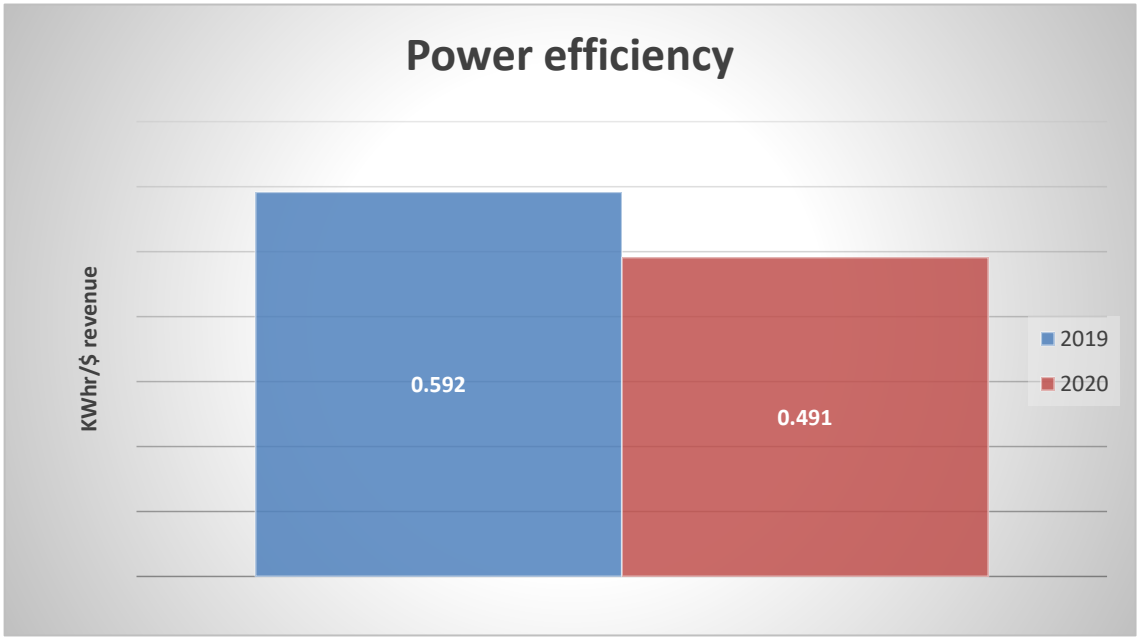
b. Replacing shop fluorescent lighting with high efficiency LED lighting with motion sensor controls, 50% complete. On track to complete in 2021.

c. Replaced/renovated air compressor and compressed air system to high efficiency compressors, fix chronic air leaks so that compressor do NOT run 100% of the time.

d. Creating an internal awareness program, resulting in behavioral changes:

   i. The key component to hydraulic injection molding machines is an electric motor (25 HP, 50 HP, or larger). They run continuously to pump hydraulic oil…even when the machine is idle. If the machine is idle, turn it off, until the asset is required for use.

   ii. Vastly improved teamwork increases communication and increases efficiency of machine/equipment/facilities maintenance. It also minimizes electricity "scrap" and maximizes economic return on investment into newer higher efficiency technology.




Respectfully,

Tim Pereces, RPI Supply Chain Manager.