

RAVEN

IMPACT

TEAM MEMBERS

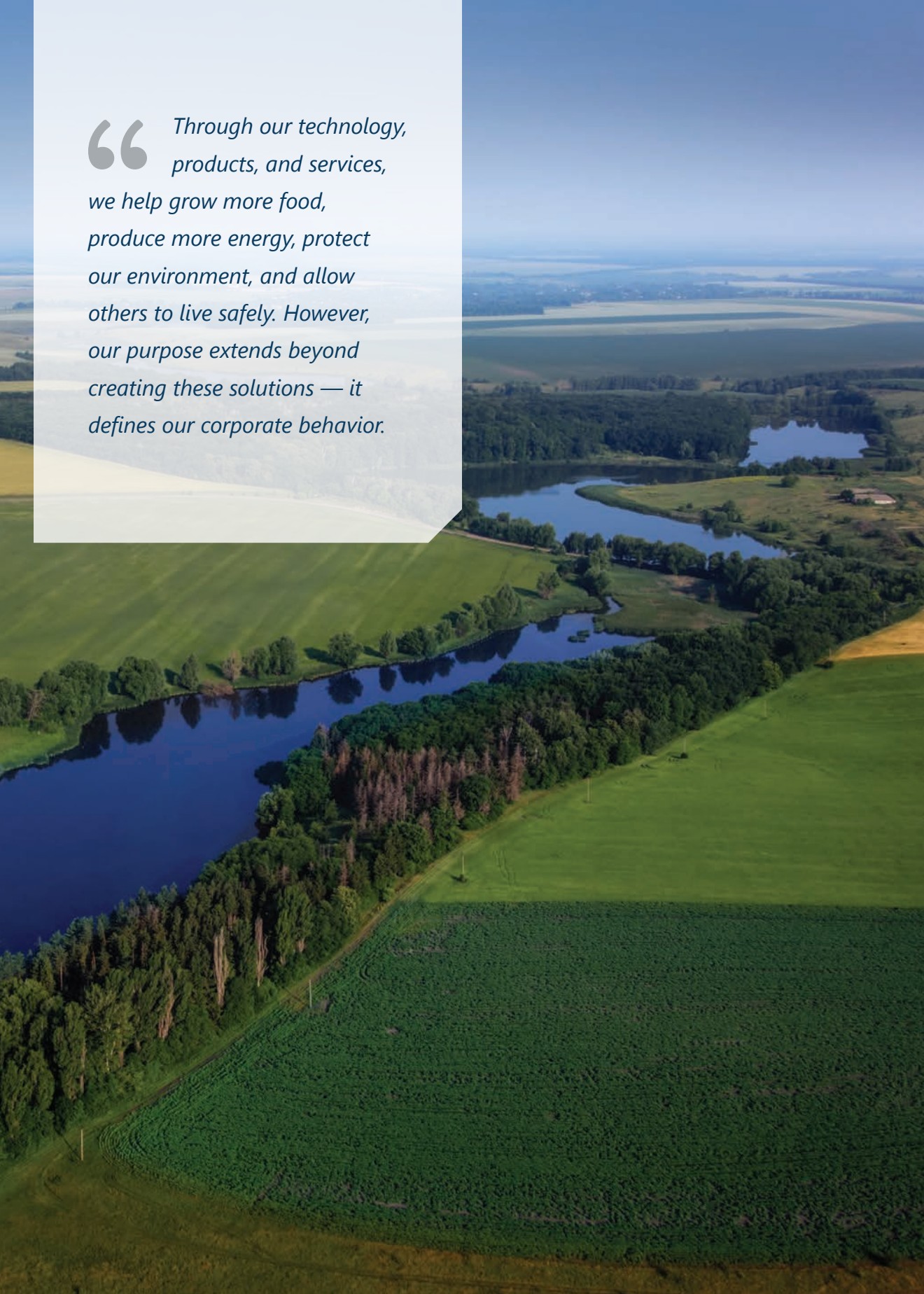
COMMUNITY SUPPORT

SUSTAINABILITY

R A V E N

2017 REPORT

“ *Through our technology, products, and services, we help grow more food, produce more energy, protect our environment, and allow others to live safely. However, our purpose extends beyond creating these solutions — it defines our corporate behavior.*



COMMITTED TO A POSITIVE IMPACT

At Raven, we believe we hold an essential responsibility to our stakeholders to build a healthy, proper, and profitable company. Alongside that intent, we embrace the notion that we have a duty to improve this shared community we call the world. Those responsibilities extend beyond our normal day-to-day business operations, and the impact is far-reaching.

The foundation of a company's corporate social responsibility behavior can be rooted in many different areas. For Raven, our purpose and values guide our corporate social responsibility actions. We exist to Solve Great Challenges through the development and application of technology in the markets we understand and serve. This is our purpose, and without it, there would be little reason for Raven to exist. Our purpose drives the activities, decisions, and performance of the company.

In addition to our purpose, our values — Service, Integrity, Courage, Humility, Authenticity, and Drive — guide how we operate our business and define our behavior within our company culture and our communities. Without clearly defined values, an organization will not maintain high standards of corporate social responsibility. Our values are well understood throughout Raven and are embraced at all levels of the organization.

Our corporate responsibility framework is constructed from five key areas of impact, which include:

- Environmental Sustainability
- Corporate Philanthropy
- Volunteerism
- Team Member Development and Training
- Business Purpose, Products and Services Delivered, and Markets Served

This report outlines our continued commitment and guides our future progress towards creating a positive and lasting impact on our surroundings through our daily operations, our ethical corporate conduct, and our ability to lead by example.

We are encouraged by the good progress we have made throughout the year on our community support, our quality and reliability of products, our team member engagement, and our environmental stewardship. We look forward to challenging ourselves by finding new and additional opportunities that allow us to improve ourselves, our communities, and our world.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel A. Rykhus". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chief Executive Officer & President

DANIEL A. RYKHUS

ENVIRONMENTAL SUSTAINABILITY

There are finite resources available on Earth, and we believe it is our responsibility as individuals and a corporate citizen to protect those resources to ensure a reliable and sustainable environment for the future generations.

Today, we focus our sustainability efforts on three main areas: operations, products, and people. Through these areas, we work to be more efficient with energy use and reducing the amount of waste sent to landfills; we design and produce technology that protects Earth's resources; and we collaborate with our communities to find ways to enhance sustainability practices in our neighborhoods.

"Raven's commitment to sustainability is about being a good steward of our natural resources, demonstrating responsibility to the communities, shareholders, and customers we serve. Taking care of our air, water, and energy resources creates a better quality of life and is an extension of our commitment to continual improvement, quality, and innovation."

— Jennifer Schmidtbauer, Director of Organizational Development



OPERATIONS: COMMITTED TO PROTECTING OUR EARTH

Our business operations have the potential to profoundly affect our environment, and the most significant impacts in the area of waste reduction come from our manufacturing operations. Raven Engineered Films operates a state-of-the-art plastic reclaim center, which converts excess materials into reusable plastic resin.

Over 6 million pounds of polymer film and sheeting were processed into recycled and reusable resin materials — a 30% increase over the previous year.

The operation is currently utilizing the majority of these reprocessed resin pellets by introducing them back into select finished film and sheeting products. In turn, the products produced with these reclaimed resins help preserve our environment by containing potentially harmful chemicals from polluting our environment and air quality.

Raven made strides to reduce the environmental impact of our daily operations in other areas, too.

FY 2017 HIGHLIGHTS

- Made improvements to reduce paper consumption by educating team members, identifying excessive waste, and streamlining or eliminating printed reports and documentation
- Diverted **76.65 tons** of cardboard and **8.98 tons** of single stream recycling from the landfill

PRODUCTS: COMMITTED TO ENVIRONMENTAL STEWARDSHIP

In January 2017, Raven was granted acceptance into the 4R Nutrient Stewardship program. This program aims to help educate growers and applicators on applying nutrients from the right source, at the right rate, at the right time, and in the right place. Raven offers several different precision agriculture technologies that help our customers apply nutrients in a more environmentally friendly manner, while actually increasing crop yield and avoiding yield loss.

PEOPLE: COMMITTED TO OUR COMMUNITY

This year, our external efforts supported the City of Sioux Falls in several ways, raising awareness and leading the community.

FY 2017 HIGHLIGHTS

- Participated in Big Sioux River Greenway Cleanup
- Designed and painted a storm water drain to raise awareness about pollution
- Provided litter clean-up around our campus and adjacent property
- Participated in a focus-group discussion concerning the future of the Sioux Falls landfill

ACHIEVED CERTIFICATION AS A
**GREEN BUSINESS
LEADER** IN MARCH 2016
EARNED 71 / 77 POSSIBLE POINTS





CORPORATE PHILANTHROPY

COMMITTED TO STRENGTHENING OUR COMMUNITIES

Raven is committed to being an active and responsible corporate citizen by providing strategic investments to organizations who align with our business model and purpose.

Our areas of focus include: quality of life, education, social need, and health/wellbeing. We seek to make a positive impact by providing financial support to organizations that successfully and efficiently address each of our focus areas.

"Raven has been a terrific supporter of Sioux Empire United Way! They are a leading corporate contributor, and their employers and leadership are generous with their financial gifts as well as their time."

— Jay Powell, President of Sioux Empire United Way



RAVEN GIVING IN FY 2017

27%

QUALITY OF LIFE

19%

EDUCATION

52%

SOCIAL NEED

2%

HEALTH

VOLUNTEERISM

COMMITTED TO GIVING BACK OUR TIME

Raven has a long history of community support and an ongoing commitment to keep it strong. Throughout the year, several Raven team members gave back to their communities by giving their time and energy to various social organizations.

From cleaning up litter to stuffing backpacks for hungry children and mentoring students, Raven team members have the opportunity to make a significant impact in areas that align with their interests. We care about the communities where we live and work, and we believe we all benefit when we support one another.

"We are so very grateful to Raven and its staff for the commitment and dedication shown to Feeding South Dakota. We could not do what we do without help from corporations such as Raven. Together, we work to end hunger in South Dakota."

— Jennifer Stensaas, Development Associate for Feeding South Dakota



IN FY 2017:

**ONE HUNDRED
TWENTY-FIVE**

TEAM MEMBERS VOLUNTEERED
THEIR TIME IN OUR COMMUNITIES

OVER 30 RAVEN
TEAM MEMBERS WERE
MENTORS TO
MIDDLE SCHOOL
STUDENTS

15
TEAM MEMBERS

VOLUNTEERED FOR
JUNIOR ACHIEVEMENT
IN SIOUX FALLS

TEAM MEMBER DEVELOPMENT & TRAINING

Raven employs a diverse and inclusive workforce that is committed to Solving Great Challenges. Our team members are at the heart of the work we do, and we believe it vital to invest in their ongoing development and continuous improvement. In order for a company to grow and improve each year, individual team members must grow and improve each year.

COMMITTED TO OUR TEAM MEMBERS' PERSONAL DEVELOPMENT

PEAK TIME

Through our newly initiated Peak Time program, Raven provides team members with the gift of time to use towards exploring opportunities that improve one's mind, body, and spirit. Raven team members use Peak Time to explore wellbeing resources, engage in a new activity, or embrace a healthy lifestyle change.

80% of team members took advantage of Peak Time

A fun, competitive event, called Peak Week, was also launched this year. **Over 150 team members** formed teams to compete, earning points by completing intellectual, physical, and spiritual challenges.



COMMITTED TO KNOWLEDGE

RAVEN U: PERSONAL, PROFESSIONAL & LEADERSHIP DEVELOPMENT

Raven University offered more learning opportunities on Peak topics this past year and procured a new library of online learning content accessible to all team members.

Over 14,000 learning sessions were experienced in classrooms, workshops, conferences, and online; in the categories of Technical, Functional, Peak Performance, and Compliance.

In FY 2017, Raven had its first graduate of its Emerging Leaders Program. We also launched a Leadership Immersion Program geared toward high performance, high potential senior team members to deepen their business acumen specific to Raven. Through executive level conversations, on- and off-site tours, and critical thinking assignments, our Leadership Immersion Program is providing rich context for strategic and operational aspects of the company.

"Participating in Raven's Emerging Leaders program was an extremely rewarding experience for me. The coursework offered me new perspectives on how to be more effective and accountable — in both my job and my personal life. I am so thankful to work for a company that offers resources for continual learning and improvement of self."

— Lisa Koch, Marketing Specialist

EDUCATION ASSISTANCE PROGRAM

Beyond our own learning and development opportunities, Raven also provides education assistance to many of our team members who are pursuing degrees in higher education. In FY 2017, our team members took advantage of this program for continued personal and professional development.

SEVENTEEN TEAM MEMBERS PARTICIPATED



4 GRADUATE-LEVEL 13 UNDERGRADUATE

\$50,968

**PAID OUT IN TEAM MEMBER
REIMBURSEMENTS**

SCHOLARSHIP PROGRAM

Each year, Raven also awards scholarships to the children of our team members. The funds can be used for tuition, fees, or books at any accredited college or technical institute. In FY 2017, we continued this commitment, promoting educational attainment for the next generation.

- 14 \$500 scholarships awarded to the dependent children of Raven team members
- 5 of 8 schools attended were South Dakota universities/colleges

“ *Raven's Education Assistance program is a huge benefit for Raven Team Members, as it encourages and inspires continuous personal development. Without the financial assistance this program provides, I likely would not have taken the initial leap to pursue my MBA.*”

— *Joe Beck, Program Manager*



BUSINESS PURPOSE, PRODUCTS & SERVICES DELIVERED, MARKETS SERVED

Pursuit of purpose is a key component to achieving success. At Raven, our purpose is to Solve Great Challenges. Through that purpose, we design and produce technology that positively affects people and societies from around the globe.

Whether it is feeding a growing world population by improving agricultural efficiency, protecting our natural resources through advance barrier film, or connecting all corners of the world by designing reliable lighter than air technologies, our technology contributes to the improvements of the world's most significant challenges.

This purpose drives the work of our team members and unites our businesses. In fiscal year 2017, we delivered on that promise by developing and introducing new products that improve the lives of so many around the world. The following are highlights of those efforts.

RAVEN APPLIED TECHNOLOGY

Feeding a growing population by improving agricultural efficiency around the world

HAWKEYE™ NOZZLE CONTROL SYSTEM

In 2016, Raven introduced ground-breaking enhancements to our innovative Hawkeye Nozzle Control System. The Hawkeye System vastly improves the efficacy of the product being applied in the field by precisely controlling the size of the droplets.



“The Hawkeye System will make our customers more efficient and profitable. We can reduce the amount of inputs being used in the field, while still helping produce more food. It has not only been a business benefit to our customers, but it has a positive environmental impact as well.”

— Ryan Molitor, Director of Customer Experience

TOP GUN PROGRAM & PRE-FLIGHT CHECKLIST

This past year, Raven also rolled out our Top Gun Program, featuring the Pre-Flight Checklist. This training program offers tailored training sessions for our core ag retailer customers to better understand the setup and basic troubleshooting of Raven systems.

The Pre-Flight Checklist is a service Raven offers to update existing equipment, perform operator training, and proactively address issues before a machine goes out in the field.



Together, the Top Gun Program and Pre-Flight Checklist ensure machines are fully functional and operators are trained prior to application season. In its first year in existence, Raven currently has over 100 Top Gun Program members.

RAVEN ENGINEERED FILMS

Producing high-quality flexible films and sheeting designed to protect Earth's resources and preserve asset value

SEALFRESH™

In June of 2016, Raven introduced SealFresh, a two-step barrier silage cover system that incorporates the latest technology to help customers preserve the highest nutritional value from their silage, a feedstock for cattle.



"Using SealFresh allows our customers to block **400 times more oxygen** than with standard silage covers. Without an effective oxygen barrier, a loss of **up to 70%** occurs in the top three feet and sidewalls of a silage pile. The use of a SealFresh barrier cover results in high-quality feed, for an end benefit of increased milk production for dairy cows and increased pounds gained for cattle."

— Erik Burkman, Sales Manager

TRUE GAS BARRIERS FOR THE EUROPEAN MARKET

Degradation of indoor air quality affects building occupants — especially when health issues come into play. In FY 2017, a strategic partner contracted with Raven to introduce a true gas barrier to the European market based on our past experience.



This new line of membranes is designed to comply with European regulations for the mitigation of Volatile Organic Compounds and other harmful ground gases.

True gas barrier membranes are up to **800 times more effective** at preventing harmful VOCs from permeating through the barrier and entering the building envelope than common geomembranes or moisture vapor barriers — keeping VOC levels at bay where they would normally create an indoor inhalation risk.

RAVEN AEROSTAR

Shaping the stratospheric platform market with the world's most advanced and reliable lighter-than-air technologies

BALLOON DAY

Raven hosted the first annual Raven Aerostar Balloon Day on April 5, 2016 in Sioux Falls, S.D. The event provided South Dakota students the opportunity to witness stratospheric balloon technology and manufacturing, and participate in hands-on workshops dedicated to exposing students to the importance of Science, Technology, Engineering and Mathematics (STEM) in the lighter-than-air industry. Raven Aerostar Balloon Day was made possible through a Project Innovation Grant from The South Dakota Space Grant Consortium and Raven's commitment to supporting STEM education.

Over 115 students and 5 educators from the Sioux Falls, Baltic, and Brandon school districts participated in Raven Aerostar Balloon Day. The event showcased the company's lighter-than-air products and developments, including Raven's advanced Super Pressure Balloon technology. This ground-breaking technology is providing new situational awareness capabilities through controlled balloon flight in the stratosphere.



"Raven Aerostar is proud to be an affiliate member of the South Dakota Space Grant Consortium. STEM education is important to Raven and is a genuine passion for many of our team members. We were intentional in selecting team members for the event so they could share with students what they do at Raven, experiences in lighter-than-air and aerospace markets, and the impact STEM has had on their careers."

— Scott Wickersham, General Manager

We Solve Great Challenges.

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