

Let's grow together

Company Newsletter



The HC Companies™

Leader in Horticultural Containers

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- Site updates
- Health and wellness
- Safety and productivity

September 2018 - 1st Quarter

Coach's Huddle

Jim Bennett, President and CEO



As always, safety first. I'd like to highlight our Branding Team in Middlefield.

This team has gone over 525 days (nearly a year and a half) since their last recordable safety incident. This team leads the way in the "Brother's Keeper" philosophy. They each take care of themselves and their fellow team members.

The Branding Team also leads the way on 5S and driving our Continuous Improvement efforts. The Middlefield Branding Team clearly demonstrates how Safety, 5S and CI all work together to make HC better.

As many of you are aware, we have been performing a customer satisfaction survey for the last three years. The first two years showed very little improvement in our survey results. However, this year's results were **double last year's results**. A two-fold improvement year over year!

Our improved results are due to all the CI efforts our teams are making throughout HC. Great job EVERYONE - all your efforts are paying off!

We recently completed "Cultivate18" (the key horticultural industry trade show). This show was also very positive for our team. We had many of our customers tell us that HC did a great job for them this season.

One customer personally told me that **we were their best supplier** and that this past season was our best performance in their ten-year history with us. It is very clear that all our teams are making improvements in the way we do business to better serve our customers.

By the time you read this, we will have eleven new injection molding machines in Middlefield and two new machines in Sparks. These machines will continue to support our improved service levels and product quality to our customers.

This significant investment in machines, and the efforts all our CI teams are making, combine to make HC a great company and the supplier of choice for the horticultural industry. **We are all in it to win it!**

Our Mission

From grower to gardener, improving our world.

Our Vision

To be the first-choice provider serving the horticultural industry.

- Innovation
- Customer service
- Sales support
- Manufacturing
- Logistics

Our Values

SAFETY

We keep ourselves and others safe.

INTEGRITY

We act honestly, confront the brutal facts and keep our commitments.

COMMITMENT TO EXCELLENCE

We are committed to continuous improvement in everything we do with a bias for action.

TEAM

We win as a team and we value every individual's contribution.

SERVICE

We serve our customers, team members, the communities in which we operate and our industry.

CAN-DO

We are positive, can-do people.

"The speed of the boss is the speed of the team." - Lee Iacocca

Welcome to BURLINGTON, CAN SITE NEWS

Andre Gravel, Site Manager

Overview:

We're nearing the end of summer, which means the plant has been focusing on our annual inventory build for the upcoming season. We've been able to successfully maintain a consistent production level and will continue that throughout the next quarter.

Safety:

We're proud to say that in this quarter we've had no recordable safety incidents.

Training:

Two additional team members attended the August Best Practices training - rounding out our team and maintaining an ideology of continuous improvement.

New Products:

In this quarter, we've introduced two new products - a cylinder cradle for protective packaging and a 10" reservoir basket (FHR10000) for horticulture. Other new products are in the works and will be highlighted in the next newsletter.



Cylinder cradle for protective packaging



10" reservoir basket for horticulture

“

**YOU ARE NOT A
TRUE SUCCESS
UNLESS YOU'RE
HELPING
OTHERS BE
SUCCESSFUL**



”

If you'd like to nominate one of your team members for **Employee of the Quarter**, please contact your HR Representative.

Make sure you tell us why they're so deserving.



“ *Coming together is a beginning. Keeping together is progress. Working together is success.* ”
- Henry Ford



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Suggestions, comments or questions?
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Welcome to ELYRIA, OHIO SITE NEWS

Cedrick Evans, Operations Manager

Shipping:

Elyria is currently preparing for this year's peak shipping season. By adding temporary workers every few weeks, Elyria will be fully staffed and geared up for the expected increase in shipping. Additional material handling equipment has been secured as well.

During last year's peak season, Elyria had experimented with the use of a double jack in the operation. The double jack has decreased the time needed to complete a pick ticket, while improving productivity. Since the results were so significant, an additional double jack has been added.

Inventory:

At this time of year, inventory is always high for the distribution center and space can be difficult to find. In previous years, we've stored product outside on trailers and other off-site locations. This year, we are focused on eliminating outdoor storage to better protect the product.

We are still utilizing our off-site location in Shelby, but this year we've leased an additional 80,000 square feet from our landlord within the Elyria facility. This space will give us great flexibility during the peak season and will cut down on the time to transfer product that is damaged from outside conditions or from congestion within the warehouse.

The Facility:

Some visual improvements to the Elyria distribution center include floor striping, which will be completed soon. Elyria has hired an outside contractor to paint all new staging lanes throughout the facility, which will help with organizing product being staged for entry or exit. This project is expected to be completed the week after Labor Day - just in time for the peak season.

“ *The strength of the team is each member.
The strength of each member is the team.* ”
- Phil Jackson



Rob Ottinger

Rob works in Customer Service and Clerical Operations for Outbound Shipping.

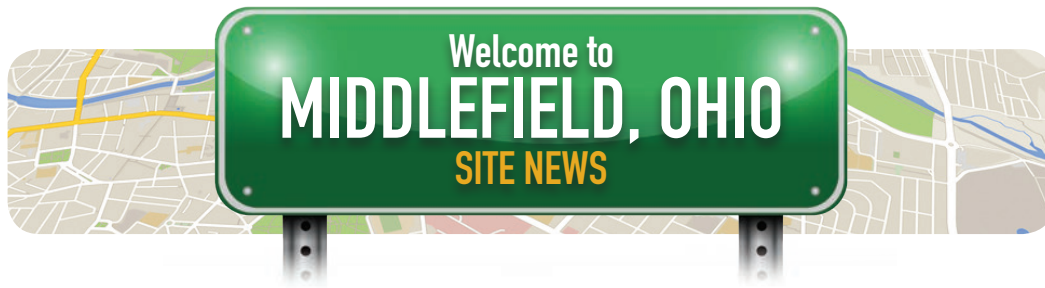
He began in October of 2013, working with a third-party logistics company during the implementation of the Elyria Distribution Center.

With only 18 full-time employees at the time, he was one of six Robs. Since he was the one handling all the company computer work, he got the name "IT Rob".

Rob contributes to the site by processing outbound loads, scheduling appointments, interacting with drivers and coordinating with receiving and other internal teams to ensure the day goes by smoothly.

In his spare time, he likes to read, draw, write and hang out with his two awesome little boys. Being their dad is his proudest accomplishment.





Tony Grant, Site Manager

The Middlefield location is off and running! What an exciting time to be here in Middlefield, Ohio!

New Branding:

First, we have our new building signage - we are no longer in the shadows of Dillen, we are proud to be The HC Companies Middlefield Plant. I've found that when trying to change a culture, you need to change what people see. This helps with our recruiting efforts and people's perceptions by illustrating that we are not the company they may have been familiar with from the past.



New Machines:

Secondly, new machines are arriving on a weekly basis! What an impact this continues to have on our team members that have been with the company for many years - more specifically, the process technicians. The performance of the machines has consistently been above 95%

yield efficiency. Together, the entire maintenance team has safely and successfully removed and installed the machines, while remaining ahead of the project plan schedule.

Changing the Culture:

The last thing I would like to share is our journey of Continuous Improvement. In the past, I've referenced the two "brothers" that often work in manufacturing - Art and his brother Science. Our CI team, engaging with our production team members, continue to help us minimize Art and give more of a presence to his brother Science. Basically, we have done a lot of things in the past and sustained those things by tribal knowledge. Now we are creating processes that predict performance, as opposed to performance being an afterthought.

We continue to focus on changing the culture, both system-wide and visually, investing in new equipment and meshing Continuous Improvement and best practices into the fabric of everything we do. These changes will accelerate HC Middlefield's plant performance over the remaining nine months of the 2019 season.

The HC Middlefield team continues to be fueled by the challenges and opportunities - all while being excited about the journey.



Carol Love

Carol is the Lead Float on the C Shift for the Injection Team.

With the recent departure of the D Shift Supervisor, Carol changed shifts and is currently the stand-in leader of the D Shift. Because of her demonstrated teamwork, she was an easy choice to ask to help lead the team until the new supervisor could start.

Carol leads by example and always follows safe work practices, as well as looks out for those around her.

Carol approaches her work and coworkers with an excellent attitude and works hard to develop trust and unity within the group.

Carol excels at training new employees. She has served as a utility operator, float, trainer and stand-in leader for the shift during her tenure. She is welcoming to new employees and is fair and consistent when interacting with her coworkers.



“ No individual can win a game by himself. - Pele ”

Welcome to SEBRING, FL SITE NEWS

Terry Jack, Site Manager

The Sebring team continues to work together to get the job done. Even though the summer heat and humidity can be unbearable during this time of year, everyone is working together and pulling through - counting the days until the fall temperatures arrive.

Challenges and Wins:

July was a month of challenges and wins for the plant from a production standpoint:

- BM5 was down three weeks with a failed DC extruder drive motor
- BM2 was down one week with a failed extruder drive motor
- We struggled to increase production volumes on AMK1001.

We worked through these challenges and have become a stronger plant in the process.

Plant Projects:

BM2: Failed 200 hp extruder drive was pulled, sent to our motor shop, rewind and put back into service within a week.

BM5: Replaced the 125 hp DC extruder drive motor and drive with a new 200 hp AC, lower rpm motor and drive. The machine frame had to be modified for the mounting of the new motor. Once approved and ordered, motor and drive were received, installed and running within a week.

BM6: BM6 continues to gain in yield efficiencies. With the production volume challenges on the AMK1001, we were able to install and run a set of BM1001 molds on BM6, giving us two production lines running the 1001 product. Orders for the 1001 product continue to come in daily.

Roof Repairs: We're replacing 36 metal roof panels from damage done in last year's hurricane. The panels have arrived and installation is scheduled for August 23. This will be completed along with the replacement of five roof fan covers also damaged.

New Local Carrier:

In the last newsletter, one of the topics discussed was our new local load carrier - Blue Fawna. The vendor supplied a 53-foot flatbed trailer with Navigator Piggyback lift and driver. All have arrived and have worked well for delivering product loads to Florida growers that don't have docks or available forklifts to unload product.



Joshua Sargent

Josh is a Warehouse Clerk who has been with HC a little over four years.

He is an ongoing member of the Sebring Safety Committee. He takes notes and is totally involved in these meetings, as well as posting minutes and conducting follow up.

Josh is always looking for new ideas and a better way.

He is willing to do anything to help and is a 110% team player. Whether it's helping to strap a load in the rain, wrap pallets and load trucks when a forklift driver is out, help with a presentation or even take over a plant shift training meeting - Josh will be there.

Josh has become Sebring's IT guy as needed - working with corporate IT to correct any issues he can't fix.

There is not much he can't do or won't try if needed.



“A leader must inspire or his team will expire.”
- Orrin Woodward



Jack Daniels, Site Manager

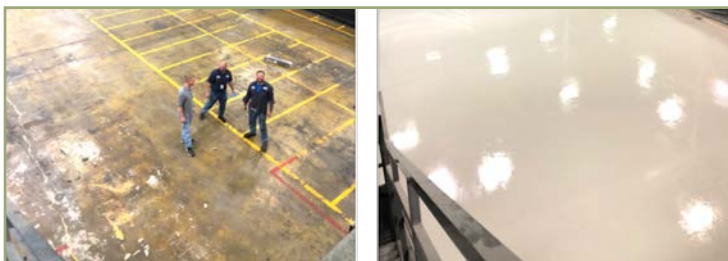
This past quarter, Sparks has progressed as planned. We've diligently tracked our production and spend goals, while preparing for higher upcoming expectations.

Injection:

In injection molding, we continue to decrease our unplanned mechanical downtime. We currently have increases and consistency in uptime near the low 80%, with a majority of downtime coming from our third shift due to labor shortage issues.

Several new team members will be joining our team in the coming weeks as full-time employees, which will reduce the problem on the third shift.

The team is excited about our new 750-ton injection machine, with a commission date and first production run of August 27. Our second new 750-ton machine is not far behind, with a delivery date of September 6. These two additions positively reflect our commitment to excellence, while continuing to support our service to the customer.



“ A boat doesn't go forward if each one is rowing their own way. - Swahili Proverb ”

Thermoform:

Our thermoform department has successfully made the transition to a 24-7 operation. The team's can-do attitude is the primary reason we have had such success with this significant - and sometimes difficult - transition.

All team members have positively contributed. We've been running 24-7 for just over a month now and have hung on to a 71% yield efficiency.

With the addition of a new melt pump for the TF3 and a new drive/motor for the TF2, we expect to drive our yield efficiencies upward over the next quarter.

Printing:

Our printing department has continued to dial in on cycle times and over the last three months has shown a growing trend in overall yield efficiencies. We are now staffed to run two machines on two shifts to handle all our current volume and more. We are eager to take on more printing volume to fill in our excess capacity.



Tom Hogueison

Tom is our day shift lead technician in charge of injection. What is most noticeable is his commitment every Monday to startups. He utilizes the team efficiently to get machines running so we can service our customers with quality product.

Tom's can-do attitude is what stands out day in and day out. Being the lead on the A Shift, Tom has to deal with management asking questions on different tasks to get done. He always accommodates all requests and keeps the machines running safely and efficiently.

Most recently, Tom took the lead in our A Shift 5S improvements. The department has been challenged to create model works cells and Tom has shown the initiative to create a plan and rally the troops to drive towards success.





Take care of yourself and earn wellness credits (the deadline is approaching!)

According to a new study by The West Health Institute at the University of Chicago, 44% of Americans did not go see a physician last year when needed due to the high cost of healthcare.*

The HC Companies encourages a healthy lifestyle for our employees and their families and believes a yearly visit to your primary care physician is one way to help support that.

Wellness visits/physicals are covered under our plan – alleviating the stress of scheduling an appointment for your good health.

This visit also qualifies for one Wellness Credit, which provides a significant cost savings towards an employee's medical insurance plan for that year.

A **Primary Care Provider form** is required in order to earn a Wellness Credit. Simply have your primary care physician complete the form during your wellness visit/physical. You can download this form at www.hc-companies.com/pdfs/PrimaryCare.aspx.

If you've already had a wellness visit/physical, simply have your doctor fill out the form accordingly.

An additional credit is offered for completing the **Non-Tobacco Affidavit form** (contact your Human Resource Representative for details). By signing this affidavit, you and your spouse (if on the plan) confirm that you do not use tobacco products. This counts as one Wellness Credit. You can download this form at www.hc-companies.com/pdfs/TobaccoForm2019.aspx.

Cost saving examples are below:

Single on the PPO Plan:

0 credits	1 credit	2 credits
\$125.40	\$94.60	\$64.90

Single on the HSA Plan:

0 credits	1 credit	2 credits
\$70.00	\$48.00	\$25.00

Single on the ECO Plan:

0 credits	1 credit	2 credits
\$36.00	\$26.00	\$14.00

**2018 weekly payroll deduction rates*



The deadline is approaching if you are already participating or plan on participating in our Insurance Benefits next year. Forms are due back no later than September 28, 2018.

Completed forms should be forwarded to your Human Resource Representative. Don't allow yourself to become part of the statistic – schedule a wellness visit/physical today for your good health.

*<https://www.forbes.com/sites/brucejapsen/2018/03/26/poll-44-of-americans-skip-doctor-visits-due-to-cost/#37202cca6f57>

The Continuous Improvement Forum

Brian Cunningham, Director of Continuous Improvement

The CI team has had a productive summer focusing on two key areas: implementing standard practices and optimizing processes.

Teams have implemented machine specific process books, which include maintenance log books and troubleshooting guides, in the Middlefield Injection Department. The system has been shared with Sparks as well.

Process cards and troubleshooting guide systems have been implemented in the Coex and Branding Departments as well. The systems are still under development, but significant progress has been made in all areas. The goal is to reduce process variations because as we all know, VARIATION IS THE ENEMY.

On the process optimization side, significant progress has been made on reducing cap layer thickness and overall sheet gage in Middlefield's Coex Department. These initiatives

are critical in hitting our material savings goals for the 2019 season. As a result of these efforts, the team running standard colors at a cap layer thickness of 18% vs. a BOM of 30%.

Recently, the team was able to successfully reduce overall sheet gage by 8% on a prolonged run with no quality concerns. These both equate to significant cost savings for the business. As a result of this and several other efforts, Middlefield is trending to meet or exceed the budgeted MUV savings for 2019.

In support of all of these efforts, the CI team has a renewed focus on training. Recently, the team took their act to the production floor for material training with production staff. Operators, supervisors and maintenance staff were included in a discussion about validating material blends, material properties and how to address common defects on the line. It was an excellent exchange of knowledge.

Starting on August 28, Jason Brooker and I will be conducting a round of Best Practices training. Middlefield will host 17 team members from across the organization. The training will cover topics from safety to lean manufacturing and problem solving.



Continuous Improvement

The sales team is joining other internal departments here at The HC Companies to implement and support a Continuous Improvement initiative.

A cross-functional team has been identified encompassing district sales managers, directors, marketing and IT.

The current focus is to identify more efficiencies and improve overall communications by housing all tools a sales rep may need on any given day in one place for easy accessibility.

This newly created sales dashboard will provide instant access to territory data, reports, customer information and other relevant tools.

The ultimate goal is to create a "sales playbook" in order to better align the team.

Regular meetings are already underway – look for further updates on progress in future newsletters.

Brown Operator's Troubleshooting Guide	
Created: 7/2018	
Always compare the Actual Setpoint to the Process Validation Set Point before making changes	
Legend	
1st Check Green	↑ = Up or Out
2nd Check Yellow	↓ = Down or In
3rd Check Red	★ = Verify or Check
Problem	
Not Pulling Material	
Wet Material	
Bubble in Sheet	
Pitting	
Die Lines	
Material Crystallization	
High Pressure fault	
Low Pressure Faults	
Material sticking Chrome Rolls	
Sheet Width	
	Power Source
	Extruder barrel Temp
	Lower Chrome Roll Temp
	Screen Change
	Upper Chrome Roll Temp
	Middle Chrome Roll Temp
	Line Speed
	Pull Roll Speed
	Die Temps
	Fillers
	Die Blocks
	Material Percentage Ratio
	Oven Zone time
	Upper Oven temp
	Lower Oven temp
	Shot to shot Length
	Plug speed
	Blow form PSI
	Vacuum Bleed
	Vacuum Form
	Upper Platin Tonnage
	Cycle time
	Oven Cut off
	Plug Sheet Line
	Plug Platin Delay
	High Speed
	Low Speed
	Ejection
	Eject Position
	Sheet Drag
	Feed Speed
	Feed Length



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Suggestions, comments or questions?

Contact Becky at 330.487.3749



Doug Pettigrew celebrated 30 years with The HC Companies on August 16, 2018.

He started out with ITML as a Tool Maker and today is an Engineer in the Tool Engineering Group. Doug is responsible for coordinating all new injection mold builds, as well as major refurbishing and modifications to existing molds.

He works alongside Wendy Cormier (who recently celebrated her 25th year) to create models for new products using 3D CAD. These models are then used to make and approve rapid prototypes and part drawings, as well as to produce new injection molds.



In his spare time, Doug likes to coddle his motorcycle and brand-new Mustang, and as you can tell from the photo, enjoys eating bacon. He is also known to enjoy the beaches of Cuba with his wife Tina (District Sales Manager for The HC Companies).

Congratulations Doug and thank you!



Manufacturing UPDATE

Jason Booker
Vice President of Manufacturing

Glad to be Here

After 16 years in South Carolina, it's great to be back in Ohio!

Now that I have roughly two months under my belt at HC, I can honestly say that it was an exciting time to join the team. With the investments that have been or are being made in our equipment, coupled with fresh faces throughout the organization, we are poised for great things ahead.

As I'm still new to the company, I thought I'd take this opportunity to tell you a little more about myself.

A Little About Me

I was born, raised and educated in Southeastern Ohio. I'm the ninth of ten children and grew up on a one hundred acre farm outside of Marietta.

An engineer by degree, I have worked in several industries including ceramics, metals, machining, electrical assembly, plastics and most recently food. Most of my career (15+ years) was spent in plastics in a variety of processing - polymerization, extrusion, injection, TF, IBM, SBM and EBM.

My Culture

First and foremost, safety should be in everything we do - at work and at home. It is our responsibility to maintain not only our own safety and well-being, but also to take care of those around us.

In the spirit of Continuous Improvement, I am a true believer that there are always areas where we can improve. I was very happy to see the progress of our Continuous Improvement teams at HC thus far and I'm excited to be a part of helping to keep that momentum going. One big key to that success is when we achieve gains in an area because of things we've done, then we must maintain the discipline to do those things day in and day out.

Due to the hard work of our teams, we are on the cusp - in all our facilities - to deliver some truly positive results.

I've enjoyed meeting many of you and look forward to working with you all in the future.



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Safety and Productivity

Bret Nehlen, Corporate EHS Manager

The bottom line is that we can't afford to have an unsafe culture that values productivity over being safe.

Safety has to be everyone's top priority. It's the number one value printed on our company's mission statement, but it takes persistence at every level of the organization – all the time – for this to hold true.

The success of our business relies on our employees. We have to work efficiently, make quality products and meet the needs of our customers, otherwise we won't be competitive in our business. Something we don't always consider is that all the hard work we do to achieve this goes to waste if we aren't thinking and acting safely.

If you're sprinting across the floor to respond to a machine alarm, or to keep a bin from overflowing several times a day, you might get away with it and not get hurt. But is the risk really worth it?

Think about it like this. Walking 50 feet at five feet per second (three and a half miles per hour) takes you ten

seconds. Running at ten feet per second (seven miles per hour) takes you five seconds.

Even if you do this 100 times in any given day, you won't even save ten minutes.

It's safe to assume nobody is running anywhere near 100 sprints a day, so whenever you find yourself rushing, you're saving almost no time at all. Take your time, work diligently, but take a few seconds when you need it to do things the right way and use caution.

Check before you walk out of a cell into an area with forklift traffic. Take a few extra seconds to use good lifting techniques, stretch or ask for help.

Check to make sure your pallet is securely wrapped. Go out of your way to get the right PPE or tool (if needed) to accomplish your task safely. You're less likely to make mistakes when you're not rushing.

All it takes is one small mistake, one shortcut, one careless moment and your life could change permanently. The ten minutes you might save by working too fast, not being cautious or taking a shortcut is never going to be worth your safety and well-being.

THANK YOU for your support!



Pictured left to right: Esther Boutros - Guidance Counselor, Scott Astey - Assistant Principal, Lynn Villa - Principal, Theresa Vlk - Customer Service Rep at HC, Becky Young - Office Manager at HC (not pictured Scott Hanis - VP of Human Resources at HC)

The Twinsburg Activities Committee held their 2nd annual collection of school supplies for Wilcox Primary School in Twinsburg, Ohio. The team of educators at Wilcox Primary were greatly appreciative of this selfless donation to provide for children in need. *We thank everyone who contributed for their generosity.*



Have an idea for our newsletter?

Tell your manager, supervisor or HR representative.