



**PLA**

STAY ON TOP OF IT ALL.™

# 2021 ESG REPORT

# EXECUTIVE MESSAGE

2021 was a truly remarkable year for PLA, and it has been an honor and a privilege to lead a team so focused on solving the most complex supply chain problems. The COVID-19 Pandemic disrupted the global supply chain causing nationwide product shortages and creating inflationary pressures that are impacting every facet of the economy. Meanwhile, spikes in infection rates continue to delay and dampen any sense of normalcy. Amidst the ongoing crisis, some organizations looked to get by; PLA looked to get better. We knew that the world was forever changed, and "doing things the way we've always done them" just wouldn't be good enough. We embraced our responsibility and critical role in the supply chain to ensure that consumer staples make their way to market.

During the early stages of the pandemic, we focused on the safety and well being of our employees and provided an environment for them to thrive. We invested heavily in personal protective equipment (PPE) and practiced safe social distancing at all our sites. We implemented a more robust safety operating system to ensure the well being of our employees. We augmented work schedules and, in some cases, halted production in accordance with local safety guidelines. And through it all, our employees persevered through the stress and the uncertainty to keep products moving and ensure our customers' supply chains remained operational.

We also invested heavily in equipment and technology to help our employees do their jobs more efficiently and our customers become even smarter about their supply chain. We introduced new industry leading compensation and benefit plans to ensure success in recruiting and retaining key talent. We expanded our business through the highly strategic acquisition of Propak and positioned the PLA platform for accelerated growth through strategic new hires.

After achieving record financial results, some would have called it a great year and enjoyed the victory, however, at PLA we weren't done. We continued our ESG journey by further quantifying the environmental benefits of an inherently sustainable business model. We began having real conversations with our customers, employees, community, and investors regarding our role in the world and how our platform can improve our customers' supply chains, the livelihood of our employees, and the communities we serve.

I would like to thank all my colleagues for making 2021 such a successful and transformative year, and I invite you to read our inaugural ESG report to learn more about how we can all work together to make an even greater positive impact moving forward.

All the Best,



Kyle Otting, CEO  
PLA



# OUR MISSION, VISION AND VALUES

## MISSION

At PLA, our mission is to provide solutions that improve the productivity and sustainability of our customers' supply chains, to create a safe and fulfilling environment for our employees, and to deliver value to our stakeholders.

## VISION

Our vision is to be a leader in sustainable supply chain solutions and positively impact the communities we serve.

## VALUES

**Integrity** Ours is a culture of transparency and adherence to a code of ethics that values honesty and doing the right thing.

**Collaboration** We believe in working together with our stakeholders, from our employees to our customers to our suppliers to our community, in the spirit of collaboration and mutual benefit.

**Sustainability** Our products and services utilize renewable resources wherever possible, and our business model is built on driving efficiency for our customers.

## PLA'S SUSTAINABILITY STRATEGY



### THE ENVIRONMENT

Environmental stewardship is core to PLA's business



### OUR SERVICES

Address customers' evolving supply chain needs and sustainability goals



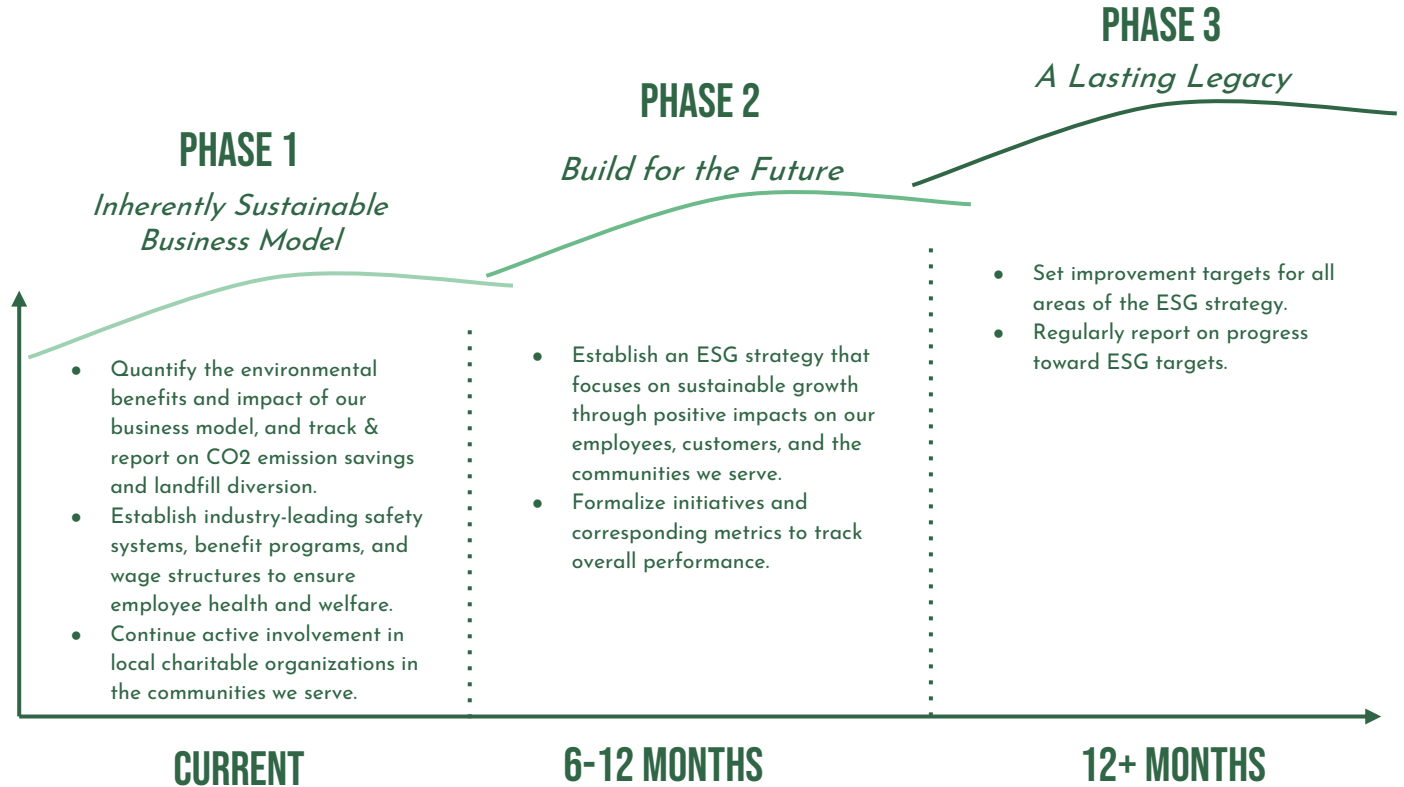
### OUR STAKEHOLDERS

Constantly striving to meet the diverse needs of our valued employees, customers, suppliers, investors, and the community

# ESG ROADMAP

*While keeping our customers' needs top of mind, we recognize that our commitment to sustainability is essential to servicing their supply chains. ESG initiatives support our Company's growth strategy, provide common ground for our diverse businesses, and serve as a roadmap for setting ambitious goals that will drive PLA's long-term success.*

*- Kyle Otting (CEO)*



# THE ENVIRONMENT

*Environmental stewardship is at the core of what we do at PLA. Our business model is inherently circular, reducing raw material needs for the shipment of palletized goods through reducing waste at the end of the supply chain by recycling used pallets into new, usable pallets.*

*We are always looking for more efficient ways of repairing, recycling and reusing wooden pallets within our facilities. Each unrepairable pallet is dismantled and all salvageable material is recycled, re-cut, and used for reconditioned pallets. Non-salvageable material is sent through a grinding machine and used for particle board, oriented strand board (OSB), mulch, animal bedding, and co-generation to produce environmentally friendly fuel.*



15M

Trees Saved



3.0M

Metric Tons of CO<sub>2</sub>  
Emissions Saved



2.4M

Tons of Lumber Diverted  
from Landfills

# OUR SERVICES

*PLA utilizes renewable resources wherever possible, and our business model is built on driving efficiency for our customers. Our expansive nationwide network helps us minimize transportation miles to our customers, which reduces fuel consumption, and each facility tracks and reports wood waste and focuses on waste reduction strategies.*



**Recycled  
Pallets**



**New /  
Remanufactured  
Pallets**



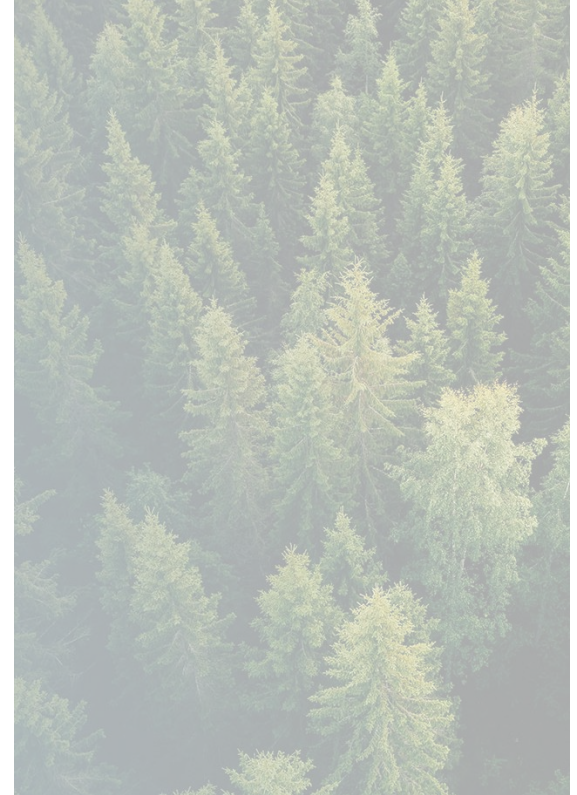
**TPM and RLC  
Services**



**Supply Chain  
and Other  
Services**

*We are continuing to work towards tracking sustainability scorecard metrics in real-time, and we're always looking for ways to further reduce the environmental impact of our products, services, and operations.*

*(1) Total Pallet Management ("TPM") and Reverse Logistics Centers ("RLCs")*



# OUR STAKEHOLDERS

*PLA is committed to ensuring our growth benefits all stakeholders, including employees, customers, suppliers, investors, and the communities in which we operate while minimizing our environmental footprint. Our business practices go beyond adherence to applicable regulatory requirements and reflect our commitment to upholding our code of ethics, emphasizing transparency, a focus on employee welfare, and a positive impact on the broader community.*



## EMPLOYEES

We conduct regular market wage studies to ensure employee compensation is fair and competitive and pay a living wage above the median for roles in our industry. We offer full retirement and health benefits and industry-leading safety programs to ensure our employees return home to their families safely at the end of each day.



## CUSTOMERS

At PLA, we work to exceed our customers' expectations each day by providing high-quality, reliable services that create value for our customers. Our culture is centered around our customers. We listen to our customers to understand their needs and expectations, and we strive to develop and deliver premium services that deliver superior value.



## COMMUNITY

PLA is committed to the enrichment of our community. We are proud contributors to the Boy Scouts of America, the United Way, and Operation Christmas Child, among other charities. Helping the community has been a priority for PLA since the beginning.

# OUR STAKEHOLDERS - EMPLOYEES

## DIVERSITY, EQUITY, AND INCLUSION

Diversity, Equity, and Inclusion: DEI is a central focus of our ESG program; we view this as a key competitive advantage that positions PLA to maximize our firm's impact. We believe that we make better decisions, gather better insights, and build more resilient companies when we foster diversity in thought, experiences, and backgrounds.

## ETHICS & COMPLIANCE

Ethics & Compliance: We regularly review our policies to ensure adherence to all local, state, and federal employment guidelines, safety best practices, and environmental regulations. Our culture is one of transparency and collaboration with all stakeholders, from our employees to our customers and investors.



## EMPLOYEE WELFARE

As an employer, we conduct regular market wage studies to ensure employee compensation is fair and competitive. We pay a living wage above the median for roles in our industry with adjustments for geographical differences. We offer full retirement and health benefits.

## SAFETY

We are committed to investing resources to ensure our workplace health and safety program continues to improve. We offer industry-leading safety programs to ensure our employees return home to their families safely at the end of each day.



# OUR STAKEHOLDERS - CUSTOMERS

*PLA takes pride in building long-lasting relationships with our customers. In making customer service our top priority, we have been able to satisfy and meet the needs of our customers in an efficient manner, which they value greatly. By partnering with PLA, our customers receive peace of mind knowing they are partnering with a company that prioritizes doing the right thing and minimizing its environmental footprint.*

## ESG-FOCUSED BUSINESS MODEL

- ✓ *Lower Carbon Footprint - the use of recycled pallets reduces the number of trees harvested, the volume of waste sent to landfills and CO2 emitted into the environment*
- ✓ *Renewable Products - PLA's pallets and crates are built almost entirely of wood, a renewable material*
- ✓ *Sustainable Business Partner - we track our sustainability scorecard metrics in real-time and are always looking for ways to further reduce the environmental impacts of our products, services and operations*
- ✓ *Ethics & Compliance - we conduct regular reviews of our policies to ensure adherence to all local, state, and federal employment guidelines, safety best practices, and environmental regulations*

### Case Study



Sustainability in the supply chain is at the forefront of our customers' initiatives, and most address sustainability through recycling and waste programs. Save Mart, with its 200 grocery stores throughout California and Nevada, developed internal programs to track its sustainability efforts and established itself as an industry leader in carbon footprint minimization. **PLA was able to help Save Mart achieve its sustainability reporting and carbon emissions targets by providing weekly reporting to quantify the impact its pallets had on its recycling footprint. PLA's reporting provided tons recycled, metric tons of CO2 emissions saved, and the equivalent number of cars taken off the road as a result.**

As more green initiatives are added to our customers' annual goals, **PLA's approach to sustainability and reporting provides additional transparency to their supply chains and highlights how our circular model enables customers to achieve their sustainability goals.**

# OUR STAKEHOLDERS - COMMUNITY

*The PLA family of companies supports various community organizations in the local markets we serve through volunteer work and philanthropy, and we're focused on minimizing the impact of our operations on the surrounding environment.*



## CHARITIES THAT PLA SUPPORTS





[www.plasolutions.com](http://www.plasolutions.com)