



IMPACT REPORT

2023



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FROM OUR CEO



LETTER FROM OUR CEO

Our commitment to sustainability is reflected in our mission statement: “The Rehrig Pacific family celebrates our people and empowers them to create innovative solutions that effectively and responsibly move goods, resources, and ideas.” This guides us towards four UN Sustainable Development Goals: Responsible Consumption and Production, Sustainable Cities and Communities, Reduced Inequalities, and Decent Work and Economic Growth. In addition to our naturally sustainable reusable products, any small family-owned and operated business has lean years, and Rehrig Pacific is no exception. In those lean times, you make do with less and stretch your resources to stay viable. It becomes part of the fabric of the organization. This effect is coupled with our mission and has enabled us to grow and expand our reach for over 110 years.

Rehrig Pacific takes pride in the durability and quality of its products. While early decades saw less concern for the planet, the emergence of waste and pollution shifted our focus. Our durable and reusable products now serve as a sustainable solution, aiding the supply chain in moving goods and resources while eliminating waste and effort for our customers. Embedded in the solid waste and consumer goods supply chains, we gain unique insights into industry challenges, enabling us to design solutions utilizing the principles of the circular economy.

I am energized by achieving more with fewer resources through sustainable solutions and embracing the circular economy to extend the lifespan of resources. Rehrig Pacific’s extensive history in reusable products and its dual presence in the solid waste and consumer goods supply chain uniquely position us to fully appreciate the challenges between those two spaces.

Our achievements follow an upward trend, with each year’s impact surpassing the last. I take pride in Rehrig Pacific’s positive influence on our employees, customers, and vendors and am committed to increasing that impact year after year. Our outlook is one of continued alignment with our values and mission, ensuring a positive contribution to our communities for the next 110 years and beyond.

A handwritten signature in black ink, appearing to read 'Will Rehrig'. The signature is stylized and fluid.

Will Rehrig
CEO, Rehrig Pacific Company



Welcome to Rehrig Pacific’s 2023 Impact Report. This year’s report is rooted in our mission and our values. Our core values—Family, Service, Growth, Intrapreneurship, and Innovation—act as our ultimate goal, influencing our leadership, teamwork, and support for our customers as trusted advisors. Aligned with the UN’s Sustainable Development Goals, our dedication to the planet focuses on fostering a circular economy for responsible resource use. This report will take you through our 2023 calendar year highlights with our values as the framework.



**Planet:
Circular Economy**

Ensuring a circular economy is the best way to support future growth with responsible levels of resource use.



**Partnership:
Collaborative Efforts**

Our customers, products, and services present a unique opportunity for us to drive collaboration to help make cities and communities more inclusive, resilient, and sustainable.



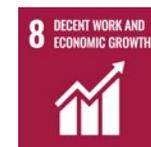
**People:
DIB Focus**

Connected to our mission and values, we believe Diversity, Inclusion, and Belonging (DIB) are essential to running a sustainable business.



**Prosperity:
Fulfilling Work**

In the volatile economy and challenging labor market, it is increasingly important to promote inclusive, fulfilling, and decent work for all.



Changing From “Sustainability Report” to “Impact Report”

Our Sustainability Report has been, by definition, an “Impact Report” since its first publication in 2019. Sustainability Reports, qualitative in nature, showcase a company’s environmental, social, and governance performance following specific standards and regulations. Audited by legal experts, it aids investor decisions, especially for publicly traded companies. In contrast, Impact Reports offer a holistic view of the company’s positive influence, delving beyond standardized environmental metrics. Targeting a broader audience, including employees, customers, and communities, Impact Reports focus on shared value creation, emphasizing the “why” and “how” of a purpose-driven company’s impact.

Our Approach to Sustainability

At Rehrig Pacific, we embody Uri Levine’s philosophy: “Fall in love with the problem, not the solution.” This shift focuses on being trusted advisors rather than product sellers, and the philosophy promotes continuous improvement involving data analysis without rigid goals upfront. Our approach fosters fearless exploration and diverse solutions. Staying true to this approach, our 2023 Impact Report contains information directly from interviews conducted with stakeholders throughout the Rehrig Pacific family to gain various perspectives on our sustainability journey.



About Rehrig Pacific Company

In our 110th year, we took a step forward to provide enhanced service, innovation, and thought leadership to the unique customers we serve by separating the organization into two business units: Logistics Solutions and Delivery Solutions. Our Logistics Solutions team focuses on providing the best in sustainable, reusable transport packaging across the global supply chain and waste industries. They also offer essential technology and services to support our customer’s needs. Our Delivery Solutions team focuses on providing state-of-the-art AI-enabled material handling, technology, and services for the beer, beverage, and food service industries. They are dedicated to finding efficiencies, improving safety, and increasing driver retention. This change allows us to focus on the unique needs of our customers and provide the greatest value to their bottom line and towards their sustainability goals. This report will focus mainly on the measurements applied to the Logistics Solutions business unit.



 Rehrig Pacific Manufacturing Locations

8

 Rehrig Pacific Logistics Service Centers

10

EcoVadis

As part of our ongoing dedication to sustainability, we actively participate in the EcoVadis methodology, reporting annually on our progress toward Environmental, Social, and Governance (ESG) goals. This reinforces our transparency and accountability to our stakeholders. In our most recent assessment, completed at the end of 2023, we proudly received a Committed Badge in recognition of our dedication and efforts toward improvement.



Executive Leadership



Will Rehrig
CEO



Derek Fields
President of Logistics Solutions



Jeff Hentges
President of Delivery Solutions



Bill Beech
Chief Financial Officer



Pete Jackson
Chief Transformation Officer



Stacey Johnson
Senior Vice President
Human Capital



Miles Bohannan
Senior Vice President
Marketing & Communications



Mariano Alvarez
General Manager of
Mexico & Latin America



Wyatt Schupbach
Chief of Staff

Board of Directors

In 2023, the Rehrig Pacific Board of Directors influenced our transformation by providing insights into commercialization strategy and change management. The Board continues to play a key role in fostering an innovative culture within the company. With 40% of women on our Board, we prioritize Diversity, Inclusion, and Belonging (DIB) alongside leadership development, which is foundational for achieving innovation goals and shifting mindsets.



Luis Eraña



Dr. Anita Polite-Wilson



Andrea Hayward



Jose Luis Bretones



Doug Hundt

Key Highlights



15% More Than the National Average
at Rehrig Pacific, women's earnings exceed the industry average



below National Average
1.49 Total Recordable Incident Rate (TRIR) safety rating



29M LBS.
of recycled material received, helping to close the loop for our customers

COMMITTED
ecovadis

Sustainability Rating
FEB 2024



311 Internal
promotions in 2023
across the organization



12,211 HOURS
of training and personal growth



331 Total Hours
of volunteering in our communities in 2023



FAMILY

FAMILY COMES FIRST

We demonstrate this value by genuinely respecting, supporting, and caring about each other. We find delight in each other's successes, both personal and professional. We work toward our family members' emotional and physical well-being at work and home. Our commitment to each other is what sets us apart from other companies.

Safety

Our objective is to decrease risk for our family and communities consistently. In the U.S., we achieved a **1.49 TRIR for CY23**. In Latin America, the company achieved its longest stretch without accidents, reaching 193 days (about six and a half months) in CY23. Furthermore, Manufacturing (MFG) is **72% below the national industry average**. Similarly, Retail Service Operations (RSO) is **67% below the national industry average**. Notably, the company recorded zero DOT-recordable incidents for the year. We remain committed to ongoing risk reduction efforts, emphasizing first aid, near misses, and comprehensive risk evaluations. Driver safety has been a critical focus. As we move forward into 2024, we will focus more on indicators such as training, first aid, and eliminating identified opportunities.

"I found Rehrig Pacific personnel highly engaged in safety and easy to work with. They have been proactive in their approach to safety, with proof noted in their frequency rate per \$1 million in payroll. Their frequency rate decreased 82% from 2019 to 2022. From 1.1 per \$1,000,000 in payroll in 2019 to 0.2 in 2022. Supporting this decrease was the completion of 17 recommendations for improvement, most of which involved strengthening ergonomic control measures."

- Insurance Broker Statement

Creating a Culture of Belonging

Our approach to Diversity, Inclusion, and Belonging is not check-the-box. Our commitment extends to implementing initiatives that enhance psychological safety, foster open communication, and ensure our employees feel comfortable expressing their thoughts without fear of retaliation.

Our dedication to equity is reflected in our internal calls for vacant positions, ensuring a fair and inclusive approach to opportunities within the organization. We promote camaraderie through engaging kick-off meetings, sports tournaments, and local events, including summer plant picnics and company gatherings that encourage team unity.

We also strongly emphasize building authentic relationships through the active engagement of **Employee Resource Groups (ERGs)** and **Culture Clubs**. In 2023, we added our second official ERG, the Pride Tribe, and expanded our Culture Clubs to include the Latinos Unidos. These join the currently active groups of Black Outstanding Leaders Driving Diversity (BOLDD) and our Veterans Culture Club.

In 2023, we hosted our **2nd Annual International Women's Day Summit** at our Rehrig Innovation Showcase Experience (RISE) Center in Dallas, Texas. Sixty women from all levels and locations across the organization joined in the day to learn, share, and discuss how we can improve women's lives and careers within the organization and in our communities.

A part of our mission is to "celebrate our people." We achieve this by commemorating monthly cultural events, including Black History Month, Hispanic Heritage Month, Asian Pacific Islander Heritage Month, and Pride Month. Additionally, we provide tools such as team backgrounds, resource emails, videos, leadership interviews, and town halls to continue promoting belonging.



Annual International Women's Day Summit



Black Outstanding Leaders Driving Diversity (BOLDD)



Latinos Unidos (Latin America)



Pride Tribe (LGBTQ+)



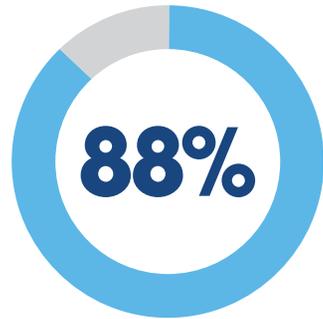
Veterans Culture Club



Great Place to Work®

Great Place to Work® has certified Rehrig Pacific for four consecutive years, achieving an 88% score compared to the 57% average of U.S.-based companies. Additionally, we received the top 20 ranking in Fortune Best Workplaces in Manufacturing & Production™ for the second year in a row. You can [learn more about this here.](#)

Leveraging Great Place to Work (GPTW) scores, we continually assess employee perceptions and identify areas for improvement in camaraderie and fairness. A positive work environment, characterized by strong relationships and equitable treatment, is pivotal for overall employee satisfaction and organizational success.



**of employees say
this is a Great
Place to Work**



Open-Door Policy

We embrace an open-door policy, encouraging individuals to freely express positive or constructive feedback, ask questions, or address concerns related to various aspects, including discrimination, safety, harassment, work environment, or other employment matters. This policy is crucial as it establishes a safe and confidential space for individuals to voice their concerns without fearing retaliation.



Family and Planet

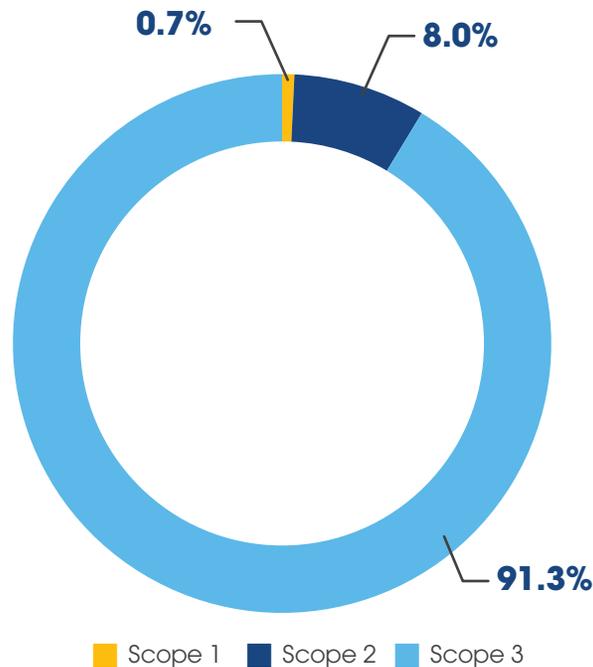
Our Family Value intertwines the well-being of our Rehrig Pacific family with our commitment to environmental sustainability. This includes investments in our facilities that help provide a safe working environment, manage carbon emissions, and foster a harmonious coexistence with our shared planet.

Carbon Impact

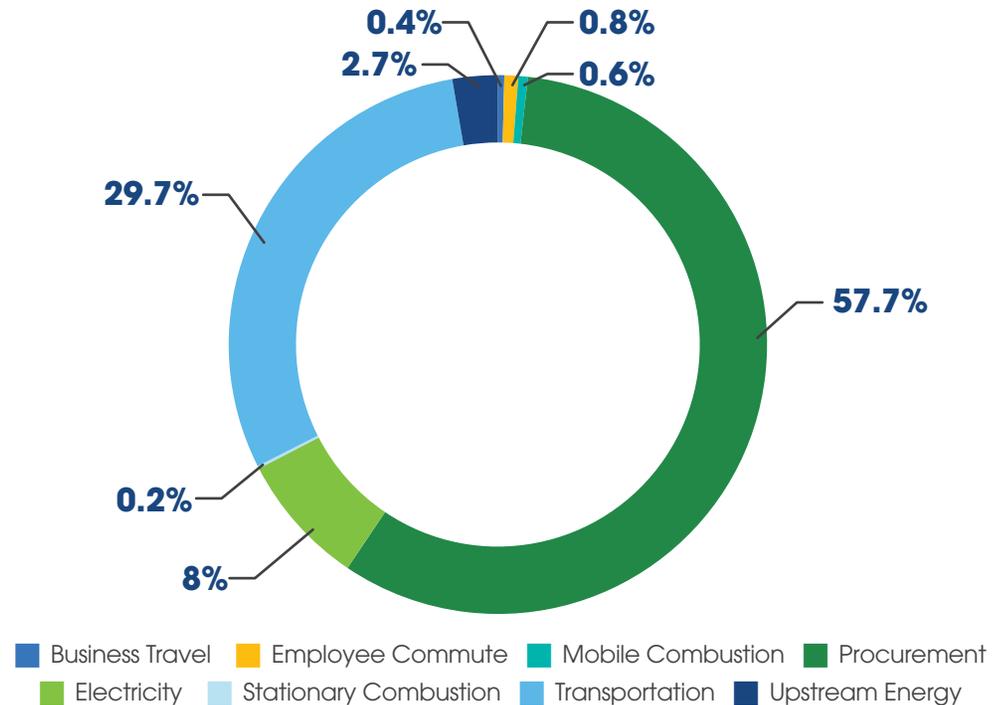
Recognizing the need for sustainable practices, Rehrig Pacific dedicates itself to minimizing its carbon footprint. As part of our conscientious approach, we measure our emissions yearly. By quantifying our environmental impact, we aim to implement targeted strategies, foster innovation, and contribute meaningfully to environmental stewardship.

In 2023, we continued to expand the scope of data tracking and added more waste streams than in previous years. We also continued to track limited categories for Scope 3 (travel, commute, waste, transportation, and procurement) emissions. It's important to note that procurement values do not encompass 100% of total purchased goods but only those goods that can be calculated using mass-based emission factors.

2023 Emissions By Scope (%)



2023 Emissions By Category (%)



Operations Highlights

More Efficient Lighting

We installed LED lighting at the Hanover RSO site, replacing 125 fluorescent lights. This is a step forward in reducing our Scope 2 emissions, cutting energy consumption, and enhancing safety and employee morale.

Our Trash is Our Treasure!

All manufacturing facilities within Rehrig Pacific have formally committed to Operation Clean Sweep®, an industry-led program that supports companies and their goal of achieving zero plastic resin loss in operations. Our Erie plant encountered a challenging situation due to Pennsylvania's stringent disposal standards. Our team partnered with a local recycler capable of processing the material. Not only did we discover a waste stream for this hard-to-recycle material despite contaminants from the floor, but this partnership also enables us to incorporate the recycled material into new products. This addresses safety concerns in the plant arising from accumulation and meets quality standards for reuse in our facilities. Additionally, this program promotes a circular economy and offers cost savings compared to landfill disposal, diverting around 60,000 lbs. of plastic from landfills per year.

- Our manufacturing plants continue to upgrade railcar spurs to reduce the likelihood of resin spills and make them easier to clean if they occur.
- New solar panels have been approved for installation in Orlando, Florida, with plans for installation in 2024.

Going Above and Beyond: Managing Special Project Waste

In 2023, we worked to identify more waste diversion opportunities. For example, in Dallas, Texas, we produced 34 gaylord of Low-Density Polyethylene (LDPE) waste weighing approximately 1,700 lbs. We partnered with a recycler capable of reprocessing the stretch film and, as a result, avoided 255 kg of CO₂e emissions that would have resulted from landfilling this material.



60,000 lbs.
of plastics diverted
from landfills annually



Materials

Recycled Content (Mexico)

Our Mexico team achieved an average of 61% recycled content, totaling 8,607 metric tons of material. This record-breaking achievement in both production and revenue reflects a significant improvement. We continuously reinforce these efforts and attract new customers to join the movement every year. Additionally, we consistently introduce new sources such as organic waste, post-consumer waste, and post-industrial waste into our products.

Responsible Resins

We prioritize environmentally responsible resin manufacturing practices, excluding compounds found to be harmful to health and the environment, such as Per and Polyfluoroalkyl Substances (PFAS).

61%
average recycled
content in Mexico




16%
U.S. recycled
content

A Responsible Supply Chain

Upholding the highest ethical standards in our supply chain is paramount. In 2023, we took proactive measures to ensure ethical practices and maximize efficiency. By reducing OTR activity and optimizing interplant and vendor freight, we minimized truck hours on the road, promoting responsible use of human capital and natural resources while enhancing operational efficiency.

At Rehrig Pacific Company, we view our suppliers as extensions of our organization and look for supplier partners who demonstrate strong values and commit to ethical principles and practices. Our suppliers must comply with the laws, rules, regulations, and Rehrig Pacific Company policies of the countries and locations in which they operate. Suppliers must be familiar with the business practices of their suppliers

and subcontractors and ensure they operate according to the code of conduct.

This code applies to all businesses that provide products or services for Rehrig Pacific Company locations. Rehrig Pacific Company reserves the right to discontinue its relationship with suppliers who fail to comply with this code.

[Download the Rehrig Pacific Company Supplier Code of Conduct for specific information on our policy.](#)

[Click to Download](#)



SERVICE

CREATING VALUE FOR OUR CUSTOMERS AND OUR COMMUNITIES

We prioritize service and community, finding fulfillment in supporting both our internal family and the communities we serve. As servant leaders, we lead by example, aligning with our mission and vision while focusing on our customers and recognizing the significance of our individual contributions to the collective success of our organization.

Service to Our Customers

Our commitment to our customers as trusted advisors and partners is paramount. Across the many industries we work in, being of service, providing value, and providing sustainable solutions are at the core of our work.

"We have developed a true partnership throughout these projects, and the Rehrig Pacific team is just as committed to providing our municipal customers with the best solid waste collection equipment available. As a matter of fact, on a couple of our projects, I am positive that our partnership with Rehrig Pacific is the reason why the projects were so successful. I have been very impressed with their integrity, customer service, and overall professionalism when conducting all aspects of business. The quality of their residential carts, outstanding customer service, and warranty far exceeds competitors."

– Jesse Murphy, Regional Vice President of Waste Pro USA 

"While acknowledging that Rehrig Pacific comes with a higher price tag, we have observed that their bread trays surpass others in durability within the market. Additionally, we appreciate their prompt customer service and consistent on-time deliveries."

– Kevin Stevens, Vice President of Operations at Klosterman Baking 

"I have been buying from Rehrig Pacific for many years and have found they provide great quality items. All in all, we are very happy with all the processes that Rehrig Pacific has in place. They are a great team and a pleasure to work with."

– John Doherty, Kroger Delaware Distribution Center 

"Rehrig Pacific has done a great job in servicing Centennial Farms Dairy. The communication is great, and the response is always timely."

– Philip Prendergast, Centennial Farms 

"The Rehrig Pacific team provides great customer service and is always quick to support, even in last-minute needs. We have always received high-quality products and appreciate our partnership with them."

– Whitney Wisma, Kroger Mountain View Foods 

Our Services Teams

An integral part of ensuring a seamless supply chain is its people. Our dedicated Services teams are essential to our customers' supply chains, ensuring products can be reused for increased longevity and maximum value. Deployed across multiple industries, including waste and recycling and retail partners, our teams have over 50 locations and 860 family members working within them.

Their work includes assembly, distribution, and container management for environmental customers. On average, they deploy over 1.4 million carts and process over 300 thousand work orders for our customers yearly.

Our Retail Reverse Logistics teams ensure our customers' assets are cleaned, repaired, and made ready for reuse. On average, they process over 75 million pallets and over 65 million Reusable Plastic Containers (RPCs) and consolidate 35 million break-pack boxes.

Our commitment to our Service value is exemplified within these teams.



50+ locations
across multiple industries



860 family members
working within them



1.4 million+ carts
deployed yearly



75 million+ pallets
cleaned, repaired, and made
ready for reuse by our Retail
Reverse Logistics teams



Service to Our Industry Partners

Our continued collaboration and partnership with trade associations and industry groups are integral to our success as trusted advisors across the industries we serve. Our commitment extends to our participation as board members, founding members, and financial contributors. We are proud to partner with these important industry-leading groups.



Service in Our Communities: Volunteering and Philanthropy

331 total hours of volunteering in our communities in 2023, including:

All locations found a unique way to give back on Earth Day 2023, including removing 350 lbs. of trash from Atlanta’s roadsides, cleaning a riverbank in Kenosha, and volunteering over 24 hours at Orlando’s Audubon Center.

Activities extended throughout the year, including time spent delivering Meals on Wheels, working with Habitat for Humanity, donations for Toys for Tots, and clothing drives to support shelters in Erie.



331 hours

of community volunteering



Rehrig Pacific

Service in Our Communities: Volunteering and Philanthropy (continued)

Total financial donations of \$400K, including:

This year, when we attended WasteExpo® in New Orleans, we donated \$15,000 to support the **Edna Kar High School Marching Band** based on a relationship we established with college scholarships the year before.

We donated \$40,000 to Changing Our Perspective, a non-profit organization dedicated to tackling the gaps in education, health and mental wellness, and vocational opportunities.

Rehrig Pacific Mexico initiated various donations and programs to support education, health, and community development.

- 80 pallets to the Scout Association of Mexico for use in their shower stations to avoid direct contact with the floor when bathing.
- Over 100 pieces of sports equipment were donated to Miguel Hidalgo Elementary School to support the school's extracurricular activities.



\$400,000+
TOTAL

Financial Donations
in 2023



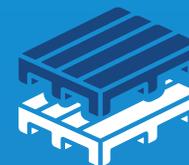
\$15,000
IN SUPPORT

to Edna Kar High
School Marching Band



\$40,000
DONATED

to Changing
Our Perspective



80
PALLETS

to the Scout
Association of Mexico

INNOVATION

EMBRACING IDEAS THAT CHALLENGE THE STATUS QUO

Innovation is more than a process—it's a core value. We thrive in a culture of attentive listening, continuous learning, and celebration of diverse ideas. Each innovation, from game-changing breakthroughs to incremental advancements, propels us towards a brighter future. Explore some of the critical areas of innovation for 2023 that are defining our journey.

Transparency in Our PCR Value Chain

In 2023, we proudly partnered with Kamilo, Inc. to introduce the first roll-out cart (ROC) with a Kamilo Turtle TrustMark. This marked the first example of digitally tracked post-consumer recycled (PCR) content in a circular economy in the U.S. Our pilot with Evergreen Disposal Maryland showcased the verifiable percentage of recycled content used in manufacturing carts.

Los Angeles Pilot Study

Working closely with our local recycling partner, customized software was developed and deployed, allowing geospatial tracking with QR codes, dashboards for inventory monitoring, and a data export tool. By Q3, we successfully tested tracking products from customers to the toll grinder's location in Los Angeles and monitored the material's journey back to our manufacturing plant.



This data is from seven months into the pilot and not representative of the total impact in 2023.

New Materials R&D

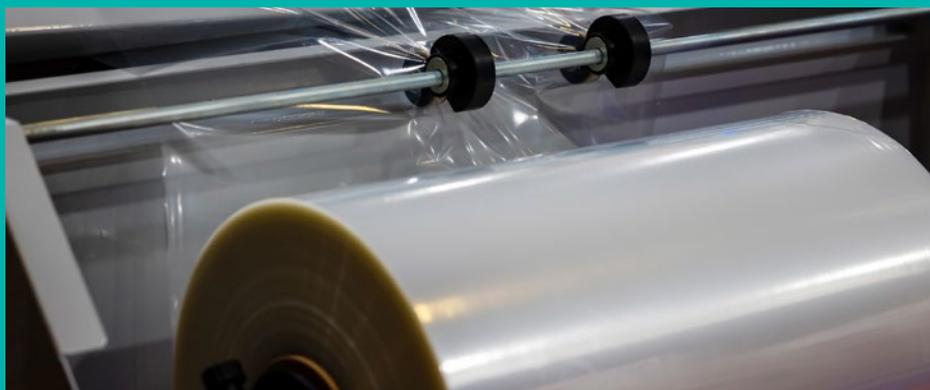
In 2023, we approved twelve new sustainable alternative materials for use in our production processes across seven plants. These materials include options aimed at increasing the recycled content and/or circularity of our core plastic products. There has also been some opportunity to explore materials outside of our current specifications. Utilizing our Design Innovation and Testing Center and our Material Testing Lab, we investigated blends of less desirable materials and performance for additive processing into various product lines to find acceptable inclusion percentages and provide an end-use for these hard-to-recycle materials.

Material Choices and Customer Impact

Rehrig Pacific has spearheaded innovative initiatives and collaborations in response to diverse challenges around material choices. These have included transforming hard-to-recycle materials such as industrial flexible PE film found throughout the supply chain and advising Pepsi on a strategic color shift from blue to black to increase recycled content.

PE Film Waste Up-Cycling:

Flexible film, particularly shrink and stretch wrap, poses a significant recycling challenge. Rehrig Pacific recognized the opportunity to address this issue, proposing solutions to utilize recycled PE film to create roll-out carts (ROCs) and beverage shells. Partnering with our recycling network and supply chain customers, Rehrig Pacific aimed to provide a more significant outlet for Polypropylene (PE) film waste generated by supply chain customers. This initiative sought to add value to the recycling process and contribute to a more sustainable and circular approach to packaging materials.



Increasing PCR Content with Pepsi:

Rehrig Pacific partnered with Pepsi to achieve their ambitious 2030 goal of incorporating 50% recycled content into all plastic packaging. Recognizing the limitations of running recycled content into bright-colored products, Rehrig Pacific now manufactures Pepsi's iconic blue beverage shells in black, allowing for more recycled content to be incorporated. A validation process developed by Rehrig Pacific and Pepsi determined that a shell with 50% recycled content met all quality standards. This transformation aligned with sustainability goals and addressed practical challenges in incorporating recycled materials into specific product designs.



Circular Economy: Customer Buyback Program

Our commitment to sustainability is evident through our circular economy initiatives, particularly our Customer Buyback Program. This program plays a crucial role in ensuring the responsible end-of-life management of our products. We partner with approximately 30 recycling facilities across the nation, providing training and tools to help ensure we recover as much of our product as possible and any other suitable Recycled High Density Polyethylene (rHDPE) and Recycled Polypropylene (rPP) resins. We received 29 million lbs. of material in customer returns in 2023.

Our Mexico team also established a buyback or exchange program with our Latin American customers. There is a four-to-one exchange rate on all out-of-warranty products from Rehrig Pacific and six-to-one on any other plastic. We also incorporate up to 100% recycled content into our products according to the application, with seven different suppliers throughout Mexico and three more in Chile and Peru. Additionally, we are using ocean-recovered materials in our production for South America.



29M LBS.

of material received in customer returns in 2023

16%
total recycled content used in our products

LCA for Beverage Packaging

Developing our Life Cycle Assessment (LCA) Tool aims to deliver tangible customer benefits by integrating sustainability directly into the sales process. This tool, created in partnership with LCA consultancy experts, facilitates a comparative analysis between reusable packaging (beverage shells) and single-use packaging (cardboard and/or shrink wrap). It offers insights across nine result categories, encompassing standard LCA indicators, including total energy, non-renewable energy, solid waste, water consumption, global warming, acidification, eutrophication, smog, and ozone depletion.

The tool is designed to provide detailed and regularly updated insights with precision while remaining accessible to a diverse stakeholder audience. These outputs are grounded in scientific data, serving as metrics to help customers make informed purchasing decisions and comprehend the impact on their business and sustainability objectives.

Innovation in Manufacturing: Robotics and Automation

Our latest innovation in manufacturing has been automation for e-commerce folding totes. The automation assembles seven components into one unit, inspects the finished product, and stacks it onto a pallet, ready for shipping. This automation has converted the ergonomically challenging and monotonous assembly process from a manual operation to a mechanized one.

At our retail service sites, we improved the scalability of automated tear-down saws. This equipment significantly reduces the risk to our family members and the labor hours spent in and around manually fed tear-down saws, allowing us to enhance safety and capacity without increasing the building's footprint.

Our Mexico facility improved its laser marking program. Lasers are proven to last longer than hot stamping and are more cost-effective to run, based on equipment cost, efficiency, and the lack of consumables. Due to these results, we are now manufacturing in a brand new way by branding with laser marking on pallets which features two logos per side (eight logos in total). This change dramatically reduces ergonomic safety risks for our family members and reduces cycle time by 20%.

Data Security

Over the last five years, we made significant investments to establish a robust information security program based on the NIST Cybersecurity Framework v1.1. This comprehensive program covers all aspects of our computing environment, incorporating technical security controls, risk management, and operational processes. Our focus is on ensuring our data's confidentiality, integrity, and availability.

To strengthen our data security measures, we:

- Implement dual-factor authentication, adding an extra layer of protection to enhance the security of user accounts and personal data.
- Migrate information from physical servers to secure Azure servers in the cloud, ensuring a more resilient and scalable infrastructure.
- Transfer all user information to OneDrive, a secure cloud storage solution.
- Utilize system browsers to conceal sensitive customer data, such as addresses and telephone numbers, and display only the necessary information.
- Segment network services to allow only Rehrig Pacific-owned equipment to connect to the internal network, enhancing overall network security.



INTRAPRENEURSHIP

EMPOWERING PEOPLE TO DREAM AND TAKE RISKS

Intrapreneurship is more than encouraging risk-taking; it inspires others to dream big. This chapter explores how we approach new opportunities and empower our teams to make a lasting positive impact on the industries we serve and beyond.

Delivery Solutions: Revolutionizing Direct Store Delivery

Our new Delivery Solutions team is redefining the global goods movement by harnessing advanced design and engineering capabilities. Utilizing emerging technologies like advanced computer technology, AI machine learning, and generative AI, coupled with innovative design in material handling, we are changing how delivery and distribution manage their business by providing fully integrated end-to-end solutions.



Delivery Solutions: Revolutionizing Direct Store Delivery (continued)

A highlight in 2023 is the launch of our new **Vision® Object Recognition (VOR) suite**—a comprehensive system designed for the warehouse featuring a smart pallet wrapper with integrated AI technology and intelligent dock doors for load accuracy. This system boosts efficiency and provides valuable insights throughout the delivery process, improving the handoff between the warehouse and delivery teams. Our end-to-end approach is complemented by service offerings that help our customers with the change management needed to implement these improvements.

A sustainable benefit of deploying our solutions starts with the smart pallet wrapper. This system uses less plastic stretch wrap than manual pallet wrapping and mitigates injury. By ensuring the right product is on the right truck, this system is also helping to contribute to sustainability efforts by reducing trucks on the road and improving route efficiencies.

The VOR system was recognized by The Reusable Packaging Association, receiving the **2023 Product Technology Award**. These achievements highlight our shared commitment to advancing sustainability and innovation in the industry. For more information, you can revisit our official announcement [here](#).



SKU
Verification



Load
Validation



In-Store
Delivery

Designing for Circularity

In 2023, our Core Plastics Design team launched several new innovative products into the waste and recycling industries and the supply chain. Advancing legislation in multiple states requires separate sortation for organic material. Our new Commercial Organic Waste Collection Station is the first-of-its-kind 1-yard container designed specifically for grocery and restaurant use to aid in the increased need for commercial organics solutions. When organics end up in landfills, they produce a high level of methane gas—a Greenhouse Gas (GHG) that is 28x more potent than CO₂. The efficient source separation and disposition of these materials is a small action that significantly impacts climate change mitigation. Its ergonomic features and smooth interior make it ideal for store staff and haulers.



Commercial Organic Waste Collection Station

New additions to our product portfolio include new beverage shells, e-commerce totes, and pallets. Our 40 x 48 nestable pallet played a crucial role in securing a second Reusable Packaging Association Award. This award was presented to our valued customer, OK Produce, a fresh produce wholesaler based in Fresno, California, for their reusable system. They successfully implemented a plastic pallet program to distribute perishable foods, extending our reusable plastic nestable pallet program to 90% of their customer base. This initiative resulted in substantial cost reductions, operational efficiencies, and significant solid waste reductions.



40 x 48 Nestable Pallet

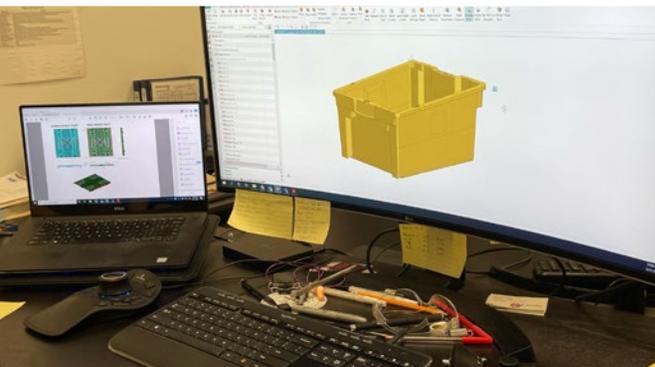


DESIGN & ENGINEERING DEPARTMENT

Designing for Circularity (continued)

2023 saw the launch of our **Design Innovation and Testing Lab** in our Atlanta plant. Equipped with standard industry testing equipment, we can internally develop testing to simulate applicable product performance loading and impact protocols for logistics and delivery solution products. Co-located within our design lab, we are finding new ways to improve our designs for greater circularity and longevity.

We also completed 20 full product validation protocols ranging from two to six individual performance tests, furthering the development of new products or the validation of a material or design change to existing designs. Currently, the lab can perform over 30 individual performance tests for the breadth of industries in which Rehrig Pacific products are used. These include cold-temperature durability for the grocery and/or material handling industry, pallet rack strength over time at specific temperatures for pallet automated retrieval and storage systems, or roll-out cart semi-automated tipper life cycle analysis.



Simplifying Carbon Accounting

Rehrig Pacific's partnership with TensorIoT and their subsidiary, FlexZero, signifies a pivotal move in our carbon accounting platform journey, addressing the limitations of existing emissions tracking solutions. As a longstanding development partner, we collaborated closely with the TensorIoT team to ensure the FlexZero system was uniquely developed to provide the utmost value to all stakeholders. This partnership ensures a tailored solution for efficient and effective carbon accounting while remaining in compliance with the GHG Protocol. The showcased integration of cutting-edge AI technologies from AWS at the [2023 Re:Invent meeting](#) underlines FlexZero's transformative impact on our emissions data processes, setting a precedent for AWS customers.

Intern-Led Projects, Safety, and Efficiency Enhancements

In 2023, Rehrig Pacific's interns led impactful projects that made significant sustainability, efficiency, and safety strides. Margaret Goodgame optimized the injection molding process, reducing downtime, minimizing resin usage, and eliminating the need for platform climbing. Isaac Velázquez enhanced operational visibility by implementing Andon signal towers, decreasing downtime, and fostering a safer environment. Additionally, Edgar Ramirez designed a soundproofing solution for a noisy gauger machine, reducing noise levels from 110dB to a maximum of 90dB. These projects underscore our commitment to intrapreneurship and prioritizing the well-being of our family members.



Educational Empowerment for Sustainable Impact

Through focused initiatives, we delivered extensive training on pivotal sustainability subjects to our team members, covering prime and recycled material nomenclature, the raw material workflow of Post-Consumer Recycled (PCR) vs Post-Industrial Recycled (PIR), sustainability elements, and the scope of supply chain footprints. This educational drive reached operational team members through webinars and cohorts, cultivating a robust understanding of sustainability principles.

We integrated this knowledge with our Sales team and new hires, allowing every family member to become proficient in their technical understanding and aligned with the company's sustainability commitment. It's a hands-on, eight-hour, in-person experiential learning framework, conducted in the manufacturing plant and the Testing Lab. These educational endeavors empower our family members to make informed decisions based on our sustainability goals.



GROWTH

INVESTING IN OUR PEOPLE, PROCESS, AND CUSTOMERS

We prioritize investments in our people, processes, and customers to foster a culture of continuous learning and development. By nurturing our employees' personal and professional growth, we strengthen our foundation, drive profitability, and ensure the continued expansion of our family.

Buckeye Groundbreaking & Design of a New Facility

In May 2023, we broke ground on our new state-of-the-art manufacturing facility in Buckeye, Arizona. Intentionally designed for the safety and comfort of our employees, below are a few highlights of what's to come.

- Employee spaces are designed with a focus on togetherness, regardless of role. The design includes a singular and spacious break area, gathering spaces to socialize, a gym and locker rooms, an outdoor break area, and a large, well-equipped training room.
- A Mother's Room allows new mothers a quiet, relaxing space for cleanliness and privacy.
- Covered parking for employees to shade their cars from excessive sun and heat, with a 380kW solar system on top to generate clean energy.
- A production floor designed to reduce noise levels, eliminating the need for hearing protection.
- Two dual Electric Vehicle (EV) charging stations that can charge up to eight vehicles.
- A chilled water system designed to be air-cooled instead of evaporative cooling. The air-cooled design will save approximately 130,000 gallons (about 492103.3 L) of water per day from being evaporated to cool our machines and molds.



Employee Financial Growth

We prioritize the well-being of our people by offering extensive benefits. Our initiatives extend beyond the standard insurance and 401K offerings to include Employee Stock Ownership Plan (ESOP) and Profit Sharing. Our healthcare offerings are free for the entire family, including HSA seed money, and offer telemedicine and teletherapy services with no copays or premiums, ensuring accessible and convenient healthcare options.

Regarding societal impact, we support our employees and their families through scholarships, internship opportunities, and special recognition and gifts for the children of workers who demonstrate academic excellence. These benefits not only enhance the lives of our people but also contribute to fostering a positive community and supporting the educational pursuits of our employees' families.

Gender Pay Gap Analysis

We are proud to share that our gender pay disparity is far better than the industry average. At Rehrig Pacific, women earn 95 cents for every dollar men earn, whereas the industry average is 82 cents per dollar. We ensure equal compensation for equivalent positions, supported by industry salary surveys that provide evidence of consistent pay across genders at the same level. Our journey has been focused on continuous improvement, and we are proud of our progress.



311 Internal promotions in 2023 across the organization



More Than 1 internal promotion per day



15% More Than the National Average at Rehrig Pacific, women's earnings exceed the industry average

Employee Personal Growth

Our internal dedicated Learning and Development team provided:

356 Hours of **Life Skills Courses** taken:

- 10 Habits of Positive People
- Crucial Conversations
- English Level 1–3 “It’s Up to Me!” English Course Beginner-Level
- Podcast: Jump: Dare to Do What Scares You in Business and Life
- Podcast: The Inclusion Dividend
- Presentation Skills Basics

1,782 hours of **Virtual Instructor Led Courses** in 2023:

- Navigate 1 = 158 Hours
- Navigate 2 = 231 Hours
- Integrate = 1,144 Hours
- Coach’s Playbook = 57 Hours
- Rehrig Management System = 192 Hours

Sales Training VE Now: Jan–Dec = 2051 Total Hours

Total training hours Jan 1, 2023–Dec 31, 2023: **12,211 hours = 509 days = 1.4 years**

Managerial Leadership Training Programs

The 2023 Leaderology Cohort comprised twelve participants, underscoring the commitment to continuous development in our managers of people. Leaderology is a tailored executive coaching and leadership development program for individual growth. Fearlessly authentic leadership is vital at Rehrig Pacific, aligning with the company’s dedication to an inclusive Human Capital strategy. This approach fosters a psychologically safe environment, allowing individuals to bring their authentic selves to work and promoting trust, collaboration, and innovation.

CPR Training

All teams maintain regular employee training on each shift, offering coverage and support during work hours, meetings, and conferences. We also provide local CPR training to remote employees. The dedication to CPR training aligns with Mexico’s legislation, with interdisciplinary teams undergoing comprehensive safety training. The growth and investment in this program underscore our ongoing commitment to the safety and well-being of our Rehrig Pacific family. Additionally, we introduced calisthenics exercises with several groups, forming part of an ergonomic and fatigue-release program developed by our intern physician.

CLOSING

Thank You

As we move forward into 2024, our focus remains steadfast on enhancing our EcoVadis rating and leveraging cutting-edge Life Cycle Assessment Platforms to provide real-time visibility into our products' sustainability attributes. We are committed to serving as trusted advisors for our customers by setting specific, measurable, and time-bound targets across various areas, including transportation, waste diversion, energy, climate, product design and use, procurement practices, and EHS management systems. We are also dedicated to advancing our inclusive benefits as part of our sustainability journey while staying true to our core values. We look forward to working together to achieve our collective goals.

Sustainability Leaders

Our Sustainability team at Rehrig Pacific is a dedicated group of professionals who lead transformative initiatives to drive environmental responsibility and stewardship.



Anyurith Hernandez
Sustainability Specialist



Trent Williams
Materials Engineering Manager



Wyatt Easson
Materials Engineer



Anthony Gordon
Product Test Engineer



Like to learn more?

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