



Shorr Packaging
Sustainability Report
2024



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Letter from our CEO

At Shorr, we take our responsibilities to our customers, communities, employee-owners, and the environment seriously. Everything we do is governed by our Company Values, the guiding framework that outlines the principles that determine how we do business and serve our customers.

Our Company Values influence every part of the business, including Shorr Sustainability:

- **Ownership:** Shorr recognizes its responsibility to manage business operations in an environmentally, socially, and economically sustainable manner.
- **We are Customer Focused:** Shorr works hard to be a source of knowledge and truth, being able to advise and educate our customers while advocating for sustainable business practices.
- **Never Stop Improving:** Shorr is committed to continuous improvements, allowing us to innovate, collaborate, and invest in sustainable practices that benefit our business, customers, and the planet.
- **Integrity:** Shorr is committed to regularly measuring and reporting greenhouse gas emissions while benchmarking and tracking our environmental impact.
- **Teamwork:** Shorr Sustainability is defined by collaboration across all units and departments within Shorr.

“Shorr holds a unique space, not only in the supply chain, but also in the conversation of sustainability.”

I’m proud of the progress we have made over recent years, formalizing a best-in-class Sustainability Program and launching a Sustainability Council that spans departments, functional groups, and key stakeholders. This supports our customers, suppliers, third-party vendors, and employee-owners on their sustainability journeys.

To advance our understanding of Shorr’s environmental footprint we continue to invest in sustainability initiatives and platforms that allow us to evaluate how to best track and ambitiously reduce Scope 1, 2, and 3 emissions.

As a packaging distributor, Shorr holds a unique space, not only in the supply chain, but also in the conversation of sustainability. We will continue to work hard to establish and define our role, to advance environmental initiatives, and our progression toward a carbon neutral future.

Sustainability goals cannot be accomplished in a vacuum. Therefore, we are proud to partner with industry-leading strategic partners and suppliers, allowing us to develop a holistic approach to sustainability, from manufacturing to the consumer.

We understand that no one organization can achieve sustainability goals alone. Collaboration is the core of success and essential to reduce our collective environmental footprint and work towards a more resilient and sustainable future.

— Rob Onorato



shorr | packaging corp.

at a Glance

Since 1922, Shorr Packaging Corp. has been an industry-leading distributor of packaging solutions, products, equipment, and services. We are employee-owned, represent the best-known packaging product manufacturers and brands in the industry, and are one of the largest independent packaging distributors in the nation.

For over 100 years, we have been providing customers with solutions designed to maximize efficiency and deliver results. Shorr proudly offers its customers a unique combination of in-depth business knowledge and personal service.

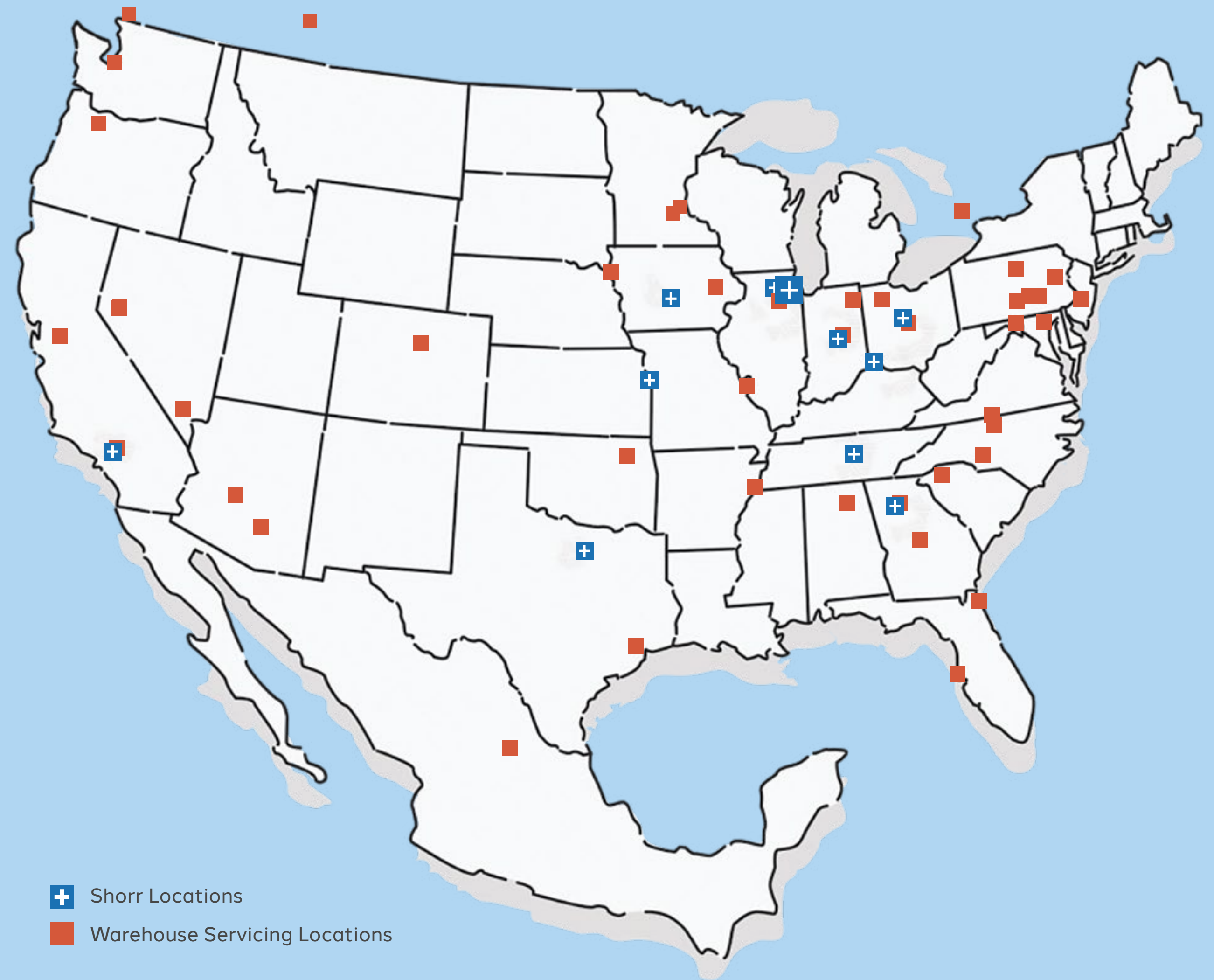
Dedicated people have always been the driving force at Shorr. As employee-owners, we work hard to meet our customers' needs and have a stake in our company's future. Our values guide our interactions, shape our business, and define who we are as employee-owners. It is ownership, collaboration, and the collective spirit that define Shorr.

- Ownership
- We are Customer Focused
- Never Stop Improving
- Integrity
- Teamwork

Who We Serve:

- Food**
- eCommerce/Retail**
- Healthcare**
- Industrial**
- 3PL/Transportation**

- 500+ employee-owners
- 100+ years in business
- 11 Shorr locations







Introduction: About Shorr Sustainability

Our organization is actively engaged in promoting sustainability to reduce both Shorr's environmental impact and that of our customers. We go beyond providing innovative packaging solutions; we advocate for sustainable business practices and work to foster a culture of environmental consciousness and stewardship. We are dedicated to continuing our efforts to reduce our environmental footprint, promote social responsibility, and maintain the highest ethical standards.

In 2022, Shorr formed a Sustainability Council and in early 2023, we hired our first full-time Sustainability Program Manager to formalize and grow the platform of Shorr Sustainability and complete its implementation.

The Sustainability Council meets bimonthly to collaborate and review the success of our sustainability program and initiatives. It is comprised of the Sustainability Program Manager, Senior Director of Procurement, Senior Director of National Accounts, Risk Manager, Marketing Manager, and other key strategic leaders.

Through partnerships, research, and continuous improvements, we demonstrate our commitment to sustainability and strive to lead the industry toward a more sustainable future. We are proud to offer guidance and products that support our customers' sustainability goals, such as resource reduction, recycled content, recyclability, and emissions-related targets. We value our partnerships and collaborations to continuously establish Shorr as a sustainability leader within the supply chain.



Shorr Sustainability: Environmental Policy and Mission

At Shorr Packaging, we recognize our responsibility to manage our business operations in an environmentally, socially, and economically sustainable manner. Our commitment to sustainability is integral to our mission and values, guiding our actions and decisions as we strive to make a positive impact on the planet and our communities. This policy is governed by the Sustainability Program Manager, Chief Commercial Officer, and Chief Operating Officer, with extensive support from the Chief Executive Officer, Chief Human Resources Officer, and the Sustainability Council.

The objectives of our Sustainability Policy are to:

- Minimize our environmental footprint.
- Promote social equity and community well-being.
- Ensure economic viability and ethical governance.
- Lead by example, transparency, and education.
- Promote environmental stewardship.

We are committed to reducing our environmental impact through the following practices:

- **Energy Efficiency:** Implement energy-saving measures across all operations and invest in renewable energy sources.
- **Waste Reduction:** Reduce, reuse, and recycle materials whenever possible, aiming for zero waste to landfill.
- **Sustainable Sourcing:** Source materials and services responsibly, prioritizing suppliers who adhere to sustainable practices.
- **Water Conservation:** Implement water-saving practices and technologies to minimize water usage and protect local water resources.
- **Carbon Footprint Reduction:** Regularly measure and take actions to reduce our emissions 4.2% annually, striving to achieve carbon neutrality by 2040.
- **Education and Engagement:** Enhance our internal culture of sustainability and serve as advisors to our customers throughout their sustainability journeys.



At Shorr Packaging, our approach to sustainability is based on a model by the Ellen MacArthur Foundation. This is a prominent organization dedicated to promoting the circular economy. Founded in 2010 by former sailor Ellen MacArthur, the foundation aims to inspire and accelerate the adoption of circular economy principles across various sectors, including business, government, and education.

Our mission is to ensure that we focus on actionable steps that eliminate waste and natural resource consumption, innovate customer solutions and products that deliver tangible and measurable impacts, and to circulate products and materials, minimizing Shorr's and our customers' environmental footprints. We prioritize the successful delivery of products by reducing damages and minimizing returns to eliminate the emission of greenhouse gases. We aim to reduce our environmental impact throughout the supply chain.

We are here for our customers every step of the way as they embark on their sustainability journey.



“We aim to reduce our environmental impact throughout the supply chain. We are here for our customers every step of the way as they embark on their sustainability journey.”



Accolades

In 2023, Shorr Packaging submitted to EcoVadis, a leading third-party assessment platform that rates the sustainability of global supply chains across more than 75,000 international companies. The assessment evaluates organizations' ESG (environmental, social, and governance) contributions through 21 sustainability criteria, focusing on four key performance areas: environment, labor and human rights, ethics, and sustainable procurement.



Shorr is proud to have been awarded the EcoVadis Silver Badge recognizing our commitment to sustainability and responsible business practices.

This achievement places Shorr among the top 25% of companies evaluated, highlighting our dedication to ESG efforts and actions.

As a **UN Climate Pledge Signatory**, Shorr Packaging is committed to reducing our greenhouse gas emissions and pledges to achieve net zero emissions by 2040. We have developed robust sustainability policies and a Code of Conduct for our suppliers, aligning with our sustainability mission and four pillars (Eliminate, Innovate, Circulate, Successful Delivery). We believe that climate change demands urgent and universal action. Our commitments include:

- Regularly measuring and reporting greenhouse gas emissions and publishing results in our sustainability report.
- Implementing decarbonization strategies in line with the Paris Agreement, including efficiency improvements, renewable energy

adoption, material reductions, and other carbon elimination strategies.

- Neutralizing remaining emissions with additional, quantifiable, permanent, and socially beneficial offsets to achieve net zero annual carbon emissions by 2040.

Shorr achieved **Sustainable Forestry Initiative (SFI) Chain-of-Custody certification** through third-party audits and verification in 2023. This certification allows us to track forest fiber content from production to the end product, assuring customers that our fiber-based packaging products are made with certified forest content, certified sourcing, or recycled content. We aim to achieve this certification across our remaining divisions.



For the past four years, Shorr has earned Pregis Purpose Awards. In 2023, Shorr was awarded all three Awards:

Pregis Renew Award:* Recognizes our commitment to reducing carbon emissions. By providing customers with Pregis AirSpeed® Renew Inflatable Solutions made from recycled content, Shorr reduced 150 metric tons of carbon emissions in 2023. This reduction is equivalent to recycling 6,515 trash bags of waste, avoiding the burning of 165,311 pounds of coal, or saving 16,879 gallons of gasoline.

Pregis Preserve Award:† Honors our contribution to protecting global forests. By supplying Pregis Easypack® 100% curbside recyclable paper, Shorr helped save over 45,000 trees and sequester over 800,000 pounds of carbon in 2023. Each mature tree absorbs approximately

48 pounds of CO2 annually, underscoring the critical role of trees in reducing atmospheric carbon and sustaining ecosystems.

Pregis Inspyre Award:‡ Acknowledges our support of the Uzima Clean Water Mission, which provides water filters to communities in Africa, Central America, and Asia. In 2023, our efforts positively impacted over 1,000 lives by providing access to clean drinking water, combating waterborne diseases, and improving quality of life.

Shorr was also the recipient of the **2023 John Deere Supplier Sustainability Award**, presented to suppliers demonstrating strong performance in sustainable processes, products, and operations. This award focuses on emissions reduction, product circularity, and social improvement.



We are proud and active members of the **Sustainable Packaging Coalition (SPC), Flexible Film Recycling Alliance (FFRA), and PMMI, the Association for Packaging and Processing Technologies**—continuously striving to serve as a resource for our customers and lead by example.

These accolades reflect our ongoing commitment to environmental stewardship, social responsibility, and sustainable business practices, reinforcing our role as a leader in the packaging industry.

THE CLIMATE PLEDGE

“Shorr Packaging is committed to reducing our greenhouse gas emissions and pledges to achieve net zero emissions by 2040.”



Shorr was the recipient of the 2023 John Deere Supplier Sustainability Award.

Case Study

Shorr Partnered With a Leading Agricultural Manufacturer to Advance Long-Term Sustainability Goals

Shorr approached a leading agricultural manufacturer to explore a void-fill opportunity. The manufacturer was using 100% virgin void-fill paper and Shorr was able to present a product that offered better product protection and included recycled content.

Shorr soon learned that the manufacturer set a target of reducing 30% in Scope 3 CO2e emissions by 2030. They knew that to achieve this goal, they needed a partner that not only would supply them with sustainable products but could provide subject matter expertise and a robust sustainability program.

Shorr's Sustainability Program Manager leveraged the company's industry expertise to implement efficient and sustainable packaging practices.

After conducting a thorough STAMP (Shorr Total Approach to Managed Packaging) audit, Shorr's packaging specialist and the manufacturer determined three focus areas:

- More ergonomic and user-friendly solutions
- Improved availability and pricing
- Sustainability expertise and product offering

Shorr worked with the manufacturer closely, building trust and a long-lasting relationship before implementing solutions that best fit their needs. The manufacturer utilized unnecessarily heavy packaging materials that were causing workplace injuries.

Shorr implemented a fan-folded paper, reducing each roll's weight by 64%, greatly lowering the number of back injuries. The new material also allowed workers to load equipment with eight times the amount of product than the previous solution; this drastically increased throughput and maximized efficiency.

Shorr's sustainability subject matter expertise enabled the agricultural manufacturer to advance its 2030 goals.

The first sustainability opportunity Shorr assisted with was changing from a 100% virgin paper void-fill product to a curbside recyclable kraft paper that is responsibly sourced from 100% recycled materials.

Shorr identified and implemented solutions designed to meet unique goals.

Improved user experience and more ergonomic equipment

Shorr implemented more user-friendly equipment and a lighter, fan-folded product, reducing each roll's weight by 64%, leading to fewer back injuries for workers.

Shorr sustainability advanced long-term goals

Shorr worked with the manufacturer to choose products that aligned with their objectives, allowing them to advance their sustainability goals by replacing current products with more eco-friendly solutions. By making the switch, Shorr enabled significant environmental savings:

- 506,241 trees
- 232,012,000,000 BTUs
- 43,618,256 lbs. of greenhouse gases
- 236,610,056 gallons wastewater
- 15,840,092 lbs. of solid waste

Omni-channel advantage

The agricultural manufacturer was able to take advantage of Shorr's value-adding services, such as STAMP, ShorrExchange with 24/7 online ordering, sustainability, and intellistock, Shorr's vendor-managed inventory, making supplies immediately available and improving the warehousing space required to store their packaging materials.



Case Study

Shorr and Pregis Combine Efforts to Help a Major eCommerce Company Achieve Over \$4.3 Million in Annual Savings

A large eCommerce company called upon Shorr to help decrease shipping costs by 10%. The customer's initial idea was to continue using corrugated cartons and focus on reducing the cost of air pillows, however, the final outcome was much different.

The Shorr and Pregis teams collaborated closely to find a unique solution that eventually surpassed the initial expectations of the company. Switching the corrugated boxes for Pregis EverTec mailers initiated a domino effect that would see costs lowered in various other areas of the business.

The transition to durable yet lightweight mailers **helped the company reduce greenhouse gas emissions (GHG) by 73%**.

Shorr and Pregis partnered to conduct a full audit including:

- A comprehensive analysis of the company's picking and packaging processes
- A strategy and custom plan to drive long-term improvements in efficiency and sustainability

After the audit, the Shorr and Pregis teams concluded the corrugated boxes in use could be switched for the Pregis EverTec mailer.

The use of Pregis EverTec mailers initiated a domino effect of cost

savings throughout other areas of the business. This allowed for a greater cost reduction than even the company had envisioned.

By replacing the corrugated boxes with various sizes of the Pregis EverTec mailer, the company was able to better utilize their freight shipments.

Traditionally, they picked orders just-in-time, packed them in corrugated boxes in their distribution center in Los Angeles, and purchased space on commercial flights out of LAX to ship the products to their local facility in Asia.

The transition to EverTec resulted in a 304% freight cost reduction.

Shorr and Pregis partnered to help guide the eCommerce company to:

Reduce dimensional weight (DIM weight) for shipments. By reducing the physical size of the packaging solution in use, the eCommerce company can fit about twice as many products in the same shipment as before.

Improve throughput by packing products quicker – about four times as many as before – thanks to the flexibility and side-load feature of the EverTec mailer.

The transition to durable, yet lightweight, mailers helped the

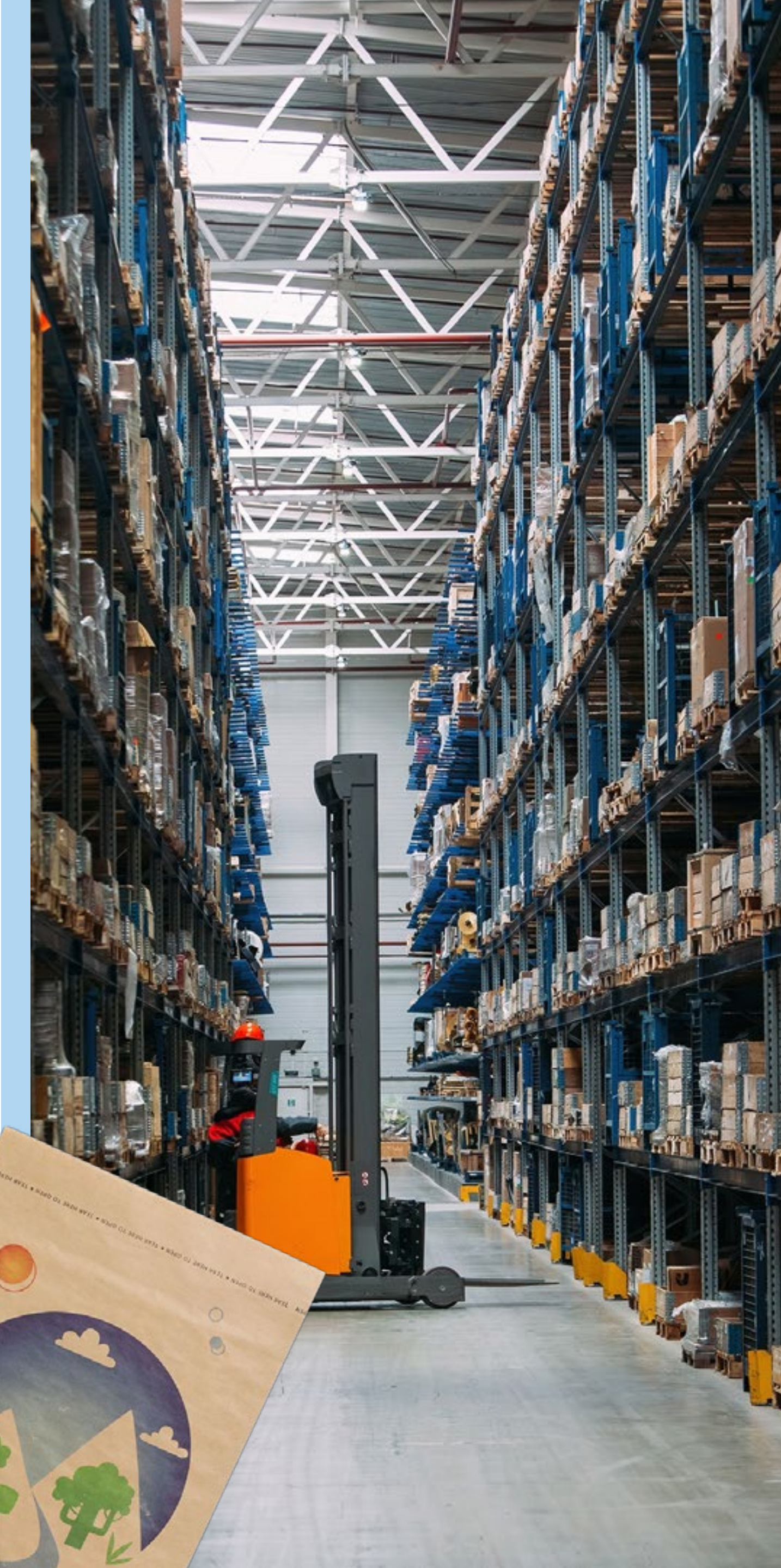
business reduce greenhouse gas (GHS) emissions by 73% through.

Unit costs of an EverTec mailer were lower in all instances than the unit costs of the previously used corrugated boxes. Cost savings of 22-70% were realized based on the sizes.

The EverTec mailer allowed packers to cut the cost and effort of their previously manual box application and freight in half.

EverTec mailers allow for:

- Optimized DIM weight
- Significant reduction in material usage
- Ability to pack more mailers
- More throughput with the ability to pack EverTec mailers faster
- More economical cost per unit than the combined cost of corrugated boxes and void fill



Case Study

Shorr Collaborated With a Heavy-Duty Power Tool Manufacturer to Increase Sustainability and Efficiency in Packaging

A manufacturer of heavy-duty power tools was looking to reduce their total carbon dioxide emissions 60% by 2030.

To achieve the goal, the manufacturer understood they needed more sustainable and efficient packaging solutions. In addition, they were experiencing issues with their international cargo loads. The loads were packed poorly causing products to shift and spill leading to unnecessary costs in damages.

Shorr leveraged its industry expertise and supplier relationships, as well as Shorr's private label brand, ShorrExpress®, to implement efficient packaging practices.

Shorr's experience and industry expertise delivered long-term results, **reducing material cost by 30%**

The relationship began with a discussion that addressed the following needs:

- A strategy to drive long-lasting improvements in efficiency and sustainability.
- A secure way to pack international loads traveling by cargo ship.

Shorr's packaging experts collaborated with trusted suppliers to bring in the most effective materials.

Through testing it became clear that the AIRPlus® air pillows and RENATURE® wrap from Storopack were the best-

performing options for the customer's goals to wrap, fully brace, and support the shipments, for both ground and LTL (less-than-truckload) shipments. AIRPlus pillows are optimal protective packaging for sensitive products while RENATURE wrap offers versatile protection made from starch derived from renewable resources.

Shorr helped right-size the dunnage bags and implemented perforated honeycomb along with custom-designed gaylord boxes to ensure secure packing for the customer's international shipments.

Additionally, Shorr brought in a trusted vendor to train the customer's employees on how to properly leverage the materials and secure cargo loads.

We are here for our customers every step of the way as they embark on their sustainability journey.

Shorr Sustainability

Shorr worked with the manufacturer to choose products that were aligned with their sustainability goals. In turn, the customer was able to reduce their environmental footprint by replacing their current products with more eco-friendly solutions.

Maximize efficiency with a stretch film analysis

Shorr's packaging experts performed a stretch film analysis providing the

customer with a performance report of their current film including total cost of ownership (TOC) and the film's load holding force. The load holding force determines whether your film will ensure that you have the right film for the job. TOC accounts for the cost of the stretch film used and the labor required to stretch wrap your loads. Through this analysis, the solution was our private label, ShorrExpress. The ShorrExpress hand and machine film provided the most efficient and cost-effective solutions for the customer.

With You the Whole Way

Shorr helped the customer prevent damage during international shipments by right-sizing dunnage bags, implementing perforated honeycomb, and designing a custom gaylord box. Shorr's relationship with industry-leading vendors helped the customer by training on securing cargo loads, which resulted in a decrease in damaged goods.



Case Study

Custom Packaging Solutions Help Guitar Maker Strike the Right Chord

A high-end guitar manufacturer experienced record sales and sought to capitalize on their momentum. They began fulfilling orders using air cushioning sheets wrapped around the instruments, which offered some protection. However, it lacked bracing ability to prevent movement inside the boxes.

The Shorr and Pregis teams worked closely with the customer to identify areas of improvement:

- Protect products and prevent the instruments from shifting
- Versatility, an air cushion to fit various instrument shapes and sizes
- An impressive unboxing experience

We implemented the following steps as part of the solution:

- Engineered a universal ChamberPak accordion that fits any shape or style of guitar.
- Packaging that provides cushioning against impacts and bracing against movement.
- Designed a supply chain solution that guarantees the supply of packing materials.

Shorr and Pregis collaborated closely, engineering an AirSpeed® ChamberPak solution that would protect the products from damages and designing a supply chain solution that guaranteed an adequate supply of packing materials.

As a result of our partnership, Shorr and Pregis have helped our client significantly reduce damage rates. In addition, we helped generate savings in space, inventory, and freight.



Packing efficiency

The transition to the new system allowed the customer to integrate ChamberPak Express Auto-Inflator, replacing manual inflation machines. This sped up packing but it also eliminated human error, ensuring a uniform fit in every package.

Space savings

ChamberPak is shipped flat and deflated, minimizing the space required for storage both in the warehouse and individual packing stations.

Damage reduction

The laboratory-validated new approach significantly cut damage rates, allowing the guitar manufacturer to get more products into their customers' hands, all without damage. Not only did this reduce costs for replacement guitars and emissions from returns and reships, but it also gave customers an enhanced unboxing experience.

The new solution is ISTA and APASS certified.



Environment

At Shorr Packaging, environmental stewardship is vital to our operations and business philosophy. Our commitment to sustainability extends throughout our value chain, from our suppliers to our customers, and across all industries we serve.

We approach sustainability through internal operations by implementing sustainable practices in our warehouses and offices, going beyond the products and solutions we offer. Our employee-owners are encouraged and empowered to conserve resources and are regularly trained on best practices.

We also serve as an advisor to our customers on their sustainability journeys, helping reduce environmental impact.

Our key initiatives include:

- **Resource Conservation:** Our focus is on conserving resources and reducing energy, water, and waste consumption.
- **Data-Driven Improvements:** In 2024, we implemented a third-party platform to benchmark and track energy, transportation, waste, and water data.
- **Renewable Energy:** We are investigating opportunities to incorporate renewable energy sources and are working on earning approved Science Based Target initiatives (SBTi) and submitting to the Carbon Disclosure Project (CDP).

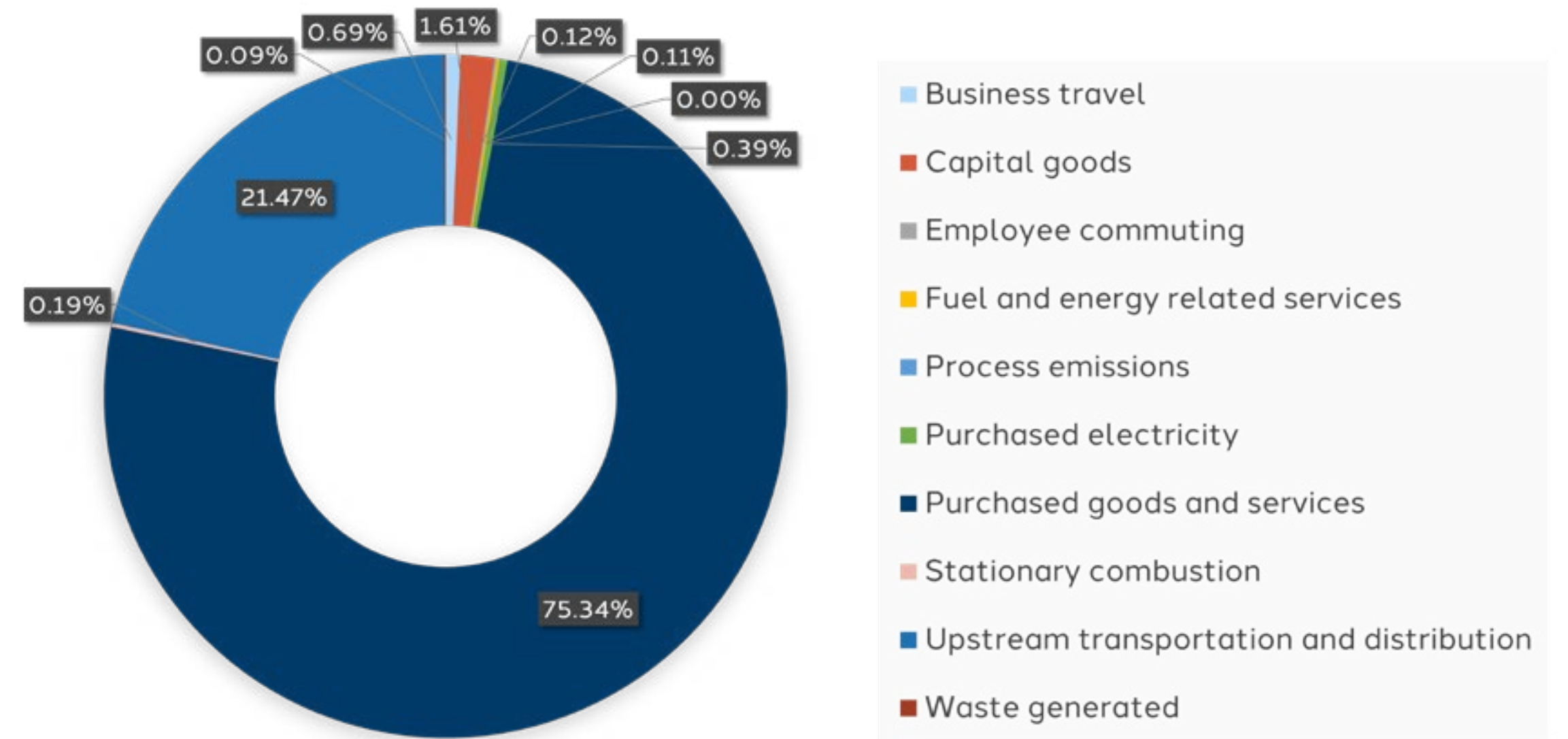
We recognize that we cannot make improvements to reduce our environmental footprint without engaging our employee-owners, customers, suppliers, and other third-party partners.

We routinely provide the necessary training and support to our employee-owners throughout the year and communicate our environmental policy to both customers and suppliers. It is important that we encourage our suppliers to adopt sustainable practices, and make similar reductions to their Scope 1, 2, and 3 emissions, to minimize the environmental impact of packaging throughout the supply chain.

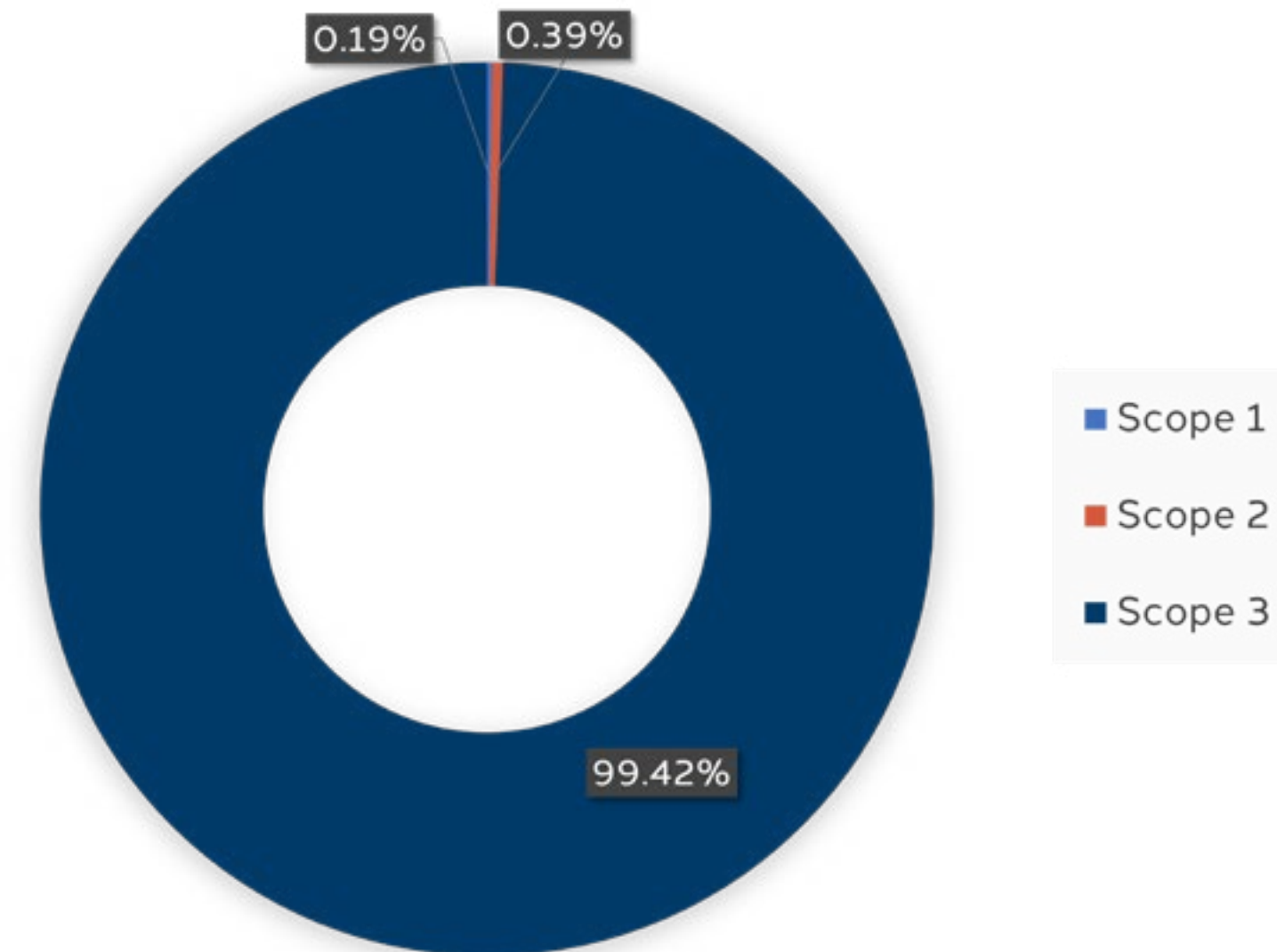
In addition to benchmarking and tracking our environmental impact, we seek feedback from employee-owners, board members, suppliers, and customers to ensure that we are continuously improving our environmental performance. Shorr's 2022 Sustainable Packaging Consumer Report illustrates how consumers are thinking about sustainable packaging and showcases how purchasing decisions are impacted by a product's sustainability – creating opportunities for brands to win market share by augmenting their packaging.

We aim to lead by example in the packaging industry; our efforts demonstrate that environmental responsibility and business success can go hand in hand, ensuring a more sustainable future for our company, customers, and planet.

Total Emissions by Category (tCO2e)



Total Emissions by Scope (tCO2e)



Waste

Our approach to waste management, with the ultimate goal of zero waste to landfills, demonstrates that consistent actions can lead to significant positive impacts. We strive to reduce our environmental footprint and foster a culture of sustainability among our employee-owners.

As we continue to evolve our sustainability practices, we remain dedicated to developing innovative ways to minimize waste, conserve resources, and promote environmental stewardship throughout our operations and reduce waste generated in our communities.

All bathrooms, break rooms, and designated areas with hand washing stations are fixed with motion censored towel dispensers. We can modify settings controlling the amount of paper towel dispensed to reduce consumption.

We only utilize environmentally friendly cleaning solutions that do not require the need for special destruction. This includes the investment in Tennant M17 floor sweeper scrubbers that utilize the technology (EC H2O) which electrically converts water into an innovative cleaning solution, eliminating the need for chemicals.

The Tennant M17 helps maintain our indoor air quality with the exceptional

two-stage dust control with filter shaker and fume-free battery operation.

Since we do not manufacture the products and equipment we sell, we do not produce hazardous waste as a byproduct of our operations.

To reduce consumption of materials, minimize waste, and increase recycling rates, employee-owners:

- Avoid using paper by distributing and storing documents electronically.
- Print and photocopy only what is needed, and double side paper as much as possible.
- Focus on using durable reusable beverage containers, plates, and utensils.
- Print documents in black and white or grayscale as much as possible.
- Recycle paper, plastic, corrugated and fiber-products, aluminum, electronics, toner, and ink cartridges.
- Reuse all materials and goods as much as possible, resorting to the landfill and recycling streams as the final stage.

Shorr hosted an Employee Electronic Recycling Event, open to all employee-owners, at the Aurora location in September of 2023. All household electronic devices were accepted to reduce landfilling residential electronic waste, which causes environmental and air pollution concerns.

Waste in Operations: 383 tCO2e



Energy

Our comprehensive approach to energy conservation encompasses both our facilities and employee-owner behavior.

Facility Innovations:

- 100% LED lighting throughout our facilities.
- Smart lighting systems in offices and warehouses, including motion sensors and zone controls.
- Energy-efficient climate control using positive-pressure heating and large diameter fans.
- Optimized forklift battery management with auto-shutoff chargers and preventative maintenance.

Electricity Demand:

4,003,460 kWh

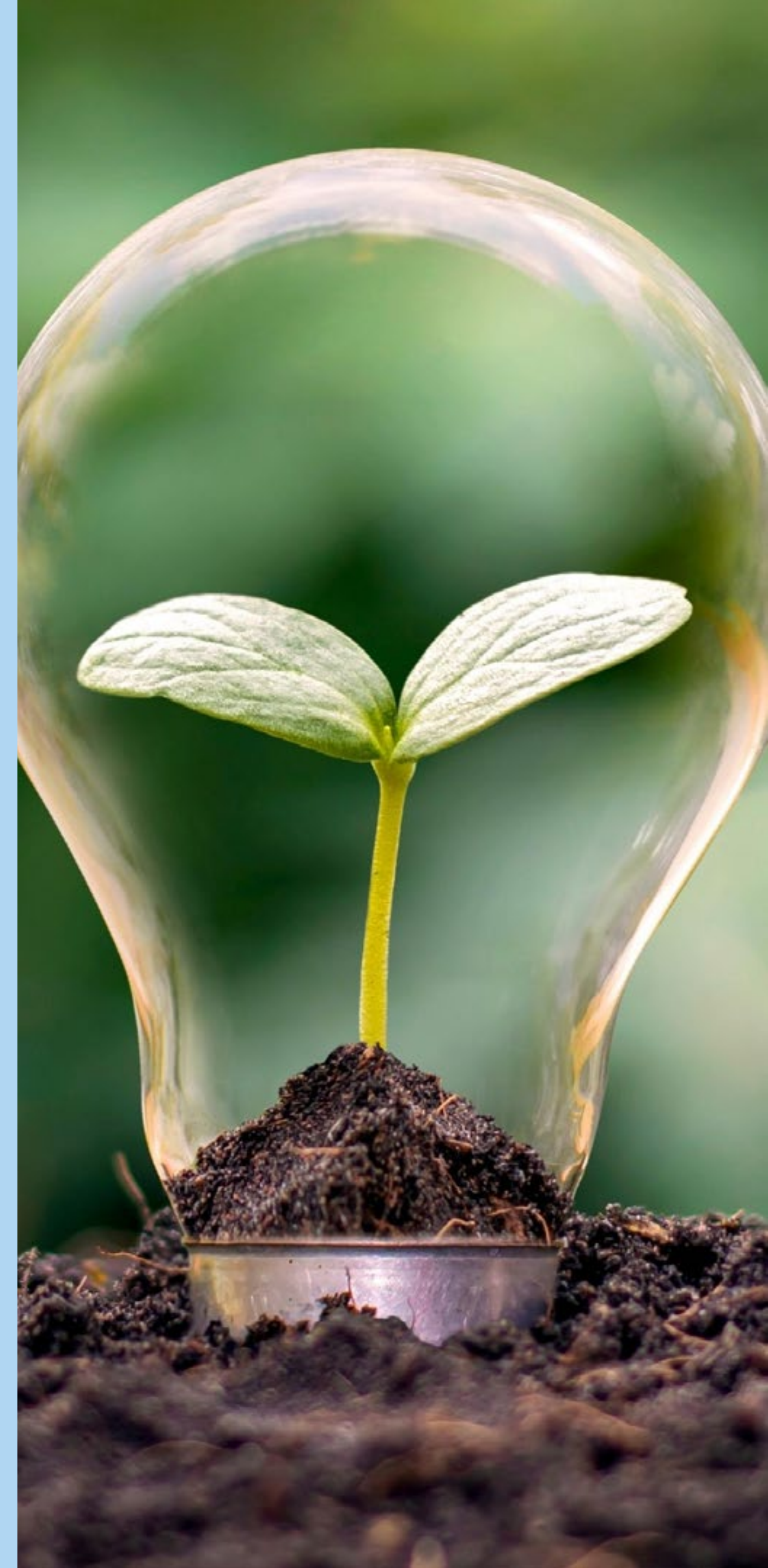
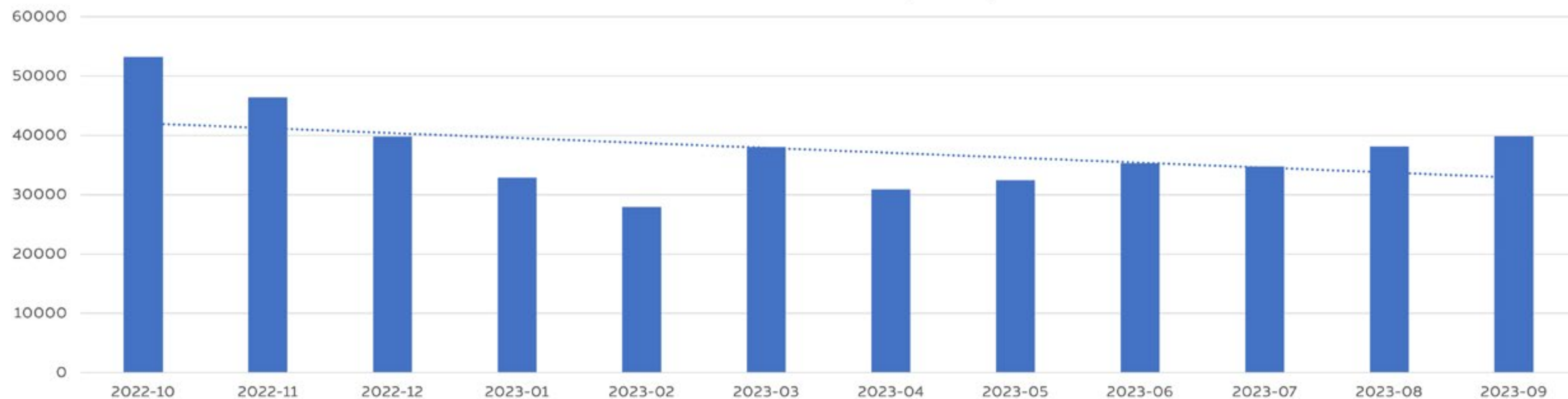
We empower our employee-owners to contribute to our sustainability goals through simple yet effective daily practices.

Employee-Owner Engagement:

- Maximizing natural light use.
- Powering down equipment when not in use.
- Utilizing energy-saving features on office equipment.
- Unplugging energy-draining devices.
- Encouraging stair use for health and energy conservation.

Looking ahead, we are exploring investments in renewable energy sources to further reduce our carbon footprint and enhance our sustainability efforts. By continuously refining our operations and educating our employee-owners and customers, we remain committed to ensuring a greener future.

Total Emissions Over Time (tCO2e)



Transportation

We optimize our distribution network through strategic partnerships with third-party transportation companies to reduce the distance traveled to meet our customers. In 2024, we implemented a significant upgrade to Shorr's transportation systems by introducing an automated routing tool. This innovation has transformed our logistics operations, replacing manual processes with efficient, data-driven solutions.

Key benefits of our new transportation routing system include:

- Reduced fuel consumption and costs.
- Decreased travel distances and mileage.
- Real-time tracking and accurate estimated arrival times.
- Instant proof of delivery.
- Elimination of manual routing practices.
- Improved space utilization in dedicated trucks.

These improvements are helping us realize substantial reductions in our environmental impact, particularly Scope 1 emissions. By optimizing routes and maximizing truck capacity, we are not only enhancing operational efficiency but also decreasing our carbon footprint.

Water

Each Shorr warehouse maintains a preventive maintenance program, assuring equipment and building structure, including restroom facilities, are in proper working condition. All sources of water consumption, including sinks, urinals, and toilets, are controlled by motion sensor activated valves to control the number of liters, in compliance with current local codes.

This initiative demonstrates our commitment to leveraging technology for sustainable business practices. As we continue to refine our logistics operations, we anticipate further reductions in emissions and resource consumption, aligning with our broader sustainability goals.

Fuel and Energy related:

489 tCO₂e

Upstream Transportation/Distribution:

96,529 tCO₂e

Business Travel:

3,096 tCO₂e

Employee Commuting:

538 tCO₂e



Procurement

We work closely with suppliers to encourage the development of products with high recycled content and prioritize the maximum percent of recycled content in both paper/fiber-based and plastic packaging materials without compromising the quality. We seek to support the development of products that are designed for a circular economy.

We require certifications and documentation to support recycled content claims, and prioritize products with third-party certifications (e.g., Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), Global Recycled Standard (GRS), etc.).

The Shorr Procurement team evaluates suppliers and prioritizes them based on their commitment to sustainability and the use of recycled materials. The team is trained biannually on sustainability within the supply chain, the importance of sustainable components, and how to identify and source products with high recycled content.

While prioritizing sustainability, recycled content, and recyclability, we also consider other environmental attributes such as energy efficiency, durability, and overall carbon footprint to ensure a comprehensive approach to sustainable procurement.

To advance diversity in the Shorr supply chain and support the overall Shorr Sustainability mission, the Procurement team takes the following actions:

- Provides the commercial team with a sustainable product option (where applicable) for quotes that run through our Sourcing team.
- Researches and catalogs one new sustainable supplier per quarter for each of the major categories under management (specific to Sourcing team).
- Researches and catalogs one new sustainable product per quarter for each of the major categories under management (specific to Sourcing team).
- Tracks overall spend with Women’s Business Enterprise (WBE) organizations.

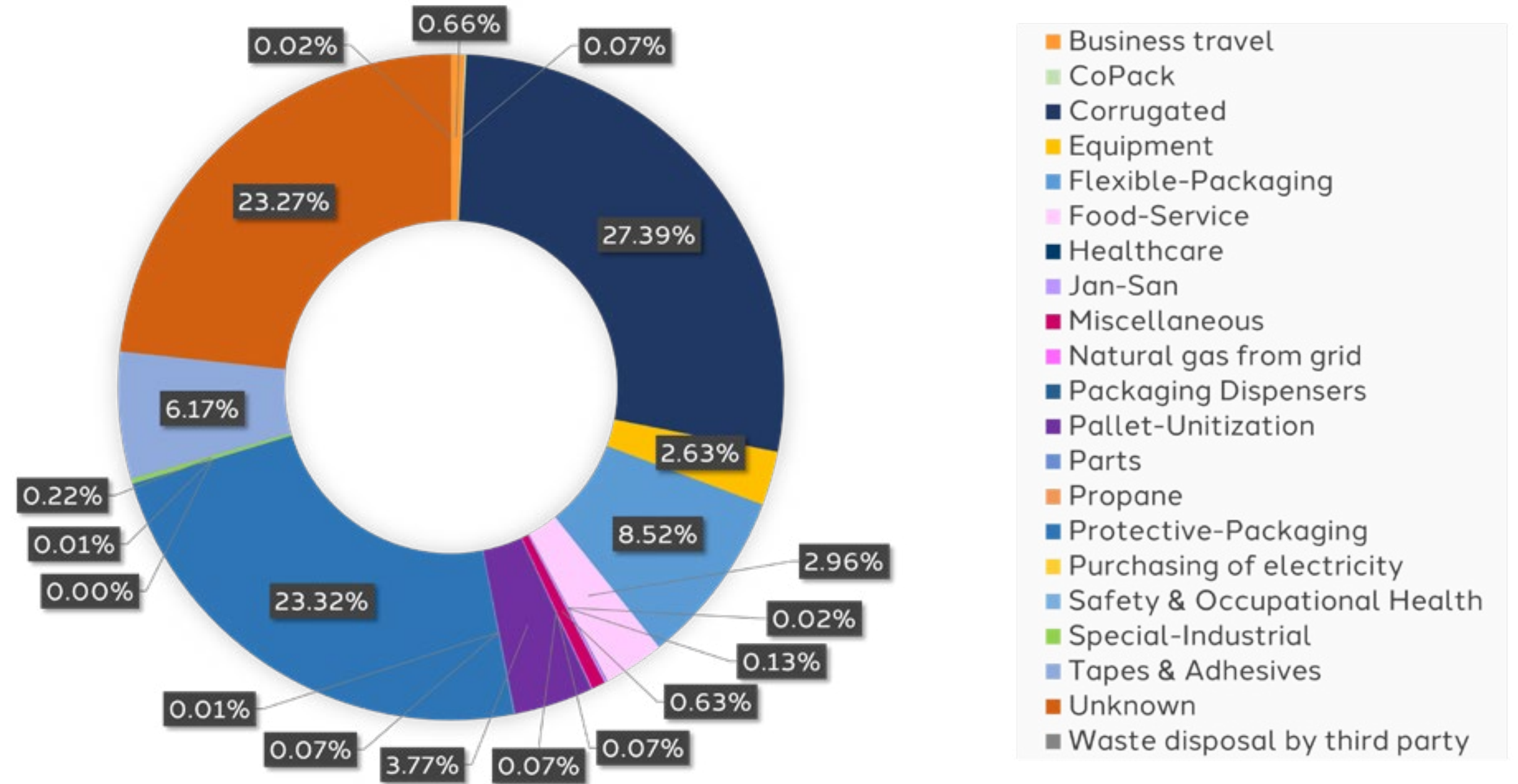
Purchased goods and services:

338,670 tCO2e

Capital Goods:

7,230 tCO2e

Total Emissions by Product Category (tCO2e)



Shorr Sustainability Product Standard

Products must meet one of the following criteria to qualify for Shorr's Sustainability Standard:

- Does it align with our Eliminate, Innovate, Circulate, Successful Delivery framework, by eliminating, innovating, or recirculating a particular resource?

Examples of this are: plastic reduction, water savings, transportation efficiencies, etc.

- Is the product made from or with recycled content?
- Is the product recyclable, either curbside or store drop-off?
- Has the product received third-party environmental certifications (e.g., BPI: compostable, SFI, FSC, etc.)?



Sustainable Development Goals (SDGs)

The **Sustainable Development Goals (SDGs)** are 17 interconnected global goals established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development.

These goals aim to address major global challenges and create a better, more sustainable future for all by 2030. The SDGs continue to build on decades of work, including previous initiatives like Agenda 21 and the Millennium Development Goals. They provide a shared outline for peace and prosperity for people and the planet, now and into the future.

The SDGs serve as a compass for aligning countries' plans with their global commitments, emphasizing the importance of sustainable development that integrates economic growth, social well-being, and environmental protection.

To achieve our UN Climate Pledge of net zero by 2040, Shorr has prioritized several of the 17 SDGs in 2023:

- **2: Zero Hunger** [see Education and Engagement, Food Drive]
- **6: Clean Water and Sanitation** [see Accolades section]
- **7: Affordable and Clean Energy** [see Energy section]
- **11: Sustainable Cities and Communities** [see Education and Engagement, Earth Day event]
- **12: Responsible Consumption and Production** [see Waste section]
- **13: Climate Action** [see Accolades section]
- **15: Life on Land** [see Accolades section]





Governance and Compliance

At Shorr Packaging, we are committed to environmental responsibility and sustainability in our operations and business practices. Our approach is comprehensive, encompassing legal compliance, pollution prevention, and continuous improvement in our environmental practices.

Regulatory Compliance: We strictly adhere to all federal, state, and local environmental laws, regulations, and Executive Orders. We collaborate with customers and manufacturers to ensure awareness of sustainability regulations and emerging legislation, particularly regarding Extended Producer Responsibility (EPR), California SB 54, California Proposition 65, and PFAS reduction.

Sustainable Decision-Making: Environmental considerations are integrated into our decision-making processes at all levels. We incorporate sustainability into our procurement practices, Supplier Code of Conduct, Business Ethics, and Diversity Policies.

Environmental Considerations: We minimize waste generation, reduce consumption, recycle materials, and ensure environmentally responsible waste disposal. We implement policies to minimize the environmental impact of our employee-owners.

Employee Responsibility: All Shorr Packaging employee-owners are expected to utilize sustainability resources and minimize the environmental impacts of their roles, including their commutes to work.

Education and Training: We engage, educate, and train employee-owners on sustainable best practices for both workplace and personal application.

Continuous Improvement: We regularly review our environmental impacts and research opportunities for improvement.

As a leader in the packaging industry, we strive for environmental excellence. We work closely with our employee-owners, customers, and partners to establish and follow principles that guide our environmental practices. Our goal is to reduce and, where possible, eliminate the environmental impacts of our activities, recognizing this as a crucial part of our mission as a packaging partner.



Diversity, Equity, and Inclusion

Our employee-owners are the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, innovation, unique capabilities, and talent that our employee-owners invest in their work represents a significant part of not only our culture, but our reputation and company's achievements.

We embrace and encourage our employee-owners' differences in race, ethnicity, color, national origin, ancestry, age, religion, family or marital status, gender identity or expression, language, physical and mental ability, political affiliation, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employee-owners unique.

Diversity, equity, and inclusion are supported at the highest levels and apply to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; layoffs; terminations; and the ongoing development of a work environment built on the premise of equity.

As part of our commitment to a workplace culture that values and promotes diversity, equity, inclusion, and a work environment free of all forms of discrimination and harassment, we strive to:

- Lead with respect and tolerance. We expect all employee-owners to embrace this philosophy and to express it in workplace interactions and through everyday practices.
- Focus on attracting, recruiting, retaining, engaging, supporting, developing, and advancing underrepresented and diverse employee-owners.
- Promote respectfulness, cultural awareness, and inclusivity by:
 - Fostering a collaborative work environment in which all employee-owners participate, contribute, and individual differences are recognized and valued;
 - Empowering and providing a safe space for all employee-owners to express themselves, exchange ideas, and feel heard; and
 - Encouraging employee-owners to be open and receptive to others' experiences and perspectives.
- Regularly review all our employment policies, practices, and procedures so that fairness is always maintained.

Education & Engagement

Education and engagement play a crucial role in advancing packaging sustainability efforts. We recognize that many consumers lack knowledge about sustainable packaging materials and proper disposal methods.

As such, we are proud to play a role in helping to advise, train, and educate customers and consumers. We routinely publish blogs and articles, covering topics such as greenwashing, recycling myths, best practices, and packaging material environmental impacts. While Shorr is not a manufacturer, we are still proud of our role in helping consumers make informed decisions.



**shorr
community**

Education empowers consumers to change their habits around packaging disposal and recycling. Without clear guidance, even eco-friendly packaging may end up in landfills. Clear and concise education ensures that compostable or recyclable materials get processed correctly.

We work to provide clear labels on how to recycle or compost packaging materials which significantly reduces waste and improves recycling rates. As active members of the Sustainable Packaging Coalition (SPC), we bridge the gap between customers and manufacturers to apply the How2Recycle label to reduce confusion. Aligning with our platform for innovation, we encourage opportunities to reuse, promoting a circular economy.

Shorr employee-owners receive periodic company-wide sustainability newsletters to maintain up-to-date educational communication, best practices, and our culture of sustainability. We also partner with key

suppliers to deliver third-party training in market trends, products, and legislation to ensure that we continue to serve as a credible source of truth and knowledge internally and externally.

We believe in the power of collaboration, equity, compassion, and unity to create positive change. **Shorr Community**, our community outreach program, is dedicated to forging meaningful partnerships with not-for-profits and engaging in diverse community activities to make a lasting impact on the lives of those we serve. In September 2023, our employee-owners banded together in a company-wide food drive to join the fight to end hunger. We raised \$28,338.02, which equals 226,704 meals for those in need. In addition, we collected nearly 1,800 goods for local food banks.

We believe in the power of education and literacy and want to make a difference in the lives of students who may not have access to quality reading materials. In March of 2024, the Shorr Community Outreach Committee hosted a company-sponsored book drive to benefit underprivileged schools in our communities. Across all divisions, we collected almost 3,000 books to donate to local schools. Additionally, Shorr hosted a Back-to-School initiative, donating 240 backpacks filled with school supplies.

Shorr's inaugural Earth Day event was a tremendous success, and we are proud of the hundreds of the employee-owners that participated on April 22, 2024. Across all divisions, seven native trees were planted, and

two other sites conducted trash clean-ups at local parks. We partnered with our landscape maintenance teams and landlords to create a lasting legacy at each division.

In July 2024, each division hosted an event to show their support for active duty and veteran U.S. military service members through the Hope for the Warriors organization. We signed thank you cards for veterans and packed goodie bags for active-duty service members.

We are committed to fostering an inclusive and supportive workplace environment where everyone has the opportunity to thrive. The creation of our women's employee resource group, **Women Inspiring Success & Empowerment (WISE)**, is a testament to our dedication to gender diversity and equality, and our belief in the power of women's voices and contributions in the workplace. Our mission is to empower and uplift each other by providing a supportive community where women can cultivate both personal



and professional growth through mentorship and education while fostering a culture of inclusivity, respect, and collaboration. Together we strive to break barriers, challenge stereotypes and create a more equitable society for women while staying committed to nurturing women's potential, fostering leadership, and promoting success on our paths to excellence.





Conclusion

At Shorr Packaging, we are committed to making meaningful progress in reducing our environmental impact and promoting sustainability throughout our operations.

Our sustainability pillars: **Eliminate, Innovate, Circulate, and Successful Delivery**, are the foundation of Shorr's three key focus areas:

- Reducing our environmental footprint through incremental improvements.
- Cultivating a company-wide culture of sustainability.
- Taking proactive steps towards environmental stewardship.

We are actively working to decrease our dependency on finite natural resources, ensuring the long-term availability of materials essential for packaging supplies. This proactive strategy enhances our operational resilience and safeguards against potential supply chain disruptions and resource scarcity. Our efforts extend beyond our own operations as we strive to serve as a model for sustainability in the packaging industry. By doing so, we aim to inspire our customers and other organizations to join us in creating a more sustainable future.

As we move forward, we will continue to innovate, collaborate, and invest in sustainable practices that benefit our business, our customers, and the environment. We believe that by prioritizing sustainability, we can contribute to a more resilient future while maintaining our position as a leader in the packaging industry.

Additional Metrics & ESG Data

Environment (ESG)

Total emissions: 449,529 tCO₂e

- Scope 1 emissions: 855
- Scope 2 emissions: 1,740
- Scope 3 emissions total (upstream): 446,934

Diversity, Equity, and Inclusion Metrics

Percentage of women employed in the whole organization – 41%

Percentage of women at top management level – 17%

Percentage of women within the organization's board – 0%

Percentage of employees from a minority and/or vulnerable group in the whole organization – 27%

Percentage of employees from a minority and/or vulnerable group at top management level – 22%

100% of all employees complete harassment and discrimination prevention training on an annual basis

Number of promotions for women (CY23) = 10 of 23

Employee satisfaction rate was 4.06 on a scale of 5 on Gallup

Number of employees covered with healthcare = 424

Employees with personal development plans = 100%

Number of internal promotions = 23

Social and Ethics

Number of skills training provided = 1000+ (includes online and in-person training)

Number of employees trained on ethics = 84%

Number of incidents within the last 2 years leading to a suspected or confirmed data breach = 0

Governance and Sustainable Procurement

The first Supplier Code of Conduct (2024) went out to 787 unique supplier numbers and collected 139 signed documents and acknowledgments = 17.7% response rate

Additional Information

*Renew Award—What we're measuring: Carbon emissions avoided by using PolyPlank Renew and AirSpeed Renew in lieu of virgin alternatives. In 2023 all AirSpeed Renew products were 30% recycled content. How it's measured: First we calculated the carbon footprint of a pound of 30% recycled plastic with a pound of virgin plastic. We used the difference of this comparison to identify the carbon emissions saved per pound of product sold. We used Compass, an ISO 14040/14044 conformant third party LCA software, to calculate this comparison. The calculation: (1 lb virgin plastic carbon footprint - 1 lb 30% recycled content plastic carbon footprint) * pounds of AirSpeed Renew sold.

†Preserve Award—What we're measuring: The number of trees saved based on the weight of recycled paper sold. How it's measured: We take the weight of the EasyPack paper (which is always 100% recycled paper) and multiply by 17. The EPA stated in 2016 that one ton of recycled paper saves 17 trees. The calculation: EasyPack paper weight in tons * 17.

‡Inspyre Award—What we're measuring: The number of lives impacted by water filters donated through sales revenue from Inspyre products. How it's measured: First we find the sales from our Inspyre EasyPack and Inspyre HC product lines (2024 data will also include Inspyre EverTec Mailers). For EasyPack, 1% of revenue is donated to Uzima. For HC, we donate one filter for every 4 rolls (which is more than 1% revenue). One filter costs \$30. According to Uzima, one filter lasts up to 10 years. We translate this number to 10 lives impacted over the lifetime of the filter. The calculation: [(Inspyre EasyPack sales dollars * 1%) + (Inspyre HC rolls / 4)] / \$30 * 10 lives.

This report is provided electronically to reduce resource consumption.



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888-885-0055

