

# PLA Family of Companies **ESG Report** 2023



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# EXECUTIVE MESSAGE

The PLA Family of Companies is pleased to present our 2023 CSR Report, reflecting our ongoing commitment to responsible and sustainable business practices. In this report, you will find an in-depth review of our efforts, achievements, and goals for the future. While we are proud of our progress, we recognize that sustainability is an ongoing journey. There is much more to be done, and we are committed to continued improvement as we look ahead.

At PLA, we are driven by the belief that sustainable logistics and operations are not just good for the environment—they are essential for long-term business success. Over the past year, we have continued to innovate and evolve, focusing on minimizing our environmental impact, enhancing operational efficiencies, and supporting the well-being of our employees and partners.

We are committed to reducing our carbon footprint, optimizing our supply chain processes, and embracing eco-friendly materials and technologies. Our circular economy model, rooted in the recycling and reuse of pallets, plays a key role in conserving resources and reducing waste.

We thank all of our stakeholders—employees, customers, suppliers, and partners—for their trust and collaboration in helping us achieve these goals. Together, we are driving meaningful change, creating value, and building a more sustainable world for future generations. We look forward to continuing this journey with you.



A white, stylized handwritten signature of Steve Clark on a dark blue background.

Steve Clark, Chief Executive Officer






# ABOUT PLA

PLA is a national supply chain solutions provider offering Pallet Management, 3PL, Reverse Logistics, and Freight Brokerage & Transportation Management, handling more than 118M pallets per year for over 1,500 customers.

PLA operates over 75 facilities across the US, providing a comprehensive suite of supply chain management solutions.

  
**2,600+**  
employees

  
**118M+**  
pallets handled  
annually

  
**75+**  
owned + operated  
locations

  
**2,200+**  
tractors and trailers

PLA operates under the Pallet Logistics of America, Pallet Repair Services ("PRS"), Pal-Serv, Propak, Taylormade Pallets & Logistics, Valley Pallet, Willamette Valley Pallet, and Yancey Pallet brands,





## OUR MISSION

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



## OUR VISION

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



## OUR VALUES

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

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

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

## OUR SUSTAINABILITY STRATEGY



### ENVIRONMENTAL

Environmental stewardship is core to PLA's business. Our core business model is inherently circular and built on driving resource efficiency for our customers and in our operations. Through our products and services, we help reduce raw material needs and waste and utilize renewable resources where possible.



### SOCIAL

PLA is committed to ensuring our growth benefits and protects all of our stakeholders, including employees, customers, suppliers, investors, and the communities in which we operate. We support this commitment through policy, training, and action across our business.



### GOVERNANCE

We adhere to the highest standards of corporate governance and ethical conduct, prioritizing transparency, accountability, and integrity in every aspect of our operations. By fostering a culture of ethics and compliance, we aim to ensure the long-term sustainability of our business.

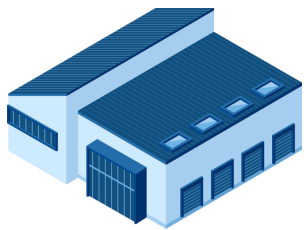


# OUR SUSTAINABLE BUSINESS MODEL

PLA's business model is inherently circular: reducing raw material needs for the shipment of palletized goods through recycled pallets, reducing waste at the end of the supply chain by recycling used pallets into new, usable pallets, and providing supply chain services that improve the resource efficiency and reduce the carbon footprint of our customers' supply chains.

Our nationwide network helps us minimize transportation miles, reducing fuel consumption. Within our facilities, we constantly seek more efficient ways of retrieving, repairing, and returning pallets. Each unrepairable pallet is dismantled, and all salvageable material is recycled, re-cut, and used for reconditioned pallets. Non-salvageable material is sent through a grinding machine and used for particle board, OSB, mulch, animal bedding, and co-generation for the production of environmentally friendly fuel.

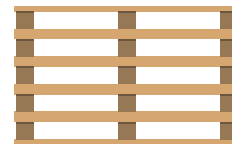
PLA is committed to providing products and services that are safe for our customers and their customers and minimize harm to the environment during production and use. We also commit to optimizing the collection and recycling of wood pallets after use at the end of the supply chain.



**Efficient Facilities**



**Efficient Logistics**



**Resource-efficient  
Products**

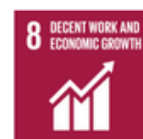


# UN GLOBAL COMPACT

As a participant of the United Nations Global Compact (UNGC), PLA is committed to aligning our strategies and operations with universal principles on human rights, labor, environment and anti-corruption, and take actions that advance societal goals. We support the UN's "Agenda 2030", at the heart of which are 17 Sustainable Development Goals (SDGs) and are focused on the advancement of six key goals most relevant to our business.



Robust safety protocols, training, and audits to ensure the health and safety of our employees, subcontractors, and visitors to our facilities.



Commitment to fair and competitive compensation; document 100% of employees paid at or above Living Wage for their region by 2030.



Responsible water use within our operations and compliance with all municipal stormwater regulations.



Inherently sustainable, circular business model that emphasizes recycling, resource efficiency, and waste reduction.



Significant volumes of wood waste diverted to biofuel streams.



91% recycled/post-use wood components used in our pallet repair and production.





# CARBON FOOTPRINT

PLA collects data for Scope 1 and Scope 2 GHG emissions from our operations, which are offset by the products and services we offer. In addition, PLA focuses on minimizing the use of lumber in our operations and to promote landfill diversion of scrap pallets or pallet components by diverting these materials to environmentally sustainable uses such as biofuel, mulch, particle board, OSB, and animal bedding.

PLA is committed to mitigating climate change through increasing the energy efficiency of our facilities and transportation fleet. Our goal is to reduce our scope 1 and 2 GHG emissions by 20% by 2030 from our 2023 baseline.

## EMISSIONS

Metric tonnes CO<sub>2</sub>-e

**Scope 1** 8,226

Diesel fuel consumed  
by our fleet

**Scope 2** 26,789

Electricity used by our  
facilities and diesel fuel  
consumed on our behalf.

## OFFSETS

Metric tonnes CO<sub>2</sub>-e

**CO<sub>2</sub>-e Avoided** 3,110,583

## NET

Metric tonnes CO<sub>2</sub>-e

**-3,145,599**





# RESPONSIBLE FORESTRY + NATURAL RESOURCE MANAGEMENT

PLA utilizes recycled materials for the repair and remanufacturing of pallets wherever possible to minimize use of virgin lumber. When new lumber is required, we prioritize FSC- and SFI certified sources. In addition, our pallet repair processes maximize material reuse and minimize material requirements while meeting the specifications of our customers.

## 2023 Trees Saved

Pallets Recycled or Repaired for Reuse 118,734,528

Average Nominal Board Feet per Pallet 23.54

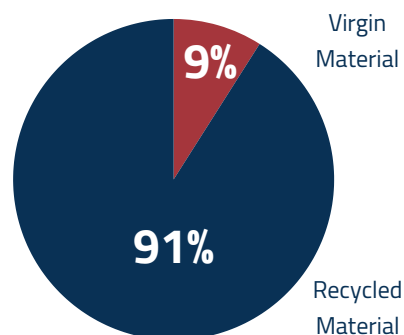
Average Usable Board Feet per 12' x 18" Log 170

**Trees Saved 4.3 million**

## 2023 Material Sourcing

Recycled Wood Used (Board Feet) 637,205,531

Virgin Lumber Used (Board Feet) 65,813,542





# WASTE REDUCTION

In 2023, PLA’s 118 million pallets recycled or repaired diverted 2.7 million tons of landfill waste. In addition, we diverted 238,678 tons of scrap wood from our operations to mulch and biofuel streams.

Our 75+ facilities produced approximately 63,866 tons of solid waste in 2023, or just over 850 tons (average) per site. Our goal is to reduce this figure by 20% by 2030 by continuing to optimize our waste diversion streams and recycling programs.



## LANDFILL AVOIDANCE

Pallets Recycled or Repaired for Reuse      118,734,528

Average Pounds per Pallet      45

**Tons of Lumber Diverted from Landfill**      **2.7 million**

Tons of scrap wood diverted to mulch and biofuel streams      238,678

**Total tons of waste diverted**      **2.95 million**



# WATER, AIR, & BIODIVERSITY

PLA is focused on minimizing the impact of our operations on the water, air, and biological systems in which we operate. None of our operations are located in or adjacent to officially protected areas or areas of high biodiversity value. We are also committed to responsibly managing natural resources by implementing actions that will reduce the water consumption of our facilities and practicing sustainable land management and conservation.

We commit to reducing both water and air emissions from our operations. All of our locations have stormwater pollution prevention plans that detail potential pollution sources on the property and the best management practices in place to prevent stormwater pollution. Third-party audits are conducted on a monthly or quarterly basis, and comprehensive site inspections are completed annually.

A small number of our locations operate pallet paint booths, which are equipped with high efficiency filters (>99% efficiency) and utilize high volume low paint (HVLP) paint guns to reduce particulate matter emissions. All paint booth operations utilize low VOC, water-based paints with no hazardous air pollutants (HAPs).

## Water Conservation

Gallons of water consumed by our operations (2023) 10 million

**2030 Goal** 10% reduction in total gallons consumed

## Pollution Reduction

VOC emissions from facilities (2023) 6.16 tons

**2030 Goal** 5% reduction of VOC emissions





# LABOR & HUMAN RIGHTS

Our people are our greatest asset, and we prioritize the well being, fair treatment, and human rights of our employees and the communities in which we operate. PLA commits to:

- **Human Rights:** Ethical and lawful employment practices that protect the dignity of all individuals and fostering a work environment that upholds and respects human rights, including the prevention of human trafficking, forced labor, and child labor.
- **Equal Employment Opportunity (EOE):** Adhering to ethical and lawful employment practices that protect the dignity and rights of all individuals. Transparency and fairness are central to our recruitment process. We ensure that all candidates are well-informed about the stages and expectations of our recruitment process and emphasize our commitment to equality and inclusivity at every step. Our commitment to EOE is prominently communicated in our job postings. In 2023, 11% of our total workforce, 13.5% of top management, and 0% of our Board of Directors was female.
- **Diversity, Equity, Inclusion (DEI) and Equal Treatment:** Equal treatment, fairness and respect for all employees, whether temporary, part-time or full-time. We maintain a strong focus on diversity, equity, and inclusion, striving to create a workplace where everyone feels valued and respected and promote an environment free from discrimination, harassment, physical, psychological, and verbal abuse. In 2023, 11% of our workforce completed diversity, discrimination, and harassment awareness training. Our goal is to achieve a 20% increase in the number of employees who complete this awareness training by 2030.
- **Good Working Conditions:** Providing all employees with good working conditions by ensuring that they have adequate wages, working hours, and benefits. In 2023, 99% of full time employees were eligible for health care coverage, and 38% of eligible employees participated. By 2030, we aim to increase this participation rate to 50%.



# REMUNERATION & LIVING WAGE

PLA is committed to fair and competitive compensation for all employees. Our goal is to align our compensation practices with both market standards and recognized Living Wage benchmarks, reflecting our dedication to employee well-being and sustainability. By providing wages that support a dignified standard of living, we aim to promote financial stability and equity across our workforce.

## GOALS

### 2025

Conduct a comprehensive analysis of wages using recognized living wage benchmarks, including the IDH Living Wage Benchmark and WageIndicator methodologies.

### 2026

Living Wage benchmarks incorporated into our compensation analysis alongside market benchmarking tools, ensuring all pay decisions reflect both competitiveness and sustainability.

### 2030

Ensure that 100% of employees are paid at or above the recognized Living Wage for their respective regions, as defined by IDH and similar methodologies.





# HEALTH & SAFETY

PLA is committed to providing all employees with a safe working environment by ensuring all operations identify and address all hazards and unsafe behaviors through regular compliance and safety audits and providing adequate personal protective equipment (PPE).

We monitor our safety performance using a Total Recordable Incident Rate (TRIR), a safety metric that measures the number of work-related injuries and illnesses that require medical attention beyond first aid. TRIR is calculated by dividing the number of incidents by the total number of hours worked by employees in a year, and then multiplying by 200,000.

In 2023, we achieved a 16% year-over-year reduction in our TRIR. We consistently maintain a TRIR in line with the pallet manufacturing industry as published annually by the Bureau of Labor Statistics. Our goal is to achieve a TRIR 50% or lower than the industry average by 2030.



**16%** ▼

**TRIR REDUCTION**

2022 to 2023



**2030 GOAL**

**50%** OR LOWER

VS. INDUSTRY AVERAGE

# CORPORATE GOVERNANCE

Transparency and accountability are the cornerstones of our business. We uphold the highest standards of ethical conduct and work diligently to ensure that our operations meet and exceed industry regulations and best practices.

We adhere to the highest standards of corporate governance and ethical conduct, prioritizing transparency, accountability, and integrity in every aspect of our operations. By fostering a culture of ethics and compliance, we aim to ensure the long-term sustainability of our business. Compliance with this policy of business ethics and conduct is the responsibility of every PLA Employee.

## COMPLIANCE TRAINING

Percent of workforce trained on compliance topics	41%
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Average Hours of Training per Employee	4.5
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## IT SECURITY TRAINING

Percent of workforce trained on IT Security	21%
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Average Hours of Training per Employee	1.5
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# DISCLOSURE

Information regarding PLA Buyer, LLC ("PLA" or "Company") is for information purposes only and is non-binding. This Environmental, Social, and Governance (ESG) report was not prepared with the intention of soliciting business agreements.

The information contained herein is not, and may not be, relied on as an offer to sell or a solicitation of an offer to buy Company products. Statements contained in this report that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of PLA and its management. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon. In addition, certain information contained herein represents or is based upon forward-looking statements or information, including CSR-based initiatives. While PLA believes such information is based on reasonable assumptions, forward-looking statements are inherently uncertain and actual events or results may differ from those projected, therefore, undue reliance should not be placed on such information.

In addition, while PLA seeks to integrate certain environmental and social factors into its operations and manufacturing processes in accordance with our Corporate Social Responsibility policy and any applicable legal, regulatory or contractual requirements, there is no guarantee that the Company's Corporate Social Responsibility policy is successful or that its initiatives create a positive impact on the aforementioned factors. There are significant differences in interpretations of what positive environmental and social characteristics mean by region, industry and issue and these interpretations are rapidly evolving.

Information herein is as of December 20, 2024, and covers our full 2023 fiscal year.



# SASB INDEX

Topic	Metric	Category	Unit of Measure	2023
Greenhouse Gas Emissions	Scope 1 Emissions	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e	8,226
	Scope 2 Emissions	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e	26,789
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets.	Discussion and Analysis	N/A	PLA utilizes software-based transportation optimization to reduce emissions from our fleet and tracks our fuel consumption.
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) particulate matter (PM)	Quantitative	Metric tonnes (t)	6.16
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	(1) 170,889.64 (2) 100% (3) 0% (4) 0%
Water Management	(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m <sup>3</sup> ), Percentage (%)	(1) 10,054,600 (2) 10,054,600 (3) 22.9%
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	We are compliant with all stormwater regulations at our facilities to minimize risk to water sources.
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	0
Waste Management	Amount of hazardous waste generated, percentage recycled	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	0, 0%



Topic	Metric	Category	Unit of Measure	2023
Product Safety	(1) Number of recalls issued, (2) total units recalled	Quantitative	Number	(1) 0 (2) 0
	Discussion of process to identify and manage emerging materials and chemicals of concern	Discussion and Analysis	N/A	N/A
Product Lifecycle Management	Percentage of raw materials from: (1) recycled content, (2) renewable resources, (3) renewable and recycled content	Quantitative	Percentage (%) by weight	(1) 91% (2) 99% (3) 99%
	Revenue from products that are reusable, recyclable, or compostable	Quantitative	Presentation currency	100%
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and Analysis	N/A	PLA focuses on minimizing the use of lumber in our operations to reduce our carbon footprint. Our operations promote landfill diversion of scrap pallets or pallet components by diverting these materials to environmentally sustainable uses such as biofuel, mulch, particle board, OSB, and animal bedding.
Supply Chain Management	Total wood fibre procured; percentage from certified sources	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	61,655,563; 94%
	Total aluminium purchased; percentage from certified sources	Quantitative	Metric tonnes (t) CO <sub>2</sub> -e, Percentage (%)	0, 0%
Activity Metrics				
Amount of production, by substrate		Quantitative	Metric tons (t)	
Percentage of production as 1) paper/wood, 2) Glass, 3) metal and 4) plastic		Quantitative	Percentage (%) by revenue	100%, 0%, 0%, 0%
Number of employees		Quantitative	Number	2,600

# PLA Family of Companies

PLA Buyer, LLC