

Shorr Packaging
Sustainability Report
2026



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Letter from our CEO

At Shorr, we believe that impact is built through partnership. We are proud to collaborate with our customers, suppliers, local communities, and employee-owners to continue strengthening and advancing the entire value chain.

Our approach is rooted in our core values: **Ownership**, **We are Customer Focused**, **Never Stop Improving**, **Integrity**, and **Teamwork**, which continue to guide how we integrate sustainability across our organization.

- **Ownership:** We embrace our responsibility to manage operations in an environmentally, socially, and economically sustainable way, creating value throughout the entire packaging lifecycle. In 2026, we expanded our stewardship by launching new initiatives to minimize waste, increase recycled content, and support the circular economy.
- **We are Customer Focused:** As a trusted packaging partner, we help customers navigate the continuously evolving landscape of sustainability regulations and customer expectations. We provide guidance, tangible data, and solutions customized to help customers achieve their unique sustainability goals.
- **Never Stop Improving:** We continue to explore and invest in innovative materials, digital tools, and circular economic solutions that promote progress for Shorr and the customers we serve.
- **Integrity:** Transparency and accountability remain essential to our approach. We have established benchmarking and reporting for our greenhouse gas emissions (GHG), with improved accuracy across Scopes 1, 2, and 3. To start making progress towards decreasing Scope 3 emissions, we invested in carbon inset credits through [Amazon's carbon credit service](#). Our commitment to rigorous data collection and disclosure enables us to continue making a measurable impact.
- **Teamwork:** We believe that sustainability is a shared effort driven by collaboration to ensure alignment across our organization, trusted partners, and valued customers. Shared insights and learnings help build a more sustainable and resilient future while delivering meaningful results.

“We remain committed to championing responsible business practices, fostering a culture of environmental stewardship at every level of our organization, and helping our customers do the same.”

We are proud of the progress we have made to further embed sustainability into our decisions, strategy, and culture. Shorr’s continued investments are improving our ability to track, manage, and reduce our Scope 1, 2, and 3 emissions, while strengthening our role as a trusted and strategic packaging advisor.

As expectations rise and regulations continue to evolve, we work proactively with stakeholders to ensure compliance, advance responsible practices, and actively support circular economy solutions. Considering the full product lifecycle, we prioritize recycled content, encourage material recovery, and design with sustainability in mind. We are proud of our innovative approach to developing new programs and solutions.

In 2026, Sustainability remains a top priority for Shorr, including working toward:

- A developing Decarbonization Plan, supported by the Supplier Leadership on the Climate Transition courses (Target-Setting and Abatement).

- Comprehensive recycling programs across our 11 locations, including a centralized system to recover and recycle corrugated and film.
- Ongoing participation in renewable energy programs.
- Internal discussion and education regarding sustainable behavior and habits.

We manage our emissions-related data through a third-party platform, allowing us to analyze our emissions and track waste and water consumption. This level of tracking is critical in identifying high-impact opportunities for improvement year over year.

In 2026, we remain committed to championing responsible business practices, fostering a culture of environmental stewardship at every level of our organization, and helping our customers do the same through education and industry expertise.

— Rob Onorato



Company Overview & Value Chain

Disclosures 2–1, 2–6, 2–7

Business Model

Shorr Packaging is an employee-owned, award-winning packaging distributor with locations across the U.S. and more than 650 employee-owners. Shorr provides customized packaging solutions, equipment, automation systems, and consulting services to businesses across industries, including eCommerce, Food, Healthcare, Industrial Manufacturing, and Logistics.



Shorr's expertise extends through logistics optimization, transportation, inventory management, warehousing, and sustainability, enabling us to deliver end-to-end solutions that increase efficiency, reduce costs, streamline processes, innovate packaging operations, and maximize ROI.

Sustainability is central to our approach; and as a signatory of The Climate Pledge, Shorr is committed to achieving net-zero carbon emissions by 2040. We help customers identify environmentally responsible packaging strategies without compromising quality or performance. We are dedicated to delivering tailored solutions that enhance operations and support long-term growth. As a full-service packaging solutions partner, we are here for our customers every step of the way.

Who We Serve

eCommerce/Retail

Food

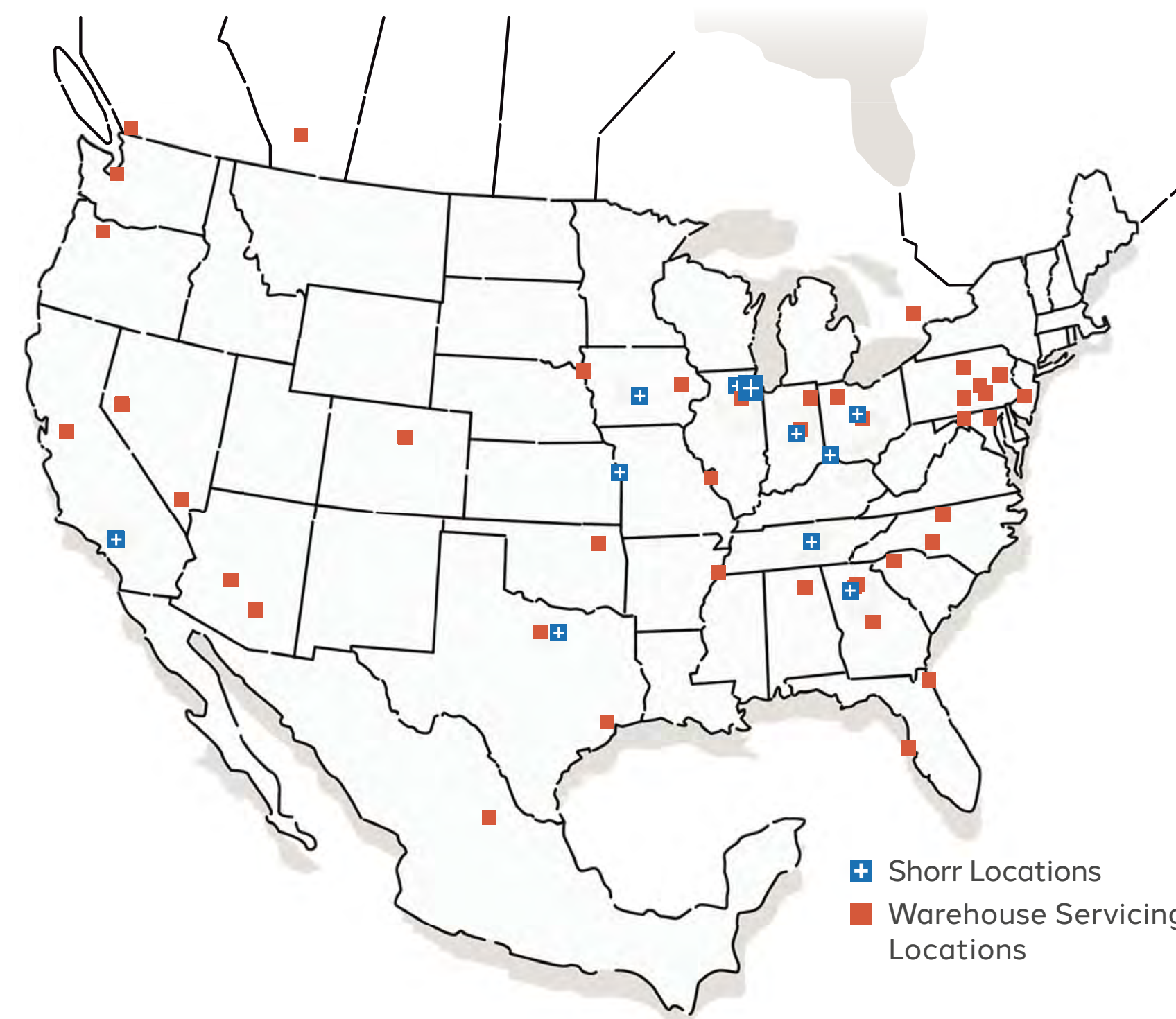
Healthcare

Industrial

Transportation/3PL

By the Numbers

- 650+ employee-owners
- 100+ years of experience
- 11 Shorr locations nationwide



Board of Directors

Disclosures 2–10, 2–11, 2–16, 2–17, 2–25

Shorr's Executive Committee is comprised of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Human Resources Officer (CHRO), and Chief Information Officer (CIO). Shorr's Board of Directors (Board) is currently comprised of five directors, including the Chief Executive Officer (CEO). The Board maintains three standing committees:

- **The Audit Committee** focuses on ensuring compliance with financial standards and internal controls in the context of financial statements.
- **The Compensation Committee** focuses on executive and board compensation, employee-owner benefits and bonuses, corporate governance, and performance measurement.
- **The ESOP Committee** is the appointed plan administrator of the ESOP. The ESOP Committee manages the plan's operations, including providing guidance on financial decisions and ensuring the plan's sustainability.

Each committee has a separate chairperson and meets quarterly. The Board has historically focused on the social and governance elements of sustainability at the committee level while the full Board has addressed climate-related topics during their annual meeting. The CFO is primarily responsible for reporting directly to the board on climate-related topics, and the Sustainability Program Manager presents information upon Board request.



Sustainability

Disclosures 2–9, 2–12, 2–13, 2–14

Sustainability Journey

Our commitment to sustainability continues to be the foundation of our culture, decisions, and goals. In 2023, we added our first employee-owner fully dedicated to Sustainability. Shorr Sustainability has since grown into a robust program, driven by cross-functional alignment, accelerating progress, and integrating sustainable practices in our daily operations, customer interactions, and long-term strategy.

Shorr Sustainability leads with thought leadership, industry expertise, and has received numerous awards and recognition from suppliers and customers. Additionally, Shorr has achieved Silver Status recognition from EcoVadis multiple times.

Our goal is to build long-term resilience under evolving circumstances and to operate without compromising resource availability for future generations. Our mission goes beyond delivering innovative packaging solutions. We incorporate responsible business practices across the entire organization, ranging from the strategic selection of our suppliers to the collection and recycling of materials.

Sustainability Mission Statement

At Shorr, sustainability is ensuring that we focus on actionable steps that **eliminate** waste and natural resource consumption, **innovate** customer solutions and products that deliver tangible and measurable impact, and **circulate** to minimize our customers' and Shorr's environmental footprint.

We prioritize the **successful delivery** of products to eliminate the unnecessary emission of greenhouse gases. We are here for our customers every step of the way, as they embark on their sustainability journey.



SUSTAINABILITY

Sustainability Strategy

Disclosures 2–9, 2–12, 2–13, 2–14

Our Approach

Shorr's Mission Statement was developed based on the Ellen MacArthur Foundation, which emphasizes principles of the circular economy. These principles that Shorr has adopted as the basis of our mission promote designing for sustainability and the elimination of waste, the continuity of use of materials, and the preservation of natural systems. In positioning ourselves with these foundational pillars, we have shaped our strategy to make the packaging industry more circular, resilient, and sustainable.



Shorr's Internal Strategy

We work to integrate sustainable practices, products, and operations into all aspects of our organization. We provide frequent company-wide sustainability updates highlighting business wins, untapped resources, key industry developments, and emerging regulations. This includes:

- **Sustainability Best Practices Guide:** A resource for our employee-owners to reduce their impact at home and at the office by implementing small changes to develop habits that make a difference.
- **PPWR Educational Guide:** A detailed guide reviewing the robust Packaging and Packaging Waste Regulation (PPWR) going into effect in Europe.
- **Extender Producer Responsibility (EPR) Guide:** Documents providing information on the developing EPR regulations throughout the U.S.
- **Packaging Labeling Guide:** An outline of emerging labeling guidelines, including California SB 343 and H2R updates.

Shorr's Leadership Team regularly engages with the Sustainability Team, providing support for widespread initiatives, and remaining involved in decision-making. Our Sustainability Team works cross-functionally, including Sales, Marketing, Operations, Finance, HR, Logistics, Procurement, and Risk.

Shorr's External Strategy

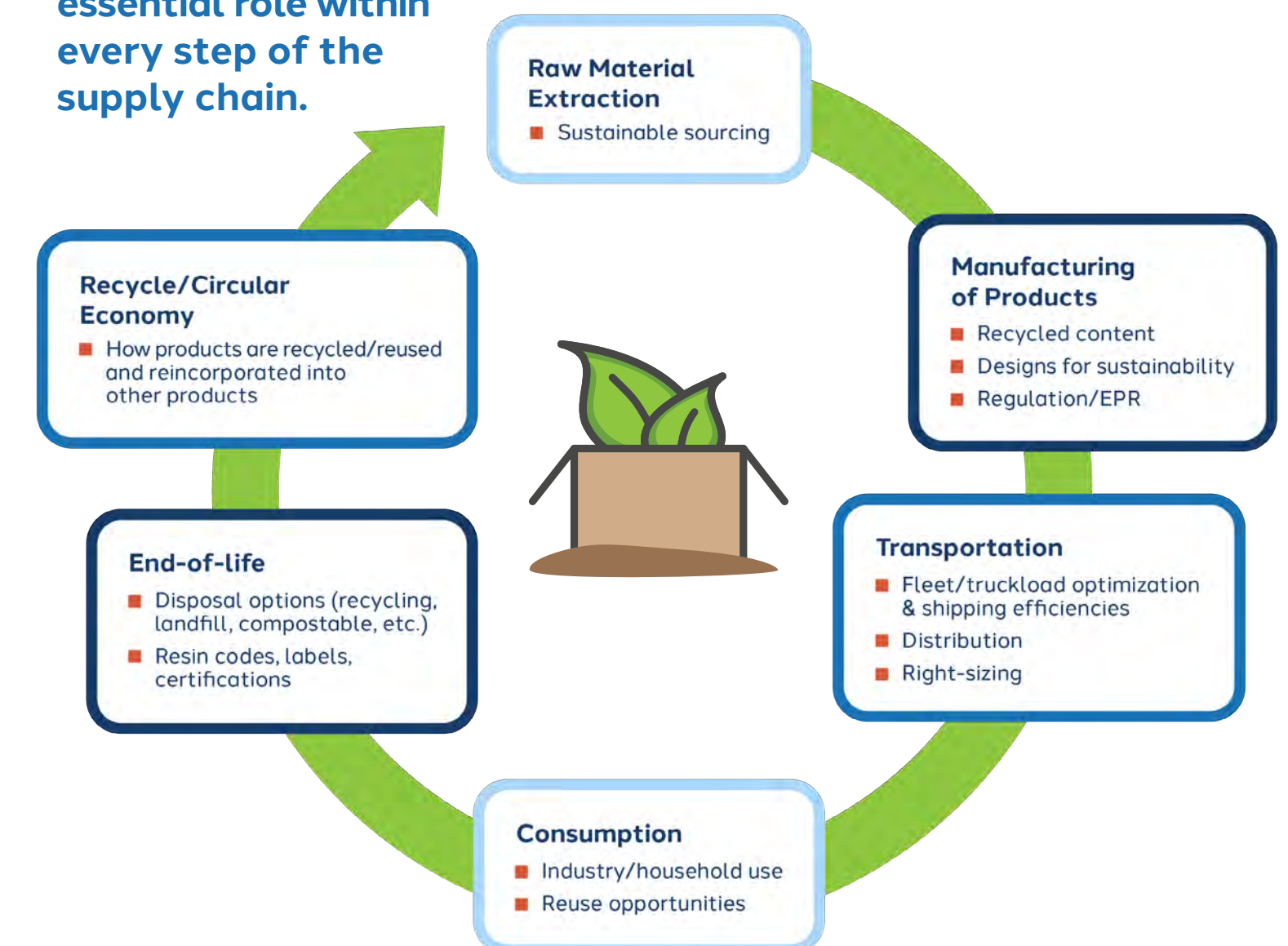
We understand that Sustainability is a growing topic for our suppliers and customers. Customers are increasingly requesting packaging with sustainability considerations due to consumer requests, business alignment, and regulatory requirements. Shorr serves as a resource, assisting both our

suppliers and our customers in managing these requests by providing recommendations for specific products, and sharing details on product material, recycled content, and recyclability. We translate impact into tangible, customer-centric communication, enabling our customers and suppliers to share their efforts and progress.

Value Chain Overview

Disclosure 2–6

Shorr plays an essential role within every step of the supply chain.



Responsible Upstream Sourcing & Supply Management

Disclosures 2-9, 2-12, 2-13, 2-14

Shorr leverages suppliers and strategic partnerships to ensure we procure high-quality and reliable packaging supplies and equipment.

We continuously evaluate our suppliers' product offerings, to ensure our solutions are vetted to meet the standards for real-world performance and environmental impact.

In the past year, we have published a Sustainability Product Overview highlighting environmentally responsible solutions that meet the Shorr Sustainability Product Standard. To qualify, products must meet at least one of the following criteria:



Does it align with Shorr's Eliminate, Innovate, Circulate (EIC) framework, while also delivering successfully, by eliminating, innovating, or re-circulating a particular resource?



Is the product made from or with recycled content?



Is it recyclable, either curbside or store drop-off?



Has it received third-party environmental certifications?

By evaluating our supplier base and product offerings and integrating sustainability into our procurement strategy, Shorr drives tangible and meaningful impact across the supply chain. Our focus is on supporting responsible manufacturing, advancing circularity, and empowering our customers with environmentally conscious solutions.

Reliable Downstream Fulfillment, Delivery, and Packaging End-of-Life Management

Shorr takes a holistic approach to implement packaging solutions that ensure products are shipped and delivered safely, efficiently, and on time. Our customized solutions are designed to enhance performance and prioritize optimization, right-sizing, and down-gauging, to reduce unnecessary material waste and cost.

We understand that materials have varying degrees of impact during different stages, ranging from production to end-of-life management. Further details can be found in the Waste section of this report.

To optimize material usage and operational efficiency, Shorr's vendor-managed inventory (VMI) solution, intellistockSM, enables customers to monitor product consumption, maximize storage, and leverage insights into their supply chain. Our goal is to provide quantifiable data that allows customers to reduce their environmental impact by making informed decisions.





Awards, Recognitions, & Accolades

Shorr is proud to have earned recognition for our sustainability initiatives from suppliers, customers, and third parties alike. We continue to emphasize alignment with partner organizations to ensure we are staying ahead of market trends, research, education, regulations, and best practices.

Shorr Packaging was named the **2026 ESOP Company of the Year** by the Illinois Chapter of The ESOP Association. The ESOP Association is the national trade association for companies with employee stock ownership plans (ESOP) and the leading voice in the U.S. for employee ownership. As a two-time award winner, this accolade reflects our commitment to shared growth, the inclusive culture we’re proud to build together, and the strength of our employee-owned model.

Shorr submits annually to **EcoVadis**, a leading third-party assessment platform that rates the sustainability of global supply chains across more than 175,000 international companies. The assessment evaluates organizations’ ESG contributions through 21 sustainability criteria, focusing on four key performance areas: environment, labor and human rights, ethics, and sustainable procurement.

Shorr is proud to be among the top 15% of companies evaluated, recognizing our commitment to growth and responsible business practices.



As a **UN Climate Pledge Signatory**, Shorr is committed to reducing our GHG 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, and Successful Delivery. We believe that climate change demands urgent and universal action.

Our commitments include:

- Regularly measuring and reporting GHG emissions and publishing results in our sustainability report.
- Implementing decarbonization strategies, 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.



United Nations
Global Compact



In 2025, Shorr signed on to the **UN Global Compact**; we align our operations and strategies with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. This commitment reflects our dedication to responsible business practices and advancing the UN Sustainable Development Goals (SDGs). We have joined the world’s largest corporate sustainability initiative on a global stage, demonstrating our transparency, accountability, and continuous progress toward building a more sustainable future.

Shorr serves on the Executive Committee as a founding member of the **Flexible Film Recycling Alliance**, aligning with industry leaders to drive innovation of flexible products and support increased recycling through action and education.

Awards, Recognitions, & Accolades

FreightWaves announced Shorr as a two-time recipient of its prestigious **2025 Shipper of Choice Award**. This award recognizes top-performing companies that demonstrate excellence in freight transportation practices, specifically within shipping and logistics. Receiving this award is a testament to Shorr’s commitment to enhancing customer experience and proactively prioritizing the areas that have the greatest impact, which we continue to achieve through:

- Setting clear expectations at the time of tendering, minimizing surprises at pickup and delivery, and working proactively with carriers to resolve issues when challenges arise.

- Creating driver-friendly facilities, efficient appointment scheduling, and shorter driver wait times.
- Continuously building strong relationships and strategic partnerships with our transportation providers.

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



Shorr achieved **Sustainable Forestry Initiative (SFI) Chain-of-Custody certification** through third-party audits and verification. 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.



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

Pregis Inspyre Award

The **Pregis Inspyre Award** acknowledges Shorr’s support of the Uzima Clean Water Mission, a non-profit organization dedicated to providing water filters to communities in Africa, Central America, and Asia. One in ten people globally lacks access to clean drinking water. Uzima’s mission strives to combat waterborne diseases, enhance economic conditions, and improve the quality of life in some of the world’s most vulnerable communities. In 2025, we positively impacted over 1,000 lives in need of access to clean drinking water.



For the past six years, Shorr has earned the **Pregis Purpose Awards**. In 2026, Shorr was awarded all three Awards for our 2025 environmental impact.

Pregis Renew Award

The **Pregis Renew Award** acknowledges Shorr’s commitment to reducing carbon emissions. By providing customers with Pregis Renew Solutions made with recycled content, Shorr reduced carbon emissions by 400 metric tons in 2025.

Reducing 400 MT of carbon emissions is the environmental equivalent of:



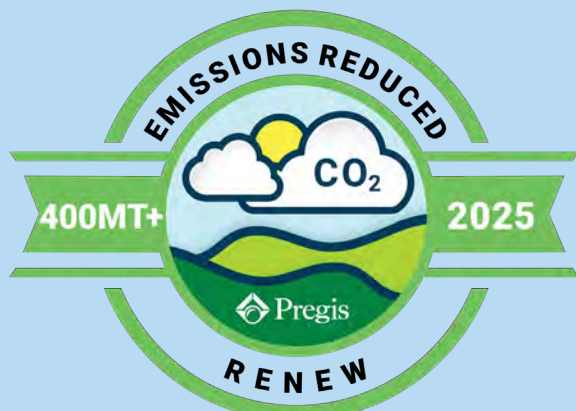
141 tons of waste recycled instead of landfilled



444,325 pounds of coal NOT burned



45,009 gallons of gasoline NOT consumed



Pregis Preserve Award

The **Pregis Preserve Award** honors Shorr’s shared commitment to the health of our planet and its natural resources. By providing our customers with Pregis Easypack 100% curbside-recyclable paper, Shorr saved over 250,000 trees from being harvested last year.



The Impact

By choosing sustainable solutions, our customers have played an essential role in preventing deforestation, ensuring clean water, and diverting waste from landfills. These awards showcase our ongoing dedication to protecting our planet’s natural resources for future generations.

Case Study

Shorr Enables Energy Infrastructure Manufacturer to Reduce Emissions by 85%

An energy infrastructure manufacturer wanted to reduce the amount of plastic waste generated at their job site from nylon cable ties used in their products. As a long-term partner, they trusted Shorr’s expertise in identifying a sustainable alternative that aligned with their goals without compromising product performance.

Customer Challenge

The manufacturer produces about 3 million nylon cable ties, generating 60,000 kg of plastic waste annually.

Shorr conducted a detailed analysis of the product volume, current material usage, and application requirements.

Our data-driven approach revealed not only an opportunity to **reduce their annual plastic waste** but also to **reduce their annual carbon emissions** (associated with the millions of nylon cables used annually) by 85%. Shorr’s solution fundamentally advanced the manufacturers’ broader sustainability objectives backed by tangible data.

The Solution

Shorr helped them switch to FibreStrap, a sustainable solution that will now reduce their carbon emissions associated with this product line by 85% annually and avoids 750 cubic ft of waste in landfills.

“Not only did this solution mitigate waste, but it also transformed their overall environmental impact by reducing water, significantly reducing plastic, and promoting circularity.”

Shorr’s product analysis and supply chain expertise helped reduce material volume by 33%.

The manufacturer faced challenges with accessing a true plastic-free, paper-based cable tie supplier. Shorr conducted a thorough analysis of their current material usage and product volumes to examine scaling opportunities. Shorr’s Sustainability Program Manager recommended a unique sustainable alternative, FibreStrap, allowing the manufacturer to reduce material usage by 33%. Additionally, it decreased their lifecycle emissions created by nylon cable ties from 60,000 to 9,000 kg of CO₂e annually. FibreStrap is made of wood fibers that can be recycled rather than thrown in the landfill, which significantly reduced the excessive debris and eliminated plastic material from cable ties on their end-user job sites.

The Impact

ANNUAL SAVINGS THROUGH PURCHASE OF SUSTAINABLE PRODUCT
8,400,000 GALLONS OF WATER
750 CUBIC FEET OF LAND FILL WASTE AVOIDED
180 TONS OF WASTE RECYCLED (EMISSIONS)
9,000 WATER BOTTLES (EMISSIONS)
1.2 YEARS OF ELECTRICITY FOR AVG. AMERICAN HOME
9,000 KG OF CO ₂

Shorr’s sustainable alternative helped the manufacturer reach a larger sustainability milestone.

Implementing FibreStrap reduces their annual carbon emissions associated with traditional plastic cable ties by 85%. Prior to partnering with Shorr, the manufacturer utilized 3 million nylon cable ties annually, using 10.5 million gallons of water to produce them. With FibreStrap, the water needed to produce alternative cable ties was reduced by 80%, resulting in an annual decrease of 8.4 million gallons of water. Another result of switching to FibreStrap was diverting 180 tons of waste from landfills annually, helping the manufacturer advance their sustainability goals.

Shorr’s resources, along with our partnerships with industry leaders, enable us to provide significant value to customers through innovative, customized, and efficient packaging solutions.



Case Study

Shorr Leveraged Sustainable Cold Chain Solutions and Co-Packaging Capabilities to Support Food Waste Reduction for a Meal-Kit Delivery Company

An emerging meal-kit delivery company needed a customized packaging solution that could protect food quality, maintain food safety, and reflect their sustainability values. They were also looking to create a positive customer experience and reduce food waste. To achieve this, they needed a partner with expertise in sustainable solutions, thermal performance, and innovative packaging design. That's when they turned to Shorr. Together, we restructured their packaging to improve scalability, advancing their sustainability initiatives, and thermal performance to support future success.

Customer Challenge

The customer needed to align product quality, food safety, and customer expectations, while minimizing food waste without compromising brand integrity.

Shorr conducted comprehensive testing to achieve optimal thermal performance.

Prior to making a recommendation, Shorr worked with the meal delivery service to understand their operational goals. They needed packaging large enough to accommodate fresh produce up to 12 to 15 lbs. It became clear that **redesigning their packaging solution** to meet **thermal requirements** and including **custom recyclable paper inserts** was the right approach.

The Solution

Shorr designed a scalable, environmentally responsible packaging solution that provided the required temperature protection and leveraged Shorr's kitting capabilities to sustain supply demand.

“Shorr designed a scalable, environmentally responsible packaging solution that provided the required temperature protection and leveraged Shorr’s kitting capabilities to sustain supply demand.”

Shorr’s custom solution, cold chain, and sustainability expertise enabled a competitive advantage.

Shorr recommended two environmentally conscious thermal options: TemperPack WaveKraft® and BioDrain Gel Packs. Using these solutions together provided a fully curbside-recyclable solution and helped to divert 6.73 tons of materials from landfills. An additional benefit of transitioning to WaveKraft® instead of traditional EPS insulation was that it reduced CO₂ emissions by 43%, and its on-demand capabilities would allow Shorr to steadily produce the quantities needed. Our collaborative approach and testing process developed a comprehensive solution that helped reduce 13,460 lbs. of packaging waste.

The Impact

- 65.79% reduction in units and materials
- 13,460 lbs. of reduced waste
- 12.1 metric tons of CO₂e reduced
- 20,000 lbs. of weight reduced in transit
- 10,000 to 15,000 kits produced monthly

Shorr’s Copacking solution helped the customer sustain supply demand.

Shorr understood the importance of scalability and consistent supply for the emerging meal-kit company. We recommended ShorrPack, helping the customer successfully scale production to 10,000 to 15,000 kits per month while reducing transit weight by 20,000 lbs. With ShorrPack, we helped the customer increase throughput, improve workflows, and streamline inventory management. Shorr's ability to produce TemperPack WaveKraft® in-house enabled the distributor to optimize storage to further supply chain efficiency.

The result of transitioning to the BioDrain solution:

- **3,360 cases of 96 oz gel packs** = 322,560 oz
- **65.79% reduction** of units and materials
- **About 2,747 person-days of waste** (using EPA 4.9 lbs/person/day)
- **Landfill space saved:** ~23 cubic yards
- **GHG emissions avoided:** ~12 metric tons CO₂
- **6.73 (tons) x 1.8 (emission factor)** = 12.1 metric tons CO₂e
- **Passenger vehicles removed from road for 1 year:** 2–3 vehicles
- **Household electricity use avoided:** 2 U.S. homes' annual electricity use
- **Returned 6.73 tons of material** to the circular economy



Case Study

Shorr Enabled a Specialty Food Retailer to Avoid 1.17 Million KG CO₂e Annually, Reduce Exposure to EPR Fees and Labor Shortages in Production

A grocery retailer relied on employees to manually bag, foil wrap, weigh, and label hams in production before placing them into coolers. As seasonal demand and labor shortages continued to increase, the retailer realized they needed to transition to a more automated process. Shorr's food packaging specialists conducted demos and product trials of new vacuum seal bagging options with the Ultravac 3500 vacuum sealer to identify the most effective solution. After successful testing, the retailer decided to move forward with a vacuum sealing solution, including UltraSource automated checkweighing and labeling equipment. Following Shorr's success in improving the retailers' operational efficiency at their initial facility, they requested Shorr's expertise in identifying incremental packaging solutions for other locations to help meet evolving EPR regulations and support their long-term sustainability initiatives.

Customer Challenge

The retailer needed to maintain seasonal demand, reduce labor shortages, minimize exposure to EPR fees at their additional locations, and implement automation to streamline their operations.

Shorr's comprehensive analysis helped reduce labor shortages.

Shorr evaluated multiple methods of automated wrapping, including thermoforming, vacuum sealing, and flow wrapping. Shorr's food packaging team demoed the new vacuum seal bag at their facility with the Ultravac 3500 vacuum sealer. Additionally, they implemented **automated checkweighing and labeling with UltraSource**.

“Implementing Shorr’s recommendation significantly improved the customers' environmental impact by reducing landfill waste while improving the overall customer experience.”

As a result, the retailer implemented a comprehensive solution that included pre-made vacuum bags, two automated lines, Ultravac 350 and the Espera ES5900 checkweigher and labeler, reducing the manual touchpoints needed in their initial packaging processes.

The Solution

Shorr enabled the retailer to reduce packaging material costs by implementing two automated packaging lines that eliminated the need for poly bags and foil while reallocating labor to higher value-added tasks.

Shorr's holistic approach enabled the retailer to fulfill:

- Branded, curbside recyclable and sustainable void fill
- Tape, films, gowns, labels
- Reallocated labor to increase bandwidth
- End-of-line automation
- Branded gel packs through Creative Packaging
- Customized corrugated solution to prevent edge damage
- Co-packing and kitting needs

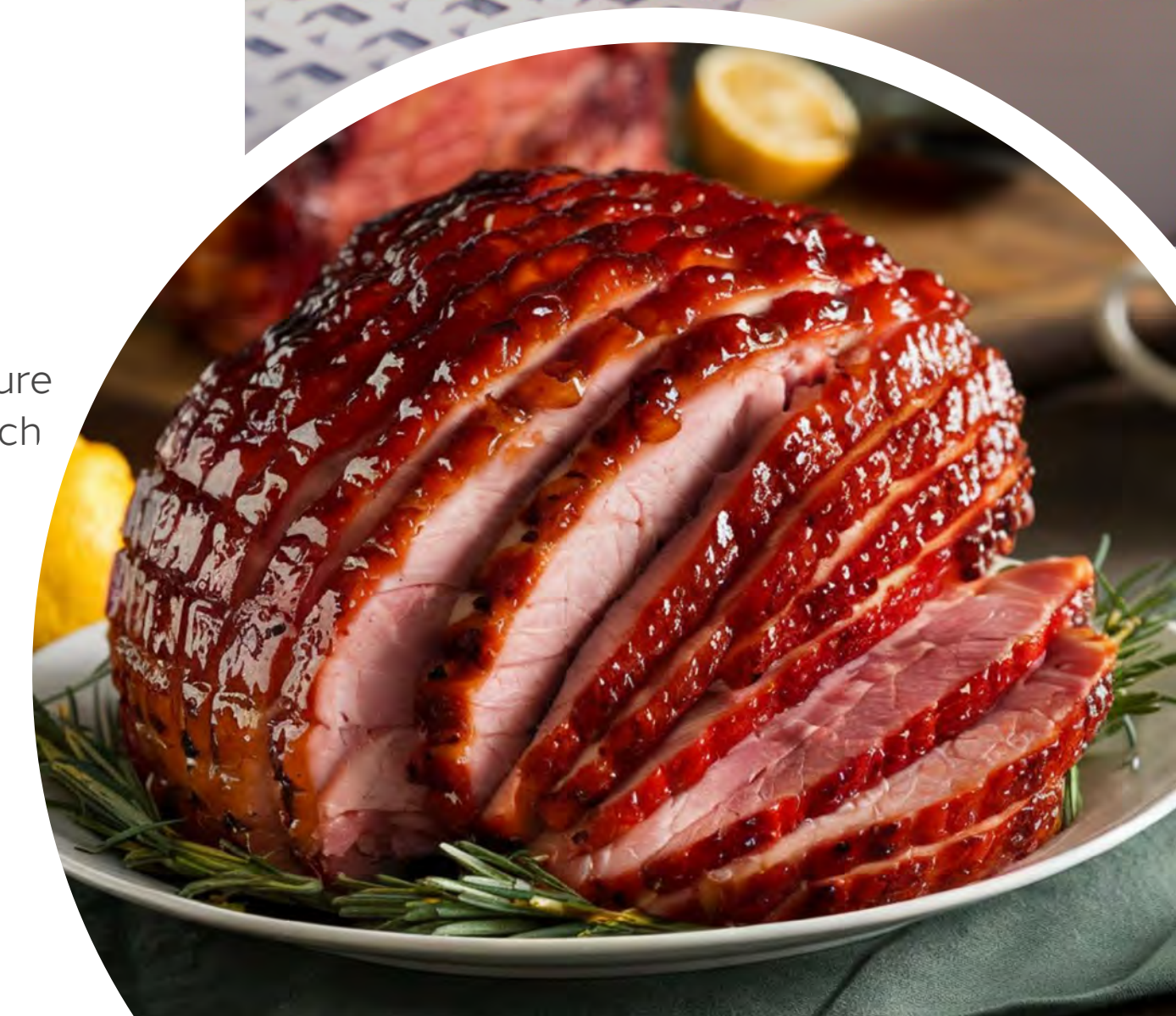
Making the switch to TemperPack Climacell avoided 1.17 Million KG CO₂e annually.

Implementing Shorr's recommendation significantly improved the customers' environmental impact by reducing landfill waste while improving the overall customer experience. The customer switched from a petroleum-based foam packaging solution to a curbside recyclable fiber alternative, reducing carbon emissions by 42%, minimizing waste, and supporting the retailer's circular economy initiatives without compromising the packaging's temperature-sensitive performance. Because the material ships flat, it requires fewer freight trucks for transport compared to pre-molded Styrofoam enabling optimal logistics efficiency.

The Impact

After partnering with Shorr, the retailer implemented automation systems within their operation to sustain supply demand. Additionally, we supported the transition to packaging materials that included more sustainable components and reduced exposure to EPR fees for their other facilities. The switch from Styrofoam to TemperPack Climacell, a curbside recyclable alternative, enabled:

- **42% reduction in carbon emissions**
- **40% reduction in energy demand**
- **15% reduction in water usage**
- **67% reduction in resource depletion**
- **47% lower impact on human health indicators**



Shorr Packaging's Path to Net-zero as a Packaging Distributor



Overview

Shorr Packaging is an employee-owned, nationwide packaging distributor with locations across the U.S. and more than 650 employee-owners. Shorr provides customized packaging solutions, equipment, automation systems, and consulting services to businesses across industries, including eCommerce, food, healthcare, industrial manufacturing, and logistics. As a signatory of The Climate Pledge, Shorr is committed to achieving net-zero carbon emissions by 2040. This case study shows how a packaging distributor with minimal direct manufacturing emissions tackled the unique challenge of decarbonizing a transportation-heavy supply chain.

What Was Shorr Trying to Solve?

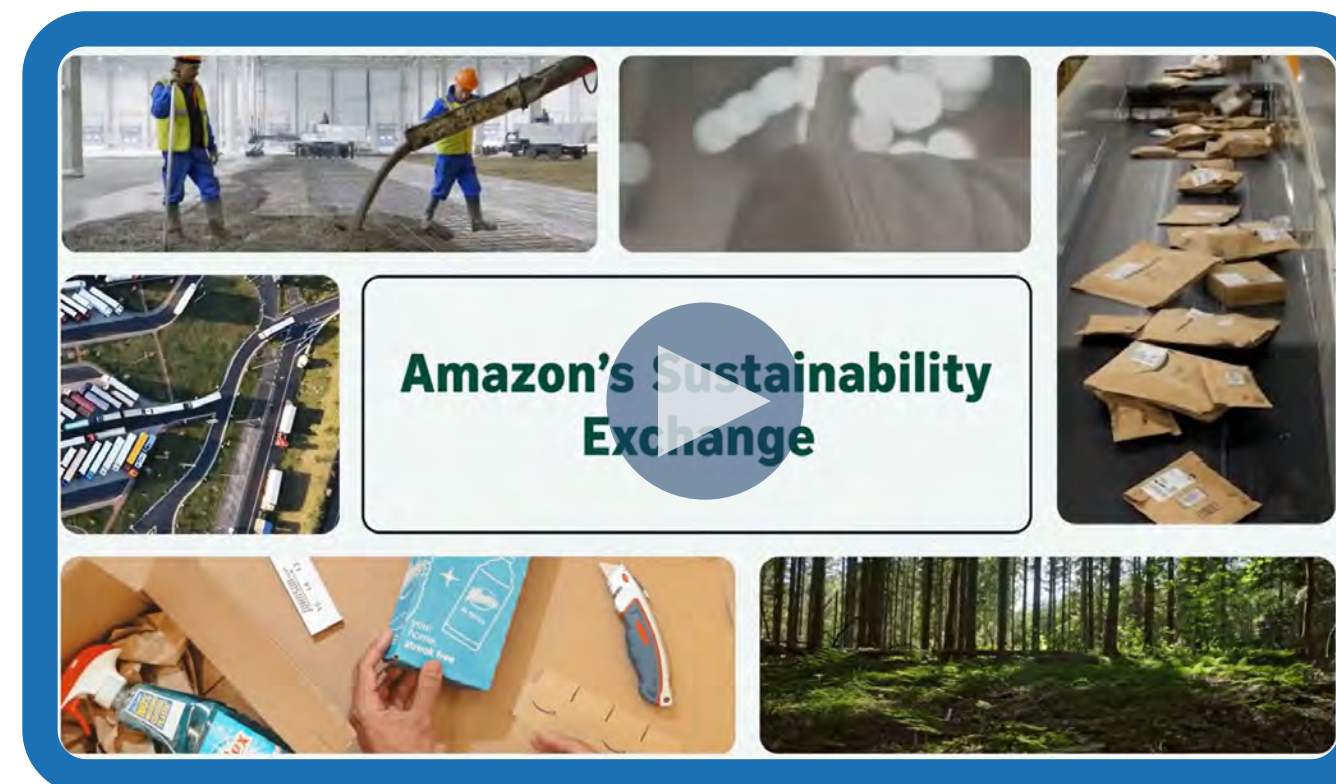
As a distributor rather than a manufacturer, Shorr's carbon footprint looks fundamentally different from most companies in the packaging industry. Scope 1 and 2 emissions from their facilities are minimal. Instead, approximately 99.6% of their total emissions come from Scope 3 sources, primarily transportation. Every shipment that moves product from suppliers to Shorr's distribution centers and onward to customers contributes to this footprint.

This presented a unique challenge as Shorr collaborates with third-party providers to transport and deliver products, which means they have limited direct control over most of their emissions. At the same time, as a growing company handling increasing shipment volumes, their transportation-related emissions were trending upward. Shorr needed a strategy that would address emissions they could not directly control while building credibility with customers who increasingly expect sustainability commitments from their supply chain.

What Did Shorr Do?

- **Established baseline data:** When Shorr launched their sustainability program in 2023, the company had no prior benchmarking data on energy, water, or waste consumption. Their priority was establishing a comprehensive baseline across their operations to understand where they stood and identify the highest-impact areas for reduction.

- **Addressed Scope 3 transportation emissions:** Recognizing that transportation accounts for nearly all of their carbon footprint, Shorr took a multi-pronged approach. Their first step was purchasing carbon inset credits through Amazon's carbon credit service. Shorr intentionally invested in biodiesel credits that directly reduce emissions within transportation supply chains. In addition, they started working with transportation providers to explore options for fleet electrification and hybridization.
- **Implemented operational improvements:** Although Scope 3 makes up the majority of Shorr's carbon footprint, they also pursued reductions in their own operations by installing motion-sensor lighting, reducing waste, optimizing recycling, and exploring renewable energy credits and power purchase agreements.
- **Built internal alignment and employee engagement:** Shorr ensured organizational buy-in by involving key departments (sales, procurement, finance, HR) early, proving ROI, and showcasing sustainability as both a competitive advantage and an opportunity for industry leadership. Shorr engages employee-owners with monthly sustainability newsletters and training to ensure consistent communication of their sustainability values.



[Amazon Sustainability + Shorr Sustainability Interview Video](#)

What Did Shorr Learn?

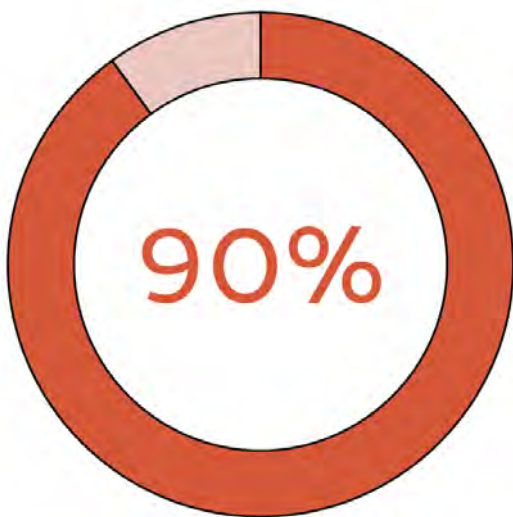
Shorr's journey as a distributor navigating Scope 3 emissions offers useful insights for companies encountering similar challenges:

- **Start with data, even if none exists:** Shorr had no benchmarking data when they began. Investing the time to establish thorough baselines for energy, waste, fuels, and water was essential to identifying priorities and measuring progress.
- **Focus on your biggest lever:** For distributors, Scope 3 transportation emissions overshadow all other sources. Shorr concentrated their strategy on the area with the greatest impact potential.
- **Use carbon credits strategically:** Amazon's carbon credit service provided Shorr's sustainability team with access to stringent vetting, cost-effective bulk purchasing options, and informational resources, strengthening their overall sustainability program. Purchasing carbon inset credits for biodiesel enabled Shorr to support a direct reduction in transportation emissions.
- **Get cross-functional buy-in early:** Establishing sustainability as a competitive advantage and differentiator while demonstrating ROI made the business case tangible for leadership.
- **Make sustainability a growth driver:** Shorr found that their Climate Pledge commitment and decarbonization efforts created opportunities with customers who prioritize working with environmentally responsible partners.

Shorr's journey shows that, even with limited control over most emissions, it is possible to make meaningful progress toward net-zero carbon emissions. Shorr turned a complex challenge into a strategic advantage by focusing on data-driven decision-making, driving high-impact change, and integrating sustainability into both operations and the company culture. Decarbonization is about collaboration, innovation, and a long-term commitment to change and building a greener future.

Sustainable Packaging Consumer Report

Shorr continues to stay at the forefront of sustainability conversations and how it shapes consumer habits. In 2025, we surveyed 2,016 American consumers and found that more than half (54%) of survey respondents deliberately choose products with sustainable packaging. In today's fast-paced economy, brand loyalty is hard-earned, and sustainable packaging provides a significant competitive advantage.



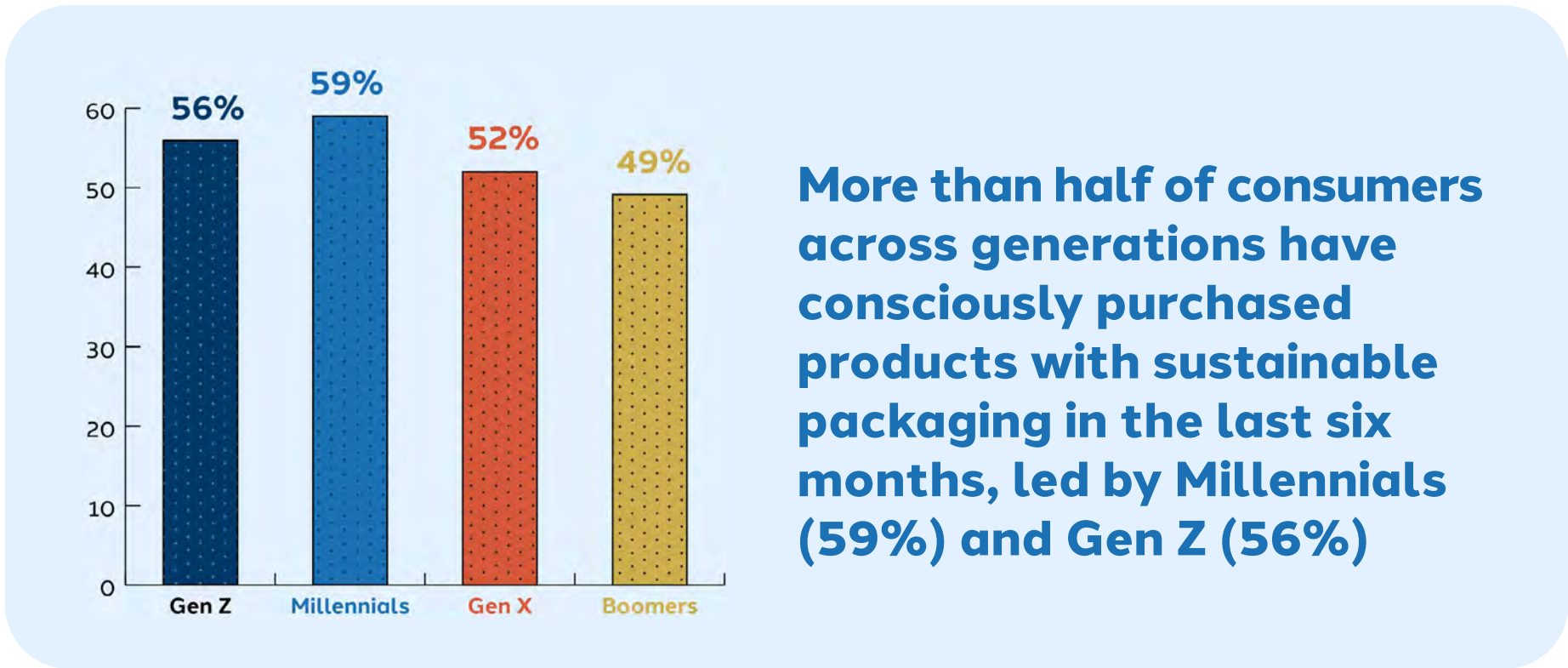
A majority of consumers (90%) are more likely to buy from brands with sustainable packaging



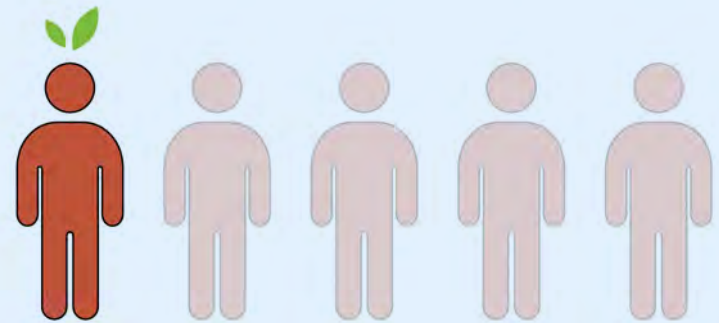
43% of consumers are willing to pay extra for a product with sustainable packaging



More than one-third (39%) of consumers have switched to competing brands because they offer sustainable packaging



70% of consumers prefer packaging with clear sustainability labels on the package



20% actively avoid products without sustainability labeling, suggesting that brands could benefit from communicating their eco-friendly practices more clearly

Assessing Risk and Environmental & Social Impact

Disclosures 3-1, 3-2

We assessed Shorr's business model to determine material areas within our operations. This in-depth examination of Shorr's materiality allows us to assess both the financial risks associated with sustainability issues and our impact on society and the environment, helping us identify where our actions have the most significant impact and where we can make meaningful, targeted changes.

We mapped material areas within our organization against the Topic Standards detailed by the [Global Reporting Initiative \(GRI\)](#), the [United Nations Global Compact Principles](#), and the [UN Sustainable Development Goals](#), which are detailed in the table located in the Appendix.

This report includes further detail on each topic, outlining why it has been determined to be material for Shorr, the policies and initiatives in place, and our plans for improvement.

******As this is the first year Shorr has aligned its Sustainability Report, there are no changes in material topics to report. (3-2-b)

++For Material Topics for a Packaging Distributor see Appendix



Environment

At Shorr, we recognize the critical role we play in environmental stewardship, and supporting a sustainable supply chain. Our commitment to the environment focuses on the responsible use of natural resources, improving our operational efficiency, and reducing the environmental footprint of our business. Through ongoing initiatives, we strive for continuous improvement while still delivering the best experience and service for our customers.

As a part of these initiatives, we are committed to improving and expanding our data tracking and reporting each year, ensuring accurate measurements in order to track progress and transparency for our stakeholders.

The following sections outline our priorities, performance, and progress towards building a more resilient future.

Shorr tracks its carrier partners that participate in EPA's **SmartWay program**, designed to improve supply chain efficiency and reduce emissions in the transportation and logistics of products. As of 2026, 35% of our carriers participate in SmartWay. With transportation and distribution significantly contributing to our total emissions, particularly Scope 3, it is important for us to prioritize these initiatives to make reductions across the supply chain.

To support our environmental commitments and drive meaningful progress, Shorr focuses on several key areas that help reduce our environmental impact and strengthen the resilience of our operations and supply chain. The following sections highlight our approach, performance, and ongoing initiatives related to:

- **Water**
- **Waste**
- **Emissions**
- **Energy**
- **Decarbonization**
- **Biodiversity**





ENVIRONMENT

Water

Disclosure 303

Responsible water consumption and effective water management continue to be fundamental to Shorr’s operations and a key part of our sustainability strategy. As water scarcity and access to clean water remain global issues, we recognize our responsibility to manage and reduce water use and are committed to continuous improvement in our water management processes. We understand that manufacturing packaging products can be a significant draw of water; as a distributor, we ensure that the products we supply have been sourced and manufactured responsibly.

Shorr maintains motion sensor activation valves on all sources of water consumption throughout our divisions, including toilets, urinals, and sinks. These sensors reduce water consumption through precise flow and automatic shutoff. We also ensure these sensors remain compliant with current codes and standards.

Prevention

All warehouse locations conduct routine preventative maintenance designed to reduce equipment degradation and prevent water leaks. This also ensures that all aspects of Shorr’s facilities remain hygienic for our employee-owners and that the infrastructure and equipment continue to function efficiently. We pair routine maintenance of our systems with audits that enable our Teams to identify potential areas for improvement and potential causes for future concern.

Employee-owner Engagement

Shorr’s employee-owners have been trained to inspect equipment for leaks and malfunctions and swiftly report them to ensure repairs and improvements are made quickly. We ensure regular communication with all employee-owners regarding the importance of water conservation and education regarding reduction efforts in the office and at home.

Data-driven Management

We began tracking our water consumption using third-party software, allowing us to closely monitor our progress and consumption habits annually. During our 2025 Fiscal Year, Shorr consumed 1,449,489 gallons of water across 11 locations.

Looking Ahead

A key future improvement is related to Shorr’s annual water tracking efforts across all facilities with the goal of consequently reducing areas of significant draw.

In addition to tracking and analyzing data, Shorr will also continue to prioritize improvements in technology and communications to employee-owners regarding the importance of water conservation.

Waste

Disclosure 306

At Shorr, our commitment to responsible waste management is central to our larger sustainability goals. As a packaging distributor, we have the responsibility to source and provide products for our customers without the decision-making power of our suppliers to change product material makeup. This means that we may distribute high-impact materials when customers decide to purchase them.

In 2018, the United States Environmental Protection Agency (EPA) published that [containers and packaging make up around 28.1% of municipal solid waste generation](#). In 2026, we continue to progress toward our goal of zero waste to landfills. In many Shorr offices, we participate in single-stream recycling to reduce waste associated with warehouses, distribution centers, and the movement of thousands of products each day. Though minimal, Shorr inherently generates waste as part of our operations and has made widespread recycling a priority across all divisions, which has led to a significant reduction in waste.

All corrugated and pallets are recycled along with division-specific single-stream efforts including paper, plastic, aluminum, and glass.

- **High-impact Packaging in Production:** The production of virgin plastic packaging and virgin paper packaging are extremely resource-intensive, requiring an abundant input of water and energy, resulting in high GHG emissions.
- **High-impact Packaging at End-of-life:** Single-use plastic packaging products have a severe environmental impact. Two major factors are polyethylene products posing a threat of microplastics as they break down, and polystyrene products' inability to break down, making it uneconomical to recycle.

Reducing Our Environmental Footprint

Shorr actively fosters a culture of sustainability among our employee-owners, empowering everyone to contribute to waste reduction and resource conservation in their daily work tasks, when hosting events, making decisions, and in their home lives. Our holistic approach targets every aspect of

our operations to minimize waste generation, maximize recycling, and promote environmental stewardship both within our facilities and in the communities we serve.

FY 2025 Waste

2,384.61 Standard Tons of Waste

0 Standard Tons of Hazardous Waste

2,415.23 Standard Tons of Material Diverted (Through Recycling)

Shorr's Operation Teams at our Atlanta, Georgia division, has made strides in spearheading the development of a consistent take-back corrugated recycling program with a partner company. In 2025, this allowed us to divert 678.63 standard tons of cardboard from the landfill.

In 2026, Shorr launched a limited pilot at its Ontario, California division in collaboration with the Flexible Film Recycling Alliance (FFRA) to evaluate approaches to collecting and managing flexible plastic film. The project is focused on gathering data on operational feasibility, logistics, and end-market viability, while evaluating approaches that could support film collection efforts for both warehouse operations and customers. This pilot is funded by the Circular Action Alliance (CAA) as part of limited testing to inform program planning.

We are also participating with FFRA in an educational recycling campaign in Minnesota, collaborating on branded outreach to increase participation in store drop-off of flexible film recyclables and share insights that support continuous improvement.

Through these efforts, Shorr works to advance a more circular economy through education and by connecting customers and suppliers with recycling outlets and haulers, serving as a resource to increase the volume of material successfully recovered.

By promoting best practices and supporting high-quality recycling streams, we help drive greater recycled content in the products we provide and strengthen the overall sustainability of our supply chain.

Innovations in Waste Reduction

- **Smart Paper Towel Dispensers:** All bathrooms, break rooms, and handwashing stations are equipped with motion-sensor towel dispensers. By adjusting settings to control the amount dispensed, we significantly reduce paper towel consumption and associated waste.
- **Eco-friendly Cleaning Solutions:** We exclusively use environmentally responsible cleaning products that do not require special disposal. Our investment in Tennant M17 floor sweeper scrubbers, featuring EC H2O technology, allows us to clean efficiently using electrically converted water, eliminating the need for traditional cleaning chemicals. This innovation also supports indoor air quality through advanced dust control and fume-free battery operation.
- **Circular Recycling Efforts:** Shorr facilitates closed loop recycling efforts to assist in the responsible disposal of corrugated and flexible film, reducing the amount of waste sent to landfills from both Shorr and customer locations.

Hazardous Waste-free Operations

As a distributor, Shorr does not manufacture products or equipment and **does not generate hazardous waste as a byproduct of our operations**. This enables us to focus our waste management efforts on reducing, reusing, and recycling materials throughout our facilities.

Emissions

Disclosure 305

GHG emissions have been identified as material to our business due to their relevance across our operations and supply chain and their significant environmental impact.

In our 2025 Sustainability Report, the emissions we reported were location-based. In this year’s report, we have included both location and market-based emissions, in order to provide more transparency in the information we are delivering.

FY 2025 Emissions

During FY25 for both our market-based and location-based net emissions:

- Scope 1:** 0.3% of Shorr’s footprint were Scope 1 emissions
- Scope 2:** 0.5% of Shorr’s footprint were Scope 2 emissions
- Scope 3:** 99.2% of Shorr’s footprint were Scope 3 emissions

Market-based Emissions

Net market-based emissions for October 2024 to September 2025 were 471,957 metric tons of CO₂e.

- Scope 1:** 1,404
- Scope 2:** 2,387
- Scope 3:** 468,165

Location-based Emissions

Net location-based emissions for October 2024 to September 2025 were 471,746 metric tons of CO₂e.

- Scope 1:** 1,404
- Scope 2:** 2,200
- Scope 3:** 468,142

Location-based emissions calculate a company’s emissions based on the average carbon intensity of the power grid in the areas of operation. **Market-based emissions** are based on the specific contracts for electricity purchased by the company. This calculation includes any Renewable Energy Credits (RECs) purchased in the reporting year.

In our efforts to improve the quality of transparency of our data year over year, and to report in accordance with the GHG Protocol, Shorr is using dual reporting in our FY25 report.



Emissions Data

- Scope 1 Emissions:**
- Scope 2 Emissions:**
- Scope 3 Emissions Total (upstream):**
- Total Emissions:**

FY25 Market-based Emissions (tCO ₂ e)	FY25 Location-based Emissions (tCO ₂ e)	FY24 Emissions (tCO ₂ e)
1,404	1,404	1,133
2,387	2,200	1,347
468,165	468,142	469,517

Emissions By Category

- 1 Direct Emissions:
- 2 Purchased Electricity, Steam, Heat, & Cooling:
- 3.1 Purchased Goods & Services:
- 3.2 Capital Goods:
- 3.3 Fuel & Energy Related Activities:
- 3.4 Upstream Transportation & Distribution:
- 3.5 Waste Generated in Operations:
- 3.6 Business Travel:
- 3.7 Employee Commuting:
- 3.9 Downstream Transportation & Distribution:

FY25 Market-based Emissions (tCO ₂ e)	FY25 Location-based Emissions (tCO ₂ e)	FY24 Emissions (tCO ₂ e)
1,404.33	66,7490.16	1,103
2,386.82	17,129.20	1,347
431,212.90	1,404.33	371,886
1,429.94	2,199.50	3,478
751.97	743.35	459
15,146.13	888.42	89,526
607.45	15,146.13	46
864.95	1,531.07	3,553
1,022.85	1,008.59	569
17,129.30	550.04	N/A

Hotspots

Within our Scope 3 emissions, manufacturing of the products we purchased accounted for 49.4% of that category and 49% of our total emissions, highlighting a major emissions hotspot. The packaging material itself accounted for about 34.2% of our Scope 3 emissions and 34% of our total emissions.

Transportation

Shorr’s upstream transportation accounted for 3.2% of total emissions, while downstream transportation accounted for 3.7%. The headcount intensity for FY25 was 773 metric tons of CO₂e per employee-owner.

Task Force on Climate-Related Financial Disclosures (TCFD)

Shorr published its [TCFD report](#) in the Fall of 2025. As stated in the report:

- Technology:** Shorr can accelerate customers’ transition to lower-emissions packaging solutions by expanding its portfolio of recyclable, lightweight, high-post-consumer recycled content (PCR), and other low-impact materials. The company can further support circularity by developing closed loop recycling and collection partnerships and reusable/ returnable systems. By connecting customer demand with innovative suppliers, Shorr can help reduce customer Scope 3 emissions while creating new revenue streams tied to sustainable packaging adoption.
- Market:** Customer behavior is shifting rapidly as brands, retailers, and regulators increasingly require packaging-level emissions data, product life cycle analysis (LCA) transparency, recyclability information, and broader ESG reporting support. This market transition creates a significant opportunity for Shorr to expand their market share by offering enhanced sustainability reporting services, such as cradle-to-grave lifecycle assessments, circularity insights, and advisory sustainability services.



ENVIRONMENT

Energy

Disclosure 302

Shorr’s comprehensive approach to energy conservation continues to drive measurable progress across our operations. In 2026, we built on our foundation of facility innovations and employee-owner engagement to further reduce our energy consumption and carbon footprint.

In FY25, Shorr facilities consumed a total of 6,148 megawatt-hours of electricity. We recognize that utilizing electricity from a carbon powered grid generates GHG emissions. Shorr continues to explore ways to reduce energy consumption by increasing efficiency and shifting towards renewable energy, whether through carbon offset credits or investments in community solar subscriptions. In 2026, Shorr purchased biofuel carbon insets, demonstrating Shorr’s initial investment and demand for additional renewable energy opportunities.

Facility Innovations

- **100% LED Lighting:** All Shorr facilities are equipped with high-efficiency LED lighting.
- **Smart Lighting Systems:** Offices and warehouses feature motion sensors and zone controls to minimize unnecessary energy use.
- **Energy-efficient Climate Control:** We utilize positive-pressure heating and large-diameter fans to optimize climate control and reduce energy demand.
- **Forklift Battery Optimization:** Auto-shutoff chargers and preventive maintenance programs ensure efficient battery management and minimize energy waste.

Energy Consumption

Total Energy Consumption (MWh):

- 1 Direct Emissions:
- 2 Purchased Electricity, Steam, Heat, & Cooling:
- 3.3 Fuel & Energy Related Activities:
- 3.7 Employee Commuting:

FY25 Energy Consumption (MWh)	
Total Energy Consumption (MWh):	13,950
1 Direct Emissions:	6,921
2 Purchased Electricity, Steam, Heat, & Cooling:	6,148
3.3 Fuel & Energy Related Activities:	283
3.7 Employee Commuting:	599

Decarbonization

Disclosures 3–3, 305

What is Decarbonization?

Decarbonization is the reduction or elimination of carbon emissions, often referred to as carbon dioxide, CO₂, or CO₂e, for other greenhouse gases. In the context of an organization like Shorr, decarbonization means reducing the emissions generated in our operations and our value chain.

There are unique ways every company, industry, and country can target their emissions reduction strategies. These efforts are often referred to as “levers”. Different strategies are relevant depending on the sectors each company operates in, the products they make, move, or sell, and the locations in which they work.

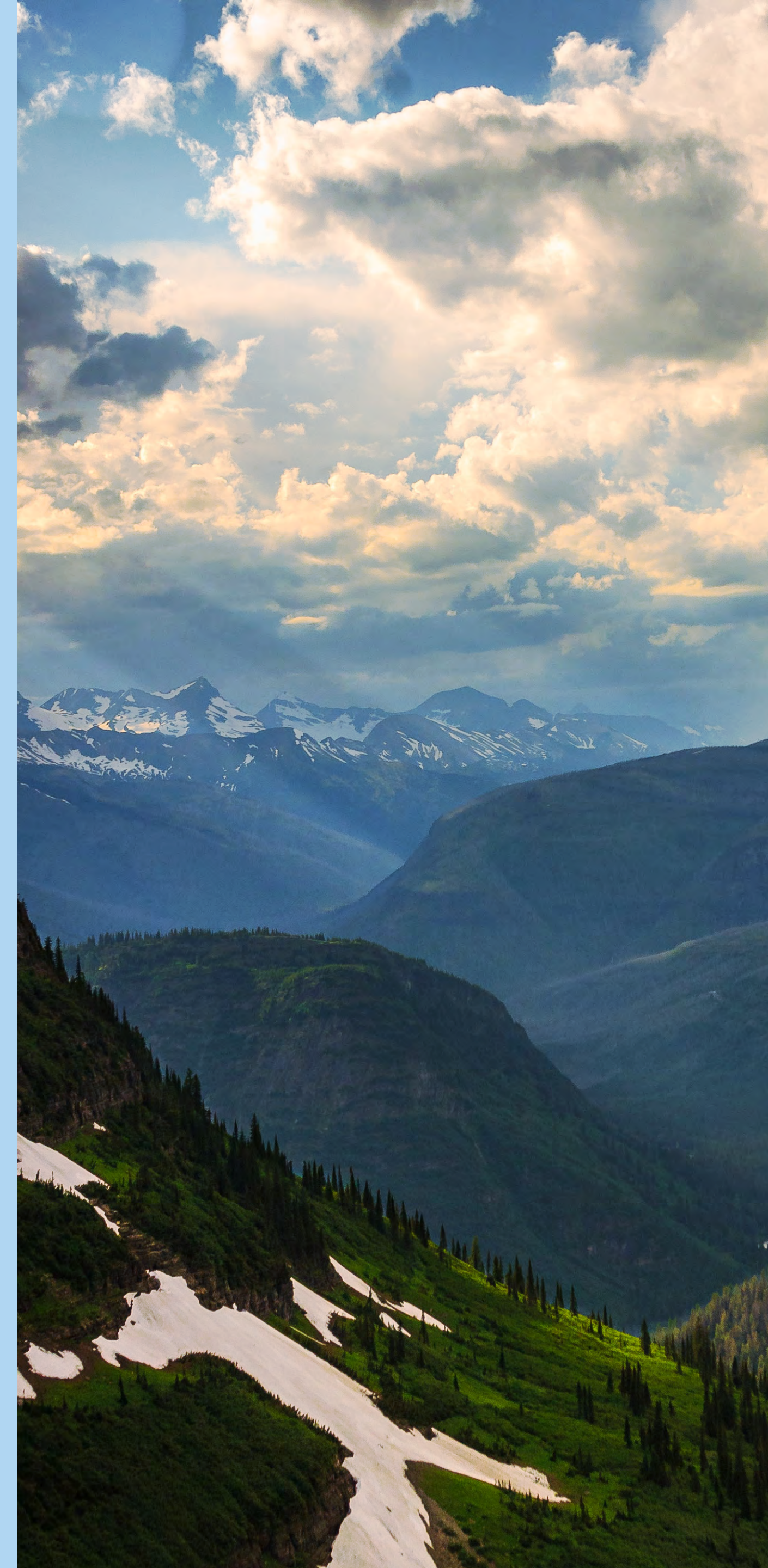
Shorr has identified key levers within our role as a distributor and supply chain partner that are both achievable and positioned to deliver the greatest impact on emissions reduction.

Since we are neither a manufacturer nor a brand-owner, we understand that we have limited direct control over most of our emissions (Scope 3). Any emissions we can control (Scope 1 and 2) account for 0.8% of total emissions. As part of our decarbonization strategy, we are making a concerted effort to reduce Scope 1 and 2 emissions while working with our suppliers on longer-term plans to reduce our Scope 3 emissions. Our goal is to achieve carbon neutrality by 2040, as per our signing of the UN Climate Pledge.

Why do we need a Decarbonization Plan?

A Decarbonization Plan is critical for businesses to outline the ambition and the steps to reduce carbon emissions throughout business operations. Shorr’s priorities as they relate to our decarbonization initiatives are as follows:

- **UN Climate Pledge:** In 2024, Shorr signed the UN Climate Pledge, with the goal of net carbon neutrality by 2040. This goal breaks down into an annual emission reduction of 4.2%. Our Decarbonization Plan will help us achieve these annual reductions while keeping ourselves accountable to progress.
- **Environmental Impact:** As climate change continues to pose a global threat, businesses like Shorr have a responsibility to mitigate our impacts and collaborate within the supply chain to make progress. We recognize that our operations contribute to a changing climate, and we are committed to reducing these impacts to the greatest extent possible.
- **Risk Mitigation:** As legislation evolves in many states and across the world, we anticipate regulations will only become more robust. As political and price volatility continues, it is important to move towards a closed loop system and utilize renewable resources to be set up for lower-risk and long-term success.
- **Reputational Risk:** Our customers and partners expect high-quality, sustainable products and solutions, especially as consumers are demanding reduced environmental impacts and more sustainable commitments from the companies they support. We work to vet the solutions we recommend to avoid greenwashing and ensure confidence from our customers and partners.
- **Cost Savings:** Implementing more sustainable and efficient operations allows us to avoid regulatory non-compliance fees and fines while also reducing cost as non-renewable resources, such as oil and gas, increase in demand and price. In addition, we avoid expensive landfill disposal and service costs by recycling whenever possible.





ENVIRONMENT

Decarbonization

Disclosures 3–3, 305

How We Prepared

- **Education:** Shorr’s Sustainability Team regularly takes advantage of educational and networking opportunities to stay up to date on evolving technologies and best practices as it relates to distributor decarbonization strategies.
- **Scope Emissions Calculations:** Shorr finalized our FY25 emissions data through a third-party database, which uses the Greenhouse Gas Protocol Methodology for calculation. The emissions data from 2023 to 2025 will be used as benchmarks to guide the creation of this plan.
- **Priorities:** We compiled a list of priorities, reporting standards, and methods we intend to align with, and our historical emissions levels, reductions, and procedures.

Decarbonization Strategy

Shorr’s decarbonization strategy is built on key reduction levers and incorporates continued learnings and exploration of opportunities for improvement. The first step is our participation in the Supplier Leadership on the Climate Transition Program, which is taking place in the summer of 2026. Shorr’s Sustainability Team enrolled in two courses; Target Setting and Abatement. The goal is to expand the knowledge and understanding of our options for decarbonization and how we best set and achieve those goals.

Supplier engagement and comprehensive data collection are crucial to understanding our Scope 3 emissions and driving upstream reductions. Transportation optimization continues to be a key focus to reduce fuel use and emissions.

Internally, we continue to invest in warehouse and facility energy efficiency and electrification, to improve our own operational footprint. Externally, we offer packaging optimization to reduce waste and help customers choose solutions designed with recycled content and recyclability in mind, which helps to reduce downstream impacts.

We are exploring the possibilities of renewable energy procurement and high-quality carbon offsets to account for residual emissions we cannot eliminate.

We understand that all levers must be supported by operational and financial planning to be viable and successful. Shorr will continue to invest in our data tracking and reporting capabilities. This will ensure that we can monitor and share our own progress and make any necessary adjustments to our strategy.

Our strategy is meant to support our goals established through the UN Global Compact, of a 4.2% annual reduction to achieve net-zero by 2040.

Next Steps

Shorr is currently working to develop our SBTi targets to ensure we are on track to meet our 2040 net-zero goal in a strategic, responsible, and feasible way. This entails exploring all our options for reduction, both in our own operations and with our partners throughout our supply chain. We are engaging our suppliers to support their reduction efforts and communicating with our customers to ensure comprehensive understanding of goals and expectations.

Shorr also plans to assemble a project team of employee-owners from several disciplines across the organization, in order to provide well-rounded and diverse perspectives on the topic. With expertise in Operations, Finance, Risk, Sales, and Sustainability, this Team will allow us to develop a strategic and viable Decarbonization Plan for Shorr.

“Shorr is currently working to develop our SBTi targets to ensure we are on track to meet our 2040 net-zero goal in a strategic, responsible, and feasible way.”

Biodiversity

Disclosure 101

As a packaging distributor, we understand that many of the materials we source and sell can threaten the natural landscapes from which they are extracted. Loss of biodiversity is often a part of drilling and deforestation when they are not executed responsibly. That is why Shorr has made sustainable sourcing, upstream and downstream supply chain, collaboration, and continued innovation and development key components of our approach to sustainability. We believe that the packaging industry has significant opportunities for improvement and is critical to habitat and wildlife protection. *Animals are not tested or harmed in any way in Shorr operations.*

Key Actions to Support Biodiversity and Resilience

- **Sustainable Sourcing:** Prioritize materials certified by recognized standards such as SFI, Forest Stewardship Council (FSC), or Programme for the Endorsement of Forest Certification (PEFC) to ensure fiber and other inputs come from responsibly managed forests. This helps protect habitats and maintain ecosystem health, especially in vulnerable regions.
- **Supply Chain Management:** Engage suppliers to ensure raw materials, such as paper fiber, are sourced sustainably. We ask our suppliers to complete our sustainability assessment to evaluate their initiatives and encourage them to implement more environmentally conscious decisions into their business.
- **Promote Circularity:** Increase the use of recycled and reused materials in packaging to reduce pressure on natural resources and minimize waste. Right-sized packaging and high recycling rates help sustain biodiversity by lowering demand for virgin materials and reducing environmental impact.

- **Innovation in Materials and Design:** Design packaging solutions with sustainability in mind: a lower carbon and biodiversity footprint, such as plant-based or renewable materials reduces demand for natural resources, and design products for recyclability and with minimal environmental impact.
- **Collaborative Initiatives:** We join industry-wide efforts and partnerships focused on biodiversity conservation, including supporting regulatory compliance and reporting, and sharing best practices across the supply chain.
- **Employee and Community Engagement:** We foster a culture of environmental stewardship among employee-owners and encourage community involvement in local conservation efforts.

Forests alone contain 80% of the world's terrestrial biodiversity and are vital carbon sinks. By ensuring responsible sourcing, supporting restoration, and promoting circular practices, Shorr helps mitigate biodiversity loss, reduce operational risks, and meet growing customer and regulatory expectations for sustainable business practices.

As we work to preserve biodiversity, Shorr is proud to highlight our partnership with responsible suppliers, who play a critical role in these efforts. International Paper (IP) has accelerated their forest conservation work and has instituted a mapping system to ensure responsible procurement of materials near their mill. This mapping system allows them to identify, track, and protect at-risk or endangered species in the area. Additionally, IP's mapping system enables them to monitor harvest activities near water sources to ensure the protection of water quality and overall biodiversity within streamside management zones. Shorr is proud to partner with suppliers making such impactful efforts.



Materials

Disclosure 301

Impacts

Shorr is uniquely positioned in the market since we do not manufacture any material and are supplier-agnostic. This allows us to connect customers with suppliers that best fit their objectives, whether that is custom packaging sizes, PCR content minimums, recyclability criteria, or beyond. As regulations continue to evolve, Shorr can help customers ensure that they are using packaging materials compliant with requirements. Depending on regulatory developments, consumer demand, supply constraints, and market conditions, we can pivot between suppliers, avoiding downstream disruption, maintaining price parity, and keeping up with the latest sustainable product offerings.

Disclosures

Types of Packaging Materials Distributed

Shorr moves packaging of all types, including corrugated and kraft paper, stretch film, tape and adhesives, labels, bubble wrap, poly mailers, paper mailers, void fill, etc. To support our customers' sustainability goals, we have developed the Sustainable Product Standard, which allows us to match our customers with products that meet regulatory requirements, internal pledges, or consumer demands.

Efforts to Promote

- Recyclable or reusable packaging
- Recycled content
- Right-sizing and lightweighting
- Collaboration with customers regarding sustainable packaging decisions



Social

Our success at Shorr is driven by the strength of our people, our communities, and our partnerships. We understand that responsible business practices are essential for our employee-owners, customers, suppliers, and community members to thrive.

Our prioritization of workforce development, investment in local communities, responsible supply chain management, and stakeholder engagement demonstrates our commitment to positive social impact throughout Shorr.

The following sections detail our focus on these areas, including our specific initiatives, our policies, and our progress toward improvement, all aimed at continuing an equitable and resilient workplace and value chain.

- **Stakeholder Engagement**
- **Training**
- **People, Culture, & Opportunity**
- **Local Communities**



SOCIAL

Stakeholder Engagement

Disclosures 2–29, 403

Stakeholder engagement is a foundational part of our work and success. Transparency and regular communication internally and externally regarding strategy, concerns, risks, success stories, priorities, and improvement opportunities are essential.

Training, Education,
& Workforce Development

Disclosures 401, 404

As Shorr continues to grow, it is crucial that we ensure our employee-owners receive appropriate training. This reinforces safety, retention, employee well-being, and drives our success.

Composition

Shorr has over 650 employee-owners across 9 divisions.

Customer Service	61	Operations Management	23
Executive	6	Packaging Automation Group	46
Finance	48	Procurement	46
Human Resources	7	Sales	220
Information Technology	26	Warehouse	149
Logistics	19	GRAND TOTAL	664
Marketing	13		

All Shorr employee-owners have access to Shorr University, an internal platform that hosts a variety of resources, including training, informational sessions, skill building seminars, product specification videos, and more.

STAKEHOLDER GROUP	METHOD OF ENGAGEMENT	PURPOSE OF ENGAGEMENT	TOPIC OF ENGAGEMENT
Employee-owners	Monthly newsletters Internal guides and educational training Quarterly Town Halls Bi-monthly sustainability newsletters	Open communication Conflict and issue resolution Innovation and collaboration	See Employee-owner Engagement section for details
Customers	Account management relationships Sustainability requests Guides and educational training Blog posts and case studies	Strong relationships Communication of expectations Sustainability and information requests Market trends and updates	Market trends around packaging Evolving needs and expectations Order fulfillment
Suppliers	Social, environmental, and sustainability assessments Onboarding conversations with Procurement and Sustainability Teams Spotlights in internal monthly newsletters Sales training hosted by suppliers	Partnerships Assured responsible practices throughout supply chain Innovation and collaboration Market trends and updates	Changes in supply chain Customer needs and expectations
Logistics Partners	Proactive communication and clear expectations	Ensuring consistent expectations and execution Minimizing challenges Efficient appointment scheduling and short wait times	Delivery timing and movement of products
Governing Bodies/ Agencies	Webinars Regulatory and legislative review	Remaining engaged and compliant Ensuring comprehension	Emerging and evolving regulation
Non-Governmental Organizations	Webinars Partnerships	Strengthening partnerships and collaboration	Partner events and conferences
Local Communities	Volunteering opportunities	Encouraging positive relationships and interactions with the communities around each of our divisions	Community events Paid volunteering time for employees

Training

Disclosures 2–29, 403

Shorr requires mandatory annual training for all employee-owners on various topics, ranging from safety protocols to sustainability. These courses are designed to keep employee-owners engaged and educated in relevant policies and ensure familiarity with workplace safety standards and procedures.

Annual Mandatory Training Courses

- Warehouse Pedestrian Safety
- Fire Extinguisher Use
- HazCom: Introduction to Hazard Communication and GHS
- Slips and Trips: Workplace Safety
- Shorr Health and Safety Manual
- Bloodborne Pathogens Training: Risks and Requirements
- Illinois Sexual Harassment Training Prevention 3.0
- Code of Conduct, Anti-Bribery, and Corruption
- Security Awareness: Common Threats
- Security Awareness: Phishing Foundations
- Understanding Cyber Security 2.0
- Paycom: Shorr Employee Self-Service Portal – Employee Overview
- Shorr Sustainability

Shorr offers role-specific training, dependent on department and experience. For further details, see the Appendix.

Benefits

Each Shorr employee-owner has access to our comprehensive benefits plan, which covers:

- Medical
- MD Live
- Health Savings Account
- Flexible Spending Account
- Dental
- Vision
- Plan Contributions
- Life and AD&D
- Disability
- Hospital Indemnity
- Critical Illness
- Accident Protection Insurance
- Employee Assistance Program

Shorr is 100% Employee-Owned

This means we are committed to investing in each employee-owner's retirement savings through the Employee Stock Ownership Plan (ESOP). An ESOP is a type of retirement plan that allows employees to effectively gain ownership of the company without paying for the shares and provides employees with an opportunity to share in the long-term success of Shorr. Unlike other types of retirement accounts, employees do not contribute to an ESOP. Instead, Shorr fully funds this benefit on behalf of each eligible employee.

Shorr has comprehensive policies in place detailing Family Medical Leave, Flexible PTO and Vacation Time, Sick and Short-Term Disability Leave, and Long-Term Disability. All employees have access to these policies through our Intranet.



People, Culture, & Opportunity

Disclosures 2–29, 403

At Shorr, our employee-owners are our greatest strength. We believe our success is driven by the unique experiences, perspectives, skills, and talents that employees bring to our organization.

As an employee-owned company, we are committed to creating a workplace where every employee-owner is empowered to contribute, collaborate, grow, and succeed. We strive to foster a culture built on respect, accountability, teamwork, and continuous improvement.

Our Approach

We support an environment where employees can:

- Share ideas and perspectives openly.
- Build meaningful careers through learning and development opportunities.
- Grow through leadership development, mentorship, and internal advancement opportunities.
- Contribute to a collaborative and innovative workplace.
- Take ownership of their work and our shared success as employee-owners.

We recognize that diverse experiences and viewpoints strengthen decision-making, creativity, problem-solving, and customer service. By encouraging open dialogue and mutual respect, we create an environment where employees can perform at their best and help drive the company's long-term success.

“Fostering a culture of engagement, support, communication, and involvement has always been top of mind for Shorr.”



Investing in Our People

Shorr invests in programs and practices that support employee engagement and career growth, including:

- Structured onboarding and training programs
- Leadership development opportunities
- Professional skills development
- Internal career advancement opportunities
- Employee-owner recognition programs
- Wellness and employee support initiatives
- Employee-owner education and engagement

Continuous Improvement

We regularly evaluate our programs, policies, and employee feedback to identify opportunities to strengthen workplace culture, employee engagement, and career development.

By fostering an environment where employees feel valued, heard, and supported, we strengthen our ability to attract, develop, and retain talented employee-owners while advancing our mission as an employee-owned organization.

Workforce Engagement and Culture

Fostering a culture of engagement, support, communication, and involvement has always been top of mind for Shorr. This topic is material to our business as it impacts our performance, retention rates, health and safety, and service. Positive workplace environments are strengthened by comprehensive training, teambuilding, open channels for communication, and feedback, all of which are embedded in Shorr's culture.

Shorr engages all employee-owners in our Sustainability efforts as their buy-in is essential to our progress and success. In 2026, we continue to promote best practices that help minimize material consumption and increase recycling rates, including:

- **Digital-first Practices:** Prioritizing electronic distribution and storage of documents to reduce paper use.
- **Responsible Printing:** Printing and copying only when necessary, using double-sided printing and black-and-white or grayscale settings to conserve resources.
- **Reusable Solutions:** Encouraging the use of durable, reusable beverage containers, plates, and utensils in place of single-use items.
- **Comprehensive Recycling:** We work toward diverting as much waste as possible by recycling paper, corrugated and fiber products, as well as plastic, aluminum, electronics, toner, and ink cartridges across locations based on local collection opportunities. Two additional divisions implemented single stream recycling this year, for a total of four.
- **Material Reuse:** We reuse materials and goods whenever possible, with landfill and recycling streams as the last resort.

People, Culture, & Opportunity

Disclosures 2–29, 403

In addition to furthering Shorr's Sustainability efforts, we also engage our employee-owners in company-wide updates and initiatives.

- **Employee Engagement Programs:** Shorr's Executive Committee facilitates quarterly Town Hall meetings to address questions that employee-owners can submit anonymously. In addition, a hotline and full-time Human Resources Team are available to assist employee-owners with any questions or concerns and offer support.
- **Employee Appreciation and Recognition:** Shorr has implemented AwardCo, a third-party recognition platform allowing employee-owners to give shoutouts and recognition, nominate each other for Shorr Value awards, and celebrate milestones. AwardCo assists employee-owners in boosting morale and showcasing each other's dedication and hard work. Additionally, the platform integrates a point system that employees can redeem on the Shorr store or third-party online shopping sites.
- **Workplace Culture Initiatives:** We have implemented monthly, internal communications to celebrate wins, highlighting our Team's success and the individual contributors. To stay connected across divisions, we feature employee-owner spotlights that help introduce our team members beyond their responsibilities at work.

Shorr prioritizes employee engagement and fosters community for all employee-owners.



Local Communities

Disclosure 413

At Shorr, we recognize the importance of fostering relationships and supporting our local communities. Shorr organizes events to continue strengthening these relationships, including annual **Earth Day** events across divisions, monthly trail clean-ups, and supply drives for Veterans and underprivileged schools.

In 2026, Shorr's Corporate Office participated in the **JP Morgan Chase Corporate Challenge**, a corporate running series designed to bring employees together outside of the office, encouraging teambuilding and healthy habits. The event served as a fundraiser for the **Association House**, a non-profit based in the Humboldt Park neighborhood of Chicago. The Association House serves the community in numerous ways, including human services in both English and Spanish, workforce development and health programs, and mental and behavioral healthcare support. We are proud to have participated in the Corporate Challenge to bring our employee-owners closer together and to support an outstanding organization.

Shorr attended local hiring events such as university recruiting fairs, diversity job fairs, and partners with Aurora University and local veteran's associations.

This year, Shorr launched our **Workplace Giving Platform**, which provides employee-owners with eight hours of paid volunteering time each year. Being able to support our employee-owners in giving back to their communities and causes is something we pride ourselves on.



Governance

Dependable governance is a critical pillar to maintain the trust of our stakeholders. As a packaging distributor, Shorr is dedicated to conducting our business with integrity, respect, and accountability.

Our governance structure supports ethical decision making through all levels and channels of operation, protects the health and safety of our employee-owners, and promotes fair and equitable treatment of everyone, inside or outside of Shorr. These priorities reinforce a culture where harassment, discrimination, and unethical behavior are never tolerated.

This section highlights our framework of governance, our commitments, and performance in advancing these practices related to:

- **Environmental Compliance**
- **Responsible Supply Chain**
- **Ethics & Compliance**
- **Shorr's Sustainability & Risk Management**
- **Resilience & Sustainability Innovation**
- **Human Rights**
- **Equal Employment Opportunity & Non-Discrimination and Harassment**

Occupational Health & Safety

Disclosure 403

Health and Safety are essential for supporting safe, ethical, and high-performing operations. Shorr has embedded high standards through annual trainings, incident tracking and reporting, and accountability.

Warehouse and Transportation Safety Risks

With warehouses and distribution centers across the U.S., Shorr prioritizes the safety of our employee-owners. Working in a warehouse inherently involves risks and Shorr ensures proper training programs and safety protocols are in place. For additional information, see the Appendix.





GOVERNANCE

Environmental Compliance

Disclosure 307

Shorr has always committed to responsible business practices as a critical pillar to our success. This means that we maintain consistent environmental and regulatory compliance throughout our operations and aim to improve each year. Our goal is to exceed expectations and do what is best for our people and our planet. As regulations continue to evolve both nationally and globally, our Team is dedicated to monitoring and adapting to keep us moving forward.

As an integral part of our Sustainability strategy, Shorr complies with all federal, state, and local environmental laws, regulations, and Executive Orders. Our collaboration with partners across the supply chain helps us understand what works and how we can improve our own performance to reduce our footprint while maintaining compliance. We ensure that our compliance is comprehensive, following regulations applicable to our supply chain, facilities, and reporting.

In 2026, our Team has been closely following the development of environmental regulations, including:

- **Extended Producer Responsibility (EPR):** Many states established EPR reporting deadlines for early 2026, which meant our Team intensified our focus, and prioritized data collection, tracking, and calculations to ensure all required information is available. This involved contacting suppliers for material breakdowns and statistics while engaging our Teams internally to ensure awareness requirements and approaching deadlines were met. Sales, Marketing, Procurement, Finance, Operations, Risk and Sustainability Teams all collaborated extensively to ensure comprehensive data collection and established a streamlined process for future reporting.
- **SB 343 in California:** The “Truth in Recycling” Law is another regulation we are closely following and are working with both our customers and suppliers to provide support where possible. We have established internal guidance for our Teams to ensure they are aware of the regulation and its impact.

- **SB 54 in California:** SB 54 is California’s EPR law, but it also includes a Source Reduction requirement. Brands are required to reduce the weight and number of plastic components by 25% by 2032, using baseline data from 2023. Shorr is currently working with customers and suppliers on reduction methods, as well as developing our own source reduction plan in order to ensure compliance with the targets and deadlines.

Shorr has embedded environmental compliance within our company policies, including procurement practices, Supplier Code of Conduct, Business Ethics, Employee Code of Conduct, and Diversity Policies. Through continuous communication of resources regarding sustainability, including blogs, guides, and training, our employee-owners understand the importance and expectation to include sustainable practices daily.

Responsible Supply Chain

Disclosures 204, 308, 414

At Shorr, we are committed to ethical sourcing practices, risk mitigation, and environmental stewardship, through our Sustainability program and impact across our value chain.

As a packaging distributor, we rely on a vast network of suppliers and decision-makers. We take pride in promoting sustainable products and responsible business practices that create a positive impact while upholding the highest standards of ethics and labor responsibility.

Impacts

Shorr conducts annual supplier assessments to gather data about our vendors' social and sustainability practices, and any initiatives to reduce environmental impact and improve working conditions. This data influences how we prioritize suppliers and provides necessary information for both Shorr's and our customers' evaluations and reporting.





GOVERNANCE

Ethics & Compliance

Disclosures 2–23, 2–24, 205, 206

We want to ensure that our employee-owners are well taken care of with policies in place to ensure accountability. These policies are required by governing bodies and set the expectations for employee-owners from the beginning of their journey with Shorr.

Our policies, governance frameworks, and responsible business practices are essential to prevent misconduct, to ensure fair dealings with our supply chain partners, and to mitigate any legal, financial, and reputational risks.

Shorr has an anonymous Ethics and Compliance hotline in which any employee-owner can confidentially ask questions, voice concerns, and file reports regarding issues they witness.

As stated in Shorr’s Business Ethics Policy, Shorr is committed to conducting our business with the highest standards of ethics and integrity. It is the Company’s policy to be a good “corporate citizen”.

Wherever we do business, employees of the Company are required to comply with all applicable laws, rules, and regulations. Employees are also responsible for honoring and abiding by the contracts that we have entered with other parties, including intellectual property licenses (e.g., software licenses related to software packages used in our business), confidentiality agreements, contracts with our customers and suppliers, and undertakings and other commitments we may have with government authorities.

Workers’ Rights

Disclosures 2–30, 407

Shorr recognizes and respects our employees’ right to choose whether to join a labor union, participate privately in trade associations, and collectively bargain in accordance with local or national law, will not discriminate, harass, or punish workers for exercising these rights and will bargain in good faith with labor unions that represent employees.

Education and Engagement

We continue to build our sustainability program through internal and external collaboration. We are proud to empower our employee-owners, customers, and suppliers with the knowledge and support they need to drive progress. Through educational resources, we help transform sustainable choices into a measurable impact each day. As consumer demand and expectations for transparency increase, Shorr serves as a trusted partner, providing both expertise and guidance to deliver actionable results.

Shorr's Sustainability & Risk Management

Shorr's Executive Committee is involved in conversations and decision-making, ensuring top-down and cross-functional support. This allows us to cultivate a company culture that emphasizes environmental stewardship and empowers our customers and suppliers to do the same.

Ownership of climate strategy development and execution rests with the CFO and VP of Business Development while the implementation of sustainability matters is shared between the **Sustainability and Risk Management Teams**. The Executive Committee conducts a thorough review of all material included in the Sustainability Report and approves the full document prior to publication. Shorr's Sustainability Team drives internal and external sustainability strategies focused on minimizing Shorr's environmental footprint and ensuring ongoing economic viability, while coordinating with Shorr's Risk Manager on Environmental, Social, and Governance reporting, compliance obligations, and risk identification and mitigation strategies.

Together, the Sustainability Program Manager and Risk Manager work closely with the Finance Team and Shorr's selected third-party partners to collect and report GHG data for the purpose of goal setting and carbon reduction strategy development. The data is then shared across the organization to meet established goals.

Shorr's Business Continuity Plan (BCP) Committee is sponsored by the COO, and the Risk Manager is a co-chair, ensuring climate-related planning is incorporated into the BCP as it evolves to address changing business needs. Shorr is currently in the process of creating an advisory committee that will focus on ESG topics, including risk identification and mitigation, to better advise Shorr's Executive Committee on daily operations and business strategies to align with Shorr's sustainability goals. The Executive Committee is comprised of the CEO, CFO, COO, CHRO, and CIO.

Currently, Shorr's Risk Manager and Sustainability Program Manager escalate climate-related risks for review by Shorr's CFO and VP of Business Development. Critical stakeholders across the organization provide input based on operational, financial, and other business priorities. Shorr's 2025 climate scenario analysis serves as the baseline for our decision-making on climate-related risks and opportunities and is aligned with the **Task Force on Climate-Related Financial Disclosures (TCFD)** recommendations.

Shorr's Emergency Management Team (EMT) focuses on identified physical risks at Shorr- managed facilities. The EMT, utilizing Shorr's BCP as a resource, ensures that emergency plans for climate-related events are tested a few times a year at each location and that on-site process leaders and their teams have a thorough understanding of their responsibilities during any potential event. Shorr's facility managers work closely with property managers to ensure facilities are well positioned to address climate impacts through appropriate maintenance and upgrades of mechanical systems such as generators and HVAC systems.



Resilience & Sustainability Innovation

Disclosures 2–23, 2–24, 205, 206

As Shorr works towards our climate goals, the Sustainability Program Manager focuses on transition risks across the business by building resilience amid an uncertain, changing climate. We have invested in electric vehicle charging stations at certain facilities and will continue to explore opportunities to expand these and similar investments to more facilities in the future. Additionally, we continue to evaluate carbon offsets and renewable energy certificates as a means of further reducing our carbon footprint. Shorr works closely with our suppliers to develop sustainable product innovations and identify low-carbon offerings while engaging internal stakeholders in operations and finance related to climate expectations and required reporting metrics.

Shorr is implementing processes to enhance our evaluation of partners and suppliers, focusing on their climate risk exposures. This approach will help us gain deeper insight into their mitigation strategies and assess the effectiveness of their climate resiliency efforts.

We take pride in providing our customers with expert resources and guidance on sustainable solutions including improving operations, product recommendations, and goal development. Shorr's guidance empowers customers and partners to begin, progress, and accelerate their sustainability journeys.

Key Focus Areas:

- **Carbon Footprint Reduction:** Advance products and efforts to reduce GHG emissions across operations and the supply chain, and measure and report this data
- **Recycled Content:** Promote the use of recycled materials across a variety of product categories
- **Recyclability and Compostability:** Prioritize products and materials that are designed for circularity and responsible end-of-life management
- **Resource Reduction:** Implement strategies to minimize resource consumption, volume, and waste generation

- **Damage Reduction:** Enhance packaging performance to reduce product loss and associated environmental impacts while never compromising on quality
- **End-User Education:** Provide customers and partners with the knowledge, tools, and industry expertise to make informed, sustainable decisions while avoiding greenwashing
- **Guidance:** Support customers with opportunities to reduce exposure to fees and fines enforced in emerging regulations

We strive to ensure that our efforts benefit the entire supply chain, increase the resilience of Shorr as an organization and to preserve biodiversity, reduce ecosystem damage, limit water consumption, and promote a culture of community consciousness.

Shorr Action Highlight

Disclosure 2–27

To the best of our knowledge, Shorr has not had any instances of regulatory non-compliance during the 2025 Fiscal Year.

In an uncertain and changing environment, pricing and resource volatility is driving organizations to implement more sustainable solutions. Our Teams work with suppliers and customers to adapt by making changes and supporting our customers in shifting their products away from resin-based packaging. These actions emphasize our Shorr values and provide an opportunity to advance sustainability goals of all entities. By moving away from virgin plastic and toward paper-based and recycled content material, we are supporting the circular economy, reducing the need for oil drilling and the subsequent habitat destruction. This also enables our business partners to meet their goals and maintain compliance with emerging regulations.



Human Rights

Disclosures 412, 406, 408, 409

Shorr is committed to conducting business in a manner that respects human rights, promotes ethical labor practices, and supports the well-being of our employees and business partners.

Human Rights Reviews and Risk Management

Human rights considerations are incorporated into Shorr's ethics, compliance, employment, and supplier management practices. Through its Code of Conduct, Shorr establishes expectations for legal, ethical, and fair business practices across all operations. Employees are encouraged to raise concerns regarding potential violations through management, Human Resources, executive leadership, or Shorr's anonymous Ethics and Compliance Hotline, which provides a mechanism for identifying and addressing potential human rights risks and concerns.

Employee Training and Awareness

All employees are required to comply with Shorr's Code of Conduct, which outlines expectations related to ethical conduct, equal employment opportunity, diversity and inclusion, anti-harassment, respect in the workplace, and reporting concerns. The Code of Conduct serves as a foundational training and awareness tool to reinforce employee responsibilities related to ethical behavior and protection of human rights.

Human Rights in Agreements & Business Relationships

Shorr expects its employees and business partners to operate with integrity and in compliance with applicable laws and contractual obligations. Employees are responsible for honoring contracts and agreements with customers, suppliers, licensors, government authorities, and other stakeholders. Human rights, ethical business conduct, and legal compliance expectations are integrated into Shorr's governance framework and business relationships, helping to promote responsible practices throughout the value chain.

Ongoing Oversight

Responsibility for promoting, monitoring, and enforcing compliance with the Code of Conduct resides with the Human Resources Department, with oversight from the Executive Committee. Violations may result in corrective action up to and including termination of employment and legal action. This governance structure supports Shorr's ongoing efforts to identify, manage, and mitigate human rights-related risks.

We prohibit human trafficking, forced labor, and unlawful child labor in any part of our operations or supply chain.

The U.S. Government's policy prohibiting trafficking in persons is available at 48 CFR § 52.222-50 and is summarized under the heading: "Summary of U.S. Government Policy of Prohibiting Trafficking in Persons."

In our commitment to our employees, customers, partners, and communities, we adhere to the U.S. Government's policy prohibiting trafficking in persons and supports the United Nations Declaration of Human Rights and other international frameworks including the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Shorr is committed to a work environment that is free from human trafficking and slavery, which includes forced labor and unlawful child labor. We will not tolerate or condone human trafficking or slavery in any part of our organization.

“Human rights considerations are integrated into our employment policies, workplace practices, ethics standards, and supplier relationships.”

Human rights considerations are integrated into our employment policies, workplace practices, ethics standards, and supplier relationships. Employees receive training on workplace conduct, anti-harassment, non-discrimination, ethics, and compliance, and are encouraged to report concerns through established reporting channels without fear of retaliation.

Shorr expects suppliers, contractors, and business partners to comply with applicable labor laws and uphold ethical business practices that respect the rights and dignity of workers. We continuously review our policies and practices to support a safe, respectful, and responsible workplace.

Shorr's employees, contractors, subcontractors, vendors, suppliers, partners and others through whom we conduct business must avoid complicity in any practice that constitutes trafficking in persons or slavery.





GOVERNANCE

Equal Employment Opportunity & Non-Discrimination and Harassment

Disclosure 406

Shorr is committed to a work environment in which all individuals are treated with dignity and respect. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, we expect that all relationships in the office will be business-like and free of bias, prejudice, and harassment. Shorr requires annual anti-discrimination and harassment training for all employee-owners.

It is our policy to ensure equal employment opportunity without discrimination or harassment on the basis of race, traits associated with race (including, but not limited to, hair texture and protected hairstyles such as braids, locks, and twists), color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, natural origin, genetic information, or any other characteristic protected by law. Shorr prohibits any such discrimination or harassment.

Shorr encourages reporting of all perceived incidents of discrimination or harassment. It is policy to investigate such reports. We prohibit retaliation against anyone who reports discrimination or harassment or participates in an investigation of such reports. These policies apply to all applicants and employees whether harassing conduct is engaged by fellow employees or someone not directly connected to Shorr (e.g., an outside vendor, consultant, or customer). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings, and business-related social events. Details on reporting an incident, employee and managerial responsibility, and corrective action are all covered in this policy.

Conflicts of Interest

Disclosure 2–15

Shorr has a published policy detailing the definition, parameters, and mitigation measures for any conflicts of interest which may arise in the workplace.

Shorr’s policy is to hire, transfer and/or promote based on an individual’s qualifications and ability to perform a job. The policy is intended to ensure effective supervision, internal discipline, security, safety, and positive morale in the workplace. Every attempt should be made to avoid favoritism, the appearance of favoritism, and conflicts of interest in employment decisions.

Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) are 17 global objectives established in 2015 as part of the 2030 Agenda for Sustainable Development. These goals provide a universal framework for addressing the world’s most pressing challenges, ranging from poverty and inequality to climate change and environmental degradation while promoting peace, prosperity, and sustainability for all.

The SDGs build on decades of international cooperation and provide a shared outline for countries, organizations, and communities to align their strategies with global priorities. By integrating economic growth, social well-being, and environmental protection, the SDGs serve as a compass for responsible action and long-term impact.

Shorr’s Commitment to the SDGs

As part of Shorr’s UN Climate Pledge to achieve Net-zero emissions by 2040, we have prioritized several of the SDGs that align most closely with our business and its impacts, along with our values and our sustainability strategy. In 2026, we continue to advance these goals through targeted initiatives and measurable progress.

To align ourselves with the SDGs, Shorr followed the 5-step process recommended by the SDG Advocates.

- Assess Impact
- Engage the Board
- Notify the Stakeholders
- Involve the Employees
- Inform the Public

Priority SDGs Disclosure 2–22



Sustainable Development Goals (SDGs)

Most importantly, we first reviewed each of the 17 Sustainable Development Goals against our own business operations and evaluated present risks and consequently where we can have the greatest impact.

While we acknowledge the importance of each goal individually, we understand that there are areas where Shorr’s products and operation have larger footprints and by focusing our efforts there, we can have a more significant positive impact.

Looking Ahead

By aligning our sustainability initiatives with these global goals, Shorr is promoting and supporting collective action and creating a more resilient, equitable, and sustainable future. Our ongoing efforts to reduce our environmental footprint, promote social responsibility, and foster innovation are guided by the SDGs and our commitment to make a positive impact within our company, our communities, and across the packaging industry.

“As part of Shorr’s UN Climate Pledge to achieve Net-zero emissions by 2040, we have prioritized several of the SDGs that align most closely with our business and its impacts, along with our values and our sustainability strategy.”

Priority SDGs Disclosure 2–22

	RELEVANCE TO SHORR	KEY ACTIONS FOR IMPACT	REPORT SECTION
8 DECENT WORK AND ECONOMIC GROWTH 	Workforce safety and development	Internal ethical sourcing and supplier selection	Company Overview and Value Chain, Responsible Supply Chain
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Packaging innovation	Supporting customers in transitioning to more sustainable packaging solutions	Waste
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Packaging and waste reduction efforts	Working to promote the Circular Economy through both standardized recycling facilitation and the increase of PCR content and PCR products being bought and sold	Waste
13 CLIMATE ACTION 	Emissions reduction in Logistics and Supply Chain	Decarbonization strategy to reduce emissions throughout our Supply Chain	Company Overview and Value Chain, Responsible Supply Chain
15 LIFE ON LAND 	Supporting biodiversity by reducing deforestation and minimizing impact to wildlife	Ethical sourcing, and partnering with responsible and conscious suppliers and customers, who are working to mitigate their impacts	Biodiversity, Responsible Supply Chain
17 PARTNERSHIPS FOR THE GOALS 	Supplier and customer collaboration Our partnerships have a widespread impact	Strong business partnerships and active stakeholder engagement	Company Overview and Value Chain, Stakeholder Engagement, Responsible Supply Chain

Looking Ahead

We are proud of the progress we have made on our sustainability journey while also recognizing that continuous improvement is always needed. We acknowledge that sustainability is an ongoing process of innovation and collaboration.

As we move forward, we continue our commitment to advance our environmental, social and governance efforts, while maintaining accountability and transparency in the process.

As we continue on the pathway to net-zero emissions by 2040 and pursue approval of our SBTi commitments, our priority is to implement strategies that reduce all our emissions, especially Scope 3 which encompasses the majority of our footprint. We plan to focus our attention on renewable energy investments, increasing electrification in our product transportation, operational and value chain waste reduction, and continuing collaboration with our suppliers and customers to identify additional opportunities for improvement.

At Shorr, we recognize the critical role we play in meaningful action, dedicated advocacy, and continued innovation. Our Teams are committed to communicating our progress transparently, leading by example, and exploring ways to create value while reducing environmental impact. Looking ahead, we'll continue expanding the sustainability metrics we track, improving the quality and consistency of our data, and utilizing emerging technologies to enhance our progress and decision-making.

While there is still much to be done, our commitment is unwavering. By focusing on measurable progress, meaningful partnerships, and continuous improvement, we are dedicated to create a more sustainable future for our business, customers, communities, and environment.



About This Report

Disclosure 2–1, 2–2, 2–3, 2–4, 2–5

Organizational Details

Legal Name: Hanchett Paper Company, dba Shorr Packaging Corporation

Ownership: Employee Stock Ownership Plan

Cadence: Annually

Location of Headquarters: Aurora, Illinois

Countries of Operation: U.S.

Reporting Framework: Prepared in accordance with the GRI Standards

Reporting Period: October 2024 - June 2026

- Emissions Data: October 2024 - September 2025 (Fiscal Year)
- Waste Data: January 2025 - December 2025
- 2026 information as it relates to new events, initiatives, and employee-owner engagement are included

Point of Contact: Meredith Moore, Shorr’s Sustainability Program Manager

Restatements of Information: There were no intentional restatements or corrections from previous reports. Shorr’s TCFD report is linked within this publication for reference.

External Assurance: Shorr receives verification for the Sustainability Report from a third party. While the verification process is led by our Sustainability team, our upper management is involved in the process, and provides approval for the third-party service that is used. GHG Verification was conducted in accordance with ISO 14064-3: 2019, “Specification with guidance for the validation and verification of greenhouse gas assertion”, which is a generally recognized and accepted standard. The validation scope is within organizational boundaries: operational control approach. The third party verifier is independent from Shorr and is free from bias and conflicts of interest related to the assurance of the environmental data.

Operational Control:

Shorr defines the Organizational Boundary using the Operational Control approach. Using this approach, we account for 100% of the operation’s emissions for which we have total operational control, including:

- Shorr operated facilities, including offices, warehouses, and distribution centers
- Use of estimates and assumptions
- Shorr’s emissions footprint for FY25 was third- party verified in June of 2026

Statement of Use: Shorr Packaging has reported its data in accordance with the GRI Standards for the 2025 Fiscal Year (October 2024 - September 2025).

Ethics

% of employees trained on business ethics: 78%

% of employees trained on conduct and anti-bribery: 78%

% of employees trained on security awareness: 91%

Number of reports related to whistleblower procedure: 0

Number of confirmed corruption incidents: 0

Number of confirmed information security incidents: 0

Water Management

Total water consumption (m3): 1,449,489 gallons

Materials, Chemicals & Waste Management

Total weight of hazardous waste (T): 0

Total weight of non-hazardous waste (T): 2,384.61

Total weight of waste recovered (T): 2,415.23

Environmental Services & Advocacy

% of fibers sourced from FSC, SFI or PEFC certified materials: 40.69%

% of packaging sourced from recycled or reused materials: 23.07%

% of customers engage with Shorr's sustainability programs: 80%

Supplier Management

% of targeted suppliers who have signed the supplier code of conduct: 21.4%

% of targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements: 39%

% of suppliers assessed on environmental and social practices: 40.74%

% or number of targeted suppliers covered by a CSR on-site audit: 40.74%

% or number of all buyers who received training on sustainable procurement: 100%

% of targeted suppliers that is an accredited minority-owned business: 1.30%

Risk assessment of adverse sustainability impacts in the supply chain: 29.00%

Workforce Inclusion, Equity, and Equal Opportunity

% of women employed in the whole organization: 42%

% of women in top executive positions (excluding boards of directors): 17%

% of women within the organization’s board: 0%

% of employees from minority and/or vulnerable groups in the whole organization (if applicable): 29%

% of employees from minority and/or vulnerable groups in top executive positions (excluding boards of directors) (if applicable): 17%

Number of whistleblower cases of discrimination or harassment incidents: 0

Employee Health & Safety

Number of work-related accidents: 1

% of employees trained on health and safety: 100%

% of employees trained on discrimination & harassment: 100%

% of employees provided with skills training: 74%

Emissions & Energy Consumption

Emissions Data			
	FY25 Market-based Emissions (tCO ₂ e)	FY25 Location-based Emissions (tCO ₂ e)	FY24 Emissions (tCO ₂ e)
Scope 1 Emissions:	1,404	1,404	1,133
Scope 2 Emissions:	2,387	2,200	1,347
Scope 3 Emissions Total (upstream):	468,165	468,142	469,517
Total Emissions:	471,956	471,746	471,997
Emissions By Category			
	FY25 Market-based Emissions (tCO ₂ e)	FY25 Location-based Emissions (tCO ₂ e)	FY24 Emissions (tCO ₂ e)
1 Direct Emissions:	1,404.33	66,7490.16	1,103
2 Purchased Electricity, Steam, Heat, & Cooling:	2,386.82	17,129.20	1,347
3.1 Purchased Goods & Services:	431,212.90	1,404.33	371,886
3.2 Capital Goods:	1,429.94	2,199.50	3,478
3.3 Fuel & Energy Related Activities:	751.97	743.35	459
3.4 Upstream Transportation & Distribution:	15,146.13	888.42	89,526
3.5 Waste Generated in Operations:	607.45	15,146.13	46
3.6 Business Travel:	864.95	1,531.07	3,553
3.7 Employee Commuting:	1,022.85	1,008.59	569
3.9 Downstream Transportation & Distribution:	17,129.30	550.04	N/A

Energy Consumption	
	FY25 Energy Consumption (MWh)
Total Energy Consumption (MWh):	13,950
1 Direct Emissions:	6,921
2 Purchased Electricity, Steam, Heat, & Cooling:	6,148
3.3 Fuel & Energy Related Activities:	283
3.7 Employee Commuting:	599

Material Topics for a Packaging Distributor

Category	Topic	Sub-Topic	GRI	UN Global Compact Principle	SDG
Environment	Climate Change	Biodiversity	101	7, 8, 9	15
	Climate Change	Materials	301	7, 8, 9	12, 13, 15
	Climate Change	GHG Emissions	305	7, 8, 9	13
	Climate Change	Energy	302	7, 8	9, 13
	Climate Change	Waste/Circularity	306	7, 8	9, 12, 13, 15
	Climate Change	Water	303	8, 9	13
Social	Employment	Environmental Compliance	307	8	12, 13
	Employment	Employment	401	3, 6	8
	People Protection	Training and Education	404	6	8
	People Protection	Workforce Inclusion, Equity and Equal Opportunity	405	1, 2, 6	8
	People Protection	Non-discrimination	406	1, 2, 6	8
	People Protection	Freedom of Association and Collective Bargaining	407	1, 2, 3	8
Governance	Outreach	Child Labor	408	5	8
	Compliance	Local Communities	413	1, 2	17
	Compliance	Environmental Compliance	307	8, 10	12, 13
	Compliance	Anti-corruption	205	10	16
	Compliance	Anti-competitive Behavior	206	10	16
	Compliance	Customer Privacy	418	1, 2	16
	Human Rights	Forced or Compulsory Labor	409	2, 4	8, 16
	Human Rights	Human Rights	412	1, 2, 4, 5	8
	Responsible Sourcing	Procurement Practices	204	3, 4, 5, 6	8, 12, 17
	Responsible Sourcing	Supplier Environmental Assessment	308	7, 8, 9	9, 12, 17
	Responsible Sourcing	Supplier Social Assessment	414	1, 2, 3, 4, 5, 6	8, 17
	Responsible Sourcing	Child Labor	408	5	8
	Safety	Occupational Health and Safety	403	1, 6	8

GRI Content Index

NUMBERED REPORT SECTIONS WITH GRI TOPIC ALIGNMENT

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OMISSIONS

GRI Disclosure	Omission (Full or Partial)	Reason	Explanation
2–6 Activities, Value Chain and Business Relationships	Partial	Confidentiality Constraints	Shorr is a privately held company therefore this information is not publicly accessible.
2–8 Workers Who Are Not Employees	Full	Not Applicable	
2–18 Evaluation of the Performance of the Highest Governance Body		Confidentiality Constraints	
2–19 Remuneration Policies			
2–20 Process to Determine Remuneration			
2–21 Annual Total Compensation Ratio			
410 Security Practices	Full	Not Applicable	Shorr does not employ any security personnel.
416 Customer Health and Safety, 417 Marketing and Labeling			Shorr does not manufacture any products.



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