

For Immediate Release

DIRECT PACK INC MITIGATES SUPPLY CHAIN DISRUPTIONS WITH EXPANDED NORTH AMERICA MANUFACTURING OPERATIONS

- Direct Pack stands up new Baja manufacturing facility in just 10-months, strengthens position to deliver customer orders amid global supply chain challenges
- Production at Direct Pack Baja started in September; all products will be made of post-consumer recycled PET
- Full circle recognition: DPI's long-term customer partner <u>Driscoll's</u> has received the Sustainable Packaging Coalition' <u>2021 Innovator Awards in Responsible</u> <u>Sourcing</u> for their sourcing of PET clamshells with post-consumer recycled content from PET thermoforms

AZUSA, Calif. – Direct Pack, Inc. (DPI), a leader in sustainable, full circular, thermoformed plastic packaging, announced today that it has expanded its North American manufacturing operations with the opening of Direct Pack Baja in Mexicali, Mexico. The company was able to build, equip and staff the new facility in a short 10-months and is now able to supply a higher percentage of their North American customer partners with products built in the region. This has also better positioned the company to meet its customer obligations in spite of the current global supply chain challenges.

The other DPI manufacturing facilities, including Sun Valley CA, Rockingham, NC and Guadalajara, Mexico, are all operating three-shifts, resulting in a fourfold increase in North American production capacity in the last 24-months.

"As we continue to grow our operations, we remain focused and deeply committed to sustainability and innovation with full emphasis of "Circularity" and an ultimate goal of making PET plastic an infinite resource," said Craig Snedden, President of Direct Pack, Inc. "In the last 24 months, DPI has recycled and reused 36 million pounds of post-consumer recycled PET plastic thanks to the continuous operations across our manufacturing facilities."

Direct Pack Baja

Direct Pack Baja is a 200,000 sq. ft. facility that is capable of PET solid-state polymerization, sheet extrusion, thermoforming, automated labeling application, warehousing and distribution. Production of thermoformed food packaging for supermarket, foodservice, growers and processor customers started in September. Direct Pack Baja will employ as many as 80 people during the full rollout of the production equipment, which will take place over the next five months.

The addition of Direct Pack Baja allows DPI to further expand its full circular business model. The company actively works with material recovery facilities (MRFs) to collect used PET plastic clamshells and other packaging – both their own and from other suppliers – and using it to make new packaging. When recycled, PET plastic is an infinite resource.

"As we receive consolidated bales of post-consumer thermoforms from our MRFs partners, we are seeing a very high percentage of our own DPI products coming back to us in post-consumer form," said Snedden. "There is nothing more gratifying than participating with existing recycling structure, which allows DPI to get our own products back, and this fact proves that recycling PET thermoforms really works."

The majority of the raw material in Direct Pack Baja will be derived from Direct Pack Recycling, the company's own reclaiming and reprocessing plant, where both post-consumer recycled PET bottles as well as clamshells are turned into PCR PET raw material again. Through high heat and vacuum in the solid-state polymerization process, the PCR flakes get the same performance characteristics as new material.

October 2021 Innovator Awards in Responsible Sourcing

A key example of DPI's full circular business model at work and its impact, is the recent recognition of long-term customer <u>Driscoll's</u>, who has received the Sustainable Packaging Coalition' <u>2021 Innovator Awards in Responsible Sourcing</u> for their sourcing of PET clamshells with recycled content from PET thermoforms.

Direct Pack and Driscoll's have together leveraged the full circular business model, by including not only post-consumer recycled PET bottles in their berry clamshells, but also post-consumer thermoformed packaging. That means that a new Driscoll's berry clamshell contains material from previously used clamshells, keeping them from landfills, reducing greenhouse gas emissions and the need for new material. Driscoll's transition to sourcing PET thermoforms is a first in the berry industry with respect to promoting full circular packaging solutions.

Camille Herrera, Packaging Development and Sustainability Manager at Driscoll's, said "A huge thanks to our packaging supplier Direct Pack for their efforts in solving both technical and supply chain challenges in the emerging PET clamshell-to-clamshell recycling space. We are deeply appreciative of their partnership in this endeavor, and look forward to even more success in the future as the reverse supply chain becomes more robust."

The expansion of DPI's North American recycling and manufacturing capabilities strengthens the company's capability to service the continuously growing demand of sustainable and full circular take-out and food packaging.

By further leveraging their vertical operations integration – where in-house innovation, outstanding design, and fast tool building is coupled with extrusion, thermoforming and post-consumer recycled raw material – and becoming even more flexible and closer to the key markets and partners they serve, DPI will make a greater impact on sustainability of PET plastic.

About Direct Pack, Inc.

Direct Pack, Inc. is a leader in sustainable, customized and innovative thermoformed food packaging. Since the company's 2006 founding in Sun Valley, CA, our experts have designed some of the most innovative packaging in the market today; ensuring that there is always a strong focus on visual aesthetic, functionality and environmental sustainability. Direct Pack, Inc. owns Direct Pack Recycling, capable of reclaiming 20,000 tons of post-consumer recycled PET bottles and containers annually, and turning them into new food packaging in a full circular business model. Direct Pack, Inc. is a subsidiary of PMC Global, Inc. For more information, please visit: https://www.directpackinc.com

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