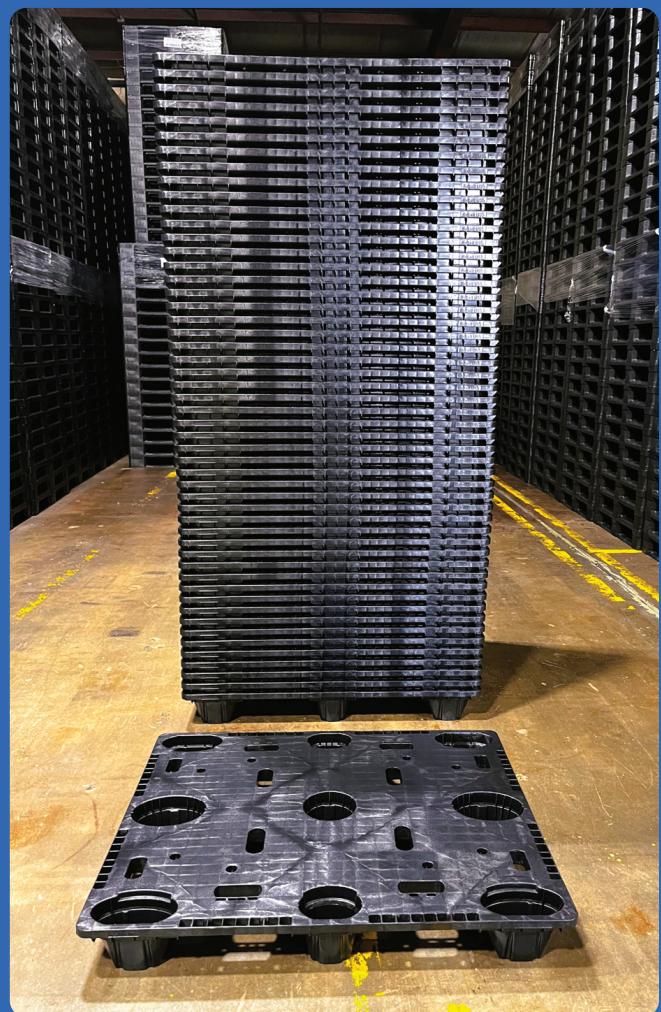




Building a Circular Supply Chain:

How the Pet Industry is Turning
Plastic Waste into Durable
Shipping Solutions

2025



Introduction

In a pioneering collaboration, multiple stakeholders from the pet industry supply chain have come together to create a circular solution for logistics by manufacturing shipping pallets from post-industrial plastic including recycled pet food packaging. This initiative demonstrates that sincere industry-wide collaboration driven by a shared value to reduce waste and improve logistics can lead to innovative solutions.

The players in this story of collaboration are Phillips Pet Food and Supplies, Morris Packaging, Cabka, and Triton Group. All within the pet industry, these companies created a system of mutual benefit by designing and utilizing a custom shipping pallet which is being manufactured by Cabka. By showcasing the success of this collaboration, the Pet Sustainability Coalition (PSC) hopes to pave the way for similar efforts that leverage collective action to solve complex sustainability challenges.



Shipping Pallets Made from Post-Industrial Recycled Plastic from Pet Industry

Cross-company collaboration turned post-industrial dog food bags into durable, nestable plastic pallets. Any pet industry company that uses pallets is invited to join and scale the initiative.

Problem & Opportunity

The pet industry, like many other industries, faces challenges to optimize distribution efficiencies, reduce waste, all while remaining cost competitive. Shipping pallets are essential for transporting goods, and are traditionally made from wood. Wood pallets require natural resources to produce, and pose safety hazards in handling. Wood pallets traditionally last an average of only 4-5 trips before they are lost, broken, or are discarded.

The collaboration began over four years ago when Phillips, a nation-wide pet specialty distributor, partnered with Cabka and identified the opportunity for a sustainable alternative to wood pallets.



Traditional Wood Shipping Pallets

"This project started as an effort to send less to landfills, create quality logistics products, and reduce budgeted costs associated with the supply chain," says John Lawton, Senior Vice President of Business Development & Sustainability with Phillips Pet Food & Supplies.

Cabka, a manufacturer of recycled plastic products, partnered with Phillips on a vision to include post-industrial and consumer waste to design a pallet made primarily from recycled materials. Triton Group became involved as a strategic supply partner for Cabka, providing the recycled plastic pellets needed to create the pallets.

To take it a step further, Morris Packaging, a supplier of flexible plastic packaging, connected with Cabka and Triton Group to supply post-industrial material from the rollstock trimmings from their converting facilities.

By bringing these four players together, a new shipping pallet could be designed with and for the pet industry.

How it Works

Material Sourcing and Blending

The initiative begins with sourcing post-industrial flexible plastic waste from Morris Packaging, which provides rollstock trimmings from its converting facility. Triton Group combines this with rigid plastics to create durable recycled pellets. The final blend, optimized through multiple iterations, consists of 10% flexible plastics from post-industrial polyethylene (PE) and polyethylene terephthalate (PET) and 90% rigid plastics from post-consumer recycled polyethylene (PE) and polypropylene (PP). This formula ensures the durability and functionality required for demanding logistics applications while incorporating significant recycled content.

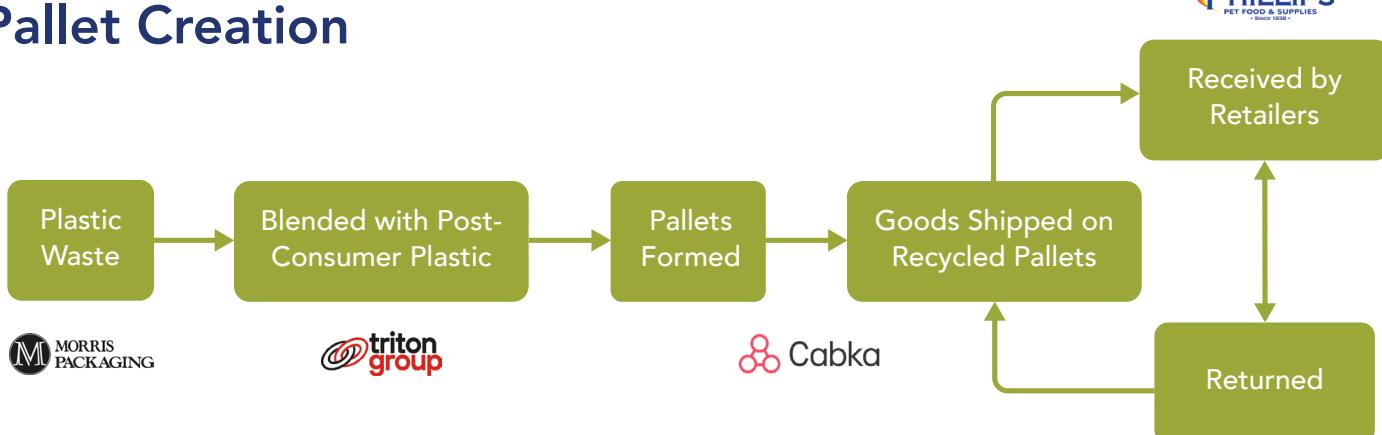
Pallet Creation

The recycled pellets are molded into durable, nestable pallets by Cabka. These pallets are lighter than traditional wood models, extending the lifecycle of traditional wood pallets by up to 5X and improving transportation efficiency. Phillips collaborated closely in the design process to ensure compatibility with its logistics systems, conducting iterative testing to optimize performance.

Reverse Logistics

Reverse logistics is a critical component of the recycled pallet initiative, ensuring the pallets are returned for repeated use, thereby maintaining a more circular system. As a distributor, Phillips plays a pivotal role in this process. Once goods are delivered to retailers, the used pallets must be collected and returned to Phillips' distribution centers. This will involve coordinating with retail partners to establish clear procedures for storing and returning pallets rather than discarding them.

Pallet Creation



Motivated by Circularity

Penny Steinwagner, Director of Sustainability for Morris Packaging, explains her motivation for participating: "As a leader in the pet industry for sustainable packaging, our goal is always to seek ways to make a circular product."

"A truly circular system would mean, for example, that a pet food bag could be recycled back into a pet food bag." Greg Janson, President and CEO of Triton Group, explains that "recycling a product back into that same product is very challenging. But if you can't go product to product, you can go primary packaging to secondary or tertiary packaging to get close to circularity."

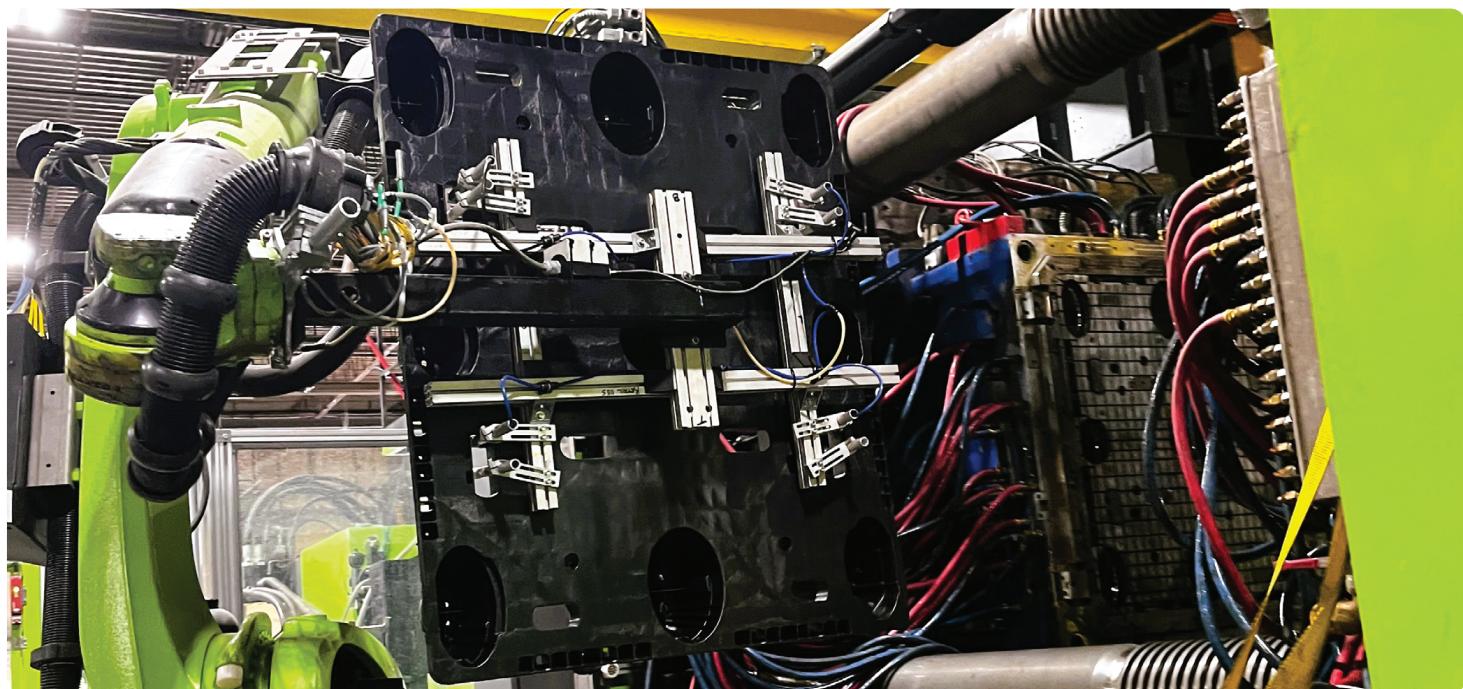
The commitment of Phillips, Morris Packaging, Cabka, and Triton Group to this initiative exemplifies the power of prioritizing environmental responsibility over immediate or guaranteed financial returns. These four players chose to invest in designing, piloting, and testing the recycled pallets without certainty of a financial return on investment, driven instead by a shared vision for circularity and sustainability.

"Cabka was primarily founded with a commitment to transform waste headed for landfill into something useful and we've been successfully providing recycled plastic pallets and returnable transport solutions for more than 30 years now," added Dan Prevedel, Managing Director of Cabka North America.

Their collaboration reflects a willingness to innovate and take risks in the name of reducing waste in the pet industry.

"As a leader in the pet industry for sustainable packaging, our goal is always to seek ways to make a circular product."

-Penny Steinwagner, Director of Sustainability for Morris Packaging



Post-industrial material is turned to pellets then molded into pallets

Performance & Benefits

The recycled pallets deliver advantages compared to traditional wood models. Their durability is a key feature, as they can withstand up to 20 trips compared to the four to five trips typical of wood pallets. This extended lifespan reduces replacement frequency and landfill contributions, leading to significant cost savings. Additionally, the lighter weight of the plastic pallets could potentially reduce fuel consumption during transport thereby lowering emissions. Lawton emphasized this benefit, noting, "every pound eliminated from a shipment on a trailer saves diesel fuel. The nested design of the pallets also creates the opportunity for deliveries of the trailer loads of new pallets coming to our distribution centers to have up to 25% more pallets on the inbound deliveries."

The pallets also provide critical safety improvements, as they eliminate occupational and product damage hazards such as nails, splinters, and debris. The recycled plastic pallets meet the hygiene standards required for pet industry logistics, and weigh approximately 30% less than traditional white wood pallets.

The initiative exemplifies an ideal solution and how operational benefits can align with environmental and safety priorities, creating a holistic solution.

Challenges & Lessons Learned

The path to achieving circularity in this project was not without challenges. One significant technical barrier was finding the right blend of flexible and rigid plastics to maintain durability while integrating recycled content. This required iterative testing and adjustments to strike an optimal balance.

Behavioral change also emerged as a critical hurdle. For the system to function effectively, plastic pallets need to be returned to distribution centers after use, requiring adjustments in Phillips' reverse logistics processes. Encouraging this behavior among staff and partners was essential to the initiative's success.

5x

More durable than
wooden pallets

30%

Weighs less than
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25%

More pallets on
inbound deliveries

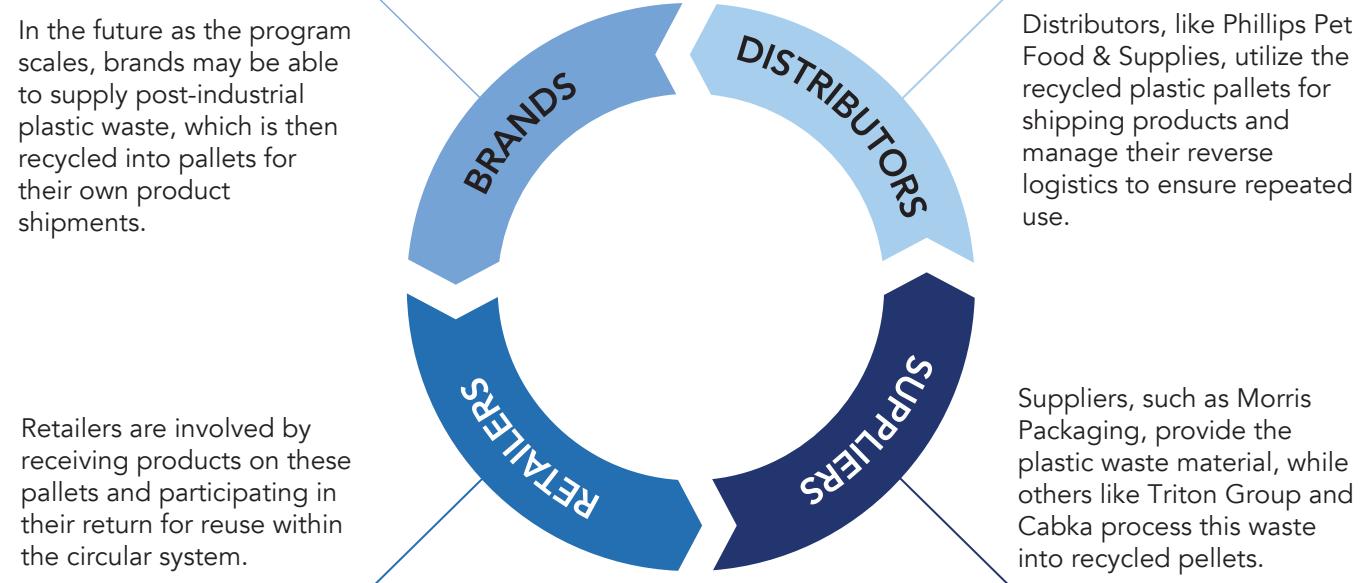
Next Steps and Expansion

Having successfully completed its pilot phase, the recycled pallet initiative can now scale operations. Phillips will be testing the reverse logistics process within its own warehouse network to determine if it can achieve a reclamation rate of 70–80%, which is the break-even point for making the system cost-effective. Cabka and Triton Group have committed to producing the recycled pellets and pallets to support scaling the effort. Morris Packaging is also dedicated to supporting further scaling of the pallets.

A critical element of this expansion involves bringing more distributors, retailers, and other players in the pet industry supply chain into the initiative. Increased participation from brands, retail partners, and other logistics stakeholders will amplify the impact of the program, creating a larger network to scale the production and use of recycled plastic pallets. By onboarding

additional partners, the initiative can address more diverse waste streams, involve more PIR waste streams and packaging suppliers, improve the efficiency of reverse logistics, and strengthen industry-wide collaboration for sustainability.

A key next step in substantiating the environmental impact of these recycled pallets is conducting a comprehensive Life Cycle Assessment (LCA). This analysis will evaluate the pallets' full environmental footprint, from material sourcing and manufacturing to transportation and end-of-life management. By collecting LCA data, stakeholders can validate sustainability claims, identify areas for improvement, and benchmark the pallets against traditional wood alternatives. Integrating LCA into the initiative's future efforts will ensure transparency, accountability, and informed decision-making, reinforcing the initiative's commitment to genuine environmental progress.



Conclusion

By turning packaging waste into valuable logistics solutions, Phillips, Morris Packaging, Cabka, and Triton Group have demonstrated their willingness to align expertise and share the risk involved with any innovation. They proved that collaboratively solving for environmental benefits and long-term industry resilience can take precedence over short-term profit. This forward-thinking approach sets a benchmark for how businesses can lead with purpose and create solutions that are both impactful and scalable.

"On behalf of the Pet Sustainability Coalition," says Jim Lamancusa, Executive Director & CEO of PSC, "I applaud this remarkable collaboration, and I'm eager to see how it continues to expand and set new innovative standards for sustainability in the pet industry."

PSC hopes that by sharing this story, more companies will be encouraged to take bold steps toward circularity, embracing innovation and collaboration as the keys to a more sustainable future.



This collaboration is from the pet industry... for the pet industry!



Recycled plastic pallet in use in Phillips distribution system

About Pet Sustainability Coalition

The Pet Sustainability Coalition is a nonprofit that advances business through profitable environmental and social business practices.

Founded in 2013 by eight companies, PSC now serves more than 200 member companies across the pet industry, helping them to progress on their sustainability practices, set and strive for ambitious goals, and report on their achievements. Additionally, PSC leads retailers, distributors, manufacturers, brands, and suppliers in pursuing collaborative solutions to some of the largest industry-wide issues, such as sustainable packaging and protein sourcing. Connect with us on LinkedIn and YouTube. Learn more at www.petsustainability.org

About Phillips Pet Food & Supplies

Phillips Pet Food & Supplies began as a single feed store in 1938 and now operates 11 distribution centers strategically located across the United States. Phillips proudly serves the Pet Specialty Industry and is committed to providing customers with the products and services that will contribute to the growth and profitability of their businesses. For more information, visit PhillipsPet.com

About Morris Packaging

Morris Packaging is dedicated to delivering sustainable, innovative, and high-performance flexible packaging solutions for industries nationwide. Headquartered in Bloomington, IL, with production facilities in Plymouth, MN, and Jefferson City, MO, we specialize in creating environmentally responsible packaging that supports circular supply chains. By collaborating with partners across industries, we're turning challenges into opportunities to reduce waste, conserve resources, and create lasting value for businesses and communities alike. As an active

accredited member of the Pet Sustainability Coalition, Morris Packaging continues to advance its mission of driving impactful change through sustainable practices. Discover more about our commitment to a greener future at morrispkg.com

About Triton Group

Triton Group, (formerly Granite Peak Plastics) provides a path to circularity by responsibly recycling polyethylene (PE) and polypropylene (PP) plastic scrap—even in challenging market conditions and complex waste streams. Using a proprietary U.S.-based system to sort, wash, and grind a wide range of post-consumer, post-industrial, and post-commercial plastics, the company transforms plastic waste into high-quality post-consumer recycled (PCR) regrind. This sustainable material is then used to manufacture durable products such as composite rail ties and pallets, delivering long-term value across the supply chain.

About Cabka

Cabka is in the business of recycling plastics from post-consumer and post-industrial waste into innovative reusable pallets- and large container solutions enhancing logistics chain sustainability. Cabka is leading the industry in its integrated approach closing the loop from waste to recycling to manufacturing. Backed by its own innovation center in Valencia it has industry knowledge, capability and capacity of making maximum use bringing recycled plastics back in the production loop at attractive returns. Cabka is fully equipped to exploit the full value chain from waste to end-products. For more information, visit Cabka.com

Cabka is listed at Euronext Amsterdam as of 1 March 2022 under the CABKA ticker with international securities identification number NL00150000S7.

As Cabka's national broker for these recycled plastic pallets, Baer USA can be contacted via Pat Loftus at PLoftus@BaerUSA.com or 913.649.1955 for inquiries regarding industry partnerships and adoption of this sustainable solution.

