



UNITED STATES COLD STORAGE

THE SHIELD



**Sustainability
Dream Team**

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SMART 'BOTS'

POWERING LOGISTICS

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about the shield

The Shield is a quarterly newsletter about United States Cold Storage that highlights news, improvements, and achievements in our business.

If you would like to be added to our mailing list please email us at: Marketing@uscold.com



A MESSAGE FROM THE CEO

larry alderfer



Hello Cold Chain Colleagues,

The first quarter of 2023 is off to a great start and has been filled with fantastic accomplishments and we’re just getting started.

We began the year with the successful implementation our custom Enterprise Warehouse Management System, Phenix at our multi-temp, solar powered and recently expanded Tulare North facility. This has been an extraordinary achievement and a seamless transition. I’m grateful to everyone who has contributed to the success of the implementation. Tulare North is one of our largest facilities and the highest volume to run on the new system so far.

In late January, US Cold’s board joined our Senior Management team in Austin Texas for our 2023 kickoff and planning sessions. We dedicated considerable time focusing on the continued development and advancement of our internal measurement systems. The confidence in the comprehension of our Senior Management team understanding our processes and systems at a micro-level provides great insight. It also informs how we further improve our operations capabilities and service offerings. Maintaining our lead as the Best in Class service provider is critical to our customers and central to our mission.

I’m excited to announce a number of growth initiatives approved by our board over the past several months:

- We developed and have approved two of our new multifarious automated warehouses. These next generation USCS warehouse designs are built upon learnings and innovations from our previous automated warehouse systems. The benefits include:
- Increased storage density
 - Improved case picking/order selection efficiency
 - Improved safety
 - Reduced power consumption

Furthermore, we are well into the planning and approval for a further three automated expansions in California and the Northeast. And finally, by the 4th quarter I expect an additional two expansions will be underway for a total of seven projects under development adding approximately 200,000 pallets to our key distribution markets.

Also, US Cold’s Sustainability Team had the honor of attending an onsite Sustainability Best Practices workshop in conjunction with our parent company, SWIRE’s Sustainable Development Office.

I’m also proud of our Human Resource department for investing in education programs for our Cold Crew. We truly are Best in Cold because we are Best in People. In early March USCS University kicked off its ninth session University cohort IOTA. It was the largest class ever, with 36 of our future

“ Education remains a top priority for our company... ”

leaders who came to headquarters from all over the United States. They heard from industry experts, shared knowledge about their best practices, and developed relationships that I know will last a very long time.

Education remains a top priority for our company, and I encourage anyone on our team to take advantage of the incredible education programs we offer including, Tuition Reimbursement, USCS University, and USCS Academy. I truly believe education and continuous learning lifts our company, the industry, and society.

I am extremely excited about our goals to continue to serve our USCS valued customers and I hold high our expectations for the USCS Cold Crew this year.

It’s a great time to be in the cold chain and a great time to be at USCS!

Sincerely,

Larry Alderfer
President & CEO

USCS Building Automated Site in Lowell, IN

New 13.6 million-cubic-foot warehouse in Northwest Indiana boosts regional capacity, national distribution.

USCS expected this March to break ground for a 13.58-million-cubic foot automated cold storage facility in the northwest Indiana town of Lowell, approximately 60 miles outside Chicago.

"This northwest Indiana location will offer much-needed capacity to the Chicagoland area," says David Butterfield, USCS Senior Vice President-Central Region. "Strategically, the Midwest also has been—and is—a great market for USCS to align with our current COLDshare Consolidation (CSC) distribution program."

"Capacity within the industry is tight and adding this facility will provide critical space for the growth of our current customers as well as Best-In-Cold service to new customers," echoes Adam Ashley, USCS General Manager in Lebanon, IN. "Meanwhile, this site will be the fourth facility in Illinois and Indiana to participate in our nationwide CSC program. It will interact with our Lebanon location as well as Chicago-area warehouses in Minooka and Wilmington, IL, to offer coordinated, less-than-truckload distribution savings and reach 48 states within the United States."

By the Numbers

Upon completion, the public warehouse will house 43,421 pallet positions including 35,645 positions serviced by an automated storage and retrieval system (AS/RS). The

building also will include an additional 7,776 pallet positions serviced by our new novel automation system. The facility will have full temperature convertibility (+35°F to -20°F) but is expected to focus on frozen customers.

"This site will serve any frozen customer but is particularly suited to those with higher turning inventories that require broad distribution services," says Ashley. "The intent with the design, layout, and automation is to have a building that can provide the service with minimal labor."

USCS owns 110 acres at the Lowell site and will dedicate 70 acres to the building, associated trailer drop areas, dock and other needs. An additional 40-acre section provides room for a customer to build an adjacent production facility. In addition, USCS has land to install a solar array that will provide 100% renewable energy to the warehouse.

USCS expects by May 2025 to complete the new building.

"Lake County, IN, has been a great partner to work with through the entire process," Butterfield adds. "Their officials have supported and assisted our efforts to build a state-of-the-art facility."



Another Successful Phenix Deployment

By Larry Alderfer

I'm incredibly proud to announce the successful integration of Phenix, US Cold's proprietary and revolutionary, custom Enterprise Warehouse Management System in our Tulare North facility.

Phenix has set the standard for operational excellence with enhanced efficiency for productivity and utilization which elevates the performance evolution throughout the USCS network.

Through the regeneration of our legacy WMS, Phenix evolved to create an unprecedented control and visibility of our customer's inventories. Phenix, born from the knowledge and experience of USCS' decades of operational expertise, has been permeated with custom code which captures all aspects of inventory management, product flow, labor utilization, and truck optimization in a single, integrated platform.

"I wanted to take a moment to express my sincere gratitude and appreciation for the successful implementation of Phenix. The dedication, hard work, and tireless effort put in by each member of the team have paid off tremendously, and I cannot thank you enough.

I understand that implementing a new system can be challenging, and I appreciate the patience, flexibility, and teamwork that everyone demonstrated throughout the process. Your expertise, collaboration, and commitment to excellence have truly made a difference.

Once again, thank you for your hard work and dedication. I look forward to continued success as we move forward with Phenix."

Andrew Pavlicin
Phenix Program Manager

While this Tulare North deployment was number 12 in the USCS WMS conversion, it presented a significant challenge for complexity and volume for operations. I want to personally acknowledge every Cold Crew team member for their dedication and contribution to the success of this deployment and thank them for their noteworthy accomplishment. With every successful deployment, USCS continues to grow a stronger and more progressive system that continues to service customers at the highest level.

Development

Bobby Kareer
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Larry Lam
Lawrence Glista
Pedro Torres
Ken Whitney
Philip Chen
Steven Goldberg
Michael Sucena
Chris Carcel
Robert Kunzig
Jon Baker
Kevin Bookwalter
Emmanuel Etumadu
Kyle Steppe
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Chris D'Elia
Zach Seiger
Eric Martinez
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EDI

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Danny Renteria
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Tracy Deanda
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Jen Hulsey
Brianna Martinez
Anthony Coronado
Jesus Romo
Chad Cox
Brian Ford

Networking Team

Zach Harley
Lin Sheppard
Mike Nassar

Mind Over Matter

An Education Assistance Program helps USCS invest in its most important assets—its employees.

Of course, it makes headlines when United States Cold Storage invests in a capital-building project or other industry technologies. Yet it should not come as a surprise that every day, and every year since 2011, USCS also has invested in its Cold Crew.

Since its start 12 years ago, USCS' Education Assistance Program (EAP) has helped an estimated 200 employees. To date, USCS has spent more than \$2.2 million helping employees who pursue a wide range of educational pursuits—from associate to doctoral degrees, and even technical certifications.



"This program provides an avenue for an employee to grow both personally and professionally. Moreover, it provides them with tools to become a stronger contributor to the company," says Joshua Holi, USCS Phenix Product Manager and a former EAP participant. "We already are learning at our job. Yet to take classes directly related to our industry—at no cost—gives us another avenue to contribute value. It's really very motivating."

Holi's story is certainly a fascinating one. He joined USCS Bethlehem, PA, in 2014 as a forklift operator. He used USCS' EAP to pursue and earn an Associate's degree (General Studies) in 2016 from Northampton Community College, Northampton County, PA. He next used EAP to earn an online Bachelor's degree in 2019 from Southern New Hampshire University. That program allowed him to pursue a concentration on information technology.

Today, Holi's day-to-day responsibilities involve managing and participating in the design and functionality of USCS' enterprise warehouse management system. He manages a product team of business analysts to solve operations problems and design improved features for the Phenix product.

Landion Donovan-Green, Corporate Training and Development Specialist, notes that USCS partners with Strategic Education Inc., an education services holding company, for discounts on a number of online degree options at Strayer and Capella universities. It's just one way to help employees make the most of tuition assistance. He adds that USCS recently streamlined the reimbursement request process. Employee-students now can leverage the company's Sharepoint site, which hosts the all-digital submission links.



"I applied for education assistance because I know USCS is committed to investing in its people," Holi concludes. "It was a great opportunity to learn skills that directly related to my career field and also obtain two degrees in the process—a win-win!"

Here are just two more profiles of USCS employees and EAP participants.

Name: David Dicharo
Title / Location: Warehouse Superintendent, Minooka, IL
EAP Story: Dicharo earned an associate's degree from Joliet (IL) Junior College. Starting in 2014, Dicharo pursued a Bachelor's in Business Administration with a minor in Management and Leadership from Franklin University, Columbus, Ohio. He completed the degree in 2019 with a 4.0 GPA.

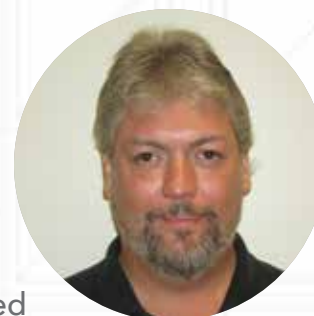


Benefits / Advice: "As a team lead who had training experience and who had worked in other various departments, I wanted to place more focus in leadership and grow within the company. USCS' educational assistance program is great! It allows an individual to enhance their skills and ultimately impact our business. I have always been fascinated with leadership and how it plays a key role in management. The educational assistance program helped me strengthen leadership skills while I continued learning different parts of the business."

Name: Christopher Campbell
Title / Location: Operations Manager, Quakertown West

EAP Story: "I received my associate degree in 1997 and thought I'd take a semester or two off before going for my bachelor's degree. Seventeen years later, several of my USCS coworkers (who had participated in EAP) convinced me to return to school and with their support, I did. I had spent 20 years as a warehouse supervisor and—although I loved what I did—it was time to move on. I applied in 2014 and later earned dual bachelor's degrees in HR Management and Business Administration in 2017 from DeSales University, Center Valley, PA. Then I earned a master's in Business Administration in Supply Chain Management in 2021."

Benefits / Advice: "I believe EAP is a great program that not enough people utilize. Most universities have some form of a tuition deferral program that allows you to pay after the semester has ended, such as DeSales. That means that the only real out-of-pocket expenses would be books. Expensive as they may be, they are significantly cheaper than tuition. That cost also is reimbursable once the class is over. Fees aside, the next obstacle is finding time to study."



Want to Learn More—About Learning?

Who Qualifies?

A: All employees in good standing who have completed one year of USCS service and who are interested in continuing their education for personal and/or professional development.

What Qualifies?

A: USCS supports employees in their pursuit of a wide range of degrees—including associate and bachelor degrees to doctoral degrees and even some technical certification courses.

What's the First Step?

A: Employees communicate their interest in continuing their education (or in some cases, their active enrollment in an education program) to their local HR officers and/or General Manager. Simply submit a letter of intent detailing the anticipated financial need and the contribution their studies will have to their professional development as members of the Cold Crew. Once approved by local and executive leadership, employee students are assigned an annual reimbursement limit, which they may use against charges related to their studies including tuition and course texts.

Work Smarter, Not Harder

Automated “bots” help USCS Logistics save time, money and people resources.

If someone mentions automation in the public refrigerated warehousing, it's most quickly and commonly associated with large mechanized cranes and other pieces of equipment that store, retrieve and/or place pallets. Yet did you realize that robots are equally prevalent in the office environment?

Let's start with the story of TenderBuddy, where day-to-day challenge presented opportunity for innovation. In 2021, Logistics Automation Specialist Luis Sanchez was in the Logistics Leadership Program. He recognized that logistics load planners often were unable to tender loads to potential carriers in a timely manner. This led to increased cost in an extremely tight carrier market. To address the challenge, he developed TenderBuddy, a series of automation scripts that re-tender loads to the next carrier in the route guide when the tender was rejected or expired.



LUIS
SANCHEZ

“This allowed us to put our loads in front of carriers faster than we ever could manually and this resulted in significant cost savings,” says Sanchez. “The impact of the TenderBuddy sparked a conversation around robotic process automation (RPA). Since then, we have been identifying other low-hanging fruit—like load tendering—where RPA can have a high impact while we set up the infrastructure required to support automation at scale.”

Logistics Systems Manager Lauren Norton learned more about new automation technologies at a work conference and subsequently discussed the ideas with Senior Vice President of Logistics Keith Mowery. Logistics then made its case for automation and secured additional funding through USCS' Project Management Office (PMO), with Eddie Russell, a Senior Project Specialist and Program Owner, assigned to help.



LAUREN
NORTON

Norton simplifies the concept: “When a particular task has a clearly defined process and rules, we generally can automate it, which saves employees from these extremely tedious and time-consuming tasks. In turn, we can focus our Logistics team members' efforts to new ‘value-add’ functions. It also reduces error related to human input and ensures a process gets done the same way, every time it needs to happen.”



EDDIE
RUSSELL

Norton says USCS leverages two different software platforms, UI Path and Power Automate, to create and perform automated process flows within a cloud environment. To date, USCS Logistics automation projects address:

Document Uploading: A document upload bot takes indexed proof of delivery (POD) documents from USCS' Logistics system and acts as a person to download these documents and re-upload them into customers' systems of record.

Internal Quality Checks: USCS uses Microsoft Power Automate to run a monitoring bot, called “Sam,” which checks for abnormalities within different systems. This helps ensure systems are running effectively. Previously, a logistics team member had to scrutinize a checklist to validate that certain back-end jobs ran correctly. Today, “Sam” automatically and continuously scans systems for abnormalities. If an event occurs, the bot notifies operators immediately and reduces system-related downtime, says Norton.

Data Cleaning, Data Transfer: USCS uses a few bots to help with data massaging and transfer. Specifically, a few bots gather data for cross-dock loads and help coordinators more effectively plan loads. Some bots take emailed data and drop it into file transfer systems that USCS' data warehouse then is able to secure and input.

Detention Processing: Norton says USCS' next will target ways to automate detention processing data.

As the number of Logistics bot applications increase, Russell says it's time to take the process out to more departments companywide.

“We're proud to say we delivered the first of many Logistics bots on time and on budget. Developing RPA skills across our organization will be a big initiative this year. We want more people to get involved with this technology and drive robotic process automation everywhere—for warehouse operations and supporting departments such as Human Resources, Finance and Accounting.”

Sanchez agrees.

“This technology has opened up a world of possibilities, and we're excited to continue exploring its potential across different departments.”



Sustainability: Green Means Go

USCS completes milestone sustainability impact studies, starts investing in more technology.

USCS has long strived to reduce environmental impact. Yet under the leadership of its parent, The Swire Group, USCS more recently has deeply explored and critically analyzed its true operating footprint involving energy and water use, carbon dioxide emissions, and other factors.

When USCS officially promoted Project Engineer Dan Postlewaite to Manager of Sustainable Development in late 2020, he realized that the company sustainability strategy first required critical study—before any immediate “start” to put in place action for the sake of action.

Think of street traffic lights. You might say USCS temporarily paused any big sustainability initiatives (a red or yellow signal) while it measured every aspect of its daily sustainable footprint. This included an environmental impact assessment as well as a “materiality” study of USCS’ overall priorities in regard to sustainability and all variables.

But now that important work is complete and USCS has a green light to pursue more sustainability-related capital projects and advanced technologies. In conjunction, USCS made a structural shift and promoted Postlewaite to Director of Sustainable Engineering—overseeing both

the Sustainability and Engineering Departments. In turn, USCS hired Sara Cook as Sustainable Development Manager, and Paul Thomas as Project Engineering Manager. USCS also hired Robert Moore as a Project Engineering Manager, to specialize in solar array technologies and installation-integration.

For his part, Postlewaite says he’s encouraged by last year’s achievements and excited by new spending and additional studies in 2023.

“One of our biggest achievements last year was to fully track and measure our Scope 3 GHG emissions (see chart). In the world of sustainability, that’s actually pretty ‘sexy,’” he says. “There are few companies out there that have this level of insight into their emissions profile.”

Here’s a look at USCS’ ongoing sustainability work in 2023.

Solar Installations: USCS Engineering Department received approvals for solar array installations and/or expansions at USCS McClellan, Tulare and Fresno, CA; Lebanon, IN; Minooka, IL; Lumberton, NC; and McDonough, GA. These projects are in various stages of development with some under construction and others in contract negotiation.



SARA
COOK



PAUL
THOMAS

Pilot Technology Studies: USCS has three pilot studies underway at four sites. They include:

* Granular data metering of in-warehouse equipment, down to cycle times for dock and freezer doors.

* An integrated refrigeration controls technology that effectively becomes a “digital twin” of the refrigeration system. Once in place, it can identify ineffective performance gaps as well as provide predictive maintenance feedback.

* A demand intelligence technology that can effectively overwrite the refrigeration control system and use its own remote sensing and machine learning (artificial intelligence) techniques. Ultimately, it can provide more real-time data of greenhouse gas emissions during peak refrigeration demand periods. Previously, this type of real-time data has not been available.

Additional Emission Studies:

Postlewaite’s team next will finalize just a few remaining emissions studies, including an updated emission inventory for 2022. It also will introduce emission reduction targeting.

“It truly has been exciting and we have our company’s full support,” Postlewaite says. “We were able to get new solar arrays approved and bring on a person dedicated to overseeing that implementation as well as grow our team of sustainability professionals. Last year was electrifying because all of these initiatives went from ideas to a case where pen met paper and we got sign-off. That really means something.”



ROBERT
MOORE

GHG Protocol Emissions Examples

- Scope 1 emissions
- Building onsite energy use (e.g., space heating)
 - Building refrigerants
 - Company Vehicles Fuel consumed by owned and leased vehicles
- Scope 2 emissions
- Purchased electricity, steam, heating & cooling for own use
- Scope 3 emissions
- Purchased Goods and Services
 - Capital goods
 - Upstream and Downstream Transportation & Distribution
 - Business Travel (incl. Remote Working)
 - Employee Commuting
 - Leased Assets
 - Waste Generated in Operations
 - Investments

Source: Anthesis Group Consulting

Swire Thrive Principles

In 2016, Swire introduced SwireTHRIVE, a group-wide environmental sustainability strategy addressing every part of Swire’s operations. It involves six key target areas for improvement including Carbon, Waste, Water, Sustainable Materials, Biodiversity, and Climate Resilience. These goals are due for delivery by 2030, with an initial emphasis on 2020 milestones.

Good to Grow

USCS senior managers recap 2022 activities, project upcoming growth

A healthy United States Cold Storage continues to grow and expand to match a growing industry. That was the consensus of USCS' top officials meeting this January in Austin, TX. The first of two annual meetings, this "kick-off" event involved a cross-functional group of 28 senior managers—representing operations, transportation, logistics, regulatory-labor-safety, human resources, sustainability, and information technology.

"It's good to meet and review industry growth and our customers' needs," says Mickey Hoffmann, Senior Vice President of Corporate Development. "Coming off the pandemic, 2022 was a recovery year. There was some

stabilization in labor. And even though there's new storage space coming online, demand remains high and we're in a good position to help our customers. Ultimately, they're doing well and that success and performance increase our need for additional capacity."

Last year saw USCS divest three warehouses but also directly reinvest in properties in the company's key markets of California, Illinois, Georgia, and Indiana. The company completed rail dock expansion in Lake City, FL, and plans an additional expansion there. It will build a fully automated warehouse in Lowell, IN, and pursue automated expansions in Bethlehem, PA, McClellan, CA, and McDonough, GA.

Here are activity and department recaps from USCS senior managers:

Automation: Going forward, every facility that USCS builds or expands will feature some form of automation—from complete automated storage and retrieval systems (AR/RS) to case picking.

Labor / Safety: In 2022, USCS recorded its lowest Lost Time Injury Rate (LTIR). Its Minooka, IL, site won the Innovators Grand Prix, a companywide safety contest.

Human Resources: Last year saw USCS introduce Crew View, a Human Resources Information System enabling self-service administration of employee HR needs—including time-off requests, training, payroll management, and benefits management.

Sustainability: USCS promoted Dan Postlewaite to Director of Engineering, responsible for sustainability efforts. USCS and its parent company, Swire, have approved capital investments totaling approximately \$75 million for solar and other renewable energy technologies.

Center of Digital Excellence (CoDE): USCS continued extending its proprietary eWMS, PHENIX, in warehouses nationwide. It is a custom developed software program to be flexible and agile to best serve customers with specialized requests. USCS also is using data intelligence to better assess internal and external performance and drive better, data-driven decision-making.

Logistics & Transportation: USCS' Transportation & Logistics Group hosted its fourth annual Carrier Advisory meeting. Last year saw USCS complete the roll out of its new MercuryGate transportation management system across all USCS regions.

"We appreciate our parent, Swire Group, which continues to support USCS with growth investment," Hoffmann concludes. "With our shareholders behind us, we remain ready to grow and support our evolving customers' needs."

USCS Remembers P.W. Fitzpatrick

It's with sadness that United States Cold Storage remembers the life of Patrick W. Fitzpatrick, 83, who died February 16, 2023. He was a 37-year USCS veteran who retired December 31, 2004, as Senior Vice President and Chief Operating Officer. He later served on USCS' Board of Directors until 2007.

Fitzpatrick's career easily spanned four decades in Canada and the United States. He worked at Trans Canada Freezers, Canada's second largest public refrigerated warehouse, before joining USCS in the early '80s to manage central California operations. In 2001, USCS promoted him to his senior vice president's role and tasked him to oversee the company's coast-to-coast operating network.

Among those remembering Fitzpatrick are David Harlan, former President & CEO; George Cruz, Senior Vice President, Southern Region; and Rod Noll, Senior Vice President, Western Region.

"Pat was an excellent warehouse operator. Not only did he completely understand our operations but his most important contribution was to bring people together," says David Harlan. "He was wonderful at training and creating a sense of unity. He was an early riser, loved visiting our warehouses and had an amazing sense of humor. His mood would brighten the atmosphere and our people loved him. On a personal note, I'll add that Pat and his wife, Diane, were such good friends. They complemented each other well and our executives grew close to them over the years."

"Pat was a great leader for US Cold for many years," adds George Cruz. "To me, he was an honest, humble and kind man with a great sense of humor that brought out the best in people. A stickler for the best attainable results, he would do that 'his way.' When a plant performed well at a reporting period, Pat would send or fax the manager and all his employees a hand-drawn 'Smiley Face.' These were posted on walls, framed on desks and even taped on forklifts. Pat was missed by the company when he retired and will be greatly missed by many of us now."

Rod Noll remembers Fitzpatrick well from working side by side in the Western Region.

"Pat was a father figure to many of us in the company. He had a big heart, an easy smile, a keen sense of Irish humor and a brilliant mind. His impact was immeasurable. He taught us discipline, competitiveness, dignity, loyalty, perseverance, accountability and selflessness," says Noll. "He was a pioneer in the cold storage industry and a visionary who was 25 years ahead of his time. Those of us fortunate enough to have worked with him were the luckiest people in the company. His legacy will live on with so many lives he touched."

USCS expresses its deepest sympathies to Patrick's wife, Diane, and to their extended family.



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THE SHIELD

1st QUARTER 2023

Warehouse of the Year

Congratulations to
USCS Covington
for the award of
Warehouse of the
Year: 2022 awarded
by Unilever

