

# RESILIENCE



2020 CORPORATE SOCIAL RESPONSIBILITY REPORT



## At a Glance



## Our Vision Statement

To be the national distributor of choice of beverage alcohol producers who value the three-tier system.

To build branded products and profitability for all parties involved.

To serve the needs of our associates, suppliers, customers and community.

## How It All Started

Republic National Distributing Company (RNDC) is an organization built on the strong foundations of three family-owned companies – each with a rich history that would one day be shared.

For Block Distributing Company, N. Goldring Corporation and National Distributing Company – people and relationships mattered most. Shared values would eventually serve as a common thread, bringing each company from its humble beginnings to what they have collectively become today – an industry leader and the nation’s second largest wine and spirits distributor.

## A Message from Tom Cole, President and CEO

Welcome to the 2020 RNDC Corporate Social Responsibility Report.

2020 was a year unlike any other and deserves a CSR Report unlike any other. While we continue to highlight our actions and accountability to social responsibility, the 2020 RNDC CSR Report has a unique twist. This Report highlights our associates and how they tackled the business disruptions presented by the pandemic. Family is our oldest core value, and we truly want to recognize our family at RNDC. From creating innovative solutions to facing unknown business disruptions, our RNDC family—individually and collectively—did their part to make a positive difference.

I want to thank our associates for their resilience in 2020. Our associates demonstrated the ability to adapt as demands changed, which made a big difference in helping our business partners succeed. Also, I want to thank our supplier partners for their flexibility as the pandemic became more permanent in our everyday lives. With our supplier partners, we were able to help many customers when they faced business closures. We supported the United States Bartenders’ Guild with a \$500,000 donation and made significant contributions to several other foundations that ensured our industry colleagues had the necessary resources to survive long-term lockdowns and closures. I also want to recognize the many contributions our individual markets made to support local charities. Throughout the country, our associates stepped up to support the communities where we live.

In talking about 2020, we experienced emerging community issues related to social injustice. We partnered with organizations such as the Equal Justice Initiative and the NAACP Legal Defense Fund to promote racial justice and provide financial support of \$1M to initiatives that support communities of color. As well, we launched our first Black Leaders Advisory Committee (BLAC)

which has been instrumental in providing insights into the challenges faced by people of color in our industry. Through 2021, we will continue our efforts to provide more opportunities for diverse voices to share their experiences and emphasize our commitment to an inclusive culture.

Some of our more traditional corporate social responsibility efforts continued in 2020. The RNDC Foundation contributed \$1.8M to a variety of worthwhile causes. Our focus on health and well-being was evident in our support of the American Heart Association and the Prostate Cancer Foundation. Across our footprint, we provided strong support to Feeding America to address hunger issues. As well, we ensured our associates who dealt with inclement and unusual weather events were taken care of through the RNDC Relief Fund.

As we look ahead at 2021, the pandemic remains a relevant event. However, many positive strides are being taken to eliminate this health crisis. I, for one, am looking forward to traveling again and seeing my colleagues across the country. I’m also looking forward to being able to engage in-person with our charities of choice. Virtual support does not replace the experience of being there to help.

Thank you for your time and interest in our CSR efforts. I hope you enjoy our look back at our year of resilience.

Sincerely,

Tom Cole  
President and CEO, RNDC





### A Message from Lorraine Luke, Corporate Executive Vice President – Human Resources

Dear RNDC Associates and Community Partners,

As we look back on 2020, my key message to start the year was on the importance of a holistic well-being lifestyle and ensuring our RNDC social responsibility was tied to our well-being framework. Very soon, however, we were tested on our commitment to well-being and corporate social responsibility (CSR). By March and throughout the year, we implemented numerous safety measures to ensure the well-being of our associates whether they were working in the trade, in the warehouse, in offices or remotely from home. Through the summer, we literally weathered dozens of natural disasters that surpassed any previous year in number and severity. By late summer, we were executing actions to address social justice issues that personally impacted many of our associates. Inclusion, diversity and belonging have become increasingly important facets of how we work together and with others. Throughout all these challenges, our workforce remained resilient, accountable and focused on servicing our customers, suppliers and communities. So, we are dedicating our 2020 RNDC CSR Report to recognizing our associates and leaders whose incredible work ethic, agility and positive attitude exemplified our Core Values and commitment to well-being.

As we move into 2021, well-being remains a top priority. However, we are also focused on sustainability as part of our CSR strategy. Having the right plans in place to

sustain our business, our workforce, our associates' well-being, and our support of our many communities is imperative. This year we will begin introducing our commitment to the Sustainable Development Goals (SDGs) developed by the United Nations and how our CSR efforts connect with those goals. According to the UN, "The Sustainable Development Goals are the world's shared plan to end extreme poverty, reduce inequality, and protect the planet by 2030." By working together, we can all make a meaningful and impactful contribution to sustaining our world and positive well-being.

Lastly, I want to thank all of the RNDC associates and their families for their strength of character in pushing through 2020. It was a year of historic events that created first experiences for all of us. To you, Salud!

Sincerely,

Lorraine Luke  
Executive Vice President, HR

### RNDC's Response to the COVID-19 Pandemic

RNDC reacted quickly when the World Health Organization (WHO) declared a global pandemic in March 2020. We immediately implemented our Pandemic Preparedness Task Force to address the many issues and challenges we faced in business continuity and workplace safety. Local and state governments issued executive orders. This included the Department of Homeland Security's Cybersecurity and Infrastructure Security Agency designation of RNDC as a critical infrastructure business within the food, agriculture and transportation industries. As such, our entire workforce was deemed essential in supporting our local communities and businesses.

As the business world became more remote with restaurants and bars shutting completely, RNDC took steps to keep our associates, suppliers, customers and consumers informed. From creating COVID-19 online education sites to weekly messages, we have focused on the safety and overall well-being of our teams and partners. Many standards of operations were implemented to ensure a safe workplace, whether in

the trade or in our distribution centers and offices. We were agile in offering alternative, temporary work arrangements; accelerating our e-Commerce strategy; and ensuring best practices were in place for our associates' well-being.

While 2020 challenged us in ways that were new and uncharted, we focused on our core value of Accountability. We were accountable to our operations and associates and ensuring they were taken care of with speed and thoughtfulness. As we start down the path to more normalcy in 2021, we know our response to the pandemic was successful due to our associates' own commitment to Accountability and social responsibility.

### Our Commitment to Total Well-Being

Our commitment to Total Well-Being is an important element of the RNDC Corporate Social Responsibility (CSR) pledge. Our Total Well-Being Model is centered on five distinct themes that are meaningful and fundamental for living one's best life. As we move into the future, in order to achieve our commitment to Total Well-Being, we support partnerships with qualified, reputable non-profit

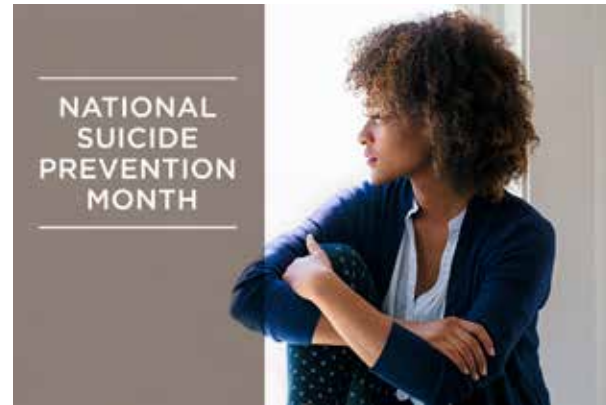
organizations and third-party service providers who are equally dedicated to enriching the life experiences of our associates and communities.

- **Physical Well-Being:** Our commitment is to provide experiences and resources to improve and enhance one's physical fitness, health, or wellness.
- **Emotional and Mental Well-Being:** Our commitment is to provide education and resources to balance one's self and those they care about.
- **Financial Well-Being:** Our commitment is to offer opportunities and resources to enable individuals to attain financial freedom and success.
- **Spiritual Well-Being:** Our commitment is to support one's strong sense of self or purpose through business practices that are value-based and ethical.
- **Environmental Well-Being:** Our commitment is to support programs and practices that inspire us to live a lifestyle that is respectful of our surroundings.

We support our Associates' well-being through our health benefits program called **Well-Being Uncorked!**, which offers resources like mini-courses, games and in-app coaching.











### A Message from Bob Hendrickson, Chief Operating Officer

I want to thank all our associates and company leaders for their perseverance and professionalism through 2020. Despite the unforeseen challenges, our associates stepped up to support our many communities. You demonstrated our Core Value of Service to the highest degree. From servicing our retail trade to our community food banks, I am grateful for the hard work, dedication and positive spirit that our teams embodied during an unusual year of disruptions to our personal and professional lives.

In the following pages, we share some stories about how teams across the RNDC footprint achieved success during the pandemic. These stories are about more than people doing their

jobs. These moving testimonials are about our teams coming together at a time when other businesses were closed and there was no certainty in what the immediate future held.

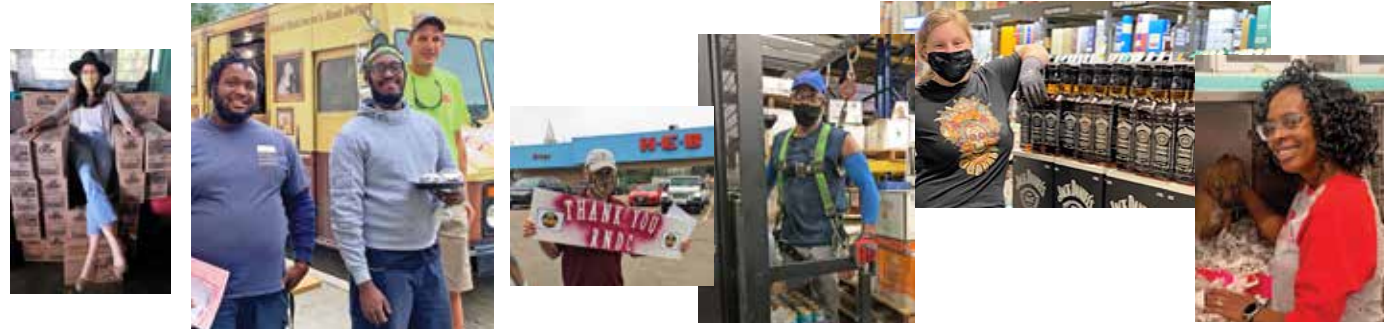
My hope is that these stories resonate with you and tell the ways we overcame significant challenges.

Thank you,

Bob Hendrickson  
Chief Operating Officer  
RNDC

### SALUD!

Throughout 2020, we recognized our associates' efforts throughout the pandemic with our Salud! appreciation campaign. We selected "Salud" because it easily translates to "cheers to your good health." We recognize the importance of good health as a top priority for our associates and their families.



### Commercial Sales Team: Supplier Business Development Wine

As states across the country began to implement COVID-19 shutdowns and restrictions, the Supplier Business Development (SBD) Wine team quickly developed strategies to address the unanticipated new needs of our supplier partners. Russell Motz, SBD Executive Vice President, says the team's biggest opportunity was effectively communicating market changes and working with supplier partners to quickly adjust strategies to support our state teams and their customers.

"Communication was key in keeping the business up to date with daily changes at the state and national levels," Motz says. "Our supplier partners needed information quickly and our team, along with our marketing team, responded by distributing weekly COVID-19 updates with the latest changes to the market."

The pandemic created a unique opportunity for the SBD team to showcase our company's focus on service and excellence. "Difficult situations show your true colors," Motz says. "In this case, it was a win for RNDC."

### Commercial Sales Team: Supplier Business Development Spirits

The pandemic began just as the SBD Spirits team was completing a full integration across RNDC's new 32-state footprint. They faced an immediate challenge of building camaraderie as a new team while learning the dynamics of their new markets.

The SBD team partnered with Trade Marketing to stay connected with our supplier partners by providing the latest data on the impact of COVID-19 for our customers and consumers. Supplier partners received weekly business insights, analytics and resources surrounding the shift in business from On-Premise to retail as it evolved from state to state. The Trade Marketing team quickly developed a COVID-19 Toolkit and Sales Playbook to guide the salesforce on how best to serve customers. The SBD team also partnered with our generous suppliers to order meals for RNDC warehouse associates and drivers who worked tirelessly to ensure the safe and legal distribution of alcohol to our accounts.

"I could not be prouder to be associated with these two teams," says Scott Lammert, Executive Vice President SBD Spirits. "What they accomplished in these challenging times by working closely with suppliers and RNDC markets helped deliver a successful year across the network."

### Commercial Sales Team: National Accounts

Restrictions to in-person interactions at the start of the pandemic did not stop the National Retail or National On-Premise teams (NASA) from helping their suppliers and customers. During and throughout the pandemic, the NASA Retail team created region-centric divisions (West/Central/East) and national vertical teams (Kroger, Walmart and Costco); a drug-centric platform with two new workstreams; small format/c-store; and eCommerce. NASA's retail focus was to not only grow sales but grab share. Both goals were attained as sales grew an astonishing +18.8% while share grew anywhere from .5%-2% by chain.

At the same time, the NASA ON team created region-centric divisions (West/Central/East) with a National Account aligned division.







As shutdowns increased, NASA ON introduced innovation for customers transitioning from open dining to little or no dining options, moving much of their business to to-go wine and cocktail solution opportunities. NASA ON is also quickly introducing customers to the eRNDC platform where relevant.

Additionally, both teams made it a point to create communication channels to help keep customers and suppliers updated with the latest news. “I am proud of how our teams stepped up to the plate and led,” says Greg Bowdish, Executive Vice President National Accounts and Category Services. “Our leaders were creative and innovative with how they engaged their teams, always keeping customers and suppliers top-of-mind while helping associates adapt to the pandemic’s limitations. Not only did our leaders step up, but so did every associate on the team.”

#### Shared Sales Services Team

The Shared Sales Services team drove major organizational change during the pandemic. The group worked to stand up a centralized Inside

Sales team; build and implement an incentive platform to execute and track sales incentives across our footprint; onboard a large number of new suppliers to our network by integrating their full product catalog into the RNDC business systems; help maximize profitability by completing a pricing platform analytics and discounting recovery tool; and revamp how customer service would look in our future state.

“I’m very proud of what my team accomplished in a challenging year,” says Jay Finnigan, Senior Vice President – Shared Sales Services. “They didn’t let the pandemic stop them. They just figured out how to make things work while operating remotely – and in some cases with new team members they had never met in person. I’m grateful for their resilience and creativity, as well as their focus on Core Values.”

#### Operations

When the COVID-19 outbreak began, RNDC worked to make quick decisions benefitting all three tiers of the distribution system. “The impact of the pandemic to the entire

supply chain was significant, resulting in shipment delays, equipment shortages, out-of-stock products, and labor disruptions,” says Steve Feldman, Executive Vice President of Operations with RNDC. “Our concern was getting products from suppliers to customers in the midst of changing consumer patterns, which impacted production on the supplier side.”

With many On-Premise locations closed and a large percentage of people quarantining at home, the beverage industry experienced drastic changes virtually overnight. Certain drinks became more popular resulting in suppliers struggling to keep pace with demand. Packaging demands increased for ready-to-drink wines in cans, and aluminum manufacturers were unable to produce their product quickly enough. RNDC worked closely with suppliers, advancing forecasts and placing orders early to effectively plan production. This flexibility in purchasing was especially helpful with overseas products that generally have a longer lead time for delivery.

RNDC also worked with carriers to ensure equipment availability so they could transport product when

it became available. Customers partnered with RNDC to reevaluate plans as demands shifted and when supply chain disruptions affected the ability to fulfill certain orders. Despite the many challenges posed by the past year, RNDC helped its partners make it through the most uncertain periods of the pandemic—and successfully implemented some substantial internal changes as well.

#### eCommerce

The pandemic allowed our eCommerce team to accelerate rolling out eRNDC, which was already in play when the year began. In collaboration with our IT, Marketing, Sales and Communications teams, we were able to deliver a mobile version in the fall. Our partnership with LibDib allowed us to also create a joint analytics lab where we are fueling insight, automation and finding new

opportunities for both our eCommerce platforms. “We successfully pivoted from our original 2020 plans to accelerate market launches while still delivering a lot of new features in 2020,” Tracy Ariail, SVP eCommerce and Digital, says. “I am so proud of all the teams have accomplished. We did not let a pandemic stop us from doing what was right for our suppliers, customers and associates.”



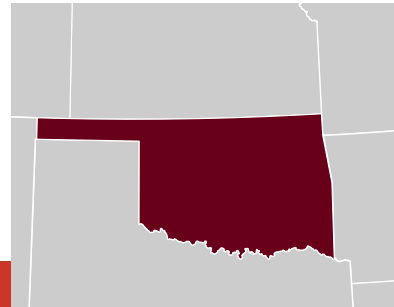


## RNDC Oklahoma

Throughout the pandemic, our Oklahoma team dealt with high-volume case shipments. “We were shipping holiday-level cases every night for months,” says Oklahoma Executive Vice President Daniel Zeigler. “Our Operations and Customer Service teams had to really perform to get the trucks out on time every day.” The team also worked quickly to redeploy On-Premise associates as their accounts shut down or transitioned to takeout and delivery.

Beyond ensuring consistent service to customers, associate safety was a top priority. The team provided appropriate personal protective equipment, and Merchandisers used supplier bandanas to make washable masks.

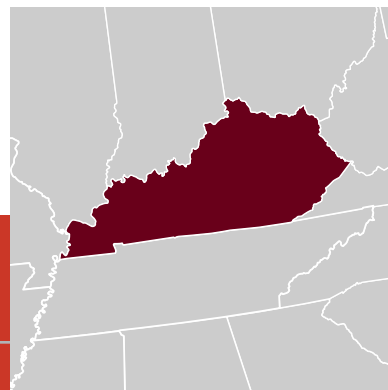
In addition, our Oklahoma team demonstrated RNDC’s Core Values of Family and Customer Focus by assisting hundreds of furloughed and unemployed hospitality employees through a partnership with suppliers to buy meal kits from local restaurants.



## RNDC Kentucky

In early summer, our Kentucky team faced the cancellation of spectators at the 2020 Kentucky Derby, which already had been postponed from May to September. Suppliers and retailers scrambled to find new ways to accommodate the Derby’s devout fans. “We instantly focused on working with our key retailers to create ‘Derby at Home Kits’ using our wine and spirits, cocktail mixes, recipes, racing forms and other memorabilia. These were hugely successful,” says Kentucky Executive Vice President Don Wolz.

As On-Premise accounts closed and Off-Premise business was surging, everyone on the team put job titles aside to pitch in where necessary. Sales and management associates helped in a short-staffed warehouse and all of our divisions consistently worked through the night and early mornings to pick orders and load trucks. Later, as On-Premise accounts reopened with new restrictions, the team partnered with Trade Marketing to source QR code menus for their accounts and teamed up with suppliers to help provide ready-to-drink menus and to-go containers.

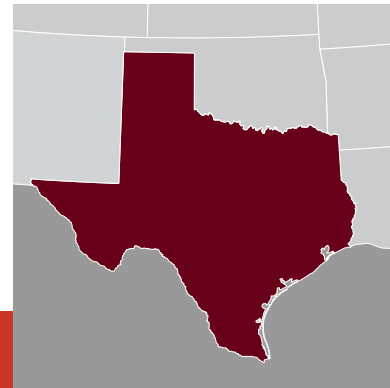


The team’s innovation and constant communication enabled our Kentucky associates to help each other and their accounts while supporting one of the state’s most dearly held traditions.

## RNDC Texas

Even with the Texas retail business consistently exceeding last year’s distribution numbers, our associates had to manage the sudden surge brought on by the pandemic. The redeployment of On-Premise associates was a big part of that effort. “This showed how we all work as one team,” says Texas Executive Vice President Pape Swanson. “It also highlighted our associates truly living out our Core Values of Family, Customer Focus and Accountability during a trying time.”

Once restaurants began reopening and On-Premise teams returned to their accounts, they went in with enthusiasm, passion and positive attitudes – helping RNDC gain even more share in the evolving and competitive Texas wine and spirits landscape.



## RNDC Colorado

Diligent listening and the ability to shift focus helped our Colorado team keep associates safe and at work throughout the pandemic. “Managing and communicating the volume of information from the local, state and federal government and our RNDC Pandemic Preparedness Task Force was a full-time job,” says Andy Quarm, Executive Vice President of Colorado. “We diligently listened to our associates, empathized with their needs and concerns and adjusted as best as possible.”

Our Operations team quickly shifted focus from everyday execution to safety. Sales associates moved to a “One Premise” model to support booming retail businesses. “As RNDC redeployed our On-Premise associates, our main competitors sat back and watched,” Quarm says. “RNDC was on the front lines supporting our retail accounts, which was consistently recognized and appreciated by the largest accounts in the state.”

## RNDC Louisiana

Like other markets, our Louisiana team responded to the pandemic by quickly implementing changes that kept associates safe and customers happy. “When the competition furloughed their On-Premise teams, we kept our associates so they could be there for their accounts as they were fighting to stay in business,” says Executive Vice President of Louisiana Dolph Parro. “Our customers appreciated the support and shifted more of their business to RNDC.”

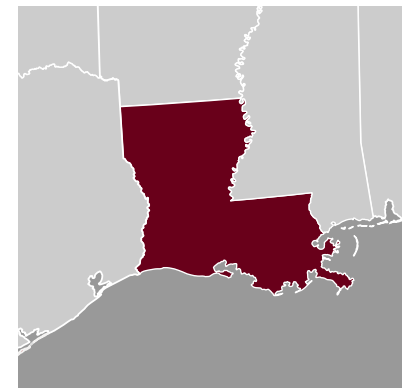
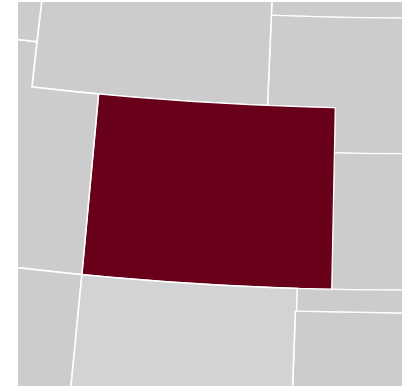
The entire team adopted a hands-on, can-do mindset. Leaders found creative ways to motivate their associates, including virtual meetings, wine tastings and happy hours. Remaining solutions-focused helped the team weather the pandemic – not to mention several tropical storms and hurricanes in the same timeframe.

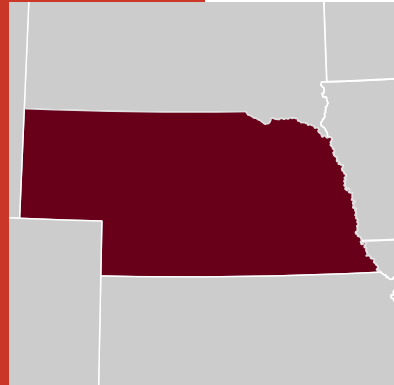
## RNDC Indiana

Our Indiana team faced the significant challenge of integrating a new pricing system in the midst of the COVID-19 pandemic. Despite restrictions and required changes to nearly every business process, the team showed great agility and determination in completing the pricing implementation successfully and at an accelerated pace.

As the pandemic evolved, the team faced new hurdles with a strong focus on communication. To ensure associates felt informed and empowered, Operations leaders created and distributed daily briefs to the entire team that detailed new policies, current developments and changes from each business function.

“I was truly amazed at the way the team pulled together to overcome every obstacle thrown our way,” says Executive Vice President of Indiana Tom Morgan.



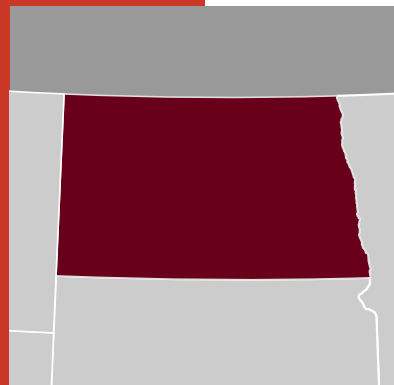


**RNDC Control States:  
Nebraska, North Dakota,  
South Dakota**

As COVID-19 made it to the Plains States, our three state teams worked quickly to equip associates with the resources and information they needed to stay safe. The team also increased communication efforts to keep associates up to date with

fast-changing safety protocols and operating procedures. Leaders met daily for several weeks to work through issues and assist each other in finding solutions. “The effort to inform and educate everyone about the virus and how to keep each other safe was a big part of our effort,” says Don Emig, former Region President of the Plains States.

Throughout the pandemic, the team adjusted seamlessly to remote working and adapted quickly to many changes in work processes. “From the very beginning, I was amazed at how quickly associates adjusted and accomplished tasks in their new environments,” Emig says.



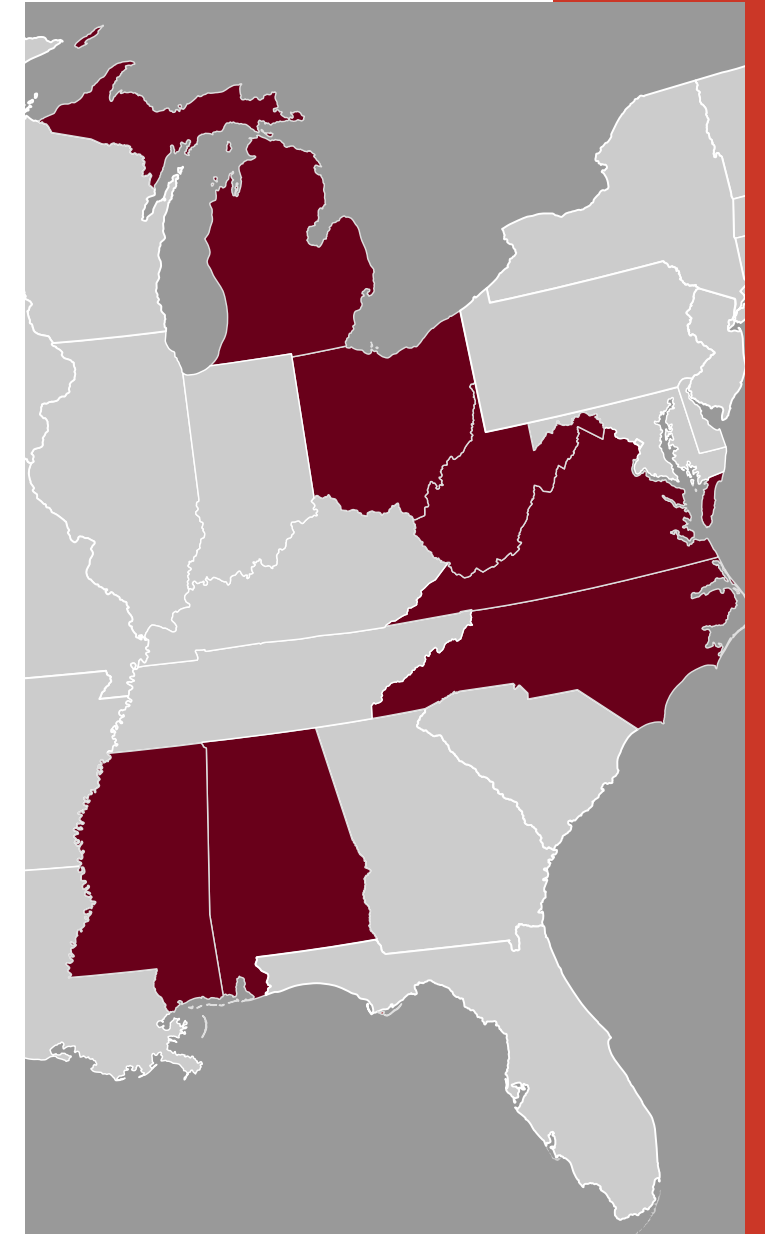
**RNDC Control States:  
Alabama, Michigan, Mississippi,  
North Carolina, Ohio, Virginia,  
West Virginia**

Our Control States had unique opportunities as the pandemic swept through the nation. Efforts to find face masks and hand sanitizer for the entire workforce was a challenge, as were limitations placed on local restaurants and bars. These situations required leadership to work collaboratively while managing multiple stakeholders’ needs. Both the On- and Off-Premise teams stayed in the market throughout the pandemic.

Joe Gigliotti, Region President-Control States, is proud of how his teams stepped up and banked several wins through the year. This included helping restaurants and bars with their to-go cocktail products along with curbside

banners, tents, to-go packaging at point-of-sale, and more. They even provided lunches for staff to help with morale. The Michigan team also donated \$15,000 to the Michigan Restaurant and Lodging Association Education Foundation to help industry colleagues in need of financial assistance.

“We earned the confidence of our team and our business partners,” Gigliotti says. “Nothing is more important than trusting you can count on someone to help in the midst of uncertainty. We were that partner for many businesses and for our associates.”





## RNDC Florida

Throughout COVID-19, our Florida team swiftly adapted, making impromptu changes that saved jobs, time and money. For example, the team enacted an effective plan for On-Premise sales reps to take over wine responsibilities for Off-Premise accounts in five counties that were particularly struggling as On-Premise accounts reopened. This allowed Off-Premise sales reps to focus on their spirits business, which had grown more than 20% since the crisis began. “As we asked Off-Premise sales associates to pass on their accounts, they did so without complaint,” says Florida Executive Vice President, Ron Barcena.

In addition, the Operations team was diligent in creating a safe environment for everyone, which allowed associates to focus on providing best-in-class service to our accounts.

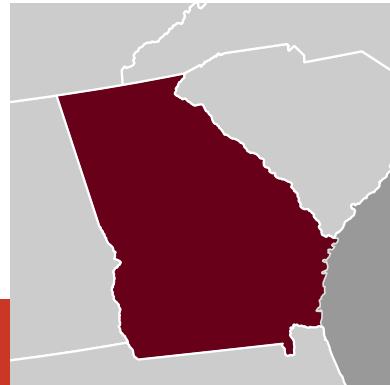


## NDC Georgia

Georgia Executive Vice President Randy Hecklinski says that communication and teamwork were at an all-time high during COVID-19. He praised his associates for jumping in to help wherever they were needed.

Leaders kept associates informed with prompt communication as guidelines and safety protocols changed. The team also focused on compassion and empathy, especially in the early stages of the pandemic when associates had many concerns and questions related to both work and their personal lives.

“We worked hard to keep everyone focused, safe and informed,” Randy says. “There’s no substitute for an excellent team. It’s exciting to see a group of people working together, sharing ideas, keeping everyone safe and informed and continuing to set the standard to WIN in this new environment.”

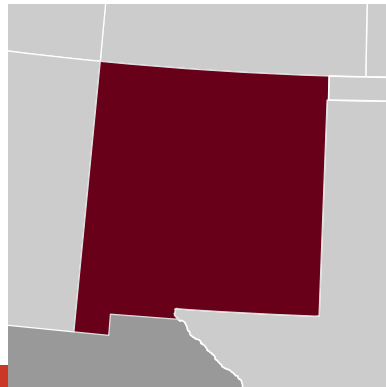


## NDC New Mexico

As stand-alone liquor stores closed due to the pandemic, the New Mexico team acted quickly to transfer its 750ml spirits program to convenience stores. This allowed them to take advantage of a new market space and manage product displaced from liquor stores. The Sales team worked around the clock to set up programs featuring key RNDC brands, and associates across the business stepped up to turn what could have been a significant loss into a major win.

“From the warehouse, office staff, Human Resources and Sales teams, everyone came together to make this happen,” says Executive Vice President Gary Archuleta. “One-Premise was in full effect, and our On-Premise associates really knocked it out of the park. They integrated into the retail business seamlessly.”

The team also stayed on top of restrictions from the Alcohol and Gaming Department (AGD) in New Mexico to ensure they remained in compliance within an ever-changing environment. “The pandemic has made us smarter and stronger as a company. The lessons learned will carry us into the future,” Archuleta says.



## RNDC Maryland and Washington, D.C.

As the magnitude of the COVID-19 shutdowns became clear, the teams in Maryland and Washington, D.C., thought first of their associates. “Our most immediate challenge was determining how to keep our people safe, but also protect their jobs and help them stay engaged with our customers,” says Mark Moser, RNDC Region President.

In Maryland, our competitors begin furloughing employees when restaurants initially closed. “We really turned up our engagement at that point,” says Executive Vice President Joel Polichene. “We were able to generate to-go cocktail opportunities and even grow On-Premise by more than five share points.”

To boost morale in D.C., the team created a “Brag Book” highlighting the team’s positive accomplishments each month. This has been a powerful tool in reinforcing positive results and motivating associates.

## RNDC South Carolina

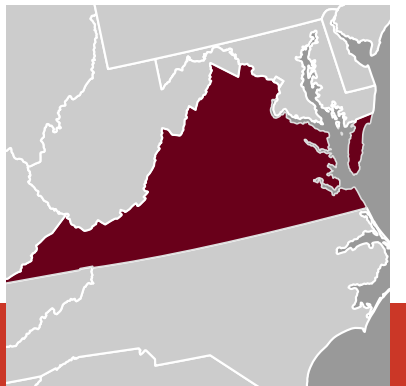
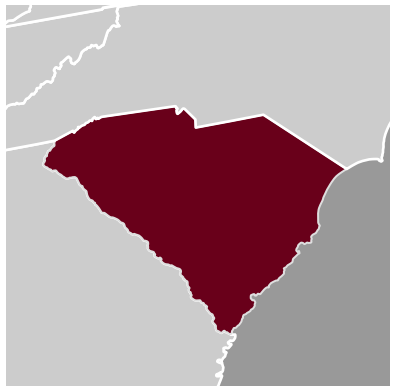
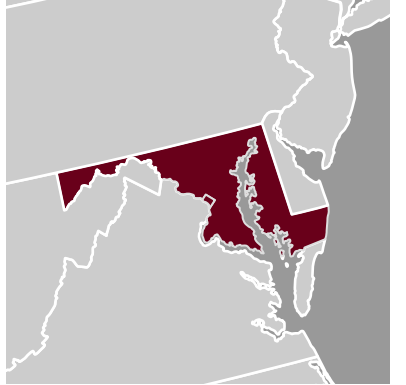
Our South Carolina team built a deep sense of camaraderie and support during the pandemic. “The team’s willingness to step in and step up was remarkable,” says Bill Champion, Executive Vice President of South Carolina. “I believe all team members gained a new respect for each other during this difficult time.” Relationships among associates continue to be an integral part of the everyday culture in South Carolina, with frequent, open and honest communication being more critical than ever.

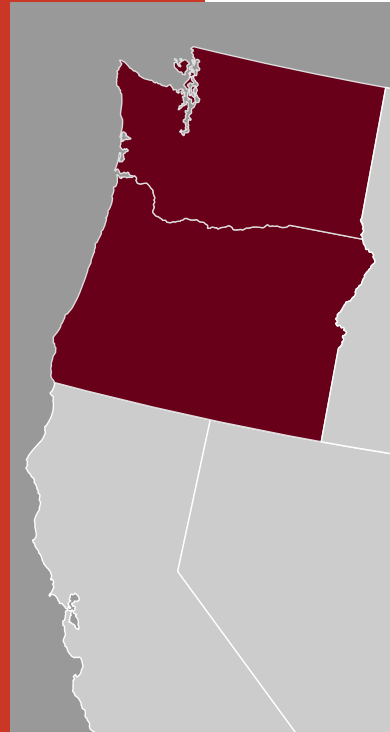
The Spirits business reached new levels of productivity, while support staff and Operations associates, warehouse teams and drivers have worked tirelessly to ensure the business continued moving forward.

## RNDC Virginia

RNDC Virginia relied on swift communication and a heightened sense of teamwork to successfully navigate the COVID-19 crisis. The team depended heavily on technology to keep up with rapidly changing local, state and corporate news and guidelines regarding the pandemic. Leaders gathered current information and presented it during weekly calls, addressing questions in real time, then distributing the information to all associates.

New ways of communicating also were critical in successfully redeploying Virginia’s On-Premise sales reps to the retail side of the business. “We had to communicate to our teams as one unit,” says Chip Stevens, State Executive Vice President. “We became ‘OneAshland’ and shared successes and obstacles as a group.”





### **RNDC/Young's Pacific Northwest: Oregon, Washington**

Executive Vice President Harold McGovern praised his team for its agility and tenacity in responding to the vast amount of change created by COVID-19.

"A team is only as strong as its members. I'm proud to say my entire team rose to the challenge without missing a beat," McGovern says. "We're no strangers to dramatic change and chaos. I believe this experience developed agility that allowed us to manage through the last eight months dramatically better than our competition – which is proven by consistent share growth in both wine and spirits."

In the midst of the chaos, McGovern set up weekly market-wide calls to keep the lines of communication open and everyone up to date. "Information is critical, especially during times of dramatic change and stress," McGovern says. "The

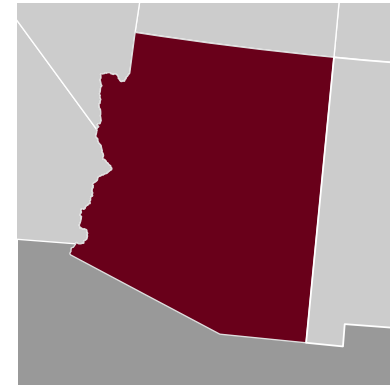
timely transfer of market intelligence can make the difference between capitalizing on opportunities and missing them."

Considering all of the changes McGovern and his leadership team have endured, his advice is to remember that a company is made up of people. "People have their own unique circumstances and coping mechanisms," McGovern says. "Keeping people at the core of any strategy will give you and your team an advantage."

### **RNDC/Young's Arizona**

As COVID-19 cases mounted and misinformation about the virus spread, Arizona Executive Vice President Mark Billings says his immediate challenge was to overcome panic and fear among his associates. In addition to open and transparent daily conversations with leadership and associates about what they were doing to keep each other safe, the team was relentless in their efforts to find face

masks, gloves, hand sanitizer and disinfectant spray for warehouse teams. "In the beginning, stress and panic ruled the day," Billings says. "Staying connected to the team and making sure that downline leaders were also staying close to their people was and continues to be extremely important. This connectivity also extended beyond our associates to understanding how COVID-19 was impacting their immediate families as well."



### **RNDC/Young's California**

The California team had to make difficult decisions, react to change quickly and jump in wherever needed to keep their business successful during a trying year. "I was impressed by the team's consistency in approaching every challenge we faced," says California Executive Vice President David Bart.

With On-Premise sales down by more than 65%, our California associates worked to increase margins in other channels to offset the loss. Meanwhile, the Off-Premise team welcomed a new leader in April, who helped build a culture of teamwork, performance and accountability, growing the business by 41%. "This is significantly more than the channel is growing in California as a whole," Bart says.

Leaders expressed a new understanding of and appreciation for what associates in the field

experience daily. "The hands-on approach we used during the pandemic will help us remove roadblocks and solve challenges in the future," Bart says.

### **RNDC/Young's Hawaii**

The COVID-19 pandemic devastated Hawaii due to tight restrictions on the restaurant and bar industries as well as a 70% decrease in tourism after the state closed its borders. The Hawaii team worked tirelessly to find innovative ways to move product and support their accounts to keep the business going.

The Pricing team brought more than 20 new suppliers and 250 SKUs into Hawaii's system, which became especially important because of increased requests from Off-Premise accounts. In addition, the On-Premise team developed creative solutions to inventory challenges, including an app to track new and lost placements so that buyers could

better handle changing supplier needs. The team also worked with suppliers to return inventory to the mainland where it had a better chance of selling.

Once On-Premise business returned, the Hawaii team won market share by making RNDC's brands the most active and visible with creative displays. "We made sure that our brands and teams were considered the very best in the trade," says Executive Vice President of Hawaii Hugh Duncan. The team was also aggressive in its ready-to-drink (RTD) cocktails launch, capturing a majority of the RTD business in the state. "I'm extremely proud of the work this team has accomplished in such a stressful environment."







## Information Technology

When COVID-19 sent many RNDC associates home to work, our IT team responded quickly by establishing a centralized Help Desk with extended hours to make sure RNDC remote workers had the support they needed. “The trick was to provide the same personal level of service that we had in person, but modify it for our new remote conditions,” says Darrell Riekana, Chief Information Officer. “Our business didn’t skip a beat.”

The temporary remote work environment also increased the company’s vulnerability to cyberattacks. The IT team reinforced strong cybersecurity practices by setting up training courses to help associates stay vigilant. IT also had to quickly create new onboarding procedures to ensure the setup and delivery of technology for new associates ran smoothly – even delivering equipment to associates’ homes.

Finally, the IT team supported the accelerated launch of eRNDC, our new e-Commerce platform. These new digital capabilities became critical when trade account visits were restricted.

## Human Resources

In March 2020, the RNDC Human Resources team led the way in preparing the workplace and workforce for COVID-19. Led by Lorraine Luke, Executive Vice President HR, the team quickly mobilized a cross-functional Pandemic Preparedness Task Force to develop operating protocols and safety measures to ensure the company was in compliance with CDC and OSHA safety recommendations and requirements. From education microsites to daily messaging, the team took action through effective communication to ensure the positive well-being of our associates.

### Additional accomplishments of our HR Team included:

- **Well-Being Uncorked!:** Our Total Rewards team launched our new Well-Being Uncorked! website powered by Limeade. Well-being during the pandemic was a top priority to ensure associates and their families had the right resources at the right time to understand how to manage the pandemic at home. This team
- **Corporate Social Responsibility:** As social justice issues became headline news, the CSR and Culture team ensured our leaders and workforce were educated on the importance of inclusion and diversity. From supporting important non-profit organizations to launching new advocacy groups, we continued to emphasize the importance of our Core Values.
- **RNDC and Young’s Integration:** 2020 also was a year of bringing together two great companies – RNDC and Young’s. The HR Transformation and Management teams were instrumental in identifying best people practices that can be transformed using technology more effectively. Virtual industry education became a new norm and remains successful in providing career development opportunities for our associates.
- **RNDC Rebranding:** In addition to leading efforts to communicate critical and ongoing pandemic

delivered support on revised PTO, leave and pay programs intended to reward and support our essential front-line associates.

information and updates, our Corporate Communications team championed and led the RNDC Rebranding Project in 2020 with great success.

The HR team remains 100% focused on pandemic preparedness management; integration and standardization of people practices across the RNDC footprint; improvement of career development and advancement practices and programs; transparent and frequent communication; and creating a workplace experience that fosters inclusion and belonging. The HR team continues to be the biggest champion of our associates and culture.

## Finance

As the pandemic began, RNDC used various technologies to help our associates continue to work while they stayed home long enough to flatten the curve. As the situation continued, our Finance team continued producing reports, processing paychecks and maintaining accounts. Finance leaders and associates stepped up to accommodate the changes, especially for work that wasn’t designed to be done at home. Their flexibility and resilience proved that we can face any challenge

thrown our way. Between regularly occurring virtual meetings, constant communication and a willingness to learn, the Finance team not only succeeded – they thrived. Nick Mehall, Chief Financial Officer, says, “Everyone displayed a willingness to try new things and tackle the work head-on. I’m proud of all they accomplished during an unexpected year.”

## Legal

During 2020 the Legal department was faced with a myriad of different legal issues related to COVID-19. They worked closely with the business to assist them in navigating unique day-to-day challenges. “As you can imagine, the COVID-19 pandemic raised some pretty unusual legal questions across our business,” says Alan Rosenberg, General Counsel and Executive Vice President. “The Legal department partnered closely and directly with a variety of different teams and functional areas across the country. Whether it was labor laws in each state changing daily, or changes to how and when alcoholic beverages could be sold, we made it a point to understand the changing laws, regulations, and rules for each market so we could provide good legal counsel to our local and national leaders.”

In addition to dealing with the COVID-19 pandemic, the Legal team worked tirelessly to integrate Young’s Market Company, LLC, such as updating state and federal licensing related filings, consolidating vendor agreements, providing legal guidance on matters associated with labor and employment, trade practices, and updating legal templates across the entire RNDC footprint. The team also handled a variety of legal tasks, including licensing, corporate and trademark registrations, and meeting contractual requirements, to help ensure a smooth rebranding process for RNDC as 2021 began. “Our team had an opportunity in 2020 to assist the business on a number of large projects and initiatives, and I couldn’t be prouder of the way our team came together to ensure we were doing what was best for the business,” Rosenberg added. “Everyone on the team really stepped up to help us successfully navigate an extremely challenging year!”





## RNDC Volunteerism and Community Service Program Updates

At RNDC, our commitment to corporate social responsibility includes making a positive difference that enriches the spirit and well-being of our associates, communities and business partners.

Moving forward, in 2021, our charities of choice were selected based on their high ratings on Charity Navigator. In addition, we have selected charities that contribute to the United Nations' Sustainable Development Goals (SDGs). The SDGs are the world's shared plan to end extreme poverty, reduce inequality and protect the planet by 2030.

- **Feeding America**  
supports No Hunger SDG #2
- **American Heart Association**  
supports Good Health and Well-Being SDG #3
- **The Arbor Day Foundation**  
supports Life on Land SDG #15
- **Prostate Cancer Foundation**  
supports Good Health and Well-Being SDG #3
- **National Urban League**  
supports Decent Work and Economic Growth SDG #8
- **National Environmental Education Foundation**  
supports Climate Action SDG #13 and Life on Land SDG #15



National  
Urban League



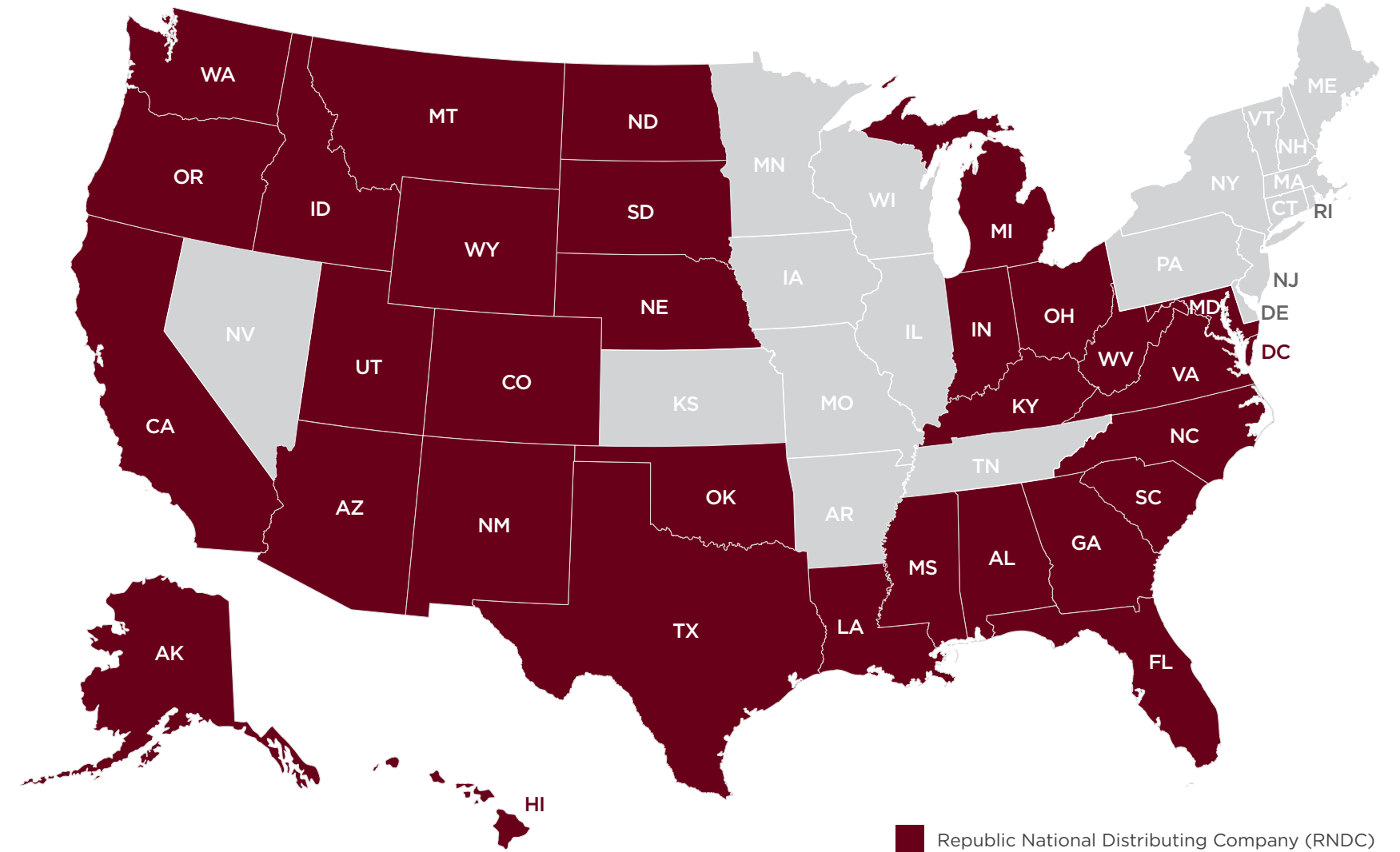
American  
Heart  
Association.



Prostate Cancer  
Foundation  
Curing Together.



## Our National Footprint







### A Message from Nick Mehall, Chief Financial Officer

It is my privilege as CFO to have the opportunity to manage RNDC's financial success. Throughout 2020, I saw how hard our associates worked to deliver for our suppliers, our customers, our communities and each other.

One of the many ways that RNDC gives back is through our RNDC Relief Fund, which helps associates dealing with a natural disaster. The Fund is supported by payroll deductions from our associates and contributions from our owners. In times of a natural disaster, we're able to quickly provide affected associates with funds they can use for hotels, clothes or food, and sometimes even help with repairs. In 2020, we supported associates who were impacted by tropical storm events including Hanna, Laura, Sally, Beta, Delta and Zeta, as well as the Georgia floods and west coast wildfires.

We also offer children of our associates an opportunity to receive a \$2,000 per semester scholarship to help fund their post-high school education. Whether they go to a trade school or university, these funds are meant to relieve some of the financial burden of higher education.

Finally, our RNDC Foundation provides funds to help our communities. Each year, we determine a specific amount for local contributions in each of our markets. National contributions on behalf of RNDC also come from this fund. All in all, through the Foundation and other contributions, RNDC donated **\$78,148,855** to communities and charities throughout the country in 2020.

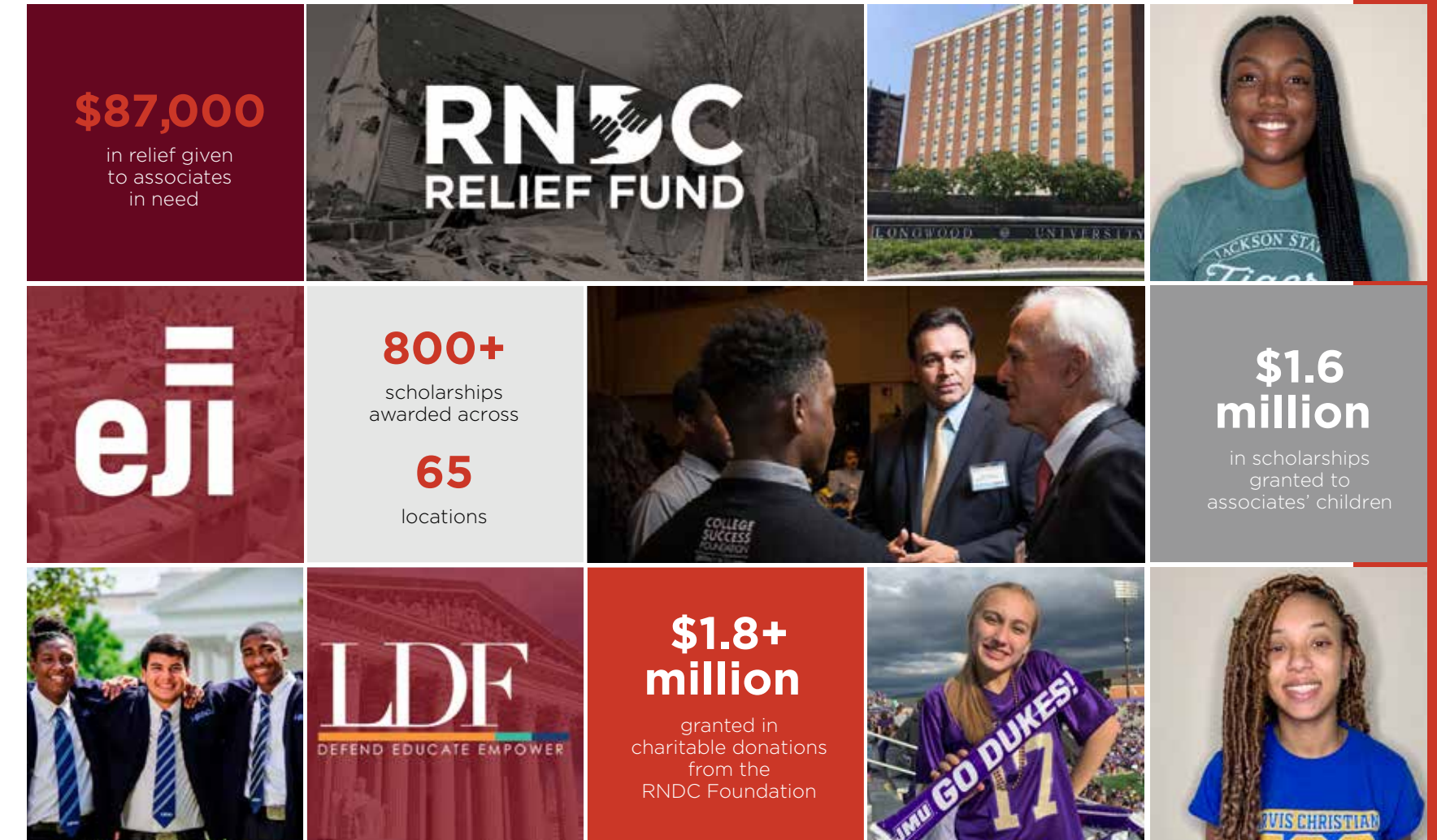
It is an honor to be able to help our people and our communities. I am proud of the work we do.

Sincerely,

  
Nick Mehall  
Chief Financial Officer

RNDC donated  
**\$78,148,855**  
to communities and charities  
throughout the country in 2020.

## TOTAL DONATIONS







## A Message from Erika Hopkins, Vice President, Culture and Corporate Social Responsibility

Now more than ever, providing an inclusive workplace that fosters a sense of belonging is a vital piece of our company's purpose. Our unwavering commitment to diversity, in all forms, helps us create an unparalleled workplace experience that values the unique backgrounds, skills and perspectives of our associates, business partners and communities. As 2020 began, RNDC was poised to execute a very robust culture, social responsibility and inclusion & diversity strategic plans. With the onset of the global pandemic and widespread social unrest, we made decisive actions and accelerated our plans for maximum impact.

To address social injustice, we sprang into action with several heartfelt messages from our CEO, backed up by financial donations to the Equal Justice Initiative and the NAACP Legal Defense Fund. We launched RNDC's Anti-Racism microsite with tools and resources to help our associates navigate this incredibly difficult time. We developed a Root Out Racism plan including Spirit to Speak conversations, which amplify the voices of our underrepresented associates while providing a safe space for all participants to grow and learn from one another's experiences and perspectives. We also formed the Black Leadership Advisory Council (BLAC) with 11 associates representing diverse parts of our business from coast to coast. This group was instrumental in our quest to better understand how RNDC can hire, develop and advance Black talent and celebrate all people of color in being their authentic selves.

RNDC remains focused on strengthening our internal culture through robust social responsibility initiatives and charitable giving. In 2021, we will introduce Associate Resource Groups (ARGs), previously called Partner Network Groups at Young's Market Company. Our inclusive ARGs will cover multiple dimensions of diversity including women, LGBTQ+, Black, Hispanic/LatinX and military veterans. Later this year, we also plan to launch ARGs for Asian American & Pacific Islanders and individuals who are differently-abled.

Our overall commitment to social responsibility is now aligned with the United Nations' Sustainable Development Goals and their blueprint for a happier and healthier world by 2030. Along with our Charities of Choice strategy, RNDC will continue to lead our industry in promoting associate and community well-being, equity and equality, and environmental sustainability. And of course, as strong advocates for women and other underrepresented groups, we will continue our partnerships with Women of the Vine and Spirits, WSWA and Catalyst.

I am extremely proud of the work RNDC did in 2020 and look forward to what we will accomplish together in 2021.

Onward and upward!

Erika Hopkins  
Corporate Vice President, Culture & CSR







As we wrapped up 2020 and entered 2021, RNDC refreshed our Core Values as part of our overall rebranding strategy. With the culture integration of RNDC and Young's Market Company becoming a reality in 2020, our purpose was to validate our shared set of Core Values with confirmation from our associates. We asked our teams to select the values that best described their engagement and work experience with us. We are excited to share the results, which reconfirm the strength and foundation of our shared culture.

# OUR CORE VALUES

Our shared set of beliefs and commitments guiding the way we behave to achieve our Company Vision.



## FAMILY

Fostering inclusion and a sense of belonging is our strongest passion, because our associates are our greatest strength.

## SERVICE

We are committed to serving and enabling the positive well-being and success of our many communities and stakeholders.

## HONESTY

We act with the utmost integrity at all times.

## ACCOUNTABILITY

We ensure our commitments are achieved by taking responsibility for our behaviors, choices and results.

## PROFESSIONALISM

We build sustainable and long-term trust, relationships and success by practicing ethical business standards.







THANK YOU, RNDc ASSOCIATES!





