

2018

Mrs. Gerry's[®]
the best in salads & sides



Sustainability
REPORT

INVESTING & DELIVERING IN
COMMUNITY CITIZENSHIP
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SUSTAINABILITY
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PEOPLE

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INVESTING AND DELIVERING IN COMMUNITY CITIZENSHIP

Many of the sustainability initiatives that Mrs. Gerry's has implemented have not only been good for the environment, but good for our business as well, and have reduced our overall operating expenses. Mrs. Gerry's is constantly challenging suppliers, including our refuse company, Waste Management, to help us find environmentally friendly solutions to problems including the most efficient, cost effective and sustainable way to dispose of waste generated. We continuously look for alternatives such as "green chemicals" that are safer for the environment and provide climate protection.

In addition to working with our suppliers, many of our customers have implemented sustainability and environmental policies with metrics that prioritize doing business with compliant partners, and have requested an environmental sustainability report and policy from Mrs. Gerry's going forward.

As consumers place more value on doing business with companies with a commitment to sustainability, it is not only important to conduct business in a sustainable friendly fashion because it the right thing to do now, but because the business and all of our futures depend on it.

With any of the process changes called out in the proceeding pages, or any that will be implemented in the future, it is important for our employees to be educated. Not only are the employees the ones who are directly affected and trained in new policies and procedures, but all employees are reminded about the importance of our policies in daily electronic message board postings, quarterly newsletters, and monthly meetings.

The entire Mrs. Gerry's team is committed to sustainable business practices as an important part of our business strategy. We are constantly learning and we continue to work on improving our company. We continuously look for opportunities to implement additional sustainability practices and procedures.

WATER

Mrs. Gerry's promotes water conservation throughout the organization. Mrs. Gerry's has worked to reduce its water consumption while at the same time ensuring food safety and quality. In our sanitation processes, two high pressure washer systems have been combined into one, new nozzles with smaller orifices have been installed on hoses (less water usage), and cleaning procedures for vessels throughout the facilities have been altered to minimize the amount of times they are filled and rinsed. Mrs. Gerry's also tries to recycle water if possible.

Mrs. Gerry's has invested over \$2.3 million in a wastewater pre-treatment facility to improve the quality of water that it discharges back to the City of Albert Lea, MN. This system removes impurities and solids prior to discharge, and creates three streams of output – food waste screenings, sludge, and clean water. This investment, on some days, up to 65,000 pounds of waste would have either ended up in a landfill, or at the municipal waste water treatment plant.

The pre-treatment facility water discharge is tested on a weekly basis for flow and waste levels. This allows for consistent monitoring of our water environmental impact in our community.

90% of the potatoes grown for Mrs. Gerry's salad processing come from the immediate Minnesota region within 15 miles and we have a long-standing relationship with the grower. This grower utilizes an all-natural water supply which is environmentally friendly.

GIVING BACK

Gerry Vogt is the founder of the company, alongside her husband Jerry. Gerry and Jerry founded the company four decades ago, in support of Jerry's sales position selling meats to grocery stores. He wanted to enhance his product offering by not only selling the main dish, but providing a full meal to his clients: meat and salads. Today, they are still a major part of the salads and sides organization which has grown to over 200,000 square feet, but continues to operate on a strong foundation of faith, family and quality.

The entire Vogt family & Mrs. Gerry's employees have always made it a priority for the company to provide significant strengthening to the Albert Lea, MN community by generosity and continuously giving back.

Mrs. Gerry's supports local food banks with high quality product charitable donations on a frequent basis. The company provides charitable funding to the local United Way, Youth for Christ and Salvation Army. This funding from Mrs. Gerry's has been increasing recently as the need has been greater.

Mrs. Gerry's is an active and influential community member of the Albert Lea – Freeborn County Chamber of Commerce where they work together to meet the needs of all its membership to help every business in the area succeed. Every year the company awards two scholarships for students attending college. It is a common company practice to have high school and college students working in any number of areas in the company during the very busy summer deli salad season.

SUSTAINABLE PACKAGING

Suppliers are the key to most organizations, and this is certainly true for Mrs. Gerry's. Our packaging sourcing decisions are made using several key metrics, such as product quality, service, cost and technical ability.

It is also very important to us and to our customers that the suppliers we select and partner with operate in open and transparent ways, and are fully committed to ethical business practices. System checks are made to ensure sustainable policy and procedures are in place and 3rd party visits are made to key suppliers to verify policy implementation.

Our packaging suppliers are located across North America. Wherever possible Mrs. Gerry's is committed to sourcing packaging products and services as locally to the facility as possible.

Wherever possible, Mrs. Gerry's seeks to utilize 100% of remaining inventory or recycle end-of-life corrugated & plastic packaging parts due to internal or external design changes.

A policy and procedure mechanism is in place to receive complaints regarding packaging issues, take corrective action and to communicate as necessary with internal stakeholders.

CLIMATE PROTECTION

Mrs. Gerry's is dedicated to reducing the amount of waste our company produces, and continuously looks for ways to recycle waste products, including food waste. Not only are all raw material supplier plastic containers, metal cans and paper drums used in the production process are recycled, but employees are encouraged to recycle their own aluminum, paper and plastic waste generated in the break room as well. Designated and labeled bins are provided to aid in this effort.

In our manufacturing facility and supply chain we use modern energy efficient machinery. We continuously consider our environmental impact carefully as we select efficient transport use to reduce our carbon footprint.

In 2013, Mrs. Gerry's converted its Freon refrigeration system to a Glycol cooling system at a cost of over \$2 million. Glycol technology is safer for the environment, but it is also much safer for employees in the facility. Freon refrigerant leaks are incredibly dangerous and prior to this conversion, under the traditional, and commonly used Freon system, Freon ran throughout the plant for cooling our production areas. Glycol, which is generally regarded as safe, now runs through the piping throughout the plant. All other chemicals are contained to an engine room that is segregated from the production facility.

Mrs. Gerry's uses "Green" chemicals in the sanitation process. All sanitation chemicals are dispensed using an electronic allocation system which promotes safety, and the proper usage levels. The switch to green chemicals included the removal of phosphates, and limiting nitric acid in the products Mrs. Gerry's uses and entering our local water supply.

In the office, all paper, laser toner, and ink cartridges are recycled. Most of the billing and accounts receivable processes are paperless, and many of our customers utilize EDI technology to electronically transmit orders as well. Electronic record keeping in our organization is used whenever possible.

ENVIRONMENTAL & AGRICULTURE SUSTAINABILITY

At Mrs. Gerry's, corporate social responsibility and sustainability are the continued embodiment of the company's values, fostering a culture that supports the well-being of all. Embracing responsibility to future generations, Mrs. Gerry's ensures that sustainable practices are at the heart of our business.

Mrs. Gerry's has also made significant investments for energy conservation which include the installation of motion sensing light switches and new LED light fixtures throughout the facility. Programmable thermostats are not only used

to regulate temperature in production areas, but in the office as well. Boiler systems are programmed to reduce energy consumption when production schedules allow to reduce energy and gas consumption during off peak hours.

The environment in the Mrs. Gerry's production and cold storage areas are controlled by outside air make up systems. These systems use filters and other technologies to ensure that air quality in those areas is as close to pure as possible. These systems are designed and installed primarily to ensure food safety and quality, but they certainly enhance the air quality in the environment in which Mrs. Gerry's employees work as well. The office area temperatures are set to conserve resources, but at the same time provide optimal comfort for employees during working hours.

Our agriculture product sourcing follows the same key metric principles as our sustainable packaging. Quality of product and Quality of service. The only addition would be that buying and sourcing local is also of prime importance. This allows us to minimize the "food miles" each one of our products has as it is produced in its final form.

All our Protein Deli Salads come from Vendor Partners with industry leading reputations and have Animal Welfare policies that use sustainable and humane practices.

Mrs. Gerry's is committed to continuous improvement and integrating environmental sustainability into our corporate culture every single day.

HUMAN RIGHTS & COMPLIANCE

Ethical conduct is crucially important for Mrs. Gerry's. Our stellar reputation and future depends upon it. We want all our employees to be proud of where they work, suppliers to be happy to partner with us, customers to know that they are in safe hands, and for our community to have trust in our business and the products we make.

Mrs. Gerry's had a large national retail customer conduct a routine social compliance audit. This unannounced audit consisted of a meeting with facility management to explain the purpose of the visit and collect documentation, a robust tour of the entire facility, and interviews with management and a selection of employees to determine working conditions, treatment of workers and the hiring process. The auditor also reviewed personnel, wage and time records to verify that the facility meets local labor law requirements. We received the highest rating available.

Mrs. Gerry's takes food safety compliance very seriously every day and is a 3rd party audited facility under the Safe Quality Food Institute (SQFI) certification program at SQF Level 2. The Safe Quality Food (SQF) Certification is the only one of its type recognized by the Global Food Safety Initiative (GFSI) as having a quality module. SQF's goal is to utilize science-based, proven principles to consistently apply globally accepted standards of food safety. The SQF certification is recognized by all facets of the food-processing industry, is a measurement by which producers, suppliers, retailers, and consumers can be assured of safe, quality food products. The SQF Certification program virtually guarantees more trust and acceptance in the marketplace.

PEOPLE

We are proud of our investment in people; we strive to bring talent to work in the community. Our business is run by a dedicated management team which delivers quick, flexible and high quality customer service. Mrs. Gerry's actively supports its employees in their training and development needs and has an ongoing performance evaluation program. All senior management are hired from the local community.

The CEO of Mrs. Gerry's, Chad Vogt, hosts a monthly CEO meeting with employees so that they can ask questions, provide feedback, and he can give them updates on the business. This has proven to be tremendously beneficial as the employees feel as they have a voice directly to the top of the company.

Our Human Resources department reviews our Labor/Ethics Management Systems covering management accountability for employees and the tracking and monitoring of applicable employment law. They also cover communication and worker participation and feedback. They along with all management maintain positive relations with employees and promote positive working conditions.

We are fortunate to have an active employee Safety Committee from all areas of the company that looks at occupational safety procedures and monitoring, along with injury & illness reporting tracking.

Our employee Internal Wellness Committee trains and conducts Stretching & Exercise programs during the workday.

They also meet regularly to decide upon healthy choices being available for purchase in the employee breakroom vending machines.

As part of the Mrs. Gerry's benefit program available to all employees, an offsite free health clinic is available in Albert Lea, MN for the employee and family members.

In conjunction with Albert Lea High School a joint high school work program / youth apprenticeship program was created to provide a pathway for students to learn generalized and specific job skills before graduation.

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