



CORPORATE RESPONSIBILITY

2017-2018



TABLE OF CONTENTS



Joint Statement from Board Chair & CEO	1
Introduction of Sustainability Mission Statement	1
Business	2
About Us	2
Production Numbers	2
Our Brands	2
Our Cornerstones	3
New Topeka Plant – Crossroads	4
Further Development of Halifax Campus	5
Pumping up the Pounds Per Hour	5
Products	6
Improved Ingredients, Authentic Flavors	7
Sustainable Seafood	8
Palm Oil	8
Traditional Tortillas Certified Non-GMO and Organic	8
Crossroads Food Quality and Safety Upgrades	9
Workplace	10
Engagement & Retention	11
Growing Reser’s Own (GROW)	12
Rooted in Best Practices	13
Coach App Aides Training	14
Team Work	15
Community	16
Deepening Our Roots with Our Food Bank Partners	17
Recognizing Employees for Doing More	18
The Next Generation of Chefs	18
Actively Involved in the Community	18
Environment	20
Efficiency Upgrades for Crossroads	21
Recycling Oil from Don Pancho	21
Driving Efficiently	21
GROW Program Tackles Waste	22
Waste Diversion in Halifax	22
Stay in Touch	23





JOINT STATEMENT FROM RESER'S BOARD CHAIR & CEO

Introduction of Sustainability Mission Statement

As a family-owned and operated business, we run our company in a way that reflects the deeply-rooted values that we have as a family. We understand that our business operates within a greater context. We are integrated with our community, our workforce and environment, so it's our responsibility to ensure that our actions make a positive impact through our operations, product offerings, workplace culture, and community engagement. This report is a snapshot of our efforts in 2017 and 2018.

In 2018, we formalized our official Sustainability Mission Statement:

We believe in good corporate stewardship. Conducting business in a socially responsible manner and reducing our environmental impact within our operations and throughout our supply chain is good for us, our employees, our customers, our communities, and our planet. We owe that to our family and yours.

This statement will guide our efforts, but it's not sufficient by itself; it must be followed by continuous improvement. Thankfully, seeking out ways to improve is baked into how we do business. We look forward to sharing our progress in future Corporate Responsibility Reports as we continue on this sustainability path.





BUSINESS



ABOUT US

What started off as a small family business has flourished into a company that now employs thousands and has operations across the U.S. and Mexico. After the better part of a century, we're still connected to our roots in that we are still family-owned and operated and we're still making our famous potato salad. Likewise, our commitment to creating a positive workplace and making a difference in our community has never wavered. But we've grown in other ways. Today, our array of products numbers in the hundreds, including fresh-cut fruit, authentic-tasting tortillas, and hearty, hot dishes.



OUR BRANDS



PRODUCTION BY THE NUMBERS

2018

916.8 MILLION LBS.

2017

870.8 MILLION LBS.

↑ 5.3%





OUR CORNERSTONES

These Cornerstones ground us in our core principles and values.



FOCUSED GROWTH

Focus our resources – with attention to margin, brand, consumer trends, and customer needs – to drive sales and profits.



EXCEEDING CUSTOMER EXPECTATIONS

Exceed customer expectations with value-added benefits including category leadership and innovation, while consistently delivering superior service, and product quality.



UNWAVERING COMMITMENT TO FOOD SAFETY

Demonstrate an unwavering commitment to food safety through investment, resources and training, combined with teamwork and individual responsibility.



CONTINUOUS PROCESS IMPROVEMENT

Deliver consistent, high quality products through a culture of managing costs and personal accountability.



EMPLOYER OF CHOICE

Create an environment where people choose a lasting career because Reser's cares about their personal development & safety, and delivers a rewarding work experience.



NEW TOPEKA PLANT: CROSSROADS

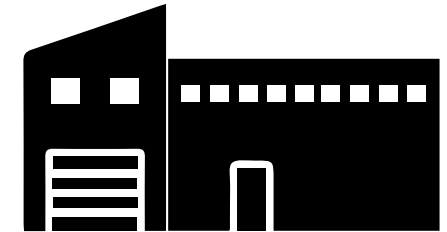
In the spring of 2018, we opened up our biggest plant to date in Topeka, Kansas called Crossroads. The pace of construction was a whirlwind. Just about one year after breaking ground, we were cutting the ribbon at our grand opening. This facility is located less than 1 mile away from the previous plant, so the commute is basically the same for the more than 400 employees who work in this new plant. We will also be adding about 150 new jobs.

The upgrade from 145,000 square feet to 315,000 square feet has certainly created more elbow room for our employees and improved process flow. All this space also gives us 25% more in production capacity. We now have the ability and flexibility to grow in order to meet rising customer demand, particularly in our peak summer season when customers are seeking out our salads to add to their picnic baskets. In less than two months after opening, our production hit a record 700,000 pounds in a day, which is the equivalent of about 20 truckloads.

Our company has had a presence in Topeka since 1990. We drew from our knowledge of working in Topeka along with our recent investment in our new Century plant to customize a plant to best suit our needs. (Check out our 2015-2016 report in our [archives](#) for more details on the Century plant.) In addition to capacity, efficiency (page 21) and food safety (page 9) were also top of mind considerations.



145,000 SQ FT.



315,000 SQ FT.

 **25%**
CAPACITY

 **150**
NEW JOBS

700K
POUNDS IN
1 DAY

=  **20**



THE STORY BEHIND THE NAME

With the new facility on the way, a competition quickly ensued for finding the best name. Any employee from the plant could submit a suggestion. Tim Kibbee, who works on the maintenance team, thought about how this plant sits smack dab in the middle of the country. This location means that products from this plant go to either coast and even across the northern and southern borders. In other words, this plant would truly be at the Crossroads and that's how the idea emerged.



FURTHER DEVELOPMENT: HALIFAX CAMPUS

Our growth in our Don Pancho East plant in Halifax County is continuing to tick upwards. Company CEO Mark Reser explains, “Our tortilla business continued to grow in the Eastern United States over the past nine years, and it became clear we needed to invest to support both current and future demand in this region.”

We plan on committing more than \$3 million to expand this facility, including purchasing new equipment and investing in new hires. Over the next five years, we expect the creation of nearly 80 jobs, which will come with an average salary that’s 11% higher than the county’s current average salary. After hearing about this expansion, Chairman of the Halifax County Board of Commissioners, Vernon J. Bryant said,

“Reser’s Fine Foods is a first-class organization. I am very happy the announcement was made.”

PUMPING UP THE POUNDS PER HOUR

In 2017, we made some big investments in our Halifax salad plant. The improvements we made allowed us to drastically increase our production efficiency for cooking potatoes. We used to process about 19,500 pounds per hour. Today, we can do over 29,000 pounds in the same amount of time. In addition to some new equipment and improved processes, we also installed new hardware and software that helps scan and spot product that should be rejected. This upgrade has reduced the number of unnecessary rejects, which reduces the amount of waste destined for the bin.

¹ www.rrdailyherald.com/news/1643/halifax-county-getting-economic-boost/



RECOGNIZED BY PORTLAND BUSINESS JOURNAL

We were honored to be deemed one of Oregon’s “Most Admired Companies” yet again – both in 2017 and 2018. The Portland Business Journal received responses from 500 CEOs in the region to determine the list and we are so proud to have made the cut. We were also honored to be deemed the “Manufacturer of the Year” in 2018.



POWERING ON IN PINK

As part of our Power of Pink campaign, we ask food operators to serve our naturally-dyed pink chips and to donate the proceeds they raise to non-profit organizations that are focused on breast cancer education and services. As an added incentive, we offer the chips at a discount to boost participation. We make our own donation pledge to the Susan G. Komen Foundation as well. We sold over 600,000 pounds of pink chips to more than 400 participating businesses.

In 2017, the Don Pancho West tortilla plant also hosted a health educator from Salem Hospital to provide breast cancer information to our employees, further bolstering education about the disease and screening for the 65 participants.

A close-up photograph of a white ceramic bowl filled with potato salad. The salad consists of small, cubed potatoes in a creamy dressing, garnished with a reddish-brown powder. In the background, a red bell pepper and two yellow bell peppers are visible. A wooden spoon rests on the surface to the right of the bowl. A black banner with a red leaf-like logo above the text is superimposed over the center of the image.

PRODUCTS



IMPROVED INGREDIENTS, AUTHENTIC FLAVORS

We are continuing our efforts to expand our clean label product list. That means more options that are free from high fructose corn syrup, margarine, and artificial colors and flavors. Despite the changes, our pros in the kitchen ensured that any revision to our recipes would result in our products being just as flavorful as the originals. This gives our customers more of what they want and less of what they don't. "Retailers and consumers asked for this change and we listened," states Nathan Roe, category manager. "Health conscious consumers read labels and want to feel good about what they serve their families. Our culinary team worked hard to deliver the same great taste while removing high fructose corn syrup, artificial colors and artificial flavors."

In that list includes our new American Classics – Pimento Cheese and Egg Salad – as well as our Stonemill Kitchens dips. But this is just a small sampling of our clean label efforts. While we are crafting new products to be "clean," we have also reformulated loads of recipes for our foodservice offerings as well as our branded product that's stocked on shelves. Take a look at the labels of your favorites to see a much simpler, authentic ingredient list.

" Retailers and consumers asked for this change and we listened. Our culinary team worked hard to deliver the same great taste while removing high fructose corn syrup, artificial colors and artificial flavors. "

– Nathan Roe,
category manager





SUSTAINABLE SEAFOOD

Ensuring our seafood hits sustainability standards better ensures that these ecosystems are protected, so that we all have seafood to enjoy in the future.

	2017 (lbs.)	2018 (lbs.)	
Tuna	528,000	573,000	Dolphin Safe Certified
Surimi	1.5 million	1.6 million	Marine Stewardship Council Certified
Sea Clams	15,000	12,000	Management of Fisheries endorsed by Sea Watch International



PALM OIL

The cultivation of palm oil has been the cause of immense deforestation in important rainforest habitats. That's why we use certified palm oil in our products. In 2017 and 2018, 90% of the ingredients we sourced with palm oil were certified by the Roundtable on Sustainable Palm Oil (RSPO). This group works with growers, processors, investors and non-profits to ensure sustainability standards are upheld.



TRADITIONAL TORTILLAS CERTIFIED NON-GMO AND ORGANIC

Don Pancho has been using premium ingredients to bring authentic Mexican tortillas to customers since 1979. Today, we offer organic and non-GMO options that reach the highest standards of quality.

We now offer non-GMO certified tortillas in both flour and corn varieties in 6", 10", and 12" as well as pre-cut tortillas for making freshly-fried chips.

Non-GMO Project Verified is the fastest growing label in the natural products industry. Their standard requires meaningful testing, traceability, and accurate labeling to ensure certified products do not contain genetically-modified organisms.

2014

Organic certification for both Don Pancho production facilities.

2016

First organically-certified products available in restaurants and stores.

2017

First non-GMO tortillas released.

For an up-to-date list of our non-GMO products [click here](#).

To see our current list of organic products [click here](#).



CROSSROADS FOOD QUALITY AND SAFETY UPGRADES

Nicki Richardson initially thought her stint at our company would be short-lived. She first came on board as a temporary worker with just a month-long contract. She didn't know then that sixteen years of training and several job titles later, she'd be the Senior Quality Assurance Manager. One of the reasons she stays is because it's an exciting place to work. The addition of the new Crossroads plant certainly contributed to that as it was an opportunity to implement innovative measures to improve food safety and product quality.

Building the plant from scratch allowed us to bake in improvements from the get-go. (Flip to page 4 to read about the construction of the new plant). The flow of traffic was redesigned to ensure that there's no crossover between ready-to-eat sections of the plant and raw ingredient preparations. These two stages of food production face different food safety requirements, so separating them reduces the opportunity for dirt or pathogens to contaminate the product.

In addition to the improved layout, we also put in new equipment, which can be serviced with a quick call to tech support or a rush delivery of a readily-available new part. With the equipment we had before, getting replacement parts was difficult and cost us valuable time. Our new equipment also makes bigger batches which allows us to produce a more consistent product time after time. With all these improved efficiencies, Nicki's team can now spend more time focusing on other ways to improve food quality.






WORKPLACE



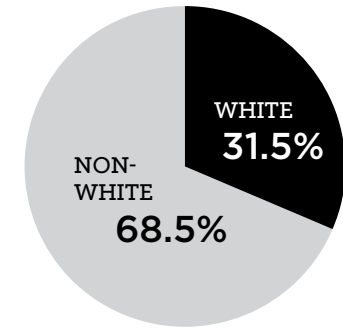
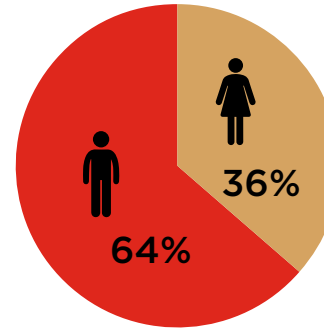
We continue to invest in our workplace so we can be an Employer of Choice. We want to be the place people choose to have a long career...a career they can be proud of. By creating a rewarding work experience and caring about our employees, we believe we can live up to this standard.

ENGAGEMENT & RETENTION

Employee retention is critical to our company's success, so our Human Resources created the Engagement & Retention 1:1 Meeting program. These one-on-one team meetings are designed to act as the antithesis to a more typical "exit interview." In fact, we like to think of these conversations as "stay interviews" because instead of waiting until an employee leaves to find out what went wrong, we schedule these conversations after the first 30, 60, and 90 days of taking on a new job to find out how new employees are doing. Francisco Marquez, our Employee Engagement Specialist, explains the impact: "In my 20 years of being here, the connection with our employees is at an all-time high because we are taking more time to really listen to employees, share our values, and show a real interest in developing our employees."

2017

3,791 EMPLOYEES

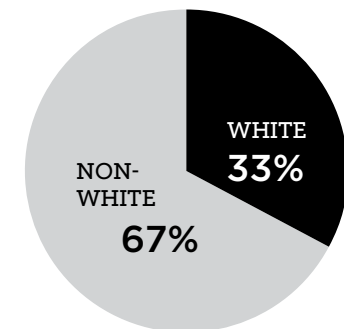
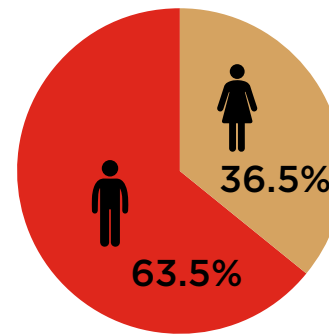


NEW HIRES

Age <31	43%
Age 31-50	41%
Age >51+	16%

2018

3,994 EMPLOYEES



NEW HIRES

Age <31	45%
Age 31-50	40%
Age >51+	16%

TURNOVER RATE

2017

61.5%

2018

49.8% &





GROW: GROWING RESER'S OWN

We identified a huge opportunity to cultivate leaders from within our company. After all, why hire externally when we have so much potential already in our ranks? GROW was created to help us unlock that potential. It launched in 2017 and has been rolled out to multiple locations.

This is how it works: Participants go through a 360-degree review in which peers, managers, and direct reports provide survey feedback and the participant completes a self-assessment in order to identify top strengths and opportunities based on the Reser's Core Leadership Competencies. This evaluation gives participants a chance to reflect on how they see themselves as leaders and maximize their individual growth potential. From there, they select one strength and one opportunity to create development plans focused on "SMART" goals. This is where they really have a chance to shine. Working regularly with a Leadership Coach and a Peer Learning Team for guidance, participants address roadblocks, accomplish milestones, complete objectives, and create new best practices. In addition to the individual development taking place, Grow participants also undertake a project as a team, founded in the Reser's Cornerstones (page 3) and company-wide initiatives. Coaches assist along the way, teaching additional project management skills and providing valuable leadership tools to help participants achieve results. The Grow Program is based on the spirit of continuous improvement; after one goal or project is completed, others are set so that participants can continue to stretch and develop their skills.

This approach is effective because people learn by digging in and experiencing the process themselves instead of just listening in a classroom. We also use this program to practice the Situation-Behavior-Impact-Request Framework for providing constructive feedback in an effective way. We all do better when we have a culture in which we give—and receive— feedback positively. It feeds our ability to continuously improve and get stronger as a team.

Ebrahim Al-Areqi, a production manager, participated in the program and furthered his skills in continuous improvement to tackle a problem that also tied in with the business objective of reducing waste.

Read more about his project on page 22.

" Giving away free shirts and snacks may result in short-term satisfaction, but it doesn't help an employee feel really valued. Instead, we need to focus on true engagement, empower our employees, and give them opportunities to grow. So we bring those elements together. "

– Francisco Marquez, Employee Engagement Specialist

GROW PROGRAM IN 2018

200+
Participants

400+
Individual Development Plans

280 HRS
Team Meetings, Coaching,
Project Management Sessions

30+
Continuous Improvement Projects

679 = 17%
Promotions of workforce



ROOTED IN BEST PRACTICES

Our Rooted training program for managers and supervisors sprouted in 2018 with a focus on giving them the foundational tools they need to be successful leaders. The program content is customized to fit the needs of each function, whether it's production, corporate, or transportation. These interactive trainings teach best practices on a dozen essential topics, including:

- Diversity & Inclusion**
- Workplace Harassment**
- Communication & Coaching**
- Effective Interviews**
- Conflict Management (amongst others)**

Participants are given a scenario-based "playbook" to provide guidance on how to handle certain situations, review necessary steps to a relevant process, and revisit tips on best practices. Participants are also given the opportunity to share their experiences and ideas with each other with the guidance of HR partners who facilitate the sessions.

This training helps ensure that supervisors have the leadership tools and resources they need to be successful in their roles, which means they feel more confident in supporting their employees.

We expect to complete this training for all our managers and supervisors by the end of 2019. From there, we will provide the training to new employees on a quarterly basis at our 2.5 day LAUNCH New Leader On-Boarding for those who take on a supervisory role in the company.

EMPLOYER OF CHOICE, EXPLAINED

One of our company's cornerstones is to be the Employer of Choice, which means creating a positive environment with rewarding careers so that people choose to work with us for the long-run. Alex Brown, who recently joined our company, instantly understood our mission.

" Being an Employer of Choice has been a big part of the training for the team leaders here. It doesn't just fall on HR to drive that, but also Quality, Production, every department. We understand that we're not successful as a company without working as a team. So when someone's facing an issue or having trouble at work, we don't write them off. We engage. We make an effort to reach them and help them get through whatever they're going through. I'm very lucky to work with a company that has that much respect for its employees. "

- Alex Brown,
Sanitation Manager in Topeka

ROOTED PROGRAM IN 2018



7+
Sites



2,141
Hours



COACH APP AIDES TRAINING

We introduced the Coach mobile app in 2015 and by 2018, it was implemented in all our plants. This app is connected to the Alchemy training program, which allows supervisors to observe employees in real-time performing their tasks out on the production floor and compare it with the best practices covered in workplace safety and food safety training. Supervisors record this data which is then automatically synced online, where reports can be run to analyze trends and spot problem areas without the use of paper.

Photos can be added to the individual observations as well so employees can review the visual documentation to more readily learn how to improve. For instance, after a worker safety training, a supervisor may walk the floor to see how employees lift heavy objects. If an employee is utilizing the proper techniques to avoid injury (bend at the knees!), then that observation is recorded. If an employee isn't using the right technique, the supervisor can document the errors and then generate a customized plan to reinforce the training for that particular employee. Being able to point to a photo makes it easier to see where the employee erred. These observations, which take place daily or weekly depending on the location, help facilitate one-on-one communication and proactively prevent any issues, while also verifying the efficacy of our training programs.

We have new food safety and workplace safety training every year at a rate of 2-4 topics per month. Nearly all of these topics can be included in the Coach app, which allows us to assess “the transfer of knowledge from the classroom to the floor to see what employees are retaining,” explains Senior HR Generalist Drew Bleth, who implemented the program.

In 2017, we recorded 488 observations using Coach. With the rollout complete in 2018, that figure jumped to 2,562 by the end of the year. We are continuing to expand our use of this training tool with the goal of reinforcing a strong culture of safety.

TOTAL TRAINING HOURS VIA ALCHEMY



WORKPLACE

+



FOOD SAFETY

2017
40,046

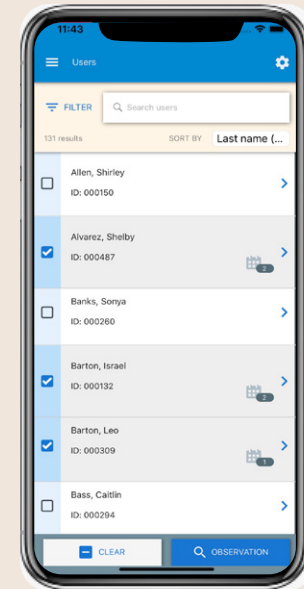
2018
44,698



COACH
OBSERVATIONS

2017
488

2018
2,562





TEAM WORK

VOLLEYBALL: TODD

A few years ago, someone walked into Todd Pease's office and spotted a photo of him playing volleyball back in college. That sparked a conversation about forming a company volleyball team and there was no looking back from there. Todd acts as the manager and coach for the ominously-named "Darth Taters." Even though there are varying degrees of skill level, "I like to make everyone feel like they're part of the team and feel special when they're out there. Everyone always gets to play," explains Todd.

The team is comprised of people from several departments, so being part of this team allows people to connect who wouldn't normally interact in the office. And out on the court,

" No one's the boss. There are no doors or walls separating the different departments. None of that exists when we're playing volleyball. We're just out there having fun and getting exercise. "

As a result, spiking balls in the evenings leads to more water cooler conversations and connecting by day.

SUMMER PICNIC PARTIES

Every year at every plant and office, we host a picnic gathering to celebrate our employees. These events are for our employees to take a much-deserved break to enjoy some sun, BBQ, games and other festivities with their families.





**COMMUNITY**



TOTAL GIVING

2017

\$4.6 MILLION

2018

\$5.6 MILLION

in cash and product donations

1000+ ORGANIZATIONS

received funding or product donations



DEEPENING OUR ROOTS WITH OUR FOOD BANK PARTNERS

For years, we have been proud to support the Harvesters Community Food Bank with product donations. This regional food bank serves hundreds of organizations across a whopping 26 counties in both Kansas and Missouri, including Shawnee county where our Topeka plants and distribution center are located.

In 2017 and 2018, we donated a total of 9.8 million pounds of food from our facilities. On top of product donations, dozens of our employees also started volunteering at the food bank. The volunteers created assembly lines to efficiently pack boxes of food that went on to serve senior citizens in the community. The first shift of volunteers would try to set the bar high for the number of boxes completed in order to egg on the second shift of our employees arriving later in the day. Adding a bit of competition only added to the fun and motivation. Distribution Center supervisor, Robert McCall was in charge of managing the inputs for the assembly line – cutting open boxes, stocking the line and then breaking down boxes. “We were really working up a sweat,” said Robert. The effort, of course, was worth the while knowing that they were contributing to their community.

“ We’re always striving to do more – donating to the community, volunteering, the Thrift program...That’s just the Reser’s way. Once we reach a goal, we’re asked if we can do more. It helps us progress beyond what we initially thought was possible.” – Rober McCall
Distribution Center Supervisor



The Century Reser’s Cares Team served senior citizens, by preparing fresh feasts for Meals on Wheels. Members of our corporate office volunteer to make the deliveries to home-bound seniors.



RECOGNIZING EMPLOYEES FOR DOING MORE

In 2018, we launched our Dollars for Doers initiative, which provides extra incentive for our employees to volunteer and extra support for our community. When an employee volunteers 20 hours of their personal time at a charity or public school of their choice, we send a \$200 check to that organization. This program will allow us to better promote volunteerism to all of our employees and recognize their good work out in the community.

We want all of our employees to have the chance to participate, so our goal is to roll out Dollars for Doers to each and every plant by 2024.



THE NEXT GENERATION OF CHEFS

In 2017, our Foodservice Sales group partnered with the Auguste Escoffier School of Culinary Arts to launch the “Hungry to Learn” scholarship competition to inspire the next generation of chefs. Students were asked to devise a creative, restaurant-quality dish using Reser’s Macaroni and Cheese as the base. The top two finalists took home scholarship funds to apply towards their culinary education and were featured in the restaurant industry publication, FSR Magazine. Miguel Villalobos was crowned the winner with his Three Cheese Mac with Bacon and Jalapeños. He was feeling encouraged after the competition. “This was a chance to do what I love and show that I am good at it,” he stated. We’re excited to see how Miguel continues to grow in his career in the food industry.



The two competition finalists: Iyar Mamis and Miguel Villalobos.



ACTIVELY INVOLVED IN THE COMMUNITY

Each year, our employee-run Reser’s Cares committees are provided a budget and are enlisted to help identify organizations to support with food and cash donations. The goal of this program is to strengthen our relationship with both our employees and our community. Hundreds of organizations covering a broad range of issues received support in 2017 and 2018, including several youth sports teams and other organizations that put kids at the center of their work.

ROOTING FOR ROANOKE RAPIDS BASEBALL

Tim Bratton, a maintenance manager at Don Pancho East and 5-year member of the Reser’s Cares committee, relished the opportunity to offer the Roanoke Rapids Youth Baseball team with financial support to allow more kids to play with the proper gear and uniforms. Tim explained, “My kids play sports, so I wanted to support others who couldn’t afford it...When these kids get a new jersey, it’s like they have on a brand new leather jacket. They have such pride in being #3 or #7 on the team and want to show that off.” As an added bonus, Tim also appreciates how these baseball games bring together families who are cheering from the stands.

A BOOST FOR VISTA HIGH SCHOOL BASKETBALL

Production supervisor Ricardo Garcia is an alumni of Vista High School. So when he joined the Reser's Cares team, he thought back to those days and recalled how much basketball had made a positive impact on his life. So he got in touch with the basketball coach at his former high school to see if the team needed anything. As it turned out, they were trying to get the funds to pay for new equipment and uniforms. Ricardo pitched the idea to the rest of the Reser's Cares team who were quick to offer support. After delivering the donation and meeting with the coach and team members, the Reser's Cares committee then took their seats in the bleachers to watch the team in action. Since then, demand for joining the basketball team has grown. "Before, they couldn't get enough players to complete the team. Now there are more students excited about playing," explained Ricardo. Another exciting development is that some of those girls on the high school team are now going on to play basketball in college, too.



Fresh Creative Foods Supports Vista High Basketball

ASSOCIATION OF FUNDRAISING PROFESSIONALS RECOGNIZES RESER'S FINE FOODS

In 2018, the Association of Fundraising Professionals (AFP) Oregon & Southwest Washington Chapter honored Reser's Fine Foods as the Outstanding Philanthropic Corporation of the year. At the event, our president, Mark Reser noted that "Together, we are stronger. Supporting each other is part of Reser's recipe for success." And that sentiment has been a key part of our company for decades, from donations to food banks and schools and beyond, giving back is part of our culture and core values that we will continue to carry into the future.

STEPPING UP FOR HOMEPLATE YOUTH SERVICES

Jose Rivera and several others on his sanitation team work nights. So, they decided to form a kickball team – deemed the "Potato Sackers" – to have some fun during the day. However, this act soon proved to be more than just an athletic venture. When they're on the clock, "It's always all about work," explained Jose. "Playing kickball together was an opportunity for team building outside of work. It definitely brought the crew closer and increased our camaraderie. We're now looking for other opportunities to connect in this way."

Moreover, the team honed their kickball skills to practice for an important competition: The HomePlate Youth Services fundraiser. The "Potato Sackers" team faced off with other teams in the community at Hillsboro Stadium. Each team pledged a donation of \$1,300 for HomePlate, which supports teens experiencing homelessness. "We all really enjoyed it...even if we only came in second place," joked Jose. After all, the formidable challengers who took first were all gym teachers! In the end, they were really there to enjoy the full-day of friendly competition and support a cause that they cared about.



The "Potato Sackers" team after the HomePlate Youth Services game.



ENVIRONMENT



EFFICIENCY UPGRADES FOR CROSSROADS

When we moved over to the new Crossroads plant, we did not just get a new building. We also used it as an opportunity to implement new efficiencies and to get improved equipment within those walls. All the lighting is now LED instead of incandescent, which uses about 10x less electricity. The new office areas are on timers, too, so the lights shut off automatically if everyone has gone home for the day.

We replaced our air compressors, too. The old ones were either all the way on or all the way off. There was no in-between. That often meant they were left running, so they were always accessible to use. The new ones are variable speed. They slow down to a minimum when not in active use, which reduces the drain on energy without interrupting work flow.

RECYCLING OIL FROM DON PANCHO

Our tortilla chips are crisped up in oil at our Don Pancho plant. After they are fried, they get bagged up and shipped off to stores and restaurants. The oil stays behind to be picked-up by a local biofuel company and converted to a greener fuel alternative. We recycle between 2,100 to 4,200 gallons per month.



DRIVING EFFICIENTLY

In 2017, we implemented a new transportation management system for our fleet that allows us to optimize our load weights and maps out the most efficient routes. This results in fewer miles traveled for each pound of product that we transport. More product per truck = Fewer miles driven = Fewer fuel fill-ups = Reduced carbon emissions. We aim to increase our average load by 1,000 pounds and to track our fuel efficiency savings in the coming years.

We are also increasing efficiency by reducing our dead-head miles. That's industry-speak for "empty trucks." After each drop-off, we will try to refill the trailer to reduce the number of miles we're hauling just air. The more times we can occupy space in a trailer that would otherwise be empty, the less often a separate truck needs to make that same trip. This reduces total miles driven. We're looking to reduce our dead-head miles by 8 percentage points.



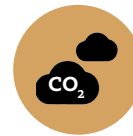
PRODUCT PER TRUCK



MILES DRIVEN



FUEL FILL-UPS



CARBON EMISSIONS



GROW PROGRAM TACKLES WASTE

The GROW program is focused on nurturing talent to foster leadership and long careers within our company by giving participants the tools and guidance needed to tackle challenges. At the Century plant in Hillsboro, Oregon, Ebrahim Al-Areqi participated in the program. He and other participants chose to take on food waste while developing their leadership skills. They decided to hone in on the amount of fresh celery waste falling from conveyer belts. The program leaders provided a “Project Focus Area” template and taught the 5 Why’s methods to help participants pinpoint underlying causes. Next, the participants collected and analyzed baseline data and calculated potential cost savings. Initial research found that up to 1.4% of washed and diced celery was wasted when it fell off conveyor belts. That may not sound like a lot, but when you’re making as much potato salad as we are, it really adds up. Not only was this a waste in food (thousands of pounds a year!), it also caused wasted labor because time needed to be spent cleaning up the mess during busy times. After examining the data, GROW participants assessed different solutions and pitched proposals to the leadership team. Potential waste prevention measures included an updated conveyor belt, adding side guards, and adjusting water flow that would distribute the celery across the belt more evenly (instead of gathering all to one side, making it prone to fall off).

Ebrahim explained,

“ This program gave me the opportunity to work with people that I normally don’t work with — from receiving to production to shipping, the whole chain. We got to know each other a lot better. ”

Looking through the perspective of other roles also allowed them to spot new challenges and identify opportunities they hadn’t thought of before. The team will continue to move forward with this project and use the methods they learned to continuously identify and assess other waste reduction opportunities.

For more details on the GROW program, go to page 12.



WASTE DIVERSION IN HALIFAX

Continuous Improvement Manager, Terry Blackburn, saw an opportunity to make some changes with the waste output at Halifax. He noticed that the recycling process for cardboard was not being fully implemented. There was an extra step to pull cardboard from one area to get it to the right container for baling, so sometimes this step was bypassed. Terry worked with the waste management vendor to keep an eye on the amount of cardboard going out with trash. When those levels got high, Terry knew it was time for a refresher training with the crew. “We get paid for cardboard that we recycle. I think they just needed to understand the impact. So I told them the numbers and explained why it was important to get it right. After that, costs went down, and revenue went up,” explained Terry. The training doesn’t just impact our waste bills. These best practices are applicable for everyone. “I might’ve taught someone something that lasts the rest of their life.” Terry goes on to say why it’s personal for him: “This earth needs to be here for my son—he’s 7 years old. We’ve got to take care of our environment.”

WE ESTIMATE THAT OUR WASTE REDUCTION EFFORTS RESULT IN ABOUT \$30,000/MONTH IN SAVINGS

In addition to cardboard, metals and clean plastics are also diverted from the waste stream to be recycled. Organic waste is sent to farms as feed for livestock. We estimate that our waste reduction efforts result in about \$30,000/month in savings.





STAY IN TOUCH

FIND OUT MORE INFORMATION ABOUT OUR
CORPORATE RESPONSIBILITY EFFORTS AND
COMMUNITY INITIATIVES

www.resers.com/sustainability
www.resers.com/about/community

