



 **Ventura Foods**
2020 Corporate Social Responsibility Report

CEO Message to Our Stakeholders

To Our Stakeholders,

This year, in the wake of the COVID-19 global pandemic, being a responsible corporate citizen has never been more important. I am proud of all Ventura Foods has done to serve as a trusted partner to our employees, customers, suppliers, and communities. Yet, our commitment to drive meaningful societal change hasn't wavered, despite our world's unprecedented circumstances.

It is a privilege to share our progress in the 2020 Corporate Social Responsibility (CSR) Report.

This publication, our fifth in as many years, outlines how we source our ingredients and make our products, support our people and communities, and help care for our planet. From our investments in the restaurant industry ravaged by the virus, to our contributions to food banks in the communities where we operate, we have provided critical resources to our communities when they needed them the most. And we advanced our commitment towards ensuring our branded products are made with sustainably sourced palm oil while making marked reductions in our dependency on natural resources in our manufacturing facilities.

We did all of this while staying laser focused on our highest priorities — the safety of our products and our people.

In this rapidly changing world, now is not the time to slow our progress. In fact, we are more committed than ever before in advancing our CSR strategy and plan. We continue to leverage our core values of integrity, personal ownership, teamwork, and customer focus to inform and drive forward this critical work.

On behalf of our entire team who lives our CSR commitments every day and bring this important work to life, thank you for taking the time to learn more about our CSR journey and progress.

CHRIS FURMAN

President and CEO



2020 CSR Report Highlights

Ventura Foods is a responsible corporate citizen; a priority that begins at the very top of our organization and extends to each employee and every supplier. Our report details how we responsibly source our ingredients, make our products, support our people and communities, and help care for our planet. We are pleased to share highlights from our 2020 CSR Report.

LEARN MORE at venturafoods.com/corporate-social-responsibility

Our Products



100% of U.S. production facilities are Global Food Safety Initiative (GFSI) certified, having achieved a Safe Quality Food (SQF) Level 2 certification



9 Million pounds of eggs converted to cage-free



\$25,000 donated to support U.S. restaurant workers financially impacted by COVID-19

100% of palm oil is certifiable sustainably sourced



Our People & Communities

46,000

hours of operations learning and development training completed



99%

of operations employees completed all 14 workplace safety training courses

500,000

meals donated to Feeding America-supported food banks



Almost \$900,000

of food donated to 23 charitable organizations

Our Planet

Reduced Energy



our facility in Waukesha, WI, saved over 290,000 kWh annually by adding occupancy sensors to warehouse and production areas and undertaking a comprehensive lighting conversion project



7/10

facilities achieved reductions in all three target categories — water, energy and waste to landfill — compared to FY19



Reduced Water

by almost 9 million gallons annually by installing flow restrictions on water-cooled agitators in Chambersburg, PA

Reduced Waste to Landfill

by 50%, with much of it converted into clean fuel for local energy use in Albert Lea, MN



About This Report

Ventura Foods' 2020 Corporate Social Responsibility (CSR) Report covers activities from April 1, 2019 to March 31, 2020, the company's 2020 fiscal year (FY20). This is Ventura Foods' fifth annual CSR Report. The report describes our commitments, programs, and performance across a broad range of issues that are material to our business. We intend to publish an annual Report to provide information on our efforts to address our CSR strategy.

A certified internal auditor from our internal auditing team reviewed and guaranteed the accuracy of the information presented in this report.

Our CSR Strategy and Governance

Ventura Foods' CSR strategy, with the input of stakeholders, is built around the three pillars of Products, People, and Planet. The United Nations' *Sustainable Development Goals (SDGs)* provide clear guidelines and targets for countries and governments, although industry has a vital role to help achieve these goals. Our CSR work supports the following SDGs:



Everyone at Ventura Foods contributes in some way to our CSR efforts; however, the governance around this strategy demonstrates our company's commitments at the highest levels. Ventura Foods' President/CEO, and his Executive Leadership Team are accountable for delivering on our CSR strategy. The CSR Committee is comprised of senior leaders and has direct oversight responsibility for the strategies, goals, objectives, and the activities discussed in this report. The Corporate Responsibility Committee of our Board of Directors is comprised of representatives from our owners — CHS Inc. and Mitsui & Co. — and meets quarterly to regularly review our progress.

Our Values at Work

We believe that Ventura Foods' values of integrity, customer focus, teamwork, and personal ownership are key to our success. By doing what we say we'll do, putting our customers' interests first, realizing that we can accomplish more as a team than as individuals, and taking personal responsibility for our company's success, we continue to grow as an organization and as individuals.

This growth is shaped by The Ventura Edge. It's what makes us special and guides our business approach and decision-making as we serve our customers. The Ventura Edge articulates our mission to help our customers delight their customers. It outlines our company's values and identifies our core capabilities.

The philosophy of The Ventura Edge is put into practice in our *Code of Conduct*. The Code, which includes the Ethical Trading Initiative's Base Code of Labor Practices, states that we will comply with all local laws and regulations. All Ventura Foods employees are trained on the Code and agree to comply. The Code also outlines our commitments to product quality and safety, maintaining a safe and healthy work environment, and being a good steward to our planet.

Products

Ventura Foods' products fuel our customers' passion for great-tasting food in the foodservice and retail environments. We are dedicated to producing dressings, sauces, mayonnaises, butter-blends, shortenings, and oils safely and responsibly.



In This Section

Food Safety | Responsible Sourcing | Food Solutions

Our Culture of Food Safety

Safety is a priority for our company and at the core of our culture. We never compromise on the safety, compliance, and quality of the foods we make.

All 12 U.S. production facilities are Global Safety Food Initiative (GFSI) certified having achieved a Safe Quality Food (SQF) Level 2 certification.

Food Safety Training

Ventura Foods' culture of food safety requires all employees to be engaged and understand their roles in quality and food safety, and to be empowered to take action to protect our consumers, customers, and brands. This is exemplified in our commitment to training. In FY20, 99 percent of required employees completed all 11 food safety training modules, for more than 17,000 hours of food safety-related training. Modules include HACCP Overview Refresher, Maintaining the Cold Chain, Food Allergens: Proper Handling, and Foreign Material Awareness Training.

Follow-up training observations were added to the Core Food Safety Compliance Training Program for FY20. This ensures that trained employees understand the module content and adequately apply the learning to what they experience in their normal daily activities. Employees who demonstrate training deficiencies are retrained so issues can be addressed before they occur.

FY20 Key Initiatives

- **Right First-Time Sanitation (RFTS):** In FY20, we completed the roll-out of the Charm ATP Sanitation Program in all of our U.S. manufacturing facilities. Using Bluetooth technology, line sanitation test results are sent instantly to a database where the RFTS percentage is calculated and results are provided. This is powerful information that allows us to track, trend, and identify our most challenging equipment to clean, triggers training opportunities, and reduces re-cleaning based on RFTS results.
- **Supplier Accountability:** The Supplier Non-Conformance Database was relaunched, complete with an app that employees can access through iPads. These changes improved ease of use and resulted in a doubling of entries into the database.
- **Food Safety Awards:** To recognize the ongoing commitment to our culture of food safety, the Raise the Bar Food Safety Award was introduced in FY20. The two levels of recognition, Gold and Platinum, are awarded based on plant SQF scores, food safety sigma targets, and reduction of errors that would trigger a product recall. All 12 U.S. plants achieved the Platinum or Gold award levels. That means we had no recalls at any U.S. facility in FY20, all scored SQF >90, and the 6-sigma food safety targets were met or exceeded.



Food Safety and Quality Mission Statement

Our mission is to develop document and maintain a comprehensive food safety and quality management system that strengthens our manufacturing capabilities to produce safe, quality food that delights our customers' customer.

Responsible Sourcing

Sustainability is a journey and we continue to focus on improving the ethical, social, and environmental impacts of how our raw materials are sourced.

In FY20, our direct materials procurement team engaged in a number of activities to advance our commitments to responsible sourcing:

- Completed a full review of our resin-based plastics packaging portfolio. Results showed that almost 80 percent of the resin products in our portfolio can be recovered and recycled. We work closely with our suppliers, experts, and organizations across the packaging industry to stay abreast of new technologies and materials as they become commercially available.
- Launched a project to convert a portion of polystyrene portion control (PC) cups used by our customers to a more sustainable material. The new material allows for the recovery and recycling of more than 620 million containers each year. We anticipate the project to be complete in FY21.
- Converted 100 percent, or 9 million pounds, of the eggs we source and use in our California facility, to cage-free.
- Increased the number of diverse suppliers servicing our business in FY20, including a new minority-owned packaging company that supported our PC cup material conversion project.

- Met our commitment that 90 percent of our annual volume of direct materials and commodity oil suppliers understand and agree to the standards set forth in our [Supplier Code of Conduct](#).
- Implemented a supplier verification process with [NAVEX Global](#) across our entire supply chain.

Sustainable Palm Oil

Since 2010, Ventura Foods has been a member of the Roundtable on Sustainable Palm Oil (RSPO), a global non-profit that unites stakeholders to develop and implement global standards for sustainable palm oil. We are also a member of the [North American Sustainable Palm Oil Network](#) whose mission is to increase use of Certified Sustainable Palm Oil (CSPO) in the region.

We previously committed to using 100 percent sustainable palm oil in Ventura Foods owned brands by the end of FY20. We met our goal and extended our commitment to use 100 percent CSPO from physical supply chain sources in our owned brands by the end of FY2022. We have implemented a phased time-bound approach:

Additionally, more than 95 percent of the palm oil we source is traceable to the mill. Knowing where our palm oil originates from is important to the integrity of our supply chain. We will continue to work with our suppliers and partners to have optimal insight into supply chain traceability.

Moreover, we remain committed to facilitating the uptake of RSPO-certified sustainable palm oil throughout our supply chain.

It is important to uphold our RSPO member commitments and work with suppliers who have shared values and commitments. We remain committed to:

- No deforestation of environmentally sensitive high conservation value (HCV) lands or high carbon stock (HCS) areas
- No development on environmentally important peatlands that absorb carbon that would otherwise make its way into the atmosphere
- No exploitation of rights of workers, indigenous peoples, and local communities
- Inclusion of smallholders, or small farms that often support entire families, in the developing countries where palm oil is cultivated

By the end of FY20, we completed the conversion to CSPO mass balance palm oil in

50% of our owned brands

The remaining 50% are covered by RSPO credits.

By the end of FY21,

75% of our owned brands

will use CSPO mass balance palm oil and 25% covered by RSPO credits.

By the end of FY22,

100% of our owned brands

will use 100% CSPO from physical sources.

Innovating Solutions to Support Our Industry

At Ventura Foods, we pride ourselves on continuously innovating to provide new food products that meet our customers' and consumers' needs. At the end of FY20, our teams leveraged our innovation capabilities and core values of customer focus and teamwork to help support the restaurant industry which was significantly impacted by the COVID-19 pandemic. We have deep relationships with our restaurant and foodservice customers, who are more than just *customers* – they are our colleagues, our neighbors, and our friends.

Together with our partners across the foodservice industry, Ventura Foods founded and launched *The Great American Takeout*. This grassroots media campaign encouraged all Americans to order at least one delivery or pick-up meal from a local restaurant or eatery to support their communities and the restaurant industry. Consumers were encouraged to amplify the message using the #thegreatamericantakeout. For each social media post containing the hashtag, Ventura Foods donated \$5 to the Restaurant Employee Relief Fund (RERF.US) to help support U.S. restaurant workers financially impacted by the COVID-19 crisis, and to provide aid to restaurant employees nationwide. In total, Ventura Foods contributed \$25,000 to the organization through the *Great American Takeout* campaign.



"This campaign was bigger than just one company, one restaurant or one customer. We needed to quickly raise awareness about the economic crisis impacting the restaurant sector, our communities, and the estimated 15 million employees who work in the industry. Ventura Foods was, and continues to be, a proud and committed supporter of this important initiative, restaurants, and communities across America."

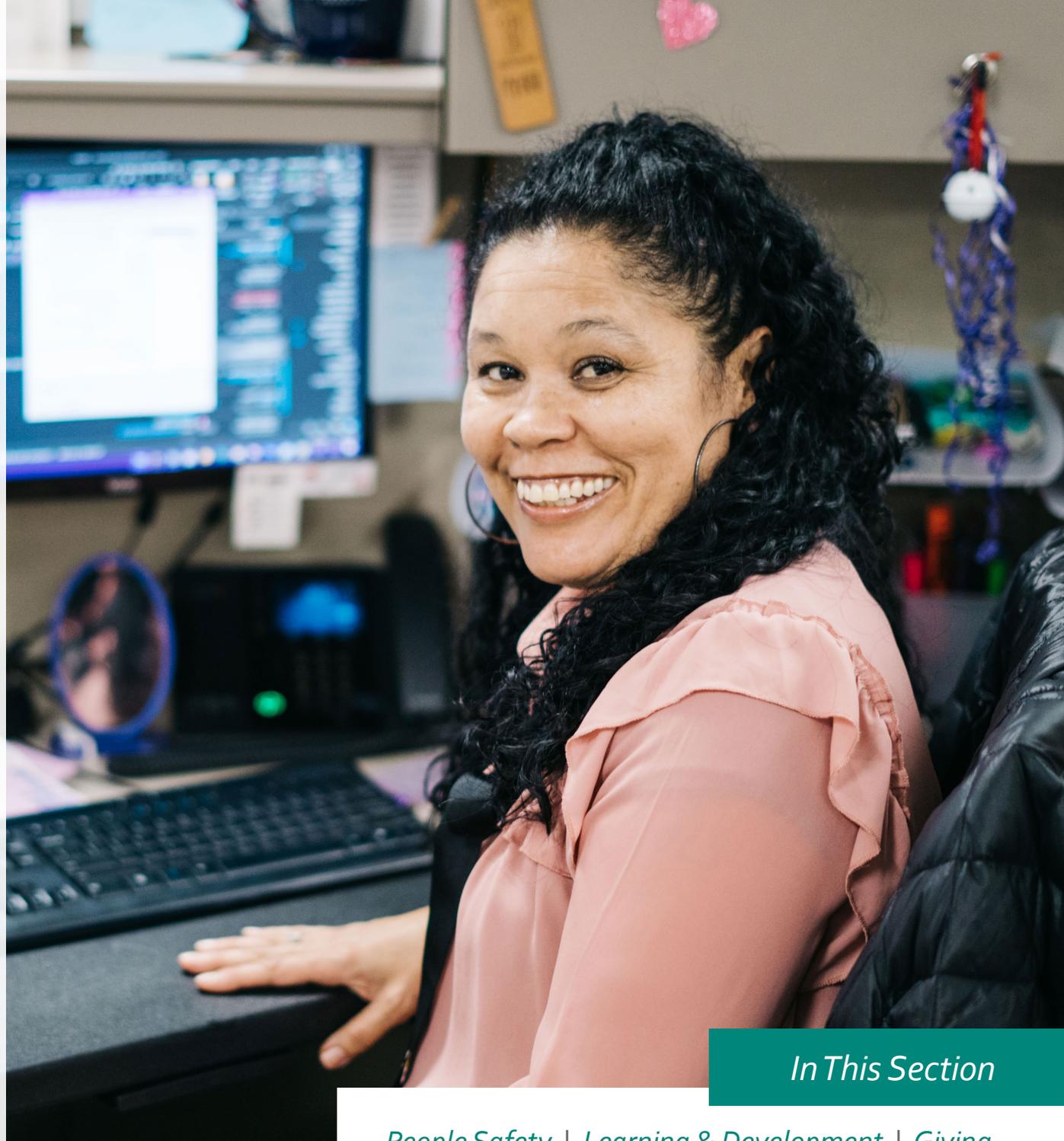
AHMAD POPAL

Vice President, Sales & Marketing



Our People

Ventura Foods is one of the largest employers in some of the greatest small towns in our country. We are committed to investing in our people and our communities because they invest in us. Our people are the heart and soul of our company.



In This Section

People Safety | Learning & Development | Giving



Investing in Our People & Communities

Ensuring the Safety of Our People

Ventura Foods is committed to providing a safe workplace for all of our employees. Our people are at the heart of what we do, and the safety of our employees underpins everything we do. We are committed to a culture of workplace safety and continue to enhance and strengthen our training, programs, and systems across the company.

While we aim for a zero-injury workplace, and regularly achieve it in many of our facilities, we believe a better long-term, company-wide goal is top quartile performance in our industry. This peer-to-peer benchmarking encourages us to constantly raise our expectations. We also continue to focus on leading indicators, rather than past performance, by introducing proactive and ongoing safety conversations

aimed at identifying and preventing potential safety incidents.

- In FY20, our employees more than doubled their workplace safety training hours compared to FY19, completing 16,715 hours. The 14 training modules include lock out/tag out procedures, personal protective equipment (PPE), heat exhaustion, air hose safety, and bloodborne pathogens.
- In FY20, we expanded our facilities' Safety in Motion® (SIM) program to reduce employee strain, pain, and musculoskeletal injuries in our operations to all but one manufacturing facility. Employees completed more than 3,100 hours of SIM training, including 672 hours of training trainers and six operation employees

completed training to be Certified SIM Trainers. In F21 the program will be implemented in 100 percent of our manufacturing facilities.

- In our ongoing commitment to strengthening and enhancing our workplace safety capabilities we invested in and implemented TapRoot® system in FY20. This system allows us to systematically investigate and fix the root causes of incidents including major accidents, precursor incidents, quality issues, human errors, maintenance problems, and manufacturing failures. It will allow us to reactively and proactively work to improve performance and reduce significant injuries.

Learning and Development

Ventura Foods is a leader-led organization committed to engaging, developing, and inspiring every employee to achieve continuous personal and professional growth through individual development, leadership effectiveness, and functional excellence. We believe in setting our people up for success. Throughout the employee life cycle, ongoing employee learning and development (L&D) is a key priority for Ventura Foods.

FY20 was the third year of implementation of our leader-led operations L&D strategy. Employee training encompassed two key platforms — Functional Excellence and Leadership Effectiveness.

- *Functional Excellence training* is used to help employees be more effective at their job. It involves core compliance training, job skills training, and other training that supports every level of employee within Ventura Foods. Employees completed more than 40,000 hours of Functional Excellence training, including 518 hours of training observation. Our goal is for 90 percent of employees across our manufacturing facilities to complete all modules in each of our training programs. All facilities scheduled to implement training in FY20 exceeded this goal.

In FY2020, our employees completed more than

46,000
hours of training



99%

Food Safety Training



99%

Workplace Safety Training



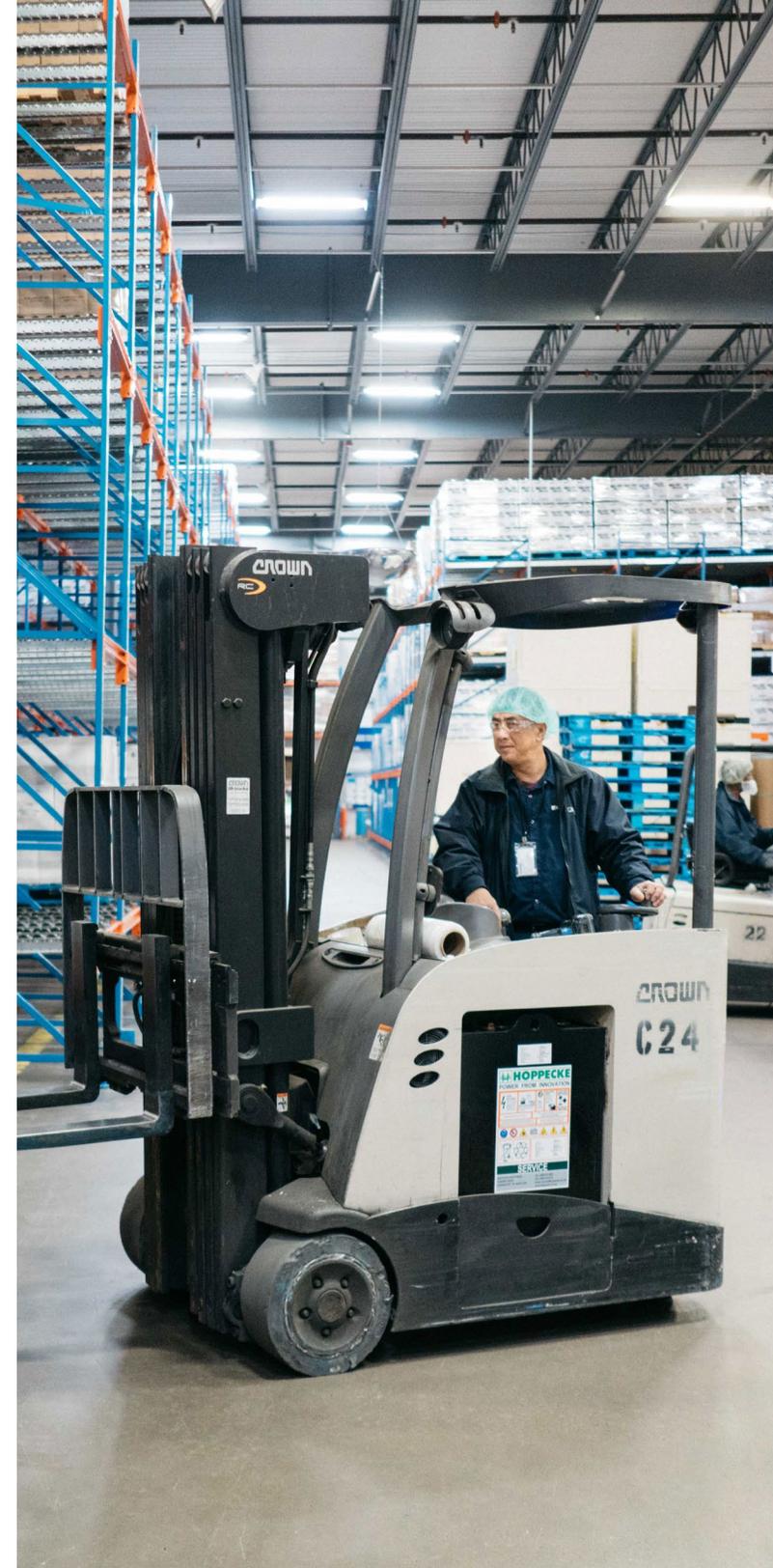
91%

Safety-in-Motion



119%

Online Mechanics Training Program



Learning and Development continued

- In FY20, our operations leaders completed 4,884 hours of *Leadership Effectiveness training*. This training, branded "Learn and Lead," is comprised of two components: EDGE Operating System and Leadership Skills Development. *Leadership Effectiveness* was designed to strengthen leaders' communication and listening skills and ultimately help them master the standard work required for their specific level. We set a target for 90 percent participation. We exceeded that goal in all but two leadership courses, which had 89 and 72 percent completion rates. More than 98 percent of frontline leaders completed the four-part Core Compliance Learning Series addressing: Communicating Effectively in the Workplace; Root Cause Analysis; Patience, Consistency, and Getting the Job Done, and Being a Successful Supervisor.
- In an effort to continuously assess our training programs, participants were surveyed post-training. Overall, the feedback was overwhelmingly positive. Ninety-eight percent of participants agreed or strongly agreed that what they learned would be useful in their jobs. One hundred percent said the leadership topics and materials were effective and ninety-nine percent said the exercises, examples, and case study activities were effective in their learning.



Spotlight: Mechanics Training Program

As part of Functional Excellence L&D, Ventura Foods introduced the Online Mechanics Training Program (TPC) in FY19 to make sure our employees have the specialized skills to maintain and repair the increasingly technical equipment utilized in our facilities. Working with a third-party partner, we've made this online learning part of our maintenance teams' daily jobs. Upon completion of courses, our employees earn various mechanical certifications.

In FY20, the program resulted in a total completion of

2.37 courses per enrolled employee, compared to 1.19 in FY19.

More than

449 courses were completed by 189 program users.

Users completed eight hours of training on average, for a total of more than

3,500 hours.

Ventura Foods also provides a full continuum of food and workplace safety training programs. Updates on these function-specific trainings are also discussed in the respective sections of this report.

Giving to Our Communities

Ventura Foods' company-wide giving program ties closely to our company's core values of integrity, personal ownership and teamwork, our corporate strategy, and our role as a member of the larger food system. Our goal is to help Edge Out Hunger in the communities where we operate. We support this goal through philanthropic giving, volunteerism, and food donations to our communities.

Giving Back to Increase Food Security

Each year, we are proud to support our strategic partners to help extend hunger prevention and relief efforts. In response to the devastating economic impact of COVID-19, we donated \$50,000 to Feeding America, which supports a vast network of food banks and pantries in every community where Ventura Foods operates. An estimated 22 million children were left without daily access to nutritious meals as schools were closed across America. We were proud and humbled to provide through our donation, 500,000 meals to our neighbors most in need during this unprecedented and challenging time.

As a global company, Ventura Foods also supports disaster relief efforts through the Red Cross. In FY20, we donated \$10,000 to help fund the Red Cross' critical work, which included distributing food and water to those impacted by the widespread fires in Australia and earthquakes in Puerto Rico.

What is Food Insecurity?

The U.S. Department of Agriculture defines food insecurity as a "lack of consistent access to enough food for an active, healthy life." In 2019, over 37 million Americans — including more than 11 million children — were food-insecure.

In addition to giving at the corporate level, our locations across the United States provide charitable donations to support local hunger prevention and relief efforts in their communities. Just a few of our partners supported in FY20 include, The Tarrant Area Food Bank (TX); Second Harvest Community Food Bank (MO); Central Pennsylvania Food Bank; Marion Polk Food Share (OR); Food Pantry of Waukesha County (WI), and United Way Freeborn County (MN).

Mission Statement

As a leading food manufacturer, we understand the importance of providing solutions that help our customers delight their customers. We also believe in the importance of creating solutions for those who lack access to food. This is why Ventura Foods is dedicated to supporting hunger prevention and relief efforts in the communities where we operate.





Together, We Can Build Stronger Communities

Ventura Foods is committed to a strong culture of employee volunteerism. In FY20, company leaders leveraged our — *Team Building for Good* toolkit — to help increase hunger relief volunteering for their teams. A few highlights include:

- The Human Resource teams from our headquarters in Brea, CA, and our Ontario, CA, manufacturing facility volunteered at Giving Children Hope in Orange County, CA, to sort nearly 15,000 pounds of food for the “We’ve Got Your Back” (WGYB) program. WGYB is a weekend nutrition program created to feed homeless children in Orange and Los Angeles Counties. Each child in the program received a backpack filled with enough food to feed three to four family members throughout the weekend.
- The senior leadership team at our St. Joseph, MO, plant spent a day teambuilding by volunteering at their local Second Harvest Community Food Bank. Together, the team assembled and filled backpacks for the Backpack Buddies Program. This program promotes food security by providing children healthy meals and snacks each weekend during the school year. In 2019, 3,500 children across 18 counties in Northwest Missouri and Northeast Kansas participated in Backpack Buddies.



Stronger Communities continued

- The Marketing, Insights and E-Commerce teams combined a strategic planning off-site with team building at the Orange County Second Harvest Food Bank. After planning was complete, the teams rolled up their sleeves to sort and repack 80,000 pounds of onions. The onions were distributed in Second Harvest’s holiday meal crates provided to families in need who would not otherwise had a nutritious holiday meal.

At our locations across the U.S., our employees generously donated their time and talents during FY20 to support hunger prevention and relief efforts in their communities:

- Our Culinary and R&D team at the Fort Worth Customer Solutions Center, baked



and donated pecan pies to support the Texas Visiting Nurse Association Meals on Wheels program in the Greater Dallas/Fort Worth area.

- Our Birmingham, AL, team is committed to feeding the homeless in their community. Employees volunteered at the downtown Firehouse Shelter to prepare and serve lunch, share stories, and engage with over 100 community members.
- In anticipation of an active hurricane season, our Opelousas, LA, team helped fight hunger in their community by collecting 450 pounds of non-perishable foods. The food was donated to I.C.O.N.S., a local non-profit organization that helps support the community during times of need.



- Our Saginaw, TX, team held a Cinco de Mayo-themed fundraiser to support their local elementary school lunch program. They raised enough money to pay off all of the student accounts with deficits and were able to help fund future accounts for children most in need.

Food Donations and Redistribution

In FY20, we were proud to donate almost \$900,000 of food through 23 charitable organizations serving the communities where we operate. In FY21, our goal is to operationalize and streamline food donations across our entire organization by leveraging a strategic national partner. This effort will help us donate and redistribute even more food to Edge Out Hunger in our communities.

Planet

Doing our part to protect our planet for future generations is one of the three strategic pillars of Ventura Foods' CSR approach. This means that across our entire organization, we are continuously working to identify and implement practices to reduce the use of precious resources such as water and energy and reduce waste we generate.



In This Section

Reducing Energy | Reducing Water | Reducing Waste

Planet

Setting Reduction Targets Across Our Network

Because water, energy, and waste issues are locally driven, they require facility specific solutions. In FY20, each of our 12 U.S. production facilities developed a site-specific plan that identified opportunities and set goals to reduce their environmental impacts. Each of these Sustainability Gap Closure Plans includes annual initiatives to address water, energy (electric and gas) or waste to landfill reductions and a goal to reduce one category by five percent compared to the previous year. To ensure accountability, progress against the initiatives will be reviewed during quarterly meetings with operations team leaders.

Progress Reducing Water, Energy and Waste to Landfill

In FY20, water withdrawals, energy usage and waste to landfill across our U.S. manufacturing facilities were each reduced compared to FY19. Eight of our 12 U.S. manufacturing facilities met their goal and reduced at least one target category by five percent or greater. Half of our facilities reduced a target category by more than 10 percent. Seven facilities realized reductions across all three categories. All results are normalized for production changes at each facility.

In FY21, our facilities will update their Sustainability Gap Closure Plans and continue to identify opportunities and projects to continue the important work of reducing our environmental footprint to help protect our planet.

Waste-to-Landfill Reduction Spotlight

In FY20, our Albert Lea, MN, facility reduced waste to landfill by almost 50 percent by switching to a new waste system. The new system diverts the large majority of WTL to recycling where it is converted into clean fuel, Refuse Derived Fuel (RDF) using waste-to-energy conversion methods. RDF in turn, is harnessed by a Minnesota energy plant, providing renewable energy to millions of customers.

Examples of Facility Specific Environmental Reduction Initiatives Include:



Adding occupancy sensors to warehouse and production areas and undertaking a comprehensive lighting conversion project helped one of our facilities save over 290,000 kWh annually.



Flow restrictions were installed on water-cooled agitators in the mustard room at one plant which cut water withdrawals for that one area in half, saving over 8 million gallons of water annually.



To reduce water flow and overall usage, sensor-eyes were installed on a wash tunnel line so that when no bottles are running through the line, the water stops flowing.



More than 23,700 industrial stock boxes that contained cups for product packaging were reused to pack and ship out goods resulting in less packaging to recycle or landfill.



About Ventura Foods

Foodservice and food manufacturing customers count on Ventura Foods to help them delight their customers in the U.S., Canada, and more than 60 other countries around the world. From dressings, sauces, and mayonnaises crafted with high-quality ingredients that deliver flavor on the plate, to shortening, frying oils, and margarines proven to drive high performance in the world's most demanding kitchens, Ventura Foods is continually creating the flavors and custom food solutions that our customers value.

We bring the same passion for innovation and quality to our retail brands, including Marie's® dressings, LouAna® oils, Dean's® dips, and Gold n' Soft® spreads.

Ventura Foods is a privately held joint venture of CHS, Inc. and Mitsui & Co. Our company is headquartered in Brea, CA, with operations across the U.S., Canada, Mexico, the Philippines, and Singapore.

DISCLOSURE STATEMENT

Ventura Foods is proud to provide this update of progress toward our CSR commitments. We thank you for taking the time to understand how we source our ingredients and make our products, support our people and communities, and help care for our planet.