



Northeast Foods

SUSTAINABILITY



Social Responsibility and Environmental Policy Statement

The Northeast Foods family of bakeries takes seriously its responsibility to protect our environment. This commitment to social responsibility is part of our long-term vision of sustainability through good stewardship of the environment today.

To achieve meaningful success, a business leader must be an environmental leader as well. But that is just the beginning. We have annual environmental audits in each operation performed by the corporate engineering department. We use this information to ensure we are in compliance in all areas of environmental concern. Our goal is to be a leader and to minimize our footprint on the environment.

Our use of resources is guided by four major principles:

Principle #1: Proactively manage solid waste by reducing, reusing, and recycling to conserve our natural resources.

Principle #2: Encourage environmental values and practices by our employees, vendors, and suppliers both at home and in the workplace.

Principle #3: Ensure accountability to laws, rules, regulations, internal policies and procedures through annual self audit reports reviewed by the corporate office and ownership.

Principle #4: Proactive involvements with local, state and federal environmental authorities as well as industry specific associations to assure our compliance as well as helping develop standards for environmental compliance within our industry.

Northeast Foods believes these efforts will continue to increase efficiency, enhance value, and protect the environment by working together with our employees, business partners, suppliers, and customer.



Great Forest (GF) recently celebrated its 20th anniversary as a leader in sustainability consulting and sustainability program management. As you know, our work is designed to enhance our clients' commitment to corporate social responsibility and provide guidance for ongoing improvement. Our portfolio of services includes Sustainability Assessments, Waste & Recycling Consulting, Waste Brokering, Energy Solutions, ISO 14001 & 9001 Program Management and LEED-EB Consulting.

When Northeast Foods (NEF) contacted GF in early March 2009, we were asked to assist with development and implementation of their sustainability program. At this time, NEF was already focused on solid waste reduction and management, environmental regulatory compliance and accountability, and internal promotion of environmental values and practices with employees and suppliers. Specific sustainability programs were already in place for 2009 to reduce water and energy consumption, reduce product packaging and utilize plant resources more efficiently.

To supplement these existing initiatives, GF developed a comprehensive Sustainability Management System (SMS) for the purpose of systematically reporting NEF's environmental performance and reducing the company's environmental impact. In accordance with this SMS, Green Teams were established at each plant to develop and implement new programs to reduce their plant's environmental impact. Environmental aspects to be addressed by the Green Teams include water, energy, carbon footprint, transportation, clean air and recycling. In addition to pending Green Team programs, GF will be consulting with NEF regarding their recycling and waste management program.

Detailed metrics for these environmental aspects are collected and communicated to management and employees monthly, with more detailed reports available on a quarterly basis. Each plant utilizes a brief Sustainability Scorecard, which allows management and employees to follow the progress of their plant as compared to the entire NEF portfolio. As the Sustainability Index Sheet is already in place, this will continue to be used to communicate sustainability progress to vendors, suppliers and clients in a more detailed manner.



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Northeast Foods is **GOING GREEN** in a big way! We have created the Northeast Foods Sustainability Program by contracting a third party consultant, Great Forest (www.greatforest.com), to ensure we are on the right track and to assist us with some “outside of the box” thinking as we start our green journey.

What is Sustainability? In simple words, sustainability means to **“meet present needs without compromising the ability of future generations to meet their needs”**. Think about what that says...we need to think of our future generations and how we can reduce our present impact on the earth’s environment and resources. There are many ways we can have a lasting impact on Mother Earth right now, to preserve our resources for future generations, beginning at home and at work. It all starts by measuring what we have done in the past, to develop a starting point from which we can then see the results of our efforts in the future.

Each plant has a Sustainability Index spreadsheet, which sums up total water usage, water used in production, water to the sewer, recycled materials, air emissions, gas usage and landfill waste. This sum is then divided by the amount of product the plant produces in pounds. The resulting number is called our **“Environmental Footprint”**, that is a measure of that plant’s overall level of sustainability. Our goal is to monitor the systems and programs that affect this environmental footprint and take steps to reduce it. Plant Managers will be displaying **Sustainability Scorecards** on a quarterly basis, which show the environmental footprint for that plant, as well as the overall score for all plants combined. While all plants are striving to reduce their footprint as much as possible, this is not a competition between the plants...rather a project where we all share ideas and work together.

Introductory sustainability meetings have already been held for plant management in New Jersey and Baltimore, to discuss the next steps for developing and implementing new “green programs”. It is the goal of this initiative to involve everyone in the plants, as we want each employee to be engaged and take an active part in sustainability. We want all employees to be fully aware of what their plant is engaged in to encourage sustainability and protect future generations. Our children understand this concept better than we do...so it’s nice to be able to come home and tell our children what Mom or Dad’s company is doing to save the earth.

Each plant will have a **Green Team**, made up of plant management and interested employees from each department. This team will be responsible for developing and implementing programs to reduce the environmental footprint of their plant. If you are interested in possibly joining the Green Team and getting involved in this program, we would appreciate your input and involvement. Be a member of the Green Team and lead the way!!

Current green projects already underway...

1. All plants - We are installing water meters on our cream yeast systems to measure the amount of wash water used to properly clean the system. On the average, we found that we can save about 27,000 gallons of hot water per year in this process. That reduction equates to 20,000 KWH of electricity saved, or approximately 14 tons of carbon dioxide (CO₂) emissions in the generation of the electricity. CO₂ is considered a greenhouse gas, and is proposed to have a direct impact on climate change.

We installed delayed salt to our dough mixers, shortening the mixing time required by at least 1 minute. This saves an average of 35,000 KWH per year in each plant, or 24 tons of CO₂ emissions from the generation of electricity. This is for each final dough mixer; if your plant has more than one mixer, the numbers are even higher.

Fleet trucks are now equipped with spill containment kits as a proactive approach in the event of a fuel spill. We have installed auxiliary power units on all of our sleeper tractors to reduce emissions caused by running the engine for electricity and heat when the driver is sleeping. We use only synthetic lubricants in our transmissions and axles, which reduces friction and fuel requirements. We always recap tires when they wear out which saves large amount of rubber. We govern our vehicles to a reduced speed limit to cut down on fuel usage, and tractor trailers are outfitted to be as aerodynamic as possible to reduce fuel usage even further. With the latest fleet upgrade, our leasing company estimates that we have reduced our carbon footprint by more than 211 tons per year.

We are also working on an enhanced, comprehensive recycling program for all plants. We found that each plant has its own individual recycling program, but there is no documentation or sharing of ideas with other plants. We are working with Great Forest to help us manage our waste stream more efficiently, as well as monitor and track all recyclable materials for Northeast Foods. This program is in the beginning stages, but will be online soon.

- Automatic Rolls of Baltimore - We installed new, more efficient T5 lighting on the shipping dock, replacing the old metal halide fixtures. This change has saved 42,000 KWH per year in electricity or 30 tons of CO₂ from the generation of electricity. We upgraded the bun oven controls to make baking more efficient. We installed a gas meter on the oven, before the upgrade, and compared it to the gas usage after the upgrade was complete. There was a 7% reduction in natural gas consumption! That equates to 14,000 MCF of gas not consumed and 847 tons of CO₂ not emitted into the atmosphere! See how it adds up.

- Bake Rite Rolls - We inspected the steam boilers and discovered we were running 2 boilers at 150 HP each. After conducting a study, we found that only 60 HP of steam is needed to operate the plant. Because of this result, we are in the process of removing the 2 old 150 HP boilers and replacing them with 3 small, highly efficient 20 HP steam boilers. We expect a 20% savings in natural gas because of this change. Our Sustainability Scorecard will reveal the true savings once this project is completed.

We are also preparing to package English Muffins for McDonalds in a bulk packer, rather than in poly bags. This new packaging will expose only 10 muffins per package when opened at the restaurants, rather than the 12 muffins with our current system. By using bulk packaging, instead of packaging by the dozen in poly bags as we do presently, we will eliminate 17,000 pounds of plastic going to landfills. Everyone wins...Northeast Foods and McDonald's!

There are many stories to tell and there are a lot of opportunities to save resources for our future generations, but it all starts with ideas, measuring, and then realizing the savings in resources we can generate by our ideas and policy changes. Just last week, Automatic Rolls of Baltimore realized that the tray washer pumps and blowers were running all the time, even when not using the tray line for the bulk packers. Scott Smith then measured the electricity used to run the washer pumps and blowers. We discovered that we can save 1,247 KWH per week by automatically shutting off the tray washer when the bulk packers are not running and they are using the bagger line. That equates to 65,000 KWH per year of electricity saved and 50.25 tons of CO2 not emitted from the generation of the electricity saved!

As you see from the examples above, there are many ways to save resources, operate more efficiently and become a more environmentally responsible company. Your plant's Green Team will find many opportunities to save resources and enable the plant to become sustainable. The next time you see a piece of equipment running that is not producing something, or lights on that are not needed, bring it to the attention of your Green Team. We all need to think "outside the box" and observe what we do, and how we do, it to ensure that we are doing our part to conserve our resources for future generations!

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