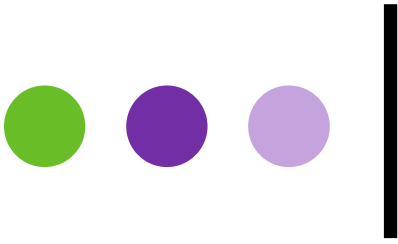


Corporate Sustainability

Neal Mast & Son Greenhouses, Inc.

Mast Young Plants

2015



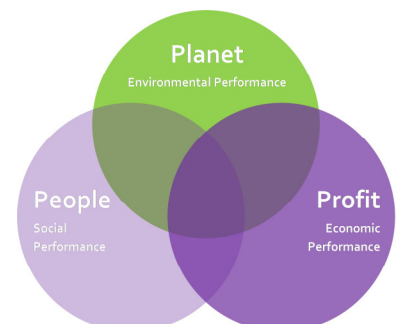
Our Sustainability Mission

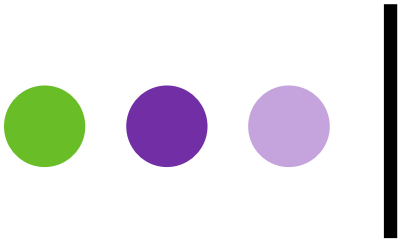
Being a good steward of our resources has been important to our company from the start. This was something that Neal Mast himself instilled in the company when he began NMG almost 50 years ago and we continue to grow and enhance his vision every year.

Our vision is to be sustainable in all areas of the company and be the leaders in our industry. We focus on three, all encompassing areas. People. Planet. Profit. We feel that you cannot focus on just one and be satisfied that you are being sustainable. It starts with the people and community in which we work and live, how we produce our flowers and making decisions that will allow us to continue for another 50 years.

We hope you enjoy the following pages and learning about our efforts at Neal Mast and Son Greenhouses, how and what we do each day to make the world a better place.

James Raterink
President/CEO





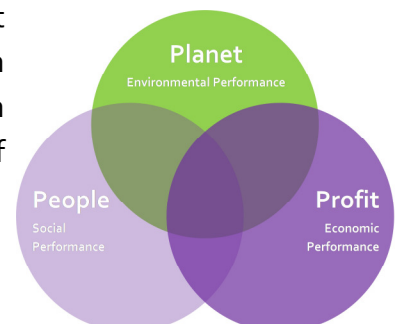
“Sustainability at NMG/MYP is a strategic commitment to the 3 P’s – People, Planet and Profit.”

Project GREEN House was introduced in late 2009 as the “umbrella” over all of NMG/MYP’s internal sustainability and eco-friendly initiatives and community out reach programs. These initiatives include (but are not limited to): efforts to reduce energy, fuel and water usage, recycling, waste reduction, eco-friendly supplies, and education.

Project GREEN House included the formation of the **NMG/MYP Sustainability Committee**. The Committee’s purpose is to make recommendations to the company regarding policies and initiatives to promote sustainability . Their focus is to: identify practices that promote the most efficient use of resources, to coordinate and consolidate sustainability efforts within the company, drive sustainability education and communication, report on progress made, develop recommendations that can be implemented under current budget by focusing on best practices and increased efficiency and research and recommend long-term or more costly initiatives for future evaluation and inclusion in the budget.

The **NMG/MYP Sustainability Committee** is comprised of employee volunteers from a cross section of the company. These volunteers serve for one year and work collaboratively in the following areas:

- **Community** – Promote awareness and education
- **Recycling and Reduction of Solid Waste** – Concentrating on decreasing the volume of waste generated to minimize the amount of solid waste sent to landfills, as well as aggressively reusing and recycling all possible materials.
- **Transportation, Energy Conservation & CO₂ Reduction** – Research alternate energy sources, track, report and minimize greenhouse gas emissions and energy use.
- **Procurement** – Modify purchasing processes and procedures to meet sustainability objectives. NMG/MYP annually reviews our own sustainability initiatives with our vendors and gathers information on theirs. This information helps NMG/MYP to partner with members of our supply chain committed to a sustainable future.





Our Company

In 1948, Neal Mast immigrated to the United States with his young family, arriving on Ellis Island with \$20 in his pocket and a chest holding all their earthly possessions. They then traveled to Grand Rapids, Michigan where his sponsor offered to help him get established. In his first years in the United States, Neal had little interest in the greenhouse business, having worked in his father's greenhouse growing vegetables with his five brothers from the age of six. He thought in America he would do something more exciting and spent his first years in Grand Rapids working odd jobs in foundries and trying to learn English. Eventually, Neal took a job working for two brothers that were produce growers. He worked summers in the Upper Peninsula of Michigan growing lettuce, and also helped bring the product to market.

In the early 1950's, Neal had an opportunity to rent a greenhouse from a gentleman who wanted to keep it running while his son was serving in the National Guard. Neal would work nights in the foundry and days at the greenhouse. In the winter, he would run home during breaks at the foundry to shovel coal into the boilers at the greenhouse. Some of the first flowering plants that Neal grew were cutting geraniums that he would sell to the local cemeteries for Memorial Day. He would collect the urns in the fall, tag them with the customer's name, and in the spring return them to the cemetery filled with beautiful geraniums.

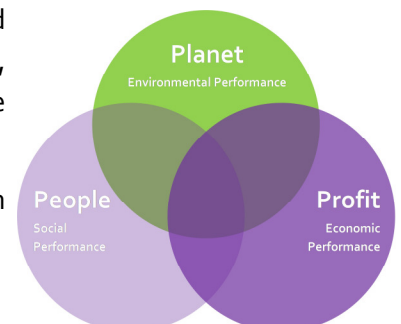
In time, Neal quit working in the foundry, and was able to make a living working full-time at the greenhouse. During that time, he and Jacoba had three more children, rounding it out to seven. His oldest son came into the business and eventually purchased the original greenhouse. In 1972, Neal started a new greenhouse, with new customers, at our current location on Four Mile Road.

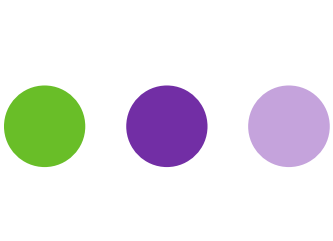
The business has grown over the last 40 years from a sole proprietor to a small corporation. When Jim Mast purchased the business from his father in 1987 there were 10 employees and 120,000 ft of production space growing Poinsettias, Easter Lilies and Seed Geraniums. Product shipped 10 weeks out of the year and mainly serviced a 5 state area. Co-owner Jim Raterink came on board in 1991.

We now have two divisions: Mast Young Plants produces over 30M vegetative liners and 15M seed plugs annually and the Neal Mast finished division produces product year around for big box retailers and grocery stores. We ship to 48 states and have over 250 full time employees, 200 seasonal NMG employees and during peaks will exceed over 400 temporary employees! We operate over 1M square feet of indoor production with an additional 23 acres in outdoor production for the summer products.

We don't have a crystal ball to predict our future, what we do have is an assembled team of people committed to our future. A motivated team of visionaries, analysts, strategists, growers and executers, working together and moving in the same direction.

Our continuing success lays in our heritage as world-class growers and our passion for "Connecting People to Plants."





Our Core Values

How we make decisions...how we do business.

Integrity has always been central to the way NMG/MYP does business. We have earned a reputation with those who deal with us as people of integrity and that reputation is more valuable than anything else we possess. Maintaining that reputation cannot be taken for granted – it is vital to our continued growth and success. The level of trust between NMG/MYP, our employees and our customers extends deeper than ever. As we continue to grow and expand – we must be even more vigilant to ensure that our reputation is maintained in every way we do business.

Everyone at NMG/MYP has an obligation to make sure our daily decisions support the values and principles of the company. That means managing the business to comply with the law and our ethical values. Simply, it means our standard is to do business fairly, honestly and ethically whether dealing with employees, customers, suppliers, competitors, government authorities or the public.

This also means resisting any temptation to cut corners. Our success is owed to our people, who through the years paid careful attention to integrity and demonstrated these values. It also speaks to the way in which we treat our people, by creating an environment of trust and understanding. An environment where good people can make good decisions.

Honesty and Integrity: Honesty is the quality of being fair and truthful. Integrity relates to your conduct, the way in which you perform, adhering to an ethical and moral set of principals.

Respect: To show regard and consideration for the people we work with and the customers we serve.

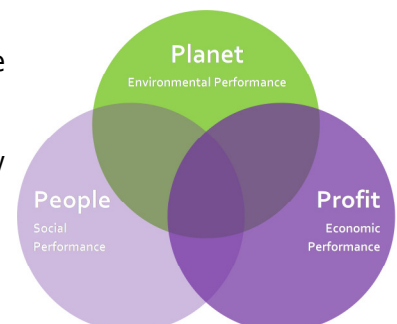
Accountability: Being responsible for your actions to yourself and the team.

Sustainability: Continually evaluating our three P's (people, planet and profit) to ensure that we are operating in ways that are beneficial for all three.

Fun: To work in a manner that is informal and approachable with all the people that you come into contact with on a daily basis.

Adaptability: The ability and willingness to change to benefit the business and our customers.

Constant Improvement: Winning through continuous change in how we conduct our business.





Certifications

Veriflora and Organic Certified



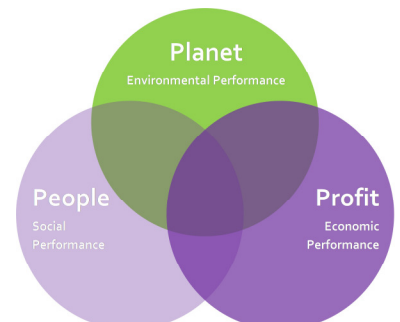
Each year **NMG/MYP** goes through an extensive audit with **SCS** (Scientific Certification Systems) to be a **Veriflora Certified** Grower. This certification shows that our plants have been produced in an environmentally and socially responsible manner with high quality standards using:

- Quality supporting handling practices from seed to store that allows you to enjoy flowers and plants that look beautiful and last longer.
- Environment practices that reduce energy consumption, landfill space used, conserve water and support healthy ecosystems.
- A healthy, equitable workplace that supports employees, their families and the community.



Our company was the first potted plant grower in the US to become Veriflora certified, and in December 2011 we received our first Organic Certification. To learn more about Veriflora, visit:

scsglobalservices.com/veriflora





Awards

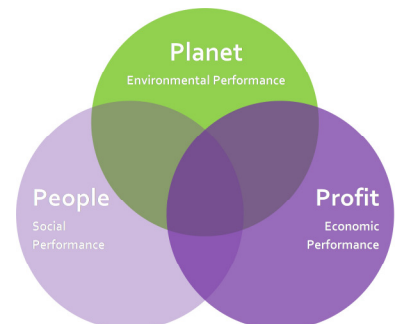


**NEAL MAST & SON GREENHOUSES, INC.
MASTYOUNG PLANTS
NATIONAL WINNER 2014**

The National Association for Business Resources (NABR), connects, educates, and empowers businesses across the country through focused programs, groundbreaking studies, and field-leading support.

The Best and Brightest Sustainable Companies™ identifies and honors organizations who excel in their commitment to environmentally sound and sustainable practices.

**NEAL MAST & SON GREENHOUSES, INC.
MASTYOUNG PLANTS
MICHIGAN WINNER 2015**





Reduce, Reuse, Recycle



One of the initial targets in our sustainability program was the reduction of solid waste. In 2010 NMG/MYP started a major recycling effort with just paper and cardboard. This program has since expanded into metal, all types of plastics and composting plant waste.

We set an aggressive 50% waste reduction target and a goal of eliminating 1,000 tons of waste going to the landfill. As of the January 2015 we had reduced our total solid waste generated by 51.4%. In December of 2015 we surpassed 900 tons and are well on our way to meeting our goal!



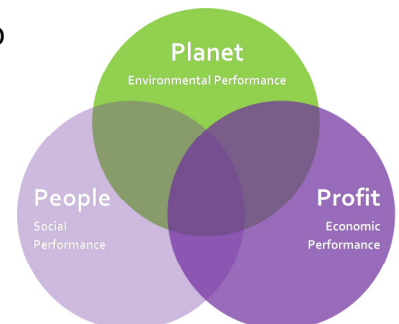
Along with recycling, we have taken efforts to reuse plastics when possible and reduce what we purchase, thereby saving energy, water and the petroleum needed for manufacturing.

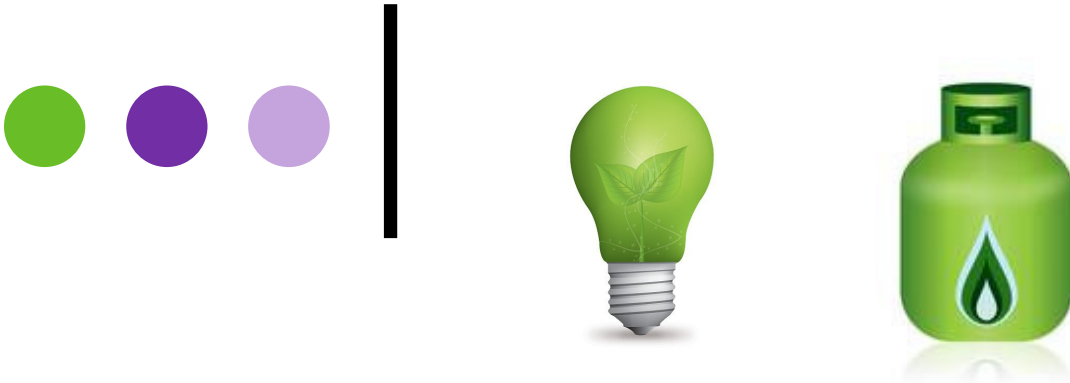


We send back the collapsible crates our flower bulbs are shipped in for reuse. We are also increasing the number of plastic trays recovered from our deliveries. Last year we recovered more than \$40,000 worth of plastic that can be reused in future deliveries.

Paperless billing whenever possible and consistently eliminating junk mail publications saves trees, water, electricity as well as reducing greenhouse gases. We currently recycle 40% of all the paper purchased annually.

Employees are encouraged to use the recycling facilities at NMG/MYP, and we distributed repurposed bulb crates to all employees to make transporting their recyclables easier!





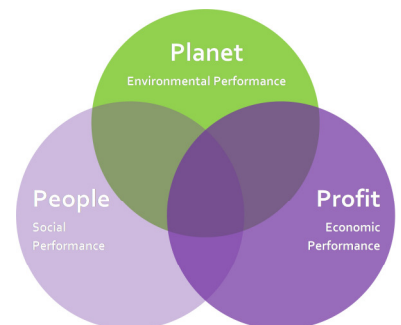
Energy

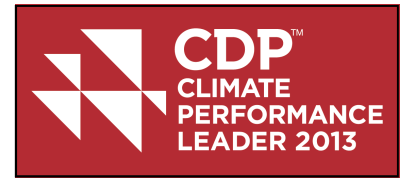
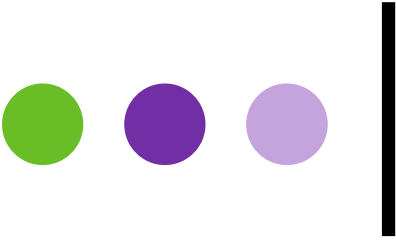
Growing plants take heat and light...there is no getting around it. At NMG/MYP we are constantly looking for ways to reduce our energy use, whether it's electricity or natural gas.

One of the first things we can do is to ensure our greenhouses are full and the space is being used efficiently, along with more frequent turns so we are producing more plants in the same space.

Other ways we have worked to reduce our energy costs are:

- Wrapping pipes and boilers to retain heat as well as extensive boiler tune-ups.
- Using high-energy roof poly and double-wall poly on all outside walls to prevent heat loss. This has increased our efficiency to U-value .58 and a savings of over **15,000 MCF** annually!
- Received a federal grant for the energy curtains we installed for the reduction in natural gas used. These energy curtains have the potential to save MCF annually!
- Replaced over 420 old fluorescent and halogen fixtures and bulbs with LED. This led to a total reduction of **253,272** watts annually!





Carbon Disclosure Project

Mosaic Labs Client Neal Mast & Son Greenhouses Inc.

Wholesale Greenhouse Demonstrates Commitment to Sustainability

Mosaic Labs announced today that its client, **Neal Mast & Son Greenhouses, Inc.**, has received a disclosure score of 97 out of 100 on the 2015 CDP supply chain program questionnaire. The company also received a climate change mitigation performance score of “B,” for small-to-medium enterprises (755 SMEs participating this year). The supply chain average for SMEs is “D” for those companies with disclosure scores over 50.

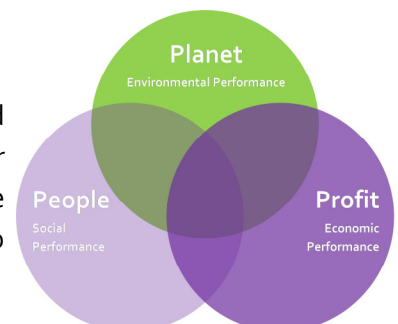
“Sustainability at Neal Mast & Son is a strategic commitment,” said Jim Raterink, company co-owner and sustainability champion. “We believe that sustainability helps us to strengthen profitability, support our employees, and be socially responsible. We’re delighted at our 2015 CDP score—and will keep working to reduce our emissions even further.”

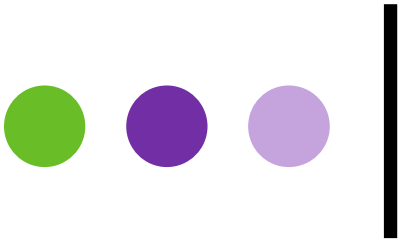
The CDP’s annual Supply Chain Program works with more than 60 global purchasing organizations including Walmart, Dell, Unilever, Cisco, and Nestle, to engage suppliers on carbon emission reductions. The rigorous questionnaire includes requests to disclose not only current practices, but also climate risks. In 2015, more than 3,396 suppliers participated in the program. Neal Mast & Son’s score of 97 is one of the highest scores in the program when compared to the average respondent score of 60.

Mosaic Labs works with CDP respondents to measure greenhouse gas emissions and improve companies’ scores on the questionnaire and has partnered with Neal Mast & Son since 2011.

About Mosaic Labs

Mosaic Labs works with the most innovative organizations in the world to understand and reduce environmental impact. Using web-based technology and subject-matter expertise, we develop customized products and services to deliver efficient, effective solutions to the environmental and social challenges facing organizations today. To learn more, visit <http://www.mosaic-labs.com>.



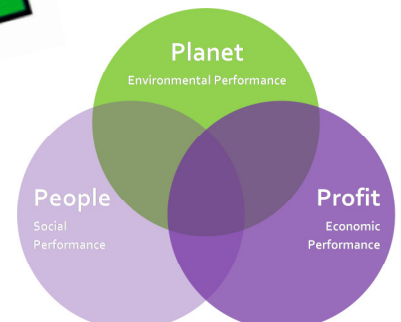


Employment and Benefits

Providing good jobs and family friendly benefits is a win-win for Neal Mast and our community. The number of employees at NMG/MYP has more than doubled in the last decade with more than 250 full time employees. Longevity is high among NMG/MYP employees with 40% of our employees over 5 years of service and a management team that averages 10+ years of service.

Offering medical, dental and life insurance benefits means that our employees can be sure that they and their families are well taken care of. Providing paid time off with a healthy vacation and personal time policy is important for health and well being - giving employees the opportunity to rest and recharge! We also provide a 401K retirement plan that encourages employees to prepare financially for their future.

Fun is a core value of NMG/MYP and we plan a variety of events and parties throughout the year that allow everyone to spend time with their coworkers and families building bonds and friendships.





Safety

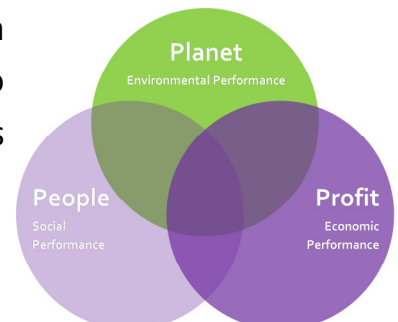
Neal Mast Greenhouses, Inc. and Mast Young Plants maintain employee safety as a top priority. Using proper equipment and tools, as well as following safe practices will minimize employee injury and loss of property.

All employees receive training upon hire and an annual review thereafter. Our **Start2Finish Safety Presentation** was developed in 2011 by an internal goal team made up of employee volunteers. This presentation includes photos of our facilities and employees doing the work they are accustomed to each and every day. Included are:

1. **How to be prepared.**
2. **The wrong way to work and the right way to work (safety rules).**
3. **What to do if you or someone else is injured.**
4. **When to report a situation to your supervisor.**
5. **Fire extinguishers, diagrams and fire drills.**
6. **Procedure for Tornado warnings.**
7. **Workers Protection Standard (Chemicals)**
8. **Rack Safety**

Start2Finish is updated frequently whenever a policy changes or new equipment is added.

Safety is a shared responsibility among all employees. Each person has to take personal responsibility to make good decisions and also to be observant – to keep an eye out for unsafe situations for others as well.





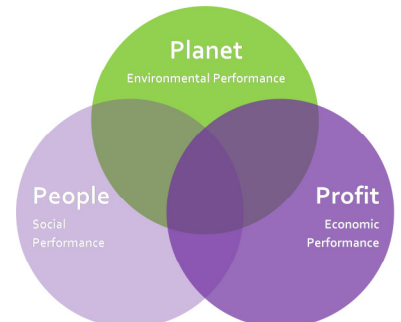
Our Community

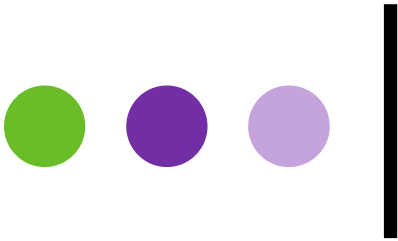


Whether it's a workshop on building rain barrels, a class on packing a healthy lunch or a children's educational day in the garden, we encourage sustainability in our employees with a variety of programs and education.



During our annual **Sustainability Week** (each October) we provide flu shot clinics, blood drives and a company-wide Free Market to encourage repurposing.





Our Community (continued)

Continuing involvement in our community raises awareness that reaches far beyond our doors.



Each year, we donate thousands of plants to local non-profit and charitable organizations, such as Habitat for Humanity, Home Repair Services and Feeding America.



**Home
Repair
Services**

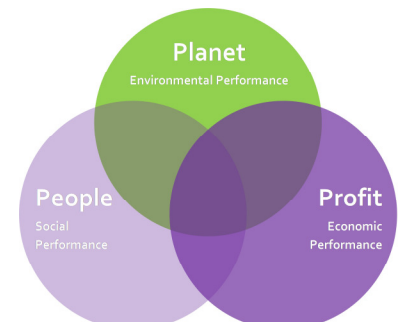
Resources for Home Owners

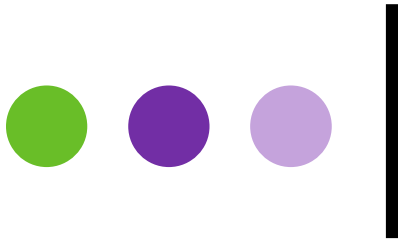


We've sent indoor blooming plants to rest homes and veteran's hospitals, vegetable plants to community gardens and food kitchens, and landscaping plants to organizations that help neighborhoods beautify urban landscapes.



Neal Mast is also a proud sponsor of **America In Bloom**. America in Bloom is an independent, non-profit organization which promotes community beautification programs through the use of flowers, plants, and trees — by sponsoring an annual nationwide competition between participating communities. AIB helps towns enhance environmental awareness, promote economic development, and improve quality of life.





NMG/MYP STANDARDS FOR SUPPLIERS

Part of being a sustainable company is partnering with like minded suppliers. **NMG/MYP** encourages all our top suppliers to commit to fair and ethical labor practices. Our top suppliers have agreed in writing to follow our supplier standards listed below:

Compliance with Labor Laws - Suppliers and their manufacturing facilities must comply with all applicable national and/or local laws and regulations, including but not limited to those related to labor, immigration, health and safety, and the environment. All labor must be voluntary. Workers must be allowed to maintain control over their identity documents. Suppliers must provide workers with rest days and must ensure that working hours are consistent with the law and not excessive. Suppliers must have hiring practices that accurately verify workers' age and legal right to work in the country prior to employment. All terms and conditions of employment including, but not limited to, hiring, pay, training, promotion, termination, and retirement must be based on an individual's ability and willingness to do the job.

Compensation - Suppliers must compensate all workers with wages, overtime premiums, and benefits that meet or exceed legal standards or collective agreements, whichever are higher. Suppliers are encouraged to provide wages that meet local industry standards.

Freedom of Association and Collective Bargaining – Suppliers must respect the right of workers to choose whether to lawfully and peacefully form or join trade unions of their choosing and to bargain collectively.

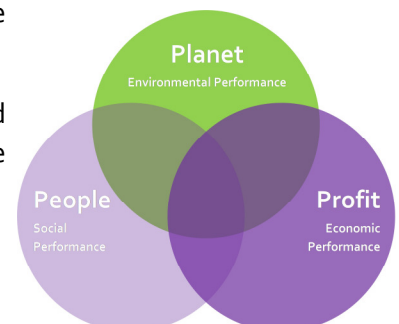
Health and Safety - Suppliers must provide workers with a safe and healthy work environment. Suppliers must take proactive measures to prevent workplace hazards. Suppliers who provide residential and/or dining facilities for their workers must provide safe, healthy and sanitary facilities.

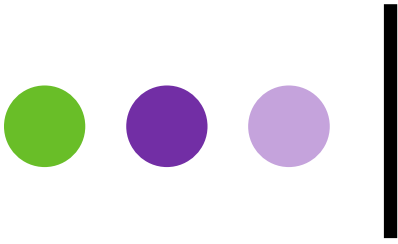
Environment - Suppliers should ensure that every manufacturing facility complies with environmental laws, including but not limited to all laws related to waste disposal, air emissions, discharges, toxic substances and hazardous waste disposal. Suppliers must validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations.

Code of Conduct and Conflicts of Interest – Suppliers must not offer gifts or entertainment to NMG employees. Suppliers may not enter into transactions with NMG employees that would result in a conflict of interest.

Financial Integrity - Suppliers must keep accurate records of all matters related to their business with NMG in accordance with standard accounting practices such as Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS). They must not permit or engage in bribery, corruption, or unethical practices whether in dealings with public officials or individuals in the private sector.

Problem-Solving Procedure – Suppliers must maintain effective communications and understanding with their employees and have a problem resolution or grievance process in place, without fear of retaliation or job loss.





Neal Mast & Son Greenhouses, Inc.

1780 4 Mile Road NW
Grand Rapids, MI 49544
800-311-6278
nealmast.com

Mast Young Plants

6564 Peach Ridge Avenue NW
Grand Rapids, MI 49544
800-541-3910
mastyoungplants.com

