



Corporate Sustainability Report 2016

Neal Mast Greenhouses
Mast Young Plants



Our Sustainemunity Mission

You may be wondering...what is sustainemunity?

The word represents our approach to sustainability, a concentrated group effort put forth by an engaged community. This community reaches far beyond the doors of the NMG/MYP facilities.

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 how we make 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 Greenhouses, how and what we do each day to make the world a better place.

James Raterink
President/CEO





Our Core Values



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

Integrity has always been central to the way NMG/MYP does business and the cornerstone of a set of core values that drive every decision we make in our company. Our reputation is more valuable than anything else we possess and as we continue to grow and expand – we must be even more vigilant to ensure that our reputation is maintained in every aspect of our business. By creating an environment of trust and understanding, good people can make good decisions.

Everyone at NMG/MYP has a responsibility to treat others with respect and to appreciate each person's contributions. That appreciation strengthens commitment and promotes personal accountability. Every job is important and it takes the efforts of the entire team and their commitment to the team to be successful.

Being a sustainable business is who we are, not just what we do. It is interwoven in every aspect of our company. We've been around for a long time and that doesn't happen by resting on past successes.

NMG/MYP keeps winning by being proactive and looking ahead. Having short and long term business goals and adapting to changing markets and customers, keeps us flexible in moving forward. On-going examination of every process for improvements or efficiencies is embedded in our culture.

"Fun" is a word not usually found in a set of company core values, but it is in ours. Having a casual and informal culture is just one of the reasons we have so many long term employees.

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.





“Sustainemunity at NMG/MYP encompasses an enduring commitment and collective strategy to People, Planet and Profit.”

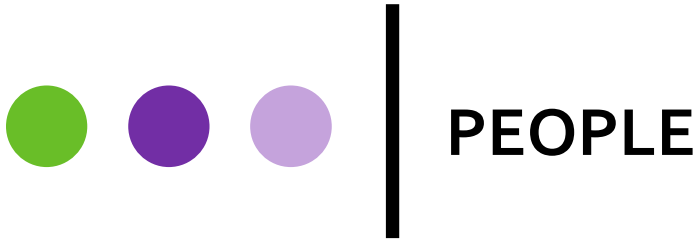
“Sustainemunity” is the term we use at NMG/MYP to wrap all three segments of our sustainable business plan under one umbrella. Sustainability is more than being an eco-friendly business, it includes our employees, our community, the environment and being a fair, ethical and responsible employer.

At NMG/MYP, we’ve mapped out our strategy into an “organizational chart” of 9 interwoven categories of sustainability. This visual representation of our strategy allows us to easily explain what initiatives fall under this umbrella, their benefits and how many of them serve multiple categories. This chart also provides an ongoing record of our wins and successes that we can continue to build on each year.

PEOPLE			PLANET			PROFIT		
Employees and our Community			Environmental Stewardship			Responsible Business		
1	2	3	4	5	6	7	8	9
Health, Safety and Well Being	Our Employees	Sustainable Communities	Energy	Natural Resources	Reduce, Recycle, Reuse	Governance & Ethics	Value for Stakeholders (internal and external)	Communication and Leadership

The NMG/MYP Sustainemunity Team is comprised of employee volunteers from different departments and locations throughout the company. These volunteers serve for one year and work collaboratively on goals or projects for that season. The team’s purpose is to make recommendations to the company regarding policies, initiatives and events to promote an engaged, sustainable community.





People and communities includes three separate areas of focus:

- **Health, Safety and Well Being**—Proactive initiatives for better health at work and at home and a safe workplace environment .
- **Our People**—Creating a culture of fun activities and opportunities to show appreciation.
- **Sustainable Communities**—Contributing to organizations that benefit our community and offering educational opportunities for improving quality of life.



PEOPLE



Health, Safety and Well Being

"Proactive initiatives for better health at work and at home and a safe workplace environment."

Encouraging healthy lifestyles for our employees and their families is beneficial for all. We promote this in a variety of events and education.

Each year during Sustainability Week in October we offer a flu shot clinic that is open to all employees and their families. During this same week we organize a company wide blood drive that is also open to community participation



We have included guest speakers from different organizations to speak on a variety of topics, like ways to combat colds and flu and packing healthy lunches on a budget.



Having all employees trained in safe work practices is vital to our strategy. All employees receive safety training upon hire and then an annual refresher each year. Our employees also receive annual Worker Protection Standard training for safe behaviors in being around areas that have been treated, when they may re-enter treated areas and how to avoid any type of contaminants.

Our Growing Department employees receive additional testing as they often interact with chemicals and sprays. We have respirator fitness exams, personal protection equipment fit testing as well twice yearly blood draws to check for any possible exposure.





PEOPLE



Our People

"Creating a culture of fun activities and opportunities to show appreciation."

Fun is one of NMG/MYPs core values. Along with a relaxed, casual environment, we try to inject "fun" into our workplace through events, gifts and publications. Birthday gifts and years of service awards give recognition to employees on their special days.



We have a weekly **FFYI** (Friday For Your Information) E-Bulletin that hits every email box on Friday mornings. The FFYI gives you a snapshot of the upcoming week and includes: birthdays, years of service anniversaries, new employees, important meetings, events, days worked without injury, and High-Five callouts for employees and departments that have gone above and beyond. The FFYI also includes company "wins" from the previous week and the NMG/MYP Classifieds. This classified section allows our community to post buy, sell, trade, borrow or "teach me" requests from their co-workers.



During the course of the year we have holiday event parties, flower giveaways, company shirts and other gifts. Fun events can change from year to year and have included baseball ticket raffles, ugly sweater contests and Halloween parties.



In 2016 we had the first Holiday Hat contest during our coffee party and the creations entered were fantastic!



PEOPLE

Sustainable Communities

"Contributing to benefit our community and offering educational opportunities for improving quality of life."

NMG/MYP is constantly looking at new ways to educate and encourage sustainable lifestyle practices to our employees and the community.



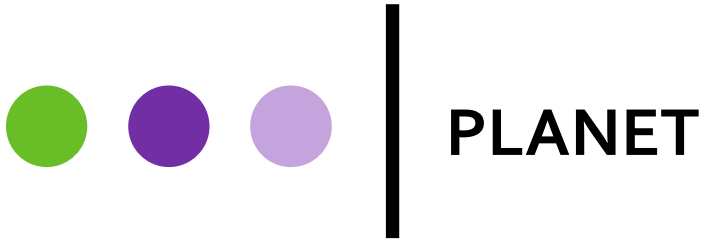
One of the first events was an energy saving light bulb exchange. Since then we have gone on to a rain barrel workshop, reusable grocery bags and distributing bulb crates for repurposed recycle bins. We also encourage people to plant at home with a seed exchange event for garden enthusiasts and a spring flower bulb package for all employees.



During the summer we have a Family Day Event in the Bristol Display Garden. Everyone is welcome to tour the garden, learn about the plants and participate in the games and activities for the kids. During Sustainability Week we have a company wide free market where employees can drop off gently used items and pick up new treasures to encourage repurposing.

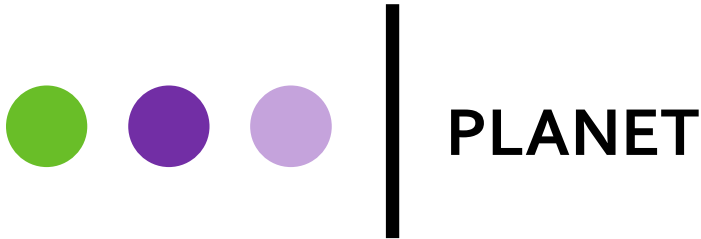
Each year, we donate thousands of plants to local non-profit and charitable organizations, such as Habitat for Humanity, Home Repair Services and Feeding America. We've sent indoor blooming plants to rest homes and veteran's hospitals, vegetable plants to community gardens and food kitchens, and landscaping plants to organizations that help neighborhoods beautify urban landscapes.





Planet and environment include these three areas of focus:

- **Energy**—Gas and Electricity
- **Natural Resources**—Water, Trees and Reducing our Carbon Footprint
- **Reduce, Recycle and Reuse**—Reducing our negative impact.



Energy—Natural Gas and Electricity *(what we pay for)*

Growing plants takes 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!



- Installed energy curtains for the reduction in natural gas used and received a federal grant for large part of this expense.
- Systematically replacing hundreds of old fluorescent and halogen fixtures and bulbs with LED over the last 36 months.



PLANET



Natural Resources

Water, Trees and Reducing our Carbon Footprint

Being good stewards of our natural resources starts with efficient production, finding the best ways to achieve the most, while using the least amount of resources.



To help conserve water, drip irrigation is used instead of sprinklers in outside production areas. This also helps to keep fertilizers out of the ground water. Our indoor production area also has a highly efficient ebb and flood watering system.

Small changes can make big differences. Installing hand dryers eliminates paper towels, saving trees and the energy to produce the towels. Simply by encouraging everyone to set their printers to duplex printing reduced our printer paper usage by 18%. Purchasing materials made with recycled content helps us to close the loop, whether it's cardboard packaging, printer paper or plastic pots and trays, all contribute to the reduction of virgin materials.

At the end of the process, we make sure our rolling racks and carts are full and the trucks that they are shipped on are full, reducing freight to the least number of trucks and trips. This reduces our consumption of fuel and the resulting carbon emissions.





PLANET

Reduce, Recycle and Reuse
Reducing our negative impact.



One of the initial targets in our program was the reduction of solid waste. In 2010 NMG/MYP started a major recycling effort with just paper and cardboard. This program was then 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. In July of 2016 we surpassed our goal and celebrated with a luncheon for all employees during Sustainability Week in October.

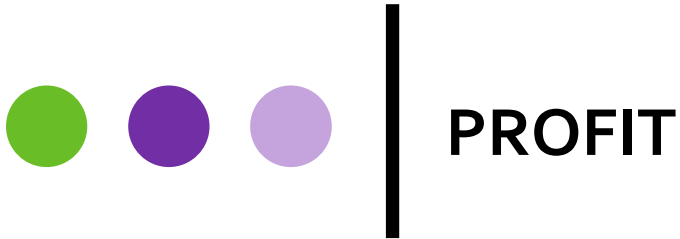


We also collect and recycle electronic waste on specific days of the year and collect batteries all year long. Employees are encouraged to use the recycling facilities at NMG/MYP, and we distributed repurposed bulb crates to all employees to make transporting their recyclables easier!

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. Following a strict record retention schedule, allows us to shred and recycle paper records in a timely fashion.

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.





Being a profitable and responsible business includes:

- **Governance and Ethics**— Fair and ethical business practices.
- **Value for Stakeholders (internal and external)**—Increasing our value for external to benefit internal.
- **Communication and Leadership** —Oversight and inspiration.

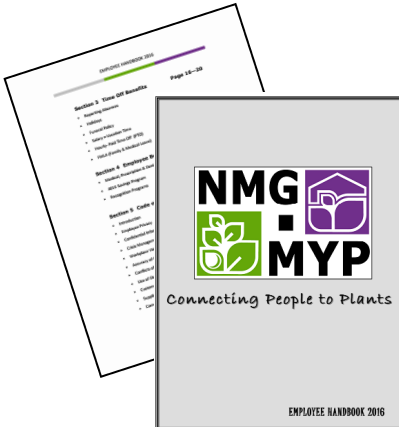


PROFIT



Governance and Ethics

Fair and ethical business practices.



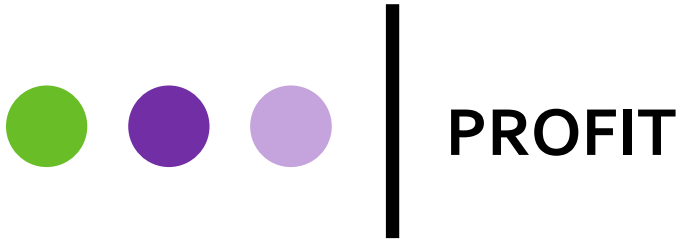
Fair labor practices and compliance with all applicable laws and regulations is central to maintaining an ethical business. In order for the company to operate effectively, consistent policies in relationship to personnel must be adopted and adhered to.

Our handbook provides the policies of NMG/MYP and are intended to provide an equitable structure for all employees. The policies in our handbook are reviewed annually and improved as we find new and better ways of meeting the needs of our employees as well as NMG/MYP and those of our customers.

NMG/MYP complies with all governmental reporting requirements, filings and standard accounting practices. Our internal processes are also audited annually during our Veriflora Certification process, 401K Plan audits and testing, and ACA reporting.

Being transparent and regularly sharing metrics and budgets with our employees enables our team to better understand the financial decisions made by the company, and how what they do everyday contributes to the team's success.





Value for Stakeholders (internal and external)
Increasing our value for external to benefit internal



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

NMG/MYP participates annually in the Walmart Sustainability Index. This vendor tool allows us to submit information and receive a score based on our activities in sustainability and suggestions for improvement. This was launched in 2009 in collaboration with The Sustainability Consortium (TSC). The Index helps retailers and their suppliers improve the sustainability of their products, integrate sustainability into the business of buying and selling merchandise and reduce cost, improve product quality and create a more resilient supply chain.



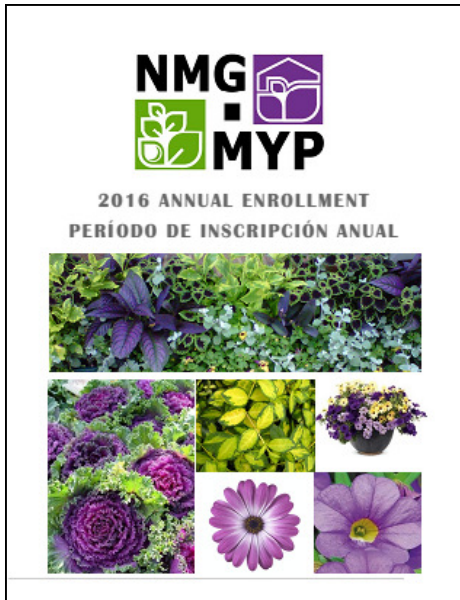


PROFIT



Value for Stakeholders (internal and external)

Increasing our value for external to benefit internal



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 46% of our employees over 5 years of service, 34% over 10 years of service and a management team that averages 12+ 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.

NMG/MYP provides an assortment of ongoing educational and development opportunities for employees to enhance their knowledge, experience, develop new skills and grow their “personal brand”. This training may be in a large group setting, as part of a small team or as an IDP (Individual Development Plan).

We are committed to our annual employee review process. During these reviews we discuss wins, opportunities and individual development plans for moving up in the company or increasing responsibilities.





PROFIT



Communication and Leadership

Oversight and inspiration.

Commitment to being a sustainable business has to come from the leadership of any organization. Our owner, Jim Raterink and NMG/MYP Business Management Team are continually developing new initiatives and opportunities for furthering sustainable actions and employee involvement. Part of this process is also committing the funding needed to carry this forward and improvements each year.

Our News to Use Sustainability Bulletin is a monthly publication that keeps our employees up to date on the projects of the Sustainemunity Team, minutes from the last meeting, recycling dashboards and interesting articles tied to sustainability. This bulletin also highlights NMG/MYP's community efforts and contributions to charitable organizations.

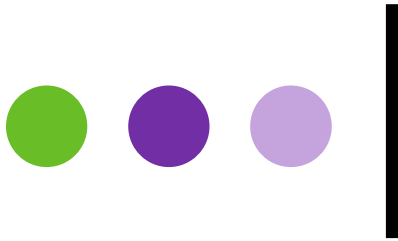
Publishing an annual Corporate Sustainability Report (available on our website) allows job seekers to see NMG/MYP as a company committed to sustainability, not just in words, but in actions. This document is shared with our customers and vendors, giving them insight into how our efforts benefit them and align with their own Initiatives and is also available to all employees on our company public drive.

America in Bloom



Neal Mast is 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.





Our Company History

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 45 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. Jim Raterink, our current owner joined the company in 1991 as CFO and now serves as President/CEO.

We now have two divisions: Mast Young Plants produces millions of vegetative liners and 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."



NEAL MAST
GREENHOUSES



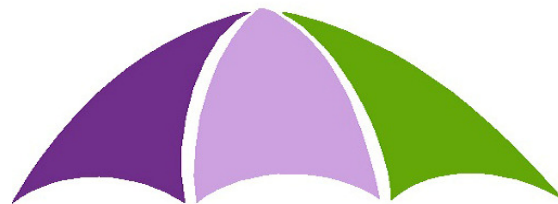
MAST
YOUNG PLANTS

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Sustainemunity Team