



**NEAL MAST**

G R E E N H O U S E S



**MAST**

Y O U N G P L A N T S

# **Corporate Sustainability Report 2017**





## From Sustainability to Sustainemunity...how did we get here?



The concept of Sustainability at NMG goes back to 2007 and started with a request from one of our customers to attend a meeting in Dallas TX. We met with other growers to discuss the topic of Sustainability, along with representatives from a company called Scientific Certifications. The purpose of the meeting was to discuss the idea of Sustainability and Certification and we were invited because of our ability to think outside the box and willingness to try new things.

Sustainability had always been important to NMG, we just didn't call it that. We always said we have to be good stewards of our resources which included our purchasing practices, reducing shrink and eliminating waste. We have always felt it wasn't right to waste things and at this meeting, we learned a new word – Sustainability.

We learned about Veriflora at this meeting and then tasked a large team of people at NMG to spend the fall of 2007 getting all the documentation together to meet this gold standard certification in sustainable growing. We were the first grower (along with Seville) to get this certification in the United States in the beginning of 2008.

We have recertified each year since and this is done through an annual recertification audit. No one requires us to do this, and although a costly certification, we feel it is the right thing to do. We really don't get recognized by the customer for this but that was never the point. Our view was that if this is what you believe and how you want to operate, then have a 3<sup>rd</sup> party come in and verify that you are doing the right things. We also received our Organic certification in 2009.

In the fall of 2009 we said Veriflora is good but being a “sustainable business” is really more than this. We started working on other projects and wrapped them together in an initiative we called Project Greenhouse. We later formed a more formalized group called the Sustainability Team in the fall of 2010. The motivation behind it was finding ways we can we start getting our people in the company engaged and involved.

We set up our first team with a cross-section of employees because we said this isn't a management thing, but needs to be something that all employees can participate in. In 2017 we reviewed and updated the purpose of the team, rebranded and now call it The Sustainemunity Team. This stands for -

### **Sustainable, Engaged, Community**

Over the years we have worked on many projects, created a monthly newsletter, publish an annual Corporate Sustainability Report and have been recognized for our efforts in a number of areas.

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## From Sustainability to Sustainemunity...how did we get here?

In 2013 and 2014 we were recognized for the voluntary submission of our Sustainability efforts when we submitted information to a non-profit organization called the Carbon Disclosure Project. The CDP evaluates companies around the world for their efforts and NMG was one of 60 companies that were recognized (out of 2,800) when we scored 99 out of 100. Other companies on the list were Coca-Cola, General Motors, LG, Bank of America, Microsoft and Anheuser Busch InBev to name a few.

Other accomplishments from recent years -

- Annual "Sustainability Week " - hosting different employee events every day.
- Switched boxes from tape to folding and switched bulb and geranium suppliers to returnable crates.
- Reduced natural gas consumption by 15% by improving insulation of heat pipes and outside walls.
- Recycled over 1,000 tons of waste.
- Received grants for projects to reduce energy.
- Promoted sustainability with employees with distribution of LED bulbs, home recycling bins, free plants and bulbs and wellness events.
- Multi-year sponsor of American in Bloom.
- Created a system and measure our Carbon or CO2 annually.
- Publish an Annual Corporate Sustainability Report.
- Operate our company with Sustainability as both a Key Value Proposition for our customers and Core Value for our employees.

These are just a few highlights of what we have done in the past and we are looking forward to this next season and the contributions of our current Sustainemunity Team. Each year is an exciting opportunity to have new members, new ideas and new goals to help make something that is so important to all of us a continuing reality.

Research has shown if you explain and expose people to ideas at work they will take them home and put them into practice. Awareness and education can have an affect that reaches far beyond our team of employees, encouraging sustainable practices throughout our community. We can all make a difference and NMG is committed to being a part of a sustainable, engaged community.

**Jim 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.

The NMG/MYP Sustainemunity Team is comprised of employee volunteers from different departments and locations throughout the company.

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

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.



# Employees and Our 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.





## Employees and Our Community

### 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, and 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.



Training at NMG is a group effort and in 2017 we combined all 4 of our annual training modules into a single, all company-wide training day. Everyone was encouraged to wear their 2017 issued safety green tee that we received in September during employee reviews. Training Day included:

**NMG Start 2 Finish Safety Program** (safety rules and daily safe work practices)

**WPS—Workers Protection Standard**

**Respect—It's the Only Choice Harassment Prevention Training**

**NMG—Recycling for People, Planet and Profit**





## Employees and our Community



Training Day was incorporated into Sustainability Week and will be continued each year. Along with being the least disruptive to departmental schedules, group training allows employees the opportunity to ask questions together and share lunch when training was complete.

No Sustainability Week would be complete with a giveaway and this year everyone received a company pub glass!



Our Growing Department employees receive additional testing as they utilize chemicals and sprays and all hold licenses to do so. We have respirator fitness exams, personal protection equipment fit testing as well twice yearly blood draws to check for any possible exposure.



## 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 employees 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.

During the course of the year we have holiday event parties, flower giveaways, company shirts and other activities. Fun events can change from year to year and have included baseball ticket raffles, contests and Halloween parties. In December 2017 we had the first Holiday Sock contest during our coffee party and the winners were outstanding!





## Our Community

Community is more than just our employees and NMG supported a number of local charitable organizations in 2017.

We donated poinsettias to volunteer celebrations for the **Grand Rapids YMCA** and for **Flat River Outreach Ministries**. These beautiful flowers decorated the tables at their festivities and then were given to volunteers as gifts for their service.



Members of the **West Michigan Master Gardener Association** held a competition to arrange autumnal-themed containers and NMG donated mums for their competition. All arrangements were donated to the **Grand Rapids Home for Veterans** and distributed throughout the grounds.

During Sustainability Week, NMG held a drive to benefit the **Guiding Light Mission**. The drive was for personal care items as well as socks, gloves and hats. The 2017 drive yielded more than 10 full shopping bags and we received a warm letter of appreciation from the mission's executive director.





## Our Community

Reaching even further afield, employees at our Mast Young Plants facility partnered with an local organization to send donated baseball equipment to Haiti. Mark Augustyn has a beautiful wiffle ball field in his backyard called Mission Field. He and his family originally built the field for his younger boys that were not old enough to play in the neighborhood leagues. It then became a neighborhood hangout spot, where balls and the bats are left out all the time and the kids come to play.

Last year they held their first tournament for kids in grades 3 through 8. This year for their 2nd annual tournament they had 26 (5 person) teams for a total of 130 players. The event is free to the kids - food, shirts, etc. and this year they also added a purpose to the tournament by asking all the kids to bring in their used baseball equipment. This tournament received a lot of press with local TV and even ESPN radio.

They had partnered with a little league in Haiti that was in desperate need of equipment. Haiti is trying to establish little league baseball, but as with many things in Haiti it comes with challenges - equipment is one. The Augustyns planned to use this tournament to help kids blessed with much, bless others.

The little league in Haiti is being funded through an American nonprofit named Operation Blessing. They are headquartered out of Chesapeake, VA . They ship medical containers to Haiti often and agreed to send the baseball equipment. The only hitch in the plan was how to get all of the donated gear to Virginia. MYP worked with our local FedEx rep, and they were willing to donate the freight to get it from Grand Rapids to Virginia if MYP would donate the boxes and pack it up .

The group at MYP packed all the equipment and sent the large delivery on its way. (1800 pounds and 10 master boxes) It's amazing what a group of individuals can accomplish working together. Imagine the faces of the children in Haiti getting this load of equipment!



# Environmental Stewardship

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.





# Environmental Stewardship

## Energy—Natural Gas and Electricity



Growing plants takes heat and light and lots of 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.

Another way we save energy is to ensure our facilities and equipment are well maintained. Performing regular preventative maintenance on equipment and enlisting our vendors for training, helps to keep our staff up to date and equipment running smoothly using less energy. Regular facility inspections for seals and leaks and testing for heat loss helps us to conserve our natural gas usage.

NMG also leverages the great relationships we have with other greenhouses and growers committed to sustainable growing. Our team gives tours of our facilities to visiting growers as well as touring other facilities all over the country and sharing best practices.

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.
- 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. We also continue to test and trial new energy efficient lighting as technology develops.



## Environmental Stewardship

### 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. 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.

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. We also to use drip lines for hanging baskets indoors and utilize a highly efficient ebb and flood watering system.



In June of 2017 a NMG Goal Team was tasked with documenting and studying historical data of water usage for all 4 NMG locations. This data includes all water delivery methods, amount of water used by facility and crop, sanitation needs and diagramming facility systems. This team is now moving into the 2nd phase of the goal with studies of new technology, recommendations for new and upgraded equipment, and estimated water savings and efficiencies. At that time a water reduction target will be set and tracked.

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.



Setting targets to reduce your carbon footprint starts with knowing your carbon footprint. NMG has been collecting and submitting data since 2010 to annually calculate our CO<sub>2</sub>, working with a third party company. We scored very well and were recognized for our efforts by the Carbon Disclosure Project. Over the 2016-2017 season, we had an internal team working on the development of a template that could be updated monthly by individuals within the company and automatically calculates our score. This data includes utilities, travel mileage, freight, etc.





## Environmental Stewardship



### Reduce

The less you buy, the less you have to dispose of— not only at our greenhouse, but for our end consumers as well. Reducing packaging whenever possible, making sure packaging we do buy is recyclable and made with recycled content. Even small things like duplex printing, and hand dryers make a big impact over time in paper reduction and saving trees. Good planning on the front end also keeps our hard goods purchasing close and eliminates excess inventories of pots, tags and other plastics.



### Reuse

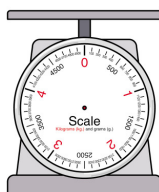
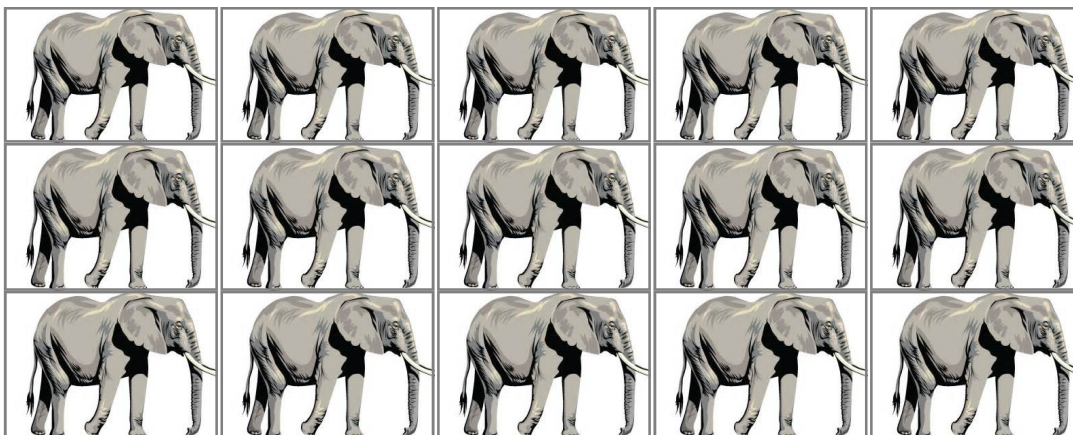
From plant trays to 3 ring binders, reusing what you already have isn't just about saving money, it's about keeping that material out of landfills. Plastic trays are one of the easiest items to reuse multiple times and we sanitize and reuse thousands of trays each year. We are also fine tuning the process for the plastic being returned via our retail customers.

In 2011 NMG committed to an aggressive recycling goal (1,000 tons) and reduction of 50% in solid waste disposal. We reached 1,000 tons in July of 2016 and a 63% reduction in disposal.



### Recycle

During the 2017 season, we recycled more than 63.57 tons of cardboard, 43.39 tons of horticultural plastic, 1.48 tons of paper, 4.95 tons of metal and almost a full ton of hoop plastic. This is the equivalent of 15 full grown male elephants and lots of land fill space saved!



## Responsible Business

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.



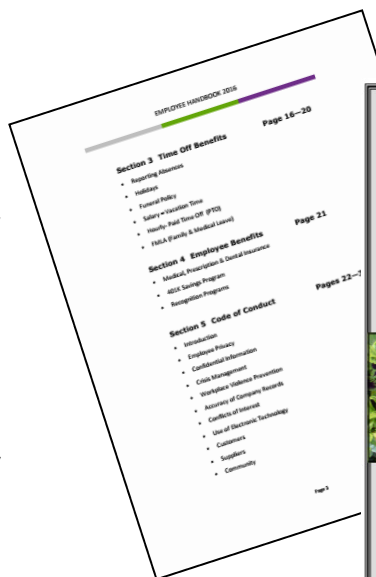


## Responsible Business

### Governance and 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.





## Responsible Business

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](http://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.







# Responsible Business

## 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 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 executives, 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."*





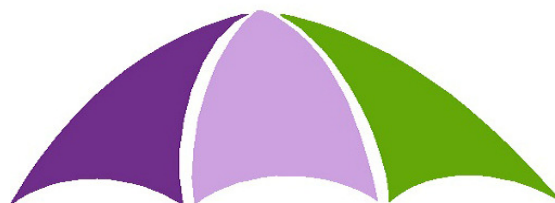
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GREENHOUSES



**MAST**  
YOUNG PLANTS

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Sustainemunity Team