



BUILDING A FOUNDATION FOR THE FUTURE

CLEMENS FOOD GROUP
SUSTAINABILITY REPORT

The Clemens Food Group is committed to conducting business with a high degree of ethical standards that were set as a foundation for the business by its founder, and my great-grandfather, John C. Clemens, back in 1895. We realize that our deeply rooted values have been the source of strength for our company, and in order to keep this legacy moving forward, we must continue to be guided by these values each and every day.

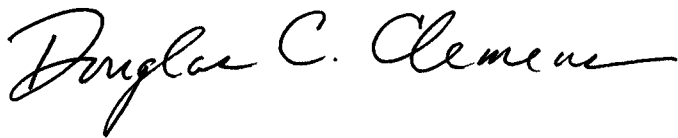
Our Core Values of Integrity, Ethics and Stewardship are the basis of every business decision we make. Our Core Value of Stewardship can mean many things, but in the big picture, it means building a foundation for the future, or sustainability. As you read through this report you will see how we are committed to acting as good stewards to our team members, the environment, our products and customers, animal welfare and the community.

Our Core Values are part of our brand, and each brand within the Clemens Food Group has become our promise to consumers that we will provide for them the safest and highest quality products possible. However, our promise goes beyond the product itself. Even though safe and high quality products have become synonymous with our brands, our brand promise also recognizes our responsibility to be a good corporate citizen and a steward of God's earth by reducing our impact on the environment and promoting the sustainability of resources upon which we depend.

We understand that operating with sustainability and as good stewards is a continuous process. You never arrive at being sustainable, but it is rather a lifelong journey of continuous improvement and constant learning. I believe we have taken great strides in the area of sustainability, but we realize it is a long journey.

We are committed to this journey and will continue to operate as good stewards, building a foundation for future generations. It is what we call 'doing business the right way'. It is who we are.

Sincerely,



Douglas C. Clemens
President
Clemens Food Group

OUR CORE VALUE
OF STEWARDSHIP
CAN MEAN MANY
THINGS, BUT IN
THE BIG PICTURE,
IT MEANS BUILDING
A FOUNDATION FOR
THE FUTURE, OR
SUSTAINABILITY.



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ABOUT CFG

Clemens Food Group is a vertically integrated pork production company, which provides a full line of wholesome pork products produced under a variety of brands.

The Clemens Food Group's vertically integrated system includes hog production, food production and logistics facilities that create a responsive pork production system focused on supplying the highest quality and safest product to our customers and consumers.

HOG PRODUCTION

Clemens Food Group's hog production system, Country View Family Farms (CVFF), operates with a mission to create a responsive pork production system that will be undeniably beneficial to our customers, team members, partners, community and our environment through continuous improvement, innovation and the most strict animal welfare guidelines.

CVFF supplies approximately 33% of the Clemens Food Group's harvesting needs, and is responsible for procuring the remaining 67% through securing animals from independent producers.

CVFF operates hog production farms in Pennsylvania, Ohio and Indiana and employs approximately 200 team members. In addition, there are over 100 family farms raising hogs under contract, infusing over \$12 million each year into rural communities. Contract production enables these family farmers to build a sustainable farming business and keep their land in agriculture all the while keeping their farm in their family and their family on the farm.

FOOD PRODUCTION

Headquartered in Hatfield, Pennsylvania, Clemens Food Group currently operates two innovative food production facilities producing a variety of well known and trusted brands with a complete line of fresh and processed quality pork products.

The Hatfield, PA facility employs over 1,800 team members and is a complete harvesting and manufacturing facility producing several brands of food service and retail products, including Hatfield Quality Meats, Hatfield Deli Choice, Butcher Wagon, Red's Legendary BBQ, Phillies Franks, Creta Farms EVOO Deli Meats and Nick's Sausage Company, along with private label brands for a wide variety of retail partners.

The Emmaus, PA facility employs approximately 90 team members and processes product for the Hatfield Quality Meats brand as well as Nick's Sausage.

LOGISTICS

Clemens Food Group's logistics services include two warehouse facilities, a trucking company, and a complete line of garage services including mechanical, body shop and fabrication shops.

Combined logistics services include in-house coordination of freight movement all the way from arrival at the warehouse through delivery to the customer. All logistics services work closely together to support Clemens Food Group as well as third party business providing all customers with superior and dependable service.

The Hatfield, PA cold storage warehouse is a 200,000 square foot facility, which includes the 2009 warehouse expansion that added an additional 100,000 square feet of warehouse space including blast freezer, refrigerator and frozen warehouse areas.

CFC Logistics is a cold storage warehouse located in Quakertown, PA which has 250,000 square feet of multi-temperature freezer and cooler areas, including five blast freezing cells. CFC Logistics offers a wide range of services including storage, consolidated distribution services, blast freezing and export services. CFC Logistics houses product for Clemens Food Group as well as many third party customers.

PV Transport includes three divisions of services: hauling services (both dry and refrigerated goods), hog hauling services and garage services, each of which focus on providing excellent customer service while being a leader in driving safety.





The Clemens Food Group is part of a larger organization, The Clemens Family Corporation (CFC), which is also headquartered in Hatfield, PA. CFC's business interests include both the Clemens Food Group and Clemens Development. Clemens Development is responsible for the utilization and diversification of properties and real estate owned by CFC. CFC employs over 2,200 team members and has an annual revenue in excess of half a billion dollars.

OUR CORE VALUES



From his humble beginnings as a business owner around the turn of the 20th century, John C. Clemens, founder of our business, began laying a foundation for what would become a business deeply rooted in integrity and values. Mr. Clemens, a farmer from Mainland, Pennsylvania, would regularly make his 28 mile journey with his horse drawn wagon full of quality pork products to the Market in Philadelphia.

Today, many generations later, the legacy lives on as the Clemens Food Group continues to operate in a way that exemplifies our Core Values of Integrity, Ethics and Stewardship.

We realize that our Core Values are what make us unique, and they are what set us apart from our competitors. The Clemens Food Group is made up of a group of facilities and team members who not only produce or offer high quality products or services, we are also proud to be a company that encourages all team members to live respectful, ethical and moral lives. These Core Values will help us grow not only as a company, but more importantly, they will help us grow as people while building a foundation for future generations.

INTEGRITY *I'll do what I say...even when no one is looking*

ETHICS *I'll do the right thing and speak the truth*

STEWARDSHIP *I'll build a foundation for the future*



MISSION STATEMENT

We will continue to build on the values that our company was founded upon by striving to operate in a way that will honor the Lord Jesus Christ as demonstrated through our Integrity, Ethics and Stewardship.

BUILDING A
FOUNDATION FOR THE
FUTURE THROUGH OUR
COMMITMENT TO...



TEAM MEMBERS

We firmly believe that our team members are the foundation to the success of our organization. The knowledge and ideas of all team members are the most important resource of the company, and we are committed to their safety, wellbeing and treating them fairly and ethically while offering opportunities for continuous training and education to maximize their career growth and advancement opportunities.

THE ENVIRONMENT

We all share the same earth that God has created for us, and we take the commitment of caring for God's creation very seriously. Understanding our impact on the environment and designing and following processes that minimize that impact is a very important commitment to us as responsible stewards of God's earth.

ANIMAL WELFARE

We are committed to producing consistent high quality pork products produced under the highest of animal welfare standards. It is our ethical and moral commitment to be responsible stewards of the animals placed in our care, educating and training our pork producers, transporters and team members to constantly maintain the highest level of integrity in animal welfare.

PRODUCTS & CUSTOMERS

We are committed to be the most trusted provider of safe and wholesome pork products. We will continue to be deliberate in bringing value to our customers through offering solutions for their business along with excellence in service. We are committed to producing innovative products for our customers and consumers that are synonymous with consistency, quality, convenience and wholesomeness.

COMMUNITY

We realize that we have been blessed by the Lord Jesus Christ with many resources, and we are committed to being good stewards of those resources through giving much back to enrich the communities in which we operate and the neighborhoods where we live.

COMMITMENT TO TEAM MEMBERS

We firmly believe that our team members are the foundation to the success of our organization. The knowledge and ideas of all team members are the most important resource of the company, and we are committed to their safety, wellbeing and treating them fairly while offering opportunities for continuous training and education to maximize their career growth and advancement opportunities.

We have great commitment, care and respect for all of our team members. We are committed to providing the safest working conditions, modern equipment to perform their jobs safely and efficiently, fair wages for work performed, and an excellent benefits program.

There are certain expectations that we as a company are firmly committed to following: Safety of our team members, Safety of our products, Quality of our products, Continuous development of our team members, Productivity and Maximizing yields. Out of all these expectations, the first four we consider to be "Non-Negotiable". To us this means that no matter what, these areas cannot be compromised.

Achieving productivity or making yields never takes precedence over safety, being committed to our team members, or product safety and quality. Even though we are a profit driven company, earning a profit must never come at the expense of compromising any of these non-negotiable expectations.

TEAM MEMBER SAFETY —A NON-NEGOTIABLE

At the Clemens Food Group safety is not a "program", but rather a culture that is ingrained as a component of our Core Values and an expectation of every team member, whether at work, on the road or at home.

A culture of safety means shifting from a "Safety is not my job" mentality to having every team member engaged and taking ownership of safety. Specific strategies and tactics were set to implement and ensure team member engagement in safety. Some of these tactics include:

- Develop Safety Teams consisting of team members across all levels of the organization
- Develop a Safety Training Curriculum that exceeds OSHA standards
- Create parameters for new team members that include physical strengthening preparation through our on-site fitness center and certified trainers, comprehensive safety training in the orientation process, and utilizing a "buddy system".
- Require safety room inspections and behavioral observations by Safety Team members
- Celebrate and acknowledge safety success.

CFG IS PROUD TO HAVE BEEN RECOGNIZED
WITH A 2009 HR EVOLUTION AWARD BY
NATIONAL PROVISIONER MAGAZINE FOR OUR
INNOVATION AND COMMITMENT TO SAFETY.

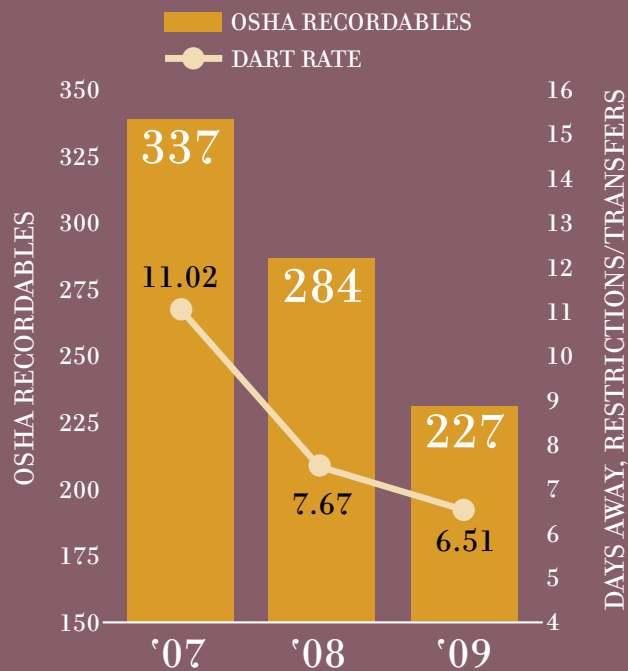


CFG'S INNOVATIVE APPROACH TO SAFETY

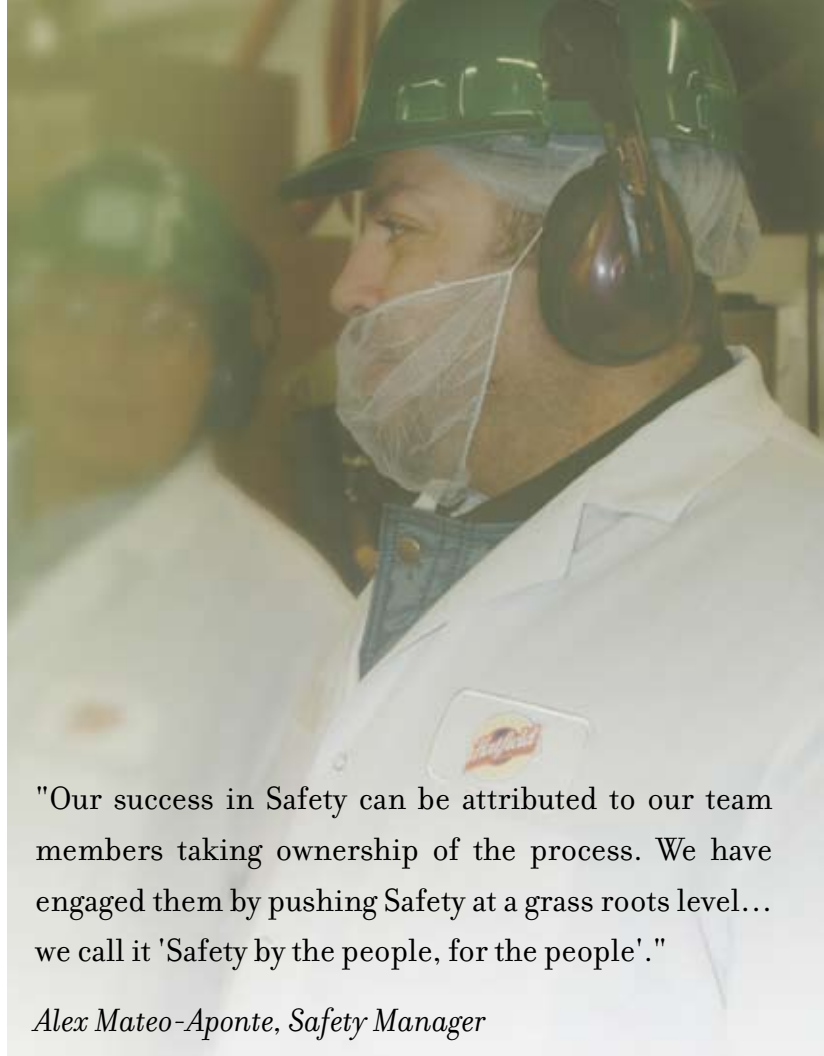
CFG's commitment to the safety of all team members has been a very deliberate process that involves several key innovative elements.

- **A Shift in Accountability**—We have moved from safety being the responsibility of the Safety Department to safety being owned by every team member. The creation and support of Safety Teams throughout the organization has been a key in this accountability shift.
- **Empowerment of Team Members**—Consistent with our expectation of safety as a non-negotiable, every team member has been given the authority and responsibility to take action if he/she sees an unsafe condition, which includes stopping the production line.
- **An Innovative Shift in Focus and Measurement**—Our culture of safety approach mandated a shift from focusing on consequences (accidents, recordables, etc.) to a focus on behaviors that positively influence safe conditions. The measurements we use to measure safety have evolved accordingly so they also align with our shift from consequences to prevention. We continue to monitor typical OSHA metrics (Bureau of Labor Statistics (BLS), Days Away due to Restrictions and Transfers (DART), etc.), but we also monitor metrics that measure "near misses" and "hazardous conditions". These upstream preventative metrics heavily rely on continuous observations and reporting from team members.

By making the proactive and preventative activities the metrics that define our safety performance we have increased engagement at all



Over the past three fiscal years, CFG has experienced a decrease in OSHA recordable incidences and Days Away due to Restrictions and Transfers (DART). The CFG DART rate has been below industry standard for the past two fiscal years.



"Our success in Safety can be attributed to our team members taking ownership of the process. We have engaged them by pushing Safety at a grass roots level... we call it 'Safety by the people, for the people'."

Alex Mateo-Aponte, Safety Manager

levels and increased safety awareness and willingness to intervene to eliminate unsafe conditions. The success is in the numbers as we have seen a consistent decrease in accidents and an increase in the reporting of hazards. Proof of this success came at a recent comprehensive OSHA inspection at which NO citations were noted.

Although we continue to see a decline in our workplace accidents, we consider one accident to be too many. Our ultimate goal is to see zero accidents. Although that is a lofty goal, we are committed to safety as a non-negotiable, and with the help of all team members, zero accidents is a goal for which we will continue to strive.

At our transportation company, PV Transport (PVT), safety is an attitude, and a safe attitude is the best insurance against accidents. PVT has a full time Safety Trainer focusing specifically on safety on the road. Our team of safety conscious drivers log millions of miles each year, and drive with the attitude of safety to make our highways a safer place so we can all get home safe at the end of our day. PV Transport's excellent safety record has been recognized with many safety awards. Most recently, PVT was awarded the 2009 Great West Safety Award, 2009 Most Improved Carrier from the PA Motor Truck Association and the 2009 Bronze Seal Award from the National Private Truck Council. PVT continues to strive to provide superior customer service for all customers while keeping Safety as their top priority.

PIGS – DRIVING IMPROVEMENT... CONTINUOUSLY!

Performance Improvement & Growth System (PIGS) is Clemens Food Group's continuous improvement way of doing business. PIGS is all about teamwork and operating in a system that empowers each and every team member to make our company better tomorrow than it is today...it is simply a way of looking at how we can eliminate waste and do our work better.



PIGS is not an initiative or a program with an end date or a finish line. It is our way of doing business. Every team member (no matter what level of the organization) is on a PIGS team that meets on a regular basis. Through these teams, every team member is encouraged to identify challenges, inefficiencies and opportunities within the company. More importantly, every team member is empowered to create solutions to these challenges. NO thought or idea is too small. In fact, it is the small ideas and changes suggested by team members that build together for long term success.

The strength of PIGS lies in the fact that:

- "None of us is as smart as all of us" (Ken Blanchard) The knowledge and ideas of all team members are the most important resource of the company. Bringing this knowledge together as teams creates an incubator for successful ideas and improvements.
- PIGS enhances engagement as all team members feel a sense of ownership in the fact that they can contribute ideas and have a direct impact on their success and the success of the company.
- PIGS way of operating ties directly into our Core Value of Stewardship enabling all of us to build a strong foundation for the future.

PIGS empowers each of us to make things better than they were yesterday, and learn from what we did today to do it even better tomorrow.

TEAM MEMBER BENEFITS – PROMOTING QUALITY OF LIFE

Team members within Clemens Food Group receive a comprehensive array of benefits designed to help protect them and their family against the financial hardship of sickness and illness, to help build financial security and to help promote health and wellness and an overall good quality of life.

- Comprehensive Health Benefits Plan including medical, prescription, dental and vision
- The Clemens Family Sharing Plan – 401(k) Retirement Savings
- Goal Sharing Bonus
- Christmas Bonus
- Employee Picnic
- Team Member Recognition Programs
 - Team Member of the Month
 - Years of Service Recognition and Annual Banquet
 - Kenneth Jones Award
- Employee Catastrophic Fund
- Scholarship Program (for children of team members)
- Adoption Fund
- Employee Assistance Program (EAP)
- On-site Chaplains
- Educational Assistance
- Leave of Absence Policy
- Long and Short Term Disability
- Paid Time Off (PTO) and Holiday Pay

COMING TOGETHER IS A
BEGINNING.

KEEPING TOGETHER IS
PROGRESS.

WORKING TOGETHER IS
SUCCESS.

- HENRY FORD



Team Member Of The Month Award Recognition

TEAM MEMBER TRAINING AND DEVELOPMENT

Continuous training and development of team members is one of the non-negotiable expectations to which CFG is committed. In order to continue to be a successful organization, we realize the importance of ensuring we have a high performance team comprised of high performance people. Our strategy to support that commitment is to create a deliberate process for developing talent.

Through offering team members the opportunity for continuous training, education and individual development, we can help them develop into higher performing team members and maximize their career growth and advancement opportunities within our organization. This is a key component in assuring the organization has the knowledge required for continued success.

In addition, our deliberate process of training and development of individuals will build a foundation for career and succession planning by ensuring talented team members with potential to fill the needs of the organization in the future.

A variety of current training and development programs include:

- Manager Trainee Program
- Supervisor Training
- Educational Assistance Program for qualifying team members
- Pork Experts Training
- A variety of Safety Training Programs

TEAM MEMBER ENGAGEMENT

Having an engaged workforce is critical to the continued success of the Clemens Food Group. A Team Member Engagement Survey was recently conducted which gave us the opportunity to get feedback from all team members and help us understand how we are doing as a company: what we are doing well, and in which areas we have to do better.

Hearing the voice of each team member is extremely important, and the survey results gave us some important information. We learned that we have a very committed workforce. The highest scoring question was "I am committed to my company's success", with 94% of respondents agreeing or strongly agreeing to that question.

We also learned that there are areas in which we can improve. The lowest scoring question showed us that almost half of our team members don't feel comfortable sharing their ideas. Action has already begun, and PIGS will give each team member the perfect way to voice their opinion, give their ideas and suggestions and make a direct and positive impact within our company.

Task forces have been formed to address other areas in which we can improve as a company as well. This was the first Engagement Survey of its kind that we have distributed within CFG. We now have a baseline for our team member engagement, and the survey will be distributed again in the future so we can measure our improvement and success in increasing team member engagement.

COMMITMENT TO THE ENVIRONMENT

We all share the same earth that God has created for us, and we take the commitment of caring for God's creation very seriously. Understanding our impact on the environment and designing and following processes that minimize that impact is a very important commitment to us as responsible stewards of God's earth.

CFG has a long standing commitment to being a good steward of our environment. Being a good steward means many things, but in the big picture, it means building a foundation for the future... or sustainability. Sustainability is about preserving God's planet - taking care of the land, the water, the air, and the people.

CFG's responsibilities to society and environment mean that our environmental stewardship and sustainability efforts will help us reduce our negative environmental impact while enhancing the impact we have on the communities in which we live and do business.

Understanding our impact on the environment and designing and following programs to minimize that impact is very important to us as responsible stewards of the environment. Stewardship and sustainability is truly a win-win situation for everyone - for God's planet, for our team members and communities, for our customers and consumers, and for CFG.

CFG'S ENVIRONMENTAL MANAGEMENT SYSTEM

CFG utilizes an Environmental Management System (EMS) to ensure continuous compliance with all applicable environmental rules and regulations, both at our facilities and on our farms. An EMS is a set of management tools and practices designed to provide guidance and ongoing evaluations of the practices, procedures and processes that integrate environmental responsibility in our daily activities.

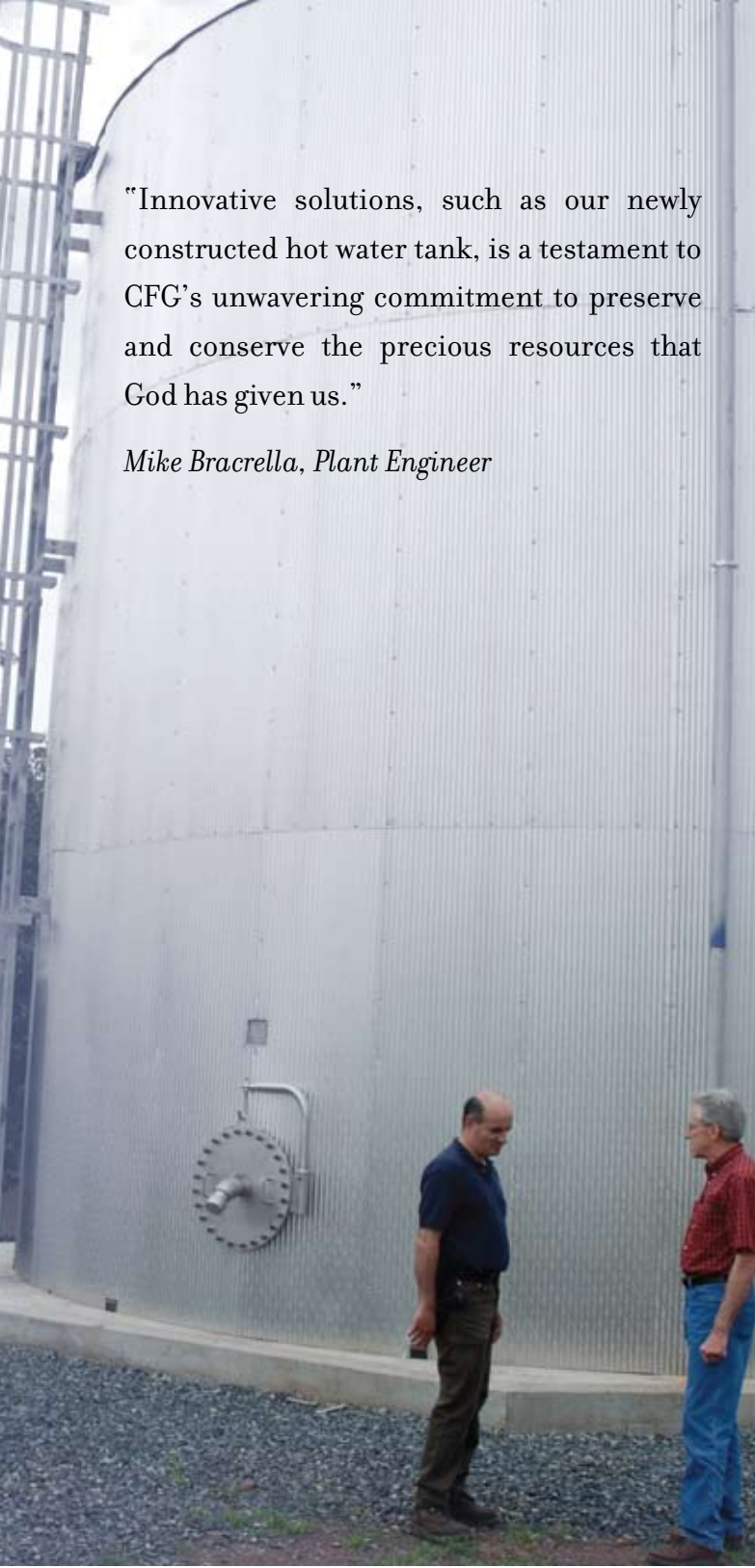
Environmental stewardship and sustainability is an ongoing process with room for continuous learning and improvement. By utilizing an EMS, CFG is provided with a continuous cycle of planning, implementing, reviewing, and improving of environmental practices and procedures.

CFG's EMS is a measurable method we have to demonstrate sound environmental performance by controlling and minimizing the impact we have on our environment.

Our commitment to the environment and to the EMS extends to all of our employees and independent contractors as well with clear expectations that each individual will carry out their job responsibilities in accordance with our policies and report any environmental concerns they may have to management.

CFG carries this same high commitment of stewardship to the environment from the very beginning of our production cycle, hog farm operations, all the way through to the transportation of product to our customers. Our hog production systems, whether operated by CFG or family farm contract growers, must comply by the same EMS and strict environmental policies and guidelines.

CVFF is committed to the environment and the neighboring communities in which we operate. Each farm and potential producer must have the farm site reviewed and assessed by an independent third party. Once approved, all farms must operate in strict compliance with all state and environmental regulations. These regulations include high standards for storing nutrients in an environmentally safe location and applying them to land in an efficient manner.



“Innovative solutions, such as our newly constructed hot water tank, is a testament to CFG’s unwavering commitment to preserve and conserve the precious resources that God has given us.”

Mike Bracrella, Plant Engineer

WATER

We continue to look for innovative ways to minimize our water usage and discharge, and reuse water in ways that help the environment.

CFG’s Hatfield, PA facility has built its own state-of-the-art water treatment facility located and operated on-site. This water treatment facility has enabled us to reduce fresh water usage by modifying areas where fresh water was being utilized and maximizing reuse water opportunities. Historically, reuse water was utilized approximately 60% of the time, but innovative thinking has allowed us to now increase that percentage to 90%.

On average, each year Hatfield’s water treatment facility recycles over 116,357,312 gallons of water. This increase in reuse water and the reduction of well water usage is a conservation effort that affords us the opportunity to be good stewards of this precious natural resource.

ENERGY AND EMISSIONS

We are constantly researching and implementing new ways to not only use less energy, but also ways to use new and cleaner sources of energy.

CFG has been proactive in using cleaner and alternative sources of energy, and as a result, we have greatly reduced our dependence on foreign oil while reducing major air contaminants. A dedicated effort has been made to utilize cleaner burning alternatives, such as Natural Gas and white grease, in place of Fossil Fuel Oil. Because of this effort, over the past few years alone we have been able to decrease our annual tons of emissions emitted into the environment by over 300%.

Here are several of the innovative actions we are taking to use less energy while utilizing alternative energy sources:

- We have recently begun using an innovative solution to better utilize wasted heat sources to help produce hot water. Hot water is utilized throughout our rendering process which emits hot water vapors, and until recently, this hot water vapor would evaporate into the air.

IN ORDER TO HELP PRIORITIZE OUR SUSTAINABILITY EFFORTS WE HAVE FOCUSED ON SEVERAL AREAS WHERE WE BELIEVE WE CAN HAVE THE GREATEST IMPACT: WATER, ENERGY AND EMISSIONS, RECYCLING AND TRANSPORTATION.

We have installed a hot water tank at the Hatfield facility which is used to capture this hot water vapor stream, and through a heat exchange process, we are able to use this hot vapor as an alternative to fuel for heating hot water used throughout our facility.

As a direct result of this innovative way to capture heat and use the hot vapor instead of fuel, we are burning 2,000 gallons less fuel each operating day. That translates into over 520,000 gallons less fuel being burned each year.

- CFG produces animal fat, or white grease, as a by-product of its operations and we use this as an alternate fuel source. By utilizing this white grease as alternate boiler fuel, we have been able to reduce our CO₂ emissions by 85.02 tons on average per year, as well as utilize over 1.1 million gallons of alternative environmentally friendly fuel.

There are major environmental benefits from utilizing this alternate fuel as this material on average emits 500% less emissions than conventional liquid fossil fuels. In addition, truck traffic and emission is reduced due to the lower volume of trucks needed to haul this by-product off site.

- CFG is researching two additional projects this year which could also result in additional decreases in energy usage and emission output.

One of these projects is a dryer that would utilize an organic material we generate on site in place of using fossil fuels to operate the dryer. This dryer could potentially save 300 million btu's of energy each month.

- Ongoing training and signs hung throughout our facilities have targeted additional ways to save energy. Team members are encouraged and reminded to turn off the lights in their office or in conference rooms when not in use. Light sensor switches have been installed in many offices and conference room areas which automatically switch off the lights when no motion is detected after a brief amount of time.

A conscientious effort is made by all team members in operations to turn off conveyors, machinery and other electrically run equipment when not in use. All warehouse operators make sure large overhead doors are shut prior to trucks pulling out of the dock to help prevent the inefficient escape of cold air.

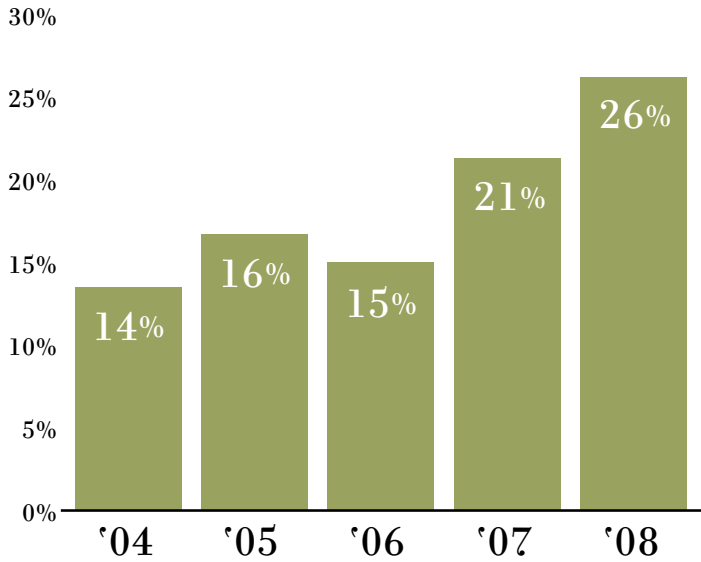


THE AMERICAN MEAT INSTITUTE FOUNDATION RECOGNIZED THE CLEMENS FOOD GROUP WITH AN ENVIRONMENTAL MAPS AWARD BASED ON OUR DEVELOPMENT AND IMPLEMENTATION OF SUSTAINABILITY PROGRAMS AND POLICIES.

“We are honored to have been presented with this Award. We take the responsibility of being good stewards of God’s earth very seriously and will continue to look at innovative solutions that will allow us to have a positive impact on the environment.”

Tom Clemens, Sr. Vice President of Operations

SOLID WASTE RECYCLED



RECYCLING

In addition to the recycling of water, CFG follows a strict recycling program to reduce landfill waste. Many materials are recycled at CFG's facilities, including paper and cardboard, batteries, and metals, among others.

CFG's Environmental team has embarked on a mission to increase the ratio of recycled materials as compared to materials that are sent directly to landfills. Our team of environmental engineers and team members have worked together to identify and implement best practices that streamline and simplify the separation of recyclable materials from those going directly to a landfill.

Simple procedures such as team member training and awareness, signage and placing cardboard and plastic collection centers in strategic locations have proven to be the cornerstone of getting all team members on board and engaged in a recycling program.

CFG currently recycles over 25% of its solid waste materials, a 10% increase from only a few years ago.

In addition, CFG's garage and mechanic services, operating under PV Transport, are fully utilizing many environmentally friendly methods to reuse and recycle both solids and liquids that come with garage operations. Some of these actions include:

- Treating and reusing anti-freeze
- Utilizing used waste oil for heating purposes
- Batteries and drums are recycled and not sent to landfills

TRANSPORTATION

With a fleet of 92 tractors logging over 6.5 million miles and using over 1.1 million gallons of fuel each year, PV Transport (PVT), CFG's transport group, is highly committed to stewardship and reducing its impact on the environment.

PVT has worked very hard and continues to work hard to develop and implement measurable goals which reduce air emissions and increase fuel efficiency in the fleet of trucks and refrigerated trailer units.

Although new opportunities with diesel engines that operate more efficiently are on the horizon, PVT has been in the forefront of utilizing innovative solutions to decreasing fuel usage and emission output.

- Auxiliary Power Units (APU) have been installed on the over the road sleeper trucks. These APU's power the climate controls (heat and air conditioning) in the cab of the trucks without idling the main truck engine. APU's save an estimated 33,000 gallons of fuel each year, which translates into much less air emissions coming from idling engines.
- Cab Heaters have been installed on "day cab" trucks (trucks without sleepers) which provide drivers with heat in the cab while stopped without having to keep the main truck engine idling.
- Trucks use automatic shutdown that turns off the engine after three minutes of idling. This helps to greatly reduce emissions by not allowing the engine to continue to run while the truck is sitting idle.
- EPA Smartway Certified Tires are used on many tractors and trailers. Smartway tires greatly reduce rolling resistance resulting in increased fuel efficiency.
- Auto tire inflators are installed whenever possible to keep proper air pressure in the tires.
- PVT has improved efficiency in hauling logistics with over 90% of our over-the-road trucks backhauling products to reduce empty miles.

COMMITMENT TO ANIMAL WELFARE

We are committed to producing consistent high quality pork products produced under the highest of animal welfare standards. It is our ethical and moral commitment to be responsible stewards of the animals placed in our care, educating and training our pork producers, transporters and team members to constantly maintain the highest level of integrity in animal welfare.

Since 1895 CFG has been committed to providing customers with wholesome products produced under the highest animal welfare standards. Animal welfare is a top priority for CFG, and we have always taken a serious, proactive, and comprehensive approach to ensure the proper care and well being of our animals.

CFG continues to be an industry leader in animal welfare practices and has strictly adhered to animal handling procedures recommended specifically to us through the input and guidance of several independent third parties; one being world-renown animal welfare expert and professor of Animal Science at Colorado State University, Dr. Temple Grandin. CFG has been presented with several awards, including the prestigious Knowlton Award, which recognizes, among other things, progressiveness in the area of proper animal welfare.

CFG has stringent control points in place to ensure the utmost in animal care from the farms through transportation to the harvest floor.

EACH CVFF FARM IS DESIGNED WITH THE HEALTH AND WELFARE OF THE ANIMALS IN MIND...

- Each CVFF facility is equipped with a computerized system that regulates the temperature and air inside the barn. In the event of a power failure, the backup system will allow the sidewall curtains to drop bringing in fresh air. The system also alerts the producer of the situation.
- Sows are kept in a dry and cool environment controlled by an advanced ventilation system. The ventilation systems are designed to meet the respiration needs of sows during both winter and summer months.
- The feeding system in each barn is designed so individual feeders can be adjusted to meet the nutrient requirements for each animal.
- Fresh water is available for the animals at all times.
- Each sow is custom fed to ensure that she receives adequate feed for herself and her litter of piglets.
- CVFF has developed an internal process manual for the farms that document and define each of the hundreds of on-farm processes. This set of standard operating procedures helps to ensure a standard of quality and care across all CVFF farm locations.



CVFF HAS MADE AN INTENTIONAL EFFORT TO BENCHMARK ANIMAL WELFARE CONDITIONS FOR FEMALE GESTATION HOUSING.

By moving 15% of its 45,000 gilt/sow herd to “group housing”, CVFF has made the commitment to understand the true effect of gilts/sows living together compared to living in individual stalls.




PORK QUALITY ASSURANCE (PQA) PLUS CERTIFICATION

- CFG was the first company in the nation to become fully engaged in this Program and the first in the industry to mandate PQA Plus certification for all our animal suppliers.
- PQA Plus certification is an advanced education and training process endorsed by the National Pork Board which ensures everyone in a role of handling our hogs will undergo advanced training and education in animal welfare and handling
- An essential component of PQA Plus is the site assessment which consists of one-on-one instruction from a certified site assessor, working with our team members, farmers and producers to increase their knowledge about animal care and well being.
- In addition to training and education, an important component of achieving PQA Plus certification involves third party on-site audits for accountability and to ensure compliance of the Program.
- In addition to our own farms and team members, every contract producer must be PQA Plus certified as well as pass mandatory site evaluations. CVFF goes through great lengths to ensure that CFG receives hogs from only the most responsible producers.

CFG WAS THE FIRST IN THE INDUSTRY TO REQUIRE PQA PLUS CERTIFICATION FOR ALL ITS ANIMAL SUPPLIERS.

ACCOUNTABILITY IN ANIMAL WELFARE

- Five full-time USDA members are on site, including one USDA Doctor of Veterinary Medicine
- Full-time on staff Doctor of Veterinary Medicine
- Independent third-party animal welfare audit conducted by a leading firm in the animal welfare industry. CFG consistently receives one of the highest third-party audit scores in the industry.
- Animal Handling Task Force routinely meets to ensure CFG is exceeding industry standards for proper animal welfare practices.
- Professional Animal Auditor Certificate Organization (PAACO), an organization which promotes and teaches humane treatment of animals through education and certification of animal auditors, has recognized facilities at CFG as training facilities for PAACO because of our high standards of animal welfare.



"PV Transport is continuously working with trailer manufacturers to design equipment that is very animal friendly, striving to create an easy and stress free transition during transportation between farms and from the farm to the packing plant."

Tom Moyer, Manager of Livehaul Logistics

LIVESTOCK HAULING

- Transport Quality Assurance (TQA) Certification – anyone transporting hogs for CFG must be TQA Certified. This includes our own livestock haulers and any other transporter that hauls hogs for CFG.
 - Through TQA Certification transporters are highly trained and educated to ensure best practices in animal handling and well being.
- Emergency Response Teams – CFG has developed strategically located Emergency Response Teams with the goal of rapid response time to accidents or disasters involving our hogs.
 - In the event of a vehicle accident or disaster, members of these response teams are highly trained and knowledgeable in safely and humanely caring for and transporting animals involved in the incident.
 - CFG has partnered with the PA State Animal Response Team (SART) which is supported by the PA Emergency Management Agency, the PA Department of Agriculture and the PA Veterinary Medical Association.
- CFG places a high importance on animal welfare and comfort during transport, and continues to work closely with livestock trailer manufacturer's research and development teams to be innovative in designing trailers that provide the highest amount of comfort for the animals.



CFG TEAM MEMBER TOM MOYER, WHO HAS BEEN INVOLVED WITH THE NATIONAL PORK BOARD'S TQA COMMITTEE SINCE ITS INCEPTION, IS ONE OF THE FEW PEOPLE IN THE NATION WHO IS CERTIFIED TO TEACH AND ADMINISTER THE TQA PROGRAM.

COMMITMENT TO PRODUCTS & CUSTOMERS

We are committed to be the most trusted provider of safe and wholesome pork products. We will continue to be deliberate in bringing value to our customers through offering solutions for their business along with excellence in service. We are committed to producing innovative products for our customers and consumers that are synonymous with safety, consistency, quality, convenience and wholesomeness.



Our commitment to our products and customers encompasses a wide spectrum of areas beginning with the hog, to nutrition, to production and sanitation, to innovative products and offering customized business solutions to our customers by our team of pork experts.

GENETICS

We are continuously involved in extensive genetic research with the world's top genetic companies to ensure that our hogs produce consistent top quality pork traits that exceed customer expectations. These traits include both consistent meat quality and excellent performance traits.

CVFF operates two nucleus sow herds which are responsible for supplying the entire CVFF production system. By having a self-contained multiplication flow, we are able to maintain strict genetic structure and high health status of our sow farms.

HOG NUTRITION

Offering proper nutrition to our hogs in every stage is critical in ensuring healthy hog growth. Utilizing a quality feed manufacturing partner as well as a PhD Nutritionist helps to ensure a well-balanced and quality feed that is formulated using only quality ingredients that are safe for consumers and that promote a healthy life cycle in our pigs.

ANTIBIOTICS

CFG and all its producers are dedicated to producing a safe and wholesome product that is free from antibiotic residues. Our program is strongly focused on raising healthy pigs and preventing disease through proper husbandry, hygiene and routine health monitoring while at the same time limiting the use of any medications.

All of our producers are PQA Plus Certified, which provides producers with a strict set of guidelines to ensure that antibiotics are directed by a licensed veterinarian and used only according to FDA guidelines. The program also requires compliance with and monitoring of withdrawal times to prevent any residues in our pork products.

FOOD SAFETY AND QUALITY

Both food safety and food quality are non-negotiable commitments at CFG, which means no matter what, these areas cannot be compromised. All team members understand that they are empowered to stop a line or stop shipment of any product if they feel that product does not meet our high expectations of safety and quality.

“AS GLOBAL EXPECTATIONS FOR FOOD SAFETY AND QUALITY CONTINUE TO EVOLVE AND INCREASE, CFG'S COMMITMENT TO FOOD SAFETY AND QUALITY BEING A NON-NEGOTIABLE SUPPORTS OUR MISSION AND COMPANY COMMITMENT TO CONSISTENTLY PRODUCE A SAFE AND WHOLESOME PRODUCT.”

Kelly Gartner, Technical Services Manager



The CFG Technical Services Team develops and monitors both food safety and food quality programs and processes. This team is comprised of experienced and educated individuals who, like all our team members, share a passion to ensure food safety and top quality in all the products we produce. The team consists of many talented team members, including a veterinarian, microbiologist, meat scientist and a food technologist.

The Technical Services Team is responsible for many areas, including:

- Food Safety and Regulatory Compliance
 - Hazard Analysis and Critical Control Points (HACCP) – CFG’s HACCP program operates under a wide variety of process categories such as harvesting and raw, heat treated and fully cooked products, among others.
 - A Food Security Program has been implemented and CFG is registered under the FDA Bio-Terrorism Act of 2002.
 - Third party audits are conducted on a regular basis
 - Safe Quality Foods Certification (SQF) – CFG is currently pursuing an SQF Level II Certification. SQF is a voluntary customer-driven program that provides independent certification that a supplier’s food safety and quality management system complies with both domestic and international food safety regulations.
- Food Quality
 - A Quality Scorecard is in place as a tool to measure quality and verify compliance to processes and procedures. This scorecard is a simplistic approach used by operations to ensure consistency in quality expectations. This scorecard process reinforces the non-negotiable expectations for safety and quality standards.
- Lab – Microbiological and Analytical Chemistry
 - Our on-site lab continuously monitors our facilities, equipment, raw materials and finished product to ensure food safety and quality.
 - The full service laboratory is maintained separate from all production areas and conducts both microbiological and analytical chemistry testing.
 - Our lab participates in monthly third-party testing to ensure accuracy of tests and results.
- Sanitation
 - Ongoing training is conducted for all our sanitation team members to ensure education and compliance with food safety and quality guidelines.

The combination of state-of-the-art food safety and quality technology along with a dedicated Quality Assurance and Technical Services Team helps to ensure food safety and quality in every step of our business, from farm to fork.

INNOVATIVE AND CONSUMER DRIVEN PRODUCTS

One of the ongoing strategies of CFG is to have each of its food brands offering new and creative products for its customers and consumers. We continue to research and develop new products that fit the needs of today’s consumers.

- Hatfield’s easy-to-prepare crock pot meal solutions that include a seasoned pork loin roast along with sides such as roasted vegetables or herb stuffing and gravy.
- New E-Z Peel packaging on Hatfield’s new Personal Portion Ribs
- Creta Farms innovative line of deli products incorporating heart healthy extra virgin olive oil (EVOO). We are also researching line extensions outside of the deli line, all of which are approved by the American Heart Association.

PORK EXPERTS

Our sales and customer service team of knowledgeable and experienced “Pork Experts” are proactive in providing our customers with real solutions that can help grow their business. Providing a safe, consistent and high quality product is a non-negotiable for us, but what truly makes us unique is the solution-centered service we strive to provide our customers.

We have experts in a variety of channels, including fresh pork and value added products. These sales channels are strategically aligned to offer knowledgeable and dedicated service for both fresh pork and value added opportunities.

CUSTOMER SERVICE

CFG has recently implemented a new Customer Order Management System (COM) to greatly enhance our customer service experience. COM allows us to better align the availability of our product along with the needs of our customers.



COMMITMENT TO COMMUNITY

We realize that we have been blessed by the Lord Jesus Christ with many resources, and we are committed to being good stewards of those resources through giving much back to enrich the communities in which we operate and the neighborhoods where we live.

Our Core Value of Stewardship has been mentioned quite a few times in this report. We define stewardship as “building a foundation for the future”. To us, this not only means taking care of our earth and the environment, we also feel being a good steward means enriching the communities in which we live and work.

We believe that we have been blessed with much and feel a responsibility to give much back. Because of the resources we have been blessed with, we have the ability to touch thousands of lives in our community.

We recognize that only through strong company values and the efforts of our loyal employees does this become a reality. Since 1895, CFG has supported our community in many ways, some of which are financial contributions, product donations, and volunteering of our time and effort in the community.





Corporate-wide we are involved in giving to hundreds of organizations each and every year. Just a few of these organizations include:

- AMERICAN RED CROSS
- AMERICAN CANCER SOCIETY
- NORTH PENN UNITED WAY
- SALVATION ARMY
- TEEN CHALLENGE INTERNATIONAL
- ORPHAN RESEARCH INTERNATIONAL
- HARLEYSVILLE SENIOR CENTER

In addition to donating money, we are highly involved in donating of our time in many events throughout the year. Our team members are also highly committed to the communities in which they live, and as a team we are involved in organizations such as:

- RELAY FOR LIFE
- NATIONAL MULTIPLE SCLEROSIS SOCIETY
- WALK AGAINST HUNGER
- EAGLES FLY FOR LEUKEMIA
- EASTER SEALS
- MARCH OF DIMES

We feel that because of our position in the food industry we have the unique capability to have a significant impact against hunger. We have heavy involvement in Philabundance, the local food bank in the city of Philadelphia, as well as donate significant amounts of product to food banks in the Lehigh Valley and Central Pennsylvania.

Our farms are also committed to stewardship and community responsiveness. Each year CVFF and its team members contribute over \$20,000 to support their local communities. Farm donations range from agricultural organizations such as the 4-H and FFA, to youth animal sales at country fairs, sponsoring local Little League teams and donating Christmas gifts to local children in need.

CFG SUSTAINABILITY REPORT



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