



**MASTERS GALLERY FOODS, INC.
SUSTAINABILITY AND
ESG REPORT**



ABOUT THIS REPORT

This report provides an overview of Masters Gallery Foods' Environmental, Social and Governance (ESG) activities for the calendar year 2023. This document highlights a few key aspects of our sustainability strategy and approach to global responsibility.

Masters Gallery Foods, Inc. is responsible for the preparation and integrity of the information provided in this report.

www.mastersgalleryfoods.com



Packaging and Distribution Facility,
Plymouth, Wisconsin



Packaging and Distribution Facility,
Oostburg, Wisconsin

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ABOUT MASTERS GALLERY FOODS

In 1974, our founder, Leonard “Butch” Gentine, Jr., started Masters Gallery Foods, a small brokerage firm in the business of purchasing, aging, and distributing large blocks of bulk cheese to industrial customers. Butch’s strong relationships evolved into collaborative partnerships, and the business steadily grew.

Today, Masters Gallery Foods is celebrating their 50th anniversary as a leading national cheese supplier, maintaining one of the largest privately held cheese inventories in the country. Butch passed away in 1991, yet his legacy and mission continue, led by co-owner and Butch’s son, Jeff Gentine.



“ We’ve worked hard to become the company we are today, but what hasn’t changed is my father’s commitment to our employees, our customers and our community. ”

—Jeff Gentine, CEO & President

A CULTURE ALL OUR OWN

OUR MISSION: To be the customers’ choice for premiere cheese products by providing innovative solutions and exceptional customer service built on the highest standards of quality and integrity.

OUR VISION: A family company dedicated to mastering the cheese business and enhancing the lives of our employees, partners, and communities.

OUR VALUES:



PASSION

A legacy of excellence driven by our enthusiasm for cheese.



INTEGRITY

Lasting relationships built on respect, honesty and trust.



PEOPLE

Dedicated employees empowered to be the best version of themselves.



QUALITY

World-class products customers rely on.



SERVICE

Customer confidence earned every day.



SAFETY

An uncompromising commitment to best practices.

MESSAGE FROM OUR PRESIDENT AND CEO

Masters Gallery Foods takes immense pride in the cheese we package and distribute because we know how much work goes into it every day, from across the company and throughout our value chain. As we celebrate our 50th anniversary in 2024, we continue to recognize the growing importance of sustainable business practices in today's world. Sustainability has become more than just a buzzword; it is a fundamental principle that guides our actions and shapes our impact on the world.

Sustainability is not just about minimizing our environmental footprint. It is also about creating a lasting impact on the communities we serve, fostering innovation and ensuring the well-being of future generations. As CEO, I am committed to integrating sustainability into every aspect of our operations, from raw materials and production processes, to supply chain management and community engagement.

With that, I am pleased to share our first Sustainability Report. Our goals are clear: We strive to implement environmental, social and governance best practices into our overall business strategy. From monitoring our greenhouse gas emissions and the impact we have on the environment, to investing in our communities through our MGF Gives Back initiatives, we prioritize the continued success of not only our business, but all our stakeholders within our local communities and throughout our value chain.

Looking ahead, we are collaborating with our suppliers, customers and employees to track our progress against common goals. Everyone plays a vital role in our journey towards sustainability. The ideas, contributions and dedication from all our stakeholders are instrumental in driving meaningful progress. I encourage everyone to continue championing sustainability daily, whether it is through resource conservation, advocating for eco-friendly practices or supporting community initiatives.

Together, we can make a meaningful difference and build a more sustainable future for generations to come. Thank you for the continued dedication and commitment on this journey towards sustainability.



Jeff Gentine
President & CEO

2023 | 2024 COMPANY HIGHLIGHTS

We have a lot to be grateful for in 2023 and 2024...

awarded
MANUFACTURER OF THE YEAR
by the Sheboygan Chamber of Commerce



\$152,000
raised for the United Way through the MGF Gives Back Campaign



celebrating
50 YEARS



surpassed
1,000
employees



implementation of a new **TRAINING** and **PROFESSIONAL DEVELOPMENT** program



- over **\$160,000** worth of cheese donated to local food pantries
- **170+** volunteer hours dedicated to local organizations through our employee-driven Reward Your Purpose program



received
FIVE MEDALS
at the
2024 World
Championship
Cheese
Competition



received a **MATURING** designation in the



received the
BUSINESS FRIEND OF THE ENVIRONMENT award for **ENVIRONMENTAL STEWARDSHIP**
from Wisconsin Manufacturers & Commerce



SUSTAINABILITY STRATEGY

Driving positive change for our communities, our planet, our people and our future.

Sustainability is at the forefront of the dairy industry and a critical component of our overall workplace culture and guides decision making within our organization. Our sustainability strategy is integrated into our business and addresses a diverse array of environmental, social, and governance (ESG) topics. Our Green Team is comprised of an inspired and dedicated group of employees that drive positive change for our organization and in the communities we serve.

As sustainability and ESG becomes ever more prevalent, we recognize our role in a more sustainable future for all. In accordance with our mission, vision, and values, we also strive for excellent sustainability performance through our Sustainability Guiding Principles, where we strive to:



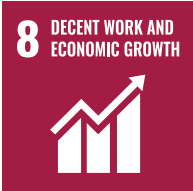


SUSTAINABILITY GUIDING PRINCIPLES

- Adhere to all applicable environmental laws, regulations, and standards at the federal, state, and local levels, and proactively seek ways to exceed these requirements.
- Manage natural resources responsibly by implementing water-saving technologies, reducing waste, and preventing pollution not only to protect the environment but public health and safety.
- Monitor and minimize greenhouse gas emissions at our facilities by implementing new technologies and practices that reduce our overall energy consumption while simultaneously seeking out opportunities to transition towards more renewable energy sources.
- Source cheese, packaging, and other materials from suppliers who adhere to sustainable practices, prioritizing local and environmentally responsible sources whenever possible.
- Promote a culture of ownership by educating and training our people to work in an environmentally responsible and socially equitable manner by holding ourselves and our colleagues to high standards.
- Maintain board level oversight of environmental risks, performance, and outlook, set achievable sustainability goals, and integrate sustainability considerations into strategic business decisions.



ALIGNING WITH THE SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) acts as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The private sector plays a critical role in achieving the SDGs and Masters Gallery Foods recognizes the importance of the United Nations 2030 Agenda for Sustainable Development and aligned our material impacts against the following SDG targets.

SDG	METRIC	SUPPORTING POLICIES	TARGETS
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.	Policies: <ul style="list-style-type: none"> • Cheese Supplier Food Safety and Quality Expectations 	2.1, 2.4
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all at all ages.	Policies: <ul style="list-style-type: none"> • Workplace Safety and Employee Well-being Policy • MGF Gives Back • Personal Protective Equipment (PPE) Program • Environmental Policy • Hazard Communication (HazCom) Program 	3.4, 3.8, 3.9
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.	Policies: <ul style="list-style-type: none"> • Code of Ethics and Business Conduct • Affirmative Action and Equal Employment Opportunity Policy Statement • Human Rights policy • Environmental Policy 	8.4, 8.5, 8.7, 8.8
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production.	Policies: <ul style="list-style-type: none"> • Cheese Supplier Food Safety and Quality Expectations • Environmental Policy • Hazard Communication (HazCom) Program 	12.2, 12.3, 12.4, 12.5, 12.6, 12.7
 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impact.	Policies: <ul style="list-style-type: none"> • Environmental Policy • Smartways Certification • CDP Climate change report 	13.1, 13.2, 13.3

OUR SUSTAINABILITY GOALS AND TARGETS



CARBON REDUCTION

Masters Gallery Foods is committed to tracking our scope 1, 2 and 3 footprints and working internally and with our supply chain to reduce our overall impact.



WASTE

Masters Gallery Foods has a sustainable waste stream with an average landfill diversion rate of 84%. We continue to make progress in this area and are committed to reducing as much waste as possible, with aspirations of becoming a zero-waste facility in the future.



PACKAGING

Masters Gallery Foods aligns with industry goals for flexible packaging. Our team is actively doing research and seeking out new opportunities to provide recycle-ready packaging solutions for our customers. When Recycle-ready packaging becomes commercially available we will work with our supplier to obtain a How to Recycle label to meet customer packaging goals.



ENERGY

Masters Gallery Foods continues to make energy efficiency improvements by working with our local utilities and Focus on Energy to lower our overall energy consumption and to further lower our scope 1 and 2 carbon footprints.



WATER

Masters Gallery Foods continues to monitor our overall water consumption and are actively seeking ways to reduce it, such as installing low flow fixtures. We have also eliminated all phosphorus from our operations removing the possibility to discharge phosphorus into our wastewater stream.

OUR PARTNERSHIPS

We lean on our industry groups and partnerships to strengthen our understanding of new technologies, innovations and strategies to better ourselves, the dairy industry and sustainability.



INNOVATION CENTER

Masters Gallery Foods is a proud member of The Innovation Center's Dairy Sustainability Alliance. This is a multi-stakeholder group consisting of companies and organizations from across the dairy community and others who want to contribute to dairy's social responsibility journey. Dairy Sustainability Alliance members share knowledge, collaborate on issues affecting the industry at large, accelerate progress toward common sustainability goals and contribute to the long-term viability of the U.S. dairy industry.



EPA SMARTWAYS

The EPA's SmartWay program assists companies with advancing supply chain sustainability by measuring, benchmarking and improving freight transportation efficiency. Masters Gallery Foods has committed to working with our carriers to achieve 100% participation in the SmartWay Program. In 2022 we achieved 79% SmartWay ton miles amongst our carriers. Our MGF Logistics fleet has been SmartWay Certified since 2012.



GREEN MASTERS

We have been a long-term member of the Wisconsin Sustainable Business Council and a program participant of the Green Masters Program since 2016. This program allows us to better define, prioritize, measure and manage our sustainability performance. The subject areas addressed by the Green Masters Program reflect the interconnectedness of all things, including the role of business in contributing to a just and equitable society and the role of society in facilitating business operations. It recognizes the benefits to society and business when sustainability in all material aspects is integrated into an organization's strategic and operational practices.

GREENHOUSE GAS EMISSIONS AND REDUCTIONS

Masters Gallery Foods continues to make improvements and find ways to incorporate sustainability into our daily operations. We recognize the importance of measuring and reducing our carbon footprint. In 2023 we completed a comprehensive carbon footprint following The GHG Protocol, establishing a 2022 baseline for scope 1, 2 and 3 emissions. Our operational emissions outlined in scope 1 and 2 are already less than 1% of our total carbon footprint. This is due primarily to the energy-savings and fuel efficiency initiatives over the past several years and we are dedicated to further emissions reduction efforts.

We are also conscious of the large scope 3 impact of our operations and have supply chain engagement goals to work with our suppliers on increased data accuracy and emissions reduction throughout the dairy supply chain.



“Our facilities team has made several energy efficiency improvements and implemented new practices that drive sustainability forward. As our sustainability and ESG program continues to grow, we aim to integrate sustainability best practices into our overall strategy to not only meet GHG reduction targets, but to build a larger ESG framework for our business.”

—Julia Steffes , Sustainability Manager

PROJECT HIGHLIGHTS

We have prioritized energy efficiency throughout our facilities over the past several years and have seen a significant decrease in our overall energy consumption. Both facilities have been entirely retrofitted with LED lighting and motion-activated lighting where appropriate. Also, air compressors have been converted to supply areas of the plant with heat that would have been discharged into the atmosphere.

We have implemented technologies at our facilities that not only reduce our carbon footprint but increase the safety and wellbeing of our employees. One major advancement was implementing a chilling tower at our Oostburg facility, which eliminates the use of ammonia, freon, and other regulated coolants. This greatly reduces the risk to employees and the environment in the event of a leak or natural disaster.

We also utilize renewable energy generated from our geothermal pond. This pond can heat and cool 20,000 square feet of our facility and doubles as a natural habitat for native Wisconsin plants and wildlife, maintaining the area's rich biodiversity. Energy generated from this pond is also used to warm the sidewalks in the winter to melt ice and snow, reducing slip hazards for pedestrians while simultaneously limiting the amount of salt needed to melt ice in the winter months.

We purchased a pure-electric terminal truck from Orange EV, making us the first manufacturer in the State of Wisconsin to deploy a 100% electric Class 8 truck. This truck can eliminate diesel emissions, reduce our carbon footprint, increase safety, and improve overall efficiency. It is estimated that the integrated Orange EV truck reduced total fleet emissions and reduced our consumption of diesel fuel by over 2,000 gallons annually.

We also utilize an onsite Nitrogen generation system which is essential for the food packaging process. This system allows for increased energy efficiency, a reduction in the vehicle miles traveled for transportation of the gas, and increased worker safety. This project increased efficiency and greatly decreased our carbon footprint.

Electric Class B Truck



Geothermal Heating



LED Lighting



TRAINING, LEARNING AND PROFESSIONAL DEVELOPMENT

Continued learning is the cornerstone of personal and professional growth, and it is with this belief that Masters Gallery Foods implemented a Training and Professional Development Policy. This initiative is designed to enhance individual skill sets and fortify our collective capabilities as a forward-thinking and adaptive team. Through this policy, employees are encouraged to seek out additional training and learning opportunities from online learning platforms, college courses, leadership training, professional certifications, and more. Many employees also implement an individual development plan that better outlines their career and educational goals.

“ Although we are early in the implementation of the Training and Professional Development Policy, we have overall seen a positive impact in our employees’ interest and curiosity towards their own growth and development. This benefits everyone within our organization because employees are now more than ever continually learning and refreshing their skills. The training employees receive allows them to put the new skills into practice faster and develop transferrable skills that will set them up for future opportunities, both within and outside of the organization. ”

—Devon Voss, Training Program Manager



60 internal promotions celebrated in 2023.

Over **\$22,000** invested in educational assistance and tuition reimbursement for college courses.



Managers and supervisors covered various training topics including coaching,



In 2023, select employees spent **840 hours** collectively in company-sponsored leadership training.

GIVING BACK TO OUR EMPLOYEES

MASTERS STAR PROGRAM

Masters Star is an employee-driven peer recognition program that highlights positive values, attitudes, actions and skills that create and sustain a supportive work environment. Employees are able to nominate other employees who go above and beyond in their commitment to doing the right thing or setting an example. Employees who are chosen are honored at quarterly meetings and are rewarded with several prizes and benefits.



MGF GIVES BACK

Masters Gallery Foods and its employees are committed to giving back to the communities in which they live. This give-back mentality is built into our culture to ensure charitable giving is part of everyday life. Every year, employees select non-profit organizations that are supported through the MGF Gives Back Campaign. Additionally, Masters Gallery Foods supports our employees and the organizations that are important to them. Every year, employees that volunteer a minimum of five hours for a 501(c)3 organization(s), Masters Gallery Foods will make a monetary donation to that organization in the employees' name through our Reward Your Purpose program.



Volunteerism



Reward Your Purpose



MGF Gives Back Annual Campaign



Company-Sponsored Teams & Events



FOOD SAFETY AND QUALITY CULTURE

It is the policy of Masters Gallery Foods, Inc. to produce and distribute to our customers only the highest quality and authentic products. These products shall meet Masters Gallery Foods' customer and regulatory specifications and all food safety standards. Masters Gallery Foods, Inc. quality program has a process control approach with an inspection plan based on historical data and risk assessment which feeds a root cause and corrective action system.

Our management personnel and employees will make every effort necessary to fully comply with the specifications of this program to ensure all products we produce meet the declared levels of quality. This is supported by an open-door policy to share concerns and provide feedback. Both food safety and human safety concerns operate under the notion of "see something, say something."



..... HAZARD



..... ANALYSIS



..... CRITICAL



..... CONTROL



..... POINTS

EMPLOYEE-LED COMMITTEES

MASTERING SAFETY

Our safety managers lead a Safety Committee to keep the culture of safety alive at Masters Gallery Foods. We engage with several employees from all departments on injury prevention practices, peer to peer coaching, and compliance. Additionally, every year we provide a series of training and educational opportunities to all interested employees and encourage feedback and input on our programs. A few opportunities sponsored by the Safety Committee include:

- Several first aid and AED training courses for employees interested in becoming certified and to practice their skills.
- An annual OSHA 10 course offered to select employees wanting to expand their knowledge of workplace safety.
- A safety rewards program to recognize individuals that demonstrate an outstanding commitment to safety throughout the year.



GREEN TEAM

Our employees ensure responsible management of waste and spearhead recycling efforts every day at our facilities. Additionally, the Green Team provides recycling opportunities throughout the year to dispose of hard to recycle items that would otherwise end up in landfills or our environments. We partner with other employees and community partners to recycle: Holiday lights, shoes, jeans, household electronics, batteries and pop tabs. We also host several events in the community to educate employees on sustainability related topics, including Focus on Energy lighting events, employee paper shredding, Earth Day clean-up events and other volunteer opportunities through MGF Gives Back.



FINAL STATEMENT

We believe sustainability is inherent to long-term success, and the decisions we make today influence our people, the environment, and our community. We work diligently to integrate social responsibility into all our business operations. We are constantly on the lookout for advancements in knowledge and technology as they relate to our environment.

PO Box 170 | Plymouth, WI 53073
(920) 893-8431
mastersgalleryfoods.com



Because the
RIGHT *cheese* matters®
and the **RIGHT** *people*
make all the
difference!