



2022

CORPORATE RESPONSIBILITY REPORT



OUR COMMITMENT to corporate responsibility

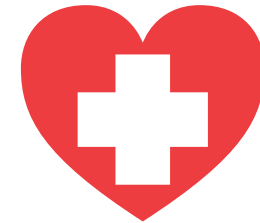
At Schwan's Company*, we believe the success of our business is linked directly to our commitment to social responsibility and environmental sustainability. We set clear social, economic and environmental objectives for our business and take action to achieve our goals. Our sustainability efforts apply to all Schwan's subsidiaries because we know this work is essential to our future success. To continue our path toward sustainability and to provide economic value to shareholders, we are committed to:

- Researching and implementing methods for reducing the company's impact on the environment.
- Continuously improving the health, wellness and safety attributes of our products, services and operations.
- Making further investments in the general well-being of employees and the communities that contribute to our success.

*Any reference to Schwan's Company (Schwan's) or to the company with respect to trademarks, employees, logos, manufacturing facilities and products is to the subsidiaries of Schwan's.



**ENVIRONMENTAL
SUSTAINABILITY**



**WORKING AND LIVING
RESPONSIBLY**



**GIVING BACK TO
OUR COMMUNITIES**

MESSAGE from our CEO

The employees of Schwan's Company achieved phenomenal results in 2022, and I am very proud of our team. Not only did we achieve our business objectives, but perhaps more importantly, we did so while staying true to our values and giving back to the communities in which we operate.

We also celebrated our 70th year of providing delicious foods to families, an achievement made possible because of our focus on operating a sustainable business that is continuously striving to improve. And, as a member of CJ CheilJedang Corporation's (CJ CJ) family of businesses, we have a unique opportunity to help positively influence the world.

Operating our company with integrity and as a responsible corporate citizen isn't just the right thing to do, it's also good business practice. In our "2022 Corporate Responsibility Report," you will learn about our efforts to reduce the impact of our operations on the environment and ways in which we are helping the people and communities we serve create a better tomorrow.

Some of the highlights in this year's report include:

- Recycling programs that diverted approximately 20,180 tons of material away from landfills.
- Packaging teams who are working to make dramatic material reductions and improvements in our use of recycled materials.
- A look at how we are designing a new manufacturing facility that prioritizes sustainability and safety.
- Robust charitable giving efforts that focus on youth leadership, building healthier communities and support for organizations that feed people.

We are also proud partners in MBOLD, a coalition of leaders from many of the world's largest food and agricultural companies, as well as leading research institutions. MBOLD's mission is to accelerate progress in sustainability initiatives in the areas of soil health and water stewardship, innovation and entrepreneurship, and developing talent. One initiative within MBOLD that we've particularly focused on is developing a circular economy for flexible packaging film. You will learn more about the investments we are making to support this important work in the report.

2022 was a year of growth and significant progress for our company. We announced the integration of CJ Foods USA, another U.S.-based food affiliate of CJ CJ, which increases our scale and position in the food industry. As a combined organization, we are looking ahead to expanding our corporate responsibility efforts for years to come.

We appreciate the opportunity to share our social responsibility journey with our stakeholders. We value the partnership and feedback we receive through this process. We'll always be guided by our core values and the CJ Management Philosophy as we work to achieve our goals.

Thanks again for your interest in Schwan's Company.

Sincerely,



Dimitrios P. Smyrniotis
Chief Executive Officer
Schwan's Company



"In our '2022 Corporate Responsibility Report,' you will learn about our efforts to reduce the impact of our operations on the environment and ways in which we are helping the people and communities we serve create a better tomorrow."

~ *Dimitrios Smyrniotis*

COMPANY profile

Schwan's Company, a member of CJ CheilJedang Corporation's family of businesses, is driven to bring delicious foods and reliable services to its customers. Based in Minnesota, Schwan's sells high-quality, great-tasting foods through grocery and club stores, convenience stores, restaurants, schools, universities and just about everywhere people shop and eat. The company produces, markets and distributes foods developed under respected brands such as *Red Baron*®, *Freschetta*®, *Tony's*®, *Hearth & Fire*® and *Big Daddy's*™ pizza, *Mrs. Smith's*® and *Edwards*® desserts, *bibigo*®, *Pagoda*® and *Kahiki*® Asian-style foods and many others.

Our brands are brought to customers through three primary marketing channels:

SCHWAN'S CONSUMER BRANDS

Schwan's Consumer Brands markets and sells fine frozen foods in retail stores throughout North America. Its leading brands include *Red Baron*®, *Hearth & Fire*®, *Tony's*® and *Freschetta*® pizza, *Mrs. Smith's*® and *Edwards*® desserts, and *bibigo*® and *Pagoda*® Asian-style foods. These brands have helped make the company a leader in the frozen-food aisles of retail stores throughout North America.

SCHWAN'S FOOD SERVICE

Schwan's Food Service markets delicious foods to public and private schools, universities, health-care facilities, convenience stores and chain restaurants. Well-established product lines include pizza, Asian-style foods, desserts and sandwiches. With strong brands like *Big Daddy's*™, *Freschetta*®, *Tony's*®, *Edwards*®, *Minh*®, *Villa Prima*®, *Chef One*®, *Twin Marquis*® and *Beacon Street Café*™, Schwan's Food Service is taking the lead in providing product innovation to operators who value quality and service.

STRATEGIC PARTNER SOLUTIONS

The company's Strategic Partner Solutions team makes foods for private-label customers and provides production solutions to external business partners who have the need for delicious foods and reliable packaging. The team's expertise lies in product categories such as pizza, ice cream, pies, snacks and appetizers, beverages, sauces and aluminum packaging.



OUR CULTURE and heritage



CJ MANAGEMENT PHILOSOPHY

MISSION

**CONTRIBUTING
TO THE GLOBAL COMMUNITY
BY PROVIDING THE BEST VALUE
WITH OUR ONLYONE
PRODUCTS AND SERVICES**

VISION

**GLOBAL LIFESTYLE COMPANY
INSPIRING A NEW LIFE OF
HEALTH, HAPPINESS, AND
CONVENIENCE**

CORE VALUES



PRINCIPLES

INTEGRITY · PASSION · CREATIVITY · RESPECT

ABOUT CJ CHEILJEDANG CORPORATION

In 2019, Schwan's Company became a subsidiary of CJ CheilJedang Corporation(CJ CJ). CJ CJ is the No. 1 food company in South Korea and has a growing global presence. You can learn more about CJ CJ and its corporate responsibility efforts at www.cj.co.kr.



OUR HERITAGE

Schwan's Company was founded in 1952 in Marshall, Minnesota, by 23-year-old Marvin Schwan.

Marvin, along with his parents, operated a local dairy that was struggling for survival amid government dairy-price controls. To find a way to make his business survive, Marvin packed ice cream in dry ice, loaded it into a road-weary 1946 Dodge panel van and set out to visit rural customers in southwestern Minnesota.

By the end of the day, he had sold all 14 gallons of his ice cream and formulated the business model that would grow his company into a leader in the frozen-food industry.

Today, Marvin's businesses continue to thrive. Schwan's Company was acquired by CJ CheilJedang Corporation in 2019 and continues to provide delicious foods and strong brands to stores and food-service venues. Additionally, Marvin's home-delivery business continues to thrive as an independent company, delivering foods directly to homes.




COMPANY facts

Founded: **MARCH 18, 1952**

Web Address: **SCHWANSCOMPANY.COM**

Employees: approx. **7,500**

12 
MANUFACTURING FACILITIES IN THE U.S. 

 **STATE-OF-THE-ART R&D FACILITY**
 **SCHWAN'S CHEF COLLECTIVE** 

1M OPERATORS REACHED THROUGH
1,800 FOOD-SERVICE DISTRIBUTORS 

APPROXIMATELY
610 
DSD TRUCKS

MORE THAN
50 FOOD PRODUCTION LINES 

#1 IN SCHOOL PIZZA 

#1 
IN PIES 

3 MAJOR REFRIGERATED WAREHOUSES 

REACH  IN STORES
CONSUMERS  FOOD-SERVICE

SIMPLICITY INITIATIVE 
COMMITTED TO CLEAN LABELS

DELIVER DIRECTLY TO
20,000 
STORES ANNUALLY

#1 
IN ASIAN SNACK CATEGORY

ENVIRONMENTAL sustainability

At Schwan's Company, we take seriously our responsibility to reduce our environmental impact. Our teams are committed to working together to continuously improve our operations for the benefit of our communities and our businesses.

In 2022, our environmental sustainability efforts focused on three areas: energy usage in our facilities and on the road, waste management, and reducing the amount of packaging material used to protect our foods.





DRIVING EFFICIENCY on the road

At Schwan's Company, we have a passion for making delicious foods and bringing them to our customers at grocery and club stores, schools, restaurants, convenience stores and nearly everywhere people like to eat.

In 2022, we operated food production facilities in 12 locations throughout the United States. To efficiently transport finished goods from our facilities to our customers, our teams used a diverse set of transportation methods, including long-haul and medium-duty trucks as well as railway services.

Schwan's Consumer Brands, Inc., a Schwan's Company subsidiary that focuses on marketing and selling foods to thousands of retail stores, operates a direct-store-delivery fleet made up of 610 diesel-powered vehicles.

This year our direct-store-delivery fleet became

more efficient through continued driver-education efforts and technological advancements. Overall, the fleet used 30,000 fewer gallons of fuel than the previous year and achieved an average of 10.45 miles per gallon. This represents good progress toward our goal of 11 miles per gallon.

One project that has driven fuel efficiency improvements in our fleet has been efforts to convert older trucks to more efficient engines with clean-idle technology. The company added 16 new, more efficient trucks in 2022, and plans are in place to introduce 54 new vehicles in 2023.

In other efforts throughout the year, the Consumer Brands division also stressed the importance of reducing idle time to eliminate wasted fuel. The company recently added idle shutdown timers to all of its vehicles. The timers shut a truck down after

five minutes of idle time. This technology helped the company achieve 12.2 percent idle time, an all-time low.

INTERMODAL TRANSPORTATION

Employees with SFC Global Supply Chain, Inc. — the manufacturing, transportation and logistics arm of Schwan's — also work to continuously improve efficiency.

For long-haul shipments, the company is introducing new methods for transporting its finished goods. Rather than relying primarily on a private fleet of long-haul trucks, the company has moved toward intermodal transportation. In this system, the company uses a combination of railroad transportation and third-party trucking firms to transport products.

By using an intermodal system for 120 shipments in 2022, the company burned 16,991 fewer gallons of diesel fuel and decreased CO₂ emissions by 174 metric tons.

The company also continues to operate a small private fleet of six long-haul trucks to meet regional transportation needs. The fleet achieved a fuel efficiency of 7.5 miles per gallon this year, exceeding the company's goal of 6.8 miles per gallon.

In recent years, the company has taken the following steps to improve fuel economy and safety in its long-haul fleet:

- Implemented electric engine governors to limit the max speed of the company's semis.
- Invested in telematics systems that provide key performance indicators in real time. The systems lead to driver coaching opportunities and ensures systems run at peak performance. The long-haul fleet also converted to electronic logging devices, ensuring all legal time requirements are met by Schwan's semi drivers.
- The team continues to install aerodynamic components on all its semitrailers to help reduce wind resistance and increase fuel efficiency.



DELIVERING EFFICIENCY in our facilities

At Schwan's Company, we strive to continuously improve energy and water usage in our facilities. At corporate offices in Marshall, Minnesota, crews in recent years have pursued several energy-saving projects such as installing LED lighting and better heating, ventilation and air-conditioning systems. Additionally, in 2021, energy and water usage at corporate offices were held to minimal levels because most office employees worked from home due to COVID-19.

In 2022, as employees returned to the office, our energy and water usage began to normalize. While electricity usage increased 47 percent from 2021 to 2022 as employees returned, the office still only saw a 2 percent increase when compared to 2019 (pre-COVID).

Similar fluctuations occurred with water usage. As employees returned to offices water usage increased 5 percent year over year. However, when compared to 2019, the company's water usage has actually decreased 43 percent. The dramatic change came from several water saving projects, including: upgrading refrigeration equipment and adjusting water softeners, lawn irrigation equipment and restroom fixtures.

One major project that led to water usage improvements in corporate offices occurred in 2021 when the company switched from water-cooled

compressors to air-cooled compressors for walk-in refrigeration equipment. This project helped the company reduce water usage at the corporate office in Marshall by 1 million gallons annually.

OUR PRODUCTION FACILITIES

For SFC Global Supply Chain, Inc., the manufacturing, logistics and transportation arm of the company, the team continues to work to improve in the area of environmental impact.

One method teams are using to achieve this is by designing sustainability into new facilities and equipment. The company is in the process of building a new 400,000-square-foot expansion at our pizza production facility in Salina, Kansas. When it opens in 2023, the new building will include energy efficient LED light fixtures, closed-loop cleaning systems that reduce water usage and modern boiler systems that reduce natural gas usage. As a part of the project, the company is also partnering with Evergy Energy to identify efficiency and sustainability programs. One initiative that has already emerged is a 20-year agreement for Schwan's to purchase renewable wind energy from Soldier Creek Wind Farm in Kansas.

The new expansion has also been designed with an industry-leading HVAC system that is safety-focused, more efficient and more sustainable. Our new system consolidates ammonia refrigeration to a centralized area in the facility. The ammonia is used to cool propylene glycol. The glycol, which is safer than ammonia if a leak should occur, is then distributed throughout the facility to all air-handling units. This new system runs more efficiently and greatly reduces the potential for ammonia leaks within the building.

The system also runs free from any ozone depleting chlorofluorocarbons.

The company has placed a heavy focus on the refrigeration systems at its other manufacturing locations as well. Heavy investments are being made to ensure these systems run as efficiently as possible. Some of the projects in 2022 have included:

- The installation of oil filtration systems on ammonia compressors at our facilities in Florence, Kentucky and Stilwell, Oklahoma. By installing the systems, the company will be able to reduce the amount of oil used at the two production

facilities. The systems also potentially could help equipment last longer and run more efficiently.

- Replacing ammonia evaporative condensers at facilities located in Florence, Kentucky; Deer Park, Texas; and Marshall, Minnesota. These projects provide greatly improved heat efficiency transfer and reduced energy usage by our ammonia system compressors.
- The company is also investing heavily in replacing some of the insulated pipe in our ammonia systems. Pipe replacement projects were conducted at eight of the company's facilities in 2022. Routinely replacing insulated pipe increases system efficiency, reduces electrical usage and ensures the overall safety of the system.

RECYCLING

Schwan's Company has had recycling programs in place for several years. In 2022, approximately 20,180 tons of material were recycled.

Of that, 14,426 tons of material consisted of old corrugated cardboard, plastic, steel, aluminum and paper products. According to Republic Services, recycling these materials is the equivalent of:

- Saving more than 71 million kilowatt hours of electricity.
- Saving more than 5.3 million gallons of oil.
- Saving 130,658 cubic yards of landfill space.
- Saving more than 71 million gallons of water.
- Saving 172,633 mature trees.
- Reducing greenhouse gases by 32,292 metric tons.
- Saving more than 1.1 million gallons of gasoline.

Additionally, Schwan's subsidiaries recycled 5,754 tons of food waste, cooking oil, waste water and electronics through other recycling partnerships.

In total, we have diverted nearly 61 percent from landfills through our recycling programs.



A SUSTAINABLE APPROACH to packaging

Product packaging serves many important functions in the packaged consumer goods industry. It's used to communicate to consumers and serves the vital role of protecting foods during the distribution, storage and selling process.

For more than a decade, we have maintained a thoughtful campaign to review the packaging of our products and determine where we could be more efficient, use more sustainable materials and maintain the quality of our products at the same time. Over the past five years, we have reduced packaging by approximately 2,641 tons.

In 2022, we made good progress in this program, reducing the amount of packaging necessary for our products by nearly 402 tons. This improvement came primarily from two projects. In the first, the company partnered with fellow CJ CheilJedang affiliate — CJ Foods USA — to redesign the plastic steam trays for *bibigo*® steamed dumplings. This helped eliminated nearly 362 tons of material. The second project involved eliminating the corrugated cardboard

support circle from *Freschetta*® gluten free pizzas, resulting in a reduction of more than 40 tons of material.

Additionally, the company has begun the journey of using 100 percent recycled materials in its packaging wherever possible. In 2022, approximately 10,319 tons of the company's pizza carton materials were made from 100 percent recycled fiber content. This represents more than 31 percent of the company's carton materials for pizzas. Efforts are underway to make dramatic improvements in this area in the near future.

Our company has also made it a goal to ensure the fiber-based boxes used on foods manufactured internally are certified with the Sustainable Forestry Initiative. SFI Inc. is an independent, non-profit organization dedicated to promoting sustainable forest management. In 2022, 100 percent of our paperboard materials and 98 percent of our corrugated materials were SFI certified.

CREATING A CIRCULAR ECONOMY FOR PACKAGING MATERIALS

In one of the company's most recent initiatives, Schwan's Company has taken the bold step to invest in creating a regional circular economy for flexible films and packaging materials in the Upper Midwest of the United States.

This effort is important because the U.S. uses 12 to 15 billion pounds of flexible packaging and films annually; however, only 5 percent gets recycled each year. The rest is incinerated, goes to landfills or even released into the environment.

To help prevent this, Schwan's and other companies and stakeholders that joined Minnesota's MBOLD coalition are investing significantly to help Myplas USA establish a state-of-the-art, flexible-film recycling plant in Rogers, Minnesota. The plant is expected to be operational in the summer of 2023.

Once complete, the 170,000-square-foot facility will have the capability to recycle nearly 90 million pounds of low- and high-density polyethylene packaging and film annually. The facility will use recycled materials to make resin pellets that can be purchased by other manufactures to make plastic film. The initiative will expand film recycling infrastructure, increase the use of recycled materials, reduce greenhouse gas emissions and curtail waste.

"I am extremely proud of the MBOLD coalition, our company and leaders for this amazing work," said **Stacey Fowler Meittunen**, Schwan's executive vice president of research and development. "It's important that we continue to grow as a company, but it's also vital that we do so in a responsible way. We remain committed to researching and implementing methods to reduce our impact on the environment."

Schwan's joined MBOLD in 2020 to accelerate solutions to some of today's most pressing challenges in the food and agricultural sectors. For more information, visit MBOLD.org.

WORKING AND LIVING responsibly

At Schwan's Company, integrity is at the cornerstone of everything we do. Whether it's with the foods we make, our safety programs or our employee health-and-wellness initiatives, we always strive to do the right thing regardless of the cost or consequences.





PASSIONATE about food

At Schwan's Company, we are passionate about making delicious, high-quality foods that people love and feel good about serving to their families. To make sure we continue to exceed our consumers' expectations, our talented culinary professionals and food scientists help guide our efforts to create global flavors and delicious cuisine.

One line of products launched in 2022 that reflects our passion is *Hearth & Fire*® pizza. This new brand, which can be found and ordered at HearthandFirePizza.com, takes the quality of frozen pizza to new heights. This innovative pie comes in four unique flavors and brings a one-of-a-kind crust to the table. *Hearth & Fire* pizza crusts start with a minimum 20-hour fermentation before they are cooked with a flame firing at 1,000 degrees F. This gives each bite an airy texture and an incomparable depth of flavor.

While the flavors and overall consumer experience will always be a priority with our foods, we also make it our goal to continuously improve in the area of

health and wellness. We are committed to using the "Dietary Guidelines for Americans" to assist us in the development of our recipes. We frequently review our products in an effort to make reductions in areas such as sodium, saturated fat and added sugars. For example, we have reduced the average sodium per serving in the pizzas we sell in retail stores by approximately 12 percent since 2015.

Our love of food has also had a big impact on the ingredients we select. Eight years ago, we launched a corporate wide ingredient simplification initiative. As a part of this early work, we eliminated partially hydrogenated oils and artificial trans fats, artificial (certified) dyes, high-fructose corn syrup and artificial flavors from most foods that we offer. The ingredient simplicity initiative continues today as we regularly review ingredients and their use in our recipes.

At Schwan's, we also have a 47-year legacy of working with school food-service leaders, nutrition experts and national decision makers to

continuously improve the nutrition and selection of our foods. Our child nutrition portfolio — which includes pizza, sandwiches, breakfast items and Asian-style foods — meets and exceeds national school meal standards for both breakfast and lunch.

And, as a part of CJ CheilJedang family of businesses, we are broadening the scope of our Asian-style offerings. In 2022, our school offerings included fried rice, Asian-style sauces, noodle dishes and dumplings. Our *Chef One*® Chicken and Vegetable Dumpling with a Whole Wheat Wrapper is a popular item that meets the meat and grain crediting for schools and has no added MSG or artificial flavors. Plans are in place to launch a vegetarian version of this item in 2023.

To help schools in their efforts to offer meals beyond lunch, we also have wholesome breakfast items. Recently, we launched *Tony's*® Breakfast Bagels with a 51 percent whole grain crust. Each item is individually wrapped for that "grab and go" convenience.

When we can, we also look for opportunities to meet the special needs of our consumers. For years, we have offered grocery and club-store consumers delicious pizzas that are certified gluten free. Our gluten free pizzas are available in stores under the *Freschetta*® and *Sabatasso's*® brands. And now, as a result of being a part of CJ CheilJedang, we also have select items in our portfolio with organic or vegetarian options as well as chicken products that meet the "no antibiotics ever" standard.



OUR JOURNEY in safety

At Schwan's Company, safety is a top priority, and we are committed to building a strong culture that ensures all employees go home in the same shape as when they came to work.

We have made good progress in this area over the last three years, achieving an 18 percent improvement in preventable vehicle accidents and a 23 percent improvement in OSHA recordable incidents. In 2022 alone, we saw a 15 percent improvement in OSHA recordable incidents; however, we did see a 3 percent increase in preventable motor vehicle accidents.

Overall, even though we are showing a good trend of improvement in our safety programs, we know we have a lot more work to do to achieve our ultimate goal of zero accidents and injuries.

We will continue to make progress by focusing on safety leadership, setting expectations and accountabilities, and encouraging broad engagement by employees at every level.

As part of our safety culture, we follow four basic principles, including:

- **WORKING SAFELY IS A CONDITION OF EMPLOYMENT.**
- **EVERYONE IS RESPONSIBLE FOR PREVENTING ACCIDENTS AND INJURIES.**
- **ALL ACCIDENTS AND INJURIES CAN BE PREVENTED.**
- **EMPLOYEES HAVE THE RIGHT TO STOP UNSAFE WORK.**



GUIDING PRINCIPLES FOR SAFETY



ACHIEVEMENTS IN SAFETY

In 2022, **Shannon Vavra**, a customer sales representative with Schwan's Consumer Brands, Inc., was honored as a Driver All-Star by the National Private Truck Council.

The National Driver All-Star awards are presented annually by NPTC to drivers who have demonstrated high performance standards against their peer drivers throughout the country based on customer service, safety, adherence to company standards, regulatory compliance, and community service.

"On behalf the entire Consumer Brands team, I want to congratulate Shannon on being named a Driver All-Star by the NPTC," said Schwan's Vice President DSD & Distributors **Rob Schulz**. "We recognize that the people who transport Schwan's Company products between our facilities and to our customers are the most conscientious in the country, and we're proud to see Shannon receive national recognition for his performance."

Shannon is responsible for a grocery route in the Columbus, Nebraska, area. He has worked for the company for 15 years.



EMPLOYEE health and wellness

Health and wellness is an important part of our culture at Schwan's Company. We have long-standing strategies in place to benefit the physical, mental, social and financial health of our team members. The company makes important resources available to employees, including: employee assistance services, online tools that help track physical activity, free health screenings, flu shots and health-coaching programs.

In 2022, one area of focus has been to offer health-plan members a no-cost solution for managing their own health. To do so, the company has partnered with KnovaSolutions, a clinical prevention service that provides decision support for employees and their families. The program offers expert clinical staff that will help people understand medical issues, provide wellness advice and healthy lifestyle support, and make referrals to other programs.

Members who graduated from the program at Schwan's have seen, on average:

- 61.9 percent improved health and wellbeing.
- 44.9 percent adjusted treatments.
- 34.5 percent reduction in the use of healthcare services.
- 32.3 percent improved mental health.
- 28 percent reduction in the number of diagnoses.
- 36 percent reduction in the number of required medical tests.
- 16 percent reduction in medications.
- 36 percent reduction in the number of healthcare providers.

The company also continues to offer a number of other health services to employees. Two of our newer programs include Cleo and Livongo.

Cleo is a parenting support system which provides pre- and post-pregnancy education and resources. The benefit is designed to meet the needs of all types of family members, including birthing parents,

supportive partners, adoptive and surrogate parents, foster and single parents. The benefit is being offered to support employees in their most important work as parents, spouses and partners.

Livongo is a diabetes management program. Employees and dependents who join the program receive a free glucose meter and strips to help measure their blood sugar levels. The program then makes available lifestyle coaches who provide guidance on lifestyle and nutritional questions.

In addition to these programs, the company also offers:

- Wondr Health – a cognitive behavioral weight loss program.
- Omada Health – a pre-diabetes support and heart disease prevention program.
- Life Matters – a family and life support program, including mental health services.
- Included Health – a complex care and second-opinion service.

RESPONSIBLE SOURCING

and expectations of integrity

Schwan's Company strives to be a responsible steward of the environment, and we expect the same from our suppliers. We seek business partners who comply with all laws and share our commitment to using resources responsibly. In accordance with our "Standards of Conduct for Business Partners," we expect our suppliers to behave ethically, set goals for eliminating and reducing waste and maintain production facilities that address community, environmental and social needs.

COMMITTED TO ANIMAL WELFARE

We expect all livestock producers, handlers and processors to provide safe and humane treatment for the animals within their care. We do not raise or handle livestock; however, as a food company we are committed to protecting animals from unnecessary suffering by working with our suppliers to ensure animal-handling practices meet the highest industry standards and all federal and state livestock regulations.

All suppliers of Schwan's Company must be aligned with the fundamental values expressed in the internationally acknowledged Five Freedoms of Animal Welfare. The Five Freedoms are:

- **FREEDOM FROM HUNGER AND THIRST** by ensuring ready access to fresh water and a diet that maintains health and vigor.
- **FREEDOM FROM DISCOMFORT** by providing an appropriate environment including shelter and a comfortable resting area.
- **FREEDOM FROM PAIN, INJURY OR DISEASE** by prevention or rapid diagnosis of an injury or illness and treatment.
- **FREEDOM TO EXPRESS NORMAL BEHAVIOR** by providing sufficient space, proper facilities and company of the animal's own kind.

- **FREEDOM FROM FEAR AND DISTRESS** by ensuring conditions and treatment which avoid mental suffering.

Ultimately, our goal is to create a supply chain that adheres to and champions these fundamental behaviors of animal care and husbandry. It is our commitment to review and work with our supply chain to ensure the safest, best environment feasible for animal welfare because it is consistent with our core beliefs and it is the right thing to do.

Here's our approach and commitments to specific animal-welfare issues:

- **Cage-free eggs.** Eggs are not a significant ingredient in most products we make. In 2022, less than 2 percent of our products contained eggs or egg byproducts. Additionally, as a percentage of our total annual spending on ingredients used to make our foods, eggs represented less than 0.5 percent. However, as part of a broader commitment toward sustainable sourcing, we are working to achieve cage-free eggs in all foods that contain more than 5 percent eggs by weight by the end of 2025, pending market availability. In 2022, approximately 27 percent of the liquid and ingredient egg products in our supply chain were cage free. Our progress will remain dependent on our suppliers' ability to source cage-free eggs. Recent challenges within the egg industry could impact our projections.
- **Pregnant sow housing.** We recognize the industry is focusing on continuous improvement of pig operations. We are working with our pork suppliers to find alternatives to gestation crates and help ensure the safety of workers and the comfort and safety of animals. We also require our suppliers to follow standards set by the American Veterinary Medical Association (AVMA).



- **Humane handling.** Schwan's, along with our dairy suppliers, has a long-standing commitment to ensure that the best care is provided to animals at all times. When procedures such as dehorning or tipping are used to ensure the safety of other animals and farmers, we expect our suppliers to follow best practices established by groups such as AVMA.

SOURCING OUR INGREDIENTS AND MATERIALS RESPONSIBLY

At Schwan's, our goal is to responsibly source the ingredients and materials required to make and transport our foods to our customers. Here are some of our efforts:

- **Packaging.** We have developed a comprehensive packaging program over the last several years

with the Sustainable Forestry Initiative, which promotes sustainable forest management in North America and responsible procurement of forest products around the world. Currently, about 98 percent of our corrugate materials and 100 percent of our paperboard materials are SFI certified.

- **Palm oil.** As a member of the Round Table on Sustainable Palm Oil and in conjunction with our supply partners, we have access to multiple programs to ensure palm oil is sourced in a manner to meet our customers' specific needs.
- **Fair trade.** At Schwan's, we work with our supplier base to ensure they follow the fundamental nature of the "10 Principles of Fair Trade" as published by the World Fair Trade Organization.

- **Supplier diversity.** Our goal is to provide equal access to procurement opportunities to all qualified vendors, including Minority- and Women-Owned Business Enterprises. Our diversity outreach program is designed to locate and inform a diverse list of suppliers of opportunities to partner with our company. We publish opportunities in major newspapers in seven markets throughout the United States, and we have established a central communication point for supplier diversity inquiries at supplierdiversity@schwans.com.



GIVING BACK

to our
communities

At Schwan's Company, we have a legacy of fostering a business culture that supports efforts to make a difference in the communities where we live and work.



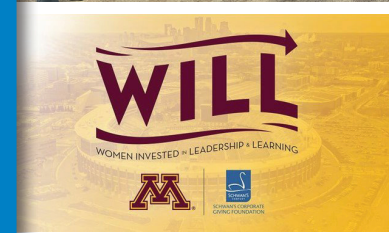
CHARITABLE giving

In 2022, leaders at Schwan's Company and the Schwan's Corporate Giving Foundation sought out ways to make a difference in people's lives by supporting organizations that work to eliminate hunger, concentrate on youth leadership and build healthier communities.

Here are some of the organizations we supported this year:

- More than 1.1 million pounds of food were donated to Feeding America and its affiliated food banks. Donations were distributed to 41 food banks across 19 states within the U.S. Feeding America is the leading non-profit organization working to end hunger in the United States. Over the past 10 years, the company has donated nearly 12.3 million pounds of food to Feeding America, and Schwan's Corporate Giving Foundation has granted nearly \$1.3 million to its affiliated food banks.
- Schwan's Corporate Giving Foundation — a 501(c)(3) private foundation — continued to support scholarships for secondary education to students. The Schwan's Scholarship Program, which benefits the children of Schwan's subsidiary employees, reflects the foundation's values and encourages young people to achieve academically.
- Schwan's Corporate Giving Foundation awarded several grants to help improve the quality of life in communities where employees of Schwan's subsidiaries live and work. Some of its notable grants this year included:
 - The fifth installment of a five-year grant was made to the University of Minnesota. The grant supports: College of Food, Agricultural and Natural Resource Sciences for post graduate assistantships including at the Plant Protein Innovation Center; the WILL (Women Invested in Leadership and Learning) program to help it continue in its mission; and the Carlson School of Management to support undergraduate scholarships.

- Feeding America received a grant of \$155,000 to support programs at 15 member food banks located in Atlanta, Georgia; Houston, Texas; Cincinnati and Lima, Ohio; Pembroke Park, Florida; St. Paul, Minnesota; Wichita, Kansas; Tulsa, Oklahoma; Philadelphia, Pennsylvania; Fargo, North Dakota; Community FoodBank of New Jersey; Feeding America Riverside I San Bernardino Counties, California; Food Bank of New York; and the Mid-Ohio FoodBank.
- Nearly \$100,000 was awarded to local United Way chapters in Southwest Minnesota and Shelby County in Ohio. Contributions came from a combination of employee donations and the Schwan's Corporate Giving Foundation. A \$50,000 grant was awarded to Southwest Minnesota State University to support academic scholarships.
- The first half of a two-year \$150,000 grant was awarded to Youth Farm. Youth Farm cultivates community leaders by working with young people to plant, grow, prepare and sell the food they grow.
- The second half of a two-year \$30,000 grant was awarded to Bolder Options. Bolder Options is committed to building a community of caring relationships in support of youth. Funding from the foundation supports the "career bootcamp" that introduces high school participants to internship opportunities.
- Schwan's Food Service, Inc. made a \$25,000 donation to the School Nutrition Foundation's scholarship program. This scholarship enables the School Nutrition Foundation to foster good nutrition in school lunch programs and enhance school foodservice management. Scholarships up to \$2,500 each are awarded. Schwan's Food Service has supported the program for more than three decades.



EMPLOYEES MAKE A DIFFERENCE

in our communities

In addition to charitable giving, employees of Schwan's Company subsidiaries often team up and volunteer at local charitable events.

For example, nearly 50 employees from the manufacturing and distribution complex in Marshall, Minnesota, spent a full day at the Second Harvest Heartland food bank in the Twin Cities area.

During the effort, the team packaged more than 48,000 pounds of food, including:

- 547 boxes of apples.
- 354 boxes of bread.
- 480 cases of plantaroni (plant-based pepperoni).

In total, the amount of food packaged was the equivalent of more than 40,000 meals.

Teams throughout the company have donated their time to many other worthy causes as well. For instance:

- A team in Oklahoma held a campaign that raised \$727 for a local food bank.
- Corporate marketing team members volunteered with Youth Farm MN to help prepare a garden that would be used by fourth- and fifth-grade students.
- A team in Minnesota worked with the United Way of Southwest Minnesota to help prepare 1,000 readiness bags for new kindergartners' first day of school.

- A team in Minnesota volunteered with the United Way of Southwest Minnesota to help "Stuff the Bus." The community-wide event is a campaign to collect new school supplies for students in 23 school districts throughout the state.
- A team of corporate employees teamed up to deliver cases of *Red Baron*® pizzas to Mary's Place, an apartment complex that is part of the Sharing & Caring Hands non-profit organization. The company currently makes food donations to Mary's Place on a quarterly basis.



THANK YOU

to the following organizations for partnering to
make a difference in our communities ...



United Way
of Southwest Minnesota



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