

Welcome to Valley Processing's Corporate Social Responsibility Report.

Our first step was to assess our current performance in the environmental, social and economic areas. Our second step was to set goals to establish better performance.

Valley Processing, Inc. has been a family owned business since 1980 and continue to see a bright future ahead as the next generation of the family has been fused into the future of the company. Valley Processing, Inc. remains dedicated to producing safe, wholesome, high quality and legal food products for our customers.

Mary Ann Bliesner has been the President/CEO and established the company 35 years ago. Her son, Terry, has spear-headed sales and procurement for the past 17 years. In 2013, another son, Craig, and a daughter-in-law, Kelly, joined Valley Processing, Inc. Craig has a strong HVAC background which expanded our plant maintenance of all equipment and all on-site coldrooms and freezers. Our on-site freezer capacity is now 117, 000 sq. ft.

Kelly has a strong management background and oversees our overall operations. She assists Mary Ann, she has already improved our inventory system, she oversees our QA Laboratory. She is HACCP-certified and can audit our HACCP Program and all quality systems independently.

The food processing industry has been and continues to be an important part of the northwest economy for over a century. We strive to sustain the industry by aligning our businesses to the three pillars of "sustainability". We are currently certified by UL certified that we meet all of the following responsibilities. Our letter of certification is available if requested.

- I. (Planet)**Environmental** sustainability is the conservation of environmental resources through good practices and continuous improvement of how we use those resources for both our benefit and the benefit of the world we live in.
- II. (People)**Social** sustainability is providing safe food and job safety as part our business and for the benefit of the world we live in.
- III. (Profit) **Economic** sustainability is the innovative development of products and services to benefit both the company and the world we live in .

I. Environmental Sustainability(Land/ waste);**A. Goal: Control and reduce solid waste impact on land and landfill:****1. Control all solid waste that is generated throughout the company including all fruit and fruit by-products;****(A) No fruit pomaces are taken to a landfill. All pomaces are reused by other customers.**

- (1) Apple and grape pomace are used in or sold as cattle feed.
- (2) Blueberry, cherry, cranberry, and raspberry pomace are sold to customers when requested.
 - (a) One customer reprocesses it for their line of fruit products.
 - (b) The other sells it as an ingredient in dog food, nutraceuticals, and fruit powders.
 - (c) It is also used as soil fertilizer by some customers.

(B) No used processing and filtering aids are taken to a landfill. All processing and filtering aids are reused by customers as cattle feed:

- (1) Diatomaceous earth is made from naturally occurring minerals and contains no synthetic ingredients. The product is used as a filter-aid and remains essentially the same natural material after use as a filter aid.
- (2) Diatomaceous earth is filtered out and then dropped from the filter plates into plastic totes that are emptied into a dump truck to be delivered as cattle feed.
- (3) Charcoal is made from naturally occurring minerals and contains no synthetic ingredients. The product is used as a filter-aid and remains essentially the same natural material after use as a filter aid. Charcoal is filtered out and then filled into plastic totes and hauled away by truck to be used as cattle feed.

Environmental Sustainability(Land/ waste)continued on next page:

I. Environmental Sustainability(Land/ waste)continued:**A.1(C.) Fruit wastes**—from cherry pits to grape tartrates and grapes stems;

- (1) All grape stems removed from the stemmer during grape harvest are used as cattle feed.
- (2) When a long term storage grape tank is emptied the remaining natural tartrates are re-processed to extract remaining juice from the solids.
- (3) After this re-processing the tartrates are augered into large plastic sacks to be re-processed by a tartaric acid manufacturer.
- (4) Currently a customer is interested to purchase our cherry pits to be used as pellets in a pellet stove for heating.

A 2(D.) Control or reduce solid waste generated from paper and lumber products we use;

- (1) Used cardboard throughout the facility is recycled. In addition, this year large cardboard cranberry totes that had accumulated for some time are now being recycled via Michelson Packaging in Yakima.
- (2) Used magazines throughout the facility are recycled.
- (3) We utilize a contract service to maintain office equipment in peak condition and oversee the uses of copiers including their scanning, printing and faxing capabilities.

(E)All used toner cartridges are recycled at “Office Max” or “Office Depot”. Penny delivers them to either store whenever she is in Yakima on other personal business.

(F) Office documents are shredded and the shredded paper is recycled.

(G) Pallets Management Program(see DOC#050306);

- (1) Broken pallets are sold to interested buyers.
- (2) Whole, intact pallets are recycled through customer pallet exchange programs.

(H) Disposition of used equipment and old metal parts/pipes

- (1) Idle equipment is sold to interested buyers.
- (2) All idle metal is sold as scrap metal.

(I) Steel barrels—

- (1) Any metal barrels that are damaged are returned to the manufacturer for re-conditioning.
- (2) We purchase only re-conditioned barrels. See Section III: C. 1. a and 1.b. for the data.
- (3) We also sell used barrels to other companies for them to be re-used.
- (4) Valley Processing produces and packages fruit juices and fruit purees as concentrates which reduces bulk packaging and reduces shipping compared to the single strength juices and purees. For example, one 52-gal drum of apple concentrate is equivalent to 356 gallons of apple juice.

A.3. Waste and Waste Disposal(Yakima Waste Systems 509-248-4213—Dana or Scott at X4; In 2014, a compactor was installed to compact all solid waste that is taken to the landfill.

Yakima Waste Systems in under exclusive contract with the city of Sunnyside for waste disposal and operates under Yakima County permit #G89. Non-fruit solid wastes generated that are not recycled are collected in one 30 cubic yard compactor. We are on a two pick-ups per week schedule at this time. Solid waste is taken to Cheyne Landfill or Lower Valley Transfer Station.

II. A. Goal: Reduce or recycle water that is used in processing and auxiliary functions**1. Avoid unnecessary losses of water by following good procedures;**

- (a) Plant Manager and Maintenance Dept. look for any “waste” in the process or process flow which may be consuming more water than necessary.
- (b) Personnel are instructed to not leave faucets or hoses running when not in use.
- (c) Personnel are instructed to not hose down spills or trash when it can be dry-swept instead.
- (d) Personnel are instructed to issue a work order whenever they observe a water or steam leak so it is repaired as quickly as possible.

There are a total of 11 cooling towers and all cooling tower water is re-circulated

2. VP recaptures boiler steam condensate at all 3 boilers. This means we do not have to re-treat or re-heat that recaptured water which reduces heating energy, water use and chemical use in each boiler.

B. Goal: Reduce or recycle water--avoiding water losses

1. All wastewater to the Port of Sunnyside is monitored closely by the Port. For example, if water usage spikes occur, the Port contacts Valley Processing to investigate the reason for the spike. **(continued on next page)**

B. Goal: Reduce or recycle water--avoiding water losses(continued from page 2)

2. Use preventative maintenance instead of crisis maintenance program to maintain peak equipment efficiency and curb unnecessary losses of water or steam throughout the all buildings.
3. Plant #1 men's room has a foot-operated faucet which prevents the faucet from being left "on".
4. Maintenance is always looking for methods or equipment that would demand lower-water-use.

III. Environmental Sustainability (emissions and energy);**C. Goal: reduce or eliminate the emission levels in all processes and equipment;**

1. Valley Processing received :
 - (a) Our 2010 Sustainability Certificate from Industrial Container Services states that we saved **957 tons of greenhouse gas(GHG)** emissions through the use of ICS reconditioned drums.
 - (b) Our 2013 Sustainability Certificate from ICS states that we saved **879 tons of GHG)** greenhouse gas emissions by using ICS reconditioned drums. Their reports are not annual.
2. Boilers: There is a low emissions burner in the Plant #3 boiler.
3. Emissions in all company vehicles are minimized by proper maintenance now being done by our in- house auto/forklift mechanic.

D. Goal: Reduce or curtail the amount of electricity used in all buildings.

- 1 The use of solar panels is not feasible at this time.
2. VP has installed variable frequency drive(VFD's) on all fans to regulate the fan speed as needed—rather than have fans running at full speed all the time;
 - (a) on all evaporators
 - (b) on all cooling tower condensers
 - (c) on all ammonia compressors
3. VP has installed all low-E type light fixtures in all areas of the plant. These units operate on 64 watts instead on the conventional 150 watts. The life span of the low-e bulbs is 2 years compared to the conventional life span of 1-month.
4. The Plant Manager and in-house Electrician are currently investigating the use of motion light sensors where needed to keep unnecessary lighting to a minimum on the off-shifts.
5. The Plant Manager and Maintenance Dept. are always looking for "waste" that may be consuming more electrical power than necessary ie. pump efficiency, etc. in order to eliminate wasted energy.
6. Energy savings projects at VP freezer included converting all freezer functions to computer-control.
 - (a) The computer system included all fans, compressors and motors.
 - (b) The computer system increased the efficiency of all systems.
 - (c) The computer system can be monitored off-site 24/7 by the Plant Manager, Maintenance Supervisor and Electrician.
7. Resurfaced entire roof in Plant #1 which curtails the overall use of energy since it cuts heat from the building,
8. Use preventative maintenance to operate all equipment at peak efficiency and avoid inefficient use of electricity.

E. Goal: Reduce or curtail the amount of fuels used:

1. Our own vehicle-maintenance shop assures proper maintenance of all vehicles to improve fuel efficiency in all vehicles
 - (a) the use of propane in fork-lifts
 - (b) the use of gasoline or diesel in other vehicles
 - (c) maintaining proper tire pressure in all vehicles reduces tire wear and reduces frequency of tire replacement.
2. Gasoline for vehicles—3 VP vehicles use gasoline
 - (a) VP has parts delivered instead of running vehicles back and forth throughout the day for parts.
3. Diesel
 - (a) VP vehicles use diesel.
 - (b) Bio-diesel for VP vehicles—is not available in this area yet.
4. Propane for all fork-lifts
 - (a) In-house mechanic maintains fork-lifts in peak operating condition. **(go to next page)**

E. Goal: Reduce or curtail the amount of fuels used(continued from page 3);

5. Use of natural gas throughout the facility;
 - (a) There are natural gas space heaters in Plants 1, #2 and #3
 - (1) Temperatures are lowered whenever a plant is not running.
 - (2) These units are shut down and turned off in the summer—including their pilot lights.
 - (b) Boilers—run on natural gas
 - (1) The Plant #3 boiler now supplies steam and heat for two plants instead of one.
 - (2) Plant #3---an “Econo-miser” unit on boiler maximizes the efficiency of the boiler.
 - (3) conservation of natural gas during the year;
 - Plant #1(large)—boiler is turned off on weekends and whenever plant is not running.
 - (4) Plant #1 (small boiler) is only used during grape harvest.
 - (5) Plant #2 and Plant #3(big boiler that feeds both plants) is turned off on weekends and whenever both plants are idle.
6. Use preventative maintenance instead of crisis maintenance program to maintain peak efficiency of all equipment and curtail inefficient use of electricity.

F. Goal: proper handling of oils used;

1. All motor oil used in all company vehicles and fork-lifts is recycled.
2. All hydraulic oil used in equipment is also recycled.

G. Prolong equipment life to curtail failure of all equipment;

1. An air dryer was installed for air compressors to prevent water from entering equipment and improve both the reliability and the overall life span of all pneumatic equipment.

H. Other chemical uses;**1. Goal: Minimize their use and ensure proper handling of sanitation chemicals used;**

- A. See HAZCOM Manual.
- B. Wesmar, as our chemical supplier, tracks the amount for the sanitation chemicals used every month.
- C. Valley Processing employees receive bi-annual chemical training from our sanitation chemical supplier and Quality Systems Manager. Our 2014 GHS Training session was held May 29, 2014.
 - (1) To educate employees to the proper use and safe handling of sanitation chemicals.
 - (2) To educate employees to the proper dosage of sanitation chemicals.
 - (3) To discourage employees’ over-use of sanitation chemicals.

2. Goal: Minimize use of pesticides for food products;**Valley Processing has been a WSDA organic certified processor since 1995. Certificate #95496**

Valley Processing obtains and processes as much organic fruit as possible which encourages the organic market and reduces overall pesticide usage.

II. Social Sustainability**A. (People)Social sustainability is providing safe food and job safety as part our business and for the benefit of the world we live in.**

1. Local employer;
 - a. Valley Processing Inc. employs 67 people.
 - b. Valley Processing, Inc. had been an employer in Sunnyside since 1980.
 - c. Valley Processing, Inc provides health insurance at no cost to its employee(s).
 - d. Valley Processing, Inc. a matching \$\$\$ for 4% of all 401 K retirement plans for its employees.
 - e. Valley Processing Inc. pays for 6 annual holidays and provides vacation pay at least one week after 1 year of service with up to 4 weeks after 20 years.
2. **Owner, Mary Ann Bliesner(social responsibility):**
 - a. was a member of the Board of Directors of the Sunnyside Hospital since 1992 and served as Board President 1997-1998.
 - b. is a major contributor to the hospital fund
 - c. has been a member of the Sunnyside Daybreak Rotary since 1984 and served as President 1997-1998

(continued on the next page)

2. Owner, Mary Ann Bliesner (social responsibility) continued from page 4:

- d. Served on the Board of Directors 1996-2000 for the local Home Security Bank until they merged.
- e. Member of the local Beta Sigma Phi, a women's organization since 1974.

3. Valley Processing has a long history of achieving excellence in third party auditing including;

- a. BRC/GFSI 2015 renewal audit Oct 13,14,15 is scheduled now.
Our USDA-DOV 2015 recertification audit took place May 5th with no non-conformities.
- b. BRC/GFSI 2014 renewal audit on October 1,2,3(2014) Recertified/Grade B.
USDA DOV audit was May 9, 2014/re-certified for concord grape concentrate sales to USDA based on our 100% traceability for concord grape concentrates.**(continued on the next page)**
- b. BRC/GFSI audit Oct 15,16, 17 2013. Recertified/Grade=B.
USDA/DOV audit April 30, 2013/re-certified for concord grape concentrate sales to USDA.
- c. BRC/Global certification since October 2012. BRC Certificate # 0063466/Grade B
USDA-DOVS Audit April 30, 2013/Approved/for concord concentrates
- d. BRC/Global certification since October 2011. BRC Certificate #/Grade B
USDA-DOVS Audit February 2011/Approved/for concord concentrates
- e. BRC/Global certification since October 2010. BRC Certificate # 18974
GMA-SAFE Audit August 2 -5TH 2010—the full audit report is available
USDA-DOVS Audit March 2010/Approved/for both concord and cranberry
- f. FPA/GMA-SAFE Audit conducted July 21 to 23, 2009—Approved
“Fully meets” in all but 2 categories which were “substantially meets.”
USDA-DOVS Verification Audit March 16, 2009 Approved supplier
- g. GMA(FPA)-SAFE Audit completed July 28-31st, 2008. “Fully meets” in all but 4 categories which were scored as “substantially meets”.
USDA-DOVS Verification Audit March 17, 2008 Approved supplier
- h. AIB Audit July 24, 2007 Rated “Excellent”(885 points)
USDA-DOVS Verification Audit March 13, 2007 also listed on USDA website as sole approved supplier of Concord grape for USDA purchases.
- i. NFPA-SAFE Audit on July 25, 26, 27 (2006) “passed”(94.9%)
“Fully meets” in all categories except seven which were scored as “substantially meets”.
USDA-DOVS Audit March 2006 “Approved as USDA supplier of Concord Grape concentrate based on our documented traceability/domestic origin.
- j. AIB Audit July 21, 2005 Rated “Excellent”(875 points)
USDA-DOVS Audit March 2005 “Approved as USDA supplier of Concord Grape concentrate based on our documented traceability/domestic origin.
- k. (N)FPA-SAFE Audit June 16, 17, 2004 “Passed”
- l. AIB Audit November 28, 2003 Rated “Excellent”(885 points)
- m . AIB Audit June 28, 2002 Rated “Excellent”(865 points)

3. Sustainability Training via Annual Northwest Food Processors Sustainability Summit

- a. April 12, 2011 at the Portland,OR. World Trade Center
- b. April 18, 2012 at the Portland,OR. World Trade Center.
- c. April 17, 2013 at the Portland,OR. World Trade Center (see next page for economic sustainability)

III. (Profit) Economic sustainability is the innovative development of products and services to benefit both the company and the world we live in .

1. Valley Processing, Inc. has grown and prospered each year gaining more repeat customers from many different product areas from nutraceuticals to candy makers. We currently supply world-wide companies like Unilever and Coca-Cola(TCCC) as well as smaller companies like Vermont Distillers and small wineries.
2. Valley Processing, Inc. has been a member of the Northwest Food Processors Association since 1986 and supported their NWFPA/industry events since. Those events include:
 - a. Owner, Mary Ann Bliesner attended the NWFPA Executive Business Summit for the first time in 1986 (held at Salishan)
 - b. Mary Ann attended 18 Executive Business Summits since 1986 (missing only in '87, '88, '89, '95, '01, '06; '09)
 - c. Mary Ann served on the NWFPA Board of Directors from 1991 – 1999
 - d. Mary Ann also served on the NWFPA Executive Committee 1992 – 1993
 - e. Penny served on the NWFPA Sample Display Committee from 2000 – 2009
 - f. Penny Chaired the NWFPA Sample Display Committee from 2003 – 2009
 - g. Penny also served on the NWFPA Event Committee from 2003 – 2008
 - h. Employees from Valley Processing have attended countless Expo's, seminars, workshops, briefings, Council meetings, and other educational events over the years. In 2015, Trent Millin attended several NWFPA seminars including SQF Training.