

Celebrating  
30 Years



**NOURISH  
EVERY  
BODY™**

**SINCE 1987**

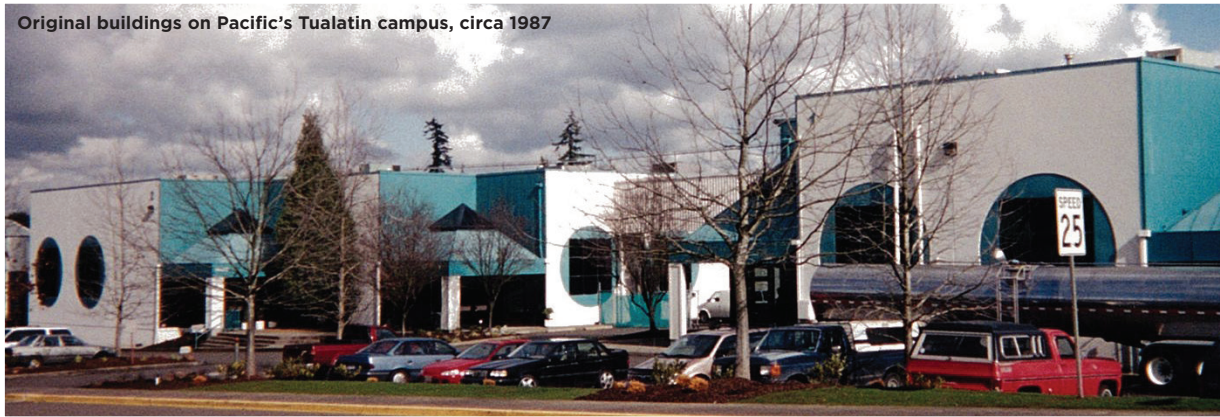
**2016 Nourishment Report**



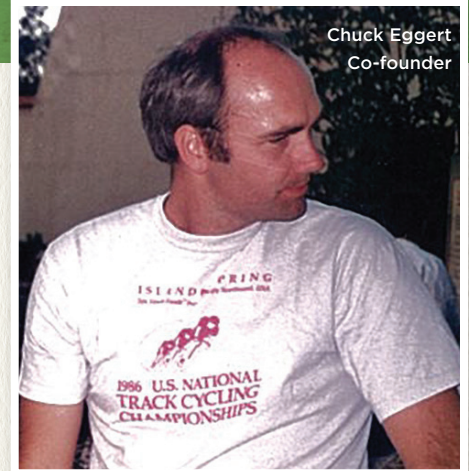
# Our Family

**W**hen we founded Pacific Foods in the late '80s “what couldn’t be done” seemed to be the things we were drawn to most. Of course we had some failures early on, but our successes laid the foundation for where we are today. We cut our own path, starting with launching plant-based beverages before the dairy-free trend was hot and insisting on tracking every ingredient back to its source before transparency became marketing jargon. Every year we push harder on our commitment to nourishing people and communities with the healthiest food we can make. No matter where Pacific’s path leads, the commitment to nourish every body will stay true long into the future. — Chuck Eggert

Original buildings on Pacific’s Tualatin campus, circa 1987



*Note: Co-founder Chuck Eggert retired from Pacific Foods in 2017*



Chuck Eggert  
Co-founder



Jon Gehrs  
Co-founder



# Our Roots



**W**e started with time-honored recipes using simple ingredients and we adopted sustainable practices to ensure kinder treatment



of people, animals and the planet. But if there's one thing we value above all else, it's nourishment. Our goal is simple. We're out to Nourish Every Body™. We opened our doors in Tualatin, Oregon and began as a co-packer making tofu and soy milk. Aseptic packaging allowed us to create other non-dairy beverages that didn't require refrigeration, and people began to take notice. Within 10 years, we added free-range chicken, vegetable and beef broths, followed by creamy and hearty soups, meals and sides. We were pioneers in the natural food industry and began making organic, sustainable food before it was the trendy thing to do. Our



three decades of experience making nourishing natural and organic foods helped set the standard for the industry. Thirty years later, we've held steadfast to our core values and continue to make nourishing foods with authenticity.



Pacific Foods' 1999 Race for the Cure team



# Pacific Foods: Our Journey

**1987**

Pacific Foods founded as an aseptic food manufacturer, copacking tofu and soy milk

Pacific®

**1991**

Launched Pacific's first branded product: Organic Unsweetened Soy



**1997**

Established Certified to the Source® ingredient integrity program



**1997**

Pioneered broth in aseptic packaging with the launch of Free Range Chicken Broth and Organic Vegetable Broth



**2011**

Completed first greenhouse gas inventory for the Carbon Disclosure Project



**2010**

300 employees!

**2010**

Recart carton packaging technology added allowing for the launch of chunky soups



**2009**

Sustainable Commuter Program initiated to incentivize employees to choose commuting options that yield lower emissions



**2012**

First Meals and Sides items launched in recart carton packaging



**2013**

Annual program to produce soups exclusively for the Oregon Food Bank initiated to reduce food waste and fight hunger



**2014**

Employee Volunteer Program initiated to give employees paid time each quarter to use for volunteering



**2014**

Pioneered Bone Broth in aseptic packaging with the launch of plain and seasoned Organic Chicken Bone Broth items





**1998**

Launched  
flagship  
Organic  
Free Range  
Chicken  
Broth



**1998**

Launched  
first aseptic  
soup:  
Organic  
Creamy  
Tomato



**2000**

Co-founder Chuck Eggert  
acquired the first of several  
farms dedicated to helping  
supply Pacific's growing  
need for key organic  
ingredients



**2000**

120 employees!

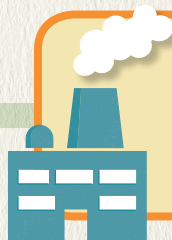
**2002**

Entered the  
foodservice  
channel with  
Soy Blenders  
non-dairy  
beverages  
for coffee  
shops



**2009**

Diverted 60%  
of all material  
waste away from  
the landfill



**2006**

Sustainability  
Department  
established to  
drive energy  
conservation, material  
recovery, and community  
food donations



**2003**

Launched  
signature  
Roasted  
Red Pepper  
and  
Tomato  
Soup



**2014**

Installed solar  
photovoltaic array  
to generate over  
100,000 kWhs  
annually



**2015**

Nourish Every  
Body school  
feeding program  
initiated, donating  
over 6,000 3-day  
meal boxes to kids and  
families through local  
schools in its first year



**2016**

Diverted 86% of all  
material waste from  
the landfill



**2016**

550 employees!



## NOURISHMENT is at the heart of everything we do.

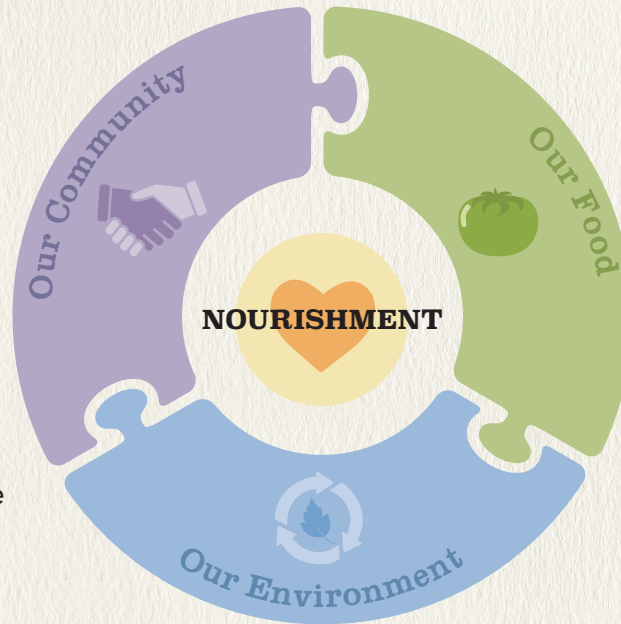
We make our **foods** from carefully sourced, simple ingredients to **nourish** families, our **community** and the **environment** so a brighter world can begin to take shape.

### Our Community

Partnerships with food banks and schools enrich communities

### Our Environment

Sustainable practices cultivate a healthier environment



### Our Food

The key to good nutrition is better ingredients



# Our Food Philosophy



**We make our foods the old-fashioned way: We believe in making nourishing foods and strive to make them the way you would at home, using time-honored recipes and just a few simple ingredients.**

We don't use additives or preservatives in our food. Shortcuts aren't in our nature. We've never set our sights on making food faster, cheaper or by using the fewest steps. We believe there's a right way to doing things and it's seldom the easiest way.

We produce over 200 products across 5 categories — Soups, Non-Dairy Beverages, Broths and Stocks, Sauces and Purees, Meals and Sides — distributed around the world in 27 countries.

## Selected Awards & Recognitions

**Oregon Food Bank 2016 Food Donor of the Year**  
Awarded for donating 1.3 million meals over a 12-month period and for Pacific's depth of dedication over a 25-year partnership



**Delicious Living magazine**  
**2016 Best Bite Awards**  
Organic Seitan Italian Herb:  
Best Meat Replacement

**Prevention magazine 2016 Cleanest Packaged Foods Awards**

Organic Coconut Original non-dairy beverage: top product in the Dairy & Dairy Replacements category



**Safe Quality Food (SQF) Certification Program**  
**"Excellent" Audit Score of 96%**  
Accomplished through strict adherence to our GMP (Good Manufacturing Practice) policies, meticulous record keeping, and careful upkeep of our facilities.



## 2016 Retail & Foodservice Categories



## Broths & Stocks



## Creamy & Condensed Soups



## Barista Series™ Plant-Based Beverages



## Hearty Soups



## Plant-Based Beverages



## Meals & Sides





# Our Food

Simple, flavorful and always nourishing. We use carefully sourced ingredients in our recipes, making our soups, broths, beverages and other pantry staples with the same clean, quality ingredients you'd use at home. We sure don't always have the time for made-from-scratch cooking. We don't expect you to either.



# Product Innovation



“Innovation is such a big part of our culture here at Pacific – we are always encouraged to think outside of the box; be creative; come up with new ideas for doing something; ask “what if” and be curious. Because we have a healthy curiosity about how things are made and we like knowing where our food comes from, we have plants that are designed with the flexibility to make a wide range of products from scratch, and teams of employees that love finding ways to make things happen. We always have new ideas that we are playing around with, for products and for new ways of doing things, so there is never a dull moment at Pacific!”

— Terri Weaver  
Director of Product Development



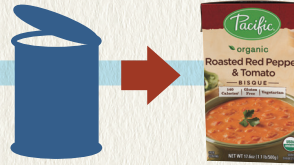


## THE FIRST RETORTABLE CARTON PACKAGE IN THE WORLD

Tetra Recart® is an integrated processing and packaging system designed for in-container sterilization of food within a rectangular carton package

First launched in 2003, Tetra Recart® is the 21st century alternative for

## CANNED FOOD



## CONTAINS 69% PAPERBOARD

Low carton footprint package, with more than 69% materials based on renewable resources



The mark of responsible forestry

## HIGH DISTRIBUTION EFFICIENCY & LIGHT WEIGHT

contribute to supply chain savings in the range of 10-40% compared to cans and glass jars



## SHELF SPACE IN THE STORE

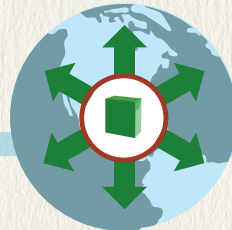
reduced by 30-40% compared to round packages providing an efficient use of space



## WIDE RANGE OF FOOD CATEGORIES

Tetra Recart® is suitable for food such as vegetables, beans, tomatoes, baked beans, ready meals, pet food and soups and sauces.

## Manufactured on four continents and AVAILABLE IN MORE THAN 50 MARKETS



## USED BY MORE THAN 140 BRANDS

including Heinz, DelMonte, Campbells, Knorr, GoGreen, Cirio, Sainsbury's, ICA and Edeka



## RECYCLABLE AND FITS IN WITH EXISTING WASTE RECYCLING STREAMS





# Ingredient Integrity



## PERCENT OF OUR RETAIL SALES THAT ARE ORGANIC PRODUCTS



\* Percent calculation updated for accuracy from 2015 report.

Sun-ripened tomatoes. Sweet and mild cashews.

We believe in honoring the purity of simple ingredients with integrity, just as nature intended.

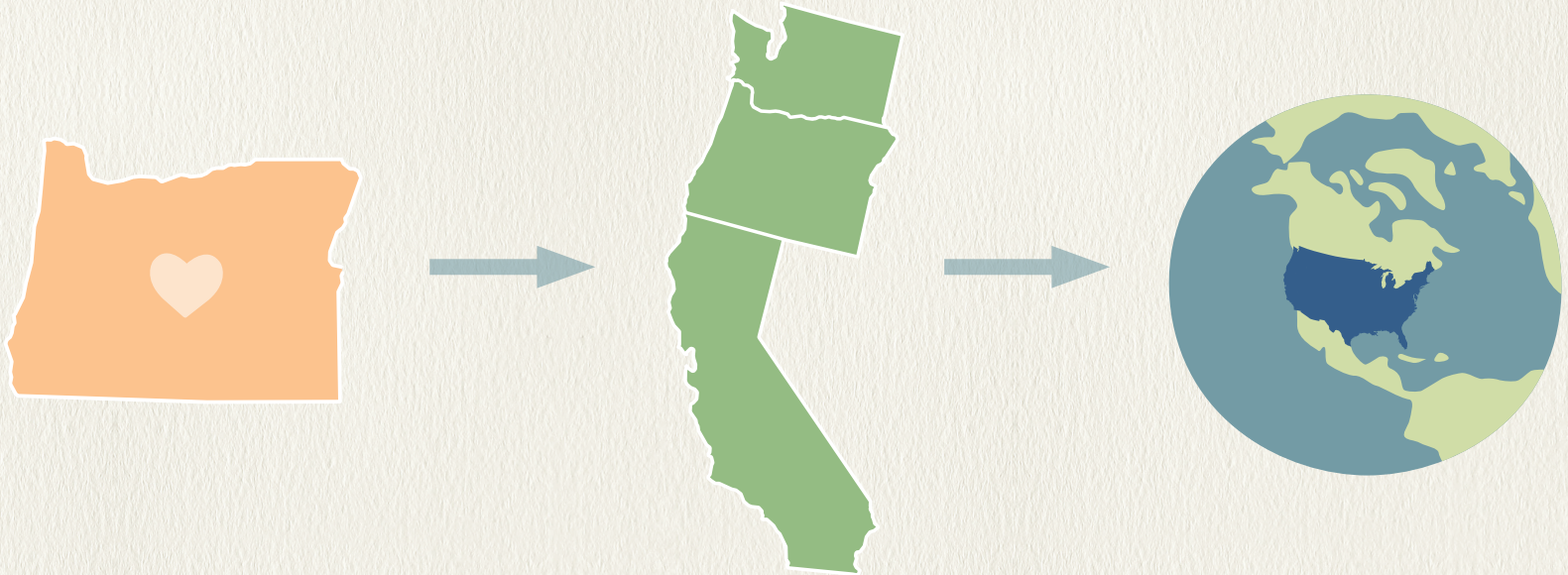
Organic: whenever possible. Sustainable, ethically sourced and GMO-free: always. We think things just taste better that way. So much so that in 1997 we created our own program called Certified to the Source® establishing a formal system for tracking the origin and ensuring the quality of every single ingredient used in our products.





# Supply Chain

We source as close to home as possible, prioritizing suppliers in Oregon then the West Coast before looking domestically and, finally, internationally.



**2015:** 50% of our total ingredient purchases are local; 77% of our total ingredient purchases are regional; and 85% of our total purchases are domestic.

**2016:** 45% of our total ingredient purchases are local; 76% of our total ingredient purchases are regional; and 87% of our total purchases are domestic.

**PERCENT OF INGREDIENTS PURCHASED BY REGION**



## Nourishment Highlight: Our Food

# Barista Series™



When you think about it, it's really no surprise that the #1 dairy alternative brand baristas reach for is made in Portland, Oregon, where craft coffee ranks right up there with thick-rimmed glasses and the ever-evolving food scene. Founded 30 years ago, Pacific's first product was dairy-free soymilk. Sixteen years later we introduced a foodservice version, Barista Series™ Soy Blenders, inspired by and created with the help of local coffee industry professionals looking for a dairy-free option that could stand up to coffee. One that would perform just like milk, easily steaming into a silky, rich foam — not only essential for a proper coffee experience, but critical for a perfectly poured rosetta. Today, our Barista Series line includes Chai concentrates and 4 plant-based varieties (Soy, Almond, Coconut and Rice) formulated specifically for coffee, and served in hundreds of thousands of shops nationwide.

## Barista inspired. Barista approved.®

### 2002

Entered the foodservice channel with Soy Blenders non-dairy beverages for coffee shops







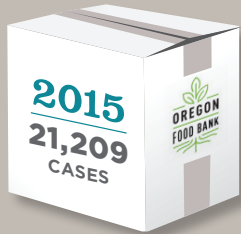
# Our Community

You can't learn on an empty stomach. That's why, along with our generous staff who volunteer their time, we now support kids and families in more than 25 local schools and organizations with nutritious food for extended weekends and holiday breaks. No child should go hungry. Ever.



# Food Access

## OREGON FOOD BANK (OFB) PRODUCT CASES OF FOOD DONATED



## NOURISH EVERY BODY (NEB) PROGRAM MEAL BOXES PREPARED



**TOTAL MEALS DONATED** (Intentional)  
357,854 (OFB) + 115,020 (NEB) =

**472,874 meals**

## Addressing Food Access

Pacific Foods prides itself on being an active member in our community. We've supported organizations like the Oregon Food Bank for over 25 years in an effort to fight hunger.

### Oregon Food Bank Commitment

Each year, we are committed to producing 24,000 cases of packaged product for the Oregon Food Bank with the goal of preventing food waste and expanding our support to feed the hungry.

### Oregon Food Bank Product Donations

We don't let any food go to waste if we can help it. All packaged products that we make that don't meet our standards of quality but are still wholesome to eat are donated to the Oregon Food Bank.

## Nourish Every Body School Feeding Program

### 2015

Nourish Every Body school feeding program initiated, donating over 6,000 3-day meal boxes to kids and families through local schools in its first year







## Community Sponsorship Program

We donated \$3,750 at employees' request to community programs like farmers' markets, indoor soccer leagues, 4-H, and Meals on Wheels.



## Tualatin Caring Closet

The Tualatin Caring Closet provides clothes, shoes, hygiene products and emergency bedding supplies to children in need within the Tigard-Tualatin school district. We've worked with the Caring Closet for over 3 years, annually sorting and donating over 1,000 pounds of our recycled cans and bottles. The deposit donations help support more than 100 kids during the school year.



## American Heart Association (AHA)

We have raised money for the AHA and the Heart Walk for more than 5 years. In 2016, we raised over \$19,000.



## Washington State University (WSU) Organic Program

Growing the next crop of organic farmers in the northwest is essential for expanding environmentally responsible farming practices. We've worked with WSU closely over the years and in 2016 we donated \$250,000 to support their program.



# Our Community @ Pacific

We provide employees incentives to pursue healthy lifestyle choices, sustainable living and career enhancements, as well as the opportunity to contribute to the wider community both during and outside of their work hours.

## Employees

### Promoting from Within

40% of our open positions were filled with internal candidates.

### Engagement

Fostering an engaged workforce has been a focus of our company for several years now. Year over year, our employee survey shows that our employees are committed to the company's mission and values, and are willing to put in extra effort to get the job done. We're proud to have such an energized team of people.

### Employer of Choice

Improving our employee retention is important to us. We set a goal to have a turnover rate below industry standard. In recent years we have lowered our employee turnover to 16%. In an effort to gather feedback from employees and suggestions on making Pacific a great place to work, we conducted 136 listening sessions where 95% of our employees participated.



**2000**

120 employees!



**2016**

550 employees!

**2014**

Employee Volunteer Program initiated to give employees paid time each quarter to use for volunteering



## Resources

### Community Store

Since 2013, our Community Store has offered employees a wide selection of discounted grocery items and home staples including: Pacific products and produce, dairy, eggs, and meat from local farms.

### Recycling Center

Our Recycling Center gives all of our employees access to recycling that they might not have at home. We take everything from batteries to styrofoam to electronics and make sure they are recycled responsibly.





# Our Community @ Pacific

## Engagement



### Hood to Coast

We've participated in the Hood to Coast race for 10 years!

### Bi-Monthly Blood Drives

We work exclusively with Bloodworks NW, a locally focused, hybrid provider of health care services for the community. They collect, test and distribute essential, lifesaving blood to nearly 90 hospitals in the Pacific Northwest. In 2016, we had 109 participants for our bi-monthly blood drive, helping Bloodworks save the lives of over 300 patients!

### Earth Day

We give away organic garden starts to our employees each year in celebration of Earth Day.

### Mission Event

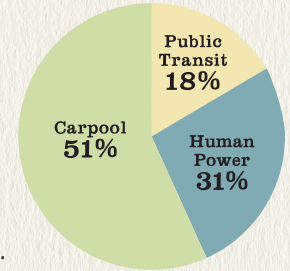
Celebrating our mission and values is a great way to learn more about Pacific Foods culture.



## Programs

### Sustainable Commuter Program

Our Sustainable Commuter Program provides incentives for employees that use alternative transportation (biking, walking, carpooling, public transit, etc.) to get to and from work. In 2016, roughly 10% of our workforce participated in the Sustainable Commuter Program. Our



team logged trips totaling over 150,000 miles of commuting using sustainable transportation. We also held a month long challenge that alone reduced emissions by 6000 lbs of CO2e.

### 2009

Sustainable Commuter Program initiated to incentivize employees to choose commuting options that yield lower emissions

### Employee Volunteer Program

Our Employee Volunteer Program gives our team 4 hours of paid volunteer time each quarter to help the Oregon Food Bank or build meal boxes for our Nourish Every Body School Feeding Program. In 2016, over 25% of our workforce participated logging over 500 hours. Volunteers built food boxes totaling 115,000 meals for kids and families in the Portland metro area.

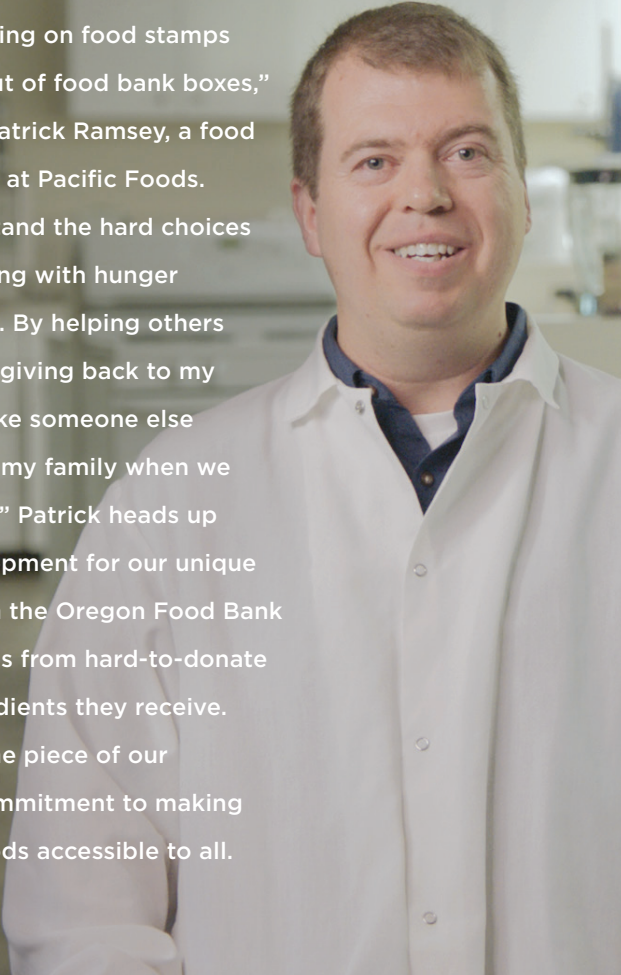
### Educational Assistance Program

In 2016 we supported 9 employees in furthering their education, contributing \$23,000 in tuition reimbursement.



# Nourishment Highlight: Our Community

"I grew up living on food stamps and eating out of food bank boxes," remembers Patrick Ramsey, a food scientist here at Pacific Foods. "So, I understand the hard choices families dealing with hunger have to make. By helping others in need, I am giving back to my community like someone else gave back to my family when we were in need." Patrick heads up recipe development for our unique initiative with the Oregon Food Bank to make soups from hard-to-donate surplus ingredients they receive. This is just one piece of our long-time commitment to making nutritious foods accessible to all.



**W**e understand hunger and food waste are big problems to tackle, but as a food company, we feel it's important for us to do our part. In the United States 1 in 7 people struggle with hunger, while 31% of the food produced nationally (133 billion pounds) goes to waste every year. To tackle these dual issues, we partnered with the Oregon Food Bank (OFB) on an initiative that works like this: Patrick receives a list from the OFB of donated produce coming from local farms, typically fresh or frozen vegetables. Many of these items would otherwise go to the landfill, never reaching those in need. He and his team think up a custom recipe — think "French Fry Soup" or "Corn Tomatillo" — utilizing the unwieldy donations as inspiration. The goal: to create the most nutrient-dense and delicious soups possible. Once packaged, the soups head to OFB to be distributed in food boxes among its patrons. As a whole, this program, just one of our many food access initiatives, results in more than 24,000 cartons of shelf-stable soups being made every month specifically for Oregon families in need.

## 2013

Annual program to produce soups exclusively for the Oregon Food Bank initiated to help prevent food waste and fight hunger







# Our Environment

We like to think of our team as a powerful army of waste warriors. We're always looking for ways to repurpose and reduce waste to lessen our environmental footprint, as well as making smart choices that prioritize renewable energy. Thanks to our team, little changes are making a big difference.

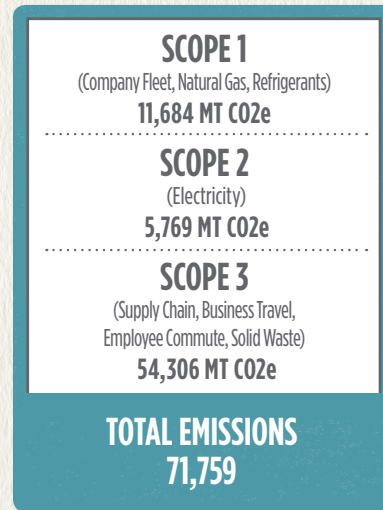


# Emissions

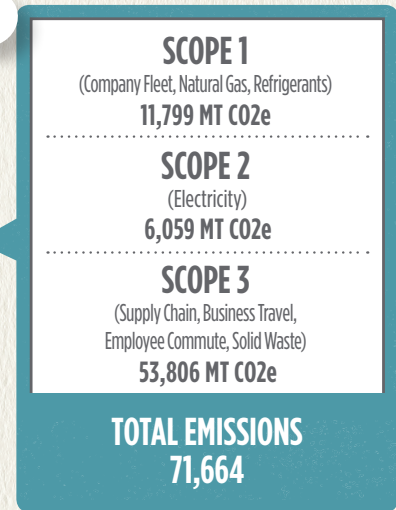


Every year, we compile a greenhouse gas inventory and file a report on our emissions reductions to the Carbon Disclosure Project (CDP). This high level vantage point allows us to identify our best opportunities for emissions reductions.

## 2015



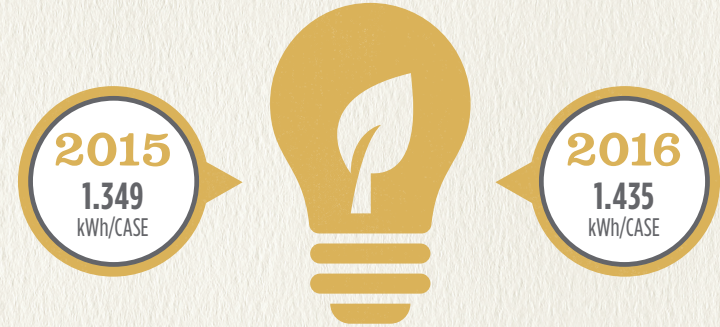
## 2016



**GREENHOUSE GAS EMISSIONS: BREAKDOWN OF EMISSIONS**



We strive to reduce our consumption of energy per case of product produced. We tackle this by improving efficiencies and installing energy conserving upgrades.



## ELECTRICITY (KWH): PER CASE OF PRODUCT

A 40-watt light bulb operating continuously for 25 hours uses one kilowatt-hour (kWh).



## NATURAL GAS (THERM): PER CASE OF PRODUCT

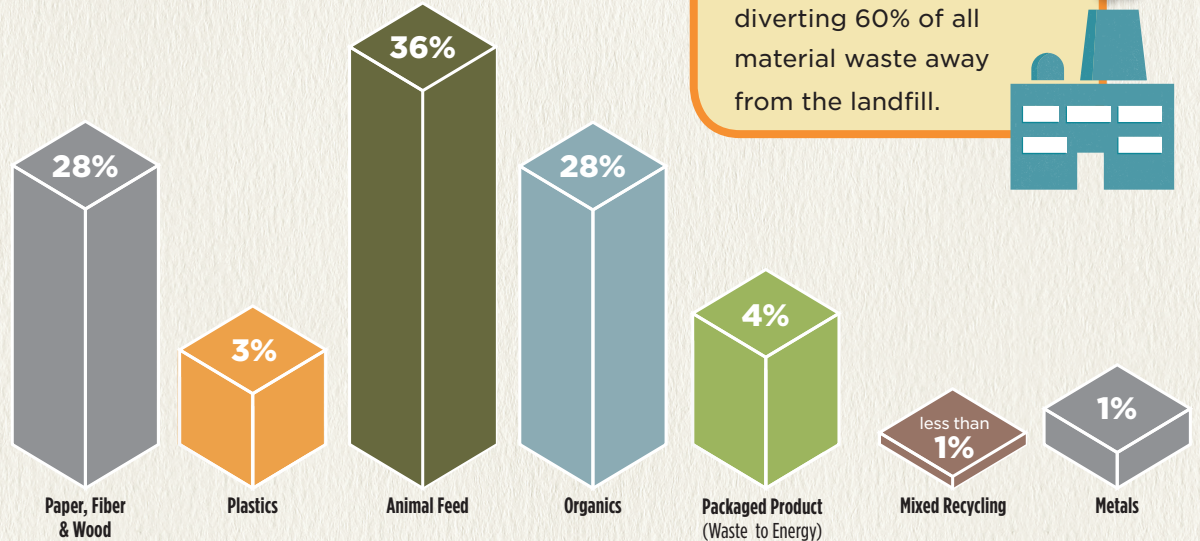
The energy in one therm is equal to roughly 29 kWhs.



# Material Recovery

We are committed to reducing the material waste we generate and ensuring that we divert what we can away from the landfill. We've taken an innovative approach and created our own Recycling Center onsite to help divert over 500 tons of materials each month. In 2016 we mapped out a process for tackling our remaining wastes and believe we can achieve zero waste to landfill by 2021.

## MATERIALS RECOVERY RATE

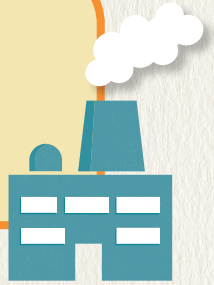


## 2016

Diverted 86% of all material waste from the landfill

## 2009

Pacific Foods begins diverting 60% of all material waste away from the landfill.

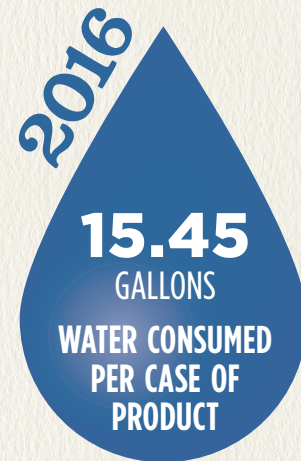
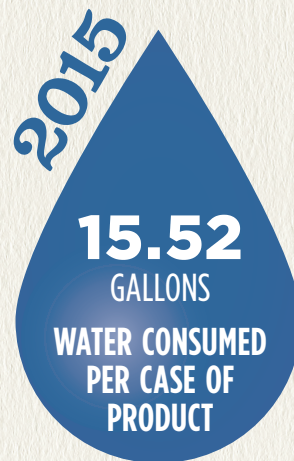


## MATERIAL RECOVERY: BREAKDOWN OF MATERIAL STREAMS





As a food company, water is essential to making our products and ensuring that our manufacturing processes are clean. Because of water's integral role, we have primarily looked at opportunities for reusing hot/chill water or optimizing the flow of water within our processing.





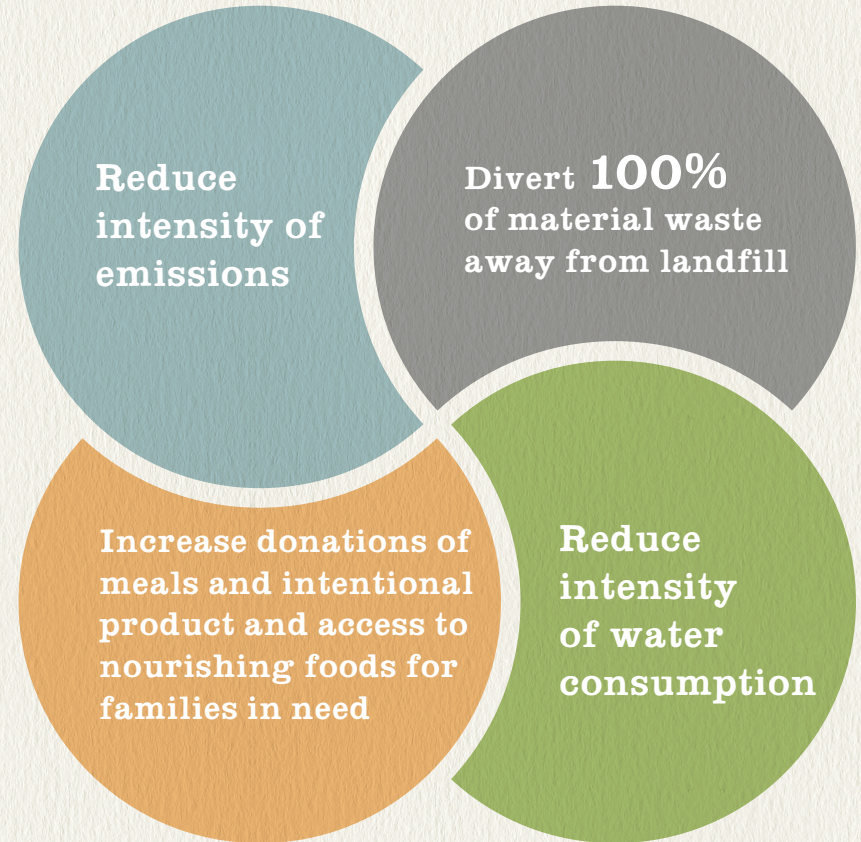
## Nourishment Highlight: Our Environment



During the summer of 2016, we partnered with The Wetlands Conservancy (TWC) to begin an environmental restoration project along the Hedges Creek Wetland, adjacent to our Tualatin facility. With a team of nearly 20 volunteers, we worked to establish a vegetative buffer enhancement, creating a border between our facilities and the wetlands. Our team worked with TWC to remove invasive plant species (i.e. blackberry, scotch broom, etc) and replant the space with plants that are native to western Oregon.



**For 30 years Pacific has been evolving. We're always looking for ways to make our foods as nutritious and flavorful as possible, while minimizing waste and sharing with as many people as we can. People, animals and landscapes change with the seasons, but our commitment to nourish every body will stay true long into the future.**







**Nourish Every Body™**

Find us on social media!



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