

# Helping create a better environment from the ground up.



## Good stewardship of the environment starts here.

At Michael Foods, we recognize just how important a healthy environment is to our business, our economy and our planet. By being good stewards of the environment, by implementing responsible practices and creating less impact, we can continue to meet today's needs while ensuring we'll also meet tomorrow's.

## Protecting the environment has become second nature.

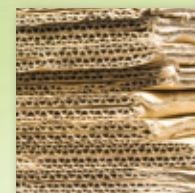
Our pledge to reduce overall environmental impact is stronger than ever. In fact, it's as strong as our commitment to deliver the highest quality products to market. We do this by implementing four key principles:

- **Compliance:** At Michael Foods, we pledge to follow environmental standards that meet or exceed both the letter and spirit of the law.
- **Communication:** We're committed to open dialogue with our employees, customers, suppliers, and other stakeholders, providing easy-to-understand information about our environmental practices and policies.
- **Resource Management and Conservation:** We'll continue to seek opportunities to further reduce our environmental impact as well as to evaluate new processes, technologies, systems and materials to both reduce waste and preserve resources for future generations.
- **Innovation and Continuous Improvement:** Michael Foods is committed to innovation. Because of this, we will continually promote, encourage and support improvement and embrace emerging opportunities.

## Growing our business. Sustaining our world.

Involvement in environmentally sustainable activities is nothing new at Michael Foods. What is new is our ever-increasing emphasis on the use of ecologically-friendly guidelines in our day-to-day business decisions.

Making the right environmental decisions makes for good business. Plain and simple. It's good for our customer, good for our employees, suppliers and other stakeholders, and especially good for the environment. This means we're better able to manage expenditures and costs, promote growth in all sectors, and create the kind of value-added products and services our customers want. All while limiting our environmental impact.



## Meeting today's needs while protecting tomorrow's.

In order for Michael Foods to enhance our ability to protect our environment, we're focusing our efforts into four areas:

### Reduce, reuse and recycle

All Michael Foods facilities meet stringent requirements for reducing annual generation of hazardous waste, making us both federally exempt and environmentally friendly.



- The majority of our eggshells are dried and used as a calcium supplement in animal feed.
- Our processing potato waste (20,000 tons) is sent to local dairy farms for use as a feed supplement.
- A portion of our waste product is used as a natural soil conditioning agent.
- We also utilize the manure generated on farms (400,000 tons) as a fertilizer alternative, providing a more environmentally compatible choice than chemical fertilizers. All manure application is done at agronomic rates, which also reduces the potential for stream pollution compared to commercial fertilizer application.
- Every Michael Foods facility recycles 100% of its fluorescent bulbs, batteries, oil and electrical equipment.
- At our corporate offices, we reduced the use of plastic water bottles by 97%, saving the production and recycling of over 65,000 bottles per year.

All of which helps strengthen our commitment to making environmentally sound choices, every step of the way.





## Energy

Wise use of energy is not only smart, it helps to promote a cleaner, safer world. That's why Michael Foods works to use less energy as well as look for new ways to conserve it. It's why we conduct extensive energy audits and incorporate state-of-the-art energy management practices. And why we continue to look for new, energy saving technologies.



- We employ stack heat recovery to generate hot water. This process allows us to recycle BTUs that were previously lost to generate hot water. In some cases, we can generate an entire facility's hot water needs for a full day – just by using these systems.
- Continual monitoring and improvement of the overall stability of electrical flow and the efficiency of equipment.
- The installation of high efficiency lighting coupled with motion detecting lighting has allowed us to realize a savings of over 750,000 kilowatt hours annually. This is equivalent to 450 barrels of oil or enough energy to light 25 average homes for a year.

We've even begun to use more efficient modes of transportation in order to minimize our carbon footprint and keep costs competitive. This was accomplished through:

- Procedure Improvements
- Enhanced Engine Governing
- Toll Way Payment Systems
- Automatic Engine Shutdown
- Routing Improvements

In fact, one of our key distribution fleets has improved fuel economy/mileage by 6% in the last 12 months.

## Water

We realize water is one of our most precious resources and acknowledge we will all benefit from responsible water conservation. To help achieve this, we incorporate water saving methods in our production facilities that help reduce the use of water. As part of our reuse and recycling practices, we have implemented the following:



- Our Northern Star, Wakefield and Loganview plants have implemented procedures that help to lower daily water use by as much as 30%.
- Seven Michael Foods facilities operate water treatment plants. This allows us to effectively treat and clean our water – meeting strict regulatory levels. This water can either be recycled or rejoin the environment harmlessly.
- Our liquid potato waste (900 tons) is applied at agronomic rates for nutrient benefit on local farmland.

## Packaging

Michael Foods continues to explore and evaluate new and better packaging material alternatives. This constant, in-depth evaluation of packaging components helps us quickly identify options that will help minimize our impact on the environment.



- We're focused on maximizing the amount of product we put into a case or on a pallet.
- We partner with suppliers who are committed to ecologically-safe packaging materials.
- We've optimized the sleeves and corrugated packaging materials used for many of our products – resulting in a reduction of 229,000 pounds of paper materials. That saves close to 1,900 trees annually.
- We are reducing one of our product lines' film package by 1 inch in length. While it may not sound like a lot, it will result in the conservation of over 1.3 million square feet of film next year. That's enough film to cover 22 football fields which will not go into our environment.

## Working toward a better tomorrow, starting today.

Michael Foods believes a strong commitment to the future health of our company includes a commitment to a good environment. We also believe it's important to conserve and protect our natural resources while maintaining a healthy business profile and meeting the needs of consumers. That's why we, at Michael Foods, continue to use new technologies, innovative processes and common sense to cultivate a cleaner, more sustainable world. For today, and tomorrow.



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