

March 15, 2021

ELITE SPICE, INC. SUSTAINABILITY INITIATIVE



For Purity and Safety, Processed in the USA



OUR STORY & OUR COMMITMENT

Our company's foundation is built on family values and the commitment to ensure safe, responsibly sourced and sustainably processed products in a manner that protects our employees, the community and the environment, now and for future generations.

Elite Spice, Inc. is a family-owned business founded in 1988, best known for our safe, wholesome spices and seasoning blends we have provided to the food industry for decades. At Elite Spice, we believe that the role of business is not only about maintaining steady growth and success, but about ensuring that the processes it employs are sustainable to both the environment and the community.

In 2020, we tackled this by establishing an action taskforce to manage an internal sustainability initiative and brainstorm program changes that will help us manage our carbon footprint.

We have committed to take a systems-based approach to comprehensively evaluate and understand the interactions among environmental, social and economic pillars in an effort to manufacture our spices and seasoning blends in the most responsible way possible.

This report outlines findings, initiatives and programs implemented or continued at this time.





CORPORATE RESPONSIBILITY

Starting in 2019, Elite Spice began evaluating our impact in the food system by understanding our economic, social and environmental influences. We determined both sustainable practices currently in place and identified weaknesses to improve on.

While most of 2020 was overshadowed by the COVID-19 pandemic, we were fortunate to thrive in the volatile business climate. This unique position gave us the ability to focus more directly on our internal social goals and provide support for employees and their families during this difficult time.

While we are still uncertain of what's to come in 2021, Elite Spice will remain conscious of our global position and strive to reach the sustainability goals set for the year ahead.

PILLARS OF SUSTAINABILITY

By separating our goals into three distinct sectors of sustainability, Elite Spice, Inc. has been able to identify opportunities for improvements and act upon them more effectively. These pillars include; environmental, social and economic responsibilities. Elite Spice's goal is ultimately to balance profit and growth while achieving our goals in social and environmental responsibility.



TO THE ENVIRONMENT:

In 2020, Elite Spice took steps to analyze and reduce our overall footprint. This was accomplished by surveying energy usage, water consumption, product and packaging waste and other indirect areas of our business that may negatively impact the environment.

In 2020, Elite Spice joined Maryland's Green Registry Program, demonstrating our commitment to the environment and sustainable business practices. As a green business, we also support other Green Registry members, such as; several ingredient suppliers and our packaging manufacturer who is a certified Sustainable Forestry Initiative Manufacturer.

Additionally, Elite Spice sources raw materials from suppliers who also value sustainability. Some of the environmentally responsible programs implemented by our suppliers include; efficient irrigation systems that save water and energy, ongoing employee education and taking steps to mitigate man-animal conflict.

MATERIAL RECYCLING & REDUCTION:

*455 TONS RECYCLED
MORE THAN 423 TONS REDUCED*

Throughout 2020, Elite Spice continued finding opportunities to reduce, reuse and recycle. Materials commonly recycled include; wooden pallets (254.9 tons), paper waste (8.1 tons) and corrugated cardboard (192 tons). The paper recycled offset 56,385 gallons of water used and 24.16 cubic yards of landfill space. The wooden pallets and bailed cardboard are returned to our suppliers to be refurbished into new, usable pallets and finished product boxes. This greatly reduces the raw resources needed to produce these crucial components of our business.

By adapting finished good packaging and modifying how ingredients are received, Elite Spice has reduced the amount of packaging waste created.

- For high volume items such as salt, receiving in bulk packaging reduces waste and cardboard cartons recycled
- By making product-specific modifications to finished product packaging, we are able to use less cardboard overall
 - Each specialized carton used saves over one pound of cardboard as compared to the standard packaging
- Where applicable in production, bulk bags which are still in good shape are re-used with like product to avoid single-use packaging waste





EMISSION REDUCTION

SMARTWAY PARTNERSHIP AND CARPOOLING INITIATIVES

In July of 2020, Elite Spice became a US EPA Smartway Shipper. Freight transportation is a large contributor to air pollution and predicted to increase in the future. Companies that participate in the SmartWay program have access to tools which aid in measuring, benchmarking and assessing freight transportation activities and strategically making better choices that reduce emissions. In the coming years, we will be able to quantify GHG emission reductions from this partnership and make smarter carrier choices.

In late 2020, Elite Spice started offering employees subsidized bus passes. This not only alleviated direct transport costs for our Baltimore employees, but also alleviated the environmental cost of transport.

As an indirect positive impact of the pandemic, employees were encouraged to work from home. This helped to offset the CO2 emissions from nearly 70% of Elite Spice's office employees from March 2020 until current day.



"COMPANIES THAT PARTICIPATE IN EPA'S SMARTWAY PROGRAM ARE LEADING THE WORLD IN REDUCING THESE IMPACTS AND MAKING FREIGHT TRANSPORTATION MORE SUSTAINABLE."



ENERGY AND WATER USAGE

ENERGY EFFICIENT LIGHTING AND MACHINERY

Since 2018, Elite Spice has invested significantly on efficient light fixtures for our warehouses. The maintenance team has been replacing traditional warehouse lights with LED bulbs to use energy more efficiently. Lighting in storage areas with less foot traffic have been changed to motion sensing as to not use electricity when it is not needed. At this time Elite Spice is 90% finished switching light fixtures within the warehouse space. In addition to the warehouse fixtures, bathroom and office lights are being replaced with occupancy sensing lighting controls to further reduce the kW used in small spaces when not in use.

Elite Spice also participates in a demand response (DR) program during times of high energy demand we voluntarily curtail operations to reduce consumption. This prevents brownouts and improper Hertz and Voltage levels which may be damaging to the community and businesses in the area.

Elite Spice conducts milling and mixing operations. Water is mainly used for sanitation purposes after our mixing operations. While we track the amount of water used, for food safety reasons it cannot be recycled for further use in our process. We survey our water usage amount annually and are committed to ensuring the released water does not negatively affect the environment.





TO OUR FAMILY & COMMUNITY

At Elite Spice, Inc. employees are family. We strive to support our employees by providing a safe work environment, investing in individuals and fostering growth from within. The ultimate goal is to have our employees learn, evolve and take positions of leadership with Elite Spice in the future.

We accomplish this through several approaches, including; training and mentorship between operators, supervisors and managers and participating in educational opportunities to gain a greater understanding of the industry. Cross-training has also been key in helping operators understand the importance of their jobs with a highlight on food safety.

Elite Spice has been a member of the National Safety Council (NSC) since 1994, enforcing worker safety through training and the installation of mitigation equipment to prevent injuries.

This year under the strains of the pandemic it was especially important to remain strong in these values. Ensuring every employee feels safe is of utmost importance and we've put tireless efforts into adapting to this new way of working and living.





OUR RESPONSE TO COVID-19



From the beginning of the pandemic, Elite Spice has continuously adapted in response to guidance from the CDC (Center for Disease Control and Prevention) and state regulations to proactively protect our employees, their families and the community.

A team was immediately established to track and communicate new regulations, guidance and research surrounding the coronavirus. Policy changes were made to encourage employees feeling unwell to stay home and prevent spread in the workplace. Employees were given extra paid time off to get tested and take time to recover without fear of not being paid.

We were fortunate enough to have a surplus of personal protective equipment and this was distributed to employees and their families. Additional N-95 masks were also donated to local hospitals who were struggling to source appropriate PPE. Workplace dividers were constructed and additional tents, tables and areas were made available to keep employees safely distanced from one another.

Throughout the pandemic, Elite has established practices to lessen the spread in the workplace and the community.

EMPLOYEE SUPPORT PROGRAMS

Elite Spice supports continued growth and education by enrolling employees in leadership courses, training opportunities, and industry conferences. Some of these conferences include; American Spice Trade Association's conferences and regulatory insight meetings, SNAXPO Emerging Leaders Program, and Institute of Food Technologists meetings and symposiums.

In addition to formal classroom education, Elite also prioritizes continuous improvement of our employees through on-the-job experiences in both the warehouse and offices.

Many of Elite Spice's employees reside in Baltimore City and rely upon public transportation to get to work. Purchasing bus passes daily can cost more than \$50 a week. In conjunction with Maryland Department of Transportation (MDOT), we've rolled out a program to subsidize the cost of these bus passes.





ECONOMIC RESPONSIBILITY

INVESTING IN THE COMMUNITY

Elite Spice balances business growth and sustainability by making socially and environmentally conscious investments, such as supporting other local businesses and donating to charitable organizations whose beliefs align with ours. This includes agencies who provide funding for food safety research and other organizations which do not directly relate to the spice industry but have similar integrity.

We also participate in Howard County's Inmate Work Release Program. Participants are allowed to maintain regular employment while serving sentences of confinement, removing the burden of a lost or reduced income.

At this time, our new-hire hourly pay is above Maryland's minimum wage and Elite Spice aims to make employees from hiring agencies full-time permanent employees.

Elite Spice's economic decisions are made by considering our overall effects on society, business and the environment at the same time.

"OUR BIGGEST CHALLENGE IN THIS NEW CENTURY IS TO TAKE AN IDEA THAT SEEMS ABSTRACT- SUSTAINABLE DEVELOPMENT- AND TURN IT INTO A REALITY FOR ALL THE WORLD'S PEOPLE"
-KOFI ANNAN



CONTINUOUS IMPROVEMENT

At the end of 2020, Elite Spice participated in an Environmental Technical Assistance Opportunity funded by Maryland Department of the Environment (MDE) which allowed us to partner with EEC Environmental consultants, an environment consulting agency. The agency conducted a facility visit to identify opportunities and solutions for improving energy and water use, reducing chemical usage, curtailing hazardous and non-hazardous waste, and overall optimization in our various processes.

We are still working with EEC to determine opportunities for more sustainable practices and look forward to their final report of suggestions.

In years to come, Elite Spice, Inc. aims to...

- Explore the culture of Sustainability at Elite Spice
- Quantify metrics to set appropriate goals
- Expand cardboard recycling program
- Find opportunities to combat food waste
- Discover new ways to recycle, reuse and reduce materials

For inquiries please contact the Sustainability Taskforce at
ESInitiative@elitespice.com