

A  
BREAK **THROUGH**  
**YEAR**

**2014** CORPORATE REPORT







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# LOOKING BACK ON A BREAKTHROUGH YEAR

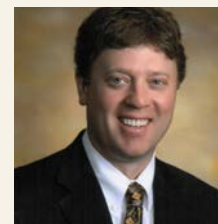
The spirit of innovation has always been an important part of our company culture. My father, Lou, and grandfather, Leonard, made sure of it. They shared a passion for cheese and innovation and built a culture based on Leonard's philosophy: "Hire good people and treat them like family." In their combined 60 years of leadership, their bold thinking brought Sargento Foods to the forefront of the cheese retail, food service and ingredient industries. I am forever thankful for the foundation they laid and the lessons they shared with all of us.

I am honored to report 2014 stood out as a breakthrough year in our company's 61-year history. We launched new products and won the Nielsen U.S. Breakthrough Innovation Award. We unveiled our state-of-the-art test kitchen and supported many charitable causes in our community. The year was filled with accolades, milestones and powerful new ideas that made 2014 a banner year for Sargento Foods.

In my first full year as CEO, I welcomed the opportunity to lead our company into its exciting future, embracing change and growth while staying true to our core values. This attitude helped Sargento Foods navigate a record-high block cheese market, which greatly contributed to our successful year. Through it all, the Sargento family banded together and delivered for our customers and community. Change is never easy, but we know that it puts us in a position to innovate, to continue building strong relationships with our stakeholders, to listen even more closely to the needs of our consumers, to challenge the status quo and to welcome new ideas.

None of this would be possible without the dedication of our employees, many of whom remain in the Sargento family for many, many years. This year, we celebrated 3 dedicated employees who have been with us for over 45 years, and one who's even reached 50 years! We also added 289 people to the Sargento family this year, making us 1,750 people strong.

I invite you to join us in remembering 2014 – truly a breakthrough year for our company and for the entire Sargento family.



Louie Gentine  
Chief Executive Officer



# GAME CHANGERS

“Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.”

WILLIAM POLLARD



“Innovation runs throughout our entire company, and it’s with this spirit that we’re able to keep producing successful products.”

Kristi Jankowski,  
Executive Vice President –  
New Product Innovation

Innovation has been at our core since we began as a family-owned business in 1953, and 2014 proved it remains so. The spirit of innovation influences every decision we make at Sargento Foods and helps us sustain a culture that welcomes creativity and new ideas.

## A WHOLE NEW CATEGORY

We continued along this path of innovation with our Tastings® line of cheeses, launching Sargento into an entirely new category: chunk cheese. Now, in addition to shredded, sliced and snack cheeses, consumers can enjoy perfectly portioned blocks of cheese in 10 unique varieties, ideal for crackers, cheese plates and more. Find out more about how our Tastings® line came to be on page 8.





## THE BEST THING SINCE SLICED CHEESE

Our dedication to pursuing new ideas pushed us to think differently about sliced cheese. We knew consumers already loved our natural cheeses, but some wanted an option with fewer calories. With this need in mind, we introduced Ultra Thin Slices® Cheese in 2012 and brought a new offering to the dairy aisle. Our team delivered the delicious flavor of our natural cheese into thinner slices with only 40 to 45 calories each.

“It was a win-win: The same great taste with fewer calories that consumers gravitated toward,” said Kristi Jankowski, Executive Vice President – New Product Innovation.

It was a simple idea, but a challenging product to perfect. Our team worked hard for years to develop the product and the strategy behind it, never losing sight of consumer needs. Nielsen recognized this hard work by naming Ultra Thin Slices® Cheese a winner of its 2014 Breakthrough Innovation Award in May. After analyzing nearly 3,500 consumer product introductions in the United States, Nielsen chose 14 products to receive the award.

*The Sargento® team accepts the Nielsen Breakthrough Innovation Award. From left to right: Katharine Richards, Chip Schuman, Brooks Augustine (Nielsen), CCO & CPD President Michael Pellegrino, Rod Hogan, Exec. VP Innovation Kristi Jankowski.*



To earn the Breakthrough Innovation Award, Ultra Thin Slices® Cheese met Nielsen’s three requirements: distinctiveness, relevance and endurance. Nielsen looked specifically at products with staying power. Each winner needed to generate \$50 million in first-year sales and sustain at least 90 percent of those sales in year two. Ultra Thin Slices® Cheese exceeded these standards by doubling its sales in its second year, addressing an unmet consumer need and giving people a new way to enjoy full-flavor natural cheese with fewer calories.

“Sometimes the simplest concepts are the ones that break through,” said Rod Hogan, Vice President - New Business Development. “The award was a validation of all the work that our team had done. Receiving this honor is like winning gold in the Olympics.”

The award proved the value of our idea and the product, further solidifying our position as an innovator in the dairy industry. Now that the bar is raised, we’re eager to develop our next game-changing product.

“Innovation plays a huge role in our growth and our profitability,” said Chip Schuman, Senior Vice President Marketing - Consumer Products. “We will have to keep bringing products like Ultra Thin Slices® Cheese to the marketplace, and this award shows we can.”

### The Skinny on Ultra Thin Slices® Cheese:

- Released: 2012
- Varieties: 8
- Calories: 40-45 per slice
- Thickness: Approximately 1 mm
- Award: 2014 U.S. Breakthrough Innovation Winner
- Perfect for: sandwiches, wraps, and omelets





# DRIVERS FOR SUCCESS

“Alone we can do so little.  
Together we can do so much.”

HELEN KELLER



Our Consumer Products, Food Ingredients and Food Service divisions are the backbone of our company. They market our natural cheese to consumers, all while celebrating innovation and keeping Sargento Foods on a path to success.



## CONSUMER PRODUCTS DIVISION

*A Message from Michael Pellegrino,  
Chief Customer Officer & President –  
Consumer Products Division*

Innovation sits at the heart of the Consumer Products Division. We have been focused on encouraging a culture that values ideas, whether they originate within our family or from our consumers. Our goal is to welcome ideas and ensure we develop products that meet our customers' evolving needs.

In 2014, people gravitated more and more toward fresh, less-processed foods. This is what we are all about. Our sliced and shredded cheese choices are all 100 percent real, natural cheese. But to ensure people reach for Sargento® cheeses every time, we needed to think outside of our core products. That's how our Tastings® line came to be, marking our entry into the chunk snack cheese category.

*The Consumer Products Division gather for a team photo.*



## TASTINGS®: THE NEWEST CHEESE ON THE BLOCK

With the introduction of our Tastings® cheese, we took our products from the peg to the cheese shelf. These cheeses feature the 100 percent real, natural cheese found in every Sargento® branded product, presented in an entirely new form. The 10 unique varieties range from familiar flavors such as Aged Wisconsin Cheddar and Aged Vermont White Cheddar to more adventurous cheese types such as New Zealander™ and Fiesta Pepper Jack.

Here's what some of our consumers had to say about Tastings®:

“Pure genius whoever thought of the Tastings® line of products. Thank you for giving me the option to always have a little heaven for myself and not always processed cheeses or plain, old Colby in my house.”

“Wow! How can anyone go wrong with this? I was blown away by the creamy taste and the Aged Cheddar taste. I want to thank you for putting out a great product perfect for my budget!”

## TASTINGS® TRIAL EVENTS

When tasked with how to introduce the Tastings® line to new and existing customers, we took a multichannel approach centered on one goal: Build excitement and anticipation for the release of our unique chunk cheese product. Our first stop was New York City, where Sargento Chef Ulrich Koberstein met with key media members. The program extended to blogger partnerships, Facebook engagement and a Pinterest board dedicated to our newest offering. As a result of our efforts, we reached 12.9 million people through traditional and digital media mentions.





## BUZZ ABOUT SNACKS

As a result of our efforts, we saw a significant increase in Snacks' market share in 2014.

### *2014 SHAPE Snack Award Winner*

Sargento® Natural Extra Sharp Cheddar Cheese Snacks got top honors from SHAPE magazine as a post workout pick-me-up.

### *Chicago Marathon Booth*

In October, we helped Chicago Marathon runners fuel up for the race with Sargento® natural cheese snacks. The Sargento® booth at the Health & Fitness Expo offered visitors samples and the chance to meet celebrity personal trainer and fitness expert Jay Cardiello. Fans were challenged to test their protein knowledge to earn customized water bottles.

### *IDEA World Fitness Convention*

For the first time, we attended IDEA World to spread the message of Sargento® natural cheese snacks as a protein option. Over the course of three days, we interacted with 10,000 fitness and nutrition professionals, many of whom had the chance to taste Sargento® Reduced Fat Colby-Jack Snacks and Sargento® Natural String Cheese Snacks and learn more about the power of protein from Jay Cardiello. Jay also coached attendees through a workout and offered meal-planning tips.

*Sargento offers Snacks samples and more from its booth at the Chicago Marathon Expo.*



## IDEA World by the Numbers

Booth attendees: 10,000

Number of samples distributed: 9,000

Minutes of Jay Cardiello's promotional session and workout: 60

### *Sargento Team Workout*

Following his workout at the IDEA World Fitness Convention, Jay Cardiello made a trip to our headquarters in October to show employees how to fit a quick workout into a busy schedule. After speaking about the importance of living an active lifestyle, he led about 100 employees through a 20-minute workout. Afterward, employees tested their protein knowledge.

*Celebrity trainer and fitness expert Jay Cardiello leads Sargento employees through a workout at the office.*





## MEDIA SENSATIONS

### *SHAPE and Sargento®: Rock Your Resolution*

We teamed up with Shape.com to help people stick with their New Year's resolutions all year long. Each month, Dr. Mike Roussell, Jay Cardiello and *SHAPE* Editor-at-Large Bahar Takhtehchian shared tips on how to keep active and healthy in 2014.

### *NBC's "Today"™ Show*

On the July 8 episode of "Today," Bahar Takhtehchian presented the 16 winners of the magazine's Snack Awards, including Sargento® Natural Extra Sharp Cheddar Cheese Snacks.

### *"The Chew"™*

The Tastings® line was featured on the May 13 episode of "The Chew." Hosts Mario Batali and Daphne Oz talked about pairings that are destined to be together, like Tastings® cheese and white wine.

### *"The Talk"™*

Former "Top Chef"™ contestant Chef Ryan Scott stopped by "The Talk" to share tips on how to build the ultimate burger bar. The must-have ingredient: Sargento® sliced natural cheese.

### *"Home & Family"™*

Cristina Ferrare, co-host of The Hallmark Channel's "Home & Family," presented two finger-friendly recipes using Sargento® natural cheese snacks on the Jan. 8 episode.

### *Social Media Growth*

We continued building our social media following in 2014 with exceptional content and continued engagement with our followers. Fans went crazy for our Game Day Most Valuable Dish contest, Shredded Cheese Challenge and delicious recipes, all of which contributed to our growing number of followers.



SHAPE

The abc CHEW

THE TALK

TODAY

## Key Achievements:



Reached new fans and followers through dedicated paid social support across all product lines

Experimented with new forms of content and real-time responses

Unveiled the Sargento Foods Twitter and Instagram pages

## By The Numbers:

Average Facebook engagement rate: **3.75 percent**

Increase in engagement over 2013: **47 percent**

Total Facebook fan engagements: **120,812**

Total number of Pinterest repins: **14,269**

*Tastings® are featured on an episode of "The Chew."™*







## FOOD SERVICE DIVISION

*A Message from Kevin Delahunt, President –  
Food Service Division*

In the spirit of innovation, we adopted a new strategy to mark the 30-year anniversary of our division. We embarked on a major assessment of our frozen business, from our battered and breaded products to our offerings at convenience stores and quick-service and casual dining restaurants. The success of this transformation elevated our team to a new level of excellence. Here are some of the highlights from the year:

### *Milwaukee Public Market Team Meeting*

We took a deep dive to evolve our frozen business at our annual meeting in August. The team saw how new ideas come to life, illustrated by chef demonstrations, including:

- Chef Zak Kuczynski spoke about taking *Culinary Complements* to the next level.
- Two chef demonstrations focused on tasty innovations for our cheese sauces, battered and breaded products and spicy natural cheeses.

*The Food Service Division gathers for a team photo.*



### *Food Shows*

At food shows this year, our team found success in many aspects, from the quality of the ideas to the quality of the food itself. New ideas and strategy combined at our booths, where we delivered great taste and attention-grabbing displays. At our “Best in Class” food shows, we nurtured and developed our relationships with our customers.

*Sargento® employees gather for the Food Service Summer Sales Meeting at the Milwaukee Public Market.*





### *Buffalo Wild Wings Event*

We welcomed the Buffalo Wild Wings team to our recipe development lab in Elkhart Lake for four days in October. Nearly 20 suppliers brought their ideas, recommendations, proposals and concepts, all of which were tested in our new kitchens. The event was a true collaboration where ideas and recipe development flowed. Together, we determined the priorities of Buffalo Wild Wings' 2015 menu and further grew our partnership.

### *Recipe Development Lab*

To keep developing new ways for our fans to enjoy cheese, we needed to create an environment for these ideas to grow and come to life. That's why we built the 5,000-square-foot, state-of-the-art recipe development lab at our Elkhart Lake facility. Not only do our chefs have a working kitchen to test our next products, the space also provides visiting chefs, suppliers and customers with everything they need to experiment with restaurant recipes.

*The Sargento Foods and Buffalo Wild Wings teams enjoy lunch outside during the joint recipe development session.*



### **Food Service Division by the Numbers:**

2014: 30-year anniversary of the division

Top 25 U.S. restaurant brands  
serving our products: 18

*The Sargento Foods and Buffalo Wild Wings teams hard at work in the recipe development lab.*







## FOOD INGREDIENTS DIVISION

*A Message from Marty Rowe, President – Food Ingredients Division*

This past year, we concentrated on customer needs to guide our innovations. We recognize the importance of staying on top of trends to stay competitive – and we offered our partners insights on emerging trends and kept them in mind when developing products. For example, we put our spin on the Sriracha trend and rolled out a line of products. With innovation in mind, we held culinary and cheese-training events with three major food manufacturers in the last few months of the year.

Our flexibility helped us react to trends and in many other areas in 2014. We welcomed these changes and have already seen success. More than 14 percent of our division’s revenue ties back to innovations launched since 2012. Through it all, each member of the team adjusted with a positive attitude and creativity.

*The members of the Sargento Food Ingredients Division gather for a team photo.*



## *Supplier of Excellence*

Hormel Foods recognized us with their Supplier of Excellence award for the third consecutive year. Our score of 96 percent reflects the quality of our products, the timeliness of our deliveries, our administrative efficiency and our customer support. This puts us in the position to potentially receive the Hormel One Award – their “super bowl” trophy for suppliers – which recognizes companies that have received the award for four years in a row.

As a thank you from the Food Ingredients Division to Hormel Foods, the Sheboygan North Golden Raiders drum line marched through the halls of the LINC during a visit from our Hormel Foods partners. Following their performance, an Elvis-impersonating Marty Rowe joined three wig-wearing Sargento musicians to perform “Hormel Rocks,” a song created to the tune of “Jailhouse Rock.”

*“Out of my 340 suppliers, Sargento Foods was my favorite to work with. Everyone was so helpful and friendly and would do anything for me.”*

Jonathan Caporale,  
Ingredient Buyer at Hormel Foods

*An Elvis-impersonating Marty Rowe sings “Hormel Rocks” to the Hormel Foods partners.*





*The Food Ingredients team treats the Sargento family to lunch on wheels.*



### *Food Trucks on Campus*

On a sunny Wednesday in the fall, the Sargento family enjoyed lunch on wheels, courtesy of the Food Ingredients Division team. Popular Sheboygan County spots Fleck's Bar and Grill and Bo Mollies brought tasty lunch options to campus for the division's annual fall sales meeting.

### *Chef Glenda's Christmas Party*

Chef Glenda Murray started brainstorming the menu for her third annual Christmas party in May. By the time December came, she had created 21 different treats, with at least 200 servings each. The Sargento family was invited to enjoy the holiday spirit and taste the delicious – and expansive – spread, which included 18 cakes, profiterole swans, chocolate caramel tarts, Black Forest cheesecake, pinwheel cookies, lemon tarts and – Lou's favorite – panna cotta-filled flutes.

*Chef Glenda Murray bakes holiday treats for the Sargento family.*



*Chef Glenda and Louie with delicious treats at Chef Glenda's Christmas party.*





PEOPLE  
**FIRST**

“Coming together is the beginning.  
Keeping together is progress.  
Working together is success.”

HENRY FORD



## THE SARGENTO FAMILY

Over the past six decades, we have grown significantly. This year, we welcomed 289 new people to the Sargento family – and now have more than 1,750 family members working in four facilities. We have many new faces around our offices, and we have made it a top priority to welcome each person into the family, knowing that many will become our leaders in the future. Though we have grown in size, our company values have held strong and steady.

Our people are the best part of our company. We have continued doing exactly what our founder proposed: hire good people and treat them like family. This philosophy has been part of Sargento Foods since the beginning. It's also a philosophy that sets us apart.

We have many achievements to be proud of, but our corporate culture is number one. We strive to provide our employees with what they need to develop and grow within their roles – and in their personal lives, too. By taking advantage of programs like career counseling, tuition reimbursement and fitness programs and by infusing the work day with fun, our family continues to reach its goals and make us proud.

“Because we share our success with those who contribute to it, every employee wins together.”

Karri Neils,  
Executive Vice President of Human Resources

*A group of Sargento Foods employees dress up for Halloween.*



*Sargento employee Edson Smith participates in a blood drive for the Blood Center of Wisconsin. The agency comes to Sargento twice a year.*





## DEDICATION TO CAREER ADVANCEMENT

Sargento family members Rebecca Gau, Linda Fabian and Kim Iversen welcomed the opportunity to advance their skills. The three quality assurance technicians at our Kiel facility were named American Society for Quality-certified auditors. This certification recognizes their continued knowledge of auditing principles and expertise in the field.

## LEARNING FOR LIFE

The Sargento® Lifelong Learning Program presents our family members with opportunities to develop personally as well as professionally. The Dale Carnegie Training Program is one tool that helps employees develop their best selves. The eight-week course sharpens skills like sharing ideas, listening and demonstrating leadership. Five Sargento family members – Ryan Scannell, Robert Steeb, Jessica Maes, Andrew Feldmann and Yang Xiong – completed the course in 2014.

## TOP WORKPLACE

*The Milwaukee Journal Sentinel* named us a Top Workplace for the fifth year in a row. We have welcomed new talent at all levels and areas of the company, from manufacturing to the corporate offices. We know working together leads to success, and we are honored to be recognized in this time of growth.

## WORK & FUN

Our October monthly business meeting fell on Halloween this year, which presented the opportunity to put humor and fun – part of the Sargento Foods culture – on display. Employees dressed up in costumes, from “Wizard of Oz” characters to a sheriff, and paraded through the LINC after the meeting to spread the Halloween spirit.



*Sargento Foods employees dress up for Halloween.*





## SARGENTO® OFF THE CLOCK

Every employee is united as part of the Sargento family, but this year we explored and celebrated one another's outside interests. With the goal of bringing people together, we launched Sargento® Off the Clock. Employees gather after work hours to participate in shared hobbies, like photography clubs, motorcycle clubs and cooking classes.

## JOHN MCGIVERN VISITS PLYMOUTH

John McGivern, an Emmy-award winning actor based in Milwaukee, visited our Plymouth headquarters to film his Milwaukee Public Television series, "Around the Corner with John McGivern." The show highlights unique communities across Wisconsin. As part of the Plymouth episode, Louie gave John a tour of the headquarters, including the company store and the manufacturing plant where he sampled our cheese.

*Barb Wetor is a good sport and enjoyed taking an impromptu photo with Louie and John McGivern.*



*Sargento employees participate in the Tough Mudder mud race and obstacle course.*

## HEALTH AND WELLNESS CENTER

At Sargento Foods we strive to help our family members live their personal best, physically, emotionally and spiritually. Employees have access to a fitness center in the LINC facility, which offers a personal trainers, and group workout classes. In addition to our fitness center, we host healthy eating seminars, and regular physical activity plans that earn our employees points toward many prizes like a week of vacation, Sargento® merchandise at the Company Store, even free health insurance for a year! All of these tools allow employees to take care of themselves and their loved ones. Members of the Sargento family have also welcomed the opportunity to compete in off-site competitions, like a Tough Mudder mud race and obstacle course and Plymouth's Cheesehead Chase.

Each Sargento® facility also has a Health and Wellness Center, which functions as a mini doctor's office and approaches health holistically. In addition to our nurse practitioner who can prescribe basic medications, we've made a physical therapist, a chiropractor, a health coach and an employee assistance counselor available to our employees when they need them.





*Theresa Pfeifer takes advantage of the fitness center in the LINC facility.*

## OUR SHINING VALUES

*Code of business and personal ethics*

### *We will be legal*

We recognize the authority of legal constraints and our obligation to be in conformance with both the spirit and the letter of the law.

### *We will be moral*

In our public and private lives, we will strive to give precedence to that which is right over that which is merely expedient or convenient.

### *We will be honest*

To warrant the trust of all with whom we come in contact, we must be unflinchingly honorable in whatever we think, do or say.

### *We will be respectful*

Whatever our station in life may be, we will respect in others of all ranks those virtues and strengths of character, which we collectively and individually endeavor to exemplify.

### *We will be responsible*

To each other and to those outside Sargento®, we will strive to fulfill both the obvious and the unenforceable obligations we owe to all whom we serve and with whom we work.

### *We will be fair*

In regard to decision-making at all levels, we will strive for maximum objectivity and evenhandedness with all those whose lives we touch.



*Sargento® employees and their families attend the 2014 Health Fair, during which dozens of vendors from the community came to Sargento to educate people on how to live healthier lives.*



*Louie shares a laugh on camera with John McGivern.*



# FUELING THE BREAK THROUGH

“Efficiency is doing things right.  
Effectiveness is doing the right things.”

PETER DRUCKER



New ideas and products define successful innovation, but it's up to our Manufacturing, Engineering, Procurement, Quality and Food Safety and Logistics departments to bring them to life. Thanks to these teams, our fresh-tasting products reach our customers and consumers in a safe and timely manner.



## OPERATIONS DIVISION

*A Message from Mike McEvoy, Executive Vice President - Operations*

It's not easy to become a respected cheese leader, and we're proud of what we've accomplished. The desire to lead starts with the Gentine family and extends to our people, who make sure each piece of cheese is created with the highest quality and best efficiency.

In my first year in this role, we set forth to continue our focus on automation, hold steadfast on pursuing quality and provide a safer work environment for our employees. I'm proud to report our commitment to quality is higher than ever and, through advancements in new technology, our year-over-year safety performance continues to improve well beyond the industry average.

*The Plymouth Safety Team.*



## ENGINEERING

Thanks to our talented engineering group, we stayed on top of new technologies and added automation into our facilities without displacing any employees. We pushed the envelope with the latest machinery without jumping on fads. Our engineering team analyzed each new piece of equipment through a Sargento® lens to ensure it made sense for our business.

We made large investments in robotics and cutting-edge technology to enhance the way our facilities operate. Seeing this technology in action points to the advancements we've made and those that will come.

## SAFETY IS A PRIORITY

The Wisconsin Safety Council awarded us the Outstanding Achievement Award for Excellence in Safety. We recognize safety is an important value. That's why we actively seek new ways to enhance the safety of our employees so they can complete day-to-day tasks unharmed.

We encourage our employees to make safety a priority, too. As a result, we decreased our OSHA Recordable Incident Rate by 54 percent since 2010. While we are honored to receive this award, we are even more proud of the improvements we have made to protect our most important resource: the Sargento family.

*The first aid team runs safety drills.*







*The Transportation Division receives a new fleet of trucks with higher fuel efficiency and improved amenities.*

### 3-PEAT SERVICE AWARD

We received the 2013 Service Excellence Award from SpartanNash for a third consecutive year. Our team clocked a 99.98 percent case fill rate, which means we completely filled the supermarket's orders nearly every single time. We are proud of our entire team for their commitment to service.

### 2014 WALMART AWARD

We strive to be reliable for our customers and consumers so home cooks find us on their local grocery store's shelves every time they are looking for real, natural cheese. This year, Walmart recognized our efforts with the 2014 Walmart Best In Class "Instock" Award Winner.

### QUALITY AWARD FROM THE INNOVATION CENTER

Sargento Foods® Vice President - Quality & Food Safety Janet Raddatz and Supply Quality Director Donna Klemme earned recognition awards from the Innovation Center for U.S. Dairy. The organization aims to diminish food safety risks that could compromise the reputation of the country's dairy industry. Both Raddatz and Klemme received crystal statues honoring their "outstanding leadership, collaboration and education." Each has led workshops to help the center develop a supplier risk assessment and improve best practices across the industry.

### *In the Driver's Seat*

Our cheese travels from our facilities to cheese shelves and restaurant kitchens across the country. Thanks to our transportation team's commitment to safety, we can be relied on to serve our customers and fulfill our commitments. We're proud to report we traveled 4,125,810 miles in 2014 nearly incident free. That's the equivalent of traveling from the Empire State Building to the Hollywood sign and back over 700 times.

"There is no carrier out there that has a better vehicle maintenance record than ours," said Sargento Transportation General Manager John Josephs. "Our safety rating is in the top 10 percent in America, and that means a lot. I have been in the transportation industry for 25 years—two and a half years here—and it's a wonderful company that likes to do things right."

In 2014, the Transportation Division received a new fleet of trucks with higher fuel efficiency and improved amenities for our dedicated drivers. All 23 trucks received new driver's seat cabins, featuring a separate climate control system, wireless Bluetooth and a bunk bed that converts to a table.

The benefits don't stop there: The new trucks also offer significant cost and environmental savings. They can clock 7.5 miles per gallon versus 6.3 miles per gallon averaged by our previous fleet.

### Transportation By the Numbers

Team of truck drivers: 49

Number of tractors: 43

Number of trailers: 70

Miles traveled in 2014: 4,125,810



# NURTURING OUR COMMUNITY

“Goodness is the only  
investment that never fails.”

HENRY DAVID THOREAU



**“Sargento treasures the community. It’s clear from the generous corporate contributions and many opportunities presented to employees throughout the year.”**

Barbara Gannon,  
Vice President - Corporate Communications  
& Government Relations

The Sargento® spirit extends well beyond our office walls and the traditional work day. Each member of the Sargento® family cares about the community he or she lives in. This give-back mentality is built into our culture to ensure charitable giving is part of everyday life.

In 2014, we continued this commitment to our community by raising money for our hungry neighbors, helping members of our community get back on their feet, building shelter for families in need and more.

## A UNITED EFFORT

Many large companies call Sheboygan County home. Though SargentoFoods is not the biggest, we’re proud to be a top United Way donor in our community.



*Lou Gentine and Mark Gumm serve each other a pie in the face at a United Way Days event.*

United Way helps individuals and families achieve their potential through education, income stability and better health. Sargento has committed time and talent to the organization for more than 20 years. As a result, we’re strengthening our community by staying true to our values.

This year, we set a record with our \$752,000 donation to United Way, surpassing our 2013 record by \$47,000. Our dollar-for-dollar match, combined with widespread participation and effort from the Sargento® family, contributed to this unprecedented result. Overall, 82 percent of our family participated in the United Way campaign during the year.

One of the most successful United Way fundraisers was the carnival-themed “United Way Days.” Over the course of two days, the Sargento family played carnival games for a chance to win prizes, like company store merchandise, a gas grill, vacation days and Packers tickets. The money raised from these events directly benefited United Way. The activities kept the Sargento family in the spirit of giving back and presented an opportunity to donate to the cause while having fun with one another.

We also partnered with United Way to sponsor The Kohler Company’s second annual Harvest for the Hungry event. All proceeds from the \$12 gourmet entrees prepared by Kohler Company chefs benefited the United Way of Sheboygan County. Many Sargento volunteers donated their time and talent throughout the day, and our delicious cheese was used in some of the dishes. At the event’s end, we served 1,400 meals and made a significant contribution to United Way.

**“Yours is a company that truly lives its mission and its vision. I would put Sargento Foods in the top 5 percent of all companies because of the corporate culture. Without that, Sargento Foods would just be another place. What you all have is special.”**

Jon Doll,  
United Way Executive Director





*Lou Gentine presents a check to Hunger Task Force of Milwaukee on behalf of Sargento®. Left to right: Sherrie Tussler of Hunger Task Force, Wayne Larrivee of Packers Radio Network, Lou Gentine and Packers player Andrew Quarless.*



## TOUCHDOWNS FOR CHARITY

Our charitable partnership with the Green Bay Packers began its 12th season in 2014 to help alleviate hunger in Wisconsin. As the official cheese of the Green Bay Packers, we're excited to support our hometown team while feeding members of the community in need.

For every Packers touchdown in the 2014 season, Sargento donated a total of \$1,500 to Wisconsin food charities Paul's Pantry in Green Bay and the Hunger Task Force in Milwaukee. With an impressive 58 touchdowns scored during the regular season, we donated \$87,000 to alleviate hunger in Wisconsin. Sargento and the Packers upped the stakes in the playoffs by doubling the donation for each touchdown, resulting in an extra \$12,000 donation for the four touchdowns scored by the Packers during their playoff games.

Sargento also hosted its annual food drive at Lambeau Field during a Packers tailgate before the November 16 game. We collected more than 2,000 pounds of non-perishable food items and monetary donations from Packers fans to directly benefit the Hunger Task Force and Paul's Pantry. Fans at the food drive had a chance to meet Lombardi-era Packers legend Boyd Dowler, who attended the event on behalf of Sargento and took pictures with fans.



*Packers player Andrew Quarless signs autographs for fans at the Touchdowns for Charity press conference.*

*Former Packer Boyd Dowler autographs a cheese head hat for a young fan at the Touchdowns for Charity food drive.*





## HABITAT FOR HUMANITY

The Sargento family places a high priority on fulfilling basic needs in our community, including a warm place to stay. In 2014, we built our 25th home for the Milwaukee branch of Habitat for Humanity in the city's impoverished north side.

“Real Milwaukee,” a lifestyle show that airs on Milwaukee’s FOX affiliate WITI, captured the build on camera. Habitat for Humanity featured Sargento Foods during the segment in recognition of our 20 years as a dedicated partner.



Lou Gentine stops by the Habitat for Humanity build site to lend a helping hand.

“Sargento Foods is the longest continuous partner we have. Every time your volunteers come, they are so happy, so enthusiastic and ready to dive right in. It really speaks to the culture of Sargento Foods and the sense of family at the company.”

Brian Sonderman,  
Habitat for Humanity Executive Director



Barbara Klein, Barbara Turcotte and Val Gillman trade box tops for Toys for Tots.

## FROM BOX TOPS TO TOYS

Project Management Coordinator Val Gillman couldn't help noticing how many empty cracker boxes pile up in our break rooms each day. So, she decided to turn trash into treasure. She launched the Cracker Jills program with Maintenance Associate Barbara Turcotte and Office Custodian Barbara Klein and began collecting box codes, which they redeemed for Toys for Tots gifts through the Kellogg's Family Rewards programs. They rescued 53,000 reward points in total and used them to purchase \$200 worth of gifts for local youth.







*Louie prepares to be soaked by Lou as part of the "Ice Bucket Challenge" to raise money for the ALS Association.*

## ICE BUCKET CHALLENGE

Fellow cheese lovers at Babybel challenged us to the Ice Bucket Challenge, a viral video campaign designed to raise awareness of amyotrophic lateral sclerosis (ALS). Lou and Louie stepped up to the challenge on August 25 on behalf of all Sargento family members. Before Lou poured the bucket of ice-cold water on his son, Louie extended the challenge to three other Sheboygan County companies to help further generate participation and awareness: Johnsonville, Kohler Company and Bemis Manufacturing Company.

## EARTH DAY

Sargento® Employees Caring About People (SECAP) singers have performed at nursing homes around Sheboygan County for the past 23 years. After their Christmas performances, they present a potted Christmas tree to the homes, which could be planted in the spring. We have adopted that tradition ourselves as stewards of natural resources and have planted our Christmas tree each Earth Day on SECAP hill. On April 22, our 2013 Christmas tree joined the other trees on the hill to serve as a reminder of the good we do together.

## DAY OF CARING

The Sargento Foods Human Resources group was part of the county-wide Day of Caring event coordinated by the Volunteer Center of Sheboygan County. More than 400 volunteers representing 15 companies completed 31 service projects. Sargento was fittingly paired with Plymouth's Generations, an intergenerational care facility designed to help people of all ages socialize, learn new skills and exercise.

## SARGENTO MAKE-A-WISH GOLF EVENT

At South Hills Golf and Country Club in Fond du Lac, we helped raise over \$100,000 for Make-a-Wish Wisconsin. We raised enough to grant the wishes of more than 20 local children battling life-threatening medical conditions. Spearheaded by Larry Gentine and Mike McEvoy, we have participated in the event for 21 years.

## COMMUNITY MEAL AT ST. BEN'S

On the third Thursday of every month, members of the Sargento family headed to St. Benedict The Moor in Milwaukee. They served hundreds of working poor and homeless delicious meals like homemade sloppy joes with sliced Cheddar cheese and home-baked desserts made by other Sargento family members. IT Administrator Bernice Mattson led the charge by coordinating volunteers and food donations each month throughout the year.

*Jay Notte (far right) of Sargento Foods is part of a foursome who enjoyed a sun-filled day at the Make-A-Wish golf outing with Packers Hall of Famer Dave Robinson (center).*





# STRONG FOUNDATION

“Leadership is the capacity to translate vision into reality.”

WARREN BENNIS

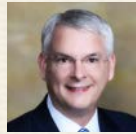


## OUR OFFICERS

### *Corporate*



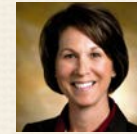
**Louie Gentine**  
Chief Executive Officer



**George Hoff**  
Executive Vice President &  
Chief Financial Officer



**Michael Pellegrino**  
Chief Customer  
Office & President –  
Consumer Products Division



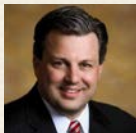
**Kristi Jankowski**  
Executive Vice President –  
New Product Innovation



**Mike McEvoy**  
Executive Vice President &  
Chief Operations Officer



**Karri Neils**  
Executive Vice President –  
Human Resources



**Chad Hamilton**  
Senior Vice President &  
General Counsel

### *Administration*

#### *Accounting & Finance*



**Jeremy Behler**  
Vice President –  
Strategic Analysis



**Marcy Stanczyk**  
Senior Vice President &  
Treasurer



**Jim Birenbaum**  
Vice President -  
Finance & Control



**Barbara Gannon**  
Vice President - Corporate  
Communications &  
Government Relations



**Sue Peterson**  
Vice President –  
Information Technology

#### *Communications*

#### *Information Technology*



## *Innovation*

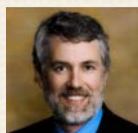


**Rod Hogan**  
Vice President –  
New Platform Development

## *Operations*



**Karl Linck**  
Vice President –  
Engineering



**Shawn Marcom**  
Vice President –  
Procurement



**Lee McCollum**  
Vice President –  
Manufacturing



**Janet Raddatz**  
Vice President –  
Quality & Food Safety



**Keith Hartlaub**  
Vice President –  
Logistics

## *Sales and Marketing*

### *Consumer Products Division*



**Mark Gumm**  
Senior Vice President –  
Sales



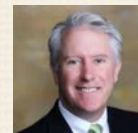
**Chip Schuman**  
Senior Vice President –  
Marketing



**Marty Rowe**  
President –  
Food Ingredients Division



**Bill Schaeffer**  
Vice President –  
Sales



**Kevin Delahunt**  
President –  
Food Service Division



**Mike Sokol**  
Vice President –  
Sales





*Our board members*

**Lou Gentine**, Chairman of the Board, retired, Sargento Foods

**Louie Gentine**, CEO, Sargento Foods

**Larry Gentine**, retired, Sargento Foods

**Lee Gentine**, retired, Sargento Foods

**Dave Fuhrman**, retired, Foremost Foods

**Jerry Jerome**, retired, Hormel Foods

**Gail Lione**, retired, Harley-Davidson

**Mark Train**, retired, Jason Inc.

**George Hoff**, Secretary of the Board, CFO, Sargento Foods