



## Coronavirus Response/Mitigation Plan

March 12, 2020

Dear Customer/Supplier Partners,

The impact of the Coronavirus (COVID-19) is being felt around the world. This event, first and foremost, has all of us focused on the safety and health of our families, friends, and colleagues. It is also creating significant business challenges that are impacting organizations of all sizes. The purpose of this communication is to provide information about steps Castellini Group of Companies is taking to minimize the impact our employees, and customers and maximizes our efforts to keep employees and customers safe.

**We will remain fully operational, our facilities and transportation network are operating as scheduled and all office employees are fully enabled to work remotely, if necessary, to secure business continuity.**

Please find below a variety of steps, actions and monitoring that is in effect for Castellini Group of Companies, including Castellini Company, Crosset Company and Grant County Foods, to provide mitigation and proactive steps to minimize the commercial impact of a pandemic, including Coronavirus. As an overall theme, we are committed to our customers and to enabling their success, by continuing to provide healthy and save product.

Below you will find information on our general approach to reduce risks and our procedures on how to respond to exposure of employees, parts of our facilities or entire facilities to the virus. The responses below do not contemplate secondary or tertiary impacts from pandemic risks such as the entire US trucking operations halted, states of emergency prohibiting commerce, forced confinement to houses/locations and/or other items.

### General Controls:

1. Castellini worked with the local board of health and infectious disease center to establish baseline instructions for all employees at all facilities regardless of location or function. **See exhibit A** for a copy of our instructions which are posted throughout all of our facilities.
2. We are taking precautionary measures to protect our employees and our operation. We are limiting face-to-face meetings with vendors and customers to business essential meetings only. All visitors will be asked to confirm if they have been to any places that are considered outbreak cluster zones, have been in physical contact with individuals who have traveled to these locations within the past 14 days, or if they are experiencing any symptoms associated with the coronavirus/COVID-19. If they have traveled to any of these locations or are experiencing symptoms, they will not be permitted to enter for the facility
3. To further protect our employees and our product, access to our facilities will be granted to employees only, until further notice. Business essential exceptions will be evaluated on a case-by-case basis.

4. We have adopted or are reinforcing the following procedures:
  - a. We are performing and augmenting our process for routine environmental cleaning:
    - i. Routinely clean all frequently touched surfaces in the workplace, such as workstations, countertops, doorknobs, phones, etc. Use the cleaning agents that are usually used in these areas and follow the directions on the label.
    - ii. Provide disposable wipes so that commonly used surfaces (for example, doorknobs, keyboards, remote controls, desks) can be wiped down by employees before each use.
  - b. We are actively encouraging sick employees to stay home.
  - c. We are ensuring that sick leave policies are temporarily flexible and consistent with public health guidance and that employees are aware of these policies. **See exhibit B**
  - d. We are reinforcing with our temporary or contract agencies the importance of sick employees staying home and encourage them to develop non-punitive leave policies.
  - e. We are separating/dispatching sick employees.
  - f. We are providing tissues and no-touch disposal receptacles for use by employees.
  - g. We are providing soap and water and alcohol-based hand rubs in the workplace. We ensure that adequate supplies are maintained. We are placing hand rubs in multiple locations or in conference rooms to encourage hand hygiene.
  - h. We have met with staff to reinforce awareness and daily sanitary practices.
5. We are banning business travel until further notice.
6. We are implementing flexible leave policies to accommodate employees who need to stay home due to school and/or childcare dismissals. We are considering a bring-your-child-to-work policy for those employees who are in business functions that cannot be accommodated by our telework arrangement (i.e. warehouse and production employees, drivers, etc.)
7. We are implementing extended telework arrangements and are splitting work functions into teams with one team working from home. This will allow us to exchange teams in case of contamination.

**Castellini Group of Companies Specific Controls:**

1. Closure of an entire facility or repack/packaging facility
  - a. In the event of a facility closure, our most practical opportunity is to transition operations to any of our sister facilities, all within an approximately 40-mile radius. The Crosset and Castellini facilities have like-kind operations of produce distribution and repacking. They can receive product, QC inspect, store, rotate, resize, label, load and deliver product. Drivers and shippers can access the facilities easily.
2. Labor Shortage
  - a. In the event of a labor shortage, we would deploy the following contingency plans:
    - i. Immediately, we would transfer several employees from one facility to another to meet as many customer' needs as possible.
    - ii. Engage our many temporary agencies in ramping up staff. We have a stable of temp employees so our agencies will react quickly. Our temporary labor agencies are well acquainted with our typical hygiene and food safety procedures and we have provided our agencies with our augmented hygiene and food safety policies.

- iii. Should our driver pool be impacted we have many options to expand available transportation providers. We currently outsource up to 25% of our outbound deliveries to 3<sup>rd</sup> parties. We use many different providers and RWI Logistics, one of our Castellini Group companies, is a full-service truck brokerage company that specializes in refrigerated transportation.
- 3. Exposure of warehouse product to the virus
  - a. Product stored and distributed through our warehouse operations is handled with utmost attention to the adherence to current food and perishable industry requirements and will not present any risk of contamination. In the rare event of contamination, contaminated product will be disposed as required by industry regulations
- 4. Exposure of product in processing and other value-add locations
  - a. Product exposed to or handled by infected persons will be disposed as required by industry regulations and equipment and facilities will be sanitized as recommended by the CDC and as required by industry regulations.
- 5. Raw Materials – Misc.
  - a. We do not see any significant risk from our raw material suppliers to service our processing requirements. We are contacting each supplier of materiality, assessing their business continuity plans and will qualify a secondary supplier if the risk necessitates.
  - b. The geographic diversity of sourcing noted above certainly applies to mitigate our produce raw product risks.
- 6. US/CN Border Closure
  - a. No foreseen risks at this time. We do not source anything of significance from Canada.
- 7. US/MX Border Closure
  - a. In the event of a US/MX Border closure, our most practical opportunity to mitigate impact is through our regional sourcing strategy. We do have options in various locations throughout the country and have existing relationships through all of those geographies. We are also increasing our sourcing options in the Southeast which will provide more options to offset volume typically sourced in Mexico.

And finally, we want to thank all of our customers and vendors for your understanding and your cooperation. These are difficult times for all of us and we are all working together to mitigate the impact of the coronavirus pandemic. Regulatory restrictions, personnel shortages and radically changing buying patterns in the industry will have a significant impact on the way we can conduct business.

Service levels, delivery schedules and order cut-off dates, will be impacted at some point and we can only assure you that we will do everything in our power to minimize the disruption and keep you posted along the way.

Thank you for your continued support and stay safe.

Sincerely,

Brian Kocher  
President & CEO  
Castellini Group of Companies