Sustainability 2016
GROWING GREENER AND INVESTING IN OUR FUTURE

weis
Dear Stakeholders:

This year has been an exciting time of historic growth for Weis Markets. While we've had a successful history spanning more than a century, in 2016 we took advantage of an opportunity to grow our customer base and footprint while also making a greater impact on our mission to be a sustainable business leader and a great neighbor to the communities we serve.

Much of our growth stems from the acquisition of 44 new stores in the Northeast and Mid-Atlantic regions. This greatly doubles our Maryland store count, and expands our footprint into Virginia and Delaware. Our goal with these acquisitions is to build on our advantages as a locally focused retailer offering a strong combination of quality, value, and service. As part of this commitment, we will also expand our sustainability programs into all stores throughout the footprint.

While our business has substantially grown this year, we remain focused on our existing sustainability goals. We continue to advocate our carbon footprint reduction goal of 20 percent by 2020. In 2016 we hit a 21.8 percent reduction in greenhouse gas emissions. We also received our first official LEED® certification from the U.S. Green Building Council for our Fogelsville, Pa. store. Other emissions figures, including refrigerant loss and energy usage, were also reduced. While our growth resulted in our transportation fleet driving millions of miles, we have expanded the number of fuel-efficient vehicles to hit the goals set in 2015. We’ve also made marked increases in our recycling efforts that includes our corporate recycling programs and the plastic bag recycling we offer our customers. We continue to reduce our food waste landfill disposal with a composting program that provides our customers with our own Weis Choice compost.

We are extremely proud of the progress we’ve made over the past nine years, and we look forward to continuing to expand our sustainability efforts as the company continues to grow. On behalf of the Weis family and all of our associates, thank you for your continued support and interest in our sustainability efforts.

Respectfully,

Jonathan H. Weis
President & Chief Executive Officer
Harry and Sigmund Weis founded Weis Markets in 1912, when they opened a small neighborhood store known as Weis Pure Foods on Market Street in Sunbury, Pennsylvania. Today, our company ranks among the top 50 food and drug retailers in the United States in generated revenues and is overseen by Harry’s grandson, Jonathan, who serves as our Chairman, President and Chief Executive Officer.

We operate more than 200 stores in Pennsylvania, Maryland, New York, New Jersey, Delaware, Virginia and West Virginia, and employ more than 25,000 associates in our stores, distribution center, store support center and manufacturing facilities. For more than 100 years, Weis Markets and its associates have worked hard to offer our customers the best combination of value, quality and service. We are committed to reducing our environmental impact and to being good neighbors in the communities we serve. Our sustainability strategy ensures that we are conducting business with the next 100 years in mind.
In 2016, Weis Markets experienced a historic year of growth, expanding our number of stores in the Northeastern United States by 25 percent. Spurred by the acquisition of 38 Food Lion stores throughout Maryland, Virginia and Delaware, five Mars Super Market locations in Baltimore County, Md., and a Nell’s Family Market in East Berlin, Pa., the company acquired and converted 44 stores in a three-month period.

The completion of these individual acquisitions expanded the company’s footprint to 204 stores in seven states. As part of our smart growth strategy, this expansion has helped bolster our presence in Maryland, and expand into Delaware and Virginia. To support these new locations, we interviewed and hired more than 2,000 team members who were previously employed at the acquired locations.

This growth also provides us a tremendous opportunity to establish ourselves in the new communities we serve, to expand our efforts to reduce our carbon footprint, and to bring our many sustainability practices into new markets. This benefits our environment, customers, communities, associates and shareholders.

Growing Smart


REDUCING OUR CARBON FOOTPRINT

A carbon footprint is the standard measurement of a company’s environmental impact, based on a total set of greenhouse gas (GHG) emissions which trap heat and make our planet warmer, according to the United States Environmental Protection Agency (EPA). Primary sources of GHG emissions include electricity, transportation, refrigeration, industry and agriculture.

At Weis Markets, we take our carbon footprint very seriously. Using the World Resources Institute Protocol for comprehensive emissions reporting, we have published an annual corporate carbon footprint since 2008. This document offers a review of our operations to determine if we are on the right track to meet our goals in reducing greenhouse gases. It also provides pointers on influencing the factors for preventing greenhouse gas emissions.

To determine the progress we’re making toward reducing our GHG emissions, Weis Markets calculates the volume the emissions are reduced by in three scopes:

- **Scope 1** records direct CO2 emissions, which come from emission sources at Weis Markets sites, including production plants, store operations, combustion vehicles and refrigeration systems.
- **Scope 2** records indirect CO2 emissions, which are produced by operations when we purchase electricity to operate in stores, manufacturing facilities and our distribution center.
- **Scope 3** records all other CO2 emissions produced through our recycling program. While we recycle more than 20 commodities, the top five are evaluated for inclusion in our carbon footprint calculation.

Our carbon footprint has been affected by the stores we acquired in 2016, as they were incorporated into the Weis portfolio late in the year, but still had impact on the overall carbon strategy and reduction efforts. As a result, our GHG graph details the carbon footprint reduction for 2016 for two scenarios: one with the store acquisitions, and one without them. The report indicates a 25.4 percent decrease in the carbon footprint stores not included in the acquisitions since 2008; the carbon reduction for all stores in 2016, including the acquisitions, is 21.8 percent since 2008.

In 2017, we look forward to the opportunity to implement our significant sustainability projects into our new stores, which will help to reduce our carbon footprint.
Weis Markets’ sustainability program often begins with the design and remodeling of our stores. Constant research to analyze and implement holistic, state-of-the-art technologies is a hallmark of our sustainability program.

In 2016, our dedication to green design was rewarded when we officially received LEED® certification from the U.S. Green Building Council for our Fogelsville, Pa. store, the first Weis Markets to ever receive LEED® certification. The 65,800 square-foot store incorporates various design features that enabled the building to receive LEED® Silver certification, including the installation of a wide range of green technologies—such as upgraded lighting, ozone-friendly refrigeration systems, efficient HVAC systems, recycling and water conservation efforts, and even the building materials used in construction.

One key sustainability design highlight of the store is the use of skylights to provide natural light and reduce electric lighting needs. This design feature, known as daylight harvesting, allows the store to be naturally lit during daylight hours. Supplementary LED lighting is set on sensors, which automatically turn on when natural light is insufficient, such as during overcast periods or evening hours. This daylight harvesting practice has proven very successful, saving an average of 50 percent in lighting costs. The store also features energy-efficient fluorescent lighting with light-dimming controls, and uses native and well-adapted plants and trees to completely eliminate the need for irrigation.

These design features have served as the gold standard for all future store remodels and new buildings.
At Weis Markets, our leak rate for refrigerant emissions is 7.3 percent, which is an improvement over our 2015 rate of 9.3 percent, and significantly under the national average of 25 percent. This positive rate reflects our investment in energy-efficient case doors for our existing open-air dairy, cold meat and bagged salad refrigerated cases.

These case doors help maintain a stable temperature inside the case, reducing the refrigeration load and decreasing energy consumption. At the same time, the cases increase product integrity and allow for warmer aisles to enhance customer comfort. Our in-house refrigeration experts maintain the systems to ensure they are operating at the highest possible performance levels.

Our work toward improving refrigerant emissions has earned us several awards, including certification for eight of our stores from the EPA’s GreenChill program, which monitors refrigerant usage to reduce the overall environmental impact it causes. Additional awards include:

- **2013-2017 Store Re-Certification Excellence (Windsor Mill, Md.)** — Recognition to each supermarket that renewed its GreenChill Store Certification for five consecutive years.

**ENERGY**

Improving Weis Markets’ store design and operations to increase energy efficiency is key to reducing costs and also minimizing our impact on the environment. We have found the best way to see measurable results on energy efficiency is through energy management technology.

Through the use of energy intelligence software, the Weis energy management team monitors real-time electrical data in our stores and facilities in five-minute intervals on our main meters and our equipment-specific sub-meters. This information allows us to take a proactive approach to managing our energy consumption by identifying and implementing key low-cost and no-cost energy solutions.

These solutions can span throughout the store. Focusing on our refrigeration and heating and cooling systems, we have made great strides toward energy efficiency, including: replacing outdated energy management systems with automated technologies; fine-tuning refrigeration and HVAC systems so they operate at optimal performance levels; replacing inefficient HVAC motors with energy-efficient electronic commutated motors; and installing variable speed fan controls on existing HVAC equipment. We’ve also placed alarms on our walk-in cooler boxes that alert associates if doors are left open.

Our lighting systems are also being overhauled. We’re converting all of our stores to LED lighting, including overhead fixtures and lighting systems for external signs, exit signs, frozen food cases and walk-in cooler boxes.
Weis Markets partners with CHEP, a global leader in pallet and supply chain solutions. The CHEP business model is circular and based on reusing and sharing pallets. Continuous reuse is more sustainable than recycling and minimizes resources and reduces waste. CHEP harvests their timber from certified sustainable sources.

Weis also partnered with CHEP to improve our transportation efficiencies. Through our collaboration efforts we reduced our empty miles and cut down our carbon emissions by approximately 250 tons of CO2e. This is the equivalent to:

- Keeping 168 tons of solid waste out of the landfill
- Taking more than $57,000 passenger cars off the road for a year
- Growing 10,575 trees for 10 years.

In 2016, Weis shared 577,000 pallets through their distribution network, which reduced carbon emissions by approximately 123 tons of CO2e when compared to the use of traditional pallets. This is the equivalent to:

- Taking more than 257,000 passenger cars off the road for 10 years
- Growing 17,414 trees for 10 years.
Our expansion into new territories has provided us a tremendous opportunity to expand our efforts to reduce waste and conserve natural resources, which is one of the core pillars of our overall sustainability program. The protection of our environment is a responsibility that falls on everyone, and we provide our associates and customers with products and processes that help them support our efforts to reduce waste.

From recycling opportunities to selling our closed-loop products, we are working with our associates, customers and communities to reduce our environmental footprint. This year, we were recognized by the National Recycling Coalition with the “Business Leadership in Recycling Award” for our efforts.
REDUCING FOOD LOSS AND WASTE

The EPA estimates that more food reaches landfills and incinerators than any other material in the trash; it makes up roughly 21 percent of the waste stream in the United States. Additionally, food that went uneaten at the retail and consumer level represents 31 percent of the available food supply. At Weis Markets, we see reducing food waste as one of our core responsibilities as a grocer, particularly as we grow our reach into new communities.

To do our part in reducing food waste, we work with Feeding America to provide our leftover merchandise from all Weis Markets stores to local food banks. In 2016, we provided the equivalent of 1.8 million meals to local communities, both lessening our environmental impact and helping those in need. This year, we developed new relationships with local food banks in Delaware and Virginia.

In 2016 Weis Markets was selected as one of five grocers for the inaugural class of the U.S. Food Loss and Waste 2030 Champions, established by the United States Department of Agriculture (USDA) and the EPA. As part of this group, we have committed to concrete steps that should reduce food loss and waste in our operations 50 percent by 2030. We were chosen for this group for showing leadership in the effort to reduce, recover and recycle food loss and waste, and we will regularly measure and report on the progress toward our goal. We look forward to this challenge, and are honored to be part of this inaugural group.

CORPORATE RECYCLING PROGRAMS

Weis Markets recycled more than 36,858 tons of material in 2016—a 7.8 percent increase over 2015. We recycle more than 20 commodities from our waste stream, including more than 25,850 tons of cardboard, 600 tons of mixed paper and 786 tons of plastic bags. All recyclables from our Weis Market stores, our corporate headquarters and manufacturing facilities are managed at our Recycling Center.

CLOSED-LOOP RECYCLING

Through closed-loop recycling, post-consumer waste is used to create new products. This provides a number of benefits, including reducing landfills, saving natural resources and increasing energy efficiency. Since 2009, our closed-loop recycling program has diverted food and organic waste and plastic and waxed cardboard from landfills to create new, quality products for customers.

WEIS ORGANICS COMPOST

A hallmark of Weis Markets’ closed-loop recycling program is Weis Organics Compost. Through this initiative, in-store waste and food scraps are collected from Weis locations and are sent to American Biosolids Compost in Skippack, Pa., where the waste is converted to compost that is sold throughout the Weis Markets chain for use on trees, shrubs, flower and vegetable gardens and lawns. Weis Choice Compost is certified by the US Composting Council (USCC), and is enrolled in the USCC’s Seal of Testing Assurance Program, which requires testing for quality assurance. In 2016 alone, we composted nearly 4,000 tons of food waste.

ENVIRO-LOG® FIRELOGS

Through our closed-loop recycling partnership with Enviro-Log®, we recycled 483 tons of waxed cardboard in 2016 that then became available to our customers as Enviro-Log® firelogs. The firelogs are made of 100 percent recycled materials that burn cleaner and more efficiently, while generating 50 percent more heat than firewood.

1,755,845 MEALS
WATER BOTTLES

Weis Markets was on the forefront of sustainability when it became the first grocer in the country to use recycled plastic for our private water brand, Weis Quality Spring Water. The bottles are manufactured with recycled resin that is derived from baled post-consumer plastic purchased from municipal recycling plants.

Since 2015, we’ve turned our water bottles pink to increase breast cancer awareness, selling more than 1.8 million water bottles to date. Each October—Breast Cancer Awareness Month—proceeds from the purchase of each bottle and from our limited edition, specially-marked containers of Weis Quality ice cream go to the Pennsylvania Breast Cancer Coalition; we donated $20,000 to the organization in 2016.

REUSABLE BAGS

Weis Markets customers are encouraged to reduce the amount of plastic and paper bags they use by choosing reusable grocery bags. In 2016, we sold more than 150,000 reusable shopping bags made from 50 percent recycled plastic, saving thousands of paper and plastic bags from landfills.

PLASTIC BAG RECYCLING

Each Weis Markets location offers to recycle customers’ plastic bags, which then are turned into various new items including lumber, decking for patios, playground equipment and park benches. As part of our Plastic Bag Recycling Program, Weis donates benches made from recycled bags to the communities we serve. We recycled 978 tons of plastic bags and film from our stores in 2016, marking a 6.8 percent increase over 2015.

RIGID AND PHARMACY PLASTICS

Last year our plastics recycling program was expanded to include plastic buckets, like those used in our floral and deli departments, and we also recycle prescription stock and vial bottles from our in-store pharmacies. In 2016, we recycled more than 170 tons of rigid plastics.
While Weis Markets is growing our footprint, our commitment to local has never been stronger. We are continually working to grow relationships with farmers and food processors in communities and states where we operate—including our new states of Delaware and Virginia. Our commitment to local doesn’t just help farmers; it also allows our customers to purchase fresh and sustainable food that arrives from farm to store within 24 hours.
BUYING LOCAL BEFORE LOCAL WAS COOL

Each year, Weis Markets purchases more than 25 million pounds of local produce from more than 150 farms in Pennsylvania, Maryland, New Jersey and New York. This produce includes locally-grown sweet corn, green beans, peaches, nectarines, apples, lettuce, mushrooms, watermelons, cabbage, blueberries, cucumbers, cantaloupes, tomatoes, potatoes, squash, pumpkins and more. These partnerships also help us expand our organic offerings in our stores. We also take advantage of our Pennsylvania roots through our commitment to local—more than 95 percent of our milk comes from dairy farmers in the Commonwealth.

One of our biggest points of pride at Weis Markets is the continuity of the relationships we’ve developed with our local farmers. We’ve worked with many farms for several generations—our relationship with Masser’s Farm has lasted for 95 years!

PA PREFERRED®

Weis Markets supports local farmers and Pennsylvania food processors by carrying PA Preferred® products. Through this agriculture marketing program within the Commonwealth’s Department of Agriculture, Weis customers are guaranteed fresher, better tasting products that were grown or made in Pennsylvania.

FARMER HALL OF FAME

50+ Years

COUNTRY FRESH MUSHROOMS
Ed Leo
Toughkenamon, PA
75 years
HOOVER’S PRODUCE
Titus Hoover
Port Trevorton, PA
55 years
APPLE FRUIT FARM
Mark Apple
Richfield, PA
50 years
DRIES ORCHARD
Ken Dries
Sunbury, PA
50 years

MASSEY’S FARM
Helen Masser
Paxinos, PA
95 years
JOHN E. ROGERS FARMS
Dave Rogers
Great Meadows, NJ
75 years
HUNTSINGER FARMS
Alan & Ruth Terwilliger
Hegins, PA
65 years
OAK GROVE FARMS
Paul Lebo
Mechanicsburg, PA
60 years

COPENHAVER FARMS
Ron Copenhaver
Lebanon, PA
30 years
PROCACCI BROTHERS
Joe Procacci
Philadelphia, PA
20 years

20+ Years

TEBBS FARMS
John Tebbs
Williamsport, PA
45 Years
PARDOE PEANUTS
Carl Pardoe
Montandon, PA
40 Years
TRIPLE G ONION
Guy Smith
Elba, NY
30 years

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As Weis Markets expands its reach in communities in the region, it also expands the positive impact it can make for local non-profits and organizations. In 2016, Weis donated nearly $2 million to local non-profits.

DIRECT AND IN-KIND DONATIONS

Weis Markets and its associates make direct and in-kind donations to charities and organizations, including the United Way, local food banks, breast cancer awareness organizations, pet shelters and schools, among other local groups. We believe that giving back to the communities we serve strengthens our commitment to providing top-notch shopping experiences in all of our markets.

Weis Markets sponsors many events and organizations throughout our market area including the Baltimore Orioles, colleges and universities, minor league sports teams, little leagues and other youth sports organizations, community festivals and fairs. Our store teams also support organizations such as the American Heart Association, the Muscular Dystrophy Association, St. Jude Children’s Hospital and local veterans groups.
PAWS FOR PETS
Supporting local animal shelters and animal rescue organizations has been a philanthropic initiative for Weis Markets since 2009 with the launch of Paws for Pets. The program encourages shoppers to donate items or to make monetary donations for the shelters. In 2018, the campaign raised more than $212,000 for 115 local animal shelters and pet rescue organizations—a 72 percent increase compared to funds raised in 2015.

FIGHT HUNGER PROGRAM
In 2016, Weis Markets celebrated the ninth annual Fight Hunger campaign. The month-long campaign provides food and monetary donations to more than 100 local food banks and emergency food providers across five states in Weis Markets’ store service area. The 2016 campaign raised $290,000 for hunger relief organizations, with $125,000 raised for the Central Pennsylvania Food Bank through a new partnership with Penn State Athletics. As part of the partnership, the Fight Hunger program was promoted during 2016 Penn State home football games.

LIFESTYLE INITIATIVES
Since 2003, Weis Markets has employed dietitians to provide ample resources to customers to help them lead a healthy lifestyle. The current team consists of five registered dietitians that are readily available to answer customers’ food, nutrition and wellness questions.

WEIS NUTRI-FACTS
In 2016, Weis launched its new shelf tag program, Nutri-Facts™, which offers brightly-colored icons on shelves to help customers identify foods that meet their unique health and lifestyle needs.

Informed by guidelines from the U.S. Food and Drug Administration (FDA) and the USDA, Weis dietitians developed 13 Nutri-Fact icons that illustrate in-demand dietary health food identifiers. These include: organic, vegan, gluten free, whole grain, carb conscious, heart healthy, no sugar added and more.

By providing the tools and resources on healthy eating and simplifying the process of finding nutritional food in Weis stores, we are ensuring that customers can determine which nutrition and lifestyle profiles fit the needs of their families.

EXPANDED DIETITIAN SERVICES
The in-store dietitian team at Weis Markets reached more than 7,500 customers through 175 in-store and community events in 2016. These events and programs aim to make it easy for Weis customers to make healthy lifestyle choices.

Highlights include Cart Smart Tours, which allow customers to walk the aisles with a Weis Dietitian and learn how to make nutritious food choices, as well as seminars, cooking demonstrations and health fairs.
The Fresh for You Program, also launched this year, highlights a new healthy product each month. Fresh for You items are hand-selected by the dietitian team based on nutritional profiles and are flagged with a sign that provides helpful usage information.

Lastly, 2016 ushered in a revamped Superfoods program, helping customers to identify Superfoods—nutrient-rich foods that naturally contain significant amounts of vitamins, minerals and antioxidants—and also learn how to incorporate them into meals and snacks.

**WEIS MARKETS MYSTERY TOURS: JUNIOR CUSTOMERS IN TRAINING**

We continue to expand our Mystery Tours, a free, interactive field trip program offered to elementary school students. In 2016, more than 2,800 second, third and fourth grade students completed a Mystery Tour. The free program teaches students how to make sensible food choices while encouraging daily physical activity. Mystery Tours content and activities were developed by the Weis Dietitians and support the USDA’s Dietary Guidelines for Americans and reinforce Department of Education health and wellness curricula. In 2016 the program expanded, and recently-acquired stores will be added at the beginning of the 2017-2018 school year, with a goal of three tours per store per year. More than 15,000 students have participated in the program since it launched in 2010.

**PHARMACY AND HEALTH SERVICES**

Weis Markets is committed to the health and wellness of the communities we serve, and we work hard to provide our customers with the most convenient experiences at each of our pharmacies. To do this, we offer a wide range of medications, immunizations and in-store consultations with more than 300 pharmacists. These programs include flu shots, adult immunization programs, urgent care clinics and prescription drug plans.

**DRUG TAKE-BACK PROGRAM**

In 2016, Weis Markets partnered with Geisinger Health to provide customers with a safe and easy way to dispose of unused or expired prescription medication. Without proper disposal, these medications can end up in the wrong hands or in landfills. Customers can visit eight Weis Market locations throughout central and northeast Pennsylvania to drop off prescriptions at blue medication disposal boxes found near the pharmacy section of the store. This program will expand to a dozen additional stores in 2017.

**FREE CHILDREN’S VITAMINS**

One way we help the children in our communities is offering free multivitamins with fluoride to all children up to seven years old. In 2016, more than 5,300 prescriptions for free vitamins were dispensed through this Weis Pharmacy program.

**ASSOCIATE BENEFITS**

As the friendly faces that our customers rely on, Weis associates are the backbone of our company. We strive to offer our associates a healthy lifestyle balance to help them feel their best when they are at work and at home.

Through the BALANCE Wellness programs, our associates are incentivized to participate in annual health screenings, assessments and coaching programs that help them stay active and become healthier. Since its inception in 2011, this program has helped Weis associates take healthier steps like quitting smoking, losing weight and reducing risk factors for obesity, heart disease and diabetes.
AWARD: Received first EPA Green Chill Partnership Award and was named to the Progressive Grocer Green Grocer Hall of Fame

2008

AWARD: Outstanding Achievement – Professional Recyclers of PA

2011

Base year for tracking sustainability metrics

2008

Weis Markets hires Sustainability Leader Pattie Olenick

2010

Corporate Sustainability Goals are adopted. They are:
- Reduce energy use each year by 3%
- Educate US kids children with mystery tours
- Replace 25% of truck fleet with cleaner vehicles in 3 years
- Increase recycling rate 3% each year with zero-waste goal

2013

Weis becomes a Centre County Green Business Partner

2014

Enrolls in EPA Food Recovery Challenge

2011

Severe weather caused by polar vortex impacts business operations and energy use

2012

Meets and exceeds Carbon Footprint Reduction Goal; reduces by 20% well before the year 2020

2013

AWARD: DuPont Sustainable Packaging Award

2013

AWARD: USDA Partners in Environmental Stewardship Award

2015

Pennsylvania House of Representatives and Senate recognize Weis Markets for the company’s work in sustainability

2015

Acquired 44 additional stores, increasing operations by 25%

2016

AWARD: EPA Environmental Stewardship Award

2016

AWARD: Produce Business News – Retail Sustainability Award

2015

AWARD: Weis and Farm Aid – Waste Watcher Award

2013

Affiliations

WEIS MARKETS IS A PROUD PARTNER OF THESE PRESTIGIOUS ORGANIZATIONS: