

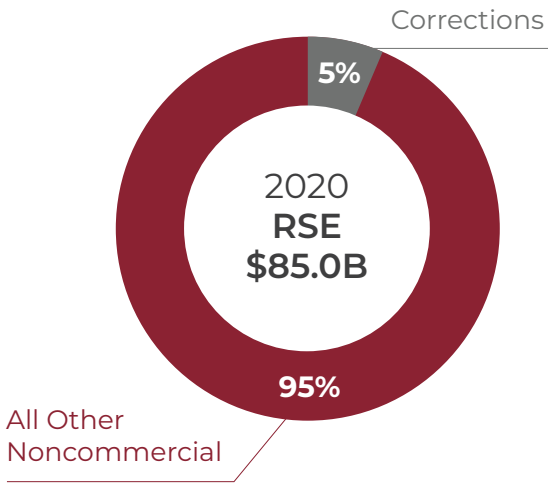
CORRECTIONS



The correction segment includes foodservice in local jails, state and federal prisons and juvenile detention/correction centers.

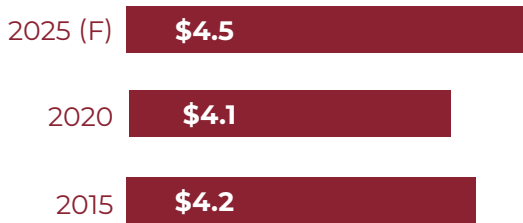
CORRECTIONS

Total Noncommercial Operator RSE



The corrections segment comprised just 5% of the total noncommercial retail sales in 2020 at about \$4.1 billion total retail sales made in 2020. Since 2014, the total retail sales for the corrections segment have stayed mostly stagnant at around \$4 billion. Going into 2025, the segment is expected to grow more with projected retail sales increasing to \$4.5 billion.

Corrections Sales (\$B)



The segment grew in 2019 but felt the impact of the pandemic in 2020, declining by 2.1%. The projected figures for the years 2021 to 2025 imply growth in this segment.

Years	CAGR (%)
2015-2020	-0.4%
2020-2025	2.1%

Corrections Segment Nominal Growth (%)



CORRECTIONS

KEY SEGMENT TRENDS

1. Correctional facilities are offering, or in some cases now required to offer, plant-based meal options. This trend could necessitate additional or more efficient refrigeration equipment for storage purposes.
2. Overall, correctional facilities are focused on inmate nutrition, as inmate healthcare costs are rising and a high number of inmates suffer from obesity and high blood pressure.
3. To manage food costs, correctional facilities are also increasingly focused on curbing food waste.

KEY DECISION MAKERS

1. **Foodservice Directors**—Foodservice directors are those who run the foodservice operations and tend to have a strong input into the types of equipment necessary for that operation.
2. **Nutritional Directors**—Nutritional directors play a secondary role as influencers since they are often developing menus and have input into preparation techniques. They often won't make the final decision but can have an impact on what is being evaluated.
3. **Facility Procurement**—Depending on the setup of the corrections foodservice operation (and whether it is self-operated or not), procurement departments may get involved in negotiations and final approval.
4. **Design Consultants**—Particularly on new projects and major renovations or remodels, corrections will defer to design consultants on brand and equipment specification.

ROLE OF EQUIPMENT WITHIN THE SEGMENT

1. Since inmates are often the foodservice employees in correctional facilities, the durability as well as the ease of use and maintenance are important factors that go into consideration when purchasing for equipment. Foodservice equipment that has self-cleaning and -filtration features can be particularly appealing for foodservice operators as they take the work out of regular maintenance.
2. In a segment that is marred by tight margins, cutting down on food waste can go a long way to reduce costs. Foodservice equipment such as pulpers, dehydrators and digesters, along with equipment for composting, can help drive down disposal costs.
3. Inmates are six times more likely to suffer from food poisoning and other foodborne illnesses than the general public. Refrigeration equipment designed with food safety in mind with features to automatically monitor, record and store food temperature data can ameliorate some of the food safety concerns in correctional facilities.
4. Inmate and officer safety is a top priority for correctional facilities. Food equipment designed with safety measures in place will be highly appealing to such facilities. Such measures can include tethers for certain equipment, tamper-proof equipment and shatter-proof glass for applicable equipment.