



# Growing Together

toward a more sustainable future

OSI GLOBAL SUSTAINABILITY REPORT  
2020-2021





Most photos included in this report are from 2018 and 2019, before we implemented enhanced personal protective equipment (PPE) in response to COVID-19.



Growing together  
toward a more  
sustainable future



# Contents



## Introduction

- 6 About The Report
- 7 Letter From The President



## Who We Are

- 9 Overview And Locations
- 10 Markets
- 12 OSI Values And Commitments
- 14 Ethics And Business Principles
- 16 Food Safety And Quality
- 15 OSI Corporate Governance And Organizational Structure



## Our Sustainability Team And Strategy

- 20 Sustainability Governance
- 21 Strategic Sustainability Process
- 24 Materiality Analysis
- 26 Priorities
- 27 2025 Targets
- 28 Progress Toward Goals
- 32 Q&A With Chief Sustainability Officer



## Our Priorities

- 35 PRIORITY GROUP 1  
Social Responsibility**
- 37 Our Global Workforce
- 39 Priority 1: Workplace
- 42 Priority 2: Community
- 44 PRIORITY GROUP 2  
Sustainable Supply Chain**
- 51 Priority 3: Animal Welfare
- 54 Priority 4: Antibiotic Stewardship
- 57 PRIORITY GROUP 3  
Environmental Stewardship**
- 60 Priority 5: Conservation
- 67 Priority 6: Climate Change

# About The Report

OSI has been operating for more than 100 years thanks to our ability to adapt to changes, grow responsibly and work with our partners to meet new challenges. We believe our embrace of sustainability — a more mindful, deliberate approach to understanding and addressing our impacts — will empower us to operate for 100 years more. However, we can't take this journey alone. That's why we've been redoubling our efforts to bring our suppliers, customers and other stakeholders along with us as we learn more about our footprint and take steps to foster and scale positive change.

In this report, you'll learn about our evolving approach to sustainability and concrete steps we've taken to care for our people and communities, curb our environmental impacts, elevate and align our animal welfare standards and disseminate best practices throughout our supply chain. We share them with you not only as markers of our progress, but also as the foundation for new and far-reaching goals.

We are honest and forthright about the challenges we face and the steps we are taking to address them. Throughout the report, you will learn about our

intentions, policies, progress and activities, which we share in the spirit of trust-building and our commitment to “working out loud.” We look forward to providing further updates in our next Global Sustainability Report, which will be released in 2022.

The data in this report was gathered from OSI facilities around the globe. We are reporting on the 2018 and 2019 calendar years; however, examples from other years are included to provide context. This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. GRI is an independent international organization providing the most widely used standards of sustainability reporting. Guidance from GRI allows us to clearly communicate our impacts and align our sustainability activities with those of other businesses in our industry. We welcome feedback on our report and sustainability activities.

For questions or comments, please reach out to [osisustainability@osigroup.com](mailto:osisustainability@osigroup.com).



OSI Sustainability 365 farm  
in Victoria, Australia.



**Dave McDonald**  
*President and Chief Operating Officer*

## LETTER FROM THE PRESIDENT

At OSI, we believe in consistency and communication. Over the last century, these tenets have enabled us to establish trust with our partners across cultures and around the world. Therefore, since we committed in 2016 to sharing more about our sustainability journey, we have spoken more publicly about our aspirations and successes, while acknowledging opportunities for improvement.

The 2019-2020 Global Sustainability Report advances that effort by using a more methodical approach to measuring our progress toward goals we passionately care about.

Many of us at OSI have a background in farming, a noble career that often roots families in a community for generations and helps frame the way we think about sustainability. I grew up on a farm that's now celebrating 100 years in my family. When you are blessed to live and work on a farm that has been passed to you by your family, it becomes your responsibility and privilege to pass it to your children in even better condition than it was in when you received it. At OSI, we think about sustainability the same way: We have been entrusted with the opportunity to operate in many countries and take seriously our responsibility to be good stewards of the earth's resources for future generations. Like the farmers with whom we partner and so deeply admire, we also aspire to be great neighbors, community members and leaders within our industry.

Part of that responsibility involves working, beyond our walls, with supply chain and industry partners to promote and advance great practices and multiply positive impacts. To that end, we're proud to have launched the OSI Sustainability 365 Farmer Recognition Program, which you'll read more about in

this report. You'll also read about our ongoing work to unify around best-in-class animal welfare indicators and reduce energy use at our facilities.

Since publishing our last Global Sustainability Report in 2018, we have engaged thoughtfully and regularly about how our performance stacks up against our goals. Sustainability is now built into the discussions we have with customers and suppliers and is part of our daily internal dialogue. We are purposefully aspirational, and sometimes we are faced with challenges that hinder progress toward our targets; but, we acknowledge gaps and work toward improvements, driven by our belief that communication and transparency enable progress.

Our goal is not to simply tick sustainability boxes or address impacts only within our operations. We want to bring our entire supply chain and industry along with us as every part of our business grows more sustainable and resilient. That requires strong relationships nurtured by honest conversation and information sharing.

For that reason, we are always proud to share the lessons we're learning and celebrate the great work our employees and supply chain partners are doing each day in pursuit of a better future. At OSI, we know that our colleagues and partners around the world take immense pride in what they do for the well-being of their animals, land and communities. We look forward to sharing their stories with you.

**Dave McDonald**  
*President and Chief Operating Officer*

“We have engaged thoughtfully and regularly about how our performance stacks up against our goals. Sustainability is now built into the discussions we have with customers and suppliers and is part of our daily internal dialogue.”





# Who We Are



## Overview And Locations

OSI is one of the world's largest privately held food manufacturers. We are the brand behind leading foodservice and retail brands. Our international network of food processing businesses helps companies around the world bring products to life.



We assist our customers with everything from product innovation to the sourcing of raw materials. Our extensive international infrastructure, which includes our own vertically integrated poultry businesses and commodity trading arm, enables us to influence the global sourcing, development, production and distribution of everything from fresh produce to culinary innovations.

We are headquartered in the United States, in the city of Aurora, Illinois, and organized into three global zones: North America, Europe, and Asia Pacific. Although the countries in our global footprint have not changed significantly since the publication of our last report, OSI's business continues to grow and evolve. While we remain committed to our traditional protein offerings, farmers and partners, we have expanded our food solutions portfolio to include sauces and plant-based proteins. Our expansion into alternative proteins is another opportunity for us to advance and improve best practices in sustainable agriculture and sustainable protein production, and to meet the demands of a changing market.



### HEADQUARTERED IN United States

#### OPERATIONS

 **111** years in business

 **57** facilities

 **18** countries

#### SELL PRODUCTS TO

 **77** countries

UNITED STATES



CANADA



EUROPE

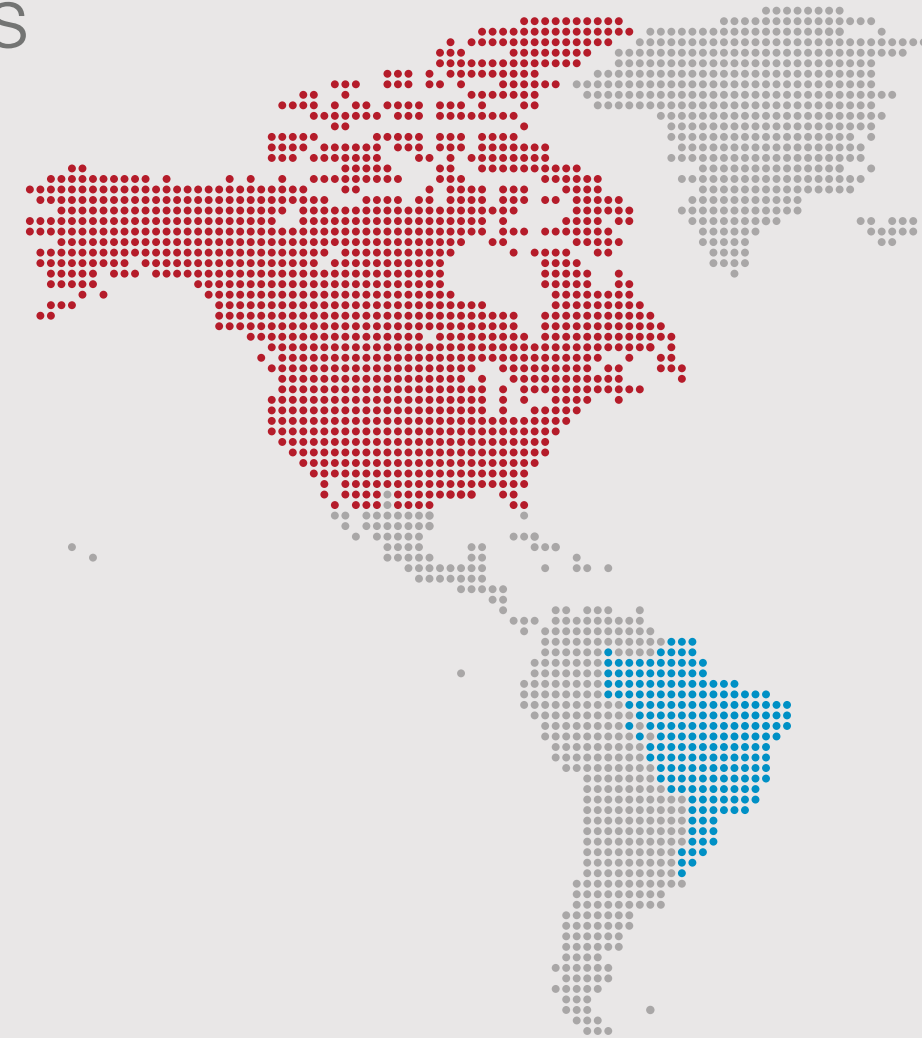


CHINA



# Global Facilities And Brands

The OSI Group now operates 57 facilities in 18 countries and territories and sells products into 77 countries around the world.



**KEY**

- Beef
- Chicken
- Pork
- Fresh Produce
- Vegetables
- Speciality
- MPO Trading Office
- FP Further Processing
- PP Primary Processing
- R&D Research and Development
- Admin Administrative

**NORTH AMERICA**

Canada 2 FP				
United States 9 FP, 2 PP, R&D, 2 Admin				

**SOUTH AMERICA**

Brazil 1 MPO	
-----------------	--

**EUROPE**

United Kingdom 5 FP, 1 PP, MPO, Admin					
Netherlands 2 FP					
Germany 5 FP, 2 PP, Admin, MPO					
Poland 1 FP, 1 PP					
Hungary 1 FP					
Ukraine 1 FP, 1 PP					
Spain 2 FP					
Austria 1 FP, 1 PP, 1 MPO					

**ASIA**

India 7 FP				
China 3 FP, 1 PP, Admin				
Thailand MPO				
Taiwan 3 FP				
Philippines 1 FP				
Japan 1 FP				

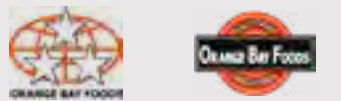
**AUSTRALIA**

Australia 2 FP, 2 PP		
-------------------------	--	--

PHILIPPINES



JAPAN



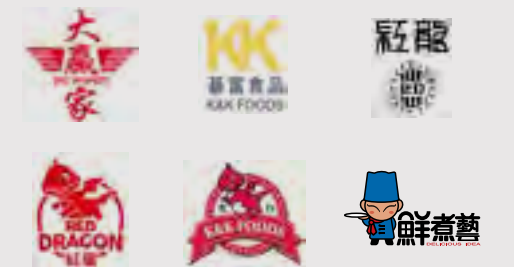
AUSTRALIA



INDIA



TAIWAN



# OSI Values And Commitments



## OUR VISION

OSI aims to be the **premier global food provider** to leading branded companies.



## OUR MISSION

To be an **indispensable supplier and partner**, putting the customer at the center of everything that we do.






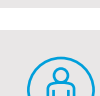



## OUR VALUES

**Our core values help drive the way OSI approaches our operations.**

They also evolve as circumstances change and we grow to meet new challenges. Since our last Global Sustainability Report was published, we have introduced two new core values (“Put People First” and “Steward Our Resources For Future Generations”).



 <h3>Act With Integrity</h3>	<p>We pursue honest interactions. Our work is straightforward, reliable and consistent throughout all global operations.</p>
 <h3>Put People First</h3>	<p>We know that our work is fundamentally about people – whether they are those who grow, make or eat our products. We will work tirelessly to protect, support and nourish them sustainably.</p>
 <h3>Steward Our Resources For Future Generations</h3>	<p>We are conscious of the impact of our business activity on our world. We do not take the trust or contributions given to us lightly and strive to maintain a positive relationship with the people, communities and environments we affect.</p>
 <h3>Seek Partnering Relationships</h3>	<p>We will find the best solutions to difficult challenges in partnership with our employees, customers, suppliers, farmers and communities. Our partners’ success is our success.</p>
 <h3>Strive To Continuously Improve</h3>	<p>We believe that any problem can be solved, and better operations and supply chains are always possible.</p>
 <h3>Explore Innovative Solutions</h3>	<p>We go beyond what is easy or obvious because we desire excellence.</p>
 <h3>Work Together As A Team</h3>	<p>We value each other because we’re better together. The strength of our collective power is found in safe, diverse workplaces where our employees can thrive, develop and grow.</p>





# Ethics And Business Principles

As an extension of our values, OSI is committed to operating our business with integrity and believes that ethical conduct is the foundation of our business success. The OSI Global Business Standards sets forth guidelines for our employee code of conduct, and imparts to our employees the laws relevant to OSI's business operations. The Standards also communicate OSI's expectations and policies on important topics such as: diversity, no harassment, fair treatment, workplace safety, fair competition, anti-corruption, privacy, insider trading, accurate records, conflicts of interest, international business, and human rights. The Global Business Standards requires acknowledgement by our employees annually and is readily available through our corporate intranet website. Each location also has local policies that provide operational direction to supplement the Standards. Additionally, we provide various trainings to help reinforce our employees' understanding of these business standards. The trainings emphasize

the importance of safety, quality, fairness, respect and trust in all that we do and task each individual with promoting and practicing the highest standards of ethical conduct in their business functions.

Both our CEO and President have approved and endorsed the Global Business Standards. Our Senior Vice President & General Counsel serves as our Chief Compliance Officer. Our legal department is responsible for maintaining and updating the Global Business Standards. We also have regional business standards officers as well as a team of human resources and legal professionals who serve as resources to employees seeking further guidance.

We maintain high levels of accountability throughout the OSI organization. We encourage our employees to raise their concerns and questions through our open-door policy and other reporting mechanisms, including our MAKE IT RIGHT global hotline.

# OSI Corporate Governance And Organizational Structure

OSI is governed by a Board of Managers, who consider sustainability in their management of company strategy, risk, and investments.

The Board is chaired by Sheldon Lavin and meets quarterly. OSI's Global Leadership Team is responsible for ensuring we are sustaining our values throughout OSI operations.

As our markets in the Asia Pacific zone have continued to mature and grow, we have expanded the roles of two members of our leadership team, Brent Afman and Mark Richardson, to ensure our ongoing success and strong market competitiveness in the region. Their new titles can be found under their pictures on the following page.



**Sheldon Lavin**

*Chairman & Chief Executive Officer*



**Dave McDonald**

*President & Chief Operating Officer*



**Kevin Scott**

*Senior Executive Vice President, North America*



**Sherry DeMeulenaere**

*Executive Vice President, Chief Financial Officer, Treasurer & Assistant Secretary*



**Brent Afman**

*Senior Vice President & Managing Director Asia Pacific - China, Taiwan, Philippines & Japan*



**Kevin Cahill**

*Managing Director, Europe*



**Donna Coaxum**

*Senior Vice President, General Counsel & Secretary*



**Nicole Johnson-Hoffman**

*Senior Vice President & Chief Sustainability Officer*



**Dr. Kenneth Petersen**

*Senior Vice President, Quality Assurance, Food Safety & Regulatory Affairs*



**Mark Richardson**

*Senior Vice President, Global Supply Chain & Managing Director Asia Pacific - Australia & India*



# Food Safety And Quality

The safety, quality and consistency of the food we provide to customers around the world is non-negotiable. We address food safety in the “OSI Values And Commitments” section to reflect the fundamental role it plays in our global operations. It is the foundation of the trust we build with partners, including some of the largest food brands in the world, who rely on our diligence to uphold their good name. The safety and quality of our products — from the raw materials we purchase, to the final products we deliver to consumers — are core to our identity and central to our operations, across the globe.



## MANAGEMENT

OSI's Global Food Safety and Quality Council drives our holistic approach to these priorities by ensuring alignment of our goals and expectations. OSI's Senior Vice President of Quality Assurance, Food Safety and Regulatory Affairs leads the Council, which communicates monthly with OSI President and COO, Dave McDonald, as well as managing directors in all OSI zones.

The Council's governance role includes:

- **Establishing and updating Global Food Safety Policies**, ensuring the policies are communicated, that workers are trained to adhere to them and that audits and checks are in place to monitor their execution. These policies often exceed customer and regulatory requirements and have made our facilities, in many areas of the world, stand out as beacons of excellence. All OSI facilities actively maintain Global Food Safety Initiative Certification or other globally recognized certifications for their food safety and quality systems.
- **Setting expectations for raw materials** by requiring suppliers to approach food safety according to Hazard Analysis and Critical Control Points (HACCP) standards, an internationally recognized preventative management approach to food safety.
- **Ensuring compliance with all policies via**
  - **Audits:** The Council's auditing arm conducts regular internal and customer food safety audits across the company to ensure ongoing compliance to OSI's global policies and practices.
  - **Key Performance Indicator monitoring:** Since 2018, every OSI plant around the world has reported the same food safety metrics into a global database each month that management uses to benchmark facilities. These Key Performance Indicators (KPIs) track strategic global metrics, such as audit findings, with the goals of preventing issues from arising and identifying areas for potential improvement. The results of these KPIs are discussed routinely with OSI leadership and help us identify areas of excellence and guide improvements.

## LEADING THE INDUSTRY

# Standardizing Our Approach To Sanitation

Our vision at OSI is for manufacturing processes to be so aligned at our plants that a worker from India could seamlessly fill in for a colleague at a plant in the U.K. We want everyone to adhere to the same high standards, particularly around food safety, which is why the Global Food Safety Council launched a number of new policies in the last two years aimed at standardizing our approach to sanitation.

In 2018, the Council implemented new policies that aligned the way in which OSI facilities prevented, tested for and responded to *Listeria monocytogenes*, an infection-causing bacterium that must be carefully managed in cooked and ready-to-eat foods and the production environment. OSI Food Safety teams in Europe organized a complimentary supplier workshop on *Listeria* and are currently working on plans for a second round of trainings. The Council has also rolled out a new three-part “back-to-basics” sanitation strategy.

As the Council plans for the future, it is developing a more forward-looking policy that will guide equipment purchases, with an emphasis on machinery design, and the ease with which machines can be cleaned, to reduce foreign object and sanitation risks.



We also adopted a more robust software platform to analyze data from our global facilities and will be implementing a similar analytics platform to manage data at the plant level.

Beyond its governance and oversight role, the Global Food Safety Council also keeps track of emerging risks, trends, technology and best practices that then inform our food safety strategies.

**ONGOING SENSORY EVALUATION**

Beyond safety, OSI focuses every day on the quality, taste, consistency, appearance and performance of the products we make. We evaluate every product, every shift, and we hold weekly sensory evaluation sessions with plant management.

**FOSTERING FOOD SAFETY CULTURE**

We understand that every member of the OSI family, from the factory floor to management, plays a critical role in producing the highest-quality products for our customers. We've made a focused, sustained effort to reinforce a culture of food safety to each and every person involved in OSI's food production and distribution around the world.

We've done this through:

- Events: Since 2018, "Food Safety Week" is celebrated annually at all management offices and manufacturing sites. Each Food Safety Week is marked by activities, events and strategic communication around a particular theme. In 2019, for example, workers competed in contests, listened to speakers and

watched demonstrations related to the management of allergens, foreign materials and microorganisms.

- Our mandatory and rigorous training program: New team members are required to take documented Good Manufacturing Practices (GMP) training as part of their orientation and at least annually thereafter.
- Targeted action plans: In an effort to take stock of opportunities for improvement, OSI conducted an extensive, company-wide Food Safety Culture Survey in 2018 and 2019. Managers at each site have since been using the results to develop action plans around areas of opportunity, while reinforcing their food safety culture successes. OSI will resurvey our facilities in 2021 to measure our food safety culture improvement.

**INDUSTRY INFLUENCE**

As a supply chain leader, OSI is also dedicated to sharing and promoting best practices beyond our company walls. We do this regularly through industry workshops and meetings. In 2019, OSI hosted a food safety workshop in Munich, Germany for all of our protein suppliers. Global food safety experts and technology vendors spoke at the event with the goal of disseminating best practices and initiating food safety conversation and progress. OSI also hosted a similar summit in 2018 and intends to continue convening our suppliers for open sharing of best practices in food safety.

OSI is constantly engaging in conversation with our suppliers about improving food safety and management practices and upgrading technology. We routinely provide our suppliers with connections to experts and practical

experience in the most advanced farming and processing facilities around the globe. While we expect a lot from our suppliers, we also work with them to help them meet the quality benchmarks we set and bring them with us on our sustainability journey. We're also proud to play a leading role in supporting food safety research, education and outreach, and are partnering with universities and technical programs to develop talent and empower future leaders.

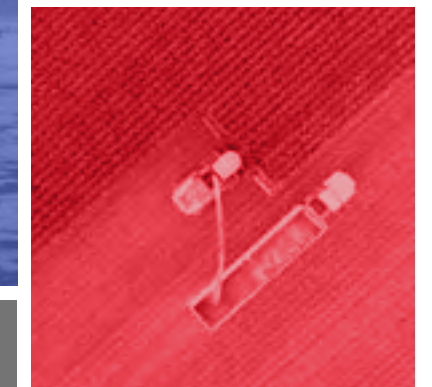


**100%**  
of sites audited  
by independent third party  
according to globally  
recognized food safety  
management system standards

**02**



Our  
Sustainability  
Team And  
Strategy





# Sustainability Governance

OSI's Chief Sustainability Officer, Nicole Johnson-Hoffman, leads the Global Sustainability Team, which consists of dedicated sustainability professionals and a network of "sustainability champions" from across OSI's regions of operation and key departments. Since publishing our last global report, we have dedicated additional resources to sustainability and restructured our thinking to ensure both global alignment and integration of our priorities throughout the business.

A team of regional sustainability managers forms the core of the Global Sustainability Team. These managers work in varying departments, but all have designated sustainability oversight within their respective regions. They track the progress of OSI's global initiatives, share best practices across the group and keep internal and external stakeholders informed about our activities. The team also monitors progress toward sustainability goals against 2015 baselines and reports progress annually to OSI

President and COO, Dave McDonald. The team shares updates with the wider company via weekly blog posts, a quarterly newsletter and other internal communications.

A separate network of subject-matter experts also plays an important role on the Sustainability Team. These experts serve as key advisors on sustainability initiatives, industry activities and the establishment of our sustainability goals. We also rely on them to act as sustainability ambassadors for their respective departments and regions, ensuring OSI's environmental, social responsibility and supply chain goals and priorities are incorporated into day-to-day business and operations. Using guidance from this global team, facilities pursue specific, detailed continuous improvement projects. Each region also develops its own action plans, integrating regional sustainability ambitions with those of the broader OSI organization.



## Our Strategic Sustainability Process

Operating a global company with OSI's experience and influence offers us a tremendous opportunity to make positive impacts in our industry, our business and the lives of people around the world.

OSI's global reach comes with the unique challenge of standardizing best practices and guidelines for our operations, while also influencing the industry as a whole. That is why OSI and our Sustainability Team have been working hard over the last few years to align our priorities and processes, so we can measurably progress toward our goals. We've made concentrated efforts to foster a network-wide sustainability culture and to use all the lessons we're learning through our diverse relationships to drive industry progress. These endeavors, described throughout this report, are the pillars of our sustainability strategy.

### GLOBAL ALIGNMENT

OSI's Global Sustainability Team establishes and refines the company's sustainability priorities and works with colleagues, across regions and departments, to advance toward those unified goals. While each OSI region has the flexibility to work toward these shared objectives in the way that makes most sense in their part of the world, the entire company has also been focused on big-picture alignment.

We have always held OSI facilities, global brands and suppliers to rigorous, industry-recognized standards in everything from food safety and quality to workplace safety and human rights. We've established ourselves in these areas by adopting best practices, equipping leaders and using data to track our performance. As we continue to expand our ambitions, we are applying the same strategies to the management of our sustainability goals.

That means we:

- **Stay up to date on best practices** and ensure that our employees and suppliers do as well.
- **Empower rising leaders** to bring their ideas to the table and implement their visions across their areas of operation.
- **Use data to track our progress**, find successes to replicate and identify areas in need of improvement. Where data is not available or aligned, we are working alongside others in the industry and our supplier base to build new systems and track new metrics.

We recently digitized our supply chain and are constantly upgrading our vendor management system, which, together, provides a range of real-time insights into where our products come from and the paths they take before entering our facilities. We've also been working hard to identify and address inconsistencies.

In some priority areas, such as Environmental Stewardship, we already have robust data tracking in place. All OSI facilities report the same environmental Key Performance Indicators (KPIs) each month into a custom data management system that the sustainability and leadership teams can then review. In other areas, such as animal welfare, we are making great strides in gathering information and establishing uniform baselines around Key Welfare Indicators (KWIs).

Throughout the report, you'll read more about how we are working to align and track the expectations we set for each sustainability priority.





Our mission is complementary, not tangential, to our business objectives, and can only be accomplished by integrating our environmental, supply chain and social responsibility goals into our daily business operations.



### SUSTAINABILITY CULTURE

We recognize that the only way to progress toward our shared goals is to ensure that everyone connected to OSI facilities and global brands — from our suppliers and factory workers to our sales and research and development teams — sees him or herself as a critical player in our sustainability journey. Our mission is complementary, not tangential, to our business objectives, and can only be accomplished by integrating our environmental, supply chain and social responsibility goals into our daily business operations. That’s why we are deliberate about establishing a company-wide, as well as network-wide, culture of sustainability.

We do this through:

- **Leadership commitments** that hold our company and partners to high international standards and define us as a business that cares about the planet, the animals in our supply chain, our people and the communities in which we work.
- **Communicating** constantly to our employees and partners — through trainings, events, campaigns and published materials — about the key roles they play each day in upholding our values and moving us toward our goals.
- **Offering local ownership to our regional businesses** and allowing them to foster a sustainability culture in a way that works best for them.
- Constant, deliberate, thoughtful **engagement with our stakeholders** — whether that’s a cattle farmer in North America, or an academic at a global sustainability roundtable.

### INDUSTRY INFLUENCE

Besides allowing us to disseminate our culture of sustainability, our engagement with stakeholders also allows us to influence the wider industry. In the last few years, we have made a more concentrated effort to take the industry lead in encouraging our suppliers, partners and even competitors toward the same ambitious sustainability goals we set for ourselves. We do this, first and foremost, within our own supply chain through high supplier expectations and support, and in some regions, supplier rankings according to sustainability criteria. We ask a lot of them, but we do not put the responsibility of meeting our rigorous expectations solely on suppliers. We support them through education, partnerships and pilot projects that allow us to journey with them to advance and spread new ideas.

Beyond our supply chains, we extend our influence through deep engagement in a variety of multi-stakeholder initiatives and industry groups. As an industry leader with an expansive global supply chain, we feel a strong sense of responsibility to take the lead on building and maintaining meaningful dialogue with everyone from academics and farmers to philanthropic organizations and government regulators. This engagement allows us to stay up to date on trends, communicate our own priorities and receive valued feedback from our industry partners. We also strive to bring our suppliers together for summits, trainings and other gatherings that enable them to further pollinate best practices. When we see any of our employees or partners doing great things, we support them and amplify their success through recognition and publicity that we hope can serve as inspiration to others. The following pages will highlight some of the outstanding people in the OSI family and network we’ve been proud to support on our shared sustainability journey.

STAKEHOLDER GROUPS	HOW WE ENGAGE	ISSUES DISCUSSED
<b>Customers</b>	Regular (regional/issue-specific) meetings, Annual assessments, Subject-specific audits, Collaboration on pilot projects, Online newsletter	Responsible sourcing, Climate change, Animal welfare, Labor practices, Antibiotics, Deforestation, Life-cycle assessment
<b>Employees</b>	Training, Intranet and newsletter, Town halls, Annual performance reviews, Volunteer events, Culture survey, Regional community outreach teams	Safety, Business ethics, Food safety, Animal welfare, Environmental management, Talent development, Community engagement
<b>Civil Society</b> <i>(e.g. NGOs and research institutions)</i>	Strategic research partnerships on pilot projects, Speaker invitation (e.g., supplier summit), Trainings, Audits	Climate change, Animal welfare, Deforestation, Antibiotics, Carbon sequestration, Plant-based protein
<b>Government and Regulators</b>	Maintaining regulatory compliance, Pilot projects	Trade, Regulatory issues, Privacy and information security, Food safety, Worker safety, Antibiotics, Animal welfare
<b>Industry Groups</b>	Leadership role, Sponsorship of annual events, Hosting farm/facility tours, Participation in monthly calls, Annual conferences and events on key issues	Food safety, Climate change, Animal welfare, Land management and deforestation, Traceability, Water, Antibiotics
<b>Suppliers</b>	Information requests and on-site audits, Meetings (regional and issue-specific), Online newsletter, Farm visits, Pilot programs	Food safety, Animal welfare, Farmer engagement, Antibiotics, Environmental management, Labor practices, Deforestation
<b>Consumers</b>	Market research, Field service team	Preferences and attitudes, Service effectiveness
<b>Philanthropic Partners</b>	Donations, Volunteering, Event participation and sponsorship	Food safety, Food security, Agricultural training, Health and nutrition, Education
<b>Local Communities</b>	Farm/plant tours, Event participation and sponsorship	Animal welfare, Sustainable supply chain, Food Safety, Worker safety



# Materiality Analysis

In 2018, we conducted a materiality analysis to identify and understand the economic, environmental and social issues most relevant to OSI. We repeated the exercise in 2020, analyzing everything from executive and stakeholder feedback to media attention, in order to reassess shifting priorities and refine our areas of focus. As we did last time, we analyzed issues based on two dimensions: those most “material” or important to OSI’s business success, and those most important to a range of outside stakeholders.

## IMPORTANCE TO BUSINESS

We define “importance to business,” the horizontal axis, as the extent to which topics are both relevant to OSI business operations and important to address according to an extensive internal evaluation. This evaluation included interviews with executives about risks and opportunities, analysis of audit results, employee surveys and an assessment of the sustainability priorities we had previously set.

## IMPORTANCE TO STAKEHOLDERS

To determine the top sustainability priorities of outside stakeholders, we identified and analyzed the top issues motivating industry influencers to engage with OSI. The influencers included key customers, suppliers, non-governmental and community organizations, industry trade groups, competitors, as well as media. Feedback from the most important stakeholder groups was given the most weight. The vertical axis represents the weighted average.

## RESULTS

The materiality analysis identified the 11 most important economic, social and environmental issues to our business: Workplace safety, energy, animal welfare, food safety, waste reduction, water stewardship, climate change, antibiotics, talent development, responsible sourcing, and protecting forests. Compared with previous results, we found notable shifts in several areas: Workplace safety has become the top business priority, growing in importance to both OSI stakeholders and internal representatives. This change is reflected in the revised sequencing of OSI priorities in this report.

The analysis also found that climate change has risen in relevance, while a range of new issues are of emerging importance: responsible sourcing, farmer livelihood, and consumer food choice, sustainable packaging, industry leadership and partnerships. These topics will appear throughout the report. We will continue to closely monitor all topics identified in our materiality assessment through ongoing dialogue with our stakeholders and will continue to adjust our strategies accordingly.

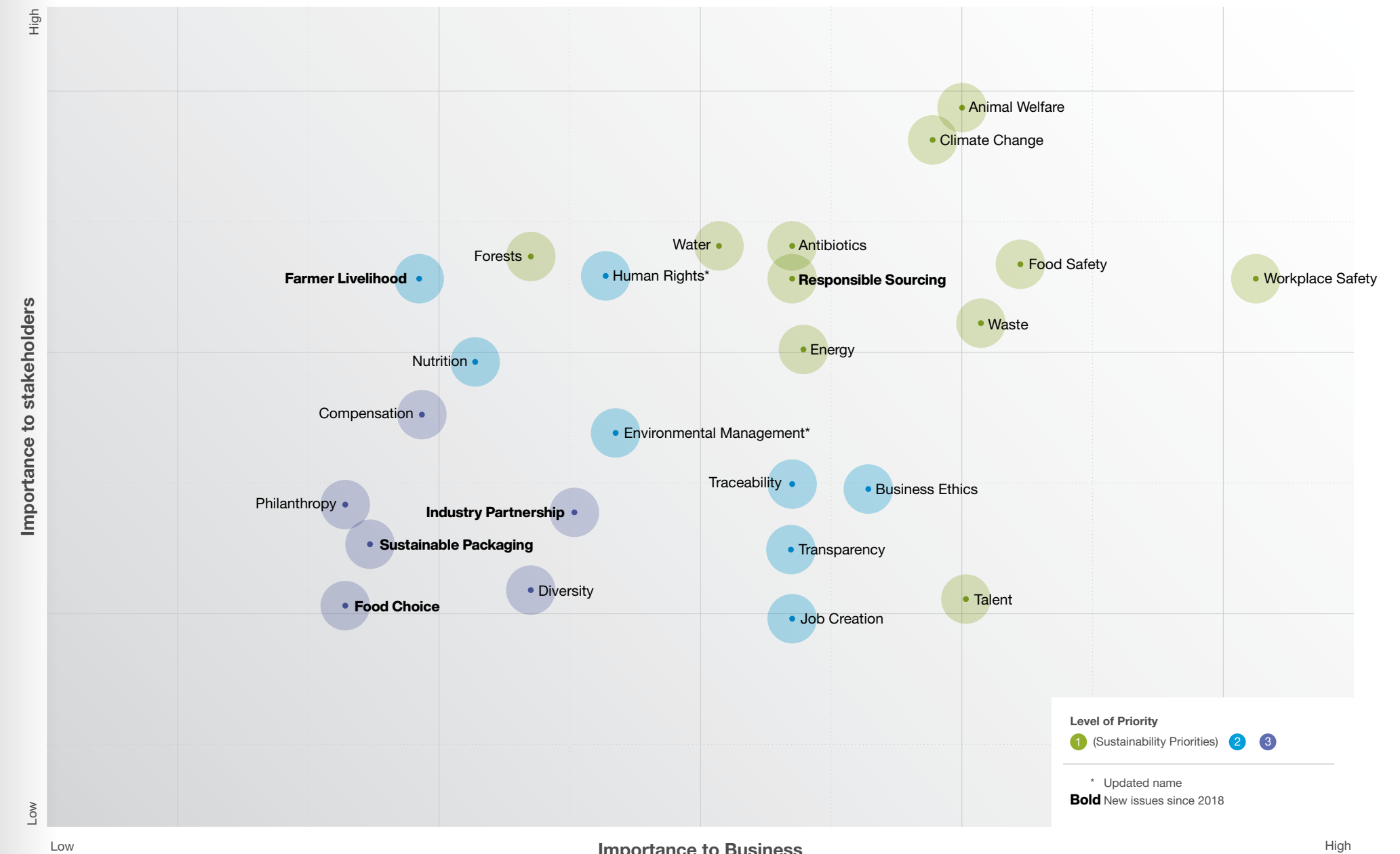
### TOP STAKEHOLDER PRIORITY

# Animal welfare



### TOP BUSINESS PRIORITY

# Safety in the workplace



# Sustainability Priorities

We used results from the materiality analysis to reorganize the most significant material issues into three priority groups: Social Responsibility, Sustainable Supply and Environment.

These groups, collectively, contain a total of six company priorities that build on the Sustainability Vision that OSI has been communicating to our stakeholders and supply base over the past few years. Highlighting specific priorities advances our approach by defining the opportunities where we can drive meaningful and sustainable impact toward the long-term goals that are listed on this page.



## 2025 Targets

OSI has been reporting on our sustainability activities since 2010, but our 2016-2017 Global Sustainability Report was the first integration of our sustainability efforts into a single narrative from around the globe.

Since then, we have continued to refine our approach in order to target strategic impacts in the areas of social responsibility, sustainable supply chains and environmental stewardship.

Below, you will find each of our ambitious, global level targets for 2025 and updates on our progress. For the first time, we are using a number system to more easily communicate where we are in each target area and more definitively identify where we are on our journey.

- **STAGE 1**  
 Indicates that we are doing foundational work, such as establishing baselines that we will need in order to assess our progress going forward.
- **STAGE 2**  
 Indicates that work toward the goal is in progress.
- **STAGE 3**  
 Indicates that we have achieved our goal in some regions, but are still working toward completion in others.
- **STAGE 4**  
 Indicates that we have achieved our goal in all OSI regions.

The “progress report” sections on the following pages provide more detail on the status of each objective, and indicate pages in the report that further elaborate on our work toward the specific goal.

Since releasing our last report, we have been working with greater focus and conviction around sustainability, driven largely by these goals. Throughout the report, you will find that we are doing important foundational work to take stock of our impacts, align our processes and find opportunities to make and scale positive change.

In a number of priority areas and regions, we are proud to report strong progress toward key goals.

For our targets, we look at our own operations from a baseline of 2015, as we can control these outcomes ourselves. We have been monitoring them closely through OSI Advantage, our proprietary data dashboard for tracking operations KPIs. Separately, we are continuing to engage in other partnerships and industry associations to influence and drive greater impact throughout our supply chain.

### GLOBAL PROGRESS MADE TOWARDS GOALS

Nearly **90%** increased use of renewable energy across the company

since 2018, thanks largely to the great environmental work our facilities in Europe have been doing.

We have achieved our goal of **disclosing** key supply chain information

to the CDP, a non-profit organization dedicated to addressing human impacts on climate change.

Nearly **70%** of the way toward our goal of reducing energy intensity by 20%.

**On-track**

to meet a number of animal welfare and other energy-related goals.



# Social Responsibility

2025 TARGET	Implement an integrated health and safety system at all facilities to improve monitoring, education and accident reduction	Achieve new standard minimum training hours at all facilities	Support employee community engagement by establishing corporate volunteer programs in all regions to donate 2000 volunteer hours per year to community initiatives	NEW GOAL Recognize and support OSI Sustainability 365 farmers for all core OSI commodities and regions
STAGE				
PROGRESS REPORT	Safety regulations and guidelines vary across the regions in which OSI conducts business, but a new international safety management standard was released at the beginning of 2018. Some of OSI's facilities have easily transitioned to this new system, but many of the facilities only began incorporating these best practices in international safety standards in 2019. As we integrate these standards throughout our business in the coming year, we anticipate replacing this target with a global safety performance improvement goal. <i>(See "Workplace")</i>	Since setting this goal, we've seen the training program at OSI take on new energy. We now have training numbers from all facilities and will refine baselines as the training program continues to progress. We've updated training modules, standardized programs and introduced innovative techniques, including virtual reality, to enhance teaching in many of our regions. In the coming year, we anticipate reaching and replacing this goal with a new talent development objective as we work towards growing the careers of employees through internal advancement, mentorship, leadership development and an increase in internal hires. <i>(See "Workplace")</i>	Globally, OSI employees completed 945 hours in 2019, up from 920 hours in 2018.  Turosi's Australian facilities led community engagement across the OSI global network with a formal volunteer program, which gives all employees a paid day to volunteer. In the U.S., OSI Outreach, a corporate volunteer steering committee, has mobilized colleagues from across the organization to expand engagement with charitable organizations and organize volunteer days for employees. OSI Europe launched a corporate volunteering program to support community engagement at plants throughout Europe, with the first volunteer day in 2020. <i>(See "Community")</i>	OSI is committed to listening to farmers and ensuring that they help guide our sustainability direction. Through our new Sustainability 365 program, we have mobilized our supply chain team to recognize producers within their respective regions that are sustainability leaders. In 2019, we named the first Sustainability 365 farmers from beef farms in Australia. The project is now set to scale across OSI's global operations. Our ambition is to create a broad and representative network of sustainable farmers from across the following OSI global supply chain categories:  <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Beef</li> <li><input type="checkbox"/> Poultry</li> <li><input type="checkbox"/> Pork</li> <li><input type="checkbox"/> Vegetable</li> <li><input checked="" type="checkbox"/> Australia</li> <li><input type="checkbox"/> Europe</li> <li><input type="checkbox"/> USA</li> <li><input type="checkbox"/> India</li> <li><input type="checkbox"/> Asian Markets</li> </ul> <i>(See "Sustainable Supply Chain")</i>



# Sustainable Supply Chain

2025 TARGET	Define Key Welfare Indicators and training expectations for all primary processing facilities and their suppliers	Third-party remote video auditing at all primary processing facilities	Align operations to industry sustainability standards for beef and poultry in core OSI markets	NEW GOAL Develop suppliers to establish sourcing programs for antibiotic stewardship for all core commodities and markets, including industry support of antibiotic usage baselines and reduction best practices
STAGE				
PROGRESS REPORT	We have dedicated significant resources to completing this goal for our beef primary processing facilities in Europe, where Key Animal Welfare Indicators (KWIs) are monitored each day and reported monthly to OSI Europe's Director of Quality Assurance. We have also progressed in scoping a standard for aligning our chicken KWIs globally. The standard is currently under review and set to roll out across all OSI primary processing poultry facilities in 2021. <i>(See "Animal Welfare")</i>	All European beef primary processing facilities and the U.S. poultry primary processing facilities have installed remote video auditing capabilities throughout their operations. We work to continue this rollout to the remaining primary processing facilities as well as our supplier network. <i>(See "Animal Welfare")</i>	In the past two years, we've made significant progress toward this goal, setting up roundtable-aligned programs with guidance for both sustainable manufacturing and procurement in order to source and process sustainable beef in Germany, the United Kingdom, Poland and Australia. We've also made initial progress in the U.S., Spain and Austria. We will track continued progress toward this target along with recently launched work towards poultry sustainability alignment in our 2025 Sustainability Targets. <i>(See "Sustainable Supply Chain")</i>	OSI supports our suppliers' efforts to implement animal production practices that reduce and, where possible, eliminate subtherapeutic and antibiotic use in food animals. We also encourage and are piloting best practice programs that result in reductions of antibiotic use. We are reporting where we have been working with suppliers to eliminate critically important antibiotics in our core proteins and in OSI markets.  OSI has currently established sourcing programs in many countries in which we operate that eliminate high priority critically important antibiotics in poultry, beef and pork. <i>(See "Antibiotic Stewardship")</i>



# Environmental Stewardship

2025 TARGET	Reduce water usage intensity by 15%	100% landfill-free facilities	Report to CDP Supply Chain and Forests Questionnaire	<b>NEW GOAL</b> Review and update supplier expectations around deforestation, including Supplier Code of Conduct and regular sustainability information requests for all forest-risk commodities
STAGE				
PROGRESS REPORT	<p>Since our last report, water usage has increased by 18%. We continue to do important foundational work that will allow us to target resources and strategize opportunities for improvement to work towards our goal. (See "Conservation: Water")</p>	<p>We are progressing toward this target in each of our regions, with one new facility achieving this goal since the last report. In Europe, 14 of our 17 facilities are landfill free. Our Asia Pacific region is nearly 50% of the way toward completion. The U.S. still only has one facility with landfill-free status; however, all but two facilities divert 90% or more waste to recycling outlets. The U.S. region as a whole has reduced overall waste by nearly 20%. (See "Conservation: Waste")</p>	<p>Since 2018, we have disclosed detailed information about our approach to managing our supply chain's climate change and forest impacts via completion of the CDP's voluntary questionnaire. This disclosure has allowed us to benchmark ourselves to others within our industry and strategize our next opportunities for improvement. (See "Conservation: Forests")</p>	<p>We've taken a number of steps to build awareness of forest risk within our company and increase our transparency around forest impacts beyond CDP disclosure. Following a recent review of forest commodity origins, OSI has begun training any staff involved in the buying and selling of forest-risk products and engaging suppliers around awareness, traceability and commitment. Our plans going forward will focus on increasing awareness and highlighting positive action being taken around the protection of forests throughout our supply chain. (See "Conservation: Forests")</p>

Reduce energy intensity by 20%	Reduce GHG emission intensity by 20%	<b>NEW GOAL</b> Implement renewable energy across each division of OSI Global - EU, AUS, US, AP (China)
		
<p>We have reduced our energy intensity by 13.3% globally and are 66.7% toward this goal. (See "Climate Change")</p>	<p>Starting in 2018, OSI reevaluated our carbon calculation methodology. We also took preliminary steps to implement a new calculation tool globally and use it to review our 2015 baselines and 2025 targets. We are continuing to roll it out to all facilities in order to standardize calculations across OSI and further refine our baseline. Facilities that have already implemented the new tool have used it to identify reductions in direct operations, indirect operations and other indirect business impacts. Taken together, our European and U.S. business has seen a reduction of 3.82% mTCO<sub>2</sub>-e/mT product produced from our baseline. (See "Climate Change")</p>	<p>OSI's use of renewable energy has increased almost 90% from 2015, due to renewable energy purchasing in Europe. We've replaced our previous goal with an ambitious new one to replicate Europe's success globally. Australia is progressing toward this goal via a solar installation project in 2020. We expect to expand renewable energy to other regions in coming years to meet our goal. (See "Climate Change")</p>







**Nicole Johnson-Hoffman**  
Senior Vice President & Chief Sustainability Officer

## Q&A

### With Nicole Johnson-Hoffman

Senior Vice President & Chief Sustainability Officer

“Our commitment is that we will be transparent about the decisions we make to balance our sustainability ambitions with the necessity and challenge of feeding the world.”

**Q** When OSI's last Global Sustainability Report came out in 2019, you and your colleagues were focused on preliminary steps to develop the company's sustainability strategy: listening to stakeholders and identifying “a couple key sustainability levers” OSI could pull to advance toward its goals. What have you and the sustainability team been focused on since then?

**A** We were anxious to build off our momentum and put the OSI sustainability vision into action. This progress is highlighted clearly in the variety of activities contained in this report. Importantly, we have also been focused on understanding our metrics and setting up management systems so we can hold ourselves accountable for progress. Some important questions we've asked during this process are: How can we enhance our systems to bring other stakeholders along with our vision? Where do we need investments to access the next stage of growth? We have also worked to better articulate our vision for industry leadership, focusing on our unique position to help others in our supply chain determine how they can participate in addressing shared sustainability goals.

**Q** How do you think about accountability and what role does transparency play in that process?

**A** We strive to be honest about the work we are doing. Although the term sustainability means different things to different people, it encompasses so much of what matters most to our stakeholders: how animals are treated, how environmental and social impacts are mitigated, how workers are kept safe. With so much at stake, we cannot afford to do our work behind closed doors or ask our stakeholders to trust us without giving them the information they need to really know OSI. Trust has been a challenge in the animal agriculture industry for years, and we're working to address the trust gap. We want our report to provide a balanced view of our progress. Our commitment is that we will be transparent about the decisions we make to balance our sustainability ambitions with the necessity and challenge of feeding the world. Sometimes we will find that we haven't seen as much progress in our targets as we planned. We believe trust comes from being as transparent as possible and inviting people to share their feedback, ideas and innovations with us. We'll grow together.

**Q** Many of the stories in this sustainability report reflect OSI's work toward positive impact both within its company operations and within the industry. Why is it important to include both perspectives?

**A** There's so much more to producing food than the activity that happens within the walls of our buildings. We take sole responsibility for our company's actions and also consider how our business activities create ripple effects before any of the raw materials and ingredients reach our door. For example, we rely on farmers and transporters who might not even know our name. Although we may not control their actions, we can be intentional about our role as a buyer, standards setter, auditor, and marketplace messenger. With so many independent actors involved in our supply chains, partnership and continued feedback from a diverse group of stakeholders is critically important to refining our sustainability priorities and helping us navigate our path forward. Our roundtable involvement is a great example of this engagement at both the individual company and industry level. These multi-stakeholder bodies create an opportunity to communicate our sustainability work as widely as possible, so anyone — industry supporters, participants and critics — can see what we are doing and participate in making it better. By opening ourselves to new partnerships, we welcome opportunities for continuous improvement. We are able to help new participants take a seat at the table and participate in addressing those impacts.

**Q** You, like many others at OSI, including President Dave McDonald, grew up on a farm. How does your background influence your approach, and, therefore, OSI's approach to sustainability?

**A** In farm communities, like the one I grew up in, nothing you do is ever anonymous. Your friends and neighbors will make sure that you stand behind your actions for the long term. OSI's approach to business can be seen through that lens. Our values and relationships are what have allowed us to operate so successfully for over 100 years. Those values continue to guide us, even as we forge new frontiers for our business. As we implement changes and explore new strategies, we know, as a responsible and established company, that we will proudly stand behind our actions. Farm communities also teach lessons about the importance of upholding commitments to others. When we talk about the larger role of our business, the commitment of partnership and shared success is one we've also made to farmers and the people involved in agriculture around the world. Throughout the report you'll see examples of ways we've worked to lend support or ensure the voices of those engaged in the noble and crucial work of agriculture are heard. Our sustainability work is premised on the belief that sustainability solutions only work when they work for the world's farmers, too.







# Our Priorities



## PRIORITY GROUP 1

# Social Responsibility

We begin our priority section with updates on the work we have been doing around Social Responsibility, a topic of growing importance to us and to our stakeholders. This priority group pertains to our hardworking people around the world and the diverse communities we're privileged enough to be a part of. We understand that our employees' innovation, dedication and sound judgment enable us to produce the highest quality products. We also

know that our neighbors around the world — from farming communities in Poland to cities in India — similarly contribute to our success by providing us with talent and the cooperation we rely on to operate. We are grateful to both our people and communities and see it as our duty to treat them with the utmost respect and fairness, to advance their opportunities and offer them support — particularly in times of need.







## COVID-19 UPDATE

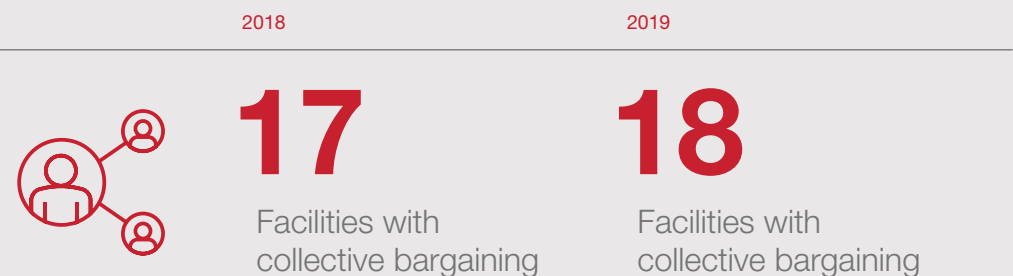
# Caring For Each Other In A Time Of Need

The COVID-19 pandemic transformed businesses, communities and the wider world in a matter of weeks. Stay-at-home orders put millions out of work and made food production, distribution and donation more urgent and more challenging to navigate. The globally disruptive event called for OSI's entire network to work together to keep our workers safe, so we could play our critical role in keeping the world fed. Dave McDonald, OSI President and Chief Operating Officer, described the crisis to OSI employees as "an event that asks all of us to do our very best to care for one another."

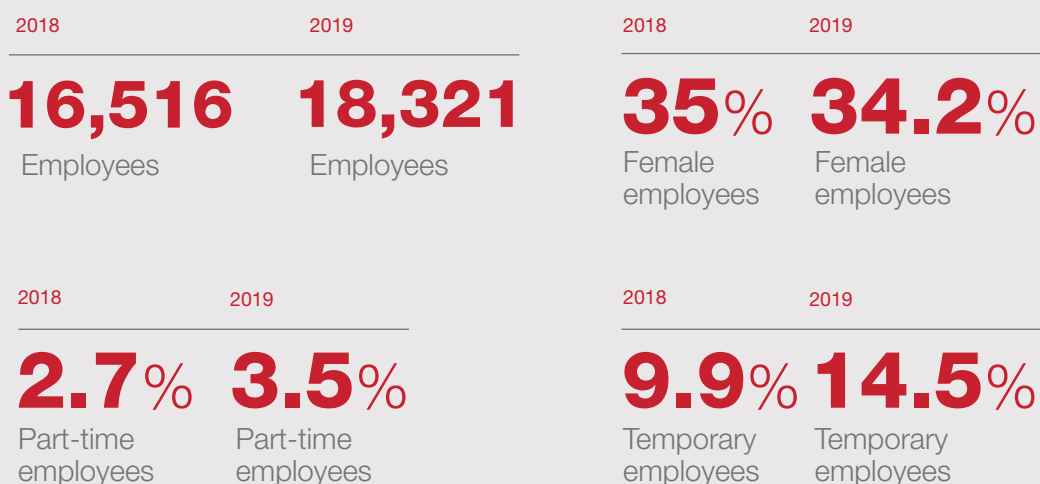
Instinctually, everyone did: Essential workers ensured their nations and communities had food to eat; our health and safety managers implemented a range of additional sanitation measures to prevent the spread of the virus among plant workers; other members of the OSI family around the world tapped long-standing relationships with charitable organizations to help neighbors in need.

Even as OSI navigated disruptions to our own operations, we were proud to donate funds, food and other necessities, including medical supplies, in every region where the company operates. For example, leadership at Pickstock Telford, an OSI plant in the U.K., sent each of its workers home with boxes of meat. In China, Otto & Sons' Rushan plant supported local medical institutions on the frontline of the fight against the virus. In Australia, Turosi Giving, an OSI-backed charitable initiative, funded a high flow oxygen machine for a local hospital. In the U.S., OSI sent hand sanitizer, soap and face masks to all employees, rearranged factory lines and developed new food formulas as part of a massive cross-functional effort to secure a government contract connecting farmers with excess food to charities distributing meals to those in need. OSI is grateful to have played a key role during this time of need to lend immediate help and relief to its family and neighbors around the world.

## GRI DATA



## WORKFORCE OVERVIEW FROM 2018 AND 2019



Our commitment to give back to our workers and the communities we share with them is entrenched in our workplace culture, policies and management.

Our commitment to give back to our workers and the communities we share with them is entrenched in our workplace culture, policies and management. Our leadership drives the open-door culture by example. On any given day, they might be seen in the employee lunchroom waiting for their meals alongside food safety staff and management trainees. Their accessibility is intentional and communicates their view that everyone at OSI — no matter what role they play, what language they speak and where in the world they call home — is part of a single family working toward shared objectives. The same sense of kinship extends to OSI communities around the world, where managers and staff might be seen breaking down bulk food donations at a non-profit, tutoring students at a neighboring school, or running in a 5K event for a local cause.

You'll read more about our progress toward Workplace and Community goals in the following subsections after an overview of our diverse and growing global workforce.

## OUR GLOBAL WORKFORCE

OSI has a broad global network of assets and partnerships that has continued to grow and adapt over the years to better serve our customers. Though there are many strategic relationships and critical partners that directly contribute to the success of this network, we've included employment numbers from direct operations in our manufacturing businesses and joint venture companies.



## RECRUITMENT

OSI is proud to hire people who have a passion for what they do and maintains a transparent recruitment process for those looking to join the company. We are dedicated to finding and developing future industry leaders and begin this work in our own communities. Throughout our global network, we form relationships with local schools and universities to raise awareness about everything from animal welfare to environmental conservation. OSI has developed strong ties with schools and universities near our corporate headquarters, enabling us to provide job experience, training and mentorship to U.S.-based students interested in agricultural sciences. In the U.K., OSI facilities also have a long history of hosting and mentoring university students participating in a partner program aimed at training the next generation of farmers dedicated to sustainability. OSI ensures all people are treated with dignity and respect and it is our policy to provide equal employment opportunities to everyone, regardless of age, national origin, gender, race, color, religion, pregnancy, gender identity, sexual orientation, protected veteran status, disability, or any other characteristic protected by federal, state or local law.

Currently



# 31

**OSI facilities**  
undergo social accountability assessments.

## SUSTAINABILITY AUDITS

# Keeping Us Aligned And On Track

At OSI, third-party audits are a critical part of our business operations and sustainability mission. They hold us accountable to our goals, draw our attention to areas in need of improvement, and ensure all of our global facilities are held to the same high international industry standards. They also help us standardize what it means to be a sustainable company. The most common and important sustainability areas that these audits address include safety, labor practices, management systems, emergency planning, compliance with local laws, environmental management, and human rights issues. These topics help verify business integrity within OSI facilities and, at times, also include engagement around the same issues with OSI's suppliers and partners in the industry. The audit process itself is intensive, requiring facilities to organize a vast amount of information, from training materials to policies. Often, multiple employees are interviewed to verify records. Besides ensuring that laws are followed and risks are mitigated, the audits also encourage OSI facilities to formalize a management system that ensures each part of the business is operating by and making improvements toward its sustainability vision.



## BUILDING THE TALENT PIPELINE

We recognize the importance of empowering our people to act entrepreneurially and strive for continuous improvement. That is why, in addition to regular training opportunities across our workforce, we run targeted programs for young professionals in order to prepare them for the next stage of their careers. Our offerings include English language classes, management and coaching programs, apprenticeships and tuition reimbursement programs. When we recognize talent, we do everything we can to nurture it, no matter what stage the employee may be in his or her career. For example, we are constantly nominating promising young talent for industry recognition, like the International Production & Processing Expo's "Young Leaders Under 30 Program," which, in 2019, went to two OSI employees who began their careers with the company as trainees in our Rotational Management Training program in the U.S. The opportunities provided by our intern, trainee and apprenticeship programs have empowered numerous young employees to begin their careers as important members of our team with a combination of project-based activities, hands-on experience and dedicated mentorship from OSI leadership. Additionally, we're proud to sponsor employee participation and membership in professional development events and organizations, including Meat Business Women and the Women's Foodservice Forum, which provide professional development tools and educational opportunities for members of the North American foodservice industry, with the goal of advancing women leaders.

OSI also remains committed to building talent within the agriculture industry and puts forward leaders within our company to serve on academic advisory boards throughout the Midwestern U.S. where our corporate headquarters is located.

## EMPLOYEE HEALTH AND WELLNESS

OSI believes in promoting the general health and well-being of employees so they can better contribute to their communities. Eligible employees have access to a competitive benefits package that meets their diverse needs and those of families, including paid vacation, healthcare, insurance, retirement and other programs relevant to local markets. Many OSI locations further supplement these benefits with additional wellness activities such as healthy communal lunches, medical examinations, vaccination programs and exercise groups. In addition to physical well-being, OSI recognizes the importance of employees' mental well-being and offers a range of support programs. In the U.S., OSI's Employee Assistance Program provides subscribers and their families with confidential, professional counseling by phone for a range of issues including financial concerns, emotional and legal problems. All employees of Turosi, OSI's joint venture company in Australia, have access to 24-hour phone or face-to-face counseling through a third-party partner staffed with counselors, psychologists and social workers. OSI Food Solutions plants in the U.K. have a "wellness corner" where staff — a number of them military veterans — can find information on a range of free resources for help dealing with anything from marital problems to Post Traumatic Stress Disorder.



## PRIORITY 1 Workplace

OSI strives to foster safe, inclusive, fair and respectful workplaces and to enhance the skills of our most valuable assets: our people. Our values, policies and familial culture guide our approach to workplace health and safety throughout OSI and our majority-owned subsidiaries worldwide.

OSI also encourages our business partners, including joint ventures, suppliers and contractors, to uphold similar values and adopt similar policies within their own businesses. We believe in the power of our collective team, both at the regional level and around the globe, and connect with our larger network to establish a high level of best practices for all those belonging to our larger OSI Group.

### APPROACH

Our approach to workplace safety, inclusivity and respect is grounded in a range of policies and commitments and includes regular training and audits, professional development and events and initiatives aimed at ensuring everyone feels both valued and responsible for contributing to a welcoming, productive environment.

### KEY POLICIES, STANDARDS AND COMMITMENTS

Our Global Business Standards, regional human resources and safety commitments, as well as legal obligations, guide our approach to workplace safety and fairness:

#### Global Business Standards

These standards guide many of the legal and ethical issues that may arise in our everyday work and cover topics including human rights, fair treatment, diversity and workplace safety. We maintain a "no retaliation for reporting" policy that protects workers for making a good faith report to a manager, HR representative, or through our "Make it Right" global hotline where reports can be filed anonymously. OSI investigates all allegations of violations of the GBS, company policy and the law promptly and thoroughly and takes appropriate action when necessary. Violations of the GBS are grounds for disciplinary action, up to and including termination of employment.

## CASE STUDY

# A Training Program That Goes Above And Beyond

While all companies in the food manufacturing industry are held to high standards, OSI goes beyond minimum requirements with an interactive training program that embeds safety, quality and integrity into our workplace culture.

OSI's salaried and hourly operations workers in North America use an interactive training system at least twice a month for courses that teach or remind them about the important roles they play in ensuring their plant is a safe and respectful place that produces high quality products. OSI's centralized system is also used to train new hires and to quickly get all employees up to speed on any regulatory or procedural changes. It's also flexible enough to allow plants to offer special courses specific to their staff. Notably, the program also includes "competency checks," designed to make sure workers retain the information they were taught. This involves quick on-the-floor quizzes administered by tablet computers. The portable nature of both OSI training and competency checks makes it logistically easier and less disruptive to keep workers up to speed. The whole training program has earned OSI high marks on our Global Food Safety Initiative Certification audits, a benchmark for food safety, and strengthens OSI's reputation as a leading food manufacturer and safe place to work.



**PUTTING SAFETY FIRST**

# Earned Safety Awards

OSI facilities in the U.S. and U.K. have celebrated a number of awards in the last two years for their outstanding health and safety programs. OSI Oakland, a U.S. plant, was named one of the safest companies in or around the state of Nebraska in both 2018 and 2019, after demonstrating excellence in implementing a comprehensive safety program. To compete for the award, applicants had to submit data and a “safety program evaluation scorecard” to the National Safety Council, Nebraska. This member-based organization, dedicated to preventing injuries and saving lives, named the facility one of the area’s safest companies.

In 2019, OSI Oakland was also among a select group to win the North America Meat Institute’s Award of Honor for worker safety for achieving high levels of safety performance and reductions in occupational injuries and illnesses. The trade association also honored OSI’s Chicago Racine plant with an Award of Merit for worker safety.

In the U.K., OSI Food Solutions continued an impressive safety awards streak. A year after winning its fourth British Safety Council accolade for organizations that “have reached the pinnacle of health, safety and environmental management,” it swept a local awards ceremony in February 2020 honoring businesses that excel in health and safety.

The recognition was the result of an 18-month concentrated effort on well-being spearheaded by the factory’s safety manager. He and his colleagues focused

on reducing accidents, addressing organizational stressors, and communicating more strategically about the sort of resources available to help employees with a range of issues long before they could escalate.

The results of this effort speak for themselves and reflect the emphasis on worker well-being that is central to OSI’s sustainability strategy. The plant’s incident rate (known in the U.K. as a frequency rate) was 33% below the country’s meat processing industry average. Both absences among the factory’s 220 workers and the need for “secondary interventions” decreased. The safety team credits some of these changes to flexible schedules that have helped staff manage work-life balance. Feedback from team leaders also indicates that workers are increasingly focused, less stressed, physically healthier, more productive and generally more satisfied with their jobs than they were before factory leadership set new ambitious goals for improvement. “We expect them to come to work and return home healthy every day, and the things we are doing in between help to ensure that,” the manager said.



**Human Rights Policy**

Our GBS is augmented by a company-wide human rights policy that is guided by the principles articulated in the International Bill of Human Rights, the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. We believe that human rights are universal rights that are intrinsic to every human being. We strive to respect the fundamental rights of our employees, which are:

- 1 Freedom from slavery and child labor
- 2 Freedom to associate (or not associate) and collectively bargain
- 3 Equal opportunity for everyone
- 4 A safe and healthy workplace
- 5 Freedom from discrimination and harassment

Our policy is made available to all workers and applies to OSI and our majority-owned subsidiaries worldwide. While human rights are the responsibility of all of us at OSI, executive oversight and responsibility for the implementation of our Human Rights Policy rests with our Global Sustainability Team led by the Senior Vice President, Chief Sustainability Officer. The OSI Board of Managers oversees implementation of this policy at the board level and is responsible for ensuring adherence to these commitments. Our senior management is responsible for overseeing the implementation of this policy. Alleged violations are addressed through a robust internal process, and we regularly update our policies and practices based on our findings.

**Supplier Code of Conduct**

All OSI suppliers sign a Code of Conduct, which sets forth OSI’s safety and human rights requirements. The Code of Conduct requires suppliers to create internal programs for handling reports of workplace grievances, including anonymous reports, and to protect whistleblowers. Suppliers are responsible for prompt reporting (including to OSI, as applicable) of actual or suspected violations of law, the Code, or the Global Business Standards for OSI’s employees. This includes violations by any employee or agent acting on behalf of either the supplier or OSI.

**FOSTERING A CULTURE OF SAFETY**

Beyond the broad policies and commitments that guide our approach to workplace safety, each region establishes additional policies and standards in order to comply with local laws and meet customers’ requirements which, in some cases, go above and beyond regulatory obligations.

OSI recently partnered with a consultant to upgrade our Environmental Health and Safety Management systems at the U.S. facilities to those aligned with international standards. We are piloting the new system at our West Chicago plant.

Dedicated safety programs at each OSI location uphold standards and help to ensure that all rules, procedures and practices are routinely carried out. As a best practice, we seek to encourage all employees to participate in reporting any potentially unsafe procedure as part of our “Near Miss” program. Our sites in Australia are reinforcing this best practice through an ongoing “Not On My Watch” campaign that encourages reporting to an independent hotline.

Across all of our sites, internal teams conduct regular checks on safety conditions and carry out internal audits to ensure the safety programs are being maintained.

**Training and professional development**

All employees are required to participate in regular trainings that vary according to their role in the company, but generally cover Global Business Standards, workplace safety, and specifically reinforce the best practices within their role. For workers at OSI Spain’s poultry and beef processing facilities, trainings have involved virtual reality headsets that simulate a range of safety scenarios, including fires, falling objects and workplace injuries. In the U.S., plant workers have participated in quiz exercises to check their retention of key training information.

Across the different regions, health and safety managers gather to attend annual conferences to be sure they are up to date on best practices. Employees across the company also have access to additional trainings. For example, in 2020, OSI’s Fort Atkinson plant offered employees a Winter Safety Training course that provided tips on driving safely in bad weather and the signs of hypothermia and frostbite. Turosi’s Thomastown and Broadmeadows plants organized training on preventing back injuries at work and at home.

**Audits and competency checks**

OSI ensures compliance with our rigorous policies and standards through annual safety audits and routine competency checks.



**Resources and communication**

OSI offers a range of resources to employees to ensure they and their colleagues are healthy and safe, both at home and on the job. These include on-site nurses at most plant locations, confidential hotlines to report safety concerns, hotlines where employees can access free mental health support, as well as signs, bulletins, emails and communication campaigns directing employees to these resources. Our leadership is proud that the doors to their offices are open and that they can engage with their team during daily community lunches at our corporate offices and regular company town halls. Our plant operations similarly nurture friendliness and collaboration via pre-shift “huddles” and other regular opportunities for employee feedback.

**GLOBAL INCIDENT RATE**



Beginning in 2018, OSI began reviewing occupational health and safety programs globally, and uses the following formula for calculating our Incident Rate: (incidents x 200,000) / total hours worked. Regional breakouts are not provided due to reporting differences in regions around the globe. These figures are in line with the average 4.2 incident rate recorded for food manufacturing processing facilities in the U.S. during 2018, according to the Bureau of Labor Statistics.

## PRIORITY 2 Communities

OSI is committed to creating shared value for the communities connected to our company. Their generosity and cooperation enable us to do business around the world and we take seriously our duty to give back to them. As food providers with global reach, we are well-placed and proud to meet some of their critical needs.

### MANAGEMENT

OSI leadership drives the company's culture of philanthropy. Our owners have a long history of supporting philanthropic causes, including agricultural development in East Africa, agricultural education and children's charities. The same spirit of giving back extends to the rest of the business through our charitable foundations. The OSI Group Foundation, which we established in 2011, targets charity in the U.S. toward three key social responsibility areas: food research and education, health and nutrition, and children and families. Turosi Giving, established in Australia in 2011, focuses on a range of charities, especially those serving children.

Corporate offices in each OSI region oversee employee-led volunteering that ranges from formal company-sponsored time off in Australia, to informal company-sanctioned volunteering in the U.S., where an Outreach Team coordinates opportunities to serve local communities. In Europe, sites have the autonomy to organize engagement events.

### COMMUNITY PARTNERSHIPS AND INITIATIVES

Over the years, OSI has partnered with a wide range of food banks and hunger relief programs in an effort to give back to local communities and reduce food insecurity. We doubled down on this effort in 2020 amid the global COVID-19 pandemic and related economic crisis that left families around the world suddenly unable to access their next meals. Our ability to respond to the crisis so quickly, across our network, is a testament to the work we consistently do to build new relationships with charitable partners and to foster partnerships already in place. It's often our own employees who prove most instrumental in identifying opportunities and leading the way in community engagement. The mutual effort has enabled us to participate in a wide range of charitable initiatives across the globe.

### VOLUNTEER NUMBER OF HOURS



### U.S.

For years, OSI has supported the Northern Illinois Food Bank by donating excess food in bulk, dispatching volunteers to help with repackaging of donated food, and raising money and awareness for the charity through sponsorship of events, like the food bank's annual "Foodie 5K" charitable race.



### INDIA

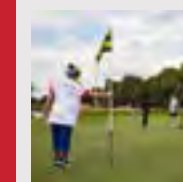
OSI Vista Processed Foods provided support to a leading eye clinic and made charitable contributions to schools across India to benefit more than 250 students. These contributions have helped provide books and improve infrastructure for students in rural areas and also provided assistance to the deaf and school children with disabilities.

### TAIWAN

K&K donated food to a local long-term care center for seniors, has supported local volunteer firefighters and has offered venue space for driving tests and blood drives.

### AUSTRALIA

Each year, Turosi Giving hosts an annual golf day to support and raise money for a local charity. In 2019, the event supported "Clown Doctors," who offer humor therapy and distraction to hospitalized children.



### CHINA

Otto & Sons recently partnered with Beijing Bailie University to support students from underprivileged families. More than 100 students enrolled in the "OSI-Bailie Spring Bud" sponsorship program in support of poverty alleviation through education. Otto & Sons' Rushan plant also provided trainings on animal welfare and food safety and quality management to poultry business entrepreneurs from rural areas.

### GERMANY

Employees at OSI's Gersthofen office assisted homeless and unemployed people by working at a thrift shop and an upcycling workshop. Other projects in 2020 supported people with disabilities, disadvantaged children, young people, and the elderly.

### POLAND

At OSI Foodworks in Poland, staff held a push-up challenge to raise money for charity.



### JAPAN

Orange Bay Foods recently provided social education programs for 200 elementary school students. Employees also volunteered their time to help clean up litter from illegal sea dumping.

### PHILLIPINES

For the last two years, GenOSI employees have participated in a "Run to Save Lives," which promotes voluntary blood donation, and an in-kind donation program for the global charity Caritas. In 2019, GenOSI also supported a Caritas fund drive for out-of-school youth.



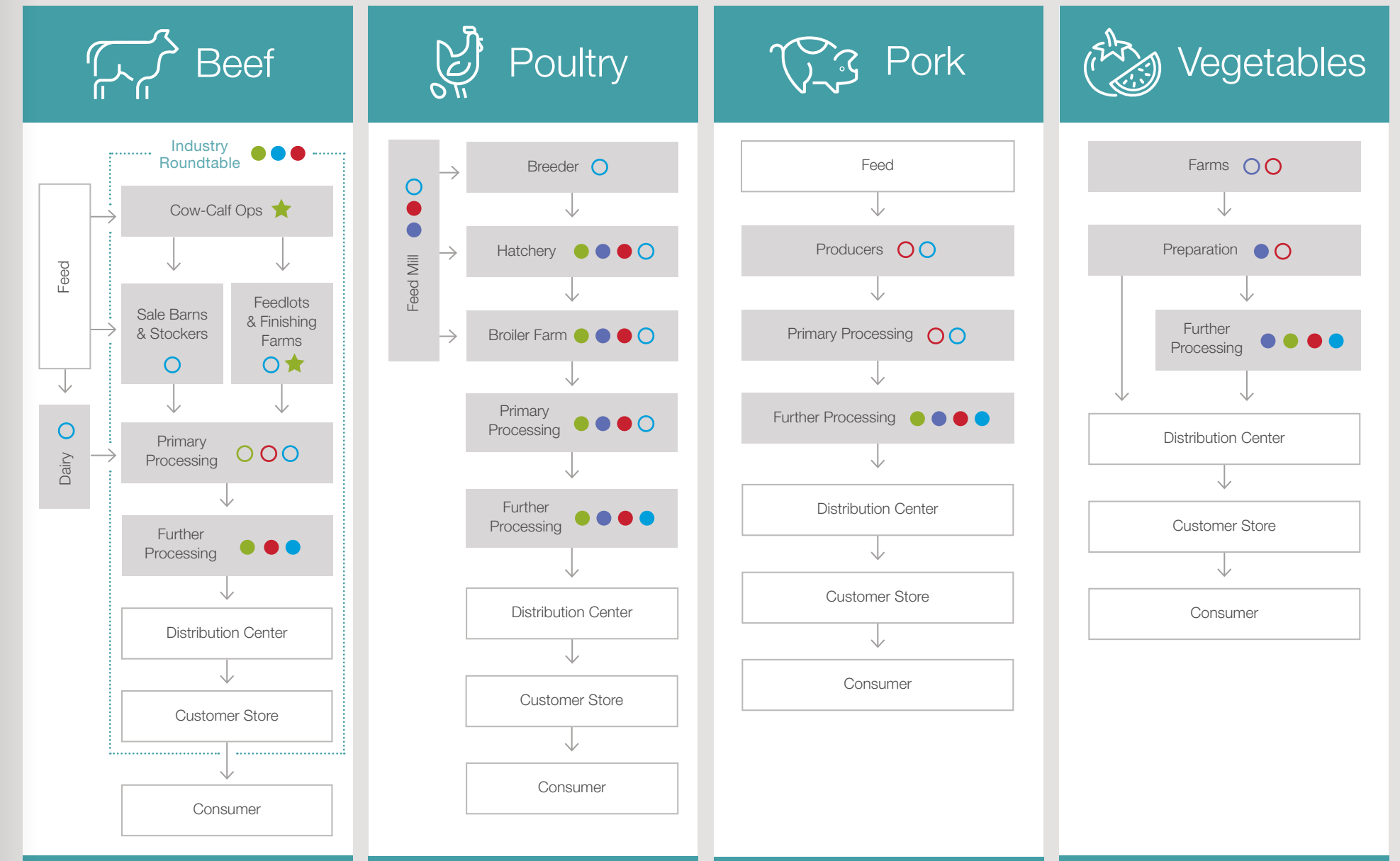
**PRIORITY GROUP 2**

# Sustainable Supply Chain

OSI performs a critical role in a complex global supply chain that spans from raw material suppliers to the consumer's table. This role requires us to flexibly respond to the needs of our customers, demands of the market and realities of on-farm operations and protein raw material suppliers.

Although our facility and immediate operations only have some direct control and visibility over aspects of our supply chain, we have always gone to great lengths to engage directly with our suppliers and maintain a presence in all of our key raw material markets. From farms in Australia to processing

plants in Ukraine or trading centers in Thailand, our own team members are embedded deep within the supply chain, as auditors, trainers and sustainability project partners. These local relationships complement powerful digital platforms we're now using to track our goods and communicate with our partners in real time. Together, our new technologies and longstanding commitment to personal relationships ensure the highest safety and quality of our products, and give us influence over sustainability priorities stretching all the way back to the farm.





The relationships we cultivate within the supply chain are what truly enable us to advance our sustainability goals and drive industry progress. We engage directly with raw material suppliers on a regular basis, both independently and through industry roundtables.

**MANAGEMENT**

Our rigorous safety and quality standards and management practices are the bedrock of our supply chain. (See “Food Safety and Quality”) The relationships we cultivate within the supply chain are what truly enable us to advance our sustainability goals and drive industry progress. We engage directly with raw material suppliers on a regular basis, both independently and through industry roundtables. These conversations allow us to clarify market expectations and highlight opportunities. Wherever suppliers are in their own sustainability journeys, we look for ways to support their goals, whether that’s advising them on enrichment programs, or partnering on a pilot project. In Europe, OSI has launched its own program to benchmark suppliers based on sustainability criteria. The benchmark, which was trialed in the U.K. and Ireland starting in 2020, will allow OSI to understand how engaged our suppliers are with sustainability. It will also allow us to encourage greater engagement with our valued suppliers in core areas. Going forward, this benchmark will be scaled to Germany, Spain and Poland.

**DIGITAL SUPPLY CHAIN**

Since digitizing our supply chain in 2019, we have been able to communicate and problem-solve with our suppliers in real time, respond to changes more rapidly, and gain much deeper visibility into the pathways that products take before they enter our facilities. We still have room to grow with respect to traceability, but see opportunities on the horizon. For instance, we are working hard to understand more about the origins of our soy and remediate potential deforestation around its sourcing. In addition, we lean on supply chain data and metrics to identify outstanding suppliers and elevate the good work they do.

**ELEVATING SUSTAINABILITY SUCCESS STORIES**

For the past few years, OSI’s Sustainability Team has sought out exemplary farmers in our supply chain to spotlight, support and sponsor for additional customer and industry recognition. We strongly believe recognition and publicity is vital for industry progress. The more farmers can share about their animal welfare practices, approaches to social responsibility, carbon capture programs and other sustainability initiatives, the more others can learn from them. In 2019, we formalized this approach to industry influence through our own supplier recognition program. The program, OSI Sustainability 365, is currently offering educational resources and publicity to 365 Sustainability farmers in Australia, with plans to expand the program globally.

**CONVENING OUR SUPPLIERS FOR PEER-TO-PEER SHARING**

OSI is proud to have organized both region- and commodity-specific supplier summits over the last two years, based on our belief in the value of peer-to-peer sharing of best practices in sustainability and quality standards. We’ve also sponsored farmers’ participation in sustainability roundtables and other educational events, with the expectation that they will share the lessons they learn with their networks, thus, multiplying the benefits of our sponsorship.





**CASE STUDY**

# Our Commitment To Roundtables

In 2018, OSI set out to expand our industry engagement across all proteins. We began this work by tapping into the Global Roundtable for Sustainable Beef's regional roundtables to chart a path for delivering sustainably sourced supply from the industry. This allowed us to partner with regional stakeholders who could define their own ethical obligations to producing responsibly. It also enabled us to broaden adoption of sustainability activities beyond what we might have been able to do if we had simply relied on a specialized sourcing program to create this assurance.

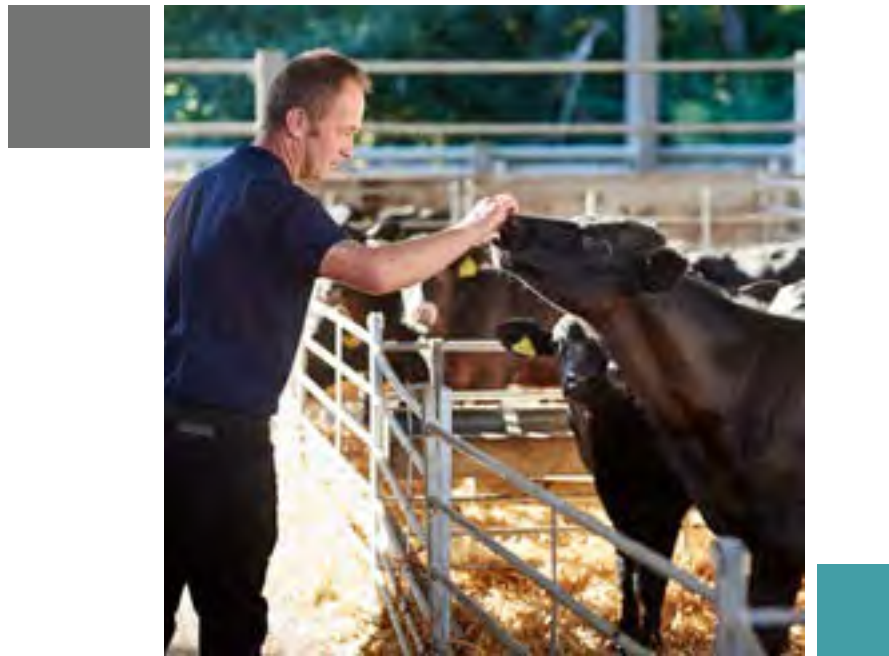
We now participate in dozens of multi-stakeholder roundtables and industry groups which allow us to keep abreast of best practices and address issues that do not meet our ethical standards. We believe that animal welfare and good agricultural practices are precompetitive issues and, therefore, welcome the opportunity to share our own sustainability best practices with others in the industry, including competitors. Industry roundtables also benefit us by allowing us to understand risks and address challenges in our supply chain that might occur outside of our company operations.

Through these roundtables, OSI hears the voices of all our stakeholders, and the groups facilitate our collaboration with academic experts and industry leaders to advance sustainability innovations for our supply chain, as well as train others on best practices. OSI continues to work on and seek out opportunities in sustainability to bring more members of our industry together in these non-competitive and established programs with standard criteria. Protein supply chains are complex systems with a wide variety of producers and practices that differ across each country and region. For this reason, we harness our partnering mindset and look for ways to work collaboratively with our counterparts in the industry in order to communicate effectively with our stakeholders and contribute to meaningful change.

OSI is part of

**29** organizations

that promote sustainable business practices



# Memberships And Organizations

<b>BEEF</b>	<ul style="list-style-type: none"> <li>• <b>Global Roundtable for Sustainable Beef (GRSB)*</b></li> <li>• Australian Beef Sustainability Framework</li> <li>• U.S. Roundtable for Sustainable Beef (USRSB)</li> <li>• Professional Dairy Producers of Wisconsin (PDPW)</li> <li>• <b>European Roundtable on Beef Sustainability*</b></li> <li>• German Meat Association (VDF)</li> </ul>
<b>POULTRY</b>	<ul style="list-style-type: none"> <li>• International Poultry Council (IPC)</li> <li>• U.S. Poultry &amp; Egg Association</li> <li>• <b>National Chicken Council (NCC)*</b></li> <li>• German Poultry Association (ZDG)</li> <li>• Association of Poultry Processors and Poultry Trade in the EU (AVEC)</li> <li>• Australian Chicken Meat Federation (ACMF)</li> <li>• <b>Victorian Chicken Meat Council (VCMC)*</b></li> <li>• China White Feather Broiler Association</li> </ul>
<b>PORK</b>	<ul style="list-style-type: none"> <li>• National Pork Producers Council</li> </ul>
<b>MULTI-SPECIES</b>	<ul style="list-style-type: none"> <li>• Professional Animal Auditor Certification Organization (PAACO)</li> <li>• Animal Agriculture Alliance</li> <li>• <b>North American Meat Institute (NAMI)*</b></li> <li>• Protein Foods &amp; Nutrition Development Association of India (PFNDAI)</li> <li>• Compound Livestock Feed Manufacturers Association of India (CLFMA)</li> <li>• China Meat Association</li> <li>• <b>U.S.-China Agriculture and Food Partnership (AFP)*</b></li> <li>• Shandong Feed Industry Association</li> </ul>
<b>FOOD PRODUCTION</b>	<ul style="list-style-type: none"> <li>• Roundtable on Responsible Soy (RTRS)</li> <li>• Roundtable on Sustainable Palm Oil (RSPO)</li> </ul>
<b>AGRICULTURE EDUCATION AND TALENT DEVELOPMENT</b>	<ul style="list-style-type: none"> <li>• Meat Business Women</li> <li>• Women's Foodservice Forum (WFF)</li> <li>• Advisory Council Chicago High School for Agricultural Sciences</li> <li>• Advisory Board University of Illinois Supply Chain Department and College of ACES</li> </ul>

MEMBERSHIP COLOR CODE \* Leadership Role • Global • Australia • United States • Europe • Asia



**CASE STUDY**

# Elevating Our Sustainable Farmers

In 2019, OSI launched a global program to spotlight and support farmers in our supply chain who exemplify our commitment to sustainable agriculture. We looked for suppliers excelling in distinct areas of impact: animal welfare, farm management, environment and community. After an extensive search, we were proud to name three beef farming families in Australia “OSI Sustainability 365 Farmers.” The Carr, Laurie and Wells families were already taking commendable steps to advance animal welfare, steward antibiotic use, protect water, preserve forests and grasslands, reduce waste, address climate change and increase operational efficiencies. They also had strong local networks that could benefit, by extension, from their participation in the OSI Sustainability 365 program.

Since naming them in 2019, OSI has been proud to feature these exemplary farmers on our public platforms and fly them to New Zealand for the launch of the country’s regional beef sustainability roundtable. As supply chain ambassadors, they will also have opportunities to form partnerships on commercial and industry pilot programs and could be featured on OSI supply chain tours.

The program exemplifies our approach to sustainability influence. We believe in empowering farmers who do great sustainability work and elevating their stories to serve as examples to others in the industry. The program also deepens OSI’s ties with our farmers and our own connection with the diverse people and places that produce our products. “At end of day, farmers are all of similar ilk,” said Mark Richardson, OSI’s Senior Vice President of Global Supply Chain and a key point-person for the Australia program. “They are generally hard-working, small family businesses that are not buying private jets — they are feeding their community and creating a living for both the people in their community and for their love of the land. I’m excited we started this program and am looking forward to expanding it to other proteins and areas of the world.”

## SUPPORTING COMMITMENT-LED ENRICHMENT PROGRAMS

Another important area of our supply chain work is helping our customers meet their own sustainability goals related to commitment-led enrichment programs. Our extensive supply chain experience positions us as an important resource for customers interested in learning more about this market and how best to achieve their goals. While we take an impartial view of enrichment programs, our unique industry knowledge enables us to advise and assist customers in meeting their own commitments related to programs for:

<b>Enriched Housing</b>	<ul style="list-style-type: none"> <li>• Gestation crate-free pork</li> <li>• Cage free</li> <li>• Natural behavior enablers</li> <li>• Lighting specifications</li> </ul>
<b>Enriched Animal Management</b>	<ul style="list-style-type: none"> <li>• RSPCA assured</li> <li>• GAP certified</li> </ul>
<b>Specific Diets And Production Methods</b>	<ul style="list-style-type: none"> <li>• Vegetarian or grass-fed</li> <li>• Sustainable soy</li> </ul>
<b>Animal Medicines Regimes</b>	<ul style="list-style-type: none"> <li>• Never-ever-antibiotics</li> <li>• Hormone free</li> </ul>
<b>Farm Assurance Certifications</b>	<ul style="list-style-type: none"> <li>• Country specific: Bavarian Origin, German QS, Cultivate, Origin Green, Red Tractor, Beef Quality Assurance (BQA), Livestock Production Assurance On-Farm Quality Assurance (LPA QA)</li> <li>• Commodity specific: Marine Stewardship Council, Roundtable on Sustainable Palm Oil (RSPO), Roundtable on Responsible Soy (RTRS), ProTerra</li> <li>• Global standards: Fair Foods, Food Alliance</li> </ul>



## PRIORITY 3

# Animal Welfare

In every global sourcing avenue, OSI is dedicated to ensuring humane treatment, handling and slaughter of animals at all times. This dedication is a long-standing component of our company’s business practices and established requirements throughout our supply chain.

We are also committed to leading our industry in animal welfare best practices. Both OSI and our stakeholders insist on high standards of animal care in our supply chain. We recognize that this is not only an ethical responsibility; it also ensures a high-quality product. For this reason, we are conscientious about our supply of raw materials.

## MANAGEMENT

Although OSI has varying levels of direct control over supply chains in different parts of the world, our Animal Welfare Policy Commitment and Guiding Principles establish uniform standards and high expectations around the treatment and welfare of all animals we source. All of our vendors — whether they are external suppliers or our own primary processing facilities for beef and chicken — undergo

regular audits that check for compliance with our policy. The policy and guidelines include the globally recognized “Five Freedoms of Animal Welfare Under Human Control” and are available on our website’s sustainability page.

Our own farms and primary processing plants operate according to the best practices set by industry experts, such as the World Organisation for Animal Health (OIE), Dr. Temple Grandin, and the North American Meat Institute Animal Handling Guidelines. In recent years, we have been working hard to expand on-site monitoring and data capture and unify around best-in-class animal welfare indicators on all of our farms and in our plants. These Key Welfare Indicators (KWIs) build on the fundamentals of our animal welfare approach.

### FIVE FREEDOMS OF ANIMAL WELFARE UNDER HUMAN CONTROL

- 1 Freedom from hunger, malnutrition and thirst
- 2 Freedom from fear and distress
- 3 Freedom from physical and thermal discomfort
- 4 Freedom from pain, injury and disease
- 5 Freedom to express (most) normal patterns of behavior

### Designated Staff

All OSI beef primary processing plants employ an animal welfare officer who reports to the Food Safety and Quality Assurance Team. The animal welfare officer oversees a daily internal auditing program that evaluates animal handling at various points in the process, according to key criteria. A corporate animal welfare manager is also assigned to oversee site-level activities, and reports to the regional head of Food Safety, who reports to both the senior vice president of the business unit and Senior Vice President of Quality Assurance, Food Safety and Regulatory Affairs.





CASE STUDY

# Standardizing Best Practices In Europe

Since the last report, OSI has invested heavily in the standardization of animal welfare best practices, particularly in Europe, where procedures varied from country to country. We created a new employee position, Quality Assurance Technical Manager, to spearhead the effort.

The manager helped establish a robust written Animal Handling and Welfare Program in each OSI facility in Europe. The new program aligns animal welfare commitments that now begin with top management and encompass the entire workforce, regardless of job title or access to livestock. The program also includes daily internal auditing and analysis. Besides standardizing the guidelines and checklists that animal welfare officers are responsible for following, the Quality Assurance technical manager also focuses on improving animal welfare monitoring techniques. On-site staff have been trained on both direct observation and properly installing and positioning cameras and interpreting data.

This effort overlapped with OSI's expansion of a third-party remote video auditing tool that is now used at all beef slaughter plants across Europe. The new data-centric approach is giving OSI a much broader and more objective picture of animal welfare practices throughout the region. It allows us to monitor operations more closely, correct issues more quickly, and identify any gaps and what work we need to do next to strengthen our commitment to leading the industry in the humane treatment of animals.

**Training and Educating**

OSI works diligently to build a culture of trained and competent employees, auditors and suppliers. Globally, OSI employs internal auditors that have been trained under recognized animal welfare auditing certification or benchmarking programs (e.g. Professional Animal Auditor Certification Organization, or PAACO). All employees who handle animals receive training from globally recognized subject matter experts, along with appropriate training materials — from quick module-based courses to on-farm demonstrations. We have also sponsored animal welfare training events for our suppliers and keep our network up to date on best practices through regular communication and engagement.

**Auditing**

To ensure the highest standards of end-to-end live animal handling, OSI quality representatives, with PAACO or equivalent training, conduct second-party audits of animal welfare procedures, while an independent third-party audits all vendors in our supply chain once a year. OSI has zero tolerance for abuse of any kind, and any finding of animal mistreatment results in immediate suspension or potential termination from the business. In an effort to identify potential issues before they escalate, OSI has been expanding our use of third-party remote video auditing. Since 2019, the technology has been deployed at all OSI facilities in Europe and North America. Daily reports generated via these auditing systems are sent to designated animal welfare staff in Europe and the U.S., who can promptly implement preventive measures and further escalate critical issues to company leadership.

**Key Performance Indicators**

We use a Key Performance Indicator (KPI) scoring system to track data on animal well-being for our suppliers. Within

our own farms and processing facilities, we have begun to establish and unify around our own Key Welfare Indicators (KWIs), a common set of parameters that help establish and assess the well-being of animals. Since 2018, our facilities in Europe have tracked a common best-in-class set of KWIs for beef. We are now developing KWIs for all poultry farms and plants under the OSI umbrella via a partnership with a leading animal welfare expert. Once implemented in 2021, these KWIs will enable us to more objectively and uniformly track and address the welfare of chicken in OSI's and our affiliates' primary processing plants.

**Farm Assurance and Higher Welfare Enrichment Programs**

Many of OSI's beef farmers are audited under specific farm assurance standards. These programs include Red Tractor (U.K.), Sustainable Beef and Lamb Assurance Scheme (Ireland), Beef Quality Assurance or BQA (U.S.), Global Animal Partnership or GAP (U.S.), and Livestock Production Assurance On-Farm Quality Assurance or LPA QA (AUS). Where these programs have not previously existed, OSI works with our roundtable partners and, if necessary, independently, to establish standards that benchmark supplier performance with best practices and ensure consistent quality and good animal welfare through regular audits. For example, in July 2019, OSI introduced the Cultivate Standard as a recognized sustainable farm assurance standard to guide farm management practices in Poland, since no national quality assurance or farm-level scheme existed previously. Other farms under the OSI umbrella, such as Turosi farms in Australia, strive to meet high animal welfare enrichment standards by aligning their operations with external standards set by groups like the Royal Society for the Prevention of Cruelty to Animals, or RSPCA.

**INFLUENCE**

As a supply chain leader, OSI is committed to sharing animal welfare best practices through industry memberships, sponsorships, partnerships and business relationships. Our participation in multi-stakeholder industry groups gives us access to the most current research on animal welfare. The sharing of best practices, however, flows both ways. We often learn about innovative technology and best practices by testing or observing them within our own supply chain and then sharing our positive experiences with the wider industry. We have several key avenues we rely on for the mutual sharing of animal welfare best practices.

**Industry Groups**

OSI participates in a number of industry groups, including the North American Meat Institute, the China Meat Association and the German Meat Association. Within some of these groups, we participate on animal welfare committees and send representatives to sponsored animal handling trainings in order to stay abreast of new research and to keep our own animal welfare guidelines, management systems and practices up to date.

**Trainings**

OSI's Europe region is focusing on upstream engagement, which began with transporter training in 2019. This engagement has already resulted in improved conditions of animals delivered, pH scores, and hematoma counts. Upstream sources and service providers are treated as partners throughout OSI. As such, we offer transparency and knowledge sharing to build support.

**Roundtables**

OSI participates in a number of roundtables around the world including all of the beef roundtables in our processing

regions. Because management practices differ between regions and countries, OSI works with the roundtables to identify and address any specific precompetitive issues within our industry that do not meet our ethical standards. OSI will continue to be an industry leader in promoting industry harmonization of best practices.

**Animal Welfare Organizations**

OSI provides ongoing sponsorship of several science-based animal welfare organizations, including the Professional Dairy Producers of Wisconsin (PDPW) and the Professional Animal Auditor Certification Organization (PAACO). OSI employs numerous PAACO certified auditors.

**Engagement with Policy Leaders**

OSI representatives are often invited to share their expertise in animal welfare and other areas with both officials and policy leaders around the world, and during various international conferences.

**University Partnerships**

We seek the expertise of academics for a variety of projects and initiatives, including our ongoing benchmarking of chicken KWIs.

**OSI Supply Chain**

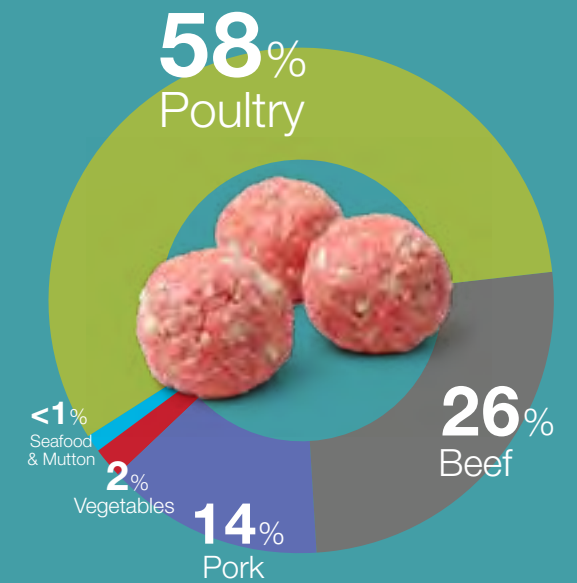
Our global business relationships give us opportunities to discover, support and amplify innovative animal welfare tools, interventions and practices. OSI works to ensure that information travels to suppliers through pamphlets, workshops, online information hubs and supplier summits.

**GRI METRICS**

OSI globally sources and sells more than

# 1.6 billion metric tons

of the following commodities between our primary and further processing plants.



**PRIORITY 4**  
 **Antibiotic Stewardship**

OSI is committed to preserving antibiotic effectiveness for human and animal health by prioritizing healthy animals and the reduction of critically important antimicrobials from use in our supply chain. We also support the international consensus that livestock producers, working with their veterinarians, are in the best position to ensure the prudent and judicious use of antibiotics in food animal production consistent with animal and public health protection.

We recognize that using antibiotics appropriately in food animal production leads to better animal health and welfare. Antibiotics play an important part in both human and animal health by treating bacterial infections. Unfortunately, some bacteria are no longer able to be controlled by antibiotics after developing full or partial resistance to their effectiveness. We recognize that using antibiotics appropriately in food animal production (generally for treatment of diseases that are diagnosed by a veterinarian) will lead to optimal animal health and welfare. This is not only good for producers, it is good for the rest of the food production chain, and it is essential to helping ensure a safe, affordable and abundant food supply.

**MANAGEMENT**

OSI manages antibiotic use in our supply chain through the guiding principles we have established for this important issue. The Raw Material Quality Assurance Team and Vendor Management Program are responsible for ensuring compliance with these principles and maintaining specialized sourcing programs that go above and beyond acceptable use of animal medicine for animal welfare purposes. OSI only purchases raw material from approved, externally-inspected facilities, where animals are subject to ante-mortem and post-mortem inspections. In accordance with national regulations, labels of approved animal drugs must include very clear “withdrawal time” requirements. Similarly, OSI adheres to and sets clear expectations for

our raw material suppliers who purchase livestock. When antibiotics are administered, our facilities and suppliers have protocols in place to monitor and verify that the animals are not introduced into the food supply until drug withdrawal times are met or exceeded. To that end, our suppliers require their livestock producers to work with a qualified veterinarian.

Through responsible sourcing guidelines, OSI is able to manage antibiotic use at various stages in our supply chain through the following activities:

**Dedicated antibiotic-free programs**

In some instances where we have vertically integrated poultry supply chains or through dedicated suppliers in other proteins, we are able to provide products to the growing number of consumers who want to ensure that their food is completely antibiotic free. Through these programs, any livestock used in production have never been given antibiotics of any kind at any time during their life. Our antibiotic-free programs are closely monitored and this livestock is kept separate from the remainder of the conventional supply.

**Animal care under veterinarian supervision**

We recognize and believe that farmers and ranchers work diligently to manage their livestock in the best manner possible through sound husbandry practices, including genetics, nutrition, housing, handling, and veterinary

care in order to eliminate any potential illness and need for medicine. When necessary, sick animals are treated in accordance with veterinary guidance as part of animal welfare commitments.

**Reduction of critically important antibiotics**

We recognize the World Health Organization’s categorization of antibiotics to include those antimicrobials designated as critically important to human medicine. OSI supports efforts of our suppliers to implement animal production practices that reduce, and, where possible, eliminate subtherapeutic antibiotic use in food animals. We also encourage and are piloting programs that adopt best practices that result in subsequent reduction of antibiotic use and are reporting against the establishment of these programs for all core proteins and OSI markets.

**Ensuring compliance with withdrawal times and residue testing**

Legal regulations and our clear supplier expectations dictate strict withdrawal guidelines and residue testing that is closely followed in both our and our suppliers’ operations to ensure that all raw material conforms to these standards.

**Supporting industry research**

We work through industry groups to support ongoing and future research into the best practices for treating animals and the way that antibiotic resistance is developed in humans and animals.

**INFLUENCE**

The company is also actively involved in producer organizations to further the advancement of producers’ quality assurance programs that educate producers on best practices for the use of animal medicines.

Through our participation in industry associations, OSI will continue to support ongoing and future research that can be utilized to treat animals and further understand how resistance is developed in humans and animals.



**CASE STUDY**

**Curbing Antibiotic Use In Chicken**

OSI has taken notable steps to phase out the use of antibiotics defined by the World Health Organization as “highest priority critically important antimicrobials” (HPCIA) to human medicine. Experts warn that routine use of these antibiotics in healthy farm animals can contribute to antibiotic resistant infections in humans. OSI takes these concerns seriously and has been working with suppliers to curb HPCIA use in poultry and, more recently, beef. *(See “Learning More About Antibiotic Use in Our Beef Supply Chains” for more on our beef progress.)*

Our work with a key customer that is committed to reducing (and, where possible, eliminating) these antibiotics from its supply chain has driven us to work closely with our suppliers to track antibiotic usage, share best practices in biosecurity, veterinary care, vaccine regimes, and probiotics usage in order to establish dedicated sourcing programs without any HPCIA used at the poultry farm level in Europe, India and Australia. In India, beyond its work with suppliers, OSI Vista Processed Foods has also recently developed partnerships with two new suppliers that provide it with “Never-Ever-Antibiotic” or “No-Antibiotics-Ever” (NAE) chicken — chicken that has never been treated with antibiotics of any kind during its life cycle.

Our vertically integrated poultry businesses give us end-to-end control over the process, enabling us to quickly progress toward our goal of also establishing NAE programs in our own poultry production.



## CASE STUDY

# Learning More About Antibiotic Use In Our Beef Supply Chains

OSI is working to encourage antibiotic stewardship in beef production, over which we have less direct control. Cooperation with our suppliers is fundamental to us achieving our targets, which vary by region. In Germany, Poland and the U.K., OSI has aligned with targets established by the European Roundtable for Sustainable Beef, which calls for a 50% reduction in the use of HPCIA and total usage of antibiotics below 10mg/Kg PCU by 2023. (PCU is an abbreviation for Population Correction Unit, which is used to help measure antibiotics use. PCU takes into account the animal population as well as the estimated weight of each particular animal at the time of treatment with antibiotics.)

Work toward these goals is already underway and begins with gathering farm-level data that is helping us understand the health of herds and extent of antibiotic use on farms in our supply chains. In the U.K., OSI has gathered data from 60 farms in a project aimed at establishing baseline use of antibiotics in beef. Farmers were able to see the data collected from all participants and many eagerly checked to see how their antibiotic use compared to that of their peers. The project was as useful for OSI as it was for participating farmers, who now have deeper insight into their own use of antibiotics and more ambitious goals for which to aim.

In addition to our industry influence, OSI also purchases some NAE beef from the U.S., Australia, Uruguay and Ireland to support customer antibiotic-free commitments.

## Antibiotic Stewardship Sourcing Programs By Protein



### Poultry

Since 2018, OSI has focused on working with suppliers to strategically eliminate Highest Priority Critically Important Antibiotics (HPCIA). In the past two years, suppliers in Germany, Poland, Hungary, Spain, Slovenia, the Netherlands, Australia, India, China and the Philippines have been able to achieve this goal. In addition, we've established Never-Ever-Antibiotics sourcing programs for poultry in the U.S.



### Beef

Beyond sourcing some of our beef from dedicated Never-Ever-Antibiotics programs in U.S., Australia, Uruguay and Ireland, OSI has also begun work to reduce antibiotic use throughout the beef industry. In Germany, Poland and the U.K., OSI has aligned with targets established by the European Roundtable for Sustainable Beef, which calls for a 50% reduction in the use of HPCIA and total usage of antibiotics below 10mg/Kg PCU by 2023. Work toward these goals is already underway and begins with establishing farm-level data that sheds light on herd health and antibiotic use.



### Pork

OSI is sourcing some pork from dedicated Never-Ever-Antibiotics programs in the U.S., but additional opportunities to advance antibiotic stewardship for the pork industry are still under evaluation.



### PRIORITY GROUP 3

## Environmental Stewardship

As a global business reliant on global resources, we consider it our duty to be responsible stewards of the environment in every area of the world in which we operate. We also consider it our responsibility to lead by example in environmental management and through our processes and sourcing decisions. We

understand that agricultural supply chains present challenges, but also opportunities, to our planet. Although we are primarily focused on impacts within our own operations, we are working to improve our indirect impacts and support suppliers in reducing their environmental footprint.





## CASE STUDY

# A Trial Farm's Big Goal Of Carbon Neutrality

In the fall of 2019, OSI and a partner launched a "sustainability farm" in the U.K. that will be used as an innovation hub to pilot ambitious projects related to everything from animal welfare to energy reduction. One of the most ambitious goals for the farm is for it to become carbon neutral by 2030. A steering group is guiding much of the work to reduce energy use, meet other sustainability goals and share lessons with fellow farmers. The projects planned or underway at Brongain Farm take a holistic approach to sustainability and consider everything from the way cattle graze to the type of grass they eat and the equipment used on the farm.



## APPROACH

OSI's Environmental Management Systems guide our approach to operating our business with minimal impact on the planet. Our systems are based on ISO 14001, an international standard that helps organizations manage environmental compliance and track performance against environmental goals. An environmental manager at each OSI facility ensures that these systems are up to date and in accordance with regulatory and non-regulatory obligations. Each facility also reports environmental Key Performance Indicators (KPIs) into a proprietary dashboard that regional managers use to track company-wide progress toward our water, energy and waste reduction targets.

Experts in environmental regulation oversee impacts in each region and ensure compliance with our environmental policy and standards, which vary based on local laws and stakeholder expectations. We have an internal environmental audit system for all certified facilities in Europe, and we are working to develop internal environmental audit programs across facilities in all other regions. In order to ensure that our policies and procedures are the best they can be, OSI also uses a third-party environmental sustainability assessment to benchmark ourselves to the industry and guide us to year-over-year improvements. All facilities undergo routine third-party audits to ensure compliance. In addition, we also engage consultants to provide subject-matter expertise in identifying improvement opportunities.

In the last two years, we have gone above and beyond international standards of best practice, with many award-winning facilities in Europe leading the way. Eight OSI facilities are accredited by the European Union's Eco-Management and Audit Scheme (EMAS), a superior level of environmental

management with some of the most stringent criteria for external auditing and official registration with government bodies. Three of these sites were recently honored with national EMAS awards. Globally, OSI has begun disclosing our approach to managing climate risk to CPD, a non-profit organization focused on climate change. We've also worked with a consultant to develop a new, more accurate carbon footprint tool that is fully implemented in Europe and already helping to guide energy saving decisions, including the complete overhaul and upgrade of refrigeration coolants used at all European sites. In 2020, we began to implement this tool across our other global regions to standardize our carbon footprint reporting.

Beyond our own operations, we strive to raise environmental standards across the industry by helping suppliers upgrade their environmental management systems and partnering with them to support innovations that reduce our collective carbon footprint. These projects range from ambitious joint plans to reduce paper use in packaging to helping suppliers take stock of carbon emissions on their farms. We have also increasingly sought to support and amplify industry initiatives that align with our environmental goals, from expanding the practice of regenerative grazing to learning more about carbon sequestration.



## GLOBAL AS OF 2019



**16** OSI facilities  
are ISO 14001 certified.

## GLOBAL AS OF 2019



**8** OSI facilities

have achieved  
Eco-Management and  
Audit Scheme (EMAS)  
accreditation.



## CASE STUDY

# World Environment Day

For the last nine years, OSI Spain has participated in World Environment Day, a day designated by the United Nations in 1927 to raise environmental awareness. In 2020, the business marked the day through a range of educational activities, including a trivia competition and painting contest that touched on biodiversity, the day's theme for the year. Environmental photos and paintings adorned the company's cafeteria and alluded to two possible futures for the planet: one in which biodiversity thrives and the other where it is overwhelmed by threats. Across OSI, we too are considering the role we play in shaping these two potential futures. As part of our sustainability journey, we are constantly looking at our operations to see where we can limit our negative impact on biodiversity and be good stewards of the environment. We are also always seeking to educate our teams around the globe about the roles they also play in environmental stewardship. We do this through trainings, communication and by marking World Environment Day.



## PRIORITY 5 Conservation

OSI is committed to reducing our environmental impact through responsible stewardship of our earth's most vulnerable resources, specifically water, land and forests. Healthy soil, water, air, plants and ecosystems are critical to ensuring sustainable agriculture. Our goal is to use the materials needed for our products in the most responsible way possible, and through regular review, identify suitable environmentally-friendly alternatives or practices that will reduce negative impacts associated with our withdrawals, disposal and purchases.

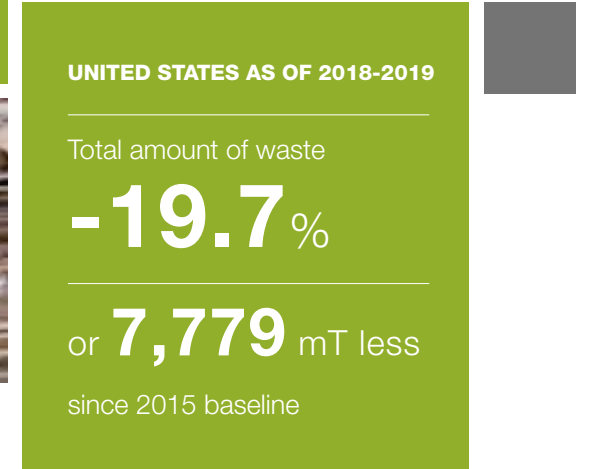
As we strive for net benefit in our environmental impact, we are working to find innovative solutions to several key challenges: Recycling markets limit our outlets for disposal; our imperative to maintain the highest sanitation standards hinder our efforts to reduce water usage; and limited visibility into some areas of our supply chain require creative, collaborative efforts to learn more about deforestation impacts far removed from our purchasing decisions. That's why we've become more strategic about the data we collect and the partnerships we foster with those similarly working to tackle these industry-wide challenges.

### WASTE

We believe it is important to be the best possible steward of our resources and seek to make full use of inputs and raw materials. Our waste reduction strategy highlights opportunities for energy production and recovery, reuse, or recycling of by-products. Diverting waste that would otherwise be sent to landfill is not only good for our environment and reduces pollution, it also saves natural resources and raw materials that can be used for other purposes.

We maintain tight waste management controls within all of our plants at OSI. Throughout operations we have adopted several critical steps to smooth and accelerate the reduction of our waste footprint.

- We've engaged waste contractors following a thorough approval process, and, wherever possible, we keep the number of contractors we use to a minimum, so our waste management processes remain streamlined.
- We've reviewed our waste stream to implement new processes and/or install new equipment that makes reducing and recycling waste the easiest and best option.
- We've worked with local partners to identify the best possible destination for materials that can no longer be used in our operations, including recycling, material reuse, closed-loop solutions, waste minimization, and energy creation.
- We've celebrated the milestone successes along the way and shared the lessons learned and best practices across our group.



### CASE STUDY

## A Sustainable Packaging Partnership

In 2019, Turosi, an OSI joint venture company in Australia, embarked on a mission to drastically reduce its use of paper products. The company's five-point plan was inspired by a similarly ambitious national campaign to slash dependence on both plastic and paper packaging. The first step involved collecting data on how many kilograms of packaging they actually used for some of their major customers. This exercise will be used to inform Turosi's packaging strategy going forward.

As the company continues to take stock of its impact, it has also embarked on a project with one of its major retail customers to develop a solution to replace the cardboard cartons traditionally used to supply customers with primary poultry products. Currently, Turosi uses more than 800 metric tons of recyclable cardboard cartons per year to supply these products to just this one customer. The new plan, which was under evaluation in 2020, involves use of reusable plastic crates instead of cardboard cartons.



**CASE STUDY**

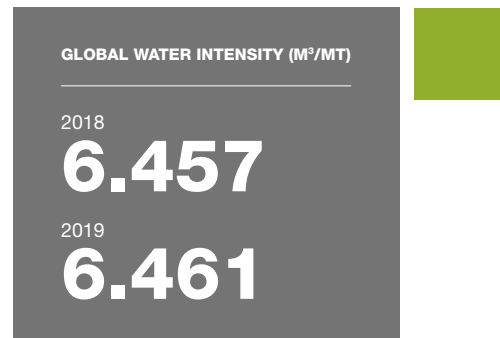
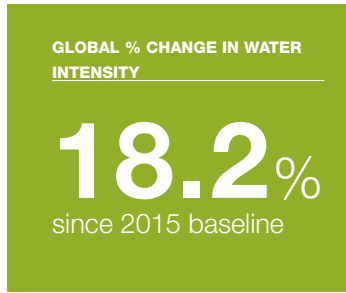
# Reducing Water Usage In The Plant And On The Farm

Water conservation is a key concern across OSI and, in some regions in which we operate, it's a business imperative. When OSI Vista Processed Foods opened its first plant outside of Mumbai more than 15 years ago, the water would sometimes stop flowing. Water is paramount for sanitation and food safety. When the water was cut, management would either close the plant or purchase tankers full of water to keep operations running.

Water issues also extended back to supplying farms, where warming temperatures had been forcing farmers to use even more of the limited resource. Both of these challenges spurred OSI Vista leadership to become meticulous about monitoring water usage and innovative about conserving the resource, years before water conservation was on the wider, global radar.

Over the years, OSI Vista has implemented a number of solutions to curb water usage in its plants and has worked to educate its suppliers about conserving water on the farm. Most recently, the company's plant in Punjab introduced a new cleaning system that reduced water consumption in 2019 by 15%. The "smart" cleaner replaced an older system that required workers to manually dilute soap when cleaning two of the plant's machines. Used in conjunction with newly installed high-pressure jets, the system resulted in a 23% reduction in soap over the course of 2019 and also proved to clean the machines more effectively.

At the farm level, OSI Vista has encouraged and supported its supplying farms to adopt a low-pressure "drip" irrigation technique that directs water to key areas. Following months of information campaigning that included dispatching the company's agricultural experts to farms and inviting farmers to agricultural fairs and other educational events, more than 60% of OSI Vista's 725 supplying farms use drip or micro-irrigation. Farmers who have implemented this best practice have saved money and produced higher quality and more consistent produce for OSI Vista — something everyone can feel good about.



**WATER**

Water is increasingly regarded as one of the planet's most valuable resources. We recognize that water is also particularly important for our business given its central role in agricultural value chains as well as its role in maintaining food safety at our processing facilities. In order to maintain our rigorous hygiene standards, our plants must be cleaned daily, which limits our ability to reduce the amount of water we're utilizing in our production process. Process and product changes in recent years have also created some additional water withdrawals, including new food items that require water as an ingredient during processing. Taken together, these changes have hindered our progress towards our water goals. Knowing this continues to be a challenge, experts at our facilities around the world are increasing their monitoring methods for water consumption to highlight new efficiencies and are researching — and, in some areas, pursuing — innovative solutions to tackle this industry challenge.



**FORESTS**

The Amazon Biome and other important forest ecosystems continue to be an area of great concern for our customers and stakeholders. Even though OSI does not have any direct operations in these areas, we recognize that our supply chain has potential impact on commodities produced in these regions, and we remain committed to setting up sustainable sourcing strategies that regularly monitor areas of deforestation risk in our supply chains.

These strategies begin with our investigation into practices of suppliers that provide us with beef, soy used for chicken feed, palm oil and its derivatives, and paper packaging products to confirm whether their raw materials originated outside deforestation risk regions. Our Supply Chain and Quality Assurance Raw Material Teams then verify our forest-related sustainability impacts through annual assessments, traceability exercises, and continuous supplier engagement.


We've also taken a number of steps to build awareness of forest risk within our company and increase our transparency around forest impacts. For the last two years, we have submitted a response annually to the CDP Supply Chain Forest Questionnaire. This disclosure allows our

leadership, employees and customers to see our forest related risks, opportunities and impacts in detail to ensure that our purchasing decisions are aligned with sustainability goals and commitments within our industry. Following the review of our palm oil, soy, chicken feed, pulp, and beef origins, OSI began training any staff involved in the buying and selling of forest-risk products to ensure they could identify best practices in forest-risk management and were implementing best practices in controlling deforestation risks. We also brought in an expert from a longtime partner organization specializing in deforestation to educate staff across OSI regions about the role key commodities play in deforestation around the world. We administered a supplier survey to find out the degree to which our supply chains are reliant on areas of the globe where deforestation is a concern and assessed our supply chain for level of deforestation awareness, traceability and commitment. The survey and assessment results will inform our developing deforestation strategy. In the meantime, we've continued to engage with our customers and other stakeholders to reduce deforestation impacts related to forest-risk commodities.


Even though OSI does not have any direct operations in these areas, we recognize that our supply chain has potential impact on commodities produced in these regions, and we remain committed to setting up sustainable sourcing strategies that regularly monitor areas of deforestation risk in our supply chains.






	BEEF
<p><b>FOREST-RISK COMMODITY</b></p> <p>The challenge</p>	<p>Definitions of deforestation and regulations around the topic vary from country to country.</p> 
<p><b>MANAGEMENT APPROACH</b></p> <p>How we work to understand and reduce forest impact in our supply chain</p>	<ul style="list-style-type: none"> <li>OSI primarily sources beef from low-risk deforestation regions and requires our suppliers to abide by relevant regulatory requirements in our Supplier Code of Conduct.</li> <li>If considering sourcing from a region with deforestation risk, OSI works closely with suppliers to triangulate the source of our supply in order to confirm origins outside areas of risk. In some cases, we work directly with suppliers who use satellite monitoring technology to ensure compliance with sourcing policies.</li> <li>As a founding member and supporter of the Roundtables for Sustainable Beef, we actively engage with stakeholders, leading the discussion about deforestation risk globally. We also engage with industry members, defining best practices for land management during production, and contribute data from our supply chains to their industry-led approaches. We are also working with the GRSB to understand possible areas of partnership for reducing deforestation impacts of cattle production.</li> <li>We have participated in pilot projects with both customers and suppliers to raise awareness about farm-level practices that lead to deforestation and to help them identify opportunities for additional visibility and verification.</li> </ul>

SOY
<p>Farm-level data for soy commodity markets is frequently lacking, so it is often difficult to trace the origins of soy found in multiple ingredients used in processing, as well as the feed supply of animals in our raw material supply chain — especially poultry.</p>
<ul style="list-style-type: none"> <li>A significant amount of soy present in OSI's supply chain is produced in the U.S., a low risk country for deforestation. When sourcing from other regions, we engage with our suppliers and soy traders to better understand its origins and develop management systems that improve visibility in our raw material supply chains.</li> <li>Over the past two years, we have focused more intently on engaging suppliers through information requests to build traceability to specific regions and countries for soy used as feed protein in our poultry supply chains. Through this process, we work with our partners to identify opportunities that will offset deforestation risk through alternative sourcing programs, certification, and credit offsets.</li> <li>Most European poultry supply is covered under the Soy Moratorium, Roundtable for Responsible Soy, and ProTerra standards.</li> <li>We use quality assurance audits, certifications and credits from sustainable soy platforms to help us verify compliance with the Soy Moratorium, deforestation commitments and our own obligations. Our direct sourcing from vertically integrated and closed loop cooperatives also helps us meet these commitments.</li> </ul> 

TIMBER AND PULP PRODUCTS
<p>We must balance sustainable packaging goals with food safety and product quality requirements.</p>
<ul style="list-style-type: none"> <li>All fiber-based packaging from raw material purchases delivered to OSI facilities is recycled, and any fiber-based packaging purchased for OSI distribution is reviewed for highest potential recyclable content. In some cases, fiber-based packaging has been replaced with reusable plastic totes.</li> <li>OSI partners with suppliers who are Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) certified to ensure that, whenever possible, both recycled materials are used and raw materials are produced sustainably.</li> <li>Pilot projects to reduce packaging materials and assess alternatives to paper packaging cartons are both currently underway.</li> </ul> 

PALM OIL
<p>Beyond being the world's most versatile vegetable oil, palm oil also has many natural qualities that are attractive to food manufacturers: eliminating trans-fatty acids, product conservation without preservatives, frying without spoiling, and lower production costs, among many other benefits. These advantages have cemented use of palm oil and its derivatives in many common food ingredients, increasing the need for sustainable sourcing to combat deforestation.</p>
<ul style="list-style-type: none"> <li>OSI has substituted other oils for palm oil in many traditional uses of the product, verifying that many of our products are palm oil free.</li> <li>We also maintain a list of ingredients, including palm oil derivatives, from the suppliers in our regional vendor management systems to help us track the commodity, both to build awareness of its use and implement sustainable sourcing strategies.</li> <li>Some facilities or supplier partners are members of the Roundtable on Sustainable Palm Oil (RSPO) and purchase "book and claim" credits for palm oil being used for consumption. Credits purchased on behalf of customers are reported through customer portals and recorded on the RSPO public website.</li> </ul> 



**REDUCING OUR FOOTPRINT WITH CARBON OFFSET CREDITS**

Since 2008, Creative Foods, an OSI Group company in the U.K., has worked with a carbon offset consultancy to reduce its environmental footprint.

To date, it has offset

**7,460** mTCO<sub>2</sub>

an increase of **3,201** mTCO<sub>2</sub> from 2018, from investment in the following projects:

A freshwater project in Uganda that has reduced energy needed for boiling water

**522** mTCO<sub>2</sub> offset

A rainforest protection project in Brazil

**1,172** mTCO<sub>2</sub> offset

A wind power project in India

**2,344** mTCO<sub>2</sub> offset



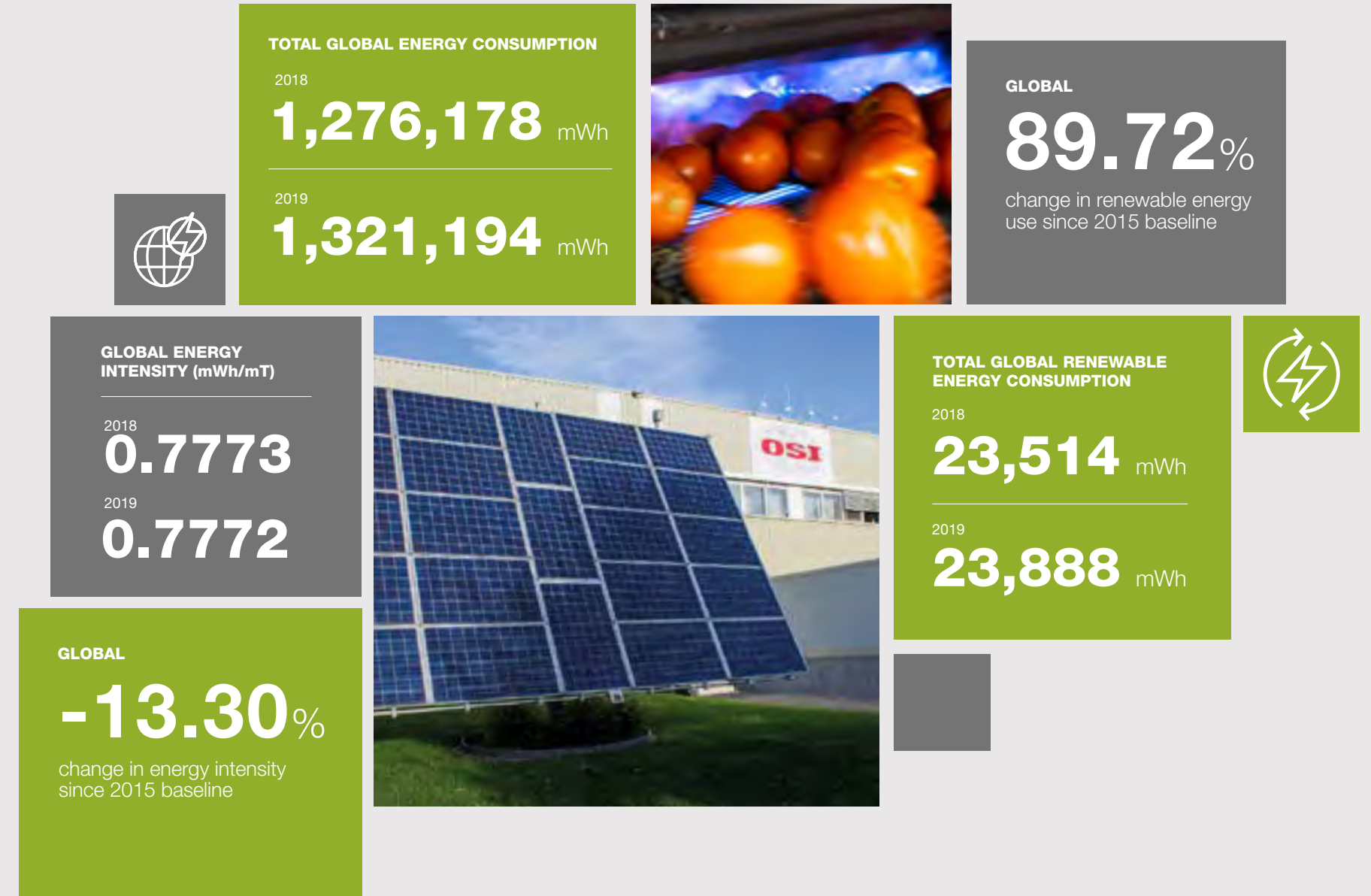
**PRIORITY 6**

**Climate Change**

OSI is committed to mitigating greenhouse gas (GHG) emissions in our operations in order to reduce the risk of changing climates. The steps we are taking to continuously improve our energy efficiency and reduce our carbon footprint within our own operations are critical to the longevity of our company's operations and for the continued trust of our stakeholders. Since the largest area of climate-related impact occurs within our landed, agricultural supply base, we are also striving to work more closely with our suppliers and alongside industry to adopt reforms that will help reduce our impact.

As with any manufacturing process, we rely heavily on energy throughout our operations – from grinding and forming, to cooking, chilling or freezing our products prior to packaging and distribution. In these activities, our main sources of energy and GHG come from natural gas, which, in addition to our cooling activities, comprise the two largest sources of GHG emissions from our direct operations. We have prioritized renewable energy sources, energy monitoring, and refrigeration equipment calibration, and, when necessary, have installed alternative systems to reduce our negative impacts.

We acknowledge the impact and risks inherent with climate change in agricultural supply chains and seek to do our part in advancing industry discussion and opportunities for improvement. We also encourage suppliers to reduce their own emissions in an effort to mitigate the indirect impacts of our supply chain, all the way back to the farm. Our engagement includes support of farm-level carbon footprint calculation and pilot projects to test possible areas for carbon reduction and sequestration.






**TOTAL CARBON OFFSETS**

**3,201** mTCO<sub>2</sub>

purchased by Creative Foods (2018-2019)




**UNITED STATES & EUROPE:**  
% CHANGE IN EMISSIONS INTENSITY

2018  
**-0.60%**

2019  
**-3.82%**  
since 2015 baseline

**UNITED STATES & EUROPE:**  
S1 AND S2 TOTAL CARBON FOOTPRINT

2018  
**256,163** mTCO<sub>2</sub>-e

2019  
**248,152** mTCO<sub>2</sub>-e



**UNITED STATES & EUROPE:**  
S1 AND S2 CARBON INTENSITY

2018  
**0.3335** mTCO<sub>2</sub>-e/mT product produced

2019  
**0.3227** mTCO<sub>2</sub>-e/mT product produced

**EUROPE:**  
S1, S2, S3 CARBON EMISSIONS TOWARD 30% REDUCTION GOAL

2018  
Total Intensity **10.2065** Change **-2.88%**  
mTCO<sub>2</sub>-e/mT product produced

2019  
Total Intensity **9.2533** Change **-11.95%**  
mTCO<sub>2</sub>-e/mT product produced

**MANAGEMENT**

Starting in 2018, OSI reevaluated our carbon calculation methodology and began to take steps to implement a new calculation tool globally and use it to review our 2015 baselines and 2025 targets. We partnered with a European energy consulting firm that helped us expand the OSI carbon calculator to encompass all critical areas of carbon emissions:

**SCOPE 1**  
Direct operations

**SCOPE 2**  
Energy purchases

**SCOPE 3**  
Upstream impacts from raw material purchases

This review has enabled us to be more strategic about our approach to climate change in our own operations and as we work in coordination with industry initiatives to advance opportunities for producers across the globe. We are still in the early stages of implementing supply chain reductions, but our strategy continues to develop and expand to new areas of the company through supply chain and industry partnerships, investment in more data capture and analysis, and integration of energy cutting goals and activities into our day-to-day operations.

**CASE STUDY**

Helping Farmers Adopt More Environmentally-Friendly Grazing Practices

OSI is supporting a project aimed at helping farmers on the U.S. Northern Great Plains of Montana adopt a grazing practice shown to improve the health of their soil, productivity of cattle, and combat one of the key contributors to climate change. The Montana Grazing Project is being implemented by NativeEnergy, a company that sells carbon offset credits to businesses interested in reducing their carbon footprint. In partnership with Western Sustainability Exchange, a regional non-profit, the project centers on expanding adoption of regenerative grazing practices for Montana ranchers who are interested in improving forage on their land, but may have faced barriers to transitioning to higher intensity rotational grazing in the past. This type of grazing mimics the natural way bison and other undomesticated animals travel from fresh pasture to pasture, offering grazed land the undisturbed time it needs to regenerate. Healthy soil improves the local ecosystem and the health of the herd, while trapping carbon, a greenhouse gas that contributes to climate change. Ranchers interested in participating in the program receive educational resources and financial support that enables them to make infrastructure changes or any other adjustments in operations needed to implement regenerative grazing. Adopting these changes and seeing the resulting productivity and soil benefits also opens a new income stream: The additional amount of carbon sequestered, or pulled into their soil each year, directly translates to financial compensation derived through carbon offset credits sold to companies through service providers like NativeEnergy.



# Addressing Our Company Carbon Footprint

## Scope 1 Direct Emissions








## Scope 2 Indirect Emissions








## Scope 3 Upstream Indirect Emissions

### In-company Operations

### Purchased Utilities

### Up- and Downstream Activities

<b>KEY EMISSIONS AREAS</b>	 Company facilities  Heating  Cooling  Company vehicles	 Electricity
<b>MANAGING THE CARBON CHALLENGE</b>	<b>Reducing energy use within our walls</b> As OSI has expanded our offerings, the amount of energy needed to produce our products has also increased. Regional environmental management teams manage these impacts and when necessary, engage third-party specialists to conduct holistic assessments of all related risk areas. OSI uses the results to consider investments that reduce our impacts.	<b>Making more environmentally-friendly decisions about the type of energy we purchase</b> Company electricity purchases are both significant emissions sources and key opportunities for reductions. OSI set a renewable energy goal in 2018. We've since surpassed that goal and set our sights on establishing renewable energy installations and purchases in all our regions of operation.
<b>EXAMPLES OF PROJECTS AND INITIATIVES</b>	 <b>Refrigeration conversion</b> <ul style="list-style-type: none"> <li>In Europe, OSI has begun piloting a higher-level ISO 50001 Energy Management System in two plants and has assessed our refrigeration and chilling systems across the region. Together, this management approach and assessment has established a method for identifying further reduction levers and highlighted a current opportunity to change existing refrigerants to zero or low f-gas ratio options.</li> </ul> <b>Energy efficiency</b> <ul style="list-style-type: none"> <li>The OSI Chicago-Major Avenue facility, which produces pork products in the U.S., reduced its energy intensity by more than 10% in five years after investing in more energy-efficient lighting, optimizing the way the engine room was run, and making a range of smaller changes.</li> <li>Otto &amp; Sons' Rushan plant, OSI's vertically-integrated poultry business in China, was able to record significant energy savings by conducting a thermal heat recovery project. By recirculating the energy to heat the water the plant uses to clean equipment, it was able to reduce daily energy consumption and shorten the operation time of the boiler.</li> </ul>	 <b>Renewable energy</b> <ul style="list-style-type: none"> <li>A new Environmental, Occupational Health and Safety (EHS) Policy Statement released in 2019 for U.S.-based OSI sites emphasizes the use of renewables in building design, operations, new partnerships and technologies.</li> <li>OSI has been converting our facilities in Europe to renewable energy electricity purchases. Through OSI Europe's own initiative called Eco-Energy, we purchase energy from 100% renewable sources through Renewable Energy Certificates (RECs). The RECs support new renewables investments and expand renewable capacity throughout Europe. Since 2015, Europe has expanded renewable energy usage by 89%.</li> <li>By the end of 2020, both the U.S. and Australia will have their first renewable energy systems installed and generating power for their facilities.</li> </ul>

 Raw material, especially cattle  Transportation & distribution  Business travel
<b>Considering and helping to mitigate the energy used to produce and transport raw materials before they enter our facilities</b> The majority of corporate emissions, especially for agricultural supply chains, occur outside of company walls. For this reason, OSI's Sustainability, Procurement and Quality Assurance Raw Material teams regularly engage with suppliers and other stakeholders through industry groups and roundtables. Our goal is to elevate agricultural best practices in deforestation, land management and other environmental areas and reduce susceptibility to climate change risks in our supplier base.
 <b>On-farm efficiencies</b> <ul style="list-style-type: none"> <li>OSI has started working with farms in Poland, the U.K. and Germany to calculate on-farm GHG emissions with an online carbon calculator, the "Cool Farm Tool." We are also conducting trials of other on-farm GHG calculation tools.</li> <li>In other markets, OSI is also testing possible opportunities for carbon reduction with a GreenFeed system, which measures emissions from individual animals. These types of tools are helping us to establish baseline data and identify reduction strategies.</li> <li>In Germany, we are working on a pioneering project that will test what GHG reductions can be achieved by including vegetable coal, a dietary substitute, in a beef animal's diet.</li> </ul>  <b>Regenerative grazing</b> <ul style="list-style-type: none"> <li>OSI's Sustainability Team partners with suppliers and other stakeholders on climate-related projects to build best practice examples that we can promote to others, and scale. This includes the Montana Grazing Project, which helps U.S. ranchers adopt regenerative grazing practices that have been shown to improve carbon sequestration in soil.</li> </ul>  <b>Supplier engagement</b> <ul style="list-style-type: none"> <li>We also educate our suppliers on carbon reduction strategies and climate-sensitive risk mitigation activities through regional summits and individual coaching.</li> </ul>  <b>Transport efficiency</b> <ul style="list-style-type: none"> <li>OSI has a history of partnering with suppliers and customers to strategically locate our facilities and, when possible, coordinate on bulk materials transportation.</li> </ul>



# GRI Content Index

## General Disclosures

DISCLOSURE NUMBER	STANDARD DISCLOSURE TITLE	LOCATION/DESCRIPTION	PAGE	DISCLOSURE NUMBER	STANDARD DISCLOSURE TITLE	LOCATION/DESCRIPTION	PAGE
<b>102-1</b>	Name of the organization	OSI Group		<b>102-41</b>	Collective bargaining agreements	Our Global Workforce	36
<b>102-2</b>	Activities, brands, products, and services	Overview and Locations	9 - 11	<b>102-42</b>	Identifying and selecting stakeholders	Stakeholders and Industry Influence	23
<b>102-3</b>	Location of headquarters	Overview and Locations	9	<b>102-43</b>	Approach to stakeholder engagement	Stakeholders and Industry Influence	23
<b>102-4</b>	Location of operations	Overview and Locations	10 - 11	<b>102-44</b>	Key topics and concerns raised	Stakeholders and Industry Influence	23
<b>102-5</b>	Ownership and legal form	OSI Corporate Governance and Organizational Structure	9, 14	<b>102-45</b>	Entities included in the consolidated financial statements	Overview and Locations OSI is a privately held company.	10 - 11
<b>102-6</b>	Markets served	Overview and Locations	10	<b>102-46</b>	Defining report content and topic boundaries	Materiality	24 - 25
<b>102-7</b>	Scale of the organization	Overview and Locations	10	<b>102-47</b>	List of material topics	Materiality	24 - 25
<b>102-8</b>	Information on employees and other workers	Our Global Workforce	36	<b>102-48</b>	Restatements of information	Targets No significant restatements of information.	27 - 31
<b>102-9</b>	Supply chain	Sustainable Supply Chain	45	<b>102-49</b>	Changes in reporting	No significant changes in 2018-2019	
<b>102-10</b>	Significant changes to the organization and its supply chain	Overview and Locations	9	<b>102-50</b>	Reporting period	About The Report	6
<b>102-11</b>	Precautionary Principle or approach	Strategic Sustainability Process	21 - 22	<b>102-51</b>	Date of most recent report	About The Report	6
<b>102-12</b>	External initiatives	Collaboration	48	<b>102-52</b>	Reporting cycle	About The Report	6
<b>102-13</b>	Membership of associations	Memberships and Organizations	49	<b>102-53</b>	Contact point for questions regarding the report	About The Report	6
<b>102-14</b>	Statement from senior decision-maker	Letter from the President	7	<b>102-54</b>	Claims of reporting in accordance with the GRI Standards	About The Report	6
<b>102-15</b>	Key impacts, risks, and opportunities	Priorities	26	<b>102-55</b>	GRI content index	GRI Content Index	72 - 74
<b>102-16</b>	Values, principles, standards, and norms of behavior	Values and Commitments	12 - 13	<b>102-56</b>	External assurance	External assurance was not provided in 2020. OSI Group does not have a policy that requires external assurance for its sustainability reporting.	
<b>102-17</b>	Mechanisms for advice and concerns about ethics	Ethics and Business Principles	14				
<b>102-18</b>	Governance structure	OSI Corporate Governance and Organizational Structure	14 - 15				
<b>102-40</b>	List of stakeholder groups	Stakeholders and Industry Influence	23				

# GRI Content Index

## Material Topics

DISCLOSURE NUMBER	STANDARD DISCLOSURE TITLE	LOCATION/DESCRIPTION	PAGE
<b>Social</b>			
<b>Responses</b>			
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>GRI 103: Management Approach 2016</b>			
<b>GRI 103-1</b>	Explanation of the material topic and its boundary		
<b>GRI 103-2</b>	The management approach and its components	Workplace	39 - 41
<b>GRI 103-3</b>	Evaluation of the management approach		
<b>GRI 403: Occupational Health and Safety 2018</b>			
<b>GRI 403-1</b>	Occupational health and safety management system	Workplace: Fostering a Culture of Safety	41
<b>GRI 403-2</b>	Hazard identification, risk assessment, and incident investigation	Workplace: Fostering a Culture of Safety	41
<b>GRI 403-3</b>	Occupational health services	Social Responsibility: Employee Health and Wellness	38
<b>GRI 403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Workplace: Fostering a Culture of Safety	41
<b>GRI 403-5</b>	Worker training on occupational health and safety	Workplace: Fostering a Culture of Safety Workplace: A Training Program That Goes Above and Beyond	39, 41
<b>GRI 403-6</b>	Promotion of worker health	Social Responsibility: Employee Health and Wellness	38
<b>GRI 403-9</b>	Work-related injuries	Workplace: Fostering a Culture of Safety	41
<b>HUMAN RIGHTS ASSESSMENT</b>			
<b>GRI 103: Management Approach 2016</b>			
<b>GRI 103-1</b>	Explanation of the material topic and its boundary		
<b>GRI 103-2</b>	The management approach and its components	Workplace: Key Policies and Commitments	39 - 41
<b>GRI 103-3</b>	Evaluation of the management approach		
<b>GRI 412: Human Rights Assessment 2016</b>			
<b>GRI 412-3</b>	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Supplier Code of Conduct	41





DISCLOSURE NUMBER	STANDARD DISCLOSURE TITLE	LOCATION/DESCRIPTION	PAGE
-------------------	---------------------------	----------------------	------

## Environmental

## Responses

### ENERGY

#### GRI 103: Management Approach 2016

GRI 103-1	Explanation of the material topic and its boundary		
GRI 103-2	The management approach and its components	Climate Change	66, 69
GRI 103-3	Evaluation of the management approach		

#### GRI 302: Energy 2016

GRI 302-1	Energy consumption within the organization		67
GRI 302-3	Energy intensity		67
GRI 302-4	Reduction of energy consumption		67

### WATER AND EFFLUENTS

#### GRI 103: Management Approach 2016

GRI 103-1	Explanation of the material topic and its boundary		
GRI 103-2	The management approach and its components	Conservation: Water	60, 63
GRI 103-3	Evaluation of the management approach		

#### GRI 303: Water and Effluents 2018

GRI 303-1	Interactions with water as a shared resource		62
GRI 303-3	Water withdrawal		62

### EMISSIONS

#### GRI 103: Management Approach 2016

GRI 103-1	Explanation of the material topic and its boundary		
GRI 103-2	The management approach and its components	Climate Change	66, 69 - 71
GRI 103-3	Evaluation of the management approach		

#### GRI 305: Emissions 2016

GRI 305-1	Direct (Scope 1) GHG emissions		68
GRI 305-2	Energy indirect (Scope 2) GHG emissions		68
GRI 305-4	GHG emissions intensity		68

DISCLOSURE NUMBER	STANDARD DISCLOSURE TITLE	LOCATION/DESCRIPTION	PAGE
-------------------	---------------------------	----------------------	------

### EFFLUENTS AND WASTE

#### GRI 103: Management Approach 2016

GRI 103-1	Explanation of the material topic and its boundary		
GRI 103-2	The management approach and its components	Conservation: Waste	60
GRI 103-3	Evaluation of the management approach		

#### GRI 306: Effluents and Waste 2016

GRI 306-2	Waste by type and disposal method	<b>2018:</b> 138,071 mT (recycle); 7,670 mT (incinerate); 14,704 mT (landfill)	61
		<b>2019:</b> 133,560 mT (recycle); 8,064 mT (incinerate); 11,370 mT (landfill)	
		Two additional facilities starting waste reduction journey.	

## Sustainable Supply

## Response

### ANIMAL WELFARE

#### GRI 103: Management Approach 2016

GRI 103-1	Explanation of the material topic and its boundary		
GRI 103-2	The management approach and its components	Animal Welfare	51 - 52
GRI 103-3	Evaluation of the management approach		

#### GRI G4: Animal Welfare

G4-FP10	Policies and practices, by species and breed type, relate to physical alterations and the use of anesthetics	Supporting Commitment-led Enrichment Programs	50
G4-FP12	Policies and practices on antibiotic, anti-inflammatory, hormone and/or growth promotion treatments, by species and breed type	Supporting Commitment-led Enrichment Programs	50







1225 Corporate Boulevard, Aurora, IL 60505  
[www.osigroup.com](http://www.osigroup.com)