



KEYSTONE FOODS

*CORPORATE SOCIAL RESPONSIBILITY
PROGRAM OVERVIEW*



Our Company

Keystone Foods is a diversified multi-national food company that supplies, supports, and partners with leading consumer brands. We provide fresh and frozen protein products to our customers around the world through our footprint in the United States and Asia Pacific.

We started as a small, US family-owned business that has grown into a global company through innovation and expansions.



1960

Develops a mass production and freezing process for producing hamburgers known as cryogenics, a historic milestone in the rapidly expanding quick-service restaurant industry.

Founded in the early 1960s as a small, family-owned beef-boning business.



1974 — Keystone pioneers the concept of “total distribution.” Restaurants receive their entire delivery from frozen, to refrigerated, to dry goods from one truck in one delivery. This resulted in volume buying and delivery efficiencies, reduced costs and enhanced customer service.



Between 1973 and 1982, Keystone Foods was publicly traded on the New York Stock Exchange.



1980

1990s — Keystone grows rapidly in international markets with new distribution and manufacturing facilities opening in several different countries.

The Keystone R&D group develops the chicken nugget at its Tennessee manufacturing facility, a Keystone innovation, and an industry first.

Late 1980s — Keystone expands into international markets.

2000

2010 — Keystone acquired by Marfrig. Combined strengths secure position as a leader with unparalleled global resources, ready to respond to customers' needs anywhere, any way, any time.



2012 — Keystone divested its distribution business to the Martin Brower Company.



PRESENT

Keystone is a leading supplier of animal proteins products to major restaurant chains in the United States and Asia Pacific, with approximate sales of \$2.5 billion worldwide.



Corporate Social Responsibility & Sustainability at Marfrig Global Foods

Marfrig Global Foods develops and implements innovative actions and wide-ranging policies to foster social and environmental responsibility in its supply chain, working to ensure the long-term, sustainable growth of our business. Marfrig has defined its Corporate Social Responsibility (CSR) & Sustainability framework in a way that touches every employee at all levels of the organization.

Each of Marfrig's three operating subsidiaries – Marfrig Beef, Moy Park and Keystone Foods – work collaboratively as part of a formal global CSR & Sustainability council. Together, this council sets and executes the global CSR & Sustainability strategy; shares best practices and facilitates consistent communication to our many stakeholders.



The Marfrig Global Foods CSR & Sustainability strategy depicted above sets the comprehensive direction for the company. Each operating subsidiary focuses on implementable actions in line with this strategy and in accordance with local operating conditions. At Keystone, we implement CSR & Sustainability through our branded KEYSTAR® program, described in detail throughout this brochure.

The Foundation for CSR at Keystone Foods

From its beginnings in 2008, our CSR program, KEYSTAR®, has continued to evolve and flourish within our organization and to respond to the numerous changes in the global economy. These factors include global workforce demographics, increased consumer awareness around food safety and nutrition, projected risks and impacts of global climate change, and emerging socio-economic concerns. The KEYSTAR® program provides guiding principles and goals to promote and balance environmental stewardship, social responsibility and profitable growth.

The program was built upon our tradition of pursuing excellence in customer service, employee health and safety, animal welfare, risk management, food safety and quality, as well as our dedication to protecting our natural resources and strengthening the communities where we operate. At Keystone Foods, we are committed to operating in a sustainable manner. CSR has become deeply rooted within our culture and the KEYSTAR® program is a source of employee pride and engagement.

Creating Shared Value is one of the four core pillars of our KEYSTAR® program. By collaborating with customers and suppliers on CSR topics, we share our successes and learn from each other's best practices. These partnerships not only help sustain

our business, but support our partners in achieving their business and CSR objectives. Additionally, the KEYSTAR® program supports brand protection for our customers and their business and serves as a differentiator for Keystone in the marketplace.

This document outlines the pillars, goals, and strategies that encompass our current KEYSTAR® program. We look forward to providing regular updates on our progress through the Marfrig Global Foods and Keystone Foods CSR reports available for download at keystonefoods.com.

We believe that our continued growth and financial successes are dependent upon our ability to identify and respond to the evolving needs of our many stakeholders. We value the collaboration with our employees, customers, suppliers, and other key stakeholders as we continue to grow as a supplier to the food industry.



**Frank Ravndal, CEO
Keystone Foods**



Promoting KEYSTAR®

KEYSTAR® Program Vision:

Keystone Foods strives to be a responsible global business that balances environmental stewardship, social responsibility, and profitable growth to operate sustainably within the global and local communities in which it operates.

The company maintains a comprehensive set of guidelines and metrics as part of our KEYSTAR® program to help communicate and realize our vision for CSR. For Keystone Foods, CSR is about how business processes can be better managed to produce sustainable outcomes for society and our stakeholders.

Socially Responsible Growth
Total Commitment
Achieving Balance
Respecting the Environment

These principles are the basis from which the KEYSTAR® program and acronym were developed. Over the years, the KEYSTAR® program has evolved, but its foundational principles still remain true today. As KEYSTAR® grows with our business, we have come to define the program in new ways. By uniting the principles of the KEYSTAR® program with our business strategy, we ensure that our program elements are clear, our goals are definable and implementable, and our employees are provided with the tools to achieve them and create value for our stakeholders.

Stakeholders



SUPPLIERS



PARTNERS



CUSTOMERS



CONSUMERS



EMPLOYEES



SHAREHOLDERS



SOCIETY

Our Cornerstone Is Collaboration

When it comes to implementing our KEYSTAR® program, we understand that every organization that works with Keystone Foods can contribute. Suppliers, industry organizations, and trade groups bring differing perspectives on CSR topics, and we can both learn from them and help them improve. It is an inclusive, holistic approach to CSR that gets key stakeholders involved, and focuses on continuously sharing best practices. Throughout each year, we present internally to our employees and externally to our customers, suppliers, and industry leaders to share and learn.

KEYSTAR® Pillars

Four KEYSTAR® pillars are integral to achieving our global business strategy:

Sustaining the Planet

Natural resources – water, energy, and materials – are key inputs to our operations. Keystone Foods maintains an environmental management program designed to ensure compliance, manage risks, capitalize on opportunities, and minimize environmental impacts. This focus yields sustainable outcomes to our climate, communities, and customers.

Contributing to Communities

We actively work to strengthen our relationships with communities where we do business and provide volunteer opportunities for employees. Keystone supports many organizations by providing financial contributions, charitable event coordination, sponsorships, and other resources. Keystone is a major employer in many of the local communities where we have facilities, and we support local employment opportunities across our supply chain.

Supporting our People

Keystone Foods follows internationally recognized human rights standards and best practices in health and safety in every region where we operate. We demonstrate integrity and ethics in our decision-making and behavior. Keystone strives for continuous improvement in the areas of career development, diversity, employee safety, and engagement to sustain our future growth.

Creating Shared Value

Partnerships and collaboration with our suppliers and customers are central to the success of our business. To this end, we invest significantly in growing Keystone’s social capital through productive relationships. We partner with our customers on a number of CSR-related areas including food safety and quality, as well as animal welfare. This collaboration helps meet the needs of our customers’ stakeholders and consumers.



SUSTAINING THE PLANET

Through:

- Energy conservation
- Waste reduction
- Water conservation
- Environmental management systems
- Responsible sourcing



CONTRIBUTING TO COMMUNITIES

Through:

- Strategic philanthropy
- Employee volunteerism
- Local community engagement & development
- Employment opportunities



SUPPORTING OUR PEOPLE

Through:

- Employee leadership development
- Inclusion & diversity
- Workplace safety & health
- Employee engagement



CREATING SHARED VALUE

Through:

- Food safety & quality
- Animal welfare
- Stakeholder engagement
- Transparency, accountability & communication
- Supplier engagement & development

BRAND PROTECTION FOR OUR CUSTOMERS AND THEIR BUSINESSES

Key Performance Indicators (KPIs)

To track our CSR progress, we have identified a series of KPIs as material to our business and our stakeholders. We set goals based on these KPIs at the plant and global level. Data are tracked, collated, and reported on a monthly basis. Senior management is updated quarterly on CSR performance.

KPI Scorecard

Sustaining the Planet

CARBON FOOTPRINT

- Direct greenhouse gas emissions (GHG)
- Indirect GHG emissions

ENERGY

- Total energy usage
- Renewable energy usage

WATER

- Total water usage
- Water recycled
- Wastewater generated

WASTE

- Total waste generated
- Waste sent to the landfill
- Waste recycled

ENVIRONMENTAL COMPLIANCE

- Environmental Management System Implementation
- Number of fines or notices of violation

Supporting our People

WORKPLACE SAFETY & HEALTH

- Recordable injury rate
- Safety training hours

WORKFORCE DEVELOPMENT & ENGAGEMENT

- Inclusion statistics
- Employee development training hours

Contributing to Communities

STRATEGIC PHILANTHROPY

- Financial contributions

EMPLOYEE VOLUNTEERISM

- Number of Keystone sponsored volunteer events
- Volunteer hours

LOCAL COMMUNITY ENGAGEMENT

- Number of local organizations supported
- Number of local employment opportunities

Creating Shared Value

FOOD SAFETY & QUALITY

- Product quality index
- Food safety audit score
- Environmental micro-monitoring compliance

ANIMAL WELFARE

- Animal welfare audit score
- Biosecurity audit score

STAKEHOLDER ENGAGEMENT

- Number of customer partnerships
- Number of supplier partnerships



Implementing KEYSTAR® Globally

KEYSTAR® articulates our global approach to CSR, which is implemented locally throughout our worldwide manufacturing operations. Our global goals are set and centrally tracked, evaluated, and supported by a cross-functional Core Team comprised of corporate and divisional representatives. This team reviews program progress, reports on program effectiveness, and recommends to senior management program modifications to respond to evolving stakeholder needs.

The functions of the CSR Core Team include:

- Development, execution, and continuous improvement of the KEYSTAR® strategic plan, including short- and long-term goal setting
- Coordination and stewardship of Global Marfrig Beef, Moy Park and Keystone Foods CSR & Sustainability Council
- Engagement of worldwide business units and each operating plant for consistent implementation of the KEYSTAR® strategic plan
- Compilation of Key Performance Indicators – using a web-based KPI Scorecard to establish a baseline to measure and track performance
- Involvement with stakeholders and pertinent Non-Governmental Organizations (NGOs) to share perspectives, and to obtain guidance and program validation
- Participation in industry-wide initiatives that help progress best practices and develop standards
- Recognition of accomplishments of facilities and employees who implement and promote KEYSTAR® through our annual awards program
- Communication of the KEYSTAR® performance to customers and other interested stakeholders

This team facilitates decision-making across the business and provides regular updates to the CSR Steering Committee, comprised of Keystone's Leadership Team members. The Steering Committee was created in 2009 to ensure widespread executive support and engagement on CSR issues. Keystone also maintains a Global CSR Team comprised of functional area experts from each department at Keystone – ranging from finance to animal welfare. The team provides subject matter expertise on key CSR issues in each member's functional area. In each of our operating plants, local KEYSTAR® team representatives are responsible for promoting CSR issues and delivering corporate priorities to their facilities.



Focusing on Brand Protection

Keystone Foods continuously works to enhance our efforts to lead the industry in areas where risk mitigation and value creation are critical for our company and our customers. Not surprisingly, these areas cut across our stakeholders, the food we produce, the animals in our care, the people we employ, and the world in which we operate.

Continuously Improving Food Safety and Quality

As a leader in food safety and quality, we realize the importance of advancing our industry and protecting the brands we serve. We share our expertise with customers, suppliers, partners, and other manufacturers as well as regulators and consumers. All Keystone Foods' facilities undergo first- and second-party audits to ensure that our food safety and quality programs are functioning as expected. Additionally, all facilities are independently certified to Global Food Safety Initiative standards.

We created the Keystone Foods Global Food Safety & Quality Council as a forum for food safety discussions, emerging issue identification, and as a place to share best practices from around the world. As a result, we have established our own benchmarks and standards beyond those of national, provincial, and local regulatory agencies.

Enhancing Animal Welfare

Keystone Foods is committed to the humane treatment of animals. We believe we have a responsibility to our customers, the consumers of our products, our employees and especially to the animals in our care, to treat them with the utmost care and respect.

Working with industry experts, in tandem with the most current international standards, Keystone Foods has developed comprehensive and specific best management practices for employees to help ensure that acceptable animal health and welfare standards are implemented at every stage throughout our processes. Compliance with these standards is verified through first-, second-, and third-party audits.

Our animal welfare policies and procedures reflect the most current science. We continuously evaluate emerging technologies to identify, evaluate, and implement improvements.



Embracing Safety and Health

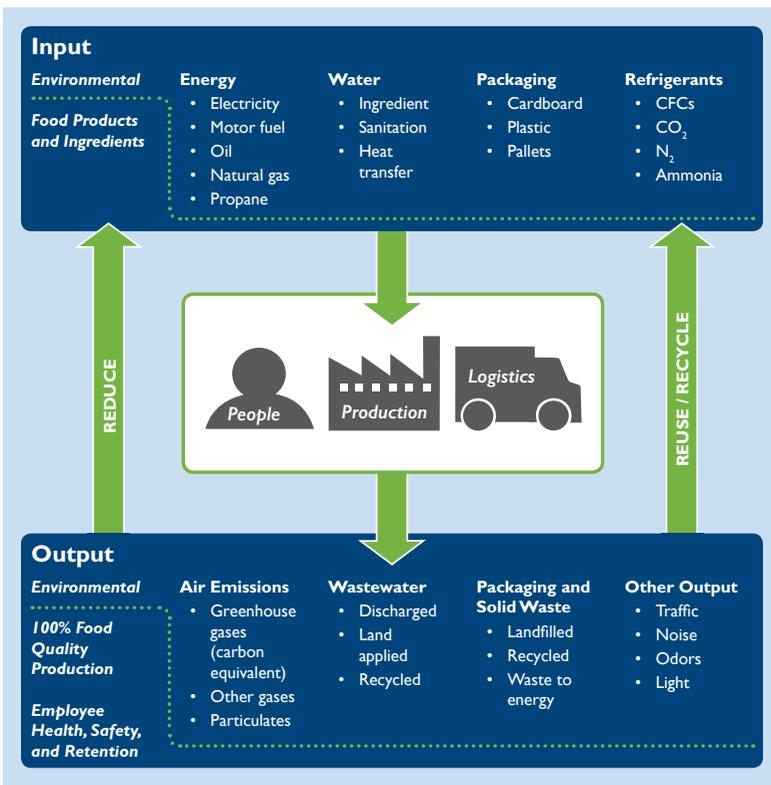
Keystone Foods is committed to conducting business in a manner that protects the safety and health of our employees, visitors, and the local communities where we operate. We strive to keep our practices consistent with the company's Code of Conduct, as well as all applicable occupational health and safety regulations.

We encourage all employees to take responsibility and ownership for their personal safety, and we provide the leadership and support for them to do so. Keystone Foods seeks opportunities to improve worker safety performance by establishing objectives and targets, and measuring our progress. We regularly review and evaluate programs and solicit input from employees to meet safety goals. We promote open and constructive relationships with employees, regulatory agencies, public officials, and contractors, and share information across the supply chain.

Minimizing our Environmental Impact

Efficient use of natural resources is critical for our business and CSR efforts. Regulatory and societal pressures related to environmental impact continue to grow and we work to find new ways to enhance our performance.

A KEYSTAR® goal is to minimize **INPUT** of resources used by Keystone Foods, **REDUCE** waste from the **OUTPUT** of our production and logistics operations, and to maximize **RECYCLE/REUSE** opportunities, as shown in the diagram below.



At Keystone Foods, all plants in Asia Pacific are ISO 14001-certified. In the United States, our North Baltimore, OH facility received ISO 14001 certification in 2012. Our other US facilities are on the path to a more uniform EMS program that follows ISO 14001 principles. Additionally, we conduct environmental compliance audits and are implementing a web-based management system that offers powerful advantages for document control, task management, audit tracking, custom reporting, and dashboard analytics related to environmental compliance and KPI tracking.

Communicating Progress and Success

At Keystone Foods, we encourage our employees, customers, suppliers, and other stakeholders to:

- Document our progress in achieving KEYSTAR® goals
- Promote technologies and best practices for balancing environmental stewardship, social responsibility, and profitable growth
- Seek feedback and input for continuous improvement
- Acknowledge the innovation and creativity of our employees

We utilize a number of vehicles for regular communication and progress updates:

- Quarterly KEYSTAR® newsletters
- Annual Marfrig Global Foods CSR & Sustainability Report, available at keystonefoods.com
- Bi-annual Keystone Foods CSR Report, available at keystonefoods.com
- Customer and supplier updates
- Internal meetings and presentations



The KEYSTAR® newsletter is a quarterly publication that provides updates on accomplishments in achieving KEYSTAR® goals.



Contact Information

For more information on KEYSTAR®,
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