

A top-down view of a white bowl filled with a quinoa salad. The salad includes cooked quinoa, strips of grilled chicken, shredded zucchini, crumbled white cheese, a lime wedge, and sliced red chili peppers. The bowl sits on a wooden cutting board, with a green napkin and a silver fork to the right.

# 2017

## SUSTAINABILITY REPORT

**WLF** *West Liberty Foods*





# Letter from our Leadership

West Liberty Foods has been dedicated to sustainability from the start. More and more, our partners want to know that we are doing the right thing in our business and on our farms. Sustainability isn't new to us, but this year we are excited to share our journey with our team members, partners, and consumers in our first Sustainability Report, summarizing our stewardship efforts over the past year.

**In 2017, we celebrated our 20th anniversary.** Back in 1996, a group of 47 Iowa turkey growers banded together to purchase a closing manufacturing facility and create what is today West Liberty Foods. Since then, we have grown to a family of over 2,800 team members across 6 locations. Our agricultural heritage inspires us every day to innovate, act with integrity, and value relationships. Through all of our growth, we have discovered that *our team is our best asset*. And creating a great work environment is key to our success.

We also take great pride in staying at the cutting edge of our industry. Because when we succeed, so do our partners. We lead the industry in food safety practices with our patented Clean Room Food Processing Systems, and commit to going above and beyond with the latest in food safety technology. We are one of the first in the U.S. to achieve landfill free status company-wide, diverting over 145 million pounds annually from landfills. And those are only a couple of the outstanding achievements that demonstrate our core values.

Since our founding, we have been focused on family: our team members, our communities, and our growers. We are also dedicated to preserving natural resources and caring for our animals. These values have ensured our longevity and success in serving our customer-partners and, in turn, providing consumers with high-quality protein products.

In the future, we will continue to improve our operations, better the lives of our team and community members, and safeguard our environment. We are excited about taking our journey to new heights, starting with this Sustainability Report. We invite you to join us as we share our progress in years to come.

**Sincerely,**  
**Ed Garrett**

*Chief Executive Officer*

**2,845**  
team members across 6 locations\*



**29%** with more  
than 5 years tenure



**39%** Female

**<1%**  
of our waste is landfilled



- A** Tremonton, UT
- B** West Liberty, IA
- C** Mount Pleasant, IA
- D** Bolingbrook, IL:  
Main Facility  
Culinary Facility  
Liberty Cold Facility

\*About: This report provides a narrative of West Liberty Foods' sustainability performance for fiscal year 2017 – from May 1, 2016 to April 30, 2017. The map above and the data presented in this report do not include our recent acquisition of Crystal Lake Farms, located in Decatur, AR and Jay, OK. We look forward to including their sustainability progress in our next report.





# Celebrating 20 Years

## OUR HISTORY: A STORY OF RESILIENCE

In the spring of 1996, Louis Rich, the turkey division of Oscar Mayer Foods, announced its intentions to close the West Liberty, Iowa plant – unless it found a suitable buyer. Responding to the need, a group of local turkey growers banded together to find a solution, forming the Iowa Turkey Growers Cooperative. Our newly founded cooperative faced the tough task of financing the plant purchase – but our growers committed to the challenge wholeheartedly. Some mortgaged everything they owned. And through working together with community organizations and the government, the Iowa Turkey Growers Cooperative purchased the plant. This purchase formed West Liberty Foods and saved over 400 local jobs and the Iowa turkey industry. Our cooperative processed its first turkeys as West Liberty Foods in January of 1997.

Now, 20 years later, we have weathered the ups and downs of the turkey industry and have come out stronger over time. Carrying on Iowa's rich agricultural tradition, our growers are committed to the responsible production of high quality turkeys – a philosophy that has helped family farms grow and thrive for generations.

## ABOUT OUR OPERATIONS

Each year, we produce hundreds of meat and poultry products that can be found in well-known grocery stores and restaurant chains throughout the United States. Recognized as one of the top 50 protein processors in North America, we have the capacity to produce over 650 million pounds of food products annually. We offer diverse processing, slicing, and packaging options for both foodservice and retail channels. Though our facilities vary widely by specialty, all of our locations are certified in environmental management and global food safety (ISO 14001 and BRC, respectively). We are also proud of our landfill-free status, meaning that less than 1% of waste from our facilities goes to landfills. It is important to us that our facilities receive the highest accreditation for responsible practices, demonstrating our commitments to sustainability, product quality, and food safety.

## OUR MISSION AND VISION

Our mission is to be a leading food manufacturer by converting needs, ideas, and expertise into value for our members, business partners, and consumers. We have nine core values that guide our work on a daily basis:

- Family-oriented
- Entrepreneurship
- Relationship-based
- Leadership
- Tenacity
- Social Responsibility
- Results-driven
- Innovation
- Integrity

Our commitment to our values requires that we uphold a high standard of business ethics. Each member of our executive team goes through an in-depth ethics training, which is currently being adapted for all of our team members to undertake in the near future.



## Farmer Sustainability Survey Results - FY17

17

farms surveyed, representing about  
30% of our turkey supply



100%

use energy saving practices or technologies

53%

use on-farm  
alternative energy

47%

use solar

6%

use wind



100%

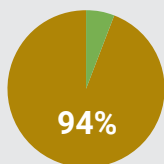
of farms use poultry litter as fertilizer

50%

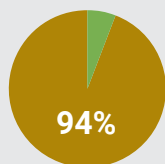
use air emission  
reduction technologies,  
like covered litter  
storage

100%

look for ways to minimize  
water use, like inspecting  
for leaks or daily usage  
monitoring



have trained current  
farm employees on  
health and safety



support their local  
communities through  
donations, volunteering,  
or other means

## Sustainability in our Supply Chain

**Our company is built on strong relationships. We believe in long-term collaborations that allow for win-win situations for our company, our suppliers, and our customers. We continue to work towards this vision to be an even more sustainable business.**

### FARMER-OWNED

West Liberty Foods is owned by the Iowa Turkey Growers Cooperative, made up of Iowa turkey growers ranging from first to sixth generation family farmers. All are dedicated to responsibly raising turkeys. As a cooperative, all of them contribute their leadership to help our company thrive.

This year we surveyed our growers to find out more about their sustainability practices. With 17 of our growers responding (representing 30% of our turkey supply), we are very proud of the engagement and response our growers have on sustainability. We are excited to continue these conversations to communicate more information about how our turkeys are responsibly raised.

### GROWER SPOTLIGHT: RESPONSIBILITY AND LEADERSHIP

*Ron Kardel: Turkey grower, Vice Chairman of West Liberty Foods, Executive Committee Member of the National Turkey Federation*

For Ron Kardel, proof of sustainability is in his farm's legacy. His family has been farming for six generations thanks to their core values: take care of the land and put back what you take out. While the philosophy is the same, the farm has changed a lot over the years. When it first started, the farm had cattle, cows, chicken, pigs, and various crops. Today Ron focuses on raising turkeys and also grows corn and soybeans.





**“There’s a big world out there that you can lose track of when you live in a small community...Active participation opens your eyes.”**

**Ron Kardel,  
Turkey grower,  
Vice Chairman of West Liberty Foods,  
Executive Committee Member of  
the National Turkey Federation**

Ron’s farm demonstrates the environmental commitments our turkey growers take pride in. Ron safeguards water quality and ensures soil health through tiling, terracing, filter strips, and controlling erosion. To him, being responsible makes good sense – “I live here; why would I want to pollute the water? This is the water I drink, what my kids drink.” He wants to build a farm business that can sustain his children, grandchildren, and beyond.

And that sense of responsibility extends to the turkeys in his care. He embraces new technology to help him ensure their well-being, like the Turkey Trac software system. It monitors bird weight, air quality, temperature, water use, and more. All of the data is available remotely so that Ron can keep a watchful eye on his turkeys at all times.

As a leader at West Liberty Foods, in his community, and in the turkey industry, Ron is an impressive role model. But his advice for others is humble: just get involved. “There’s a big world out there that you can lose track of when you live in a small community,” he says. “Active participation opens your eyes.” Indeed, Ron helps drive West Liberty Foods to industry-leading success with the broad perspective he has gained through his own active participation.





## ENSURING ANIMAL WELFARE

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Taking care of our animals is essential for making the high-quality products our partners expect; it's also the right thing to do. Our Animal Welfare Program guides what we do at our plants and defines expectations for our turkey growers and outside suppliers. West Liberty Foods is a member of the National Turkey Federation (NTF), and uses NTF's Guidelines on Animal Care for the Production of Turkeys. We practice a number of Animal Welfare Best Management Practices, including humane handling, subdued lighting, and proper ventilation to decrease stress and ensure well-being.

Internal and external audits assure our customers and vendors that we are sticking to high standards of care. We conduct in-house audits quarterly using our Professional Animal Auditor Certification Organization (PAACO) certified auditors. And once per year, we undergo a third-party animal welfare audit at our harvest facility. We also conduct on-farm animal welfare audits on an annual basis through an internal PAACO certified auditor. In total, we conducted 41 internal audits and underwent 16 third-party audits in 2017 – all with passing scores.

Our commitments extend beyond the turkeys raised by our grower-owners. We require all of our protein suppliers to have an animal welfare program and a third-party audit system for their harvest facilities.

## COLLABORATING WITH OUR SUPPLIERS

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We are proud of our longstanding relationships with our suppliers. This year we developed a Sustainable Procurement Policy to communicate our vision and encourage suppliers to pursue their own path toward sustainability. We trained our procurement team to implement the policy with suppliers throughout our system. Over time, we will encourage sustainable and socially responsible practices for our suppliers across animal welfare, environment, communities, team members, and food safety. Our goal is to work with all of our suppliers, regardless of their current sustainability progress, in order to improve our businesses. We are excited to share our progress over time.





## SUPPORTING OUR TEAM

At West Liberty Foods, we offer a comprehensive set of benefits that includes life insurance, medical, dental, vision, and 401(k). We also have a completely free Employee Assistance Program for team members and their families.

It is also important to recognize when good work is being done. That is why we honor our team members with recognition programs. We give annual service awards for milestone years, a quarterly "UROCK Award", and an annual Presidential Excellence Award. We honored team members with 887 awards this fiscal year. Recognizing our team members' dedication is one way to show our appreciation for all that they contribute.

In Tremonton, Utah, we approach engagement and benefits in a novel way. We built a company-owned, company-operated, off-site childcare facility to serve our team members. Our Hearts & Hands Children's Academy helps us drive recruitment and retention in a competitive labor environment.

## TRAINING AND LEADERSHIP DEVELOPMENT

We foster our team members' talents through opportunities for enhancing technical knowledge and developing leadership skills. Our leadership training program provides everyone with our philosophy: the "WLF Way." We focus on how to lead people through our mission and values to achieve the best business practices and results. Our team members dedicate 68 hours to this program to better themselves and our company.

We also have 750 team members enrolled in our Performance Management program, which includes goal-setting, quarterly reviews, and year-end reviews. We offer 22 cutting-edge training programs for our team members to enhance their technical knowledge. These range from education on foodborne illness and bacteria to pest control, animal welfare and handling, ergonomics, and accident prevention. These programs keep our team members up-to-date on what is happening in our industry and create top-notch environments to produce high quality protein products for our partners.

## From Our Family to Yours

Our team is our best asset. We combine our individual efforts and passion to get to where we are today – a leading protein business. And just like a family, we take care of each other by providing our team members with competitive benefits, training programs, enhanced safety programs, and more.

### Team Members at a Glance - FY17

2,845 Team Members



across 6 locations

Almost  
**55,000**  
total hours of training;  
**20.5** hours per team member

**65%**  
participate in our company medical and prescription insurance plans, equating to over **\$13 million** in claims paid.

Since 2004, **19%** of our interns have been hired as full-time team members

“Each day I am reminded of how fortunate I am to work with such a visionary and talent-rich environment, with leadership and growth opportunities abound. Our team members drive WLF’s success by embracing competencies in flexibility, change management, and excellence in leadership.”

**Kris Knobloch,**  
Organizational Development  
and Change Leader

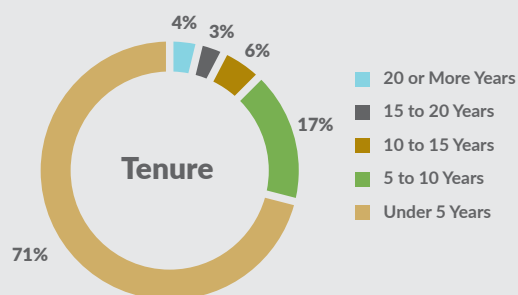
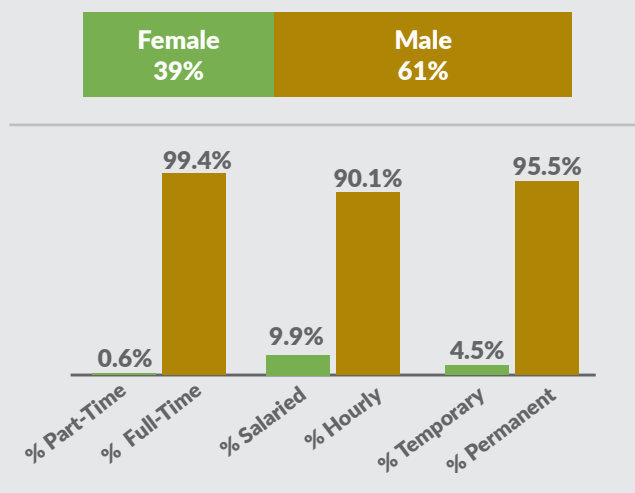
## SAFETY IN THE WORKPLACE

We take team member health and safety seriously. And our results prove it – we perform better than the industry in two important measures of safety: Days Away from Work Injury and Illness (DAFWII) and Days Away, Restrictions, and Transfers (DART). DAFWII measures the number of work-related injuries and illnesses per 100 full-time team members that result in one or more days away from work. DART measures the number of work-related illness and injuries per 100 full-time team members that resulted in days away from work, restricted work activity, or job transfers.

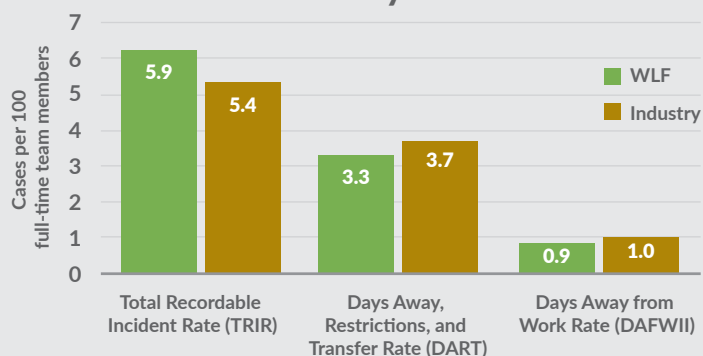
We have formal joint management-worker health and safety committees comprised of team members from various departments. The committee meets twice per month to discuss current health and safety issues. In addition, a digital message board shares safety information for immediate accessibility.

Our team members all complete health and safety training appropriate to their role in our company. So as not to exclude any team member, we offer it in English, Spanish, French, and Polish. To advance our safety culture even further, we have monthly safety challenges that cover different subjects and entail fun activities.

## Team Members at a Glance - FY17



### Safety Rates



*Note: We compare our injury and illness rates to the Bureau of Labor Statistics (BLS) industry average for Manufacturing - Animal slaughtering and processing (NAICS 3116).*

We had  
**2,709**  
new hires:

**38%**  
female

**57%**  
under 30





# Leadership in Our Communities

**West Liberty Foods is more than just a business; we are a dedicated community member and neighbor. We stand by our core value of social responsibility by contributing time and resources to making a positive long-term impact.**



## WELLNESS EFFORTS TO BENEFIT OUR NEIGHBORS

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Each year, the West Liberty Foods Benefits and Wellness team hosts a “Losers are the Winners” challenge. At the end of the 12-week challenge, West Liberty Foods gives a “pound for pound” matching donation of turkey to local food banks. In 2017, team members who participated collectively lost 956 pounds, benefitting their own health as well as giving back to the community. Over 6 years of the program we have donated a whopping 5,930 pounds of turkey to local food banks!

## INDUSTRY LEADERSHIP AND RECOGNITION

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Professionally, we commit to our communities through association membership and participations in industry initiatives. We are proud founding and active members of the Iowa Sustainable Business Forum – an organization that brings together Iowa companies to continuously improve practices that positively impact people, planet, and profits. Our other regional and state memberships include the West Liberty Chamber of Commerce, the Mount Pleasant Chamber of Commerce, the West Liberty Economic Area Development non-profit, the Recycling Coalition of Utah, and more.

We also devote staff time to nationwide efforts. We are an Executive Committee Member of the National Turkey Federation, and also members of the National Chicken Council, the U.S. Poultry and Egg Association, and the North American Meat Institute. Several of our team members are members of the Society for Human Resource Management.

We participate in the Department of Homeland Security’s IMAGE program to ensure all of our team members are properly authorized to work in the US. The IMAGE program helps us secure a stable workforce by reducing vulnerabilities from fraudulent immigration documentation.

We have been recognized by our communities and industry for our work. Our CEO Ed Garrett was named one of the “25 Industry Icons” by the National Provisioner, and West Liberty Foods was named “Processor of the Year” by Refrigerated and Frozen Foods Magazine. Additionally, West Liberty Foods has won the “Manufacturing Leader Award” from Frost & Sullivan for the Leading2Lean Initiative, a standard for lean manufacturing execution featuring members of the West Liberty Foods family.

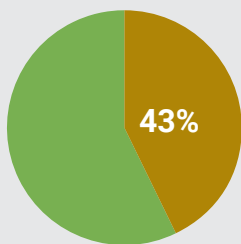
## Communities at a Glance – FY17

**\$262,864**

Monetary donations

**\$43,317**

Product donations



of our team members live within  
our local school districts

### We support over 80 organizations in our local communities, including:

- Boys and Girls Club
- Utah State University
- West Liberty Rotary Club
- Mount Pleasant Community School District
- World Relief in Bolingbrook
- Tremonton Fire Department
- West Liberty Booster Club
- Iowa 4H Foundation
- Muscatine County Fair

## INVESTMENT IN OUR COMMUNITIES

We are active supporters of community initiatives and events. We sponsor the Muscatine County Fair, Rock around the Block, and local science fairs. Earlier in 2017, we paid off all unpaid school lunch accounts in the West Liberty School District for the 2016-17 school year, and organized a fundraiser for the local police department to acquire a K-9 member.

In 2012, we created Community Bridge, a nonprofit organization that provides support to the West Liberty Foods family, including team members, their families, and the communities in which they live, work, and play. The foundation participates in supporting the communities in which West Liberty Foods team members live through special projects and community involvement.

**“West Liberty adds phenomenal support to the city. Everything that’s going on in town, whether it’s with the school, the city, nonprofit groups, they have active participation. They’re great partners.”**

**Lawrence McNaul,  
West Liberty City Manager**





## IN FOCUS: FOOD SAFETY

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Our facilities are built with food safety and sustainability in mind, two of our top-most priorities. This is what sets West Liberty Foods apart from others in the food industry. While all are concerned about the safety of their food products, West Liberty Foods goes above and beyond, far surpassing industry standards. Our food safety efforts have been recognized with awards like the Food Quality Award sponsored by DuPont Qualicon and presented by Food Quality magazine. In 2017, we had five GFSI food safety audits and no product recalls.

We have pioneered innovations as part of our commitment to our partners, like our patented Clean Room Food Processing System. It reduces the risk of contamination with separate rooms for processing the food products, each with its own processing lines, air handling systems, supplies, and tools. In addition, there is complete separation between raw and ready-to-eat areas at all of our locations.

We are proud of all of the processes we implement to ensure food safety and manufacturing excellence, including:

- **Personal Protective Equipment (PPE).** Team members in ready-to-eat operations wear encapsulated suits and safety glasses.
- **High Pressure Pasteurization (HPP).** HPP maintains the flavor, nutrients, and shelf life of fresh food while destroying foodborne pathogens and reducing dependence on preservatives – thus reducing food waste. HPP is also resource efficient because it re-uses water throughout the process.
- **Robotics.** We use robotics to lift and move heavy products with little-to-no human interaction, speeding up our operations and preventing injuries and/or exhaustion.
- **Food Safety Training.** All new hires, vendors, auditors, and visitors are required to complete Food Safety Training prior to the start of employment or visiting any of our production sites to protect the integrity of our food safety program. Team members receive monthly refresher training.



# Stewards of the Environment

**West Liberty Foods is committed to preserving natural resources and protecting environmental quality. Safeguarding natural resources helps ensure that our business has the raw materials it needs to continue to produce high quality, safe protein. We strive to be sustainability leaders in the food industry.**

## RESPONSIBLE RESOURCE MANAGEMENT

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We work every day to preserve the environment and protect our shared resources. Our locations are ISO 14001 certified, which cements our commitment to improving systems and procedures that protect the environment and reduce pollution.

This year we undertook an effort to measure our energy and water uses, as well as our greenhouse gas (GHG) footprint across our company. Knowing where we stand today helps us make goals and plan for the future. We look forward to sharing our progress as we continue our commitment to improvement and transparency. Currently we emit 0.54 metric tons of CO<sub>2</sub>e per ton of product sold over the course of the year. This means we manufacture a ton of product with a greenhouse gas footprint equal to one passenger car driving from Chicago to Miami. Our energy use is 4.35 MMBTUs per ton of product sold. And we withdraw 10.9 metric tons of fresh water per ton of product sold. At the same time, we recycled 39.6 million gallons of water at our West Liberty facility – enough to fill 60 Olympic-size swimming pools. We aim to improve our energy, GHG, and water footprints over time.

## WE ARE A LANDFILL-FREE COMPANY

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West Liberty Foods is proud to be a landfill free company! In December 2012 we became verified “Landfill Free,” meaning that less than 1% of our waste ends up in a landfill. This has been verified and audited by NSF International’s Strategic Registrations division. Over 145 million pounds of waste were diverted from landfills this year via re-using and recycling. Waste that cannot be recycled, reused or composted goes to waste-to-energy incinerators that generate steam and electricity. To further minimize our waste by reducing what we use, core teams at each facility work to reduce our usage of water, electricity, natural gas, paper, cardboard, and plastic.

Our team members play a key role in our status as a Landfill Free business. We engage all of our team members on identifying waste streams by category, such as cardboard, paper, glass and hard plastic. We then partner with vendors who share our sustainability goals and determine which items can be reused or recycled. Sorting bins are in place at every location, and dedicated teams double-check the accuracy of all sorted waste.



# INNOVATION AT OUR FACILITIES

Innovation is a key to our sustainability success. Team members at each of our facilities pursue initiatives to optimize operational efficiency and become more sustainable. Current and recent projects include implementing individual water meters, monitoring compost waste and energy efficiencies, eliminating paper towel use, and installing balers to streamline plastic baling used to package our products. All projects meaningfully contribute to our overall success – whether large or small – because not only do they lower resource use and costs, but they also foster a creative and collaborative work environment. As we’ve learned over our 20 years, when our team members work together, there’s nothing we can’t accomplish.



# Environment at a Glance – FY17

## GHG Emissions

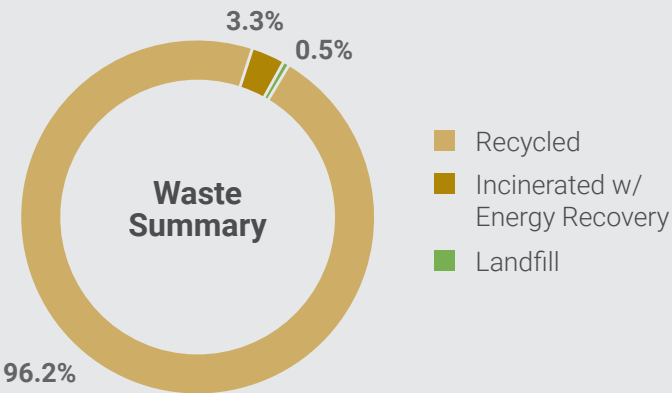


## Energy Use



Note: LPG/Propane accounts for 0.01% of our energy use, which is not represented in the figure above.

## Freshwater Use



**336**  
waste streams were managed  
using 114 vendors



**P.O. Box 318  
West Liberty, Iowa 52776  
888-511-4500**

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#### About this Report:

Our objectives for this report are to provide a narrative of West Liberty Foods's sustainability performance for fiscal year 2017 – from May 1, 2016 to April 30, 2017. The content of our report is guided by the material issues to our business and customers. We use the Global Reporting Initiative Standards guidelines as a general reference and include a number of GRI standards. We follow the GHG Protocol Corporate and Accounting Standard for our GHG emissions calculations. West Liberty Foods has made every effort to ensure the accuracy of the information in this report, but it has not been audited and is not guaranteed. This report is not intended to be a solicitation or advertisement for the sale of West Liberty Foods products and does not use specifications, characteristics, uses or benefits, or warranties of any kind, and cannot be relied upon for such purposes. Forward looking statements, opinions, valuations, and estimates provided in this report are based on assumptions and contingencies, which are subject to change without notice. This report was prepared by K·Coe Isom, an objective third-party consulting firm.