

OSC | 11
Ohio Safety Congress & Expo

#273 – Keystone Foods operational excellence: Safety and sustainability

Bob Witt
Wednesday, March 30, 2011
11:3 a.m. to Noon

Ohio State of Ohio

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OSC | 11

Ohio State University Sustainability Forum
June 24, 2010

THE OHIO STATE UNIVERSITY

Agenda

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- Introduction to Keystone Foods and Sustainability
- Yesterday: Our Start
- Today: Our KeySTAR™ Progress
- Tomorrow: Continuing Our Journey
- We Are KeySTAR™



Keystone Foods Overview

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We are a global supplier of protein products and logistics services for the food industry.

We operate 54 facilities in 13 countries in the USA, Europe, Middle East, Asia Pacific, and Africa.

Globally, we process more than 1.8 billion pounds of poultry, over 420 million pounds of beef, and over 28 million pounds of fish annually.

Our manufacturing facilities supply more than 30,000 restaurants worldwide and many National Industrial Customers.

Annually, Keystone's logistics services deliver over 190 million cases of product to its worldwide customers.



Worldwide Facilities

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Yesterday Today Tomorrow

Yesterday: Our Start

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Web-Based Data Entry

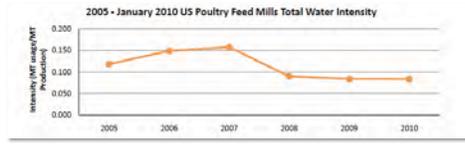
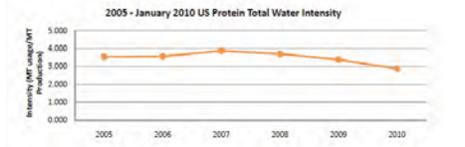
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2009 Global Sustainability Scorecard														
Business	Units	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
US Proteins - Poultry														
Energy Consumption Intensity	kg CO2e/tonne	11.2	11.1	11.0	10.9	10.8	10.7	10.6	10.5	10.4	10.3	10.2	10.1	10.0
GHG Emission Intensity	kg CO2e/tonne	11.2	11.1	11.0	10.9	10.8	10.7	10.6	10.5	10.4	10.3	10.2	10.1	10.0
Water Consumption Intensity	kg/tonne	3.5	3.4	3.3	3.2	3.1	3.0	2.9	2.8	2.7	2.6	2.5	2.4	2.3
Landfill Waste Intensity	kg/tonne	4.5	4.4	4.3	4.2	4.1	4.0	3.9	3.8	3.7	3.6	3.5	3.4	3.3
Recycled Waste Intensity	kg/tonne	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7
US Proteins - Beef														
Energy Consumption Intensity	kg CO2e/tonne	12.5	12.4	12.3	12.2	12.1	12.0	11.9	11.8	11.7	11.6	11.5	11.4	11.3
GHG Emission Intensity	kg CO2e/tonne	12.5	12.4	12.3	12.2	12.1	12.0	11.9	11.8	11.7	11.6	11.5	11.4	11.3
Water Consumption Intensity	kg/tonne	4.0	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.2	3.1	3.0	2.9	2.8
Landfill Waste Intensity	kg/tonne	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	4.2	4.1	4.0	3.9	3.8
Recycled Waste Intensity	kg/tonne	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	3.2
US Proteins - Pork														
Energy Consumption Intensity	kg CO2e/tonne	10.0	9.9	9.8	9.7	9.6	9.5	9.4	9.3	9.2	9.1	9.0	8.9	8.8
GHG Emission Intensity	kg CO2e/tonne	10.0	9.9	9.8	9.7	9.6	9.5	9.4	9.3	9.2	9.1	9.0	8.9	8.8
Water Consumption Intensity	kg/tonne	3.0	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.2	2.1	2.0	1.9	1.8
Landfill Waste Intensity	kg/tonne	4.0	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.2	3.1	3.0	2.9	2.8
Recycled Waste Intensity	kg/tonne	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7

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Example of Ongoing Reporting

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Lessons Learned from Safety Culture – Local Teams

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- Locations must take ownership
- Demand continuous improvement but do not dictate goals
- Recognize accomplishments
- Communicate results globally



SAFETY FIRST

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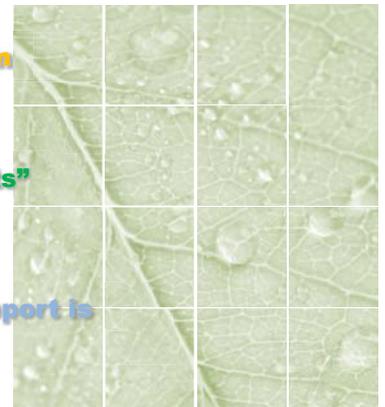
Who Should Lead the KeySTAR™ Teams?

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Passion for the Program

Not the "Usual Suspects"

Local Management Support is Critical for Success



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KeySTAR™ Plant Teams: Key Global (USA) Local Contacts

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N. Baltimore, OH Team
2009 Winner of the AMI Pollution Prevention Award

- Corporate Office
- R&D



Camilla, GA Team
2009 Winner of the AMI Resource Conservation Award

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KeySTAR™ At All Levels

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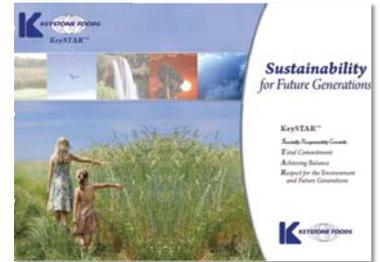
CSR INNOVATION



PEOPLE PROCESS EQUIPMENT



Socially Responsible Growth
Total Commitment
Achieving Balance
Respect for the Environment and Future Generations



Less Than 2 Years.

Communication And Feedback



Planning



Transparency in Reporting



AWARD WINNING

- MCDONALD'S**
 2009 U.S. Supply Chain Sustainability Award
- ENVIRONMENTAL LEADERSHIP**
 2009 AMI Sustainability Awards
 Camilla, Georgia and North Baltimore, Ohio (U.S.)
- LEADERSHIP IN SAFETY**
 American Meat Institute (AMI) Award of Honor
 Equity Georgia, Equity Kentucky (U.S.)
- AMI Award of Merit**
 Equity Eufaula, Equity Alabama (U.S.)
- AMI Award of Commendation**
 Equity Ohio (U.S.)
- AMI Certificate of Recognition**
 Equity North Carolina (U.S.)
- 2008 Occupational Excellence Achievement Award from the National Safety Council**
 Springfield, Ohio; Aston, Pennsylvania; St. John's, Michigan (U.S.)

- LEADERSHIP IN FOOD SAFETY**
 2010 Outstanding Commitment to Food Safety Silliker Audit Platinum Award
 Toledo, Ohio; Springfield, Ohio (U.S.)
- LEADERSHIP IN INNOVATION**
 McDonald's Global Fish Board Recognition for Leadership in the Development of Tilapia and Other Fish Innovations
 Robert Csecsinovits, Director
 Jefferson, Wisconsin (U.S.)
- LEADERSHIP IN WATER CONSERVATION**
 Recognition for Eco-efficiency by the United Nations Environment Programme (UNEP) Working Group for Cleaner Production
 Australia Food Corporation (AFC)
- LEADERSHIP IN ENVIRONMENTAL MANAGEMENT**
 ISO 14001 Certification in 2009
 China, Korea, Malaysia, Melbourne



Today: Our KeySTAR™ Progress



“open and transparent business practices that are based on ethical values and respect for employees, communities, and the environment. It is designated to deliver sustainable value to society at large, as well to shareholders” (International Business Leaders Forum)

“...operating a business enterprise in a manner that consistently meets or exceeds the ethical, legal, commercial, and public expectations society has of business” (BSR)

Keystone's Definition

“businesses seeking to minimize their negative environmental and social impacts and to maximize their positive environmental and social impacts” (David Grayson)



COMMUNITY INVOLVEMENT



Recycle - Relay for Life

"My kids are big fans of Chicken McNuggets," says Monica Fuentes, Moms' Quality Correspondent and mother of three children ages eight, five, and three. "Before the tour, I had been told that McDonald's Chicken McNuggets are made with all white meat but I wanted to learn more about the entire production process to feel better about the food I'm feeding my family."



Earth Day, Conshohocken, PA



PENN Haiti Medical Relief Team



Moms' Quality Correspondents



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SAFETY FIRST

2010 SAFETY MILESTONES
(Hours / Days Without Lost-Time Injury)

900 Days
Surpassed 1 Million Hours in March 2010
US Distribution, Springfield, OH

760 Days
US Distribution, St. Johns, MI

692 Days
US Distribution, Valley Township, PA

2009 SAFETY MILESTONES
(Hours / Days Without Lost-Time Injury)

12,584,028 Hours
Equity Georgia

10,726,337 Hours
Equity Kentucky



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EMPLOYEE COMMITMENT



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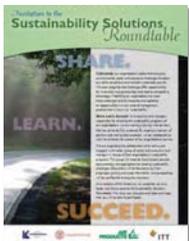


SHARE. LEARN. SUCCEED.



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SHARE. LEARN. SUCCEED.



* Five member-companies were recently ranked on the Newsweek Green Rankings 2009 List

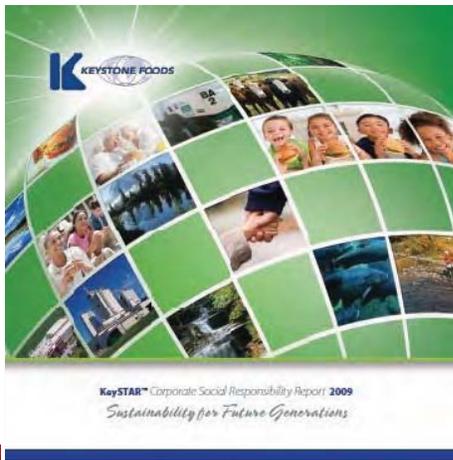
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SHARING PROGRESS



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Tomorrow: Continuing Our Journey



Sustainability → Social Responsibility



Current Focus and Future Direction: Sustainability → CSR

Sustainability Work Elements

ENVIRONMENT		
Carbon Reduction	Water Reduction	Recycling
Electricity Reduction	Fuel Reduction	Conservation
Pollution Control (Noise, Air, Water)		
HEALTH AND SAFETY		
Safety	Safety Mgt. System	Training
RISK MANAGEMENT		
Business Threat	Succession Planning	Data Security & Mgt.
Contingency Planning	Business Continuity / Incident Management	
Food Defense	Loss Prevention / Protected Risk / Risk Mapping	
FOOD QUALITY		
Supplier Control	Process Control	Inspection Process
ECONOMIC		

Global Stretch Goals Through 2012

Area	2009 Comparison*	2012 Goal
Total Energy (includes electricity, stationary, and mobile sources)	↓ 3%	↓ 7% by end of 2012
Total Water Use	↓ 11%	↓ 8 % by end of 2012
Total Waste to Landfill	↓ 34%	↓ 11% by end of 2012



* 2008 is the baseline year

Current Focus and Future Direction: Sustainability → CSR

Social Responsibility Work Elements

FOOD SAFETY		
HACCP	Food Safety System	Foreign Object Control
COMMUNITY AND GLOBAL CITIZENSHIP		
Social Initiatives	Charity Support	NGO Relationships
Animal Welfare	Sound Ethical Practices	Community Initiatives
GOVERNANCE		
Code of Conduct	Ethics/Compliance Report	Legislation Compliance
EMPLOYEES		
Safety	Talent Management	Diversity
Training and Development	Scholarship/Education	Engagement
Benefits	Open Culture	Communication
Labor Relations	Strategic Planning	
SOCIAL ACCOUNTABILITY		
ECONOMIC		

Social Responsibility Metrics

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In 2010, we are working towards integrating the following examples of social responsibility KPIs into our scorecard:

- 1 **Safety**
Total Incident Rate (OSHA Recordable Rate)
- 2 **Charitable Contributions**
Total Contribution (\$\$ and Employee Hours)
- 3 **Training**
Average Hours of Training Per Employee Per Year



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Employee Surveys Related to Diversity

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Survey Results	
Salaried	<ul style="list-style-type: none"> Male: 8.2 / 10 Female: 8.1 / 10
Hourly	<ul style="list-style-type: none"> Male: 7.5 / 10 Female: 7.1 / 10



- **Recommendations:** Customized action planning
- **Scores:** Most were > SAI Averages



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Keystone Women's Inclusion Network

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Mission: To contribute to Keystone Foods' business goals by supporting the professional development of women within the Keystone organization.



2007

U.S. Inaugural Conference



2010

Global Organization Goals

Growth Through Sustainable Structure

Aligned with CSR and People Strategy



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CSR: Current Focus Today and Future Direction

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CSR Engagement – 2010

Goals 2010:

Sustainability:

- Energy
- Water
- Waste

Customers:

- Communicate Progress!!!
- Engage Globally

Employees:

- Survey
- Improved Communication
- KeySTAR™ Awards

CSR Review Process:

- CSR Conference
- Strategy Review (every 2 years)
- Evolution



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Tomorrow: Continuing Our Journey

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Yesterday Today Tomorrow

A Journey

Commitment

Continuous Improvement

Expect the Unexpected



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We Are KeySTAR™

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CONTINUOUS IMPROVEMENT



Communication

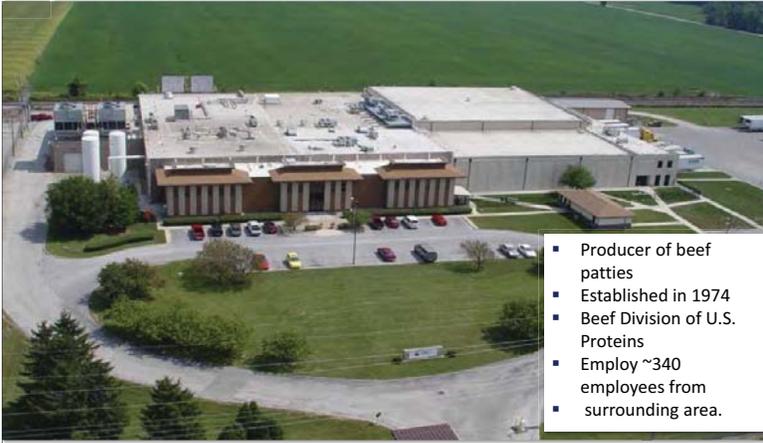
Goal Setting

Ideation

Biannual Reviews



Keystone Foods/McD Summit/05.ppt



- Producer of beef patties
- Established in 1974
- Beef Division of U.S. Proteins
- Employ ~340 employees from surrounding area.

FUN FACTS!

- ❑ Largest hamburger manufacturer in world.
- ❑ Produces approximately 7.5 to 10 million beef patties per day.
- ❑ Over 2 billion beef patties per year.
- ❑ Laid side by side the beef patties would wrap around the earth 5.6 times.



Industry Average Recordable Rate: 6.8

EQOH current: 3.0



Mission: Get the Wheels Turning and Build Momentum



Increased and empowered our team from 2 to 11

1. Development of Keystone SharePoint site
2. Development of KeySTAR™ news
3. Development of Roadmap system

In 1 Year We Have Recycled ~3M lbs of Cardboard!



- Every 2 million lbs of cardboard recycled:
- Saves 17,000 trees from having to be cut down and used for pulp
 - Saves 7,000,000 gallons of water
 - Cuts pollution 95%
 - Saves 11,000 barrels – 462,000 gallons – of oil
 - Saves more than 3000 cubic yards of landfill space

Our Team At Work

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Good Business Relationship with Recycling Vendors

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Challenges: Expected and Planned For!

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Cardboard: Next Destination

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Teaming Up With Local Community Employment Services

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Employs persons with disabilities to recycle our plastic slip sheets.

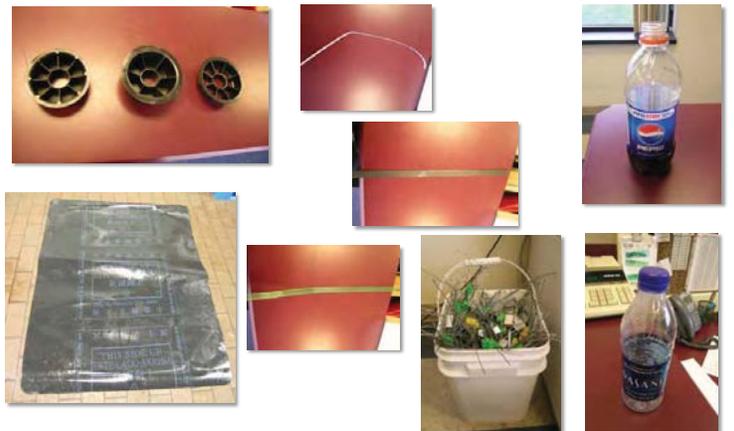


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Examples

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2nd Annual EQOH Earth Day Celebration – April 22, 2010

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- Meals provided for all, including dessert w / "gummy" worms
- 40th Anniversary shirt giveaway
- Conifer tree giveaway- employees to snap picture of children planting trees and return the pictures for display
- Earth Day awareness entrance:
 - Local school recycling info
 - Compacted cardboard example
 - Recycling vendor demos
 - Ronald McDonald House info
 - Pop tab recycling info
 - EQOH KeySTAR™ info
 - Global KeySTAR™ info
 - Scrap food composting demo
 - Habitat for Humanity Re-St0re Info
 - Sustainability suggestion box w/ awards presentation to suggestions chosen as best



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Earth Day Coloring Contests

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Work Together With Local School District on Recycling Projects

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Sustainable Purchasing

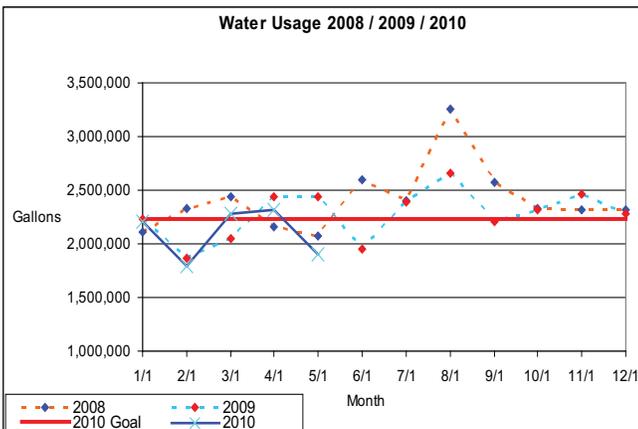
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Results

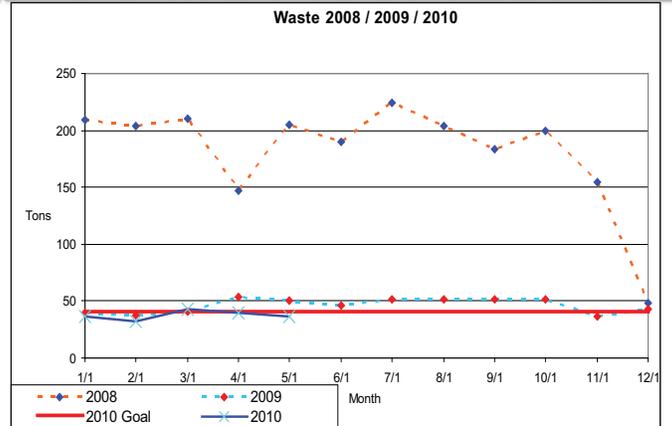
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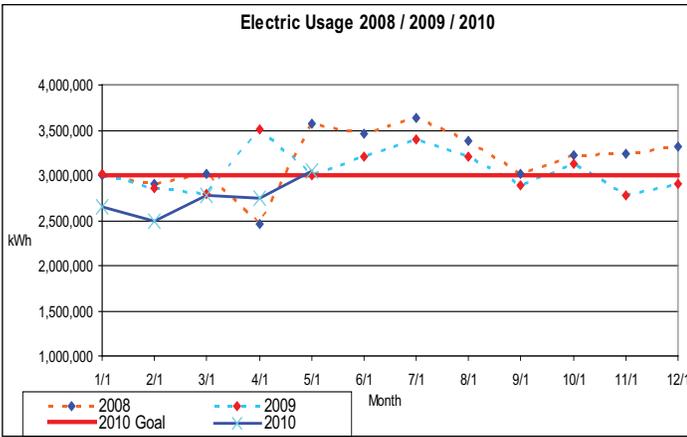
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Results

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CHALLENGE
 yourself to take what you learn and apply at least part of it to your everyday life.



Bob Wilt
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 Keystone Foods
 Equity Group – Ohio Division
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WE ARE KeySTAR™
 "It's a journey, not a destination."

KEYSTONE FOODS

Running on 100% biofuel
 Environmental fuel for the future

Equity Group
 Eufaula Division, LLC

KEEP THE LIGHT
 CLEAN FOR SAFETY

SAFE WORK HOURS
 WITHOUT A LOST
 TIME INCIDENT
 12 827 827



Questions and Open Discussion