



BETTER FUTURE BLUEPRINT

HAVI 2021 - 2022 IMPACT REPORT:
BUILDING A BETTER FUTURE TOGETHER





“Looking back on 2021, I’m incredibly proud of all we accomplished. For HAVI, it was a year of making bigger, bolder commitments to hold ourselves accountable and advance our progress.”

A MESSAGE FROM OUR CEO

When I joined HAVI in 2019, I was inspired by the stories and examples across our organization of employees taking action to give back to our communities and make our own operations – and those of our customers – more efficient and sustainable. It’s been a part of who we are throughout our 45-year history.

But the challenges facing our customers, communities and the planet continue to grow in scope and complexity, and as a consumer engagement and supply chain partner with employees, customers and suppliers all over the world, we know we have the responsibility and opportunity to do even more.

So over the last year, we’ve taken a series of important steps to better define our reason for being and the impact we want to have in the world, including defining our Purpose, refreshing our Values and creating our Better Future Blueprint – our enterprise-wide approach to environmental and social responsibility.

We then brought a new degree of accountability to our efforts by defining bold commitments in the areas of: Climate; Waste & Recycling; Community; and Diversity, Equity & Inclusion.

Today, I’m proud to unveil our new commitments in HAVI’s first-ever impact report. Our aim is to be more transparent about the risks and opportunities we face on our journey and put a stake in the ground on what we want to achieve.

Throughout this report, we’ll share more about these ambitious commitments and the groundwork we’ve already laid toward achieving them. And going forward, we will report on them annually to ensure that all our actions are adding up for people, communities and the planet.

As we make our way through another year filled with new opportunities, challenges and progress, I hope you – our people, customers, partners, suppliers and peers – will join HAVI on our sustainability journey as we act, inspire and create a better future together.

Frank Ravndal
CEO, HAVI

WHO WE ARE

HAVI is a global, privately owned company that provides services in supply chain, sourcing and consumer engagement to leading brands.

Founded in 1974 on a “handshake agreement” to serve McDonald’s restaurants in Chicago, HAVI has grown in size, global reach, breadth of services and customers served. Today, whether we’re sourcing and delivering products or creating consumer experiences, our three business units bring unmatched category expertise and unrivaled operational excellence, combined with powerful digital analytics and insights.

NEARLY **11K** EMPLOYEES
SERVING CUSTOMERS IN
100+ COUNTRIES

IN BUSINESS FOR
45+
YEARS

SERVING
300+
BRANDS

OUR BUSINESS UNITS

HAVI Supply Chain

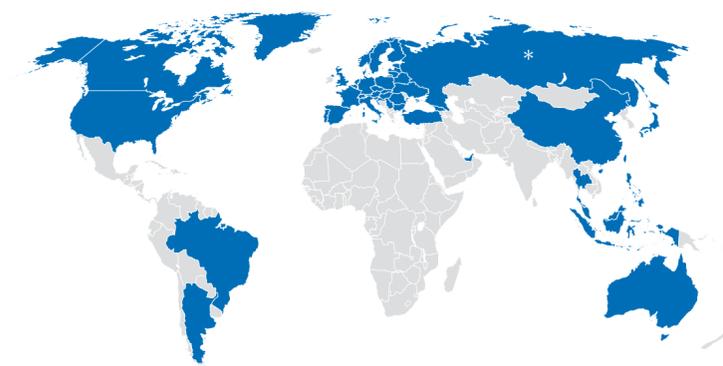
HAVI Supply Chain offers integrated digital and operational capabilities including analytics, planning, distribution, freight management and logistics helping foodservice and high-care brands get the most out of their supply chains.



tms connects dots and resources in new and inventive ways through technology, marketing and sourcing. We provide end-to-end sourcing services that deliver savings and value to customers. Our consumer engagement services inspire active participation and drive behavior.



PMI offers food and beverage container solutions built on a foundation of innovation, value and sustainability, delivered via business-to-consumer brands, Stanley and Aladdin, and in partnerships with select global brands and retailers.



**MORE THAN
140 OFFICES OR LOGISTICS CENTERS
IN NEARLY 50 COUNTRIES**

*HAVI is in the process of exiting the Russia market.

VALUES-DRIVEN FROM THE START

Since our beginning nearly five decades ago, we've been a values-driven company made up of dedicated individuals who are united in our aim to deliver world-class services to our customers and give back to our communities. As our business has grown, both organically and through acquisition, we knew it was time to better define our Purpose and Values and ensure we applied them consistently across the enterprise. That's why, in 2021, we were pleased to refresh a set of core Values that express our past, present and future as a business and as corporate citizens. Collectively, they're meant to ground us, unite us and guide us on our journey forward.

[OUR PURPOSE]

We reimagine the connections between people and products to create a better future.

[OUR VALUES]

Do What's Right
Respect and Value All
Elevate Customers and People
Think Big Together

One embodiment of our Purpose and Values is our Better Future Blueprint: a holistic, enterprise-wide social and environmental framework that enables us to create a better future for people, communities and the planet. Within that context, we are committed to:

Driving Responsible Operations

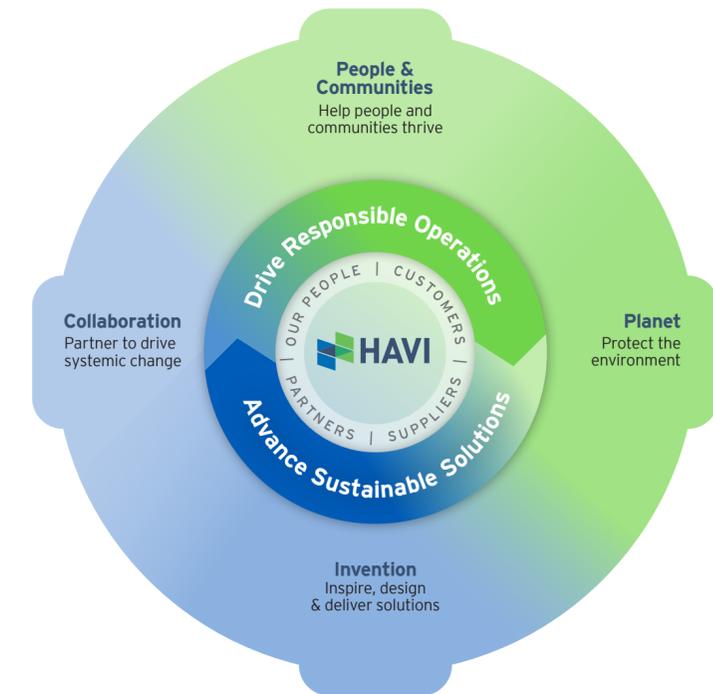
Caring for and uplifting people who work for us or live in the communities in which we operate, as well as making our operations more sustainable and minimizing our environmental footprint.

Advancing Sustainable Solutions

Overcoming the world's social, economic and environmental challenges with a more focused and continuous flow of solutions over time.

Our business model gives us the opportunity to take action within our own organization, while also inspiring our customers and suppliers to join us on our journey. In that context, we've identified action areas that are designed to connect the dots across our global organization, hold us accountable and drive meaningful change within and well beyond HAVI.

[BETTER FUTURE BLUEPRINT]



To better align our efforts and help bring our Better Future Blueprint to life in every part of the business, we've formed a Sustainability Steering Group. Building on our existing commitments and activities, this passionate team of advisors from across our business units and functions are creating the structures and processes needed to advance our Better Future Blueprint. They helped us define enterprise targets and broader goals that are ambitious but attainable, determine how we can best organize and measure our progress over time and identify what additional resources, actions and partnerships will be critical to our success.

PRIORITIZING FOR THE FUTURE

HAVI has defined Enterprise Commitments in the areas of Climate; Waste & Recycling; Community; and Diversity, Equity & Inclusion.

These commitments were created based on a materiality assessment completed by our Sustainability Steering Group in partnership with an independent insights and advisory consultant.

The assessment involved analysis of data collected from customers, competitors and other available research, as well as validation interviews with more than 50 internal and external stakeholders. The result was a prioritized set of issues mapped against their environmental and societal impact, as well as their impact on our business.

Our commitments support our Better Future Blueprint and position us to live our Values and raise the bar on what we can achieve.

LEADERSHIP FOR ACTION, COLLABORATION AND ACCOUNTABILITY

We know that creating a better future for people, communities and the planet will require action, collaboration and accountability from everyone at HAVI, as well as our customers, suppliers and partners. We must also shift how we think and behave – from reimagining our business in ways we haven't before to challenging ourselves to think bigger to engaging differently with customers, suppliers and each other.

How will we carry out these bold commitments? Accountability for our Better Future Blueprint rests with our Enterprise Leadership Team, and we have empowered our cross-functional Sustainability Steering Group to lead day-to-day efforts in partnership with our business units.

As a company and as individual citizens, we envision a future filled with thriving, inclusive communities on a planet whose natural resources are preserved and celebrated, not squandered. And we hope our customers, suppliers and peers will join us in taking the steps necessary to **build this better future together.**

Achieve net zero carbon emissions by 2050

CLIMATE

Achieve zero waste to landfill in our owned/direct operations by 2025

WASTE & RECYCLING

Contribute at least 50K hours of community service every year to strengthen the communities where we live, work and learn

COMMUNITY

Donate one percent of the prior year's pretax income to charitable organizations each year

COMMUNITY

Achieve 35% female talent in global leadership roles by 2026*

DE&I

Achieve 30% racially and ethnically underrepresented talent in U.S. leadership roles by 2026*

DE&I



* See page 13 for further definition of terms.



OUR ENTERPRISE COMMITMENTS

In support of our Better Future Blueprint, we've made a set of bold Enterprise Commitments that represent areas of significant environmental, social and business impact. We're pleased to affirm those commitments publicly and share some of our recent progress.



Achieve net zero carbon emissions by 2050

CLIMATE

TACKLING CLIMATE CHANGE

As a global corporate citizen, HAVI has the responsibility to set comprehensive long-term strategies to address climate change, including ambitious, science-aligned goals and robust emissions reduction plans. Moving to net zero is not only the right thing to do for the environment, but it can lead to operational cost savings and greater resilience in the long run. Leading by example, HAVI will also engage our suppliers in our sustainability journey and support our customers in meeting their own emission reduction goals.

HOW

Building on existing commitments within HAVI's business units, we aim to achieve net zero by reducing our carbon emissions by at least 90% and neutralizing the residual 10% emissions with permanent carbon removals as needed. On the path toward achieving this target, we've also committed to a medium-term goal of reducing our scope 1 and 2 greenhouse gas emissions by 50% by 2030. This includes our direct operations such as offices, operated facilities and operated distribution centers.

We are also updating our scope 3 emissions target to align with the latest methodology established by the Science Based Targets initiative (SBTi). Our scope 3 target, which addresses our extended value chain, is under development. We anticipate submitting our targets for approval by SBTi by the end of 2022.

CLIMATE PROGRESS

Thanks to our many efforts to fight climate change, HAVI Supply Chain has already reduced intensity carbon emissions (kilograms of CO2 per tons delivered) for all scopes (1, 2 and 3) by 15% as of 2021 from a 2015 baseline. Also last year, HAVI received a CDP reporting score of B. While we recognize there is more to be done, our performance exceeded the averages for our industry peers, as well as all CDP members.



HAVI Locations Receive Planet Mark Certifications

In partnership with Planet Mark, a global sustainability certification program, we undertook a rigorous effort to measure our carbon footprint across five of HAVI's largest offices and six tms locations in 2019 and 2020. As part of the certification process, we have also pledged to decrease our footprint year-over-year through reductions in energy, waste, water, travel and procurement.



HAVI Makes First Hydrogen Truck Delivery in Switzerland

Thanks to an innovative industry partnership in Switzerland, we've begun transporting ingredients for Big Macs and other products to a McDonald's restaurant using a zero-emission hydrogen truck, marking a global first for HAVI and McDonald's.



HAVI Debuts Portugal's First Truck Fueled with 100% Renewable Biogas

As part of a pioneering partnership between HAVI, natural gas utility Dourogás and commercial vehicle manufacturer Scania, the first heavy goods vehicle fueled with 100% renewable biogas hit the road in Portugal. Biogas represents a major opportunity for sustainable mobility and for improving air quality.



PMI South America Reduces Emissions

IN 2021, PMI REDUCED GREENHOUSE GAS EMISSIONS FROM DIRECT OPERATIONS (SCOPES 1 AND 2) BY

29%
YEAR-OVER-YEAR

THIS REDUCTION WAS DRIVEN PRIMARILY BY SOURCING

100%

RENEWABLE ELECTRICITY FOR OUR LARGEST OPERATED FACTORY IN BRAZIL





Achieve **zero waste to landfill** in our owned/direct operations by 2025

WASTE & RECYCLING

CHANGING BEHAVIORS

One of the most visible environmental impacts we have as a company and as individuals is the waste we create through our daily operations and our value chain, so it's up to us to invest in a healthy, sustainable future for people, communities and the planet. Building on HAVI's strong history of sustainability, our zero-waste commitment will allow us to drive behavioral change across our customers, suppliers and supply chain partners and reinforce our own business commitments to circular solutions.

HOW

In alignment with internationally accepted principles of zero waste, we intend to divert 90% of our cumulative waste from landfills and incinerators by reducing, reusing and recycling materials at our owned and operated facilities around the world.

WASTE & RECYCLING PROGRESS

We're proud of the customer-facing progress we've made toward our zero waste commitment. We've also been working behind the scenes across our own offices, distribution centers and manufacturing facilities worldwide to create processes and systems that allow us to track and report accurate waste data, as well as establish a baseline from which we will continually make waste reduction progress in the years to come.



HAVI Makes Progress Toward Eliminating Single-Use Plastics

Recognizing that HAVI's Supply Chain business unit was using 1,600 tons of plastic every year to shrink wrap customer pallets, we investigated ways to reduce our reliance on plastic stretch foil by organizing pilots in several markets to test alternatives. The result? We have begun a global rollout of reusable nets for pallets and add-on doors for roll cages – all without a significant increase in cost.



PMI Meets the Challenge of Plastic Waste

Our PMI business unit achieved its goal to eliminate conventional plastic polybags on merchandise shipments across its businesses. Since beginning this transition, PMI has already avoided using more than 85 million polybags. Additionally, PMI's Stanley brand launched the IceFlow™ line of jugs and tumblers, which feature insulation made of recycled plastics from discarded fishing nets. As a result, Stanley is able to prevent nearly 100 pounds of plastic waste from entering our waters for each 1,000 IceFlow jugs manufactured.



HAPPY MEAL BOOKS

Made up of 40% recycled cold cup materials, promoting closed-loop recycling to give used material a unique second life

tms and McDonald's Get Creative with Waste

From cold cups and coffee grounds to Happy Meal® toys, tms is helping McDonald's take a creative approach to transforming waste. In Germany, we're giving cold cups a new life by creating Happy Meal books with stories focused on the environment and nature. In China, Happy Meal toys and other plastic waste are being turned into colorful flowerpots, dining trays and restaurant baby chairs, while coffee grounds are being used to make handle bags and other useful items.



HAPPY FLOWERPOT

Made entirely of recycled ABS plastic from leftover Happy Meal toys



Contribute at least **50K hours of community service every year** to strengthen the communities where we live, work and learn

Donate **one percent of the prior year's pretax income** to charitable organizations each year

COMMUNITY

DRIVING COMMUNITY IMPACT

Giving back has always been an important part of HAVI's culture and values – from founder Ted Perlman's early support of Ronald McDonald House Charities to the tremendous amount of community activity being driven today by our people across our markets globally. Making these tangible, enterprise-wide commitments brings a higher sense of purpose to what we do, allows us to connect with each other and will inspire us to take our community impact even further.

HOW

In connection with our annual goal of 50K hours of community service, HAVI encourages our employees to give back by donating their time and resources. In fact, in many regions, we provide paid time off for volunteering and often organize or support community events.

In an effort to bring greater meaning to our one percent corporate giving commitment, we empower our business units and functions to help us identify the greatest needs in their communities. We are also piloting a matching donation program in the U.S. that we hope to expand across HAVI's global operations over time.

COMMUNITY PROGRESS

Our results in this area depend heavily on our 11,000 employees, who are bringing our commitments to life in their own communities. Thanks to relationships with organizations such as Ronald McDonald House Charities in locations across the globe and My Block My Hood My City in Chicago, HAVI's people at all levels are empowered to take meaningful action in support of our Better Future Blueprint.



HAVI Donates \$1 Million to Benefit Organizations Nominated by Employees

As the first year of the COVID-19 pandemic came to a close, HAVI challenged employees to help "create good" by identifying charitable organizations to receive a donation from HAVI. Each of our business units and functions received a portion of a \$1 million charitable pool and asked employees to help determine the greatest needs in our communities across the globe. Donations were then made in the first quarter of 2021 to more than 85 organizations striving to fight hunger, end homelessness, meet the needs of sick children and their families, provide mental health services, ensure equal access to education and address many more important issues.

DONATED TO **100+** ORGANIZATIONS
WORLDWIDE

PMI Worldwide Launches Matching Donations Program for Employees

Expanding on a longtime commitment to provide financial contributions, product donations and general support for causes important to our businesses and the communities where we live and work, PMI launched the company's first matching donation programs for employees in North America and Europe. In its first pilot year, this program allocated financial resources to more than 100 organizations that would otherwise have not received the funding.



KFC and HAVI Team Up to Fight Hunger and Reduce Food Waste in the Netherlands

HAVI has piloted a community-focused partnership with KFC that utilizes our existing in-market distribution channels to collect unsold chicken from restaurants and deliver it safely to Leger des Heils (the Salvation Army), where it is prepared and fed to people in need. After the pilot, we made the partnership available to all 84 KFC locations in the Netherlands and donated over 2,300 kilograms of chicken in 2021.



Employees Pitch in to Clean Up Local Beaches

HAVI's commitment to sustainability extends to all corners of our organization, and we're proud of the hands-on efforts our people are leading on the ground across the globe. In Hong Kong, for example, nearly 50 employees joined together to clean up Angler's Beach and raise funds for a local charity that delivers free meals to lower-income families. Similarly, our Singapore office collected more than 100 kilograms of trash from Selimang Beach as part of their Earth Day celebration.

Achieve **35% female talent** in
global leadership roles by 2026*

Achieve **30% racially and ethnically
underrepresented talent** in U.S.
leadership roles by 2026*

DE&I

EMBRACING OUR DIFFERENCES

At HAVI, we believe that we achieve the best outcomes when people from different backgrounds collaborate and share diverse views, enabling us to challenge the status quo, find more creative solutions and propel change. We also know that our customers and our employees care deeply about how we approach inclusion across our organization.

HOW

In order to equip our people with the skills to act inclusively, accelerate equal opportunities for career development and embed inclusion throughout HAVI's culture, we have implemented an overall DE&I strategy that incorporates training, education and accountability systems. For example, we've established DE&I job interview guidelines, launched an inclusion competency, created women's and reverse mentoring programs and hosted D&EI awareness events. We've also empowered our employee resource groups across the global organization to help everyone be their "best" authentic selves and foster a culture that promotes respect, growth and inclusion. To hold ourselves accountable and measure progress, we're preparing to launch a new DE&I Scorecard in 2022.

* For purposes of HAVI reporting, "racially and ethnically underrepresented" is defined as employees who identify as Asian/Asian American, Hispanic/Latinx, Black, Indigenous People, Alaskan Native or two or more races. "Female talent" is defined as employees who identify as female. "Leadership roles" are roles held by HAVI employees at or above grade 15, who would be at Senior Director level and above.

DE&I PROGRESS

As of the start of 2022, we had reached 32.5% female talent in global leadership roles. Our representation of racially and ethnically underrepresented talent in U.S. leadership roles was 14.4%. Recognizing the need to focus on this area, we have redoubled efforts to provide career and leadership development for these employees and increase inclusive recruitment.*

HAVI Unveils Digital Inclusion Playbook to Drive Global Employee Engagement

Knowing that building a more inclusive culture is at the center of helping our employees thrive, we added "Inclusion" as a component of our performance evaluations for all employees. Our interactive Inclusion Playbook, designed to help bring this new competency requirement to life, provides general guidance and specific activities employees can leverage to engage with others throughout their inclusion journey as we build a stronger, more connected and inclusive HAVI community.



HAVI Empowers and Expands Employee Resource Groups

Long an important part of the HAVI culture, our Employee Resource Groups (ERGs) have been reinvigorated to give our people more opportunities to join together to share life experiences, provide support and enhance their personal and professional development. Although many of our ERGs originated in North America, these vital resources have expanded around the world. They cut across our business units and functions to foster an inclusive workplace and provide an advocacy voice for the women, Asian/Asian American, Black, Hispanic/Latinx and LGBTQ+ professionals who make up our increasingly diverse employee population.



StrongHer Initiative Helps Build Dynamic, Inclusive Culture at PMI

PMI created its StrongHer women's leadership and empowerment initiative to foster new and robust conversations on unconscious bias, gender equity and leadership across the organization. This volunteer network, open to all employees, works to unleash potential, magnify business contributions and increase women's representation at all levels and job functions.

* See page 13 for further definition of terms.

COLLABORATING FOR A BETTER FUTURE

HAVI's sustainability commitments are bold, and our people are inspired to achieve them. We also know that collaboration with our customers, suppliers and leading sustainability-focused partners will be critical to our success on this important journey.



tms Receives Planet Mark Awards

Planet Mark recognized tms with the 2021 Carbon Reduction by Intensity Award for achieving the greatest percentage in carbon reductions per employee in 2020. The organization also honored Pamela Stathaki, tms Head of Sustainability and a member of HAVI's Sustainability Steering Group, with the prestigious 2021 Sustainability Influencer Award.



HAVI & McDONALD'S: SUPPORTING OUR CUSTOMERS

Through innovation and close collaboration, HAVI is helping our customers make notable strides toward reaching their sustainability and DE&I goals. For example, our work with McDonald's includes supporting its global emissions reduction targets for 2030 and net zero ambition for 2050, helping develop award-winning sustainable packaging and joining its largest U.S.-based suppliers in signing the Mutual Commitment to Diversity, Equity and Inclusion.

HAVI Wins McDonald's Global Sustainability Award

HAVI was recently recognized with the Global Sustainability Award for helping McDonald's establish goals, develop strategies and drive sustainability transformation in the following areas:



Packaging: Developed a 2025 road map for packaging and waste reduction commitments and helped McDonald's with substantial achievement of its 2020 goal to source 100% of fiber packaging from Chain of Custody certified sources.

Happy Meal: Supported the development and announcement of the first sustainability goal for the McDonald's Happy Meal category.

Supply Chain: Helped McDonald's improve its sustainable footprint by collecting used cooking oil, cardboard, plastics, organics and cups from restaurants; generating biodiesel from waste in Europe; optimizing the use of empty truck space in Spain; and eliminating plastic shrink wrap in HAVI distribution centers.



HAVI Joins Ellen MacArthur Foundation to Drive Circular Economy

We were honored to be accepted as a member of the Ellen MacArthur Foundation, a prestigious global network that brings together businesses, innovators, universities and thought leaders to accelerate the transition to a circular economy.



Stanley Joins Climate Action Corps

Stanley, a brand of PMI Worldwide, became a founding member of the Outdoor Industry Association Climate Action Corps, which includes 100 outdoor companies that are pioneering a collaborative model to accelerate science-based climate action. This move builds on Stanley's existing commitment to tackle the climate crisis by measuring, planning and reducing its carbon footprint.





LOOKING AHEAD

LOOKING AHEAD

Although we are firmly committed to pursuing and achieving our Enterprise Commitments, we recognize that these are just the beginning. We can – and must – do more over time.

Leveraging the materiality assessment that HAVI completed in 2021, we are identifying additional areas of importance that we believe are worth further exploration. We will also take steps to bring more rigor to our data collection and aggregation and will continue to align ourselves with external certification partners to help us better track, evaluate and share our progress.

With the goal of continually enhancing our purpose-driven culture, we will tap into the collective passion and innovative thinking from all our employees to deliver on our commitments and build a better future together.

LEARN MORE ABOUT PMI'S SUSTAINABILITY EFFORTS

In keeping with HAVI's Purpose and Values, we completed the strategic acquisition in 2021 of PMI Worldwide, a global manufacturer of sustainable food and beverage container solutions. This union not only expands HAVI's role and offerings as a leader in product development and strategic sourcing but also underscores our deep, enterprise-wide commitment to corporate citizenship and sustainability.

PMI has been reporting on their progress in the areas of sustainability for more than a decade. To learn more, [visit their most recent Corporate Responsibility Report](#).

ABOUT THIS REPORT

We have created this inaugural impact report to convey HAVI's commitment to sustainability and DE&I and share our progress on this journey with key stakeholders, including our people, customers, partners, suppliers and peers. To that end, we are committed to the ongoing enhancement, accuracy and completeness of our reporting and will provide updates annually on the commitments, actions and progress related to our Better Future Blueprint.

Unless otherwise stated, data in this report represents HAVI'S fiscal year 2021, which equates to the calendar year 2021. Data represents the activities of our three business units: HAVI Supply Chain, tms and PMI Worldwide.



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