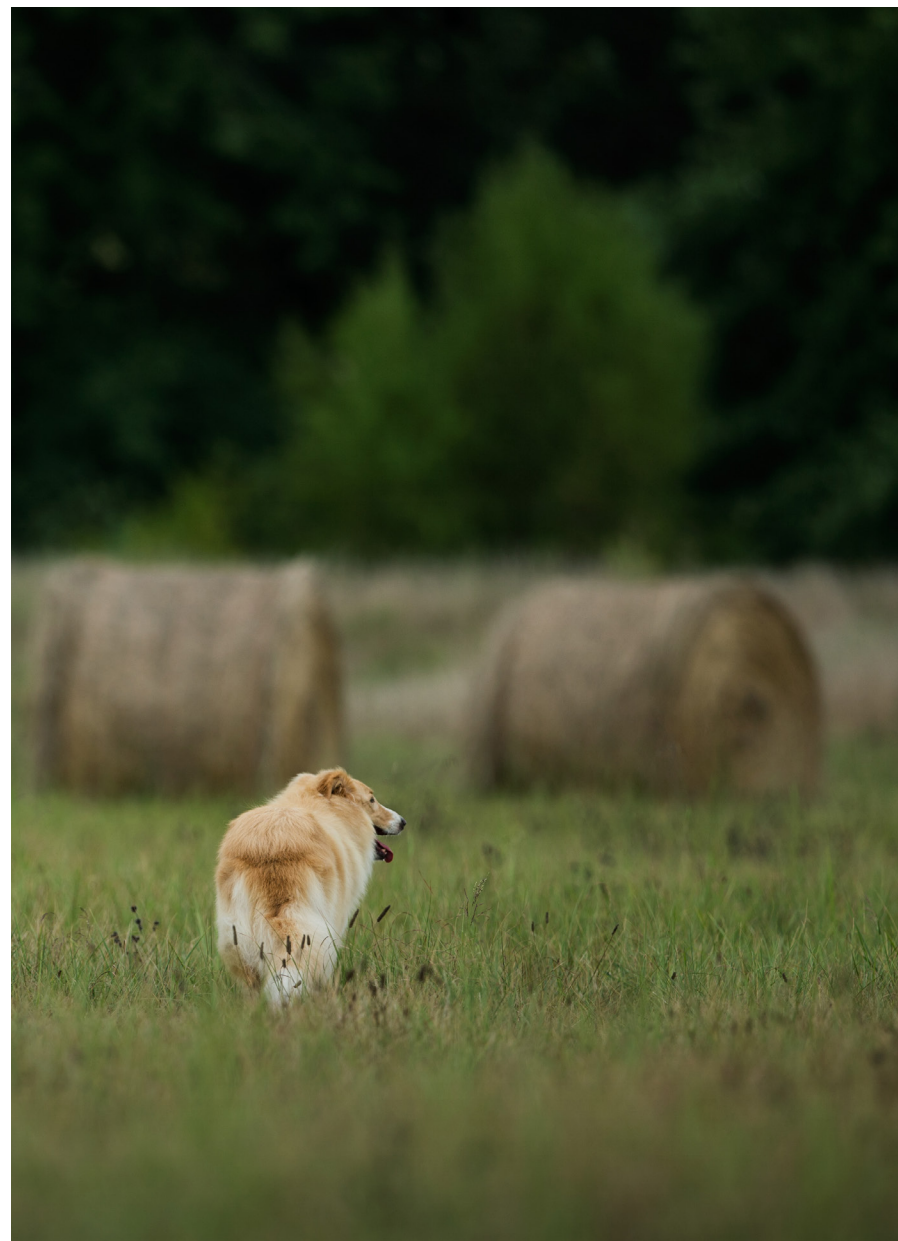


CORPORATE SUSTAINABILITY

2024 Report



WE MAKE PET FOOD
TASTE GREAT.™



I am proud of the progress we have made and the momentum we have built. As we navigate the complexities of the modern business landscape, we remain steadfast in our commitment to sustainable practices that benefit our planet, our communities, and all stakeholders involved. Since our founding, AFB has contributed to what we define today as a circular economy—a system that minimizes waste, reduces resource consumption by optimizing processes, and decreases energy and water usage throughout our operations.

Dale Spence, President

Welcome to AFB International's Corporate Sustainability Report where we delve into our commitment to sustainability, responsibility, and ethical business practices within the pet food palatant industry. As the Corporate Sustainability Manager, I am honored to present our progress, achievements, and ongoing initiatives in ensuring a greener, more socially conscious future.

At AFB International, we recognize the interconnectedness of environmental stewardship, social responsibility, and economic prosperity. Guided by this understanding, we have embedded sustainability principles into our operations, from sourcing raw materials to delivering finished products to our valued customers. Our journey towards sustainability is not only a responsibility but also a testament to our dedication to creating positive change in the world.

In this report, you will find comprehensive insights into our sustainability efforts, including our achievements in reducing our environmental footprint, fostering social equity, and promoting animal welfare. We will highlight our progress in key areas such as energy efficiency, waste reduction, community engagement, and responsible sourcing practices. Moreover, we will share our vision for the future and the strategies we are implementing to further enhance our sustainability performance.

Through transparency, collaboration, and continuous improvement, we are committed to doing our best in corporate sustainability within the pet food palatant industry. Thank you for joining us on our journey towards a more sustainable and prosperous future.

Warm regards,

Amy Gjoka,
Corporate
Sustainability Manager



Our Journey

AFB International was founded in 1986 in St. Louis, Missouri, USA with a vision to create the best palatants and make pet food taste great. Over 35 years later, we remain committed to being the leader in pet food palatability. AFB is a subsidiary of Ensign-Bickford Industries, a privately-held company focused on space & defense, pet food science, and biotechnology.

As part of an organization dedicated to innovation, we are able to continually offer new products and services, and expand our global presence. Today we are an international company with resource centers and production facilities designed to service pet food manufacturers across the world - all following the same set of Core Values.

LONG-TERM STRATEGIC APPROACH

creates stability for our customers, people, and shareholders.

CUSTOMER INTIMACY

enables unique insights into our customer needs.

CUSTOMER-DRIVEN INNOVATION

is our lifeblood.

RESPECT FOR INDIVIDUALS

includes well-being, growth, and sense of belonging.

HIGH-PERFORMING TEAMS

and experienced teams win.

SUPERIOR EXECUTION

of our systems and processes enables superior performance.

THE KAIZEN MINDSET

drives continuous improvement and achieves transformational results.

As we embarked on our sustainability journey in 2020, it became evident that the principles underpinning a successful sustainability program inherently resonate with our company's core values, notably our Kaizen mindset. For years, we've remained committed to continuous improvement, consistently seeking avenues to enhance our processes and deliver the highest quality products. Our efforts have contributed to improved environmental practices. However, it wasn't until recently that we fully grasped the profound environmental benefits of our actions and began tracking and documenting these benefits and improvements.

Two pillars stand out as the foundations of our company and are core to our sustainability mission:

AFB is passionate about improving the well-being of pets, people, and our planet.

People

Sustainability encompasses more than just environmental concerns; it extends to the social dimension as well. At our company, we recognize the paramount importance of considering the impacts of our operations on people and society. This encompasses a wide range of factors, including fair labor practices, ensuring the health, safety, and wellness of our employees, promoting diversity and inclusion within our workforce, actively engaging with our communities, and contributing to philanthropic initiatives. By prioritizing the social aspect of sustainability, we strive to create a positive and lasting impact on the lives of individuals and communities touched by our business operations.

Planet

Environmental sustainability refers to our company's ability to manage and reduce harm to the planet through its processes, products and business activities. Examples include waste reduction, pollution prevention, resource conservation, reuse and recycling, alternative energy and carbon footprint reduction.

This focus on people and planet also aligns with the United Nations Sustainable Development Goals (SDGs). The SDGs are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all."

This framework allows us to benchmark where we are currently and identify areas that need the most attention. This will guide us in defining our 2030 targets, and monitoring and measuring our progress.

Our Sustainability Strategy

SUPPORTING THE SDGS

In 2015 the United Nations General Assembly established 17 Sustainable Development Goals designed to be a “blueprint to achieve a better and more sustainable future for all”.

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all United Nations Member States in 2015, as part of the 2030 Agenda for Sustainable Development, which set out a 15-year plan to achieve the Goals.

Subsequently, the United Nations Global Compact took the SDGs and set out to ‘Make the Global Goals Local Business’, and the World Business Council for Sustainable Development made the SDGs actionable for business with 200 CEOs of the World’s largest corporations.

In 2017, according to Reuters, 60% of companies had integrated SDGs into their business strategies, and according to a new report from CECP’s Global Exchange, 81% of companies acted on the UN Sustainable Development Goals (SDGs), including using them as a framework for reporting, and integrating them into strategy.

AFB International has identified 10 SDGs that are relevant to our business and where we can make a positive impact.



Our Environmental Progress

2023 proved to be the foundation of our current sustainability journey by aligning our internal priorities with the feedback from our valued customers. Through this process, we identified key areas for improvement: energy reduction, water conservation, waste minimization, and responsible sourcing.

In addressing **energy consumption**, we are actively working towards alignment with the Paris Climate agreement. Our first step involves conducting comprehensive energy audits at each of our sites to identify opportunities for reduction. These audits will inform the development of a long-term energy reduction plan, guiding us towards our sustainability goals.

Turning our attention to **water usage**, while our facilities currently fall within the “little to no water scarcity” category according to the World Water Assessment Program, we recognize the importance of responsible water management. In 2024, we will embark on identifying projects aimed at reducing our overall water consumption, culminating in the creation of a water reduction plan.

In our efforts to **minimize waste**, we have identified opportunities to expand our recycling initiatives. Our Green Team will lead the charge in standardizing and enhancing recycling practices across all our sites globally. Through education and clear communication, we aim not only to increase recycling rates but also to foster a culture of sustainability within our organization.

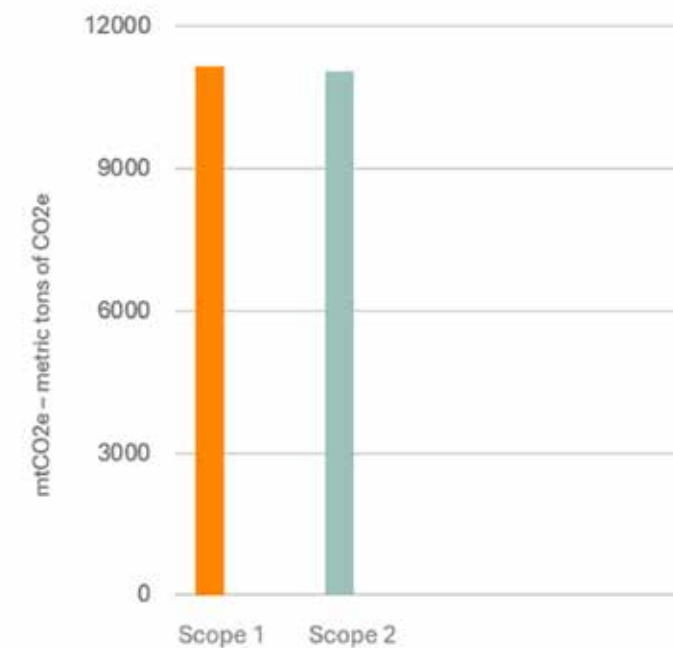
Our final pillar for environmental stewardship falls under our **sustainable procurement practices**. In 2024, we prioritized addressing deforestation by working closely with our European sites to develop strategies for responsible sourcing. By the end of 2025, we aim to implement these

practices company-wide. Additionally, we are collaborating with our suppliers and customers to promote certified sustainable fish options, encouraging the adoption of environmentally friendly choices. 2024 represents a pivotal year for sustainability at AFB International. With ambitious goals in place, we are dedicated to furthering our position as a leader in pet food palatants while upholding our commitment to the planet. Together, we strive to make a meaningful and lasting impact on the world around us.

In 2023, we calculated our Scope 1 and 2 Green House Gas emissions, as well as our company’s intensity metric.

Scope 1 emissions are direct emissions from sources that a company owns or controls including refrigerant usage and fuel combustion in company vehicles, boilers, or furnaces. Scope 2 covers indirect emissions from the generation of purchased electricity, while these emissions actually occur at the facility where the energy is produced, they are accounted for by the company that uses the energy.

2023 Scope 1 and 2 emissions



2023 Intensity Metric



Metric tons of CO2e per ton of product company wide

Calculations are provided by GreenFeet, <https://greenfeet.com/>

Our Numbers

500

MWh of solar energy generated prevented 249 US tons of CO₂ emissions at our Oss facility per year, which could run 49 2-person households electricity for a year



2019

year we began our diversity and inclusion training journey, requiring all employees to attend Unconscious Bias training

32%

representation of women on our Director and Executive Leadership Teams



7.2M

pounds of CO₂ emissions prevented at Aurora facility by recycling product waste, which would take 150,000 trees to absorb that amount of CO₂ in a year

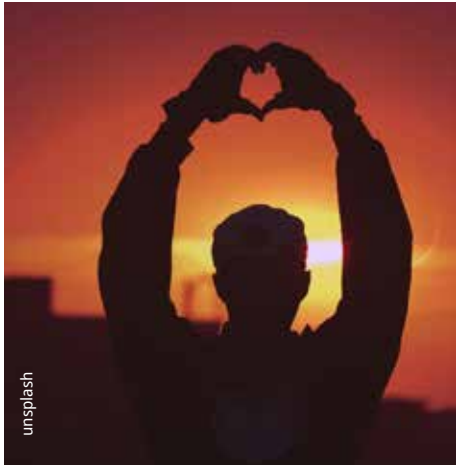
Our Framework

1

PEOPLE

Reduce inequalities and promote healthy living

Ensure access to education and contribute to positive change through charitable giving



2

PLANET

Increase our resource efficiency and promote sustainable infrastructure

Protect marine and terrestrial ecosystems working with our suppliers

Expand the use of renewable energy and implement CO₂ reduction



PEOPLE

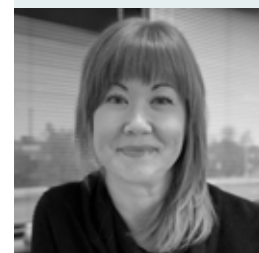
Reducing inequalities is an integral part of a more sustainable future. Our target areas include increasing diversity at all levels within our organization, implementing anti-harassment and anti-discrimination policies, and continuing to educate on the importance of diversity and inclusion.

AFB is committed to a diverse workforce and an inclusive environment. We have made progress with our Unconscious Bias Training and recruitment efforts at Historically Black Colleges and Universities and continue to strive to be even better.

SUPPORTING THE SDGs



“We want every individual to feel comfortable and safe bringing their authentic self into work every day. We honor and celebrate differences in thought, experiences, and opinions so that we have better discussions resulting in more innovative solutions to situations and problems. We are putting the processes and programs in place to support our value of Respect for Individuals.”



Morgan Clarkson, Global VP, Human Resources, St. Charles, Missouri



We have enjoyed working with college interns during the summer months.



Dogs in the office create a happy workplace!

“We rely on the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization, considering its main rights: elimination of all forms of forced or compulsory labor; effective abolition of child labor; and elimination of discrimination in relation to employment. Our Human Resources Policy aims to create a safe, fair, transparent, welcoming, and excellent work environment. Our efforts are directed to consolidating our company as a welcoming environment, which invests in practices and benefits that prioritize people.”

Luciene Staffocker Dall’Oca Human Resource Manager, Jaguariúna, Brazil



Did you know?

EBI and AFB’s compensation and benefits package* demonstrates their dedication to providing competitive total rewards. Besides employee benefits such as insurance, retirement savings, and paid time off, employees benefits include:

- Wellness Program
- Paid Parental Leave
- Employee Assistance Program
- Anonymous hotline for reporting harassment or discrimination

* benefits tailored to regional preferences, laws, and regulations

PEOPLE cont.

Quality education enables economic mobility and helps reduce inequalities. That is why our parent company's foundation provides significant gifts in the areas of education, including scholarships for employees' children.

Our employees are a driving force in our community engagement efforts, contributing their time and talent to a wide range of projects. From clean up days to shelter fundraisers and food drives, their passion for community service is evident in every initiative.

SUPPORTING THE SDGs



"I believe that true success lies not only in achieving our own sustainability targets but also in empowering our customers to meet their sustainability goals."



Laura Johnson,
Global Key
Accounts Director,
St. Charles,
Missouri

"All it took was being asked to volunteer one time, and I realized from that moment on that Community Service is my reason for being. Through the EBI Foundation and our generous employees, we have given money, time, and energy to amazing community events like Hope for the Holidays, Project Rise, Come and Dine, and many more!"



Dawn Oplinger,
MRO Buyer,
Aurora, Missouri



AFB employees, along with the EBI Foundation was proud to donate \$6,123.94 to Franklin County Foster Closet, an organization that helps foster families with new placements gather essential items allowing them to focus time on helping the child adjust to their new home.



AFB's Corporate Headquarters located in St. Charles, Missouri was voted **Top 3 Healthiest Places to Work**, in 2023 by Healthiest Employers in St. Louis, Missouri.

10

nonprofit organizations and community events in the US supported by AFB employees and the EBI Foundation in 2023

Created in 1952, the EBI Foundation is financed by EBI and its subsidiaries, because a company's success is interwoven with the health, education and prosperity of the community. Significant gifts have been made in the areas of education and scholarships, environmental preservation, natural disaster response, medical institutions, scientific innovation, the arts organizations and community improvement.

EBI also encourages individual employees to contribute their time and talent to community projects, as well as a matching gift program.

PLANET

AFB is committed to reducing human food waste by upcycling residues from the meat industry and using yeast waste streams that could otherwise have ended up in landfills and caused methane emissions.

SUPPORTING THE SDGs



“AFB incorporates various yeast by-products from the brewing and ethanol industries into our palatants, as they provide an excellent protein source and enhance palatability. By repurposing these waste materials, we prevent them from ending up in landfills, thereby reducing the production of methane, a powerful greenhouse gas.”



Greg Hibbard,
Senior Scientist,
St. Charles, Missouri



We are proud to be a member of the Pet Sustainability Coalition

“We joined the Pet Sustainability Coalition in 2020 to learn how to move pet food towards improving our environmental and social governance as an industry.”



Tim Koester,
Director,
Product Mgmt,
St. Charles,
Missouri

EcoVadis is a globally recognized assessment platform that rates businesses’ sustainability based on four key categories: environmental, labor and human rights, ethics, and sustainable procurement. AFB received a silver medal in 2022.



Did you know?

“Carbon dioxide (CO₂) enters the atmosphere through burning fossil fuels, solid waste, and other biological materials and is removed from the atmosphere when it is absorbed by plants as part of the biological carbon cycle. Methane (CH₄) emissions result from the productions and transport of coal, natural gas, and oil, livestock and by the decay of organic waste in landfills. Natural processes in soil help remove CH₄ from the atmosphere.”
- epa.gov

The Pet Sustainability Coalition (PSC) is a nonprofit organization that accelerates sustainability in the pet industry through education, implementation tools, and collaboration.

PLANET cont.

Climate change affects every country on every continent. "2023 was the warmest year since global records began in 1850. The ten warmest years in the 174-year record have all occurred during the last decade." - [ncei.noaa.gov](https://www.noaa.gov) (1/22/24).

As good global citizens, AFB is making an effort to reduce our carbon footprint. LED lighting, solar panels, encouraging the use of electric cars, and green construction for future facilities are some of the ways we are making a difference.

As part of our sustainable supply chain efforts, our manufacturing facilities recycle totes, drums, pallets, and scrap metal.

SUPPORTING THE SDGs



"At our Aurora facility, we strive to continually improve our sustainability efforts. From composting production waste, to recycling packaging, to the use of LED and motion sensor lighting; we focus on waste minimization, finding sustainable solutions for our waste streams."



Stephanie Hackmann,
VP, Global Operations
St. Charles, Missouri

"At our O'Fallon facility, we are committed to integrating sustainability into every project we undertake. By consistently reviewing and optimizing our processes, we not only reduce our environmental impact but also drive innovation and efficiency."



Mazzin Alnijoumi,
Plant Manager
O'Fallon, Missouri



Our sites operate with a **storm water pollution prevention** plan. This plan includes specific Best Management Practices to prevent erosion and stream pollution.



AFB Aurora has partnered with Simplified Environmental Solutions to **reduce waste to landfills** by recycling product waste and byproducts into compost.



unsplash

Celebrating our commitment to sustainability, we're proud to unveil our latest initiative: the installation of **electric vehicle (EV) charging stations** at select sites. Embracing the future of transportation, these stations represent our dedication to reducing carbon emissions and supporting the shift towards cleaner energy. We're not just charging vehicles, we're charging progress towards a greener tomorrow.

100%

heat captured from our production process heats our Oss factory

1/3

of the total amount of electricity used annually by the Oss facility is delivered by solar panels

100%

of electricity use at the Ter Apelkanaal facility is generated from solar panels

PLANET cont.

Our commitment to research and development (R&D) is at the core of our operations. When R&D incorporates sustainability at the beginning of the development process, it can lead to cost savings through the value chain, including materials, resources, and environmental mitigation. Our goal is to develop products that can positively affect the world and reduce negative impacts.

“Being an R&D-led company empowers us to develop the most flavorful palatants tailored to each pet food’s specific needs and align with customer-specific sustainability goals. This includes accommodating various sustainability requests such as incorporating alternative proteins, sourcing certified seafood, prioritizing local suppliers, and meeting other specified attributes. Through our innovative data-driven R&D approach, we ensure that our products meet the highest standards of taste and contribute to a more sustainable future for pets and the planet.”



Sara Martins, Global Director Science & Technology, Oss, Netherlands



Did you know?

AFB has started researching how to incorporate Green Chemistry into our R&D processes.

Green Chemistry is a fascinating field that aims to develop and promote sustainable methods and processes in the field of chemistry. It is a discipline that focuses on creating materials, designing chemical reactions, and developing technologies that are not only efficient and cost-effective but also environmentally friendly. Green chemistry has gained significant attention in recent years as the need for sustainable solutions continues to grow.

“Our journey towards sustainability ignites excitement within our company as we realize the transformative power of our collective efforts to create a greener, more resilient future for all.”



Amy Gjoka, Corporate Sustainability Manager, St. Charles, Missouri



SUPPORTING THE SDGs



PLANET cont.

Our suppliers comply with applicable environmental laws and regulations, and strive to conduct their operations in an environmentally sensitive manner.

AFB has a Supplier Code of Conduct in place.

SUPPORTING THE SDGs



“Sustainability is important for my children. They must have the chance to live in a safe environment. It is important to me that AFB is striving for a global commitment to social responsibility in our business practices. We won’t have a society if we destroy the environment.”



Ruud van Enckevort,
Global Commodity
Manager,
Oss, Netherlands



“I recognize the vital role our supply chain plays in promoting sustainability within the pet food industry. By sourcing ethically and responsibly, we not only ensure the quality and safety of our palatants, but also contribute to the well-being of our planet and its inhabitants.

Sustainability isn’t just a choice; it’s our commitment to nurturing a healthier future for pets, people, and the environment.”



Andy Zenor,
Senior Director,
Global Supply Chain
St. Charles, Missouri

100%
of our marine resource suppliers are committed to producing their products sustainably (such as IFFO, GlobalGAP)

80%
of AFB Europe’s soybean supply is grown in Europe, which means fewer food miles, which equals fewer emissions from airplanes and ships

Supplier Code of Conduct

Ensign-Bickford Industries, Inc. and its subsidiaries are committed to operating with the highest standards of ethics and integrity. Accordingly, we require suppliers to comply with our Supplier Code of Conduct.

SUPPORTING THE SDGs



Our suppliers must conduct business in a manner that supports our commitment to:

High Standards of Health and Safety

Ensuring health and safety is of utmost importance to AFB. We expect all suppliers to provide employees with a safe, clean and healthy work environment.

Fair Employment Practices

Suppliers must ensure that working conditions are conducive to upholding the human rights of workers.

Legal Compliance and Business Integrity

Suppliers must comply with all applicable laws and regulations. If there is a conflict between what the law requires and the standards in this Supplier Code of Conduct, we expect our suppliers to meet the higher standard.

Environmental Stewardship

We expect our suppliers to operate in a manner that actively manages environmental risk, conserves natural resources, and protects the environment.

For AFB’s Supplier Code of Conduct policy, click [here](#).



