



Corporate Social Responsibility Report

2020



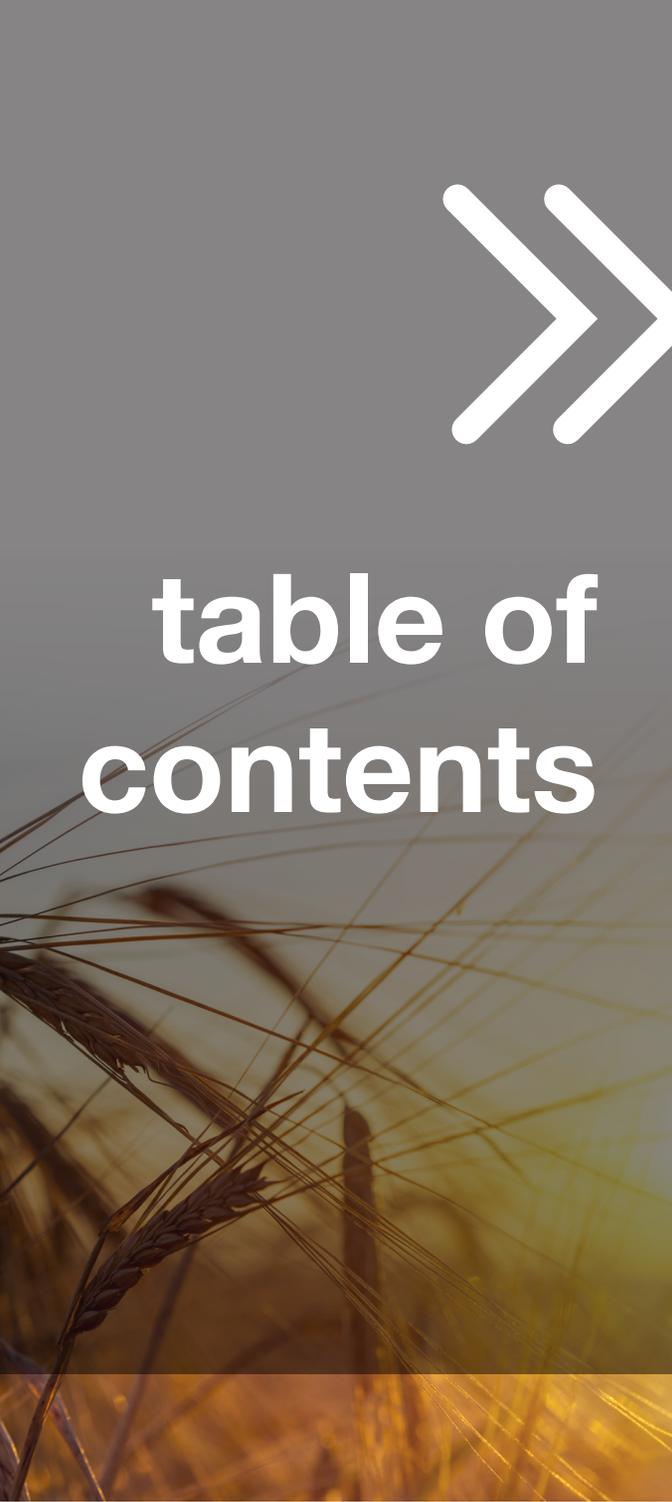


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Letter from the CEO

Throughout our company's history, we have operated with the guiding principle that our success is inextricably linked to the well-being of our associates, customers, suppliers, and the communities we call home. As a Fortune 200 foodservice leader, we recognize and honor our responsibility to contribute to a more resilient, sustainable, and equitable food system. The events in the past year, from the COVID-19 pandemic, to protests for racial equality, to the West Coast wildfires, have shown that these efforts are more important and urgent than ever.

In 2020, Performance Food Group evolved its corporate sustainability and philanthropic efforts into a more holistic approach. We are working toward our goal of integrating environmentally and socially conscious policies into our day-to-day business operations, long-term planning, and company culture. By building upon our historic foundation of community-minded business, we will be able to adapt and succeed in a rapidly changing industry, society, and world.

This CSR report and the integration of new policies across our business represent the next steps on our journey. A journey that allows us to **Impact** our environment and the world around us, **Innovate** with sustainable and responsible products, and **Inspire** our associates to be their best selves. It is a long-term effort that will require us to question our assumptions, engage in deeper collaboration with our communities, and become more intentional in how we use our scale and influence to positively impact society.

I believe that our CSR strategy will position our company for future growth and allow us to advance environmental and social goals while continuing to drive customer success. As we set the course for 2021 and beyond, we invite our customers, partners, and communities to join us on this journey to deliver a sustainable future with access to nutritious food for all.

A handwritten signature in black ink that reads "George Holm". The signature is written in a cursive, flowing style with a prominent initial "G".

George Holm
Chairman, President & CEO



PFG at a Glance

About Us

Through its subsidiaries, Performance Food Group Company markets and distributes more than 200,000 food and food-related products from more than 100 distribution centers to over 200,000 customer locations across the United States. Our nearly 20,000 associates serve a diverse mix of customers, from independent and chain restaurants to schools, business and industry locations, hospitals, vending distributors, office coffee service distributors, retailers, convenience stores, and theaters.

We source our products from various suppliers and serve as an important partner by providing them access to our customer base. In addition to products, we provide our customers with value-added services stemming from our industry knowledge, scale, and expertise in the areas of product selection and procurement, menu development, and operational strategy. At Performance Food Group (PFG), we strive to provide access to nutritious, sustainable, and high-quality products to every state, city, and community in America.



Our Segments & Companies



PFG is the parent company to two major segments: Foodservice and Vistar. Each company within these segments meets the needs of a unique group of customers and continues to evolve alongside changes in consumer preferences, customer needs, and industry trends.





Impact



2020 CSR Performance Highlights

PFG has made a commitment to improving our performance on key sustainability issues. We strive to not only meet all environmental regulations and requirements at each of our locations and distribution centers but also to continuously improve our sustainability across our business and supply chain.



Impact

Reducing Facility Energy

We installed motion sensors and LED lights throughout our warehouses nationwide, resulting in annual energy savings of more than 39 million kilowatt-hours (kWh) – the equivalent of the energy produced by 3,356 tons of crude oil. We are also working with utility providers to reduce energy use during peak demand hours through management practices and training for associates so that all members of the PFG family are contributing to our efforts to operate more sustainably.

Fleet Fuel Management

We use an integrated approach to fleet fuel management that combines associate engagement, training technologies, and strategically located redistribution centers. Our RoadNet technology allows us to implement the latest developments in rerouting best practices and training sessions. We utilize redistribution centers to help consolidate shipments, reduce associated costs, and decrease our miles on the road. As a result, we have reduced our miles traveled, fuel usage, and our Scope I carbon emissions on a per-case basis.

Expanding Access to Sustainable Products

Our Qualified Grown Local program helps local farmers reach more consumers, contributing to both their financial stability and the scaling of local food systems. The certification process includes an audit from our Quality Assurance team, who makes sure farmers meet standards for irrigation testing, fencing, fertilizer restrictions, employee hygiene, safety practices, and cooler/facility requirements. The program also ensures that all products are produced within a 250-mile radius of our warehouse locations, decreasing emissions from distribution and refrigeration.



Impact



Scaling Regenerative Food Systems

As we look to reduce the environmental impact of food production, we are working with select partners to help farmers transition to more sustainable local food systems, providing more food while using less water and other scarce natural resources. Our growing relationships with small-scale farmer co-operatives will allow us to provide the products consumers want while contributing to the development and scaling of regenerative food systems.



For our FarmSmart® line, we partnered with Big Picture Beef, a company that supports small-scale New England farmers in accessing grass-fed beef markets. Big Picture works with family farms to implement regenerative agriculture practices such as rotational grazing. These practices contribute to healthier soil, cleaner local waterways, and the health of local ecosystems. They also result in increased soil carbon sequestration and less methane emitted per cattle, reducing PFG's greenhouse gas emissions and mitigating the negative environmental impacts of climate change.



Impact

Reducing Food Waste

We diverted 40% of our food and operational waste, a total of about 735,000 cases of food, by utilizing local recycling systems and national and regional food bank donations. We also implemented recycling and repurposing programs for consumables like shrink wrap, cardboard, pallets, and water used for fleet cleaning.

- PFG has a longstanding partnership with Feeding America, the nation's largest hunger relief organization. This helps us both address food insecurity while also reducing our food waste and greenhouse gas emissions released in the food decomposition process.
- Our Reinhart Foodservice La Crosse operating company has a partnership in Wisconsin with the Hunger Taskforce of La Crosse. Reinhart Foodservice contributes coffee grounds and organic compost material to help the organization grow free organic produce for community members in need.
- Recognizing that significant food waste occurs at the production stage, we ensure that our suppliers have systematic approaches to environmental stewardship and are actively minimizing their waste at every stage of the process. Vistar's Coda Coffee, a certified B-Corp, works directly with coffee farmer co-operatives to build capacity in sustainable agriculture practices, including minimizing waste upstream and reincorporating organic matter into their soil to support the growth of healthier plants.
- Although we can't directly influence how our customers manage their own food waste, we strongly encourage their enrollment in our SPARK partner program, a collection of professional resources and providers that addresses a wide range of restaurant and foodservice management topics, including reducing food waste. SPARK partner RD Fresh, provides customers with a low-tech and low-cost solution for increasing food shelf life and reducing unnecessary food waste. The all-natural mineral mix solution is also biodegradable, helping our customers keep costs down, keep waste down, and reduce adverse environmental impacts of their operations. We are also engaging in a pizza box recycling initiative with our supplier partner West Rock and have brought on Clean Energy Biofuels into our SPARK program, supporting the adoption of biofuels in the foodservice and restaurant industries.



Impact

Water Reclamation & Reuse

As we construct new facilities, we have had unique opportunities to increase water reclamation and reuse. At our new Gilroy facility, we have implemented a water reclamation process for our refrigeration systems that recaptures condensation and refilters it into our cooling systems, enabling us to reuse almost 50% of daily water demands. On a hot day, these refrigeration systems use up to 16,000 gallons of water for daily operations, the same amount of water needed to create an ice hockey rink. We are currently exploring how to implement this water management practice across our facilities, including in buildings where older systems present challenges.



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Innovate



2020 CSR Performance Highlights

From collaboration with emerging health-conscious brands to enhancing rural economic development, PFG is working with our local, regional, and national suppliers and nonprofit partners to promote healthier products and reduce our environmental impact.



Innovate



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Innovate



Inclusive Products

From food allergies to low-sodium diets to religious dietary needs, meeting the range of consumer product needs is always a challenge for our customers and the food industry as a whole. With over a quarter of our business coming from products with distinct and certified dietary and health claims, we know that greater inclusiveness in the dining experience is key to our long-term success as well as the long-term welfare of our customers and communities.

- We have obtained both Kosher and Halal certification for key products, enabling PFG to support a more inclusive dining experience. This effort also enables us to be the distributor of choice for customers with diverse consumer bases or for religious communities' own foodservice needs.
- PFG is also working to provide options for vegan or flexitarian diets. Green Origin™ is PFG's new exclusive brand consisting of plant-based protein products with beef, pork, and chicken flavor profiles. Initial items include burgers, grinds, breakfast sausages, and nuggets. These products are produced exclusively for PFG by Greenleaf Foods, which has a long history of pioneering and perfecting plant-based proteins. We offer cleaner, more simplified ingredient statements, and the "beef" products are all Kosher certified.

Rural Economic Development

Ranches and family farms have been facing multiple challenges, including the falling prices of agriculture products, rising interest rates, and the inability to reach profitable markets at scale. PFG actively leverages our scale and influence in procurement to support these small farming communities and provide them with more consistent purchasing and greater access to markets. For example, our Braveheart® Beef farmers are paid a premium price per cattle to implement management practices that are better for the planet and for the animals themselves. Our Black River Produce company actively supports the economic welfare of more than 600 family farms located in rural New England. As consumer preferences evolve and we continue to evolve as a company, our positive impact on rural livelihoods and economic prosperity will remain a key component of our future growth and future social impact.





Innovate



Beef and Pork

We are committed to managing the environmental and social impacts along our beef and pork livestock supply chains. Our Braveheart® Beef line and PathProven® verification process have set new industry standards for sustainability and animal welfare. We built a direct farm-to-distributor supply chain and partnered with Progressive Beef, a co-operative of family farms in Nebraska and Kansas, to assess every aspect of the supply chain and opportunities to reduce the environmental impacts in livestock farming. Our quality management system uses an evidence-based approach to animal care, food safety, and sustainability to ensure a lower environmental footprint. Our holistic focus on responsible stewardship across our supply chains has been recognized by the U.S. Roundtable for Sustainable Beef, and our pork supply chains have also met similar standards.

- Farmers use locally-grown, steam-flaked corn feed to support cattle digestion and wellness, which in turn reduces the amount of methane, a potent greenhouse gas, that is naturally released by cattle. Studies have shown that this reduces methane production by 20%, meaning all cattle produced in our farm-to-distributor supply chains are lower emitters of methane than conventional cattle.
- To reduce transportation needs, associated costs, and our carbon footprint, we have a 200-mile transport maximum on beef, and a 75-mile maximum on pork to reach processing facilities. This is better for the animals and the environment.
- All Braveheart products undergo DNA testing to ensure that they are traceable to the source, free of antibiotics, and have been treated according to animal welfare standards.
- Farms are audited three times annually to ensure procedures are followed and continuously improved. Additional audits by the Beef Marketing Group and IMI Global ensure farmers are meeting standards for groundwater purity, disposition and disposal of manure, soil quality, and additional environmental indicators. Our partners at Progressive Beef work with each participating farm to implement customized feed yard management practices and help farmers become better stewards of the land and scarce natural resources.





Innovate



Egg and Poultry

The egg and poultry markets are also experiencing transformative changes due to increasing consumer concerns about the responsible management of land, water and air, and an explicit focus on animal welfare at every point in the supply chain. PFG is committed to collaborating with industry partners to meet customer expectations, manage our natural resource risks, and contribute to the development of an equitable, sustainable, and resilient egg and poultry industry. As part of our commitment, our suppliers are chosen for their commitment to exceed customer expectations in their own operations.

Sustainable Options for Non-Food Products

In addition to expanding our portfolio of sustainably produced food products, we will be rolling out a non-foods category initiative to help achieve our environmental goals.

As the COVID-19 pandemic continues, the increased necessity of takeout and to-go options for restaurants has increased the use of single-use plastics. To help customers reduce their environmental impacts while maintaining business continuity, we are expanding our portfolio of recyclable, biodegradable, and compostable foodservice items.

Our suppliers are actively working alongside us to:

- Offer products that meet or exceed Environmental Protection Agency (EPA) and U.S. Green Building Council (USGBC) standards
- Use materials certified by third-party, sustainable sourcing entities, like the Forest Stewardship Council (FSC)
- Improve operational efficiencies in energy, water, and waste management
- Design and implement a climate change strategy to reduce greenhouse gas emissions
- Collaborate across the industry to drive industry-wide compliance



Inspire



2020 CSR Performance Highlights

At PFG, our key assets are the capabilities, knowledge, and passion of our people. We are committed to helping our associates become empowered leaders. Our integrated workplace approach to associate well-being, training, and engagement is combined with a focus on diversity, professional development, and “skill-based volunteering” — providing rich, service opportunities for our people. As we move into the next decade, our ongoing commitment to developing our people at every level of the organization will drive continued success.



Inspire



Our Workplace Associate Support

Associates are provided with support structures that reflect the challenges of a working professional in today's food industry. In addition to standard benefits like competitive salaries, health and life insurance, and disability coverage, we provide all associates with access to an Employee Assistance Program that includes professional support for the work-life stresses of long hours in the office, distribution centers, and on the road.

The program gives our associates access to support for depression, stress management, parental challenges, substance abuse, financial and legal, and other life challenges, and enables them to bring their best selves to work. We also offer role-specific support, like better sleeper programs for our drivers.

Our drivers are crucial to achieving "the last mile" of our success. This approach to ensuring drivers are supported on and off the road has yielded some exciting results. In 2020, 21 associates across the company were named to the 2020 International Foodservice Distributors Association (IFDA) Truck Driver Hall of Fame. With an average of 30 years of service and no chargeable accidents, the experience and passion our drivers bring to the nation's roads each and every day is central to our ability to deliver on budget and on time.



Inspire

Our Workplace Training, Development and Safety

Our training and development strategy is focused on engaging, educating, and empowering our associates. We provide associates with role-specific training both through in-person instruction and e-learning modules, as well as management training to advance leadership skills at key points in their career. In addition to standard trainings like Code of Conduct and Safe Workplace, here are some other examples of our approach to positive associate management:

- We have a robust curriculum of safety training for new hires in our distribution centers based on job type. Each new hire receives an onboarding safety curriculum tailored to their role. Drivers and warehouse associates receive around 20 courses including defensive driving, delivery driving, DOT compliance, and general workplace safety topics (hazard communication, PPE, prevention of back injuries). Warehouse supervisors, safety managers, fleet maintenance positions, production/processing, sales, and customer service associates also receive safety courses applicable to their roles. Food safety courses are included as well. Additionally, in 2020, we rolled out a COVID-19 safety course for all associates across the business.
- Skills such as collaboration, communication, and teambuilding become more important as associates advance into management positions. We believe a formalized approach to these “soft skills” are key to a successful transition to this new role. We provide e-learning courses to associates at every level of the organization to increase their effectiveness in managing conflict, providing feedback, communicating expectations, and mobilizing team action. And we also offer a robust, competency-based development program for leaders at three critical points along the leadership continuum: Emerging, Experienced, and Executive. Each program provides targeted skill-building instruction as associates grow within the company.



Inspire



Our Workplace

Associate Engagement and Appreciation

To gauge associate engagement for our fast-growing organization, PFG conducted a company-wide Associate Engagement Survey in October 2020 as part of our Corporate Human Resources strategy. These survey results will be for action planning across the entire business in 2021 while supporting integration efforts of the two significant acquisitions from 2019, Eby-Brown and Reinhart Foodservice.

Associate engagement also happens through a variety of actions, including town hall meetings, luncheons to promote brand awareness and health- and wellness-focused messaging and activities. Recent recognition efforts included distributing a token of appreciation for associates who responded to the challenges of the pandemic. We also celebrate our drivers for National Truck Driver Appreciation Week each year by sharing their stories internally and through social media.



Inspire



Diversity, Equity, and Inclusion (D & I)

We are committed to fostering an inclusive and equitable culture that encourages diversity of thought, background, and experience. With 4 out of 10 board leaders representing gender and ethnic diversity, our increasing commitment to ensuring workforce diversity at every level of the organization and building an inclusive culture that fosters a sense of belonging for all, is our social responsibility and a business imperative. We hope to achieve this by developing strategic partnerships that provide career pathways for underserved groups, including ethnic and racial minorities, veterans, and people with disabilities. We will also be creating a Vice President position to champion our efforts in this crucial space.



Inspire

Community Engagement and Collaboration

As an enterprise, PFG is evolving our engagement strategies to align with our diverse, growing organization. We are currently focused on three main national partnerships: Feeding America, the American Red Cross, and the American Heart Association. In addition, health-related causes, such as St. Jude Children's Research Hospital, are a strong focus. Our Vistar segment is focusing on Truckers Against Trafficking support at a local level. We are currently exploring expanding that partnership to drivers in our foodservice segment as well.

Fighting Food Insecurity

PFG has a long-standing partnership with Feeding America and its affiliated foodbanks, providing financial and donation support at the Guiding Partner level with the organization. Since 2005, we have donated nearly 19 million pounds of food to help end hunger in communities across the nation. Each year our associates, across PFG's family of companies, take part in a food drive campaign for Hunger Action Month.

In 2020, PFG donated 735,000 cases of food to Feeding America and local community foodbanks, providing food for vulnerable children and families. We also support our NGO partners on the frontlines combatting this societal challenge by sharing our knowledge on best practices in food distribution and helping them build the capacity and operational expertise needed to achieve our shared mission.

Truckers Against Trafficking

Our nationwide customer base means that our drivers have a presence in nearly every state, city, and neighborhood in America. Because human trafficking is a prevalent issue at transportation hubs, we believe it is our responsibility to actively engage, educate, and empower our drivers as a frontline of defense against these heinous human rights abuses. Our Vistar division partners with the NGO Truckers Against Trafficking to provide drivers with the training and support systems needed to identify, confirm, and report suspicious activity on their routes throughout the country. We plan to roll out this program to all our drivers across the enterprise.



Inspire

Community Engagement and Collaboration

Taking Health to Heart

PFG is also investing in a new community partnership with the American Heart Association, beginning in Richmond where we are headquartered. Our Chief Financial Officer chaired the 2020 Richmond Heart Walk, with additional leadership provided by our Chief Human Resources Officer. While the event is local to Richmond, PFG has engaged associates across the country to support it — raising funds, promoting health information, and encouraging virtual participation.

Responding to Disasters

When a disaster strikes, PFG partners with local chapters of the American Red Cross. We provide food and water donations, match our associates' financial contributions — up to \$25,000 in 2020 — and leverage our nationwide network to provide logistics support and help deliver relief to communities in need. Throughout the COVID-19 pandemic, PFG has actively contributed to foodbanks nationwide to support community resilience and stability during this uncertain time. We are committed to providing comfort and sustenance to those most in need.



Inspire

Our Response to COVID-19

The COVID-19 pandemic rattled the global economy and was devastating to many communities. We responded with a series of interventions that supported our own associates, our customers, and the industry as a whole. These efforts included:

- Reduced compensation for senior leaders.
- Deploying associates to support the human resource challenges of retail partners and related essential businesses.
- Providing webinars and customer support on managing key industry challenges created by the pandemic, in addition to providing customers with access to our SPARK Program and the SPARK roster of industry experts.
- The provision of ongoing support for foodbanks nationwide to mitigate the economic, human health, and supply chain consequences of COVID-19 on individual families and at-risk communities.



Setting the Course for 2030



Our 2020 CSR highlights show that we are already tackling environmental and social issues every day across our company. As our economy, environment, and society continue to change, we know that we must do more to integrate and expand throughout our entire enterprise. To achieve meaningful progress, we are establishing focus areas and mobilizing collective action across all our divisions.

This undertaking will require the determination and engagement of our associates as well, but we are confident these efforts will lead toward a future with a more sustainable, equitable, and resilient food system. We are committed to continuously working towards this future vision and reporting regularly on our progress.



2030 Area of Focus

Here is a breakdown of our 2030 focus areas and the business functions that will be advancing them.

Business Function	CSR Issue	2030 Focus Areas
Operations	Energy Management	Improve power consumption intensity
	Renewable Energy	Procure more energy from renewable sources
	Scope 1 Emissions	Improve carbon intensity
	Waste Management	Divert more operations and food waste from landfill
Supply Chain	MBE Procurement	Our focus is on increasing our spend with women, veteran, minority business, not the amount
	CSR Supplier Strategy	Develop and implement a CSR supplier screening tool and audit protocol
	CSR Foodservice Product Portfolio	Expand plant-based alternative and sustainably and humanely raised livestock PFG branded offerings
	CSR Food Product Portfolio	Expand plant-based meat and snack selections and expand sustainably and humanely raised livestock offering
Culture & Associate Engagement	Diversity and Inclusion (D&I)	Develop and implement a D&I strategy across the enterprise
	Training and Development	Expand Truckers Against Trafficking and harassment training across the enterprise
	CSR Knowledge	Increase stakeholder knowledge on key CSR issues and PFG's CSR strategy to address them
Communications & Disclosure	CSR Reporting	Produce an annual CSR Report and website presence
	Ingredient Transparency	Increase ingredient transparency for all PFG private label brands
	Sustainable Sourcing	Achieve third-party sourcing certifications for more PFG private label products

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