FORWARD

An annual report highlighting environmental, social, and corporate governance progress in 2019.
OIA Global is a non-asset-based supply chain management provider implementing logistics, packaging, and sourcing solutions on behalf of our clients.

Through long term partnerships with global clients, we have built a foundation of sustainable supply chain solutions across each business segment: logistics, packaging, and sourcing.

OIA FORWARD™, our first annual report, enables us to communicate our sustainability goals and ambitions while reporting our environmental, social, and corporate governance (ESG) progress towards those goals.

The purpose in creating this report is to present the standards we use to vet suppliers and vendors we work with, the sustainable supply chain solutions we offer, and our emissions data.

FORWARD highlights where we started, future goals, and the frameworks we’ve adopted to align with globally recognized reporting methods and UN-led Sustainable Development Goals.

Progress on environmental, social, and corporate governance will be reported annually, in alignment with our fiscal year (January 1 – December 31), on www.oiaglobal.com.

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Welcome to OIA Global’s first report on environmental, social, and corporate governance.

I’m proud to share the ways in which we’ve embedded responsible business practices into our core services: logistics, packaging, sourcing.

In 2020, we will continue our exploration into sustainable development, this time with strategic commitment fueled by our clients who are leaders in their industries, a supply chain industry chasing aggressive climate-based goals, and our own recognition of the importance of global stewardship. It will be a year of transition as we move beyond reactionary governance into functional governance to lay the foundation for alignment across departments and regions.

With representation in 61 major cities across six continents, we will ask for a tremendous amount of support and commitment from our global workforce. We already have the systems in place to reduce our clients’ carbon footprint; however, we must make a commitment, together as a company, to lower our greenhouse gas emissions.

In this report, you’ll discover how we are assessing and choosing sustainable initiatives where we can have the greatest impact, improving our governance, pursuing goals aligned with the UN-led Sustainable Development Goals, adopting globally recognized reporting frameworks, and creating solutions that help our clients reach their own ESG goals.

We hope that you join us in making thoughtful decisions, everyday, that positively impact the world we live in. Let’s move forward together.

Tim Sether
EVP, CFO
OIA Global’s sustainability team was first created in 2017 to manage the needs of our clients’ ESG initiatives.

With the growing importance of managing impacts that affect our environment, employees, and communities, we will expand the sustainability team into a truly cross-functional global governance structure called the FORWARD Committee.

As a global company with multiple business segments, we will develop a committee with representation from Finance, Human Resources, Sourcing, Packaging, Logistics, IT, Marketing, and Operations across the Americas, Europe, Africa, Middle East, and Asia Pacific.

The committee will continue to be sponsored by Tim Sether, EVP CFO, and led by Christophe Esayian, Sustainability Manager.

Currently, the sustainability team meets monthly to report on progress and assess where to allocate resources. The FORWARD committee will have a similar cadence with longer monthly meetings to account for reporting between departments and regions.

The committee’s first goal will be working cross-functionally to assign roles and responsibilities. Then, the committee will create a strategy to implement channels and processes for ESG reporting followed by an engagement plan with stakeholders, industry associations, and employees.

Once a governance is established, we will create a dashboard that can be shared with all employees and extracted from for external reporting.

We look forward to improving our reporting with data collection systems that align with the Global Reporting Initiative (GRI).
OIA Global gathers input from a variety of stakeholders, internally and externally, to assess the importance and allocation of resources necessary to achieve economic, environmental, and social initiatives.

**STAKEHOLDERS**
- Board of Directors at LDI, Ltd.
- OIA Global Executive Leadership
- OIA Global FORWARD Committee
- Client ESG Initiatives

OIA Global recognizes data collection, reporting standards, and employee engagement, led by our governance committee as very important initiatives with the most resources allocated to their development.

Further, OIA Global is exploring UN-led Sustainable Development Goal (SDG) targets to pursue in 2020 as we begin to align our reporting and goals with globally recognized frameworks.

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**MATERIALITY MATRIX**

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<th>VERY IMPORTANT</th>
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**SIGNIFICANCE TO OIA GLOBAL**

- Managed by OIA on behalf of clients

**SIGNIFICANCE TO CLIENTS**

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OIA Global has several key memberships that allow us to learn from industry experts, engage with like-minded peers, and spread awareness.

**Sustainable Packaging Coalition** - We joined the SPC to increase our awareness and understanding on innovative packaging technology and recycling initiatives. In April 2019, we attended SPC Impact in Seattle to discuss accelerating the pace in the packaging evolution to champion change.

**Business for Social Responsibility** - A global nonprofit developing sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. More specifically, we are active members of Clean Cargo, having hosted a conference in October 2019 at our world headquarters in Portland, Oregon. During the conference, we discovered a wide range of opinions and data surrounding sustainability initiatives, frameworks, and so much more. We’ve been attending Clean Cargo conferences for the past three years.

**EPA SmartWay** - As a predominantly logistics-based company, it was in our best interest to partner with the US-based Environmental Protection Agency. Using the EPA’s framework and partner network, we can ship goods with carriers that meet the EPA’s highest standards in environmental and energy efficiency. Currently, 80% of our contracted shipments are transported on SmartWay certified carriers.

**Outdoor Industry Association** - A membership-driven organization leading recreation and trade policy, sustainable business innovation, and increasing outdoor participation. We became members to further our understanding of the specific challenges our athletic and outdoor clients face.

**Leather Working Group** - Tanneries are audited on environmental compliance, and certification results are shared with members. We became members of the Leather Working Group to ensure all the tanneries we source from are certified suppliers.
OIA Global recognizes that our goals need to align with globally recognized targets and reporting frameworks.

Our 2021 goal is to establish pathways to achieve targets set by the UN’s Sustainable Development Goals (SDG) and Act Now climate actions, introduced to be met by 2030, with the UN’s mantra that “small changes can make a big difference if we all work together.”

We’ve identified the following SDGs that compliment our business for the greatest impact.

**GENDER EQUALITY**

5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

**CLEAN WATER & SANITATION**

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

**AFFORDABLE & CLEAN ENERGY**

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

**DECENT WORK AND ECONOMIC GROWTH**

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of all its forms.

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, women migrants, and those in precarious employment.

**REDUCED INEQUALITIES**

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

**RESPONSIBLE CONSUMPTION AND PRODUCTION**

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
MANAGING OUR CLIENT’S CARBON FOOTPRINT
SUPPLIER MANAGEMENT

At OIA Global, we sourced over 456 million material units and 5.8 billion packaging units in 2019. It is very important to us that we source from factories with safe working environments and policies that support workers by adhering to universally accepted labor standards.

We assess the health of suppliers’ value chains through annual audits that closely align with GRI standards. In 2019, 100% of the raw materials sourced by OIA Global came from a supplier who meets the following criteria:

• Safety Practices
• Health & Sanitation
• Attitude of Management
• Fair Labor, Overtime, and Wages for Workers
• Proper Handling and Removal of Waste

By Q3 2020, we will publish a Supplier Code of Conduct fully in alignment with GRI standards.

VENDOR MANAGEMENT

In partnership with our clients, we have quality compliance experts around the globe who work on-site to inspect and ensure our client’s standards are met and the inputs that comprise finished goods are controlled.

By managing the factory and supplier, we ensure raw materials meet our client’s quality, source, and environmental standards.

FROM ORIGIN TO DESTINATION

MILLION MATERIAL UNITS SOURCED ANNUALLY

456
Through thoughtful design and engineering, optimization experts at OIA reduce wasted space in packaging. Optimization creates a ripple effect that reduces emissions, and transportation and warehousing spend, throughout the entire supply chain.

Between 2016 and 2017, we conducted a case study on an optimization program for a global footwear retailer. In 2016, the retailer saved $1,244,466 in transportation spend for an open order, 766 MT in reduced CO2e emissions, and a landed savings of 152 grams per unit.

While monetary and environmental savings vary between client and SKUs, since we started our optimization program in 2011, we have seen an average of 17% savings across an entire supply chain.

We are fortunate to work with clients who have strong commitments to environmental and social standards.

Of the 5.8 billion individual units sourced last year, approximately 95% of the packaging we produced was comprised of recycled content, while approximately 85% of that packaging is recyclable.

**Optimization**

**Environmental Analysis**

![CO2e Emissions Graph]

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CARRIER MANAGEMENT

Through supply chain analysis, we can make strategic decisions to help our clients move goods from origin to destination that align with their business requirements. Further, we can make strong and deliberate choices about who we choose to move our client’s cargo.

We select carriers that show commitment to the principles outlined by the following initiatives:

- Clean Cargo for Ocean Transport
- IATA Four Pillars for Air Transport
- EPA SmartWay for Road Transport

CLEAN CARRIERS

On average, 72% of the shipments we manage for clients are transported through clean carriers that meet Clean Cargo, IATA, and EPA SmartWay standards.
After mapping out all aspects of social, economic, and environmental responsibilities, we discovered disparities in the methods and frameworks used to define, collect, and report data between our business segments.

To provide supply chain solutions that positively impact the world we live in and harmoniously integrate with any client’s needs, we became members and adopted the Global Logistics Emissions Council’s (GLEC) framework.

With the GLEC framework implemented, we can present clients with standardized, sustainable supply chain solutions such as mode shift or carrier and route optimization.

The chart on the right defines what we reference and how we calculate logistics-related emissions across multi-modal supply chains is in alignment with the

**FRAMEWORK**


With the GLEC framework implemented, we can present clients with standardized, sustainable supply chain solutions such as mode shift or carrier and route optimization.

The chart on the right defines what we reference and how we calculate logistics-related emissions across mode and at container freight station facilities, originally developed by LEARN, the Logistics Emissions Accounting & Reduction Network.
Within each of our business segments, we focus on the inputs we control as well as those we manage, for a holistic approach to carbon management.

To accurately analyze and report on greenhouse gas emissions we adopted EcoTransIT, the first emission calculation tool to be compliant with the GLEC framework.

With implementation of EcoTransIT completed, our reporting capabilities have improved significantly. We can now calculate Scope 3 emissions for every customer shipment in our system, both in the future and historically. Customers will also benefit from the speed and accuracy of the information delivered while having increased visibility to effectively manage their carbon budgets.

All operational staff will eventually have access to providing customers with CO2e emission estimates at the time of quotation or booking.

Internally, this wealth of data will help to compile global shipment information and more intelligent goal-setting, while also being auditable at anytime by a third party.
MANAGING OUR CARBON FOOTPRINT
Our CO2e emissions baseline is 6,581,984 MT. Gathering data from 61 branches and warehouses around the globe, our 2025 target is to reduce our CO2e emissions by 5%.

Our emissions come from:

- EMEA’s 19 branches at 47%
- APAC’s 23 branches at 35%
- The America’s 19 branches at 17%
We improved our data collection in 2019 to gain a more accurate baseline of CO2e emissions, at a total of 6,581,984 MT.

The FORWARD committee will identify and begin reporting on factors that contribute to our emissions. We look forward to uncovering opportunities, overcoming barriers, and building solutions as we map out all factors that contribute to our carbon footprint.

Our target is to reduce CO2e emissions by 5% to 6.2 MT by 2025. We will align with the following SDGs to reach our targets.

AFFORDABLE & CLEAN ENERGY
SDG 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

OIA TARGET By 2030, increase share of renewable energy from 3 of 61 branches to 46 of 61 branches.

RESPONSIBLE CONSUMPTION AND PRODUCTION
SDG 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.

OIA TARGET By 2025, divert 90% of branch and warehouse solid waste from landfills to recycling. Where available, we will divert 100% of food scraps from landfills to compost.

Check in on our progress towards these targets in our FORWARD report, available on www.oiaglobal.com.