

THE HEALTHIEST FAMILY ON EARTH

PEOPLE | PLANET | PRODUCTS



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About this Report

In our second sustainability report, we provide a high-level view of how USANA operates and manages its environmental, social, and governance (ESG) priorities and other issues important to our business and stakeholders within and outside of our company.

This report describes our progress for the 2021 fiscal year ending January 1, 2022. Content is based on ESG issues deemed important through our comprehensive materiality assessment. All business operations worldwide are in scope of our governance, management approach, and performance disclosures. Financial figures are in U.S. dollars, unless otherwise stated.

¹ Given our presence in multiple product categories, our review included SASB Standards for the following three sectors: Processed Foods, Multiline and Specialty Retailers & Distributors, and Biotechnology & Pharmaceuticals.

In preparing this report, we have increased our alignment with relevant reporting frameworks including the Global Reporting Initiative (GRI) Standards, the Sustainable Accounting Standards Board (SASB) Standards¹, and the United Nations Sustainable Development Goals (SDGs).

Throughout this report, we guide readers to additional information on our website. We value and welcome feedback from all stakeholders. Please send comments or questions about this report to: sustainability@USANAinc.com.

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THE CELLULAR NUTRITION COMPANY

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Letter from the CEO and Chairman

2021 was another year of rapid change for the world and it was no different for USANA. After announcing our ESG priorities in our first report early last year, we took several major steps to make USANA a more sustainable company for its future and the future of our planet. I am proud to share our progress in this report.



Kevin G. Guest
Chief Executive Officer
and Chairman of the Board

PEOPLE

People are at the heart of who we are and what we do. While the search for talent has grown increasingly competitive over the past two years, we achieved 84% employee engagement in our global survey of employees and were named for the fourth time to a ranking of the **Best Places to Work** by *Direct Selling News*. I believe both accomplishments are testament to the positive, team-oriented culture we have worked hard to build at USANA.

In 2021, we continued to follow strict COVID-19 health measures to keep our employees safe, while providing the tools they need to thrive in a virtual environment, including ongoing access to mental health resources. We will also continue to support employee flexibility and provide the opportunity for employees to work remotely or in a hybrid setting based on their roles.

Through USANA's cross-functional Diversity, Equity, and Inclusion (DEI) Council, we remained committed to creating an environment where everyone feels welcome and is given an equal opportunity to achieve their full potential. By the end of 2021, the majority of our U.S. non-warehouse employees had participated in diversity and inclusion training. We also signed on as a member of the **ElevateHER™ Challenge** to support women in leadership in Utah. This builds on our existing commitment to the Corporate ParityPledge®.

We also kicked off our first-ever Diversity & Inclusion Volunteer Week to empower USANA employees to give back to their community, including those from marginalized backgrounds. You can read about their efforts to help build a more just and equitable society in our local communities on [page 22](#).

PLANET

The health of our planet is one of the greatest challenges facing our world and is inextricably linked to human health. In 2021, we partnered with the Climate Registry to better understand our Scope 1 and 2 emissions at our Salt Lake City campus, which represents about half of our global footprint. We are sharing this data for the first time in this report and are committed to providing global data in the future.

One way we are working to reduce our greenhouse gas emissions from our electric use is through the use of renewable energy, which we expect to double from 25% to 50% at our Salt Lake City campus by the end of 2022.

We are also taking action to reduce plastic waste. In support of our pledge to reduce plastic waste as part of our membership in **Utah's Sustainable Business Coalition**, in 2021, we began to transition to 25% post-consumer recycled (PCR) materials for our bottles in the United States, Canada, Indonesia, Japan, Korea, Malaysia, and Thailand. We expect to complete the transition in 2024 in all markets where there are no regulatory constraints.

84%

Employee
engagement

We expect to double
our use of renewable
energy at our Salt
Lake City campus

4.5M+

Provided more than
4.5 million meals to
kids in need through
the USANA Foundation

“Our strategy to strengthen, diversify, and grow our worldwide business is on track, underpinned by our commitment to advancing the ESG goals set forth by our Board of Directors.”

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PRODUCTS

One aspect of our business that did not change in 2021 was our endless drive to innovate and advance the science of nutrition. We invested \$10.6 million into research and development to deliver on our product innovation goals. We also announced a new collaboration with Beijing University of Chinese Medicine that will combine modern nutritional science and traditional Chinese medicine—which holds the hope for very exciting developments in the months and years ahead.

Our aim to improve the health and wellness of as many people around the world as possible extends beyond our products. In 2021, the USANA Kids Eat program reached an important milestone, providing more than 1 million meals to kids in need since we acquired

the program in 2019. But we are going further; to mark USANA's 30th anniversary in FY2022, we have set a goal to fund 30,000 garden towers—a low-cost, self-sustaining method of planting multiple food crops in a single source—around the world. And we are inviting others to join in our efforts through the [USANA Garden Tower donation program](#).

As I look ahead, I am optimistic about the future. Our strategy to strengthen, diversify, and grow our worldwide business is on track, underpinned by our commitment to advancing the ESG goals set forth by our Board of Directors. Our goals aim to incorporate best practices across all our operations and markets as we strive to improve communities around the world.

I thank all our employees for their hard work, and all our stakeholders for their continued support as we work to create the healthiest family on Earth.

Sincerely,

Kevin G. Guest
CEO and Chairman of the Board

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PEOPLE

Implemented over

\$1M

in salary adjustments, including raising starting wages for entry-level employees

8,015

annual employee development hours invested

Achieved

84%

employee engagement based on global survey of employees

Provided

4,567,369

meals through the USANA Foundation

Held first Diversity and Inclusion Volunteer week

PLANET

26%

of energy use¹ at our HQ campus was from solar arrays and renewable energy certificates

Switched from plastic bubble to

100%

biodegradable fill for U.S. packaging

Began transition on select SKUs to

25%

PCR materials for our Nutritionals bottles

Saved approximately

400,000

pages of paper by transitioning to an online Holiday Gift Guide

Initiated supplier program to improve circularity of materials

PRODUCTS

\$10.6M

invested in R&D

Received Company of the Year in the Stevie Awards in the category of Consumer Products, Non-Durables, Large

100%

of required employees received Current Good Manufacturing Practices training

Incorporated ESG into the evaluation metrics on our supplier scorecard

¹ Excluding natural gas.

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About USANA

We are committed to improving the overall health and nutrition of individuals around the world—to create the healthiest family on earth.

In this Section:

- Healthiest Families: About USANA
- At a Glance
- Our Products
- How We Operate
- Our Approach to Sustainability
- Supporting the UN Sustainable Development Goals
- Sustainability Governance
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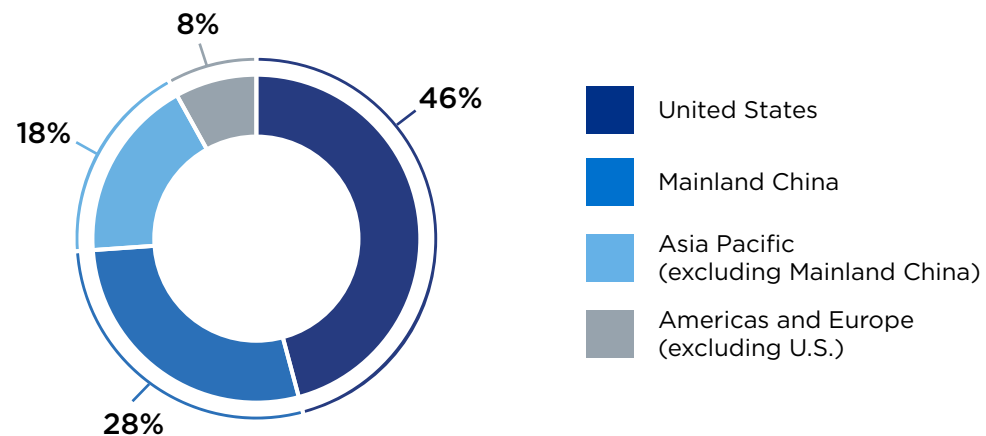
Healthiest Families: About USANA

USANA creates high-quality nutritional products built on a simple idea: If you feed the cells in your body exactly what they need, your health will benefit. This concept fuels our endless drive to innovate and advance the science of nutrition—hopefully putting the goal of improved health within reach for all.

Our business is driven by our four core values:

- **Excellence:** We rely on scientific research to provide innovative, healthy living solutions, and we empower all individuals to continually improve each day.
- **Community:** We support, care for, and encourage one another—and the world—to live happier, healthier lives.
- **Integrity:** We demonstrate honesty, responsibility, and accountability through our individual actions and corporate decision-making.
- **Health:** We cultivate a holistic view of wellness that supports a healthy body and a strong mind.

Employees by Geography



Financial Performance

(In millions, except for per share data)

	FY2021	FY2020	FY2019
Net sales	\$1,186	\$1,135	\$1,061
Operating margin	14.3%	15.6%	13.8%
EPS—Diluted	\$5.73	\$5.86	\$4.41
Shares—Diluted	20.3	21.3	22.8
EBITDA	\$192	\$199	\$169

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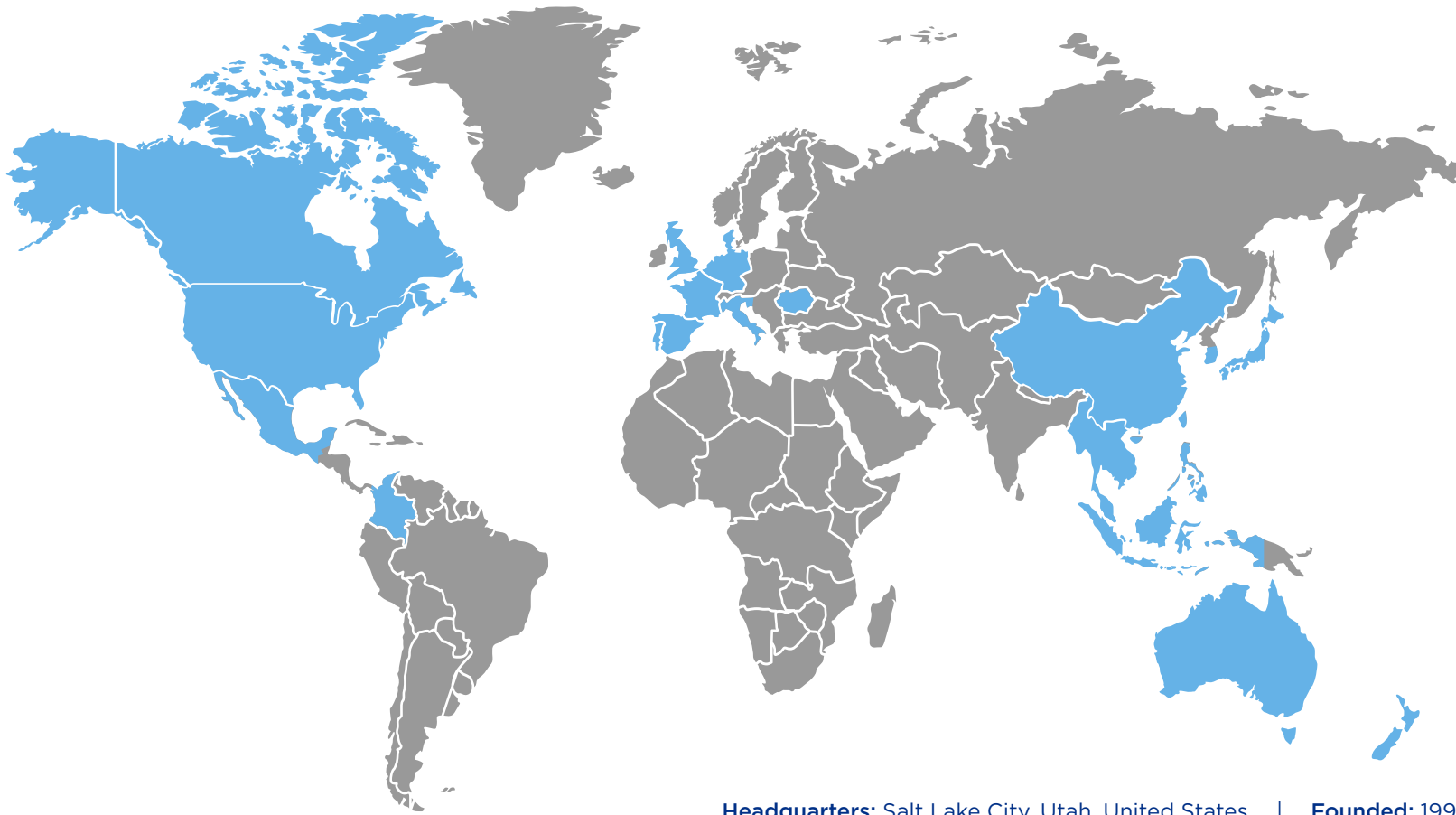
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At a Glance

(All as of January 1, 2022)

- Australia
- Belgium
- Canada
- China
- Colombia
- France
- Germany
- Hong Kong
- Indonesia
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Philippines
- Romania
- Singapore
- South Korea
- Spain
- Taiwan
- Thailand
- United Kingdom
- United States



Headquarters: Salt Lake City, Utah, United States | Founded: 1992 | NYSE: USNA

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Markets
(global presence)

1,967

Employees
worldwide

63%

Products manufactured
in-house

\$10.6M

Research and
development investment

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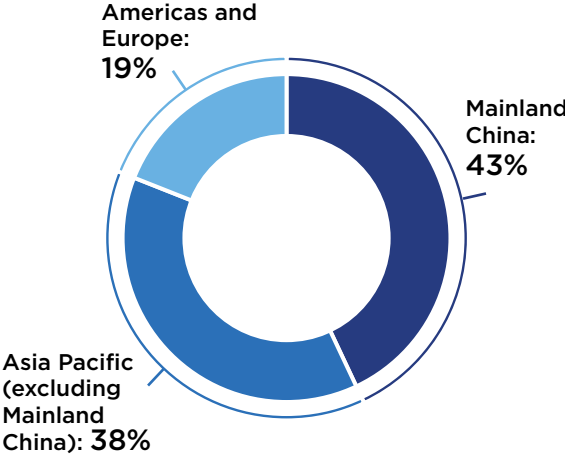
Our Products

We develop and manufacture high-quality nutritional supplements, healthy foods, and personal care products sold in 24 markets.



Product Segment	USANA® Nutritionals	Personal Care	Active Nutrition
Description	Supplements designed to meet individual health and nutritional needs, such as cardiovascular health, skeletal/structural health, and digestive health	Science-based personal care products and Celavive, our innovative skincare system formulated with our USANA InCelligence technology	Energy and hydration, digestive health, and weight management products to fuel your daily, mindful approach to personal health
Net sales¹	86%	6%	7%

2021 Net Sales by Region



¹ The remaining 1% falls into an “all other” category.



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How We Operate

Product Development

Science-based innovation has been a cornerstone of USANA since its founding.

We focus our R&D efforts on developing and bringing high-quality, science-based products to market that promote long-term health. Our scientific staff includes experts on human nutrition, cellular biology, biochemistry, genetics, the microbiome, natural product chemistry, and clinical research.

To further substantiate products and ensure trusted efficacy for customers, USANA commissions studies carried out by independent researchers. Our in-house research team has established and maintained relationships with scientists at a number of universities and research institutes, including the University of Washington, the University of Utah, the University of California

Davis, Roseman University of Health Sciences, University of Memphis, Beijing University of Chinese Medicine (China), Peking University (China), Central Queensland University (Australia), University of Ghent (Belgium), and other academic institutions globally. Working with these partners, USANA selects products at all stages of development for preclinical and clinical studies. While several studies were paused during 2020 due to COVID-19, 2021 saw a re-acceleration of clinical studies—a trend that is expected to continue through the coming years.

The U.S. Ski & Snowboard USANA Center of Excellence

The U.S. Ski & Snowboard USANA Center of Excellence, an 85,000-square-foot facility in Park City, Utah, provides world-class training facilities and an educational resource center for U.S. Ski and Snowboard athletes, coaches, officials, clubs, parents, volunteers, and other stakeholders nationwide. It includes strength-training areas, a gymnasium, ski and snowboarding ramps, trampolines, a nutrition center, and recovery/rehabilitation facilities. USANA works closely with U.S. Ski & Snowboard's sport science staff and the organization's top skiers and snowboarders on new product research and areas for development.

USANA Expands Research Collaboration in Traditional Chinese Medicine

In 2021, USANA and its subsidiary in China—BabyCare, Ltd.—announced a [collaboration](#) with Beijing University of Chinese Medicine (BUCM). Together through research, they will combine modern nutritional science and traditional Chinese medicine with the goal of improving the health and wellness of individuals and families around the world.

Manufacturing

We conduct manufacturing, production, and quality control for approximately 63% of our products in our own facilities. We have a manufacturing and quality control facility in Salt Lake City, Utah. BabyCare, Ltd., our Chinese subsidiary, manufactures and produces a significant portion of its products in-house and maintains manufacturing and quality control facilities in Beijing and Tianjin, China.

We contract with third-party suppliers and manufacturers to produce 37% of our products. They produce and in most cases package USANA products according to formulations developed by or in conjunction with our product development team. We hold them to our own high manufacturing and quality control standards, and they are regularly audited by our quality team.

In 2021, *Direct Selling News* again named USANA to its Global 100 lists of top revenue-generating direct sales companies, moving up from 16th to 14th place.

Our Growth Pillars

- **Attract and retain customers:** Increase the number of active product users across the world.
- **Customer experience:** Enhance the overall experience a customer has when doing business with USANA, including through technology and personalized product lines.
- **Product innovation:** Continue our tradition of innovation through ongoing research and development.
- **Existing market growth and international expansion:** Continue to pursue growth opportunities in both current and new markets.

Our Customers

We distribute our products through direct selling. Direct selling is based on the strength of personal relationships and recommendations that frequently come from friends, neighbors, relatives, close acquaintances, and online communities. We believe direct selling is an effective way to distribute our products, as it allows person-to-person and social product education, along with higher levels of customer service.

Our customer base is primarily comprised of two types of customers: “Associates” and “Preferred Customers,” referred to collectively as “active customers.” Associates are both independent distributors and consumers of our products. Preferred Customers purchase our products for personal use and do not sell our products.

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THE CELLULAR NUTRITION COMPANY

Our Approach to Sustainability

We empower people to lead healthier, happier lives.

USANA's vision is to create The Healthiest Family on Earth. To do that, we work to improve the lives of our USANA family and our communities—and are bolstering our efforts to make USANA a more sustainable company for its future and the future of our planet.

Identifying Our Sustainability Priorities

In late 2020 through early 2021, we conducted a formal materiality assessment to gather insight on our ESG performance, priority topics, where we could make the greatest impact, and how the company could enhance its sustainability disclosure and reporting. Through this analysis, we also sought to identify critical priorities, opportunities, risks, and trends affecting our business and our industry over the coming years.

As part of the assessment, we worked with a third-party partner to identify, prioritize, and validate areas of greatest importance; reviewed the practices of our peers and priorities from leading standards and rating agencies; conducted stakeholder surveys with nearly 100 external and internal stakeholders including customers, investors, employees, suppliers, sustainability experts, and industry associations; and identified high-priority sustainability areas we've classified into Tier One and Tier Two topics (see below), based on working sessions with our executive leadership team and Board Sustainability Committee. We plan to conduct our next materiality assessment in 2023.

Our ESG Priorities

Strategic Pillars	Tier One Topics	Tier Two Topics
Products	<ul style="list-style-type: none"> Product quality and safety Responsible sourcing Health and nutrition 	
People	<ul style="list-style-type: none"> Talent management and development Employee health, safety, and well-being Diversity, equity, and inclusion 	<ul style="list-style-type: none"> Affordable and accessible products Human rights
Planet	<ul style="list-style-type: none"> Sustainable packaging Waste management Greenhouse gas management 	<ul style="list-style-type: none"> Biodiversity and environmental conservation Energy management Water management
Strong Governance and Ethical Business Practices		



67%

of external stakeholders surveyed as part of our materiality assessment believe USANA has an above-average commitment to sustainability compared to its peers

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Supporting the UN Sustainable Development Goals

As a global company focused on improving health, USANA recognizes the powerful role we play in not only supporting, but also contributing to achieving the United Nations Sustainable Development Goals (SDGs). Through core business and investments from the USANA Foundation, we believe we can contribute in the most meaningful way to the following goals.



SDG 2: No Hunger

SDG Target 2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious, and sufficient food all year round.

Through the USANA Foundation, we work to provide secure and safe food sources to at-risk children, raise public awareness surrounding food insecurity, and generate resources and revenue through local campaigns and volunteer opportunities. Read more on [pages 25 and 26](#).



SDG 3: Good Health and Well-being

SDG Target 3.4: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.

Good health and well-being are the essence of USANA's vision to create the healthiest family on earth. We support this goal through our high-quality nutritional products, philanthropic initiatives, and efforts to support the health, wellness, and safety of our employees globally. Read more on [pages 25 and 33](#).



SDG 5: Gender Equality

SDG Target 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.

We strive to create an environment where everyone feels welcome and is given an equal opportunity to achieve their full potential. USANA is also focused on increasing women in senior leadership roles through networking opportunities, training, and personal development, and is a signatory to the Corporate ParityPledge®. Read more on [page 23](#).



SDG 8: Decent Work and Economic Growth

SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

We provide the opportunity for our Associates to participate in meaningful and rewarding work that can help them provide for their personal and family needs. Associates have the option to start their own USANA business, sell our products (full- or part-time), and earn supplemental income to help shape their future. Read more on [page 18](#).



SDG 12: Responsible Consumption and Production

SDG Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.

SDG Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

SDG Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

We eagerly accept the duties of environmental stewardship, sustainable packaging, and responsible sourcing. Our focus is to make sustainability-minded decisions in every area of business, from selecting raw materials, to our shipping practices, to inner-office conservation and beyond. Read more on [pages 28-31](#).



SDG 13: Climate Action

SDG Target 13.3: Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

We are participating in partnerships to drive climate action and reduce our own footprint through organizations including the Utah Sustainable Business Coalition, an EPA Green Power Partner, and The Climate Registry. Read more on [page 30](#).



SDG 17: Partnerships for the Goals

SDG Target 17.16: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.

Much of what USANA accomplishes is through partnerships. We remain committed to uniting with diverse stakeholders to tackle significant challenges from environmental issues to global food relief. Read more on [pages 26 and 30](#).

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Sustainability Governance

The Sustainability Committee of the USANA Board of Directors oversees and monitors sustainability at USANA, as well as public policy and stakeholder engagement, political advocacy, and charitable endeavors. The Committee tracks the progress and execution of USANA's sustainability strategy and oversees and reviews ESG disclosures, including those in this report.

At an operational level, our Executive Sustainability Committee is led by our Chief People Officer and meets bi-monthly. The Committee is responsible for overseeing implementation of our day- to-day sustainability efforts and working to establish enterprise-wide goals.

Sustainability at USANA: Q&A

One year after USANA introduced its sustainability priorities, Peggie Pelosi, member of the USANA Board of Directors and Chair of the Sustainability Committee, shares her perspective on the company's progress.



Q: Where has the company made the most progress on its sustainability journey in the past year?

Peggie: The past year has been one of steady advancement. USANA conducted its first-ever materiality assessment, set ESG priorities, published its first sustainability report, and established the Sustainability Committee at the Board level. It also worked to collect baseline environmental and people data, which sets the foundation on which we can progress. The awareness of the importance of ESG has also grown enormously among the Executive Team; today there is a real sense of how it drives USANA's long-term growth.

Q: What sustainability issues have taken on greater prominence at the Board level?

Peggie: In the past year, we have dug deeper into climate change and the specific risks to USANA's value chain and products. The company operates in a number of countries at highest risk for climate disasters and we need to be aware of how we could be impacted in terms of our physical and financial risks. We are integrating climate change, and other critical topics, into our risk management system so

that we continually monitor, manage, and mitigate the risks they present. Another issue rising in importance is aligning executive compensation to ESG priorities. We aren't there yet but we are heading in this direction.

Q: How is the Board further integrating sustainability into its governance processes?

Peggie: The responsibility of the Board is to ask questions of management about the company's ESG strategy, how it's being embedded into its governance, and what resources are needed. The Board wants USANA to be a sustainable company that executes its ESG strategy with integrity and transparency, and it's our job to help guide and empower them to meet expectations. We are also paying very close attention to what regulators are asking for in ESG areas, including disclosure, and are working to ensure USANA is prepared for the future.

Q: What are the most urgent sustainability priorities for 2022?

Peggie: Building on progress to date, the next step is to set targets. Stakeholders want clarity and commitment in terms of where USANA is going on its ESG journey.

Another priority is increasing diversity within the c-suite. We have some work to do to get to where we need to be. We also need to continue our efforts to move toward more sustainable packaging. We have already begun our transition to post-consumer recycled (PCR) materials for our bottles but there is more we can do to be an industry leader.

And finally, we need to further embed ESG into our procurement criteria to more fully understand if our suppliers are living up to our expectations in terms of social and environmental compliance. And of course, reducing our GHG emissions across our value chain will continue to be an urgent priority.

There is much work to be done, and I know the team is committed to advancing on sustainability.

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Stakeholder Engagement

Within each of our sustainability areas, USANA engages with various stakeholders including investors, customers, government representatives, regulators, civil society, employees, academia, suppliers, and industry groups. We engage through one-on-one discussions, conferences and meetings, working groups, consortiums, and digital communications. Our commitment is to continue engagement with stakeholders as we work to implement our sustainability strategy.



Stakeholder Summary Table

Stakeholder Type	How We Engage
Trade associations and non-governmental organizations	<ul style="list-style-type: none"> • Memberships in public-private partnerships • Participation in consortiums and working groups related to the direct selling sector • Ongoing participation in industry meetings and conferences
Local partners and suppliers	<ul style="list-style-type: none"> • Ongoing participation through meetings, conferences, and seminars • Oversee daily operations, including site visits and inspections • Phone calls, emails, and meetings to address questions, issues, and concerns • Meetings to review and/or negotiate contracts and/or requirements
Local communities and organizations	<ul style="list-style-type: none"> • Partnerships with local schools to provide professional development • Engaging community leaders and organizations • Monetary and food donations to specific charities, schools, and other groups • Health and wellness education for at-risk groups
Employees	<ul style="list-style-type: none"> • Organization-wide town halls with senior leadership • Frequent communication through internal website and emails • Educational and shared experience articles on company intranet • Training and workshops • Recognition, awards, and contests • Employee surveys • New employee orientations
Government and regulators	<ul style="list-style-type: none"> • Meetings, website, correspondence, and/or phone calls related to legislation, proposed legislation, and regulatory compliance • Overall education on USANA and its business • Formal submission of regulatory filings and/or responses to requests for information • Collaboration on government and/or industry campaigns, conferences, and/or seminars • Operational site visits
Investors	<ul style="list-style-type: none"> • Broad outreach meetings with institutional investors and research analysts • Annual and quarterly meetings, phone calls, and/or emails for questions • Annual Shareholder Meeting • Reports such as our Earnings Press Releases, Management Commentary Results and Outlook document, and Annual/Quarterly Reports
Customers	<ul style="list-style-type: none"> • Direct email and SMS messaging • Websites, blogs, social media platforms, and press releases • Direct communication with customer service representatives

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People

At USANA, creating the healthiest family on earth by empowering the individual starts with our employees and Associates.

In this Section:

- Supporting Our Employees
- Investing in the Health and Wellness of Our Employees
- Developing Highly Talented Employees
- Fostering a Workplace Grounded in Diversity, Equity, and Inclusion
- Supporting Our Communities

More than
4.5M
meals provided
through the USANA
Foundation

Nearly
60%
of our global workforce
identify as female

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Supporting Our Employees

USANA's Chief People Officer is responsible for our human capital management priorities and oversight of the company's compliance with all related policies, codes, regulations, and reporting procedures. Employee feedback is important in informing our workplace policies. We collect employee feedback through our annual global employee engagement survey. Results from our 2021 survey are included throughout this section.

Focus Area	Ambition	How We Will Pursue	2021 Progress
Employee Health, Safety, and Well-being	Strive to help our employees achieve physical, mental, and emotional health and well-being Achieve 90% employee satisfaction	<ul style="list-style-type: none"> Provide generous benefits and compensation to employees globally, as well as a flexible and caring environment Invest in employee workplace health and safety 	<ul style="list-style-type: none"> Implemented >\$1 million in additional salary adjustments, including raising starting wages for entry-level employees 33% of employees with "high-risk" conditions received care through our on-site clinic Achieved 84% employee engagement based on global survey of employees
Talent Management and Development	Enhance opportunities for internal mobility and collaboration, and provide employees and Associates with tools they need to build a meaningful career	<ul style="list-style-type: none"> Invest in technology, learning, and development 	<ul style="list-style-type: none"> Invested 8,015 hours in annual employee development Initiated second cohort of our Current and Future Leaders development Announced a new learning and development program for entry-level employees
Diversity, Equity, and Inclusion	Support a globally inclusive community Achieve 2,000 volunteer hours by employees and their families in 2022	<ul style="list-style-type: none"> Finalize enterprise-wide DEI goals and strategies by the end of 2021 	<ul style="list-style-type: none"> Rolled out inclusion training USANA employees completed >1,600 volunteer hours with organizations that support equity Increased educational opportunities for employees <ul style="list-style-type: none"> Published >75 articles on DEI on our Intranet and a DEI calendar Set DEI baselines Held first D&I Volunteer Week
Community Engagement	Increase the health and wellness of the communities in which we operate	<ul style="list-style-type: none"> Provide food to at-risk children through the USANA Foundation Invest in initiatives that strive to address hunger and nutrition through non-profit partners 	<ul style="list-style-type: none"> Provided 4,567,369 meals through the USANA Foundation Donated >12,500 bottles of Usanimals Funded >8,470 garden towers

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Global Employee Turnover

Turnover Rate ¹	2021	2020	2019
Employee turnover rate (total)	14.3%	10.6%	14.4%
Employee turnover rate (voluntary)	11.8%	6.5%	11.7%

¹ We did not have any large-scale restructuring in 2021.



Best Place to Work

In 2021, USANA was named to Best Places to Work by *Direct Selling News*[®] for the fourth time. The award is judged based on overall anonymous survey results from U.S.-based employees.



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Investing in the Health and Wellness of Our Employees

From our generous compensation programs to our progressive benefits and wellness programs, at USANA we support the health and well-being of our employees and their families.

Supporting Financial Health

We offer generous compensation to our employees based on local market salary data, as well as profit sharing and annual merit increases. In 2021, we implemented over \$1 million in additional salary adjustments, including raising starting wages for entry-level employees, in areas of our business experiencing significant challenges in attracting and retaining talent.

All U.S. employees are automatically enrolled in USANA's 401(k) savings plan after 30 days of employment. USANA will match 100% of the first 1% of an employee's salary deferrals and 50% of the next 2% to 5% of the employee's salary deferrals, with a maximum match

of 3.5%. Outside the United States, USANA supports employees through various defined contribution plans. Select employees also receive equity-based compensation.

We also offer employees access to financial coaching through lunch-and-learn programs and webinars.

Supporting Total Employee Wellness

USANA offers medical, dental, and vision insurance to all full-time, part-time, salaried, and hourly U.S. employees as of their date of hire.

USANAcare is our on-site medical and mental health clinic at our Salt Lake City campus, available for all employees and their dependents. This state-of-the-art clinic is staffed by a full-time nurse practitioner and mental health counselor and offers access to biometric services, physical exams, and mental health services. In 2021, 33% of our employees with "high-risk" conditions received care through the clinic. In addition, USANA offers a range of on-site health screenings each year, including breast cancer screening, bone density testing, and access to a mobile dental unit.

In 2021, we increased our focus on the mental health of our employees through a webinar series available to employees globally that covered topics such as anxiety, stress, and depression, fighting addiction, and increasing personal

happiness. We also continued to provide mental health assistance to employees in Asia Pacific, where we have the second largest number of employees.

USANA's home office features a top-of-the-line gym equipped with cardio and weight machines, free weights, a full-size basketball court, locker rooms, and showers. Employees can participate in fitness classes—yoga, Zumba, CrossFit, and more—led by certified instructors, along with a variety of on-site wellness courses such as stress management, mental health, and prevention of chronic conditions such as diabetes.

USANA Wellness also offers an incentive program known as **A Healthier U** to all employees worldwide. Through the program, employees receive incentives redeemable for gifts cards up to \$200 a year when they participate in health screenings and reach fitness milestones. In 2021, we expanded the program, empowering employees to earn points when they perform sustainability activities such as driving an electric vehicle, biking or taking public transportation to work, reading a book on sustainability, completing a service project, and recycling.

To support their nutrition needs, all employees worldwide receive monthly allowances for USANA products.

Remaining Vigilant Against COVID-19

In 2021, we continued to follow strict COVID-19 health measures to keep our employees safe at our offices, research labs, and manufacturing sites. This included mask requirements, physical distancing, government-recommended hygiene practices, and daily temperature checks.

Return-to-Work Flexibility Post-COVID-19

COVID-19 has shown it is possible to remain productive and collaborate even when we work remotely. In 2021, we expanded access to our Flexible Work Policy, providing the opportunity for employees to continue to work remotely or in a hybrid setting based on their roles.

In 2021, key biometrics improved by 36% among employees receiving care in our on-site medical clinic.

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Employee Safety Data

	2021	2020	2019
Total recordable incidents	5	1	8
Total recordable incident rate	0.55	.012	0.92
Lost time incidents	4	0	4
Lost time incident rate	0.44	0	0.46
Employee fatalities	0	0	0
Contractor fatalities	0	0	0



Supporting Life Outside Work

USANA strives for a culture that supports flexibility by providing employees with tools and opportunities to bring balance to their lives. This includes, in certain instances, compressed workweeks, job share, and part-time schedules.

USANA offers up to 12 weeks of paid parental leave for primary caregivers and six weeks of paid leave for secondary caregivers that can be used within the first 12 months of bringing a baby into the family through childbirth or adoption. In 2021, 57 employees took parental leave. Employees receive an additional 16 hours of leave to allow parents to attend family functions or activities. We also offer access to discount childcare services near our Salt Lake City campus.

Employee Safety: Striving for Zero

Our goal is an accident-free workplace.

We are committed to maintaining a safe and healthy work environment free of hazards. Health and safety are overseen by a dedicated safety manager who reports to our Vice President of Operations.

Through ongoing education and training, we strive to maintain a robust safety culture for all employees and

seek to eliminate work-related injuries, illnesses, and unplanned events through comprehensive safety programs.

Our safety policies are based on the Occupational Safety and Health Administration (OSHA) and Utah Occupational Safety and Health standards. All employees undergo annual safety training and supervisors in our manufacturing and research operations conduct weekly safety “Toolbox Talks.” We track all injuries, near-misses, and close calls in an online safety tracking system. Frequent year-round inspections and audits are conducted to ensure compliance and identify areas to improve our existing safety practices.

In addition, we have a strict policy that no employee is required to do work he or she feels is unsafe or is in violation of federal, state, or company regulations. Before operating equipment for the first time, employees must have the proper training, knowledge, and approval from their supervisor. If employees’ work assignments involve the use of harmful materials, an area supervisor will provide them with specific training and access to company safety data sheet(s).

We also have detailed emergency response processes and procedures in place in the case of natural disasters, fire, and workplace violence, including our Workplace Violence Prevention Policy.

Our goal is an accident-free workplace.

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Developing Highly Talented Employees

We help employees at every level build and strengthen their skills to meet the changing needs of our business, as well as advance into new roles. All employees have access to our global LinkedIn Learning platform. In 2021, more than 64% of our employees used LinkedIn Learning, completing more than 5,170 hours of course work and 6,050 courses on topics such as active listening, teamwork, customer service, and cross-cultural communication.

In 2021, we initiated the second cohort of our Current and Future Leaders development program for scientific professionals at the director or above level and select high-potential managers. The six-month program supports development of both technical and soft skills such as collaboration, leadership, and influence. We also announced a new learning and development program for entry-level employees. It seeks to expose employees to career opportunities at USANA, provide opportunities for personal development, ensure training and learning opportunities are inclusive of all employees, and increase internal mobility. The program will launch in 2022 and include theme-based learning, job shadowing, peer-to-peer skillset-based mentorship, and tuition reimbursement.

In addition, we offer mentorship and coaching opportunities, and company- and industry-specific training programs. To date, more than 350 participants have completed our mentorship and coaching program.

All full-time USANA employees, regardless of position, are also eligible to participate in our Tuition Reimbursement Program to support bachelor and advanced college degrees. To date, we have provided more than \$2.1 million in reimbursement to employees through this program.

When you join USANA, one of the promises we make is you will work for one of the best managers you've ever had. We call this our Leadership Guarantee, and it's why we invest in creating exceptional leaders throughout the company. One way we accomplish this is by hosting quarterly leadership training for all managers. We believe ongoing feedback between managers and their employees is critical for growth, development, and employee satisfaction. Each quarter, managers meet with their employees to discuss their performance and offer guidance in developing individual training plans. Annually they provide a 360-performance assessment that is tied to merit increases. In 2021, 100% of employees worldwide completed at least an annual performance conversation with their manager.



89%

of USANA employees believe their supervisor, or someone at work, cares about them as a person¹

80%

of USANA employees say they have one of the best supervisors they have ever had¹

¹ Based on results of confidential global survey of USANA employees in 2021.

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Fostering a Workplace Grounded in Diversity, Equity, and Inclusion

At USANA, we understand diverse ideas, perspectives, and backgrounds are critical to innovative product development, a positive customer experience, market growth, and our relevancy as a science-based company.

Our Aspirations

- Create an environment where everyone feels welcome and is given an equal opportunity to achieve their full potential
- In each market where we operate, strive for our workforce to reflect the ethnic makeup of that community through recruitment, development, and retention strategies
- Help build a more just and equitable society in our local communities

Our Approach

Our cross-functional Diversity, Equity, and Inclusion (DEI) Council is responsible for advancing our DEI goals in three areas:

- Raising awareness of the unique diversity within our organization and policies in place to support an inclusive culture
- Strengthening career development opportunities for diverse employees
- Increasing engagement in our communities through philanthropy and employee volunteerism

The Council advises senior management on the progress of the company's DEI goals and programs annually. Our Chief People Officer and our Executive Vice President of Communications serve as Council sponsors.

Our Policy Supporting Equal Opportunity Employment

USANA is an equal opportunity employer. We provide applicants equal opportunity for employment without regard to sex, race, color, national origin, religion, age, disability, veteran or current military status, sexual orientation, gender identity, or any other status or characteristic protected by applicable law.

Our Policy Prohibiting Discrimination, Harassment & Retaliation

The company is committed to provide a pleasant and professional work environment, one where all individuals are treated with respect and dignity, free from discrimination, intimidation, harassment, hostility, or other offensive conduct that might interfere with work performance. The company prohibits employees from engaging in any kind of harassment, including harassment based on sex, race, color, national origin, religion, age, disability, veteran or current military status, sexual orientation, gender identity, or any other status or characteristic protected by applicable law. Harassment of any form, including written, verbal, physical, or visual harassment, of co-workers, customers, vendors, or others by an employee will not be tolerated by the company. The company considers violation of this policy a serious offense that will lead to discipline, up to and including termination.

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2021 DEI Highlights

- Most U.S. non-warehouse employees participated in diversity and inclusion training. Training will be rolled out to remaining employees in 2022.
- The DEI Council sponsored the USANA book club last year, bringing employees in North America together to engage in constructive conversations on relevant topics. Books included *How to Be an Antiracist* by Ibram X Kendi and *Born a Crime* by Trevor Noah.
- We held our first Diversity and Inclusion Volunteer week during which U.S. employees volunteered more than 1,500 hours with organizations that promote equity.



“So many times, I read the text and wondered how someone who was not brown like me thought about *How to Be an Antiracist*. The USANA Book Club gave me the opportunity to find out. The conversations were hard and possibly even brought up old wounds, but if we want to make our world better, we need to have these hard discussions.”

Ammon Torres
Human Resources generalist



During the company's first D&I Volunteer Week, USANA volunteers in Utah April Furin, Steve Kostrencich and Ammon Torres supported the International Rescue Committee (IRC) by sorting donations for refugees from Afghanistan relocating to Utah and other U.S. states. IRC will provide the donations, ranging from toiletries to household cleaners, to more than 700 Afghan families.

Our management team spent a day packing food bags for children in schools around the area at USANA Kids Eat. Additional employees volunteered at city missions, pride centers, food banks, and various other charities and groups.

What Our Employees Say

88%

of USANA employees believe their supervisor makes them feel safe, valued, and included regardless of age, race, color, religion, gender, national origin, sexual orientation, or any other non-job related factor¹

¹ Based on results of confidential global survey of USANA employees in 2021.



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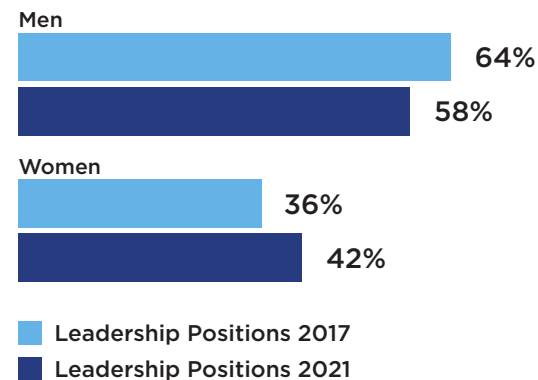
Supporting the Advancement of Women Leaders

If 2021, USANA joined the **ElevateHER™ Challenge**, coming together with other organizations in the commitment to help elevate the stature of women’s leadership. ElevateHER is a program of the Women’s Leadership Institute, established to address the lack of women in corporate and political leadership in Utah. USANA is also a signatory to the Corporate ParityPledge®, committing to interview and consider at least one qualified woman for every open executive role.

We expanded our USANA Effectiveness of Women in Leadership initiative in 2021 from the United States to Canada, Mexico, Colombia, and our European markets. The program includes networking opportunities, training, and personal development. We also continued to offer professional coaching opportunities to our female leaders, as well as scholarships for external leadership certificate programs.

Since 2017, the number of women in leadership positions, defined as any leader with a direct report, has increased six percentage points (see chart below). While we are not yet at gender parity, we are moving in the right direction.

Five-Year Comparison of U.S. Leadership Position Distribution



A SWEET Retreat

Each year, women at USANA come together at an annual SWEET retreat to share stories, find inspiration, and embrace their power. In 2021, the annual event was held virtually, hosted by USANA Vice President of U.S. Sales Lori Truman. USANA women from around the world participated, sharing tips for leadership, teamwork, and self-care.

“Attending the SWEET Reunion was so great. I love the opportunity to be with and learn from smart and strong women,” said Sarah Searle, Executive Director of Communications. “We talked about being our own best friend. Such a great topic, as we are so hard on ourselves. It was also so fun to be with the group that attended in person this year, even if it was a limited scope.”

Supporting the Development of Female Entrepreneurs

Throughout the markets where we operate, USANA proudly supports our Associates in building their own businesses and brighter futures. In fact, approximately 70% of our Associates are women.

We recognize women are the major decision-makers and consumers in their households. This empowers their business success, and we strive to support them in their growth and development. A close-knit community is created through female-curated events like Successful Women Empowering Entrepreneurs Together (SWEET) Retreat, held annually for the past 10 years. At this exclusive event, female Associates learn from women both inside and outside of USANA. They encourage each other, share their struggles, and celebrate their success as they make lasting, lifelong friendships that continue through ongoing social media and leadership groups.

We encourage Associates to collaborate with all individuals to foster open discussions and elevate the voices, values, and vision of women. Every USANA Associate has a unique story for finding success that we cherish and celebrate.

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2021 Diversity Metrics

(All numbers are rounded)

Global ¹	All Employees	Management	Executives (eligible for executive pay)	Top Management (EVP and above)	Board of Directors	
By Ethnicity						
Asian	52%	50%	29%	6%	11%	
Hispanic or Latino	12%	7%	3%	6%	0%	
White	33%	41%	67%	88%	78%	
Native Hawaiian or other Pacific Islander	1%	0%	0%	0%	0%	
American Indian or Native Alaskan	0%	0%	0%	0%	0%	
Black or African American	1%	0%	1%	0%	11%	
Two or more races	1%	1%	0%	0%	0%	
By Gender						
Identify as male	42%	50%	69%	81%	78%	
Identify as female	58%	50%	31%	19%	22%	
By Age						
	18 to 25 years	25 to 34 years	35 to 44 years	45 to 54 years	55 to 64 years	65 years and over
Globally	3%	27%	38%	22%	9%	1%

¹ 54% of USANA employees are based outside the United States.



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Supporting Our Communities

Community is at our core. Each day, we look for ways to make an impact.

Two of USANA’s core values are Community and Health. We focus our community engagement efforts through the USANA Foundation, helping underserved communities around the world gain access to nutritious and sustainable sources of food as a way to represent those values.

Through 41 USANA-supported partners, we strive to nourish, equip, and eliminate hunger throughout the world.

USANA Foundation Giving Numbers

	2021	2020	2019
Total global aid	\$1M	\$2.3M	\$1.5M
Meals distributed	4.5M	5.2M	7.2M
Food projects funded	46	34	34

We believe no child should ever go hungry.

Hunger is more than missing a meal. It’s a debilitating crisis affecting every corner of the globe—a crisis exacerbated by COVID-19.

USANA Kids Eat is a unique USANA Foundation initiative that works to provide secure and safe food sources to at-risk children, raise public awareness surrounding food insecurity, and generate resources and revenue through local campaigns and volunteer opportunities.

In 2021, USANA Kids Eat provided backpacks filled with food for at-risk youth to 38 schools, community programs, and neighborhood clubs throughout Utah. Each bag had enough food for seven meals, and in some cases, food to sustain kids on weekends and extended breaks. At the heart of USANA Kids Eat is a network of volunteers who donate money, time, and energy throughout the year to help pack food-filled backpacks. Their efforts allow USANA Kids Eat to deliver more than 8,000 meals to local, at-risk youth each week.

We also provided 1,500 relief bags of food to teachers, school staff, and administrators who continued to step up for kids during the ongoing challenges posed by COVID-19.

“These schools were not just trying to educate our local children during a pandemic, but they were concerned for these children’s well-being, their mental health, and their nutritional needs, often bringing USANA Kids Eat food packs to students’ homes when schools were closed.”

Michelle Benedict
Director, USANA Kids Eat

Support During the Holidays

In December 2021, USANA Kids Eat provided more than 3,800 bags of nutritious food to families—an estimated 154,080 meals—to help keep them safe and fed through the rest of the year. Each large pantry bag contained 40 meals packed by community volunteers—including USANA employees and their families—who signed up to shop, pack, and deliver bags to 38 schools in the Salt Lake area.

The USANA Foundation



Vision

Every person should have access to secure sources of quality, nutritious food.



Mission

Provides immediate and long-term global food relief for those in severe need. We lead a network of community-driven partnerships to nourish, equip, and eliminate hunger and malnutrition throughout the world.

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Making an Impact

Since 2019, USANA Kids Eat has provided more than 1 million meals to kids in need. In recognition of its impact, USANA received the Vision for Tomorrow award during the 2021 Direct Selling Association Engage Conference.



395,188

Meals Provided Through
USANA Kids Eat in 2021

In addition to USANA Kids Eat, the USANA Foundation supports meals and sustainable food projects in more than 35 countries and donates Usanimals, our high-quality multivitamin for children. In 2021, we donated more than 12,500 bottles of Usanimals.

Helping Feed Children Around the World

For more than 10 years, the USANA Foundation has supported the Children's Hunger Fund, which works to alleviate the suffering of children in impoverished regions across the world. In 2021, USANA Foundation support helped to provide meals to more than 270,000 children and families in need including the Chernenkos, who fled from war in Eastern Ukraine, and the Bustillos, who immigrated from Honduras to San Antonio, Texas, in search of a better life.

Helping the World Feed Itself

USANA has set a goal that it hopes to reach in time for its 30th anniversary in 2022: fund 30,000 **garden towers** around the world. Garden towers are a low-cost, self-sustaining method of planting multiple food crops in a single source, suited for all areas of the world. Made from a long-lasting, durable material, each tower can hold up to 120 plants and provide five or more nutritious meals a week for a family of six. By the end of 2021, USANA donated more than 8,470 garden towers in Kenya, Mexico, and Utah. Families can sell their excess vegetables and earn money from making Garden Towers and teaching others how to make them.



30%

Less Water

Water is a precious commodity. A garden tower uses 30% less water than a traditional garden.

Supporting Victims of Human Trafficking

The USANA Foundation also works with Operation Underground Railroad (OUR), which performs worldwide rescue and rehabilitation operations for victims of human trafficking. Through this partnership, the USANA Foundation supports OUR programs for healing and providing for survivors' nutritional needs in Mexico City and Kuala Lumpur.

Employee Volunteering

The company and its employees give back year round, but for one week each year we're hyper-focused on making the world better, together. Over the course of seven days during World Service Week employees and Associates worked side by side to dedicate time, effort, and resources. Examples of activities supported by USANA employees in 2021 included:

- Tying 41 fleece blankets to donate to refugees via the Utah-based nonprofit Lifting Hands International
- Donating food packs and USANA products to the 1919 Food Bank in Taiwan
- Collecting soccer clothing, gear, air pumps, and balls to donate to kids in Cajica, Colombia, as well as a small soccer academy in Bogota, Colombia
- Packing 200 USANA survival boxes and distributing them to the Thailand Association of the Blind
- Cleaning up, pruning, and beautifying countless parks, playgrounds, and community gardens in various cities
- Collecting 30 pounds of community litter, as well as donating nearly \$9,000 in Frankfurt, Germany, to One Earth-One Ocean, a group dedicated to purging the planet's waters of plastic waste, oil, and chemicals
- Providing grocery packs of food to the homeless in Metro-Manila, Philippines

In 2020, USANA CEO Kevin Guest challenged USANA employees to reach a goal of giving 1,000 hours of service to support organizations that strive for equality, and in 2021, USANA employees answered the call, volunteering 1,687 hours or just over 70 days' worth of time.

Guest has doubled the challenge for USANA employees and their families in 2022 to 2,000 volunteer hours.

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Planet

We understand that healthy bodies need a healthy planet to survive.

26%

of energy use at HQ campus comes from solar arrays and renewable energy certificates

100%

biodegradable fill used for U.S. packaging

In this Section:

- Helping to Ensure a Healthy Planet
- Waste Management
- Greenhouse Gas Management



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Helping to Ensure a Healthy Planet

Our focus is to make sustainability-minded decisions in every area of business—from selecting raw materials, to our shipping practices, to inter-office conservation and beyond.



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Focus Area	Ambition	How We Will Pursue	2021 Progress
Waste Management	Reduce our waste to landfill	Identify additional opportunities to reduce and recycle materials used in our operations	<p>Pledged to reduce plastic waste</p> <p>Launched an internal and external recycling and reuse communications campaign</p> <p>Saved 400,000 pages of paper by transitioning to an online Holiday Gift Guide</p>
Greenhouse Gas (GHG) Management	Reduce our GHG emissions	<p>Invest in renewable energy alternatives such as solar power</p> <p>Purchase 50% of our electricity at our Salt Lake City campus from renewable sources in 2022</p>	<p>Collected Scope 1 and 2 baseline data for Salt Lake City campus</p> <p>26% of energy use at our HQ campus from solar arrays and renewable energy certificates.</p> <p>Installed LED lighting in our warehouses</p>
Sustainable Packaging	Reduce the environmental impact of our packaging across the product's lifecycle	<p>Increase consumer awareness of recycling options for USANA products</p> <p>Transition to 25% post-consumer recycled (PCR) materials for our bottles in markets where there are no regulatory constraints</p> <p>Shift to smaller bottles</p>	<p>Began transition to 25% PCR materials for our bottles</p> <p>Switched from plastic bubble to 100% biodegradable fill for U.S. packaging</p> <p>Initiated supplier program to improve circularity of materials</p>

Waste Management

In support of our pledge to reduce plastic waste as part of our membership in [Utah's Sustainable Business Coalition](#), we introduced new, reusable USANA tote bags to replace plastic bags for our Associates and customers. All USANA employees received one free tote bag. We also launched a multi-media [internal and external communications campaign](#) to encourage people to reuse and recycle.

USANA's 2021 Holiday Gift Guide was a major paper-saving effort. Internationally, 28 market-specific gift guides were created. Rather than printing each page, a digital, interactive version was created. This saved an estimated 400,000 pages of paper. Additionally, since USANA customers viewed the guide digitally, it eliminated the shipping carbon footprint of boxes of catalogs being sent to 14 countries.

2021 Waste Diversion

Cardboard, plastic, and paper recycled ¹	182 tons
Waste sent to landfill	406 tons

¹ U.S. only.



Encouraging Our Employees to Be Good Stewards

In 2021, we launched an employee incentive program through which employees can receive points redeemable for gift cards up to \$200 annually when they perform sustainability activities such as driving an electric vehicle, biking or taking public transportation to work, reading a book on sustainability, completing a service project, and recycling.

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Greenhouse Gas Management

We recognize that climate change is real, poses risks to our business, and that we have a responsibility to contribute to the reduction of GHG emissions.

In 2021, we worked with the Climate Registry to track our carbon footprint, starting at our Salt Lake City campus, which includes our corporate office, research laboratories, manufacturing, and warehouse facilities. We expect to collect Scope 1 and 2 emissions data for our offices worldwide by the end of 2022. By having this baseline in place, we will be able to better identify opportunities for GHG reductions as well as establish emission reduction targets. We recognize Scope 3 emissions are a significant part of our footprint and

are committed to investing time and resources to work with our partners to reduce them over time.

The main sources of our Scope 1 and 2 emissions come from our operations in Salt Lake City, Utah, in the U.S. and in Beijing and Tianjin, China. The large majority of other USANA facilities around the world are smaller, leased commercial offices. We are focusing our efforts on reducing our GHG emissions at our Salt Lake City campus and then in China, where we can have the greatest impact through increased use of renewable energy.

At our global headquarters campus in Salt Lake City, solar arrays produce approximately 7% of our manufacturing and office electricity use,

totaling 559,024 kilowatt-hours (kWh) of electricity in 2021. We procured an additional 18% of energy through renewable energy certificates.

To reach our goal of 50% renewable energy, in 2022, we expect to purchase an additional 25% of renewable power from our local utility partner, Rocky Mountain Power. We have also begun a cost-benefit analysis to determine the long-term value of adding more solar panels.

In 2021, we also installed LED lighting in our warehouses in Salt Lake City. As a result, we have saved 264,152 kWh of energy.



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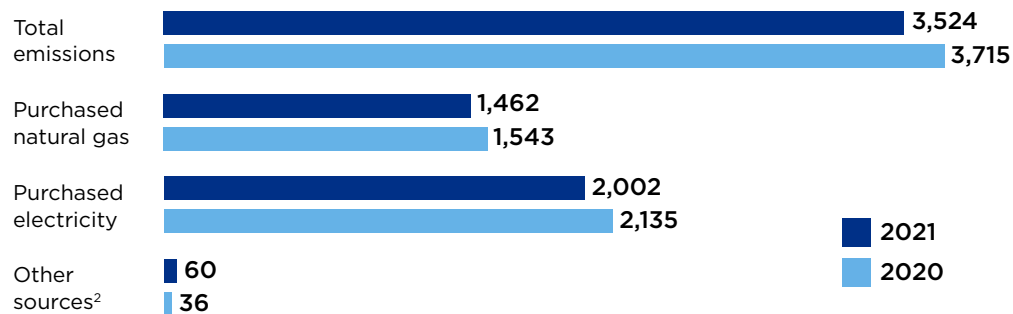


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Moving Production Closer to Our U.S. Operations

We are moving the production of both our bottles and caps closer to our Salt Lake City headquarters, where we package our products. This will help to reduce our Scope 3 emissions. Production of 75% of our caps will move from the East Coast of the United States to the Midwest, while bottle production will be 100% local vs. across multiple states.

Scope 1 and 2 Emissions (CO₂e mt)¹



¹ Data include Scope 1 and 2 emissions from our Salt Lake City HQ campus, which includes our corporate office, research laboratories, manufacturing, and warehouse facilities; the data have not been externally verified.

² Other sources include highway vehicles, diesel generators, jet fuel, fugitive emissions, process gases, and propane.

Sustainable Packaging

All USANA supplement and skincare bottles are easily recyclable in most countries we market them when the seals, labels, and pump mechanisms are removed. Moving forward, we will include a recycle logo on all new products in all markets with instructions to remove these items before recycling.

Last year, we announced a bottle refresh campaign to better our carbon footprint and waste creation—and it’s well underway. We began to transition to 25% PCR materials for our bottles in the United States, Canada, Indonesia, Japan, Korea, Malaysia, and Thailand. We expect to complete the transition in 2024 in all markets where there are no regulatory constraints. As part of the transition, we are shifting to smaller bottles for some products to reduce wasted space (without reducing product volume or quantity). Updated bottles are released as current stock runs out to avoid waste.

In addition, we have switched from plastic bubble void fill to 100% biodegradable HexaFill, which is both recycled and recyclable, in packages shipped from our U.S. warehouse.

We also initiated a new supplier program to improve circularity of materials such as wooden pallets, cardboard and plastic boxes, and raw material containers. Moving forward, we are examining options to remove plastic shrink wrap in our packaging and introduce more eco-friendly shipping practices.

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100%

of required employees
trained in Current
Good Manufacturing
Practices

\$10.6M

invested in R&D

Products

In this Section:

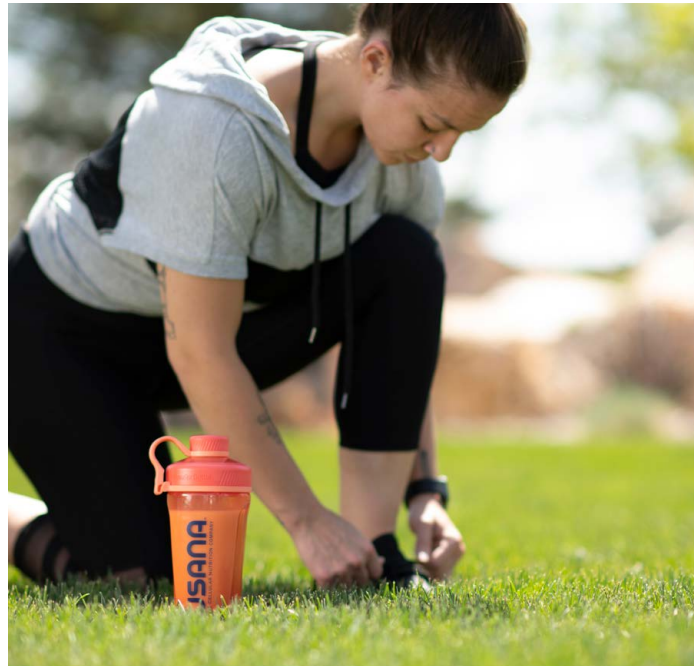
- Product Quality and Safety
- Supporting Good Health and Nutrition

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Product Quality and Safety

Focus Area	Ambition	How We Will Pursue	2021 Progress
Product Quality and Safety	Bring to market high-quality, science-based products	Continue to invest in research and development Continue to meet high internal standards, which meet or exceed all applicable local laws and widely accepted international regulatory standards, in the development and production of our products globally	Invested \$10.6M in R&D 100% of required employees received CGMP training
Responsible Sourcing	Enhance our sourcing practices in line with our values, goals, and stakeholder expectations	Hold our suppliers accountable for meeting high internal standards for quality and ethical business practices	Incorporated ESG into the evaluation metrics on our supplier scorecard
Health and Nutrition	Make high-quality products and nutrition accessible to more people	Make information on healthy lifestyles easily available to consumers Seek innovative business strategies to expand access to our products for more people, including those at lower income levels	Utilized our inter and external communication platforms to publish healthy lifestyle and nutritional tips



Our Chief Scientific Officer oversees our product development function at USANA. Some products undergo double-blind, placebo-controlled clinical studies to generate the requisite safety and efficacy information we need for our business and values. All USANA-sponsored trials are designed and conducted to our high standards, meeting or exceeding all applicable local laws, along with widely accepted international regulatory standards. Our approach to clinical research is based on fundamental ethical standards, such as the following:

- All USANA research is designed to answer a legitimate scientific question or need.
- USANA selects clinical investigators based on qualifications, training, research, clinical expertise in relevant fields, the potential to recruit research participants, and the ability to conduct clinical trials consistent with USANA policies.
- USANA-sponsored trials undergo an ethical review, as required, by a qualified independent committee (Institutional Review Board/Independent Ethics Committee) prior to trial initiation.
- USANA requires voluntary informed consent from research participants, where needed, prior to carrying out any protocol-specified procedures. The process for obtaining informed consent takes into account local law, language, and custom as well as the ability of research participants to understand the information presented.

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Clinical Trial Transparency

USANA is committed to the timely registration of clinical trials and communication of research results. We register all USANA-sponsored clinical trials on public registries before they begin or within 21 days after they start:

- On clinicaltrials.gov (U.S.): All phase 2 to phase 4 studies, and most phase 1 studies that enroll patients, conducted anywhere in the world
- On the EU Clinical Trials Register (EudraCT): All phase 1 to phase 4 studies conducted in Europe

Once clinical trials results are available, USANA is committed to disclosing scientifically accurate, truthful, non-misleading, and well-balanced results. We submit at a minimum the primary analysis results for all completed USANA-sponsored phase 2 and phase 3 studies to congresses or peer-reviewed journals within 18 months of trial completion. In addition, we post technical summary results to the registry or registries where the study was registered.



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Manufacturing Standards

We apply and adhere to a strict set of quality standards, and we have policies and procedures in place to identify, measure, control, and sustain product-quality excellence. Our Global Quality organization is responsible for establishing the standards to help ensure all of our products are manufactured, tested, released, and distributed in full compliance with applicable regulatory requirements and industry best practices. We continuously strive to improve these standards in order to enhance procedures and ensure ongoing compliance with applicable standards, including Current Good Manufacturing Practices (CGMPs). We provide appropriate and ongoing training on quality and excellence for our employees.

When developing and manufacturing our products, we follow the highest applicable industry quality standards, including CGMPs and those established by the U.S. Food and Drug Administration (FDA) and the United States Pharmacopeia (USP).

We control the quality of our products, beginning at the formulation stage. Ingredients are selected to meet a number of criteria, including but not limited to safety, potency, purity, stability, bioavailability, and efficacy.

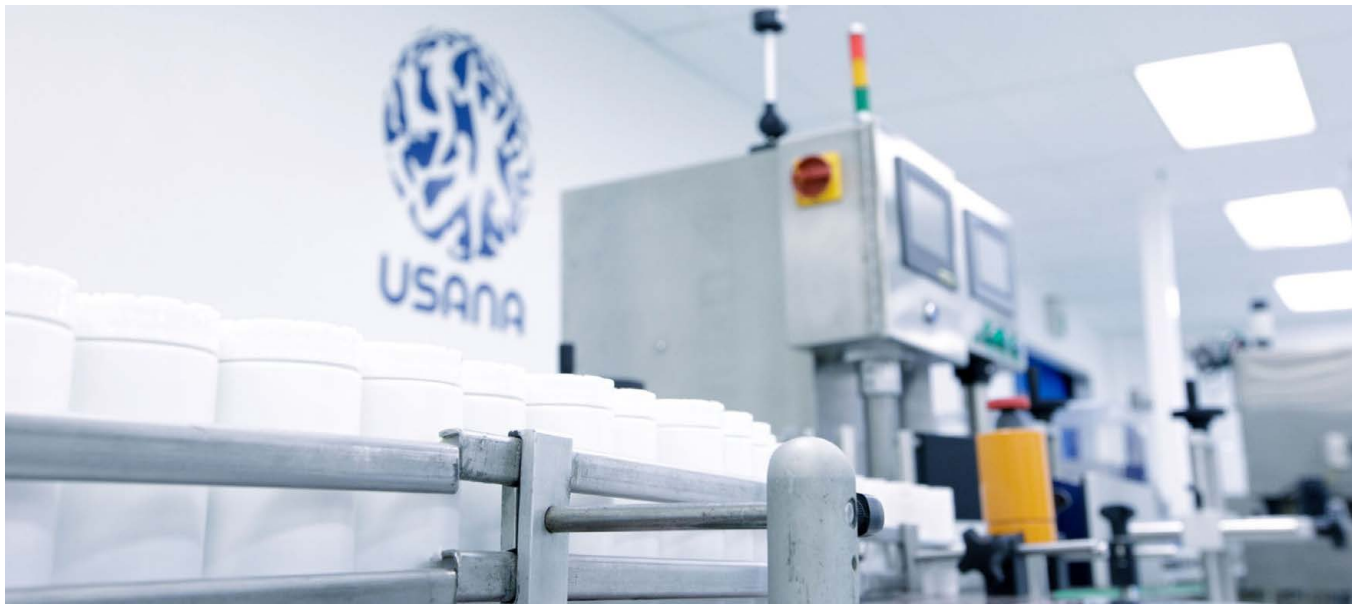
In-house microbiology and analytical chemistry labs oversee quality control processes. Scientists in our microbiology laboratory test for biological contamination of raw materials and finished goods. In our analytical chemistry laboratory, scientists test for chemical contamination and accurate levels of active ingredients in both raw materials and finished products. Scientists also identify and confirm all raw materials used in the manufacturing process through scientifically valid means. Both laboratories conduct stability tests on finished products to determine the shelf life of our products. Our Salt Lake City laboratory staff also performs chemical assays on vitamin and mineral constituents, using USP methods and other internally validated methods.

We conduct sample testing of raw materials, in-process materials, and finished products for purity, potency, and composition to verify our products conform to our internal specifications. Suppliers of raw materials are required to demonstrate stringent quality control methods before their products are used in our manufacturing process.

Our Salt Lake City manufacturing facility is registered with the FDA, Health Canada's Natural Health Products Directorate, the Australian Therapeutic Goods Administration (TGA), and other governmental agencies. Our facility is inspected by the FDA and other international health authorities specifically for dietary supplements.

Additionally, our facility is certified through inspection and audits with the Islamic Foods and Nutrition Counsel of America in compliance with Halal, the Organized Kashrus Laboratories in compliance with Kosher, NSF International in compliance with product testing and CGMPs, and the USP in compliance with CGMPs.

Our Beijing manufacturing facility (BabyCare Co, Ltd.) is registered with the State Administration of Market Regulation (SAMR) and is audited regularly by various organizations and government agencies to assess compliance with applicable CGMPs and labeling claims.



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Responsible Sourcing

Products manufactured by third-party suppliers are also required to pass quality control and assurance procedures to ensure they conform to our stringent specifications. We maintain strict quality standards, no matter where our products are manufactured. As the decision is made to partner with an external manufacturer, the manufacturer is required, by contract, to comply with USANA's business requirements, regardless of where the manufacturer is located.

We conduct audits of each potential new product supplier to determine its acceptability and compliance with CGMPs. Systems the potential supplier uses to purchase materials are reviewed to ensure intended product quality for our future use. Only if a supplier meets our stringent criteria, which includes a review of the company's regulatory inspection and outcome history, will we negotiate a commercial agreement. These agreements include detailed provisions relating to the quality standards we require to manufacture a product for our use. We conduct periodic audits to further ensure suppliers continue to meet CGMPs. Such audits evaluate the continued acceptability of the facility from a quality assurance and regulatory compliance perspective. The frequency of quality auditing depends on several factors, including compliance and audit history, ongoing product quality, product classification, and product risk.

In 2021, we developed a supplier scorecard to evaluate key suppliers on criteria including on-time delivery and quality, as well as compliance with ethical, social, and environmental standards. We plan to incorporate these criteria into our auditing process in 2022, as well as ESG criteria into our master service agreements with suppliers, and over time introduce a supplier code of conduct.

Adverse Event Reporting

Our quality control team manages a global system for the collection, evaluation, and reporting of adverse event (AE) reports received by USANA worldwide.

Although regulations vary by country, most countries require manufacturers of dietary supplements and over-the-counter products to promptly review AE information they receive from any source, domestic or foreign, relating to the use of their products. Manufacturers are also required to have written procedures in place for evaluating and reporting AEs.

Customers and health care providers can report AEs through USANA's customer service department. All reports are promptly handled by the company's quality management team.

Product Safety and Quality Performance

	2021	2020	2019
# of product recalls globally	1	0	0
Good Clinical Practice (GCP) inspections by regulatory agencies of the company or clinical trial investigators that led to significant fines, penalties, warning letters, or product seizures	0	0	0
% of required employees receiving CGMP training	100	100	100



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Supporting Good Health and Nutrition

At USANA, we believe in supporting a holistically healthy lifestyle, which includes eight main tenets: a whole food-based, low-glycemic diet; proper hydration; quality sleep; stress management; regular exercise; consistent skincare; mindfulness; and high-quality vitamin and mineral supplementation.



One example is the introduction of our Active Nutrition products, which include multiple options with reduced sugar and that are high in protein. In addition to developing and bringing the best products possible to market, we also help people take control of their overall health and well-being through informative blogs on our website and information on social media.

We believe access to good health and nutrition is a basic human right. It's why we strive to position our products to as wide an array of people who can benefit from them as possible. We are committed to pricing our products responsibly. We consciously aim to ensure our pricing reflects the benefit our products provide and the innovation they represent.

We are also exploring alternative product delivery formats to help those who may have difficulty swallowing tablets. These may include stick packs, gummies, and smaller tablets.

2021 Product Awards

American Business Awards—The Stevie® Awards

The Stevie Awards are the world's premier business awards. Judges include more than 1,000 of the world's most respected executives, entrepreneurs, innovators, and business educators. In 2021, USANA was named Company of the Year in the category of Consumer Products, Non-Durables, Large.

In addition, USANA won three Asia Pacific Stevie Awards:

- Innovation in Management: Chief Sales Officer—**Bronze**
- Innovation in Product Design and Development: 2020 Mood Support Line—**Gold**
- Excellence in Corporate Innovation: USANA 2020—**Gold**

Utah's Best of State Awards

The [Best of State Awards](#) recognize outstanding individuals, organizations, and businesses in Utah. Best of State candidates are evaluated by a panel of more than 100 judges based on three criteria: achievement in the field of endeavor; innovation or creativity in approaches, techniques, methods, or processes; and contribution to improving the quality of life in Utah. In 2021, USANA received four medals:

- USANA's Celavive skincare system won its fourth consecutive Best of State award in the personal care products category
- Rev3 Energy won best beverage for its 13th consecutive year
- USANA CellSentials took home best dietary supplement for its fifth win in a row
- USANA won in the employer category for the fifth time

Korea Medical Healthcare Award

The 2021 Korea Medical Healthcare Award ceremony celebrated the contribution of medical institutions, companies, and organizations that have contributed to the promotion of national health and the development of the health industry. USANA received recognition in two categories:

- Multivitamin category—**HealthPak**
- Weight Management category—**Nutrimeal**

Direct Selling Association

USANA received the Product Innovation award for its Mood and Relaxation Products.

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- Corporate Governance
- Business Ethics

100% **7 of our 8**

of employees trained on USANA's Code of Ethics

Board members are independent



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Corporate Governance

We are committed to conducting business ethically and meeting or exceeding the laws and regulations that govern our business and industry in all markets where we operate. We also strive to strengthen our processes to facilitate strong ethical conduct within our supply chain.

Strong governance practices are essential to provide long-term value for our shareholders, customers, employees, and communities.

Our Board of Directors has adopted corporate governance guidelines that serve as a framework for the governance of the company. The guidelines are available on our website.



Board Structure and Leadership

The company's Board of Directors consists of eight members, including an independent Lead Director. The Board has four committees: Audit Committee; Compensation Committee; Governance, Risk & Nominating Committee; and Sustainability Committee, each consisting solely of independent directors.

We strive to maintain a healthy blend of director tenure, recognizing that longer-serving directors possess crucial institutional knowledge of our company and its culture, while periodic refreshment brings a fresh outlook and contributes to Board independence and oversight.



In October 2021, Xia Ding, Vice President of E-commerce Asia Pacific and Latin America at Nike, was appointed to the Board. With the addition of Ms. Ding to the Board as an independent director, the USANA Board has eight members, seven of whom are independent, two who identify as women, and two who represent ethnic minority groups.

We prioritize Board diversity and are mindful of the many ways the Board benefits from a wide range of viewpoints and perspectives. You can find more detailed information about our Board's unique set of experiences and qualifications on our website

In 2021, the National Association of Corporate Directors (NACD) named USANA Board member Peggie Pelosi one of the most influential leaders in the boardroom. The 2021 NACD Directorship 100™ distinguishes leading corporate directors, corporate governance experts, policymakers, and influencers who make a significant impact on boardroom practices and performance.



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Executive Compensation

The Compensation Committee of our Board is responsible for reviewing our executive compensation program, designed to provide a competitive and equitable compensation and benefits package for our executives, promote a pay-for-performance philosophy, and retain effective executives. At our 2021 Annual Meeting of Shareholders, more than 95% of votes cast were in favor of a non-binding resolution approving executive compensation paid in Fiscal Year 2021.

Enterprise Risk Management

Our Board is actively involved in the assessment, oversight, and management of risks that could affect the company. The Board carries out its risk oversight and management responsibilities by monitoring risk directly as a full Board and, where appropriate, through its committees. The Board and its committees receive regular reports from members of USANA senior management, who maintain direct responsibility for management and assessment of risks and the implementation of processes and controls to mitigate their effects on the company.

USANA's Enterprise Risk Management (ERM) program uses a top-down approach to risk identification and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM framework. This program is governed by the company's Risk Oversight Committee and includes an annual risk assessment, risk mitigation reviews, policy reviews, and key control reviews.

Cybersecurity

USANA relies heavily on information systems to operate its business, including the collection and retention of employee and customer data.

Our Chief Operating Officer oversees USANA's enterprise-wide cybersecurity program, which follows the National Institute of Standards and Technology (NIST) standards and ISO 27001 for information security policies. USANA has multiple defense mechanisms in place to guard against cyber threats, including a Security Operations Center that gathers threat intelligence and conducts ongoing monitoring. Employees receive cyber awareness training, including on applicable data security laws and regulations in the company's various markets and the safe handling



of sensitive personally identifiable information. Our disaster recovery policy has processes in place to support business continuity in the event of natural disaster or cyber-related attack.

USANA United States Government Relations

USANA focuses its non-partisan government relations efforts on education about USANA and the direct selling industry. We further focus our government relations efforts on members of Congress and State Attorneys General, including Utah state, county, and local leaders. We engage with government leaders on key policy issues that may impact our company and industry. USANA and the USANA Political Action Committee (PAC) make political donations to the campaigns of individuals who support the direct selling industry and business model.

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Business Ethics

We believe in always doing the right thing and staying true to our values.

Code of Ethics and Training

Our [Code of Ethics](#) applies to all of our directors, officers, and employees worldwide. It is available in nine local languages. USANA employees are required to complete annual training on the Code, which covers topics such as conflicts of interest, fair dealing, and use of corporate assets. Employees are also required to complete additional training each year on our policies specific to anti-corruption, insider trading, and discrimination and harassment. All new employees receive training on our Code of Ethics and corporate policies during orientation.

In addition, we require all of our directors, officers, and employees to certify annually that they comply with the Code of Ethics. Failure to comply with the Code, USANA policies, or applicable laws can result in disciplinary action, up to and including termination.

Employees, Associates, or anyone external to the company can report suspected misconduct to a human resources representative, a member of management, or USANA's Audit Committee of the Board of Directors through our Whistleblower Communication System, available globally 24 hours a day, 7 days a week, and operated by a third party. Employees can report their concerns anonymously. Any reported violations will be investigated promptly, thoroughly, and impartially. Confidentiality will be maintained throughout the investigatory process to the greatest extent possible.

USANA prohibits any form of retaliation or intimidation against USANA employees or Associates for reporting a compliance concern in good faith. Staff who engage in retaliation or intimidation will be subject to disciplinary action, up to and including termination.

2021 Performance

	2021	2020	2019
% of employees trained on USANA's Code of Ethics	100%	100%	100%
% of employees, directors, and officers who certified they comply with USANA's Code of Ethics	100%	100%	100%



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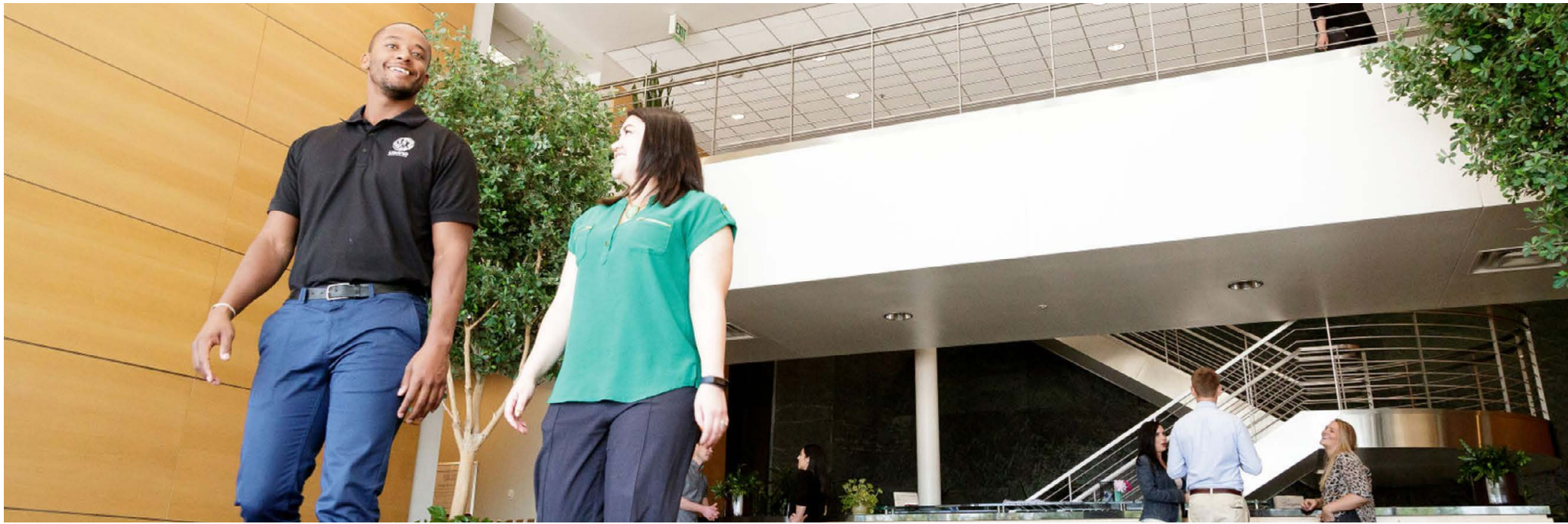
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Responsible Sales and Marketing

We are committed to ethical business practices in the sales of our products globally, including responsible marketing and strong consumer protection practices.

We continually monitor and review our Associates' compliance with our corporate policies and procedures, as well as the laws and regulations applicable to our business around the world. Associates who violate our policies are subject to discipline, which may include the termination of their purchase and distribution rights.

As a member of the **Direct Selling Association (DSA)** we also adhere to its [Code of Ethics](#). The Code ensures member companies do not make statements or promises that might mislead consumers or salespeople. The Code is enforced by an independent administrator. All USANA Associates are trained on the Code and are required to adhere to its standards. We have also appointed a DSA Code Responsibility Officer with oversight for facilitating our compliance with the

Code. In 2021, USANA Chairman and CEO Kevin Guest was elected as the Chairman of the Board of DSA for a one-year term.

By signing on to the DSA Code of Ethics, we pledge USANA and our Associates will:

- Not engage in any deceptive, false, unethical, or unlawful consumer or recruiting practices
- Ensure no statements, promises, or testimonials are made that are likely to mislead consumers or prospective independent salespeople
- Ensure all product claims made by USANA and our Associates are substantiated by competent and reliable evidence and are accurate and truthful as to price, grade, quality, value, quantity, and availability
- Take appropriate steps to safeguard the protection of all private information provided by consumers

Outside the United States, we adhere to the World Federation of Direct Selling Associations' Code of Ethics.

Earning Customer Trust

In 2021, USANA was named the "Most Trusted Provider of Nutritional Products" by *Global Health & Pharma* magazine at the Global Excellence Awards.



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Metric	2019	2020	2021	Notes	SASB Standards	GRI Standards
People						
Turnover rate (total)	14.4%	10.6%	14.3%		HC-BP-330-a.2 CG-MR-310a.2	401-1
Turnover rate (voluntary)	11.7%	6.5%	11.8%			
Average tenure	-	7.5 years	7.5 years			
Total recordable incidents	8	1	5			
Total recordable incident rate	0.92	0.12	0.55			
Lost time incidents	4	0	4			
Lost time incident rate	0.46	0	0.44			
Employee fatalities	0	0	0			403-9
Contractor fatalities	0	0	0			403-9
Wellness program (percentage engaged; U.S. only)	55%	47.50%	42%			403-6
Employees participating in tuition reimbursement	65	51	46			
Total invested in tuition reimbursement	\$515,942	\$385,769	\$120,269			
Mentorship program participants	56	79	55			404-2
Annual employee development hours invested	6,176	14,149	8,015			404-1
Volunteer hours (annual)	5,850	2,000	3,050			
Employee Diversity						
Age diversity of employees	-	-	See table on page 24.			
Ethnic Diversity (percentage visible minorities)						
All employees	-	67%	67%	54% of USANA employees are based outside the U.S.		
Management	-	55%	59%			
Executives (eligible for executive pay)	-	32%	33%			
Top management (EVP and above)	-	13%	12%			
Board of Directors	-	-	22%			

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Metric	2019	2020	2021	Notes	SASB Standards	GRI Standards
Gender Diversity (percentage identify as female)						
All employees	-	58%	58%			
Management	-	48%	50%			
Executives (eligible for executive pay)	-	30%	31%			
Top management (EVP and above)	-	20%	19%			
Board of Directors	-	-	22%			
Products						
Number of production facilities	3	4	4		FB-PF-000.B CG-HP-000.B	
Good Clinical Practice (GCP) inspections by regulatory agencies of the company or clinical trial investigators that led to significant fines, penalties, warning letters, or product seizures	0	0	0			
Percentage of required employees receiving CGMP training	100%	100%	100%			
Communities						
Total global aid	\$1.5M	\$2.3M	\$1M			
Number of community projects completed	34	34	46			201-1
Meals distributed annually	7.2M	5.2M	4.5M			201-1
Environment						
Energy						
Total energy consumed (kWh)	7,135,822	7,571,764	7,667,687	Energy consumption is for our U.S. facilities only. In 2021 total energy consumption increased because we added a new facility to our Salt Lake City campus.	FB-FR-130a.1 FB-PF-130a.1 CG-MR-130a.1	302-1
Percentage of grid energy	91.17%	91.58%	92.90%		FB-FR-130a.1 FB-PF-130a.1 CG-MR-130a.1	302-1
Percentage of energy generated through solar	8.83%	8.41%	7.10%		FB-FR-130a.1 FB-PF-130a.1 CG-MR-130a.1	302-1

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Metric	2019	2020	2021	Notes	SASB Standards	GRI Standards
Emissions						
Total Scope 1 and 2 GHG emissions (MT CO ₂ e)	-	3,714.79	3,523.66	Data include Scope 1 and 2 emissions from our Salt Lake City HQ campus, which includes our corporate office, research laboratories, manufacturing, and warehouse facilities; the data have not been externally verified. Emissions sources include purchased natural gas, purchased electricity, highway vehicles, diesel generators, jet fuel, fugitive emissions, process gases, and propane.		305-1 305-2
Scope 1 emissions (MT CO ₂ e)	-	36.40	60.33			
Scope 2 emissions (MT CO ₂ e)	-	3,678.39	3,463.33			
Amount of renewable energy certificates offsets purchased (MWh)	-	1256	1420			305-2
Waste						
Waste recycled (tons)	162.3	202.7	182.1	Includes cardboard, plastic, and paper recycled in U.S. operations only.		306-3 306-4
Waste sent to landfill (tons)	-	243.81	406.2	Waste is for U.S. operations only.		306-3 306-5
Waste diversion (% recycled)	-	45%	31%			
Non-hazardous waste	-	446.51	368.36			306-3

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