



Feeding the country, responsibly

MAPLE LEAF FOODS 2014 SUSTAINABILITY REPORT





About Maple Leaf Foods

Maple Leaf Foods is Canada's largest protein company, with sales across North America and globally. We produce value-added fresh pork and poultry and a wide variety of prepared meat products. Our leading brands include Maple Leaf[®], Maple Leaf Prime[®], Maple Leaf Natural Selections[®], Schneiders[®], Schneiders Country Naturals[®] and Mina[®], and many popular regional brands. The Company's shares trade on the Toronto Stock Exchange (MFI).

Our values

Maple Leaf Foods is a deeply values-based company. These values define our culture and how we conduct business; our people programs; our engagement with stakeholders; and how we communicate. They emphasize integrity, winning results, collaboration, action and discipline, introspection, transparency and humility. Our people thrive in a high-energy, fast-paced environment that encourages individual leadership and accountability. We are passionate about personal growth and about being a leader in our markets.

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About this report

This Sustainability Report highlights our accomplishments and progress based on our 2014 goals and provides our areas of future focus. It builds on our last report covering 2013, and the data reporting timeline is January 1, 2014-December 31, 2014 unless otherwise stated. This report complements our GRI 3.1 compliant Sustainability Report website, which will be fully updated in the summer of 2015. Sources for statistical information referenced in this report that are not related directly to Maple Leaf are available upon request.

Our sustainability priorities

OVER THE PAST YEAR, WE HAVE SOUGHT INPUT FROM OUR PEOPLE, OUR CUSTOMERS AND EXTERNAL EXPERTS TO HELP US DEFINE A ROAD MAP TO BECOMING A SUSTAINABLE COMPANY. OUR GOAL IS TO CREATE **sustainable business value by addressing important social and environmental needs** WHERE WE CAN HAVE THE GREATEST IMPACT. WE HAVE DEFINED FOUR PRIORITY AREAS OF FOCUS. THEY ARE BROAD AND INCLUSIVE, COVERING ALL AREAS WHERE SOCIAL AND ENVIRONMENTAL NEEDS INTERSECT WITH OUR BUSINESS AND COMMERCIAL STRATEGIES.



Advance nutrition and health



Value our people and communities

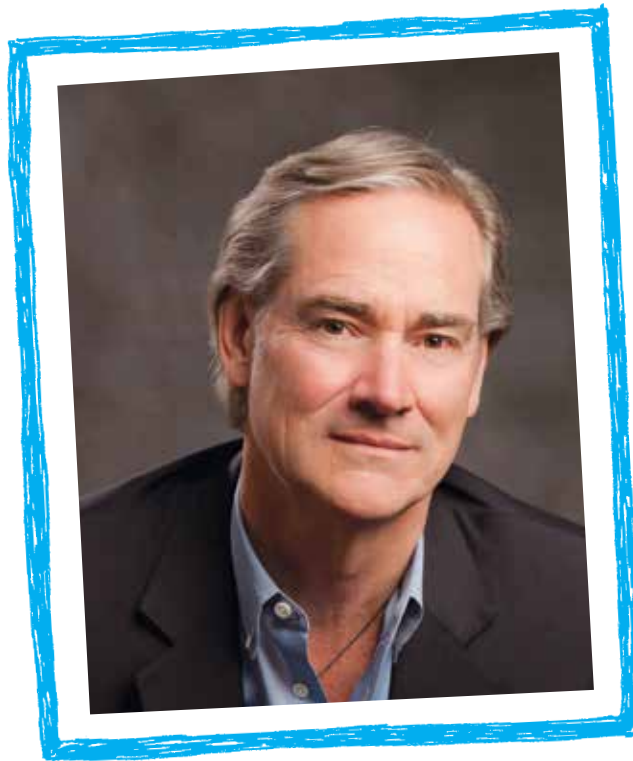


Treat animals well



Eliminate waste

Feeding the country, responsibly



OVER THE PAST SEVEN
YEARS, MAPLE LEAF HAS BEEN
ON A REMARKABLE JOURNEY.

We have invested over \$1 billion in our assets to support a strong and competitive Canadian food industry. We have strengthened our brands and brought more innovation to fresh and prepared meats. We have streamlined our business, divesting of our bakery, pasta and rendering businesses to create a strong, focused protein company.

We are now at a pivot point as we shift from completing a dramatic transformation in our supply chain to accelerating profitable growth. A critical facet of this growth is embedding sound social and environmental practices into every part of our business.

As a society, we cannot continue to produce food the way we have in the past. The protein industry significantly contributes to, and is affected by, global forces that create both risks and opportunities. These include nutrition and health, climate change, natural resource depletion, food security, responsible sourcing, and animal care. These forces have a profound impact on our world and the sustainability of our industry.

We aren't starting from ground zero, but where in the past our efforts were ad hoc, they are now embedded in a deep commitment and framework to make sustainability a core part of our culture and how we operate.

This Sustainability Report lays out the framework that we have spent the past year defining. Virtually every area of Maple Leaf will deliver progress against one or more of these priorities this year, and these initiatives will be monitored, measured and reported transparently. The exception to this progress is our

environmental footprint, which increased slightly in 2014 as we ramped up several new facilities while concurrently operating legacy plants to meet ongoing production requirements, creating a short-term duplicative network. We have since closed these older facilities and expect to achieve a reduced footprint going forward.

Sustainability for us is not a program; it is a far-reaching commitment and pivotal to our business. The challenge our world faces over the next 50 years is to feed two billion more people in a way that balances nutrition, environmental

sustainability, animal wellness, accessibility and affordability. The issues are daunting, and we have a lot of work to do, but they also present exciting opportunities for companies prepared to change. As Canada's largest protein company, we want to be at the leading edge.



MICHAEL H. MCCAIN
President and Chief Executive Officer

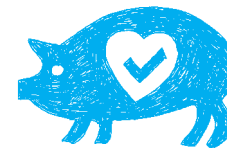
AS CANADA'S LARGEST PROTEIN COMPANY, OUR OBJECTIVE IS TO BE A LEADER IN SUSTAINABLE PROTEIN PRODUCTION. THIS INVOLVES:



Providing consumers with nutritious, sustainable and affordable food made with simpler, natural ingredients.



Building capacity in our communities by supporting holistic approaches to food security that empower people and increase their access to nutritious, affordable food.



Producing and sourcing meat from animals that are humanely raised, while reducing or eliminating the use of antibiotics.



Using resources more efficiently, by reducing our energy consumption, waste and water usage.

Advance nutrition and health



Our goal is to provide consumers with nutritious, sustainable and affordable food, made with simpler, natural ingredients from humanely raised animals.

**- Adam Grogan,
SVP, Marketing and Innovation**



As Canada's largest protein company,

we have a role in addressing the most pressing diet-related health issues we face as a society. For example, Canadians consume about 3,400 mg of sodium each day, more than double the amount we need. More than nine million Canadians are living with diabetes or pre-diabetes, often related to obesity. The emergence of drug-resistant bacteria as a result of the overuse of antibiotics is reversing some of the enormous health advances of the past 80 years. Food safety is an imperative that demands constant focus and continuous improvement. Consumers are increasingly shopping with their values in mind and seeking foods made from simpler, natural ingredients. Our commitment to sustainability focuses on progress in all of these areas, and builds on our achievements year-over-year.

SOME OF OUR 2014 INITIATIVES INCLUDED:

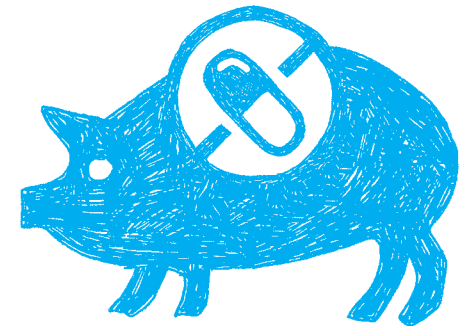
Easier-to-read labels:







Simplifying and increasing the legibility of packaging helps consumers make informed food choices. Earlier this year, we began refreshing our Maple Leaf® labels with the same easy-to-read, simple and consistent style across our product lines. The labels will be complete by the end of 2015. We have begun a similar improvement for our Schneiders® labels, which we plan on completing in 2016.

Raised without antibiotics:

Our society is becoming increasingly concerned about the use of antibiotics in animal production, with alternate drug choices for the treatment of many bacterial infections becoming more limited, expensive or non-existent. Maple Leaf is committed to minimizing or eliminating the use of antibiotics wherever possible, while maintaining high standards of animal care.



Advance nutrition and health

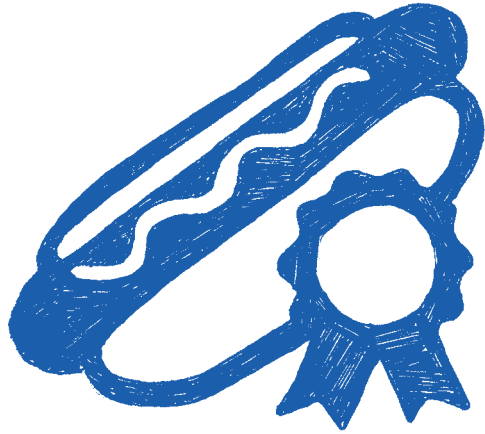
2014 PRIORITIES	STATUS	OUR PERFORMANCE	OUR PROMISE	2015 PRIORITIES
Launch 15 new Naturals products, made with simple, natural ingredients, without the use of artificial preservatives.		In 2014 and 2015, we launched more than 20 new retail products and three foodservice products.	Advance nutrition across our product portfolio.	<ul style="list-style-type: none"> • Audit existing product portfolio against key health and nutrition criteria to develop a baseline and action plan. • Continue to reduce or eliminate antibiotic use in animal production. • All new products launched will meet Health Canada's 2016 voluntary guidelines for sodium.
Further reduce sodium in our prepared meats products to meet Health Canada's voluntary 2016 guidelines.		40% of Maple Leaf® and Schneiders® Naturals lines, and Maple Leaf Prime® and Mina® branded items now meet Health Canada's voluntary sodium guidelines.		
Provide science-based information to consumers about the nutritional benefits of protein.		<p>Maple Leaf partnered with dietitian Sue Mah and Canadian Olympian Hayley Wickenheiser to provide education on the role of complete proteins in a balanced diet.</p> <p>In partnership with the Canadian Meat Council, we supported an education program to inform Canadians about nitrites and their role in food safety and health. Learn more at knowyournitrites.com.</p>	Support healthy food choices.	<ul style="list-style-type: none"> • Make the Maple Leaf® and Schneiders® ingredient and nutrition labels easier to read. • Expand information about nutrition and healthy meal planning on our website.
Refresh our Food Safety Scorecard as a tool to communicate our food safety performance.		With the sale of our bakery business, our scorecard is being redeveloped for launch in early 2016.	Be a food safety leader.	<ul style="list-style-type: none"> • Ensure food safety compliance to the revised British Retail Consortium ("BRC") standard. • Enhance food safety across fresh poultry supply chain.

 Achieved

 Deferred

 Partially Achieved

2014 highlights



19 facilities

were certified to Global Food Safety Initiative standards. One facility is being recertified in 2015.

**Almost
100%**



of Maple Leaf's fresh poultry and pork products and 40% of the prepared meats products under our national brands meet Health Canada's voluntary sodium guidelines.

Maple Leaf partnered with dietitian Sue Mah and Canadian Olympian Hayley Wickenheiser to provide education on the role of complete protein in a balanced diet.



180,000

tests

were conducted to detect any bacteria or pathogens as part of our food safety program.



Value our people and communities

At Maple Leaf Foods, we value a culture and work environment that keeps people safe, rewards excellence and empowers everyone to learn and contribute their best. Being a Canadian food company means that decisions are made here and we can act on them quickly - our people love the autonomy and opportunities this provides.

- Ian Henry,
SVP, People

Food insecurity is a critical issue in Canada, affecting one in every six children and one in every eight households. We are deeply committed to working with community partners to advance sustainable food security in ways that treat people with dignity and build individual and local capacity. By focusing our resources, our goal is to enable positive, lasting change.

- Lynda Kuhn,
SVP, Sustainability and Public Affairs

We have a Leadership Edge commitment, culture and expectation at Maple Leaf. It is a commitment to be leading edge in how we engage, develop and provide a safe working environment for our people. It is a culture that enables great people to thrive and reach their full potential. It is an expectation that our people will take a stand, pursue excellence and create the future.

OUR COMMUNITIES

1 in 8

Food insecurity impacts one in eight Canadian families and is also the leading risk to health globally.

We are challenging ourselves to deeply engage with communities in ways that go beyond emergency food relief and product donations, through supporting innovative programs that build individual and local capacity through accessing, preparing and learning about food and nutrition.



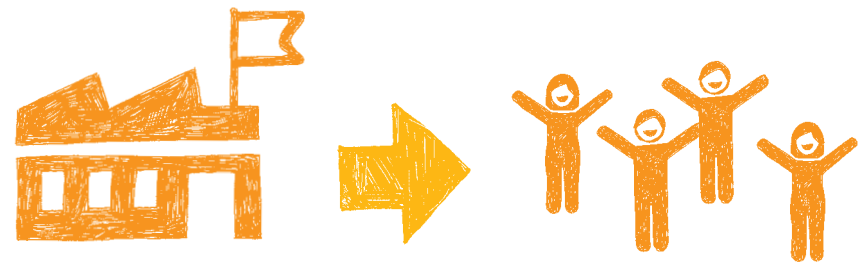
OUR PEOPLE

Our values in action

Since 2010, when we launched a strategic transformation of our prepared meats network, we have closed eight plants and invested in four scale facilities. Aligned with our culture and values, we communicated our plans to close the legacy plants up to four years in advance of the actual closures. In addition, we completed the sale of our bakery business to Grupo Bimbo, which required transitioning more than 5,000 employees. Throughout this process we treated people fairly and respectfully, making every effort to help them secure roles based on their skills and career interests.

We have invested over \$1 billion to establish a sustainable, competitive company, which is one of the largest investments ever made in the Canadian food industry.

The result is a thriving workplace with growth opportunities for more than 12,500 people.



Our people

2014 PRIORITIES	STATUS	OUR PERFORMANCE	OUR PROMISE	2015 PRIORITIES
Support the sale of Canada Bread by transitioning people, processes and employee programs in a values-consistent way.		More than 5,000 employees were transitioned to the new owner through a detailed process that identified the right people for the right roles.	Be a global leader in workplace safety.	<ul style="list-style-type: none"> • Reduce Total Recordable Injury Rate (“TRIR”) to 2.20 (from 3.13 in 2014). • 100% completion of annual safety and health accident reduction plans (“SHARP”) by all plants. • All hourly employees complete Occupational Health & Safety (“OH&S”) training.
Realign our organizational structure to support our needs as a dedicated protein company after the sale of the bakery business.		We established a new organizational structure to align talent and costs with Company requirements.		
Redefine and reinvigorate our people programs and priorities.		We assessed our development and training programs in 2014 with implementation commencing in early 2015.	Engage and empower our people.	<ul style="list-style-type: none"> • Re-launch people engagement survey for salaried employees. • Develop a diversity and inclusion strategy.
			Be a destination for top talent.	<ul style="list-style-type: none"> • Redefine our talent development programs. • Achieve 95% retention rate of top talent. • Achieve internal fill rate of 70% for new/vacant positions.

Achieved

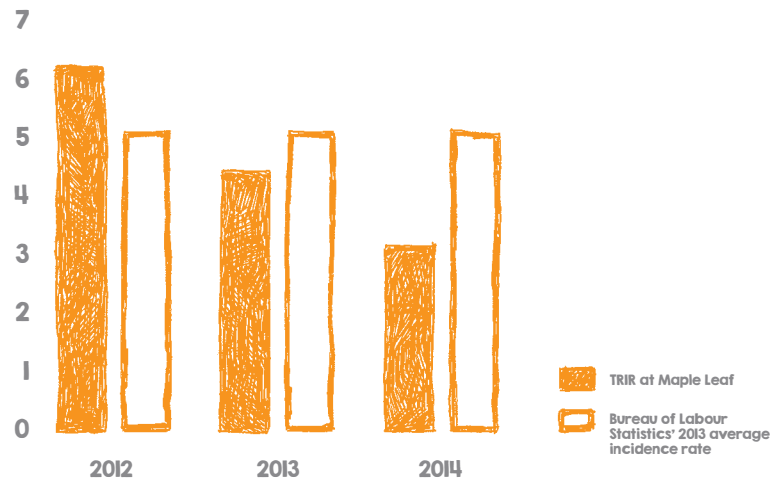
Deferred

Partially Achieved

2014 our people highlights

Three-year Total Recordable Injury Rate comparison across Maple Leaf's protein network, agri-farms and office locations:

Total Recordable Injury Rates



50% improvement in our TRIR since our 2012 baseline.

5,000+



employees from Canada Bread and Maple Leaf were transitioned to the new owner of Canada Bread through a detailed, thoughtful process that identified the right people for the right roles.



29%

improvement in our TRIR, which was 36.4% below the food manufacturing industry average of 5.0.

Our communities

2014 PRIORITIES	STATUS	OUR PERFORMANCE	OUR PROMISE	2015 PRIORITIES
Review our community involvement strategy with the goal to step-change the impact of our programs and engagement of our people.		<p>We redefined our community involvement strategy to focus on food insecurity locally and globally.</p> <p>We made almost \$2 million in product donations and supported innovative programs across Canada and globally through UNICEF.</p>	Advance holistic community-based approaches to food security that enable people to lead healthier lives.	<ul style="list-style-type: none"> • Complete our community involvement strategy and align funding to support strategic focus on food security with an annual donation minimum of 1% of pre-tax profits. • Develop effective partnerships with organizations that share our strategic focus. • Continue partnership with UNICEF Canada to support global outreach.
Partner with Tastebuds to launch a school nutrition project in Hamilton, Ontario.		We launched a pilot project in 2014, providing nutrition to 10 schools in Hamilton.		
Continue our “Volunteering to Make a Difference” campaign to reward our people’s volunteer activities and profile our Company’s volunteer policy.		In 2014, we awarded and recognized 15 employee-nominated projects.	Make community involvement a cornerstone of our culture and deliver meaningful social benefits.	<ul style="list-style-type: none"> • Complete a third-party review of our community involvement strategy to continuously improve program development and establish impact measuring. • Implement customized employee Community Involvement portal. • Re-launch employee volunteer policy and continue with our employee volunteering program “Volunteering to Make a Difference”.

 Achieved

 Deferred

 Partially Achieved

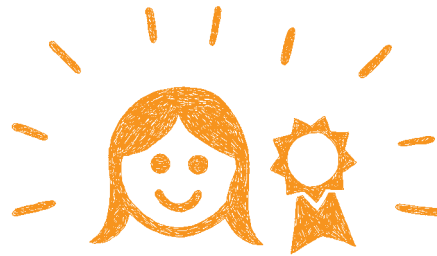
2014 our communities highlights



We invested almost
\$3 million
in monetary and
gift-in-kind donations.

15

employee-nominated
volunteering projects
were awarded and
recognized.



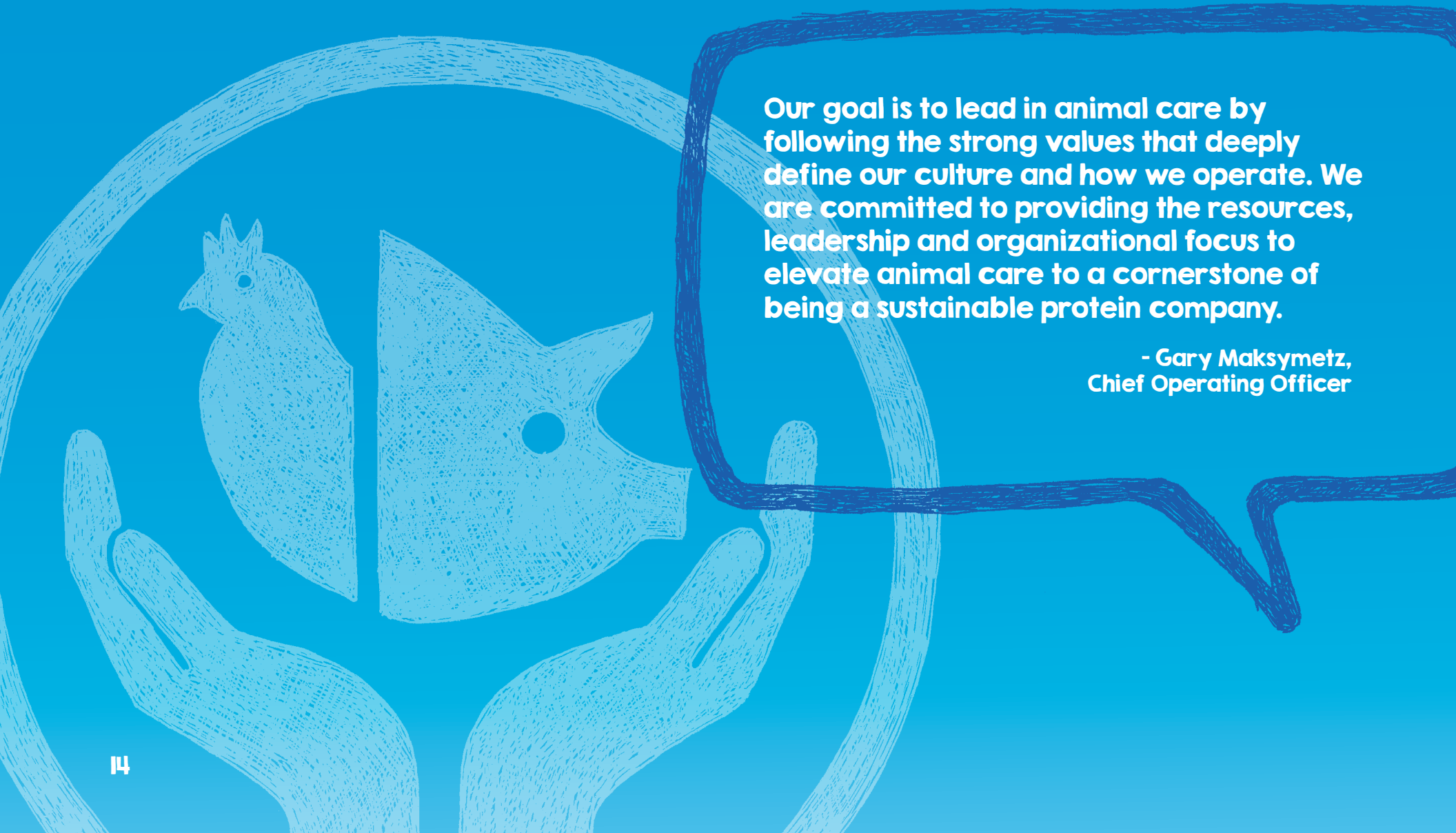
We supported emergency
relief globally through
our deep relationship with
UNICEF.



As a lead partner
of **Tastebuds**,
Hamilton's Student Nutrition
Collaborative, we helped
expand the program's
reach to 10 schools in
Hamilton, Ontario.



Treat animals well

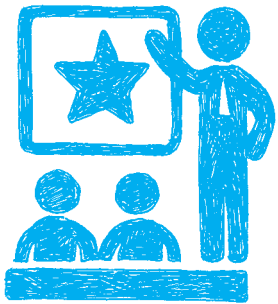


Our goal is to lead in animal care by following the strong values that deeply define our culture and how we operate. We are committed to providing the resources, leadership and organizational focus to elevate animal care to a cornerstone of being a sustainable protein company.

**- Gary Maksymetz,
Chief Operating Officer**

We are committed to advancing the Five Freedoms that reflect global best practices and to continuously enhancing governance, policies and practices across our pork and poultry supply chains.

WE WILL SUPPORT THIS THROUGH ONGOING CRITICAL SELF AND THIRD-PARTY EVALUATION AND CONTINUOUS IMPROVEMENT IN FOUR PRIMARY AREAS:



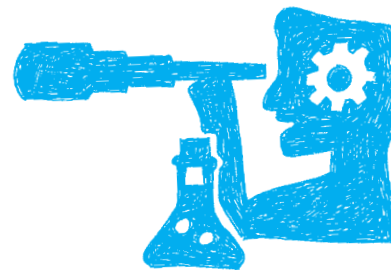
Culture

Building a strong culture of caring and empathy, ensuring people have the training required to carry out their duties compassionately and responsibly, and taking swift action when standards are violated.



Accountability

Regular reporting of performance, issues and progress against goals to a Committee of the Board, senior leadership and across facilities; conducting frequent, rigorous internal and independent audits to support compliance and continuous improvement.



Advancement




Completing a comprehensive review of current animal wellness policies, practices and governance and implementing recommendations that enhance current approaches and incorporate evolving science and best practices in the near and longer term.



Transparency

Providing clear, fact-based communication of goals and progress, building open relationships with stakeholders, and sharing knowledge and learnings with the industry to broadly advance animal care.

Treat animals well

2014 PRIORITIES	STATUS	OUR PERFORMANCE	OUR PROMISE	2015 PRIORITIES
Convert two large sow barns with 6,000 gestation crate systems to open housing.		By the end of 2014, we transitioned more than 7,000 sows to open housing.	Be a leader in animal wellness.	<ul style="list-style-type: none"> • Complete an internal review of our animal wellness policies and protocols across our poultry and pork operations and develop a comprehensive company-wide animal care strategy. • Implement standardized animal welfare reporting.
Establish senior leadership structure to lead the establishment of a best practice animal care program.		Completed in 2015.		
Expand the “See It? Stop It!” employee hotline program to our poultry operations.		Expansion of the program will be integrated into our broader animal care strategy in 2016.	Implement ongoing improvements that support animal wellness leadership.	<ul style="list-style-type: none"> • Convert four sow barns to loose housing for 10,500 more sows. • Develop a strategy to implement remote video auditing. • Implement CO₂ stunning technology at our Brandon pork processing facility. • Continue to advance alternatives to, or eliminate, antibiotic use in animal production.

 Achieved

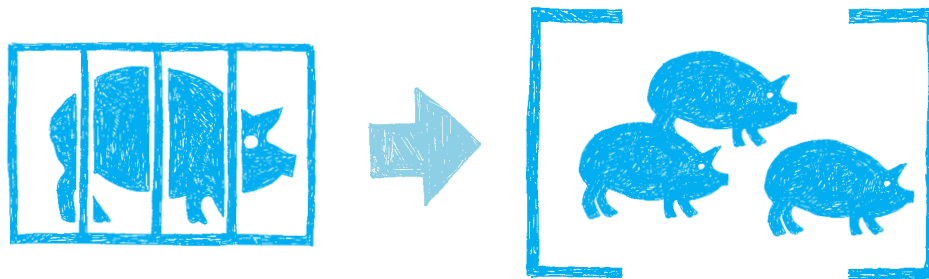
 Deferred

 Partially Achieved

2014 highlights

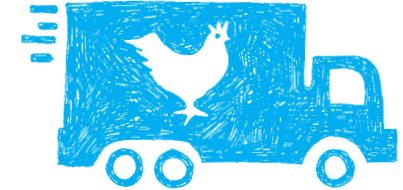
Maple Leaf owns approximately 61,000 sows that produce pigs that represent approximately 45% of the hogs that we process. Of these sows, approximately 35,000 will be transitioned or in the process of transitioning from gestation crates to open housing by the end of 2017.

We are currently working on a plan to accelerate the conversion of our remaining sows that we have acquired since 2013.



35,000 sows
in open housing by 2017

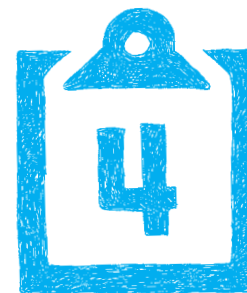
In 2014, we established an enhanced Extreme Weather Transportation Policy to protect live birds from harsh weather conditions.



In the winter of 2014/2015, six production days were cancelled, protecting more than one million birds from transportation during extreme cold weather.

zero

animal wellness corrective actions required by the CFIA in our pork operations in 2014.



Four animal wellness corrective action reports by the CFIA in our poultry processing operations in 2014, which we acted upon immediately.

Eliminate waste

We have established an aggressive goal to cut our environmental footprint in half in 10 years, requiring a 50% reduction in our climate change impact, waste and water usage. Our people are energized by the call to action and committed to the changes needed to make it happen.

**- Anne Tennier,
VP, Environmental Sustainability**



People across the planet eat about 308 million tonnes of meat every year. By 2050, this number is expected to grow to 450 million tonnes. Livestock is the world's largest user of land resources, with pasture and land dedicated to the production of feed representing almost 80% of the total agricultural land. It also uses 1/3 of the world's fresh water and produces more than 18% of our world's CO₂ emissions.

At Maple Leaf, we are committed to significantly reducing our environmental impact and advocating for change across the industry. Our focus is on three key areas where we can make the greatest contribution, through changing our own operations and by working with our suppliers, consumers and other stakeholders:



REDUCE CLIMATE CHANGE IMPACT:

Reducing our energy consumption, making further fleet efficiencies, evaluating the purchase of "green" renewable power and implementing energy reduction technologies.



REDUCE WASTE:

Reducing process waste and inefficiencies, packaging and food waste.



REDUCE WATER USAGE:

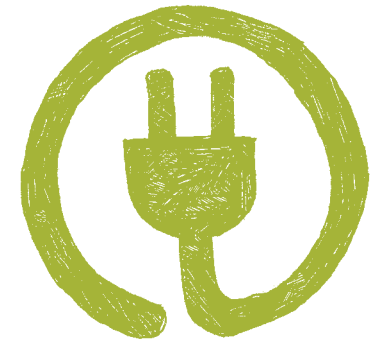
Including commercial/ office usage, plant processes and sanitation and implementation of water reduction technologies.

OUR DIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE

Electricity usage

402,800 MWh,
+14%
from 2013

(2013 revised baseline - 352,000 MWh)



Natural gas usage

637,500 MWh,
+6%
from 2013

(2013 revised baseline - 601,631 MWh)

Increases are related to the commissioning of our new Hamilton facility while legacy plants remained in production, and a severely cold winter.

OUR TOTAL DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

Direct GHG emissions

116,000 metric tonnes CO₂,

+5.8% from 2013

(2013 revised baseline - 109,700 metric tonnes)

Increase is related to the commissioning of our new Hamilton facility while operating duplicative older plants during an extremely cold winter.

Indirect GHG emissions

50,500 metric tonnes CO₂,

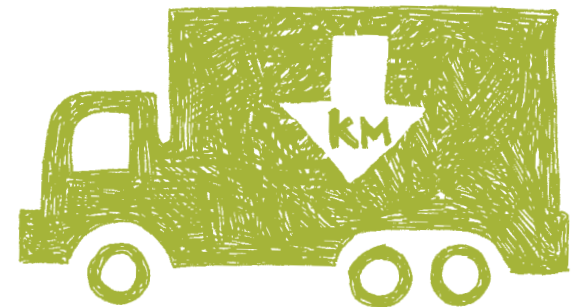
-2.2% from 2013

(2013 revised baseline - 51,700 metric tonnes)

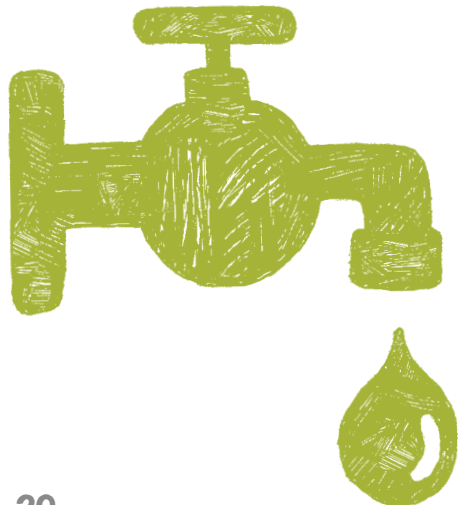
Decrease tied to the closure of legacy facilities in provinces with higher carbon intensity.



We have reduced truck transportation by more than **9 million** kilometres annually since our 2010 baseline.



OUR TOTAL WATER CONSUMPTION







7.2 million cubic metres of water,

+0.3% from 2013

(2013 revised baseline - 7.19 million cubic metres of water)

Increase is due to the commissioning of our new Hamilton facility while legacy plants remained in production.

Eliminate waste

2014 PRIORITIES	STATUS	OUR PERFORMANCE	OUR PROMISE	2015 PRIORITIES
Launch our environmental sustainability strategy, with dedicated leadership and resource support.		Strategy and goals were approved by our senior leaders and Board of Directors.	Reduce climate change impact (GHG emissions) by 50% (per tonne of production).	<ul style="list-style-type: none"> • Conduct energy audits at 13 facilities across the country and develop a complete greenhouse gases (GHGs) emission baseline across our facilities. • Evaluate purchase of renewable power. • Pilot one energy reduction technology.
Replace foam trays in poultry portions packaging with recyclable plastic.		Deferred. We will continue to explore environmentally friendly packaging enhancements as we move forward with our commitments to eliminate waste.		
Optimize packaging to maximize volume of products shipped per truck.		We have reduced truck transportation by more than 9 million kilometres annually since our 2010 baseline.	Reduce non-ingredient water usage by 50% (per tonne of production).	<ul style="list-style-type: none"> • Conduct water audits at 13 facilities. • Install water meters in all hog barns to establish consumption baseline. • Develop specifications for a water availability assessment for major manufacturing and farm geographic zones. • Pilot one water reduction technology.
Follow rigorous decommissioning process in plant closures and maximize recycling/sale of redundant equipment.		We implemented a successful auction process to support beneficial reuse of redundant equipment, yielding more than \$5 million to support ongoing environmental improvements.	Reduce waste by 50% (per tonne of production).	<ul style="list-style-type: none"> • Conduct waste audits at all manufacturing, office and Distribution Centre locations. • Be actively engaged in Provision Coalition Food Waste Forum. • Pilot one waste reduction technology.

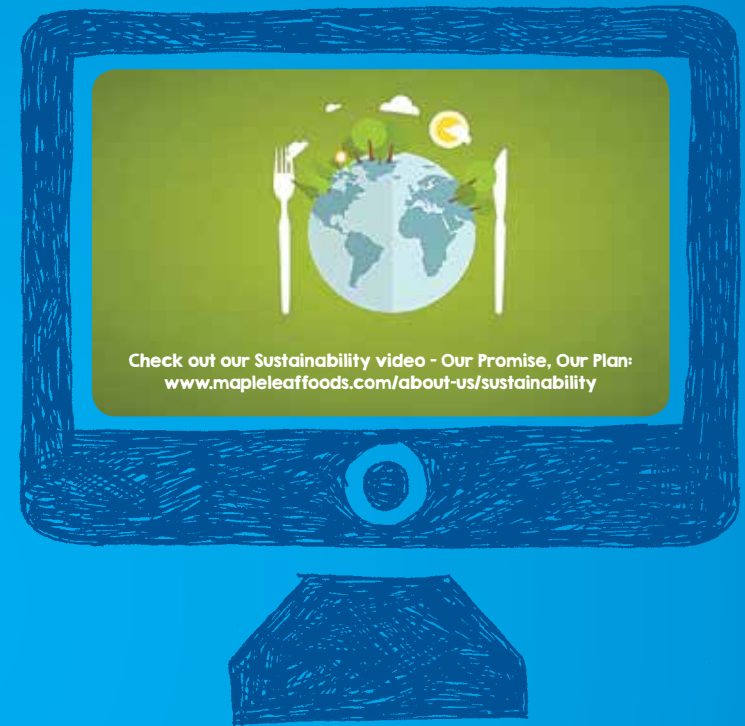
 Achieved

 Deferred

 Partially Achieved

There are many factors that play a role in advancing sustainable food, including nutrition, affordability, accessibility, animal wellness and environmental sustainability. While they are all important, they are often in conflict. Our challenge is to find the right balance and make advances in all areas. We don't have all the answers to these complex issues, but we do have a deep desire to effect change.

- Michael H. McCain,
President and CEO, Maple Leaf Foods



To LEARN MORE ABOUT SUSTAINABILITY AT MAPLE LEAF, VISIT
www.mapleleaffoods.com/about-us/sustainability

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