

# Raise the Good in Food

Maple Leaf Foods 2021 Sustainability Report



Introduction

To our readers, welcome to our 2021 Sustainability Report.

# 2021 brought on many challenges to the economy, society, the environment and the food system.

But thanks to the resilient and dedicated people of Maple Leaf Foods Inc ("Maple Leaf Foods" or "the Company") we rose to the challenge and had another strong year.

We continued to deliver on our purpose to Raise the Good in Food and progressed on our aspirational journey to be the most sustainable protein company on Earth. The following report highlights topics that are most material to our business, with all reported data covering the calendar year from January 1, 2021 – December 31, 2021.

The Company

Better Food

**Better Care** 

**Better Communities** 

Better Planet Appendix







#### Maple Leaf Foods is a forward-thinking, valuesbased carbon neutral company with a purpose to

"Raise the Good in Food." Raise is an aspirational statement. It means to move forward and constantly improve. The Good in Food represents everything that is good about our business from what our food can deliver to society to what's in the food and what that means to the people that consume it.

Our purpose is why we exist as an organization.

# Raise the Good in Food

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# Our vision is to be the most sustainable protein company on earth.

It is fundamental to our transformational and purposeful journey to sustainable growth. Our vision is where we are headed as an organization.

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# **Creating Shared Value**

Creating shared value for our stakeholders is authentic to our culture, who we are and what we believe in. Shared value is social purpose infused with profitable growth for our business. It rests at the intersection of what the world needs and what we are uniquely positioned to do. Shared value is how we will win.

LEAD IN SUSTAINABILITY	BROADEN OUR REACH
INVEST IN OUR PEOPLE	BUILD A DIGITAL FUTURE
MAKE GREAT FOOD	ELIMINATE WASTE



We believe deeply that leading in sustainability is a catalyst for realizing growth in our business. We have the ability to create shared value by addressing what's important to our stakeholders and their beliefs of responsible consumption and production of food.

#### We are focused on four sustainability pillars:



#### **Better Food**

Making better food that meets real consumer needs.



#### **Better Communities**

Strenghtening our communities.



#### **Better Care**

Caring for our animals responsibly.



#### **Better Planet**

Reducing our environmental impact to sustainable levels.





# **Our Stakeholders**

#### We create value for our key stakeholders in a variety of ways:

**Consumers:** Offering accessible, affordable, and healthful food options made by a trustworthy, purposedriven, carbon neutral food company.

**Customers:** Delivering consistent, high-quality products that meet consumer demands.

**People:** Providing engaging, purposeful work in a safe and inclusive work environment; providing opportunities to grow and develop.

**Communities:** Leveraging our scale and reach to enhance the communities we operate in and addressing social issues where we have a unique capability to engage.

Shareholders: Ensuring business stability, creating competitive advantage and sustainable growth, advancing strategic priorities and investing in long-term growth.

**Planet:** Leading in sustainability, working towards sustainable food production and reducing our environmental impact so that present and future generations can thrive.

**Better Care** 







MAPLE LEAF

# Our Blueprint

In 2017, we hosted ideation sessions with the Company's business functions to define strategies and processes that will help us achieve our vision to be the most sustainable protein company on earth. We spent time with our people trying to understand what our purpose to "Raise the Good in Food" means to them. We connected with over 170 of our employees, which resulted in over 200 unique ideas to help activate our purpose and vision.

Our Purpose Council, comprised of subject matter experts and senior leaders from different functional departments, assessed each unique idea against our vision, business strategies and purpose. This assessment, spanning several months, narrowed down the unique ideas to 10 bold commitments comprised of six key strategies and four sustainability pillars, which now serves as the blueprint for our organization.

Our blueprint consists of tangible, actionable strategies, priorities and initiatives spanning our entire operation, and they all connect back to our vision "to be the most sustainable protein company on earth" and our purpose to "Raise the Good in Food." Our blueprint is the plan we use to deliver shared value for our stakeholders – consumers, customers, our people, communities and shareholders.









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## CEO Message

A Message from Our CEO, Michael McCain

A pandemic challenged us – yet it couldn't stop us on our journey to becoming the most sustainable protein company on earth. In 2021, we made remarkable progress on our commitments to creating Better Food, Better Care, Better Communities, and a Better Planet. Our work has never been more important, as news about climate change and our need to act grows more frequent and more urgent.

Our efforts to combat climate change continue as part of the soul of our company. We maintained our status as a Carbon Neutral company and continued to progress towards our Science Based Targets. We focused on regenerative agriculture and the hope it offers in capturing carbon from the atmosphere and storing it back in the soil. This year we teamed up with a Canadian fertilizer company, Nutrien, to expand on a project that incentivizes and educates farmers in regions where we source grains to adopt regenerative agriculture practices. In 2021 the project encompassed approximately 20,000 acres of farmland in Manitoba and Saskatchewan, and we hope to quintuple that in 2022! Similarly, we continue to work with Indigo Ag where we hope to purchase certified carbon credits through their Carbon Program that rewards individual farmers for adopting regenerative agriculture practices that improve biodiversity, soil health and carbon sequestration.

This year was momentous for our Animal Care program as we fulfilled our promise to convert all of our sow barns to our Advanced Open Sow Housing system. We didn't simply put our sows in open spaces; we put them in optimized housing designed purposefully to enable them to choose when to eat, play, socialize and rest. These freedoms greatly enhance their well-being. It also helps our animal care teams provide good care in a low-stress environment, offering greater job satisfaction.

We didn't stop there. We continued piloting enrichments in our chicken barns that enable our chickens to engage in natural behaviours – pecking, perching and hiding. These enrichments didn't involve engineers and construction companies. They required care, creativity, passion – and a lot of trial, error and refinement. The results of all that effort will pay off as we deploy these enrichments throughout our chicken barns. Building better communities is a big priority for Maple Leaf, whether they exist beyond our walls or within them. In 2021, we celebrated the Centre for Action on Food Security's fifth anniversary, as it continues its work to identify and champion systemic solutions to food insecurity. The Centre ran a national campaign in 2021 to raise awareness about the choices that people are forced to make when they live with food insecurity – like choosing between food for their families or heat for their homes. We launched a letter-writing campaign to urge the federal government to set a target to reduce food insecurity by 50% by 2030.

For our community within Maple Leaf, we planned and prepared for our new way of working – under a hybrid arrangement that combines purposeful collaboration at the office with focused time working from home. This helps our people achieve work-life balance while achieving satisfying connections. And it also reduces our collective carbon commuting footprint – an excellent outcome for our company.

We've put enormous thought into ensuring the safety of our people as we return to work in a post-pandemic world, and I'm proud of the courage we showed in requiring everyone to be vaccinated. It was a decision that was well received by nearly all team members as further evidence of our commitment to the science and to their safety. We achieved another year free of food safety recalls as we continued our efforts to make our products even safer. We also continued our relentless commitment to creating the safest possible workplaces – and our Total Recordable Incident Rate (TRIR) reflects that. We have achieved an industry-leading safety TRIR of 0.48 and 34 plants had zero injuries.

There was much to feel proud about in 2021, and much reason for optimism in the coming years. Our unwavering sustainability vision inspires us, spurs us on and continues to deliver the shared value we've promised all our stakeholders.

Michael

Michael H. McCain President and CEO





# Our History and Sustainability Journey Maple Leaf Foods traces its roots back more than 100 years.

For more than 100 years, we have served Canadians by delivering high-quality, nutritious food to their tables. We have innovated, transformed, adapted and grown.

We are proud to be part of Canada's food history.

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In more recent years, we began our journey to become the most sustainable protein company on earth with a commitment to lead in critical issues facing the economy, society and the environment and address challenges where we have a unique capability to do so.

### We have come a long way on this journey and are incredibly proud of what we have accomplished so far.

#### 1991

Maple Leaf Foods Inc. is created through the merger of Maple Leaf Mills Limited and Canada Packers Inc.

#### 1995

McCain Capital Corporation and the Ontario Teachers' Pension Plan Board acquire controlling interest in Maple Leaf Foods from Hillsdown Holding plc.

National rollout of Maple Leaf Prime<sup>TM</sup> poultry products.

#### 2004

Maple Leaf Foods acquires J.M. Schneider Inc., one of Canada's largest producers of premium branded products.

#### 2008

Maple Leaf Foods has a devastating Listeria contamination at one of its prepared meats facilities that caused 23 tragic deaths and many serious illnesses. Since this tragedy, it has committed to being a global leader in food safety and invested in a significant amount of people and financial resources in achieving this commitment to ensure it never happens again.

#### 2013

Maple Leaf Foods appoints Lynda Kuhn, a member of our Senior Leadership Team, to create a company-wide sustainability program.

#### 2014

Maple Leaf Foods embraces the message "you manage what you measure" and set ambitious goals for the company in key sustainability areas including nutrition, animal care, our people and communities. Notably, it committed to reducing its environmental footprint by 50% by 2025 and converting all its owned Maple Leaf Agri-Farms sow barns to a new Advanced Open Sow Housing System by the end of 2021.

#### 2015

Maple Leaf Foods brings on board Tim Faveri, VP of Sustainability & Shared Value, to oversee its efforts to become a more efficient and environmentally friendly operator.

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#### 2016

Maple Leaf Foods engages in months of rigorous leadership training and ideation workshops to identify the company's renewed purpose and commence its transformational journey to make a meaningful difference.

#### 2017

Maple Leaf Foods announces its new social purpose to Raise the Good in Food, its vision to be the most sustainable protein company on Earth and its social contract of shared value.

The company launches its registered charity, the Maple Leaf Centre for Food Security with a commitment to reduce food insecurity in Canada by 30% by 2030.

The company expands into plant protein through the acquisition of Lightlife Foods, Inc.

#### 2018

Maple Leaf Foods continues to pursue plant proteins through the acquisition of Field Roast Grain Meat Co.

The company launches its biggest brand strategy renovation to its flagship brands, Maple Leaf® and Schneiders<sup>®</sup>.

#### 2019

Maple Leaf Foods becomes the first major food company in the world to be carbon neutral and the first food company in Canada to set ambitious science-based targets to reduce its greenhouse gas emissions, approved by the Science Based Targets initiative.

#### 2020

Maple Leaf Foods announced its Diversity and Inclusion Blueprint, outlining its comprehensive approach to how the company will address systemic and cultural barriers and provide an environment with equal opportunity to thrive.

The company launches a refresh of its Maple Leaf Foods Leadership Values.

#### 2021

Maple Leaf Foods achieves its goal to convert 100% of our owned Maple Leaf Agri-Farms sow barns to an Advanced Open Sow Housing system.

The company launches its comprehensive, multi-year People Strategy that is aimed at enabling the development of its people and creating an environment where everyone can all thrive.

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# Key Figures and Achievements 2021

Company	Better Food	Better Care
\$4.5B total sales	100% of our meat protein facilities are GFSI certified	100 of owned so transitioned Open Sow H
<b>8.8%</b> Adjusted EBITDA Margin	100% vegan plant-based protein products	98.9 reduction in
<b>13,500</b> employees	0	across our h since 2014
<b>32</b> manufacturing facilities:	food safety recalls 280,000+	of sow, nurs barns instal enrichment
prepared meats, fresh pork, fresh poultry and plant protein	food safety and quality tests conducted	2nd

%

ow spaces d to Advanced Housing

9%

antibiotic usage hog operations

%

sery and finisher lled with toys

tier ranking on the Business Benchmark on Farm Animal Welfare (BBFAW)

Better Communities

Better Planet

\$3M

of healthy food products and food relief donated

39%

women representation at manager level and above

88%

of people leaders received mental health training to-date

0.48

world-class Total Recordable Incident Rate (TRIR)

1st

major carbon neutral food company in the world since 2019

92.7%

landfill diversion rate

33.3%

reduction in food loss waste intensity (2016 baseline)

21.8%

reduction in electricity intensity (2014 baseline)





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We are a sustainable protein company that believes with conviction that our growth strategies and leadership in sustainability will strategically differentiate the organization and create significant value for our stakeholders. Table of contents

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#### Who We Are

We are proud of our roots, which we can trace back over 100 years, but our vision and purpose are decidedly forward looking.

With a vision to become the most sustainable protein company on earth, Maple Leaf Foods is committed to creating shared value by delivering commercial and financial results and enhancing competitive advantage through addressing the significant environmental and social challenges faced by society today. We believe that the pursuit of our purpose to 'Raise the Good in Food' is a significant differentiator that will build trust and confidence among stakeholders. We are helping to transform the world's food system so that it can survive, and thrive, for generations to come.

#### What We Do

Maple Leaf Foods is a carbon neutral company that responsibly produces food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field RoastTM. The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, snacks kits, value-added fresh pork and poultry, and plant protein products. Maple Leaf Foods employs approximately 13,500 people and does business in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario, and its shares trade on the Toronto Stock Exchange (MFI).

Learn more about our brands

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Maple Leaf Foods' Value Chain - Farm to Fork



We source North American grains for our animal food, and we own five mills that produce rations for our pigs. We source hogs and hatching eggs from our own system and from trusted partners.



Our finished products go to one of two Canadian Maple Leaf Foods distribution centers, or directly to customers and international markets.



Our primary processing facilities and our co-manufacturers in Canada and the U.S. follow strict global food safety standards. Each is monitored by dedicated inspectors and veterinarians from the Canadian Food Inspection Agency (CFIA) and the United States Department of Agriculture (USDA)'s Food Safety and Inspection Service (FSIS).



# Grocery Retail and Foodservice

Grocery stores across Canada and the United States carry our brands, as well as private label products that we manufacture on their behalf. We also supply many major restaurants and foodservice companies.





At home and in restaurants throughout North America, people enjoy our high-quality, innovative products every day.

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We own pig barns (sow, nursery and finishing barns in Manitoba) and hatcheries (in Ontario and Alberta) that supply chicks to contract producers. All are closely monitored and audited to ensure high levels of animal care.

# Processing and Prepared Meats Facilities



Transportation .

We transport our eggs, chickens and pigs using specially trained drivers, who help ensure good animal care and reduced stress. We use new hydraulic-lift pig trailers when we transport pigs in our system to reduce the stress of walking up and down ramps. We also use climatecontrolled trailers to increase bird comfort.

## **Your Plate**



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# **Business and Financial Overview**

We are dedicated to winning in the marketplace by continuing to pursue profitable growth in our meat protein business and are pivoting to a revised strategy to pursue steady, profitable growth in our plant protein business.

#### **Meat Protein**

The Meat Protein Group is comprised of prepared meats, ready-to-cook and ready-to-serve meals, snack kits, value-added fresh pork and poultry products that are sold to retail, foodservice and industrial channels, and agricultural operations in pork and poultry. The Meat Protein Group includes leading brands such as Maple Leaf<sup>®</sup>, Maple Leaf Prime<sup>®</sup>, Schneiders<sup>®</sup>, Mina<sup>®</sup>, Greenfield Natural Meat Co.<sup>®</sup>, Swift<sup>®</sup> and other leading regional brands.

Sales for 2021 increased 6.1% to \$4,366.7 million compared to \$4,116.5 million last year. Sales growth was driven by pricing action implemented in 2021 to mitigate inflation and structural cost increases, growth in branded and sustainable meats, and higher poultry volumes, which more than offset the impact of an extra week in the fourth quarter of 2020, the impact of foreign exchange, lower pork volumes and lower sales to China.

Adjusted EBITDA<sup>1</sup> for 2021 were \$527.1 million compared to \$510.1 million last year, and year-todate Adjusted EBITDA Margin1 for 2021 was 12.1% compared to 12.4% last year.

<sup>(i)</sup>Refer to MD&A section 32. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

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#### Driving Profitable Growth In Meat Protein

#### We are pursuing profitable growth in our Meat Protein Group through the following strategic areas:

Investing in our brands to build demand and loyalty

Leveraging our leadership in sustainable meats

Broadening reach into new geographies and channels

Delivering operational excellence

In Meat Protein, the Company's strategy is to drive profitable growth. In 2017, Maple Leaf Foods articulated its target to reach an Adjusted EBITDA Margin of 14% - 16% in 2022.

## Meat Protein Group Adjusted Ebitda \$510 \$527.1 12.4% 12.1% \$393 10.4% \$332 9.9% 2018 2019 2020 2021

(\$ Million; % of Sales)



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#### **Plant-Based Protein**

The Plant Protein Group is comprised of refrigerated plant protein products, premium grain-based protein, and vegan cheese products sold to retail, foodservice and industrial channels. The Plant Protein Group includes the leading brands Lightlife<sup>®</sup> and Field RoastTM.

Sales for 2021 were \$184.1 million compared to \$210.8 million last year, representing a decrease of 12.7%, or 6.4% after excluding the impacts of foreign exchange. The sales decline was driven by lower retail product volumes, including the impact of an extra week in the fourth quarter of 2020. This more than offset growth in food service volumes and pricing action implemented in the third quarter of 2020 to mitigate inflation and structural cost increases.

Adjusted Operating Earnings<sup>1</sup> for 2021 were a loss of \$142.1 million compared to a loss of \$125.7 million last year.

<sup>(i)</sup>Refer to MD&A section 32. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

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#### Charting A New Path Forward In Plant Protein

In late 2021, the Company announced that it was re-evaluating our outlook for the Plant Protein Group and launching a comprehensive review of the overall plant protein category. This decision was driven by a pronounced slowdown in growth rates in the category, particularly in the second half of the year, which fueled the Company's imperative to identify and thoroughly assess the causes, near and long-term trends, and overall implications. While the Company's analysis is ongoing, the results to date confirm that the very high category growth rates previously predicted by many industry experts are unlikely to be achieved given current customer feedback, experience, buy rates and household penetration. Based on this new information, we believe that the category will continue to grow at more modest, but still attractive rates.

Current estimates suggest that the category will grow at an average annual rate of 10% to 15%, making it a \$6 to \$10 billion market by 2030. Accordingly, the Company is pivoting its strategy and investment thesis for the Plant Protein Group and is setting a new goal to deliver neutral or better Adjusted EBITDA within the next 18 months. Work is ongoing to build out the strategy to support this pivot, as the Company recalibrates the investment to align with the market opportunity.

For more information on our meat and plant-based protein financial performance, see our:

2021 Report to Shareholders



#### (\$ Million)



MAPLE LEAF

#### **Key Construction Capital Projects**

#### LONDON POULTRY FACILITY

We are nearing completion of a world-class, \$772 million value-added poultry facility in London, Ontario. The new 640,000 square feet facility is expected to be one of the most technologically advanced poultry-processing plants in the world, with leading-edge food safety, environmental, and animal welfare processes and technologies.

The new plant will initially support over 1,450 direct full and part-time jobs, with additional job growth as production volumes increase over time. Maple Leaf will work closely with local agencies to recruit and train people and provide skilled jobs in a safe and inclusive workplace. Construction is expected to generate approximately 300 jobs, with almost 85% of project expenditures supporting domestic construction and installation contractors. The facility is expected to create an additional 1,400 indirect jobs in the supplies and services sector and generate an estimated \$1.2 billion of annual economic activity once it is fully operational.

Our London Poultry facility is still expected to be completed by the second half of 2022. When fully ramped up, this facility is expected to contribute incremental Adjusted EBITDA of about \$100 million annually.

This is the largest investment in the history of Ontario's agriculture sector, and will help to position Canada as a globally competitive player in the food processing sector and to increase the competitiveness and sustainability of our agricultural sector.

#### **BACON CENTRE FOR EXCELLENCE**

In 2021, Maple Leaf Foods completed construction of a \$182 million expansion to our Winnipeg prepared meats plant, significantly increasing our bacon production capacity with new in-house capacity for precooked, microwaveable bacon.

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- This investment in new state-of-the-art manufacturing equipment and cultivated in-house expertise represents a Bacon Centre of Excellence within Maple Leaf and positions the Company to meet the growing customer and consumer demand in the pre-cooked bacon market and drive innovation. The project is one of the many investments the Company has been making as it continues to unlock value in its growing prepared meats business.
- Final commissioning of the 73,000 square-foot expansion at the Lagimodiere Boulevard site in our
  Winnipeg site is expected to be completed in the near term, with commercial production ramping up
  over the course of the coming months. By building this capacity in-house, this plant will become the
  Company's primary pre-cooked bacon production facility. As part of the expansion, the Company is in
  the process of adding approximately 350 new positions at the plant, bringing total plant employment to
  over 1,900 people.

The Bacon Centre of Excellence is expected to have an annual benefit of approximately \$30 million Adj EBITDA when fully ramped up, which is expected to be in the second half of 2023.

#### **INDIANAPOLIS TEMPEH FACILITY**

Maple Leaf Foods wholly-owned subsidiary, Greenleaf Foods, SPC, has expanded its tempeh production capacity through the acquisition and build out of a 118,000 square foot facility in Indianapolis, Indiana. Initial production at the plant is targeted to begin in early 2022, and when fully operational it will employ approximately 115 people. If demand for tempeh continues as expected, the plant offers the flexibility for the Company to proceed with a second phase of the Project which could include doubling the capacity.

re- Building additional capacity for tempeh products aligns with Maple Leaf Foods' goal of maintaining its market leadership position in this category and is consistent with its strategy to build capacity in support of the burgeoning consumer demand for high growth, high-margin tempeh products.





## Governance

Maple Leaf Foods' strong and effective corporate governance helps to cultivate a company culture of integrity and increases the accountability of all individuals and teams within the company.

#### **Corporate Governance**

Corporate governance is reinforced at all levels of the Company. The Board of Directors and management are committed to maintaining a high standard of corporate governance to earn the trust of our shareholders and other stakeholders consistently.

#### **Board of Directors**

Our Board has ten members, eight of whom are independent of the Company and management under the securities laws. Our independent directors are very experienced, high-calibre business leaders with diverse, relevant skills and competencies.

The Board has a formal mandate setting out its responsibilities in the stewardship of the Company that includes the Board's responsibilities for the appointment and development of management, strategic planning, monitoring of financial performance, financial reporting, risk management and oversight of the Corporation's policies and procedures, communications and reporting, and compliance.

Learn more:

Our board of directors

Our board mandate





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#### Sustainability Governance

Our governance approach to sustainability provides a strong foundation, including strategic oversight, visibility, accountability and resources to support our purpose and vision to be the most sustainable protein company on earth. Finding the balance between what is good for our environment and society and what is best for our growth, and then focusing on opportunities that deliver both, are at the heart of our management processes and disciplines.

We communicate our sustainability initiatives and performance on a regular basis. Highlights of our internal and external communication include:

Monthly reporting to the Senior Leadership Team

Quarterly reporting to the CEO, COO and CFO

Reporting (three times per year) to the Safety & Sustainability Committee of the Maple Leaf **Foods Board** 

The Company's Senior Leadership Team is directly involved in developing, approving and updating the organization's purpose, values, mission, strategies, policies, and goals related to economic, environmental and social topics. The Safety and Sustainability Committee of our Board of Directors provides oversight for sustainability-related strategies, performance and reporting. The Company's Senior Leadership Team and Disclosure Committee approve the organization's sustainability report and ensure that all material topics are covered.

Ongoing customer and stakeholder meetings and communications

Ongoing intranet and social media channel updates

Annual sustainability report and website update

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# Materiality and Reporting

Maple Leaf Foods strives to be engaging, transparent and purposeful in our communication about sustainability and we constantly work to elevate our reporting in line with industry best practices and topics that are most important to our Company.

#### Materiality and Stakeholder Inclusiveness

We place tremendous value on open dialogue about sustainability with Maple Leaf Foods stakeholders, including our employees, consumers, customers, shareholders, investors, suppliers, lenders, government, and non-governmental and non-profit organizations. We engage with many of these stakeholders on sustainability matters on a regular basis and formally on an annual basis. We compiled a comprehensive list of topics based on findings from consultations and surveys with employees, customer interviews, ongoing internal sustainability initiatives, competitive benchmark

reports and discussions with key internal leaders who are in contact with our external stakeholders.

We plan to conduct a refreshed materiality assessment in 2022.

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#### This list of topics in the below materiality matrix helps guide our annual sustainability reporting.



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#### **Report Boundary**

Our reporting boundary includes entities over which Maple Leaf Foods has operational control – our processing and manufacturing facilities, distribution facilities and offices (both leased and owned buildings), feed mill operations, pork barns, hatcheries and poultry barns. We have reported on performance indicators (i.e., GRI indicators and SASB indicators) for these entities as applicable. In alignment with the GHG Protocol, we continue to refine our emission calculations every year due to improved availability of data or methodology and restate our GHG emissions back to our baseline year (2018).

#### Information Integrity

Maple Leaf Foods' management is responsible for the preparation and integrity of the information reported in our sustainability report. Sources for statistical information referenced that are not related directly to Maple Leaf Foods are either noted or available upon request. All references about currency or financial information are reported in Canadian dollars. We believe this information accurately represents our sustainability initiatives and performance results for the 2021 reporting year.

#### Sustainability Reporting Frameworks

We report to the following frameworks and standards:

Taskforce on Climate-related Financial Disclosures (TCFD)

Global Reporting Initiative (GRI)

Sustainability Accounting Standards Board (SASB)

Sustainable Development Goals (SDGs)

Carbon Disclosure Project (CDP)







# Partnerships and Collaboration

We strive to take an active role in supporting continuous improvement by contributing our resources and knowledge to a broad range of organizations.

### These organizations include:

#### Food Processing

Alberta Food Processors Association

Conseil de la Transformation Alimentaire du Québec (CTAQ)

Food and Beverage Canada

Food & Beverage Ontario\*

Plant-Based Foods Association (U.S.)

Plant-Based Foods of Canada

#### Food Services and Grocery Retailing

Canadian Federation of Independent Grocers

Restaurants Canada

#### Meat and Livestock

Canadian Meat Council\*

National Farm Animal Care Council (NFACC)

North American Meat Institute (NAMI)\*

Responsible Meat Initiative (ReMI)\* – through the World Business Council for Sustainable Development **Better Care** 







#### Health/Nutrition/Food Safety/Food Security

Agri-Subcommittee on Food Safety (ASFS)

American Meat Science Association (AMSA)\*

Canadian Meat Science Association (CMSA)

Food Allergy Research and Resource Program (FARRP)

Food Secure Canada

Institute of Food Technologists (IFT)

International Association for Food Protection (IAFP)

**Ontario Food Protection Association** 

# Business Advocacy and Collaboration

Brandon Chamber of Commerce

Business Council of Canada (formerly Canadiar Council of Chief Executives)\*

Canadian Association of Importers and Exporter Inc. (I.E. Canada)

Canadian Manufacturers and Exporters Associa

Employers Advocacy Council (EAC)

Manitoba Chambers of Commerce

Manitoba Industrial Power Users Group (MIPUG)

Ontario Chamber of Commerce

Plant Engineering and Maintenance Association Canada (PEMAC) The Company

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#### Marketing and Innovation

Association of Canadian Advertisers

	Canadian Centre for Food Integrity (CCFI)*
n	Canadian Food Innovators (CFI)*
rs	Food Processing Human Resources Council*
ition	GS1 Canada*
	Next Generation Manufacturing Canada Supercluster
)	Protein Industries Canada
	Research Chefs Association
of	

#### Sustainability

Agriculture and Agri-food Canada - Sustainability Thematic Table

Canada Green Building Council (CaGBC)

Canadian Business for Social Responsibility (CBSR)

Canadian Roundtable for Sustainable Crops

Circular Economy Innovation Launchpad (COIL) -Our Food Future\*

The Manitoba Protein Advantage (MPA) \*

Partners in Project Green – Toronto Regional Conservation Authority

Roundtable for Sustainable Palm Oil

Shared Value Initiative

World Business Council for Sustainable Development



)

#### Packaging

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> Packaging Consortium\* Circular Materials\* Canada Plastics Pact\*

Transportation and Logistics

Private Motor Truck Council of Canada\*

#### Transportation and Logistics

Private Motor Truck Council of Canada\*

#### Pork Industry

Ag and Food Exchange

21st Century Pork Club (Canadian and U.S. clu

Canada Pork International\*

Canadian Swine Research & Development Clu (CDPQ)\*

Manitoba Pork Council\*

Pork Value Chain Roundtable Swine Innovation Pork

Canadian Pork Council

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#### Poultry Industry

Alberta Hatchery Association

Welfare Foundation)

ubs)	Association of Ontario Chicken Processors*
	Canadian Hatching Egg Producers*
uster	Canadian Poultry and Egg Processors Council*
	Chicken Farmers of Canada*
n	Further Poultry Processors Association of Canada*
	International Poultry Welfare Alliance
	National Chicken Council (NCC)*
	U.S. Roundtable for Sustainable Poultry and Eggs (Poultry & Egg Sustainability and

Ontario Broiler Hatching Egg and Chick Commission\*

**Ontario Hatcheries Association\*** 

Poultry Research Council

Turkey Farmers of Canada

Ontario Turkey Processors Association

Poultry Industry Council

\* Maple Leaf Foods holds a Board, Chair or Advisory position.





MAPLE LEAF

#### **Profiling Our Partnerships**

#### World Wildlife Fund (WWF)

Forests, wetlands, grasslands and soils store vital amounts of carbon and provide important habitat for wildlife. In 2021, we supported WWF-Canada and the Remote Sensing Lab at McMaster University to create the first-ever map that will show how much carbon is stored in landscapes across Canada. By effectively stewarding and protecting these carbon-dense areas, we can prevent that carbon from entering the atmosphere where it would make the effects of climate change even worse. Ultimately, this work will help us determine how Canada's natural features can help reduce carbon emissions to meet international and national targets.

#### Learn more:

WWF Carbon Map

#### Food Allergy Canada (FAC)

Working together, Food Allergy Canada (FAC), Université Laval and Maple Leaf Foods continue to lead a project on "Creating Food Safety Practices for Allergen Risk Management & Precautionary Allergen Labeling." The goals of the project are to develop common allergen management guidelines using a risk-based approach, guidance on the application of precautionary allergen labeling (PAL) and a broader understanding on the use of food allergen thresholds as a component of an overall allergen risk management plan. PAL is currently at the discretion of the manufacturer, is voluntary and is not regulated by Health Canada. Additionally, there are no specific Canadian allergen management guidelines used consistently across the food industry. Ultimately, by applying results of the research, allergenic consumers will have greater confidence in how PAL is applied by manufacturers, and PAL will be considered a meaningful tool to protect against potential allergen risks.

In 2021, with the University of Laval, FAC led an industry working group who together drafted the Canadian Allergen Management Guidelines which are expected to be released in mid-2022. Additionally, a Summary of the International Allergen Threshold Landscape is now available.

#### Learn more:

Food Allergy Canada

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#### Plant-Based Foods of Canada (PBFC)

Plant-Based Foods of Canada (PBFC) is a division of Food & Consumer Products of Canada (FCPC). The members of PBFC, including the Greenleaf Foods subsidiary of Maple Leaf Foods, provide choice for Canadian consumers as they look to include more plant-based protein options in their diets. PBFC works to educate consumers, government and industry partners about the nutritional and sustainability benefits of plant-based foods, consistent with the goals of Canada's Food Guide. Maple Leaf is supporting the organization's advocacy to modernize Health Canada's standards and labeling requirements for meat alternatives, and advance consumer research and certification of plantbased foods.

In December 2020 CFIA closed the Consultation on the Proposed Guidelines for Simulated Meat and Poultry Products. The final CFIA Guidelines are yet to be released.

Learn more:

Plant-Based Foods of Canada

#### **Canada Plastics Pact (CPP)**

Maple Leaf Foods was a founding member of the Canada Plastics Pact (CPP). The CPP is a platform for multistakeholder collaboration and industry-led innovation that unites leaders in Canada's plastics value chain behind a common vision and ambitious goals to address plastic packaging waste at the source. More than 40 leading Canadian businesses, NGOs and public sector partners have signed onto the CPP. They will be working to collectively achieve four clear, actionable targets by 2025. Maple Leaf Foods, together with the CPP partners, hope to fundamentally change the way Canadians use and reuse plastic, while securing a resilient economy that flourishes within nature's limits. The immediate next step for the CPP to achieve its goals by 2025 is to develop a roadmap for action. To be fully transparent and ensure measurable action, a CPP progress report will be made publicly available each year.

#### Learn more:

Canada Plastics Pact





We are actively addressing the most pressing diet-related health issues we face as a society, including reducing artificial ingredients, antibiotics use, and continually advancing leadership in food safety. The Company

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Maple Leaf Foods is committed to delivering great tasting food with natural ingredients and better nutrition. Being leaders in the real food movement, leaders in authentic craftsmanship and leaders in great value – all while delivering nutritious, affordable, and sustainable food choices that don't compromise on taste -- that is what making great food means to us.

We are on a transformational journey to activate our purpose through our brands, expand our leadership in sustainable meats and alternative proteins, and focus on our competitive differences to fuel profitable growth and create shared value for our stakeholders. For us, creating shared value is about deeply connecting with our consumers to understand what they need and investing in our brands to offer the great food choices that they are looking for. It is about being transparent and responsible about what is in our products and delivering on our commitment to the highest standards of food safety possible.

At Maple Leaf Foods, we strive to nourish, to produce food sustainably, to do social good, and to raise everyone to a better standard of living by raising the good in food. To help guide and define our future, we have developed a set of sustainable meat principles.

Our Sustainable Meat Principles

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## Nutrition

# We are committed to delivering great tasting food with natural ingredients and better nutrition.

As one of Canada's largest food producers, Maple Leaf Foods has a responsibility to address the pressing health and diet-related issues of society and to respond to consumers' demand for improved nutrition, responsible labelling and ingredient transparency. We are committed to making healthy, affordable and sustainable food that doesn't compromise on taste and meets real consumer needs.

#### Simple And Natural Ingredients

Improving nutrition has been a key focus for our flagship brand, Maple Leaf®. All of our Maple Leaf® branded products proudly contain only premium meat and real, simple or natural ingredients, supporting our ambition to be a leader of the real food movement. In 2018, in response to consumer demand for healthier prepared meats products that are made with simpler, natural ingredients, we renovated our Maple Leaf® branded products and reformulated them with ingredients that deliver the high-quality protein, great taste and real food with nothing artificial.

In 2021, we introduced "sugar free" to Maple Leaf® Natural Bacon to address the growing consumer demand for less sugar in their food, particularly among Canadian families. Not only does the addition of this claim ensure no compromise to the taste of bacon, it also further cements Maple Leaf® as a clear "better food" brand – one that uses only natural ingredients and is now sugar free! It's everything our consumers love about bacon but made better, so that they can feel good about feeding it to their family and friends.









#### Ingredients Then

Mechanically separated chicken, pork, water, modified corn starch, salt, potassium lactate, dextrose, wheat gluten, spice, corn syrup colids, sodium phosphate, sodium diacetate, dosium erythorbate, garlic powder, onion powder, sodium nitrite, smoke.

Contains: wheat

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#### Ingredients Now

Chicken, pork, water, sea salt, vinegar, spice, cultured celery ex-tract, cherry powder, cane sugar, smoke.

Full list of Maple Leaf ingredients





MAPLE LEAF

#### Sustainable Meat

We founded the Greenfield Natural Meat Co.<sup>™</sup> brand in 2015 with a goal to make sustainable meat attainable. Greenfield is a disruptor – a brand that advances sustainable meat production through leadership in animal care and the elimination of antibiotic usage in animal production and sourcing. Greenfield is a meat brand with a purpose. The Greenfield brand has the following onpack claims to continue the advancement of its commitment to sustainability:

#### **Gestation Crate Free:**

Greenfield is committed to humanely raising our animals – which is why we are GCF, meaning we use an open-pen system for our sows during their gestation phase.

#### **Humanely Raised:**

Humanely raised means our animals are treated compassionately and responsibly by our farmers and employees. Our practice is built on and exceeds a food safety and animal care program known as Canadian Pork Excellence and PigCARE.

#### **Never Ever Antibiotics:**

At Greenfield Natural Meat Co. our products are made from animals raised without the use of antibiotics – ever! Our producers follow standards of care that enable them to raise healthy animals without the routine use of antibiotics.

#### **Carbon Zero:**

Greenfield is made by a carbon neutral company and has a Carbon Zero logo on the front of product packaging so that consumers know they are making a sustainable choice.

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#### **GreenCircle Certified:**

Greenfield is working with GreenCircle Certified, an independent third party that audits all of our claims to ensure our standards never settle.

#### **No Artificial Ingredients:**

Our meat never contains artificial ingredients.

#### **No Added Hormones:**

Our animals are never given hormones - just like all pork & turkey in Canada.

#### **Vegetable Grain Fed:**

Our animals receive a customized diet of 100% vegetarian feed. Each animal is fed a balanced diet based on their life stage and nutritional requirements.

#### **Raised on Canadian Farms:**

All of our animals are raised locally, on Canadian farms, where the climate and geography provide ideal conditions to support good animal health & wellbeing.

Greenfield is on a mission to change the meat industry and reflects the very best of what Maple Leaf Foods is doing to advance leadership in sustainability, raising the high bar that we have set even higher. Our investment and focus on sustainability will continue to be reflected in what the Greenfield brand brings to the market.

#### Learn more:

Visit greenfieldmeat.com



MAPLE LEAF

#### **Plant-Based Protein**

In the past few years, we established Maple Leaf Foods as a North American leader in plant-based proteins by forming Greenleaf Foods, SPC, a wholly owned subsidiary based in Chicago. We have two leading, highly complementary brands in this category, Lightlife<sup>®</sup> and Field Roast<sup>™</sup>, and we are building leadership in this space by increasing organizational and operational capacity and our pace of innovation.

Lightlife<sup>®</sup> provides quality vegetarian and vegan foods prepared in the most healthy and sustainable manner. Meanwhile, Field Roast™ adapts traditional meat-making practices to craft vegetarian "meats" made from grains, vegetables and spices. Both brands have been answering consumer demand for plant-based products and have been bringing forward new, innovative products to grocery stores and restaurants in Canada and the United States.

In 2021, we deployed our brand renovation playbook to our Plant Protein Group brands, and completed the repositioning of our

Lightlife<sup>®</sup> brand to focus on delivering simple and recognizable ingredients and reinforced the commitment of our Field Roast<sup>™</sup> brand to deliver bold and adventurous taste. Both brands underwent significant product design and packaging renovations reflecting the revised brand mandates. All of Lightlife® and Field Roast<sup>™</sup> products are 100% vegan certified and are in the process of being 100% Non-GMO Project verified.

#### **Ethnic Choices**

The Canadian population is becoming increasingly diverse. At Maple Leaf Foods, we are committed to providing consumers with a variety of wholesome and high-quality halal food under our Mina® brand. When it comes to processing all Mina<sup>®</sup> products, we strictly adhere to the food production requirements certified by the Halal Monitoring Authority (HMA).

Mina® products are made with the finest quality chicken or beef and are individually blessed and hand slaughtered. This is a differentiating point for Mina® and our

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addition, our fresh chicken products are air chilled for the highest quality. We are also focused on providing our

competitors who machine slaughter. In

consumers with even more convenient halal options, including ready-to-eat meals and protein snacks. We continue to expand our Mina<sup>®</sup> product line to meet the growing demand for hand-slaughtered, ready-to-eat halal products such as: chicken tikka bites, falafel, tandoori chicken burgers and jalapeño beef burgers.







#### **Nutrition Education**

Knowing the right amount of which foods to eat each day and understanding how to read food labels is important to ensure a healthy lifestyle. To help Canadians make informed food choices, we are focusing on three priorities:

#### **1. Easier-to-read labels**

To help our consumers make informed food choices, we are simplifying and increasing the legibility of our packaging. Our Maple Leaf® labels are now simpler and easier to read and have a consistent style across all product lines. On our Maple Leaf Natural Selections® products, our list of ingredients is actually included on the front of the package, making it easier for consumers to locate, reinforcing that we have no ingredients to hide. As part of our Schneiders® brand refresh in 2018, which included an updated logo and packaging design, we renovated its product portfolio to offer consumers extraordinary taste with elevated artisanal flavours and new distinct packaging with easier-to-read labels.

#### **2.** Focus on the facts

We partnered with Health Canada, Retail Council of Canada, Food and Consumer Products of Canada, Canadian Federation of Independent Grocers and several leading food and beverage companies to launch the "Focus on the Facts" nutrition labelling education initiative. The goal is to help Canadians understand and use the Nutrition Facts Table (NFT) on prepared foods, with a focus on "Serving Size" and "Percent Daily Value."

Our Maple Leaf® brand has begun to adopt the updated NFT set forth by Health Canada's Food Labelling Modernization initiative. This initiative is meant to modernize and improve food labelling in Canada, reflect the latest eating habits of Canadians and enable Canadians to make more informed choices. It includes "% daily value," food colour declarations, an updated list of minerals (e.g., potassium) to reflect public health concerns and more prominent sugar callouts on our labels.



## 3. Better nutrition information at your fingertips

All of our brand websites provide better, more engaging content to help people access nutritional information and plan their diets based on their needs. Visit <u>Maple</u> <u>Leaf®</u>, <u>Greenfield Natural Meat Co.™</u> or <u>Schneiders®</u> for more information.

Our "Carbon Zero - Made by a Carbon Neutral Company" logo is now on the packaging of many of our leading brands including Maple Leaf®, Greenfield Natural Meat Co.™, Lightlife Foods® and Field Roast Grain Meat Co.™

Consumers can look for the Carbon Zero logo on the front of product packaging to feel confident they are making a sustainable choice and are supporting a carbon neutral company.





# **Food Innovation**

Innovation is the lifeblood of our business. We strive for continuous evolution and growth of our products and our business strategies. We are committed to advancing as an industry leader in food innovation and exceeding our consumer demands and expectations.

Maple Leaf Foods has continued to accelerate research and development efforts against a pipeline of innovation. In 2021, we worked to develop new products for the short-term and long-term innovation pipeline for our brands. The objective for these innovations is to improve our category assortment to help advance our commitment to better food and to ensure we remain relevant with the ever-changing consumer. There are currently several new product lines in development under Maple Leaf Foods with the first new innovation slated to launch in Spring 2023. Complementary work is underway to advance our onpack claim progression to ensure that we continue to accelerate the brand positioning of our flagship Maple Leaf® brand.

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#### **Innovation In Action**

Maple Leaf Foods innovation team applies a consumer-centric approach to design and the creative problem-solving process. We run creative brainstorming sessions, workshops with people from across Maple Leaf Foods, creative agency partners, food experts and chefs. Together, we seek to create the 'next big thing.'

Our product developers and our packaging scientists take ideas and make them a reality designing, building and testing prototypes in our world-class pilot plants. As prototypes are developed and refined, our team layers on the lens of sustainability. They leverage a network of suppliers, innovative processing technologies and materials to meet our sustainability objectives.

We bring in renowned food critics, food writers, chefs, butchers and expert tasters to taste our product. Our clean, white sensory testing room was designed to minimize distractions. Early in the design process, we want our food testers to objectively analyze several factors like taste, aroma and visual appeal. Once we know we're headed in the right direction, we focus on the experiential elements with in-home trials, where real consumers have an opportunity to cook and taste the products first-hand in their home kitchens.

From their feedback, we learn, test and adjust until we're satisfied that we have a winner. Then we get it market ready.

When the product successfully passes the test, we move it to our "Pilot Plant" where we work to replicate the product on a larger scale. Before a product makes it to a grocery store, it must pass our rigorous stage-gating process. We make sure that the product meets our exceptionally high food safety and quality standards. Our goal is to bring our consumers delicious and safe products.

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#### ThinkFOOD! Mississauga **Innovation Centre**

Our ThinkFOOD! Mississauga Innovation Centre is where customers, external partners, industry associates and consumers come together to collaborate on food innovation.

#### **Our Centre features:**

Four kitchens where we develop and prepare products

A tasting bar to sample products

A distraction-free sensory room to apply our senses to products

A focus group facility to engage with consumers

A marketplace to simulate a grocery environment

Our Kitchen Stage is a presentation room and simulated restaurant. Our chefs prepare and serve meals using our products in front of our customers and clients.

#### ThinkFOOD! Chicago **Innovation Centre**

Our Greenleaf ThinkFOOD! Innovation Center, located in Lisle, Illinois, a suburb of Chicago, is the dedicated home of the Greenleaf Foods Research, Development and Technology team to ideate, partner, develop and scale innovative plant-based proteins. ThinkFood! Chicago provides the infrastructure to facilitate the creation of novel and delicious plant-based proteins including a stateof-the-art rapid prototyping space, food processing pilot plant, a multi-variety of culinary equipment and a culinary presentation kitchen to partner on product innovation with customers and supply partners. The rapid prototyping space allows employees to concurrently work collaboratively on product designs, experimenting with new ingredient, flavor, plant protein, and packaging technologies to craft craveable plant-based proteins.

The center was built to foster collaboration, breaking down barriers and allowing ideas to sprout into innovative plantbased foods to nourish our consumers. There are two large open co-creation areas, conference rooms and bench spaces to facilitate collaboration.

ThinkFOOD! Chicago also features a Presentation Kitchen, a space dedicated to proudly showcase our product innovation to our Retail and Foodservice customers.

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## Food Safety

Maple Leaf Foods has a long-standing commitment to become a world leader in food safety and advance consumer trust of the health and safety of the food we produce. We adhere to the highest food safety standards and are continuously seeking better ways to make our food as safe as possible. This is our Food Safety Promise.









#### Food Safety Strategy

The Maple Leaf Food Safety, Quality and Technical Services strategy represents the evolution of our Food Safety Promise and the commitments we made in 2009, which are embodied in our goal to always produce safe, great tasting food, produced in a safe work environment.

#### The strategy is put into action through the engagement of all Maple Leaf Foods employees and through a variety of initiatives, including:

Strong industry-leading food safety and quality performance metrics that ensure accountability through transparency

Ensuring food safety training for our people

Pursuit of a preventative approach to continuous improvement

Investment and continued support of our ambitious Salmonella Reduction Strategy in the poultry supply chain

Enhancing preventative controls through improved Hazard Analysis and Critical Control Point (HACCP) plans and expanded training and certification of associates

Relentless efforts to enhance and improve our already world-class Listeria Monitoring Program

Cultivate talent and strengthen our high performing Food Safety, Quality and Technical Services team

Drive continuous improvement in supplier and co-manufacturing Food Safety and Quality Supplier Performance

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#### Sanitation Strategy

Sanitation is a foundational and critical part of our food safety strategy. In order to prevent foodborne illness, it is paramount that all of our plants, equipment and surfaces are sanitized at all times and our employees are dressed in extensive personal protective equipment. In 2020, we launched and began deployment of our rigorous three-year Sanitation Strategy. In the first two years, standardization of practices was achieved by assessing each plant across the network and developing an improvement plan that the site was accountable for and the corporate team supported.

An evaluation tool and a Sanitation Incident Reporting (SIR) performance metric were developed that allowed plant sanitation leaders to evaluate the success of their sanitation process and make improvements where needed. In the first year, significant improvements were made and our SIR performance metric met and exceeded our target by 19%. By the end of 2021, our SIR performance metric continued to improve and we met and exceeded our target by 4.2%. Overall, the plant network sanitation performance improved by 63% compared to the 2019 baseline.

It is also a strategic goal of ours to achieve sanitation excellence while also successfully managing and preserving our assets, such as equipment. Sanitation can be incredibly damaging to equipment, so it is critical for us to properly procure and manage our assets while not compromising on our sanitation protocols. In 2021, we successfully developed a strategic plan to ensure continuity between our sanitation strategy and asset procurement and preservation. Standard that includes industry best practices. We focus on fact-based decisions, dedicated crossfunctional Foreign Material plant teams, as well the use of technology, such as metal detectors and x-rays, to enhance our ability to find foreign materials. In addition, cross-functional teams proactively look for risks in the process and make changes, including preventative and autonomous maintenance. Over the past three years, we have reduced foreign material complaints by 45%. We are proud of this progress and will continue our relentless pursuit to prevent and reduce foreign material from entering our products.

### Salmonella Reduction Strategy

In 2021, Maple Leaf Foods continued to commit resources to its fresh poultry pathogen reduction efforts by focusing its efforts on Salmonella monitoring, development and execution of mitigation strategies along the entire end-to-end fresh poultry supply chain.

Properly cooking fresh poultry kills Salmonella, but our path forward is to first focus on pathogen reduction. Our multi-year Salmonella reduction strategy results in a reduction in the prevalence, load and likelihood of the presence of the most pathogenic salmonella stereotypes: those most commonly associated with human illness. The strategy continues to drive the implementation of best-in-class management practices, proven intervention techniques and practical steps in processing that will reduce risk. As in previous years, we continued to share our results and our learnings with industry peers and government authorities with the goal of raising the bar on this very important food safety challenge.

#### Foreign Material Reduction Strategy

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#### Food Safety And Quality Management

Maple Leaf Foods has a robust and thorough Food Safety and Quality Management system that In 2021, Maple Leaf Foods had zero food safety recalls and two (2) voluntary quality-related product withdrawals, a result of products that did not meet Maple Leaf Foods standards. includes policies, company standards and standard operating procedures. Documents are housed in one document repository, with formal workflows, approvals, defined roles and responsibilities, Corrective and preventative actions were successfully executed on the two quality-related product and an established document review cycle is in place. withdrawals. Our formal and robust recall standard operating procedure is updated annually with key learnings and clear roles and responsibilities. Maple Leaf Foods did not have any food safety or We continuously monitor the effectiveness of our efforts through aggressive testing of our quality-related market bans in 2021.

manufacturing environment and our products. In 2021, we conducted more than 280,000 tests to measure quality and safety, including the detection of allergens, microorganisms and pathogens. We regularly swab, test and sanitize all our production areas, including manufacturing equipment, as a preventative measure to maintain the quality of our products.

In 2017, Maple Leaf Foods launched a new paradigm for food safety and quality metrics that has guided improved performance in our operations. We established the Food Safety Incident and a third-party auditor following either the Brand Reputation through Compliance (BRC) or Rate (FSIR) and the Quality Incident Rate (QIR). These two indexed values are calculated each month for every production site based upon well-defined Key Performance Indicators (KPIs). For prepared meats facilities adhere to these standards. FSIR, we measure recalls, near misses, pathogen failures, repeat non-conformance on internal Our plant-based protein facilities in the U.S. are either certified to the BRC Global Standard for audit, regulatory non-conformance and consumer complaints for food safety-related issues. Food Safety or are on the certification journey. Similarly, the QIR metric has three KPIs: quality withdrawals, quality near misses and customer and consumer complaints for quality. The KPIs for each metric are used in a formula that generates the In 2021, despite significant restrictions imposed by COVID-19 which impacted auditor travel, FSIR and QIR values on a monthly basis. Each month, plants across the enterprise are assessed we worked with our certification bodies to ensure continued compliance to the standards and for FSIR and QIR, and a quarterly review is held with the plant leadership group and senior maintain certification at all sites. management team, including the CEO, to discuss successes and failures.

We require all of our raw material suppliers to have their facilities certified to a Global Food Safety The first four years of the program have been very successful, and adjustments were made in 2021 Initiative (GFSI) benchmarked standard. We have actively tracked adherence to this requirement to drive further improvements. We are pleased to report that our food safety and operational teams since 2015 and have discontinued business with several suppliers that were unable to meet our executed effective plans that achieved our 2021 targets. We met and exceeded our FSIR target by requirement. 45% and QIR target by 51%. These results are a reflection of the dedication and commitment to our Food Safety Promise from the manufacturing facilities.



#### Food Safety Recalls And Market Bans

#### **Global Food Safety Standards**

Maple Leaf Foods adheres to the highest standards set by the Global Food Safety Initiative (GFSI). All of our meat production facilities are audited annually by an internal food safety audit function Safe Quality Food (SQF) standards, both of which are recognized by the GFSI. All of our fresh and



We continue our commitment to support our suppliers and hold them accountable to achieving GFSI certification, including smaller companies that have committed to our GFSI requirement but need extra time to comply. By the end of 2021, the following suppliers are GFSI certified for our meat protein segment:



We have extended this requirement to our plant protein segment as well. By the end of 2021, the following suppliers are GFSI certified for our plant-based protein segment:



We are happy with this progress but there is still work that needs to be done. In 2022, we will continue working with our plant protein suppliers and all new acquisitions to support the certification of their facilities to a GFSI standard.



Meat Institute



#### **Better Food**

#### **Accredited Laboratories**

Maple Leaf Foods has four accredited laboratories that perform analytical testing to maximize our food quality and safety and minimize health risks. Maple Leaf Foods' accredited laboratories are ISO/IEC 17025 accredited with Standards Council of Canada. Our laboratories use advanced techniques and equipment to provide food safety risk assessments, investigative testing, method development and validation. Plus, our laboratory staff are trained and experienced in chemical and microbiological qualitative and quantitative analysis in food and food processing environments.

#### Leadership And Collaboration

Our Food Safety, Quality and Technical team members continue to actively participate in committees, task forces and workshops (virtually during the COVID-19 pandemic) throughout North America and globally.

Read more:

On our blog

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on	Food Safety Associations and Committees that Maple Leaf Foods works with:
•	The Canadian Meat Council, the North American Meat Institute, the Canadian Poultry and Egg Processors Council and the National Chicken Council (U.S.) food safety and regulatory committees
I	The Research Advisory Committee of the Foundation for Meat and Poultry Research.
	Member and Sustaining Partner (Silver) of the International Association for Food Protection (the leading global food safety professional organization) for the past nine years
	Sustaining Partner (Bronze) of the American Meat Science Association, for over 10 years
	The GFSI Auditor Training and Professional Development Committee
	Members of the Food Allergy Research and Resource Program (FARRP) and Food Allergy Canada.
	Partners with the U.Sbased Alliance to Stop Foodborne IIIness (STOP)
	Instructors at the bi-annual Advanced Listeria Control Workshop, sponsored by the North American





## Food Safety Advisory Council

An important aspect in becoming a global leader in food safety is bringing global best practices, research and trends to Maple Leaf Foods and broadening the collective body of knowledge in this critical area of non-competitive industry practice. In 2009, we established a Food Safety Advisory Council, which includes experts who bring academic and applied experience.

Dr. David Acheson, MD

President and CEO of the Acheson Group, formerly Chief Medical Officer, U.S. Food and Drug Administration

Peter J. Taormina, PhD President of Etna Consulting Group, formerly with Smithfield Foods

Mansel W. Griffiths, PhD Professor Emeritus at University of Guelph, formerly director at Canadian Research Institute for Food Safety

John Weisgerber Founder of Weisgerber Consulting, formerly Director of Quality, Kraft/Oscar Mayer

## Annual Food Safety Symposium

As part of our ongoing commitment to food safety leadership, Maple Leaf Foods hosted its 11th annual Food Safety Symposium on October 26th, 2021 in partnership with the Alliance to Stop Foodborne Illness.

The event, hosted virtually this year, took on a different format, but the goal remained the same to advance the safety of the food system in Canada, North America and globally.

With the theme "Speak to the Heart to Move the Mind: How Foodborne Illness Storytelling Can Lead to Better Food Safety Outcomes", Maple Leaf Foods and the Alliance to Stop Foodborne Illness delivered a unique agenda that gave individuals who experienced lifethreatening foodborne illnesses a platform to tell their personal stories.

Learn more



Maple Leaf Foods has strong values that deeply define our culture and how we operate. These values extend to how we treat the animals we raise or source. We have significantly enhanced governance, investment and operational focus to build a world-class animal welfare program. The Company

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As the largest Canadian meat protein company, we hold ourselves to a high standard of animal care. Driven by our purpose to Raise the Good in Food and create shared value, we recognize the humane treatment of animals for food production is a social and ethical priority and a responsibility that we take extremely seriously. Consumers need to be able to trust the integrity of the food they eat and we are committed to meeting that expectation.

This requires building a strong culture of animal well-being, advancing continuous improvement within Maple Leaf Foods and across the industry, and holding ourselves accountable to performance and progress. We are committed to providing the necessary organizational focus and resources to advance the welfare and science-based treatment of animals. Our focus is on providing the best, most humane care possible for our animals, involving extensive research, staff training and investment in innovation.

2021 Animal Care Performance Report

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## **Commitment to Animal Care**

We are committed to enhancing our animal wellness practices in a manner that advances the Five Freedoms, the most widely accepted global standard for responsible animal care, and the Five Domains, a widely adopted approach for assessing physical and functional factors that affect an animal's welfare and overall mental state.

The scope of our Commitment to Animal Care extends throughout our global supply chains for all animal proteins we source. The primary focus of our Commitment to Animal Care is establishing standards and practices applicable to our owned operations involving live animals and the Canadian provinces in which they are located. Our Commitment to Animal Care additionally establishes a commitment to work closely with our producer partners and other suppliers to advance high standards of animal care across our supply chain. Animal care requirements for our suppliers and service providers are established through contractual agreements and in our Supplier Code of Conduct.

Our Commitment to Animal Care

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#### Animal Care Golden Rules

Our Animal Care Golden Rules are a set of critical animal care standards that Maple Leaf Foods expects our employees and providers to uphold. They were developed for the purpose of having clear expectations for all individuals regarding proper care and handling of animals. An infraction of one of the Golden Rules leads to a comprehensive investigation, corrective actions, preventative action plan and progressive disciplinary action, where necessary.

**Our Animal Care Golden Rules** 

#### **Five Freedoms And Five Domains**

The Five Freedoms are the most widely accepted global standard for responsible animal care and form the fundamental basis for our approach to animal welfare at Maple Leaf Foods. This approach identifies five core elements of animal welfare considered to be critical minimum standards necessary for the adequate care of livestock and poultry. As we continue to advance in animal care, we have moved beyond the Five Freedoms to an approach that more fully encompasses the mental state of animals, known as the Five Domains. This approach defines both positive and negative experiences for animals and serves as a guide for us to increasingly prioritize positive experiences as a fundamental aspect of caring for our animals.

Our overview of the:

Five Freedoms and Five Domains





#### Advancing Animal Care

As part of our purpose, Maple Leaf Foods is advancing our strategic priority of caring for our animals responsibly through the following three areas:

Demonstrating leadership in animal care policies and practices

Investing in housing design and enrichment in all our facilities to support natural behaviours

Investing in facilities, transportation and processes to eliminate pain and stress

#### Demonstrating Leadership in Animal Care Policies and Practices

Designing and delivering animal care training modules for fresh pork and poultry plants Requiring all drivers, internal and external, to have transportation training that's verified and tracked Requiring all our pork and poultry operations to undergo an annual independent audit, and to correct any deficiencies immediately Utilizing third-party remote video auditing (RVA) in all of our hatcheries and processing facilities to advance training and operating practices and to respond swiftly to any animal welfare incidents Conducting internal audits of all our thirdparty broiler farmers to ensure they are meeting our high standards of animal welfare

Executing our animal care strategy, measuring our performance on initiatives that advance the Five Freedoms and Five Domains Requiring third-party suppliers to commit to Maple Leaf Foods' animal welfare standards in procurement contracts and our Supplier Code of Conduct Continuing to reduce or eliminate antibiotic use across our supply chains, while recognizing the importance of providing necessary medication to sick or injured animals Committing to transparency in our communications, including reporting on our goals, progress and performance Upholding our Animal Care Golden Rules through rigorous incident investigations and

senior management reviews

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MAPLE LEAF

#### Investing in Housing Design and Enrichment

Environmental enrichments are important because they provide animals with more opportunities to express their natural behaviour, such as pecking, rooting and perching and can enhance their mental and physical health.

#### Here are some examples of how we are supporting natural behaviours in the animals we raise:

Transitioned all sow spaces under our management from gestation crates to our Advanced Oper Sow Housing system as of the end of 2021

Provided environmental enrichment for our pigs in 100% of our nursery-finisher and sow barns to reduce boredom and promote play

Pilot-testing free farrowing systems

Conducted robust broiler environmental enrichment trials and implemented our updated enrichments in all barns supplying our Certified Humane® Raised and Handled and Certified Organic programs

Advanced environmental enrichments in our breeder grower and broiler breeder operations by providing pecking blocks and ramp platforms in our breeder grower barns and evaluating ramp platforms in our broiler breeder barns

#### Investing in Facilities, Transportation and Processes

g,	Eliminating surgical castration in piglets under our management through a phased transition to immuno-castration
	Implementing scientifically advanced and humane stunning and euthanasia, including controlled atmosphere stunning in all our fresh poultry facilities as a core element of our fresh poultry strategy
n	Upgraded our poultry trailers to include climate-controlled trailers and "SafeFlight" digital transportation monitoring system that provides real-time temperature and humidity information when transporting poultry
C	Converted our internal fleet of hog trailers to hydraulic-lift deck trailers

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# Governance, Oversight and Monitoring

Animal welfare is a shared responsibility with Maple Leaf Foods' employees, management teams, veterinarians, and executive leadership accountable for our performance. Our rigorous animal care governance, oversight and monitoring processes ensure that we are implementing the very best, science-based animal care practices and are continuously assessing and improving our efforts.

Our Vice-President of Animal Care leads the implementation of our program, which incorporates leading science and advancements. We have an Animal Health and Welfare Technical Committee and Working Group composed of internal experts who meet routinely to identify requirements, advance practices and monitor progress. We also work with our Maple Leaf Animal Care Advisory Council of external experts who recommend best practices, scientific research and innovation in an effort to help us continually improve.

Maple Leaf Foods' senior leaders and executives routinely engage in our animal care programs, policies and results through our internal Animal Care Council and guarterly update meetings. Animal care reports are submitted guarterly to the Safety and Sustainability Committee of the Maple Leaf Foods Board.

Senior leaders of our hog production, poultry and pork businesses continue to maintain operational responsibility for animal care, regularly reviewing reports and audits, and signing off on policies. Within the business, we have six veterinarians who oversee animal welfare, along with dedicated Canadian Food Inspection Agency veterinarians and staff at each of our processing plants. Animal welfare metrics are reported regularly, and non-compliances or audit failures are addressed immediately.

Our Animal Care Advisory Council Members

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#### **Education And Training**

Education and training are foundational to knowledge, empowerment, accountability and a strong animal care culture. Every employee involved in the raising, transport and processing of animals must be trained on and adhere to our animal care policies and procedures. All employees who handle animals receive animal care training when they commence employment, and this is reviewed frequently, or at minimum annually. Training is a critical part of building a strong animal care culture.

Maple Leaf Foods has 35 experts who are Professional Animal Auditor Certification Organization (PAACO) certified across our pork and poultry operations, and they monitor animal welfare every day. Our people who are PAACO trained and certified have deep knowledge and skills related to animal welfare monitoring and reporting.

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#### Auditing and Corrective Actions

A rigorous and highly visible internal, independent, and remote video auditing program is essential to reinforce high standards of animal care. Our PAACO-trained employees conduct weekly audits of our hog and poultry facilities, and daily monitoring of our meat processing facilities. Our meat processing facilities are also monitored by on-site Canadian Food Inspection Agency (CFIA) veterinarians.

Our owned hatcheries, pullet and broiler breeder flocks undergo monthly internal animal welfare audits to ensure compliance with the National Farm Animal Care Council (NFACC) Code of Practice, Canadian Hatchery Federation Animal Care Program, Canadian Hatching Egg Producers Animal Care Program and National Chicken Council (NCC) standards. Our third-party broiler chicken farmers undergo animal welfare audits by our PAACO-trained Animal Health and Welfare Technicians (AHWT) and provincial board auditors to ensure compliance with the NFACC Code of Practice and Chicken Farmers of Canada Animal Care Program. All our full chicken supply chains undergo third-party auditing at minimum annually.

Our owned hog production operations undergo annual internal and third-party audits by HACCPand PAACO-certified auditors in accordance with the Canadian Pork Excellence and PigCARE programs. Our third-party hog suppliers are required to be certified under the Canadian Quality Assurance and Animal Care Assessment Programs, which are transitioning to the Canadian Pork Excellence and PigCARE programs. Our meat processing facilities are monitored by dedicated onsite inspectors from the CFIA and are required to undergo weekly internal audits as well as comprehensive third-party animal welfare audits conducted by PAACO-certified auditors annually at minimum. Better Food

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#### Remote Video Auditing

Using modern auditing techniques for system oversight is an important element of accountability. Remote Video Auditing (RVA) involves daily video-based auditing of our operations by trained third-party auditors. These auditors send out an immediate notification upon observation of any concern or infraction. Our auditing is performed by an industry-leading, third-party expert, Arrowsight, who ensures we capture the critical points of animal handling at our hatcheries and primary processing facilities. We are also working with Arrowsight to test mobile RVA technology capable of auditing catching and loading processes on chicken farms.







## **Standards and Performance**

We hold ourselves to the highest standards of animal care and are committed to science-based, best practices. We adhere to many industry standards and codes of practice to ensure we are in compliance and provide the very best care for our animals throughout raising, production and transportation.



#### Within our operations, Maple Leaf Foods adheres to a number of standards, including:

National Farm Animal Care Council (NFACC) Codes of Practice

Canadian Pork Excellence and PigCARE

North American Meat Institute (NAMI) Animal Handling Guidelines

Canadian Hatching Egg Producers CHEQ<sup>™</sup> and Animal Care Programs

Canadian Hatchery Federation Animal Welfare Program

Chicken Farmers of Canada Animal Care Program

Certified Humane<sup>®</sup> Raised and Handled

**Certified Organic** 

National Chicken Council Animal Welfare Guidelines for Broilers

National Chicken Council Animal Welfare Guidelines for Broiler Breeders





#### Our Commitment To Advanced Open Housing For Sows

We are extremely proud to report that Maple Leaf Foods has transitioned 100% of our owned sow spaces (69,850 sow spaces) to our Advanced Open Sow Housing system as of the end of 2021.

In 2007, Maple Leaf Foods was the first major company in Canada to commit to converting sows from gestation crates to an Advanced Open Sow Housing System. In 2014, Canada's pork industry committed to ending gestation crate use by 2024. As one of North America's leading protein producers, Maple Leaf Foods signed this agreement but set a more ambitious timeline to convert all our owned Maple Leaf Agri-Farms sow barns to a new Advanced Open Sow Housing System by 2022.

As part of our commitment to world-class animal care, our animal care team studied housing and feeding systems around the world and combined the best practices we observed into the company's unique Advanced Open Sow Housing. Our system differs from other open sow housing systems by not just opening or removing gestation crates, but rather by creating housing areas with various functional spaces that support sows' desires to choose when to play, to socialize, to eat and to rest. The unique open system also helps Maple Leaf Foods Team Members to observe the sows more readily as they move about, monitor their health more accurately and provide optimal care.

It takes a great deal of skill and attention to transition animals from a confined environment to enhanced open housing in a way that minimizes natural aggression and competition for food. A significant amount of research, investment and experience has enabled Maple Leaf Foods to support conversion of sows from confined to advanced open housing in a way that optimizes animal well-being.

Advanced Open Sow Housing System Infographic

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#### **Evaluating Freedom Farrowing Systems**

In 2021, we continued to perform a small-scale trial using two different designs of freedom farrowing systems (maternity pens). This allows sows that are nursing piglets more space and increased freedom of movement, while still protecting their piglets from being injured by the sow. The pilot has been successful in allowing increased freedom of movement and not compromising the safety of the piglets. This trial will continue in 2022 and beyond as we gather more data and increase our understanding of sow and piglet behaviour and interaction in these advanced welfare maternity pens.

#### **Environmental Enrichment**

As part of our commitment to enhancing the mental and physical well-being of our animals, we view environmental enrichments as an important means of supporting natural behaviours, reducing boredom and improving the health of our animals. All of our owned pigs are provided environmental enrichments in the form of carefully selected hanging toys for our nursery-finisher pigs and group housed sows, and we are piloting additional sow enrichments such as burlap.

We have completed extensive field trials evaluating broiler environmental enrichments and we began our phased implementation of enrichments to support pecking, perching and hiding behaviours in 2021. We also provide ramp platform and pecking stone enrichments to our breeder grower flocks, which have led to improvements in the feathering and health of our birds, and we are evaluating ramp platforms in our broiler breeder flocks.

#### Innovations In Transportation

We have converted all of our pig trailers to hydraulic-lift deck trailers to reduce stress during loading and unloading and enhance ease of use for our drivers. These trailers bring the pigs from the sow barn to the nursery barn, and from the nursery to the finishing barns.

In our poultry operations, we have invested in five climate-controlled poultry trailers as part of our trailer fleet in Alberta to provide added protection for birds during adverse weather conditions. We have developed a custom real-time, digital temperature and humidity monitoring system called SafeFlight for use across our poultry transportation network. In 2021, we completed the final phase of our SafeFlight implementation. This system reports trailer conditions in real time to our drivers and lairage monitors which enables them to take immediate corrective actions if necessary, improving the comfort and well-being of our birds.

We routinely test new methods for keeping our birds comfortable in all types of weather, including fan trailers, shade devices, and adjusting trailer loading patterns, to ensure the best possible transportation outcomes.





## Responsible Antibiotic Use

Our society is becoming increasingly concerned about the use of antibiotics in animal production with alternative drug choices for the treatment of many bacterial infections becoming more limited, more expensive or non-existent.

Maple Leaf Foods is committed to minimizing or eliminating the use of antibiotics wherever possible, while maintaining high standards of animal care. We are actively engaged in industry and government efforts to reduce antibiotic use in livestock operations, including increasing veterinary oversight of antibiotics prescribed to livestock.

We reduce antibiotic use through our Raised Without Antibiotics (RWA) program, which focuses on providing excellent management, health and nutrition to our animals so that antibiotics are rarely required. Should any animal, herd or flock that is in our RWA program become sick, all treatment options are considered in consultation with a veterinarian, including administering an antibiotic. If an antibiotic is administered, the treated animal, herd or flock is removed from the program. We follow stringent operating protocols to protect the health of our animals that are raised without antibiotics, which is one of our animal care priorities.

In 2021, antibiotic use in our owned pigs was an average of 39 mg of active ingredient per kg of pork produced based on antibiotic quantity dispensed. Of those pigs, 56% were Raised Without Antibiotics and never received any antibiotics throughout their entire lifetime. Since 2014, we've reduced our antibiotic usage by 98.9% across our hog production operations.

Maple Leaf Foods is among the largest producers of RWA pork in North America and the largest in Canadian poultry.

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### Antibiotic Use in Maple Leaf Foods' Hog Production Operat



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atic	ons						
					39.0		
					2021		
	<b>106.4</b> 2018	<b>39.8</b> 2019	<b>31</b> 202	<b>+.6</b> 20			
					mg Active Ingredient ,	/ kg Pork Produ	ced

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## Advocacy, Leadership and Collaboration

Maple Leaf Foods works with numerous stakeholders to advance animal care practices across the industry. We take active roles in committees and working groups that are working towards advancing animal care practices.

We also meet frequently with animal advocacy groups as they bring important perspectives to issues, global advancements and science related to animal welfare. We are committed to seeking open and constructive relationships with them. Better Food

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#### Stakeholders, Committees And Working Groups That Maple Leaf Foods Works With:

Member of the Global Coalition for Animal Welfare (GCAW)

Member of the Manitoba Pork Council, which itself is a member of the Canadian Pork Council (CPC)

Board director of the Canadian Poultry and Egg Processors Council (CPEPC) and leader in initiating an in-depth broiler welfare working group

Associate member of the National Farm Animal Care Council (NFACC)

Board member and Vice Chair of the Ontario Broiler Hatching Egg and Chick Commission

Sponsor of the National Science and Engineering Research Chair in Swine Welfare at the University of Saskatchewan Member of the International Poultry Welfare Alliance (IPWA) and participant in the IPWA Broiler Subcommittee

Platform partner of the Poultry Innovation Partnership in Alberta

Expert panel member of the Sysco Animal Welfare Council

Member of the North American Meat Institute (NAMI) Animal Welfare Committee

Member of the NAMI Protein PACT for People, Animals and the Climate of Tomorrow

Participant in the Animal Health Canada Work Group

Collaborator and supporter of animal health and welfare research projects





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#### Leadership And Collaboration Highlights

#### **Broiler Stocking Density Research**

We collaborated with Dr. Karen Schwean-Lardner and her team from the University of Saskatchewan to conduct a research trial evaluating the impacts of broiler stocking density on welfare, performance, environment and condemnations. We investigated outcomes including le and foot pad health, bird production parameters, indicators of stress, and environmental meas such as air quality and bedding quality. We also evaluated the impacts of stocking density on bird behaviour by analyzing video recordings. The effects of stocking density are very dependent on management of the environment. However, regardless of how well this is controlled, there is evidence of poorer welfare at higher densities, including reductions in production, poorer litter quality, and increases in foot pad lesions, infectious mortality, fear and stress levels.

#### **Broiler Environmental Enrichment Trials**

In 2021, we finalized the design of our broiler environmental enrichment objects following exten field testing, practical experience and producer partner feedback. We also partnered with Dr. Martin Zuidhof through the Poultry Innovation Partnership to complete a full statistical analysis our enrichment testing results, including bird behaviour, foot pad and hock lesions, bone streng attributes and production parameters. Our objects are designed to provide broilers with ideal opportunities to express their natural behaviours, while being easy to clean, biosecure, lightwei and safe. All of our Certified Humane<sup>®</sup> Raised and Handled and Certified Organic farms are equipped with our new enrichments and we are expanding to other farms in our poultry networ

Grid ramp to promote perching

Washers and zip-ties to promote pecking

Trapezoid hut to promote hiding and resting

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#### **African Swine Fever and Compartmentalization**

n bird eg sures	We have taken a leadership role in the pork industry regarding planning and preparedness for an outbreak of African Swine Fever (ASF) in Canada. Our current focus is to maintain and ensure global food security and the highest degree of animal welfare and environmental stewardship during the course of disease eradication efforts, should they become necessary.
ent	A key focus of our ASF preparedness efforts is the development of an ASF-Free Compartment. Compartmentalization is a disease control strategy where a subpopulation of animals under a common management system can be certified as free of disease based on compliance with a set of rigorous disease prevention and risk mitigation requirements. An ASF-Free Compartment would allow trade to continue from Compartment farms with accepting trade partners should ASF enter Canada.
nsive s of	Maple Leaf initiated and continues to actively support a national effort, now led by the Canadian Food Inspection Agency and the Canadian Pork Council, to develop national standards and a governance framework for a National ASF Compartmentalization Program in Canada. Canadian efforts to develop an ASF Compartmentalization Program represent global leadership in ASF control.
gth ight	We continue to work with expert veterinary epidemiologists at One Health Scientific Solutions and Ausvet to develop best practices in ASF prevention and control. A highlight of this collaboration was publishing a scientific article about risk-based early detection of ASF using mortality thresholds <sup>*</sup> .
rk.	Our veterinarians and technical experts are actively involved in all aspects of preparing for ASF. They have designed and implemented measures to protect our farms, including biosecurity measures necessary to prevent ASF entry, real-time traceability of movements of people, vehicles and pigs, and surveillance programs to ensure early detection of ASF in the event it enters Canada.
	*Risk-based early detection system of African Swine Fever using mortality thresholds





#### **Providing Educational Experiences**

The Poultry Innovation Partnership (PIP) is a partnership of the poultry industry, Government In 2021, we supported several experiential learning opportunities for post-secondary students within our operations. We hosted three student veterinarians on poultry veterinary externship of Alberta, and the University of Alberta whose mission is to foster a healthy Canadian poultry rotations and we hosted University of Alberta students on a virtual mini-internship to learn about enterprise. Excellence in research and innovation, knowledge management, technology transfer poultry production. We were able to create a summer student internship position in our poultry and mentoring tomorrow's poultry professionals are the Centre's hallmark. We have been an active procurement department, which was designed for a third- or fourth-year undergraduate student contributor and board member of PIP since its inception in 2019, as well as an active contributor and focused on data management, scheduling, settlements, producer communication and of the prior organization, the Poultry Research Centre. Rachelle Davidson represents Maple Leaf relations, and in-barn experiences with field personnel. Experiential learning through visits to farms on the PIP board, and in 2021, held the position of board Vice-Chair. Her contributions included leveraging industry funds to support a variety of research projects, hosting University of Alberta and other poultry and livestock operations are a critical part of educating aspiring veterinarians and others who seek to work with animals. We are proud to collaborate with educational students during a virtual mini-internship over reading week in February, and arranging a summer student internship in our poultry procurement department. Funding for the student was provided institutions to create meaningful opportunities for students. by PIP, the Poultry Science Association, and Maple Leaf.

#### **Investigating Breast Muscle Myopathies**

We collaborated with Drs. Shai Barbut and Leonardo Susta at the University of Guelph and with our genetics supplier to further investigate the epidemiology and consequences of breast muscle myopathies in broilers. Breast muscle myopathies result in poor meat textural qualities. By working with the University of Guelph team, we were able to better understand conditions leading to breast muscle myopathies and actions that can be taken to reduce their incidence.

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#### **Poultry Innovation Partnership**

#### **Digital Farm Traceability and Biosecurity Technology**

Our Maple Leaf Agri-Farms and Information Solutions Infrastructure teams co-innovated with Be Seen Be Safe Ltd. to adapt their existing digital traceability technology into a new system called Farm Health Guardian<sup>TM</sup>. Farm Health Guardian<sup>TM</sup> is a complete, real-time disease spread mitigation platform that tracks personnel and vehicle movements in coordination with the health status of barns or geographic areas. In the event of an animal disease incident, time is of the essence. This system allows our team to impose movement restrictions and conduct biosecurity trace-backs in near real-time, reducing the risk of disease spread and saving hours of work compared with traditional paper-based methodologies. Through the course of our co-innovation, we helped to develop a system that is customized for pork production operations and which allows greater flexibility for different types of digital connections. We have worked with Be Seen Be Safe Ltd. to share this system with other hog producers and pork production companies and with the Canadian Food Inspection Agency.





#### North American Meat Institute's Protein PACT for the People, Animals and **Climate of Tomorrow**

a crucial industry leadership role. Not only did leaders from MLF facilitate NAMI board Maple Leaf Foods leaders were instrumental in the initiation and development of the North action directing the creation of the Protein PACT framework, but they also provided American Meat Institute (NAMI) Trust in Animal Protein Task Force, and Maple Leaf's representative many hours of input into development of the goals, targets and metrics NAMI members on the NAMI Executive Board fulfilled the role of chairman of the task force. The work of the task will use to drive success in sustainability commitments across five non-competitive pillar force ultimately led to the formation of the NAMI Protein PACT, a multi-species effort that is coordinated and funded by supply chain partners across the various value chains. In 2021, Maple areas. Furthermore, MLF leaders have acted as champions for Protein PACT, generating Leaf formally committed to participate in ProteinPACT by sharing data on 92 metrics in five focus momentum and support for the vision at key moments during its development, speaking areas, and Maple Leaf leaders are directly engaged in the sub-committee activity of the Protein at board meetings, member conferences and committee meetings. MLF's influence is PACT through the Animal Care, Food Safety, Environment and Human Rights / Labor pillars. significant because it "walks the walk" with its own commitment to sustainable meat production. NAMI is grateful for MLF's partnership and generosity in sharing its expertise The Protein PACT seeks to earn trust from stakeholders through continuous with peer processor companies of all sizes for the advancement of the whole industry."

## improvement that demonstrates shared value so that:

Consumers concerned about animal protein production and consumption believe the entire animal protein value chain is aligned with their values and is an important part of a socially responsible and healthy diet.

The animal protein sector is honest, open, transparent and authentic in evaluating practices, and is seen as such by consumers and stakeholders.

There is alignment between producers and processors in building trust (cattlemen and women, pork producers and processors, chicken producers and processors, etc.).

The animal protein sector co-exists with those who oppose animal protein today.

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"From the	e inception of t	the North Am	nerican meat	industry's vision to	align its cont	inuous
improvem	ent philosoph	y with consu	mer values, M	Naple Leaf Foods (	MLF) has prov	vided
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-Julie Anna Potts, CEO, North American Meat Institute





# Better Communities

We value our communities and work collaboratively with organizations to reduce food insecurity in Canada. We value a culture and work environment that keeps people safe, rewards excellence and empowers everyone to learn and contribute their best.

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#### Better Communities

Maple Leaf Foods is committed to creating shared value through strengthening our communities and advancing meaningful social change. That's why we created an organization to make a lasting, positive impact on food insecurity in Canada – The Maple Leaf Centre for Food Security. The Centre is a registered charity governed by an independent Board of Directors. Its goal is to work collaboratively across different sectors to reduce food insecurity in Canada by 50% by 2030.

Creating shared value also requires extraordinarily talented and passionate people that drive business success. Our purpose and vision attract top talent who can make a difference. We are committed to investing in our people and fostering a culture that leads in workplace health and safety and deeply embraces diversity and inclusion. A culture where people can bring their authentic selves to work and are empowered to realize their full potential.

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**Better Communities** 

## **Food Insecurity**

Food insecurity is a critical social issue that impacts health, academic and economic potential, and disproportionately affects racialized communities. We are collaborating with organizations to reduce food insecurity and raise the profile of this pressing social issue, advocating for critical policies and investing in programs required to drive sustainable change.

People are food secure when they have stable access to affordable, nutritious and culturally appropriate food. People who are food insecure worry about running out of food, compromise on food quality and even skip meals because of lack of access and money for food.

It is unconscionable that in Canada, a country of considerable wealth and resources, over five million people struggle with food insecurity. This is not a food issue – Canada has plenty of food to nourish everyone. It largely the result from insufficient or increasingly unstable income, worsened by remote geographic location, social isolation, health and knowledge barriers, and structural racism.





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### **Better Communities**

## The statistics are shocking:

In 2020, 5.8 million Canadians experienced food insecurity.\*

See the source

Households with children are more likely to experience food insecurity. 79% of children in Nunavut live in food insecure households, the highest level in Canada

See the source

Indigenous & Black households have a rate of food insecurity up to 3.5 times higher than the national average

See the source

See the source

Food insecurity is a serious public health problem, as physical and mental health is closely linked to peoples' ability to access healthy foods

See the source

# 5.8 million Canadians, or 15.8% of households, face food insecurity.

1 in 5 children live in food-insecure households.





#### **Better Communities**

#### Maple Leaf Centre For Food Security

Aligned with Maple Leaf Foods commitment to shared value creation, we conducted over two years of consultation to establish a community impact strategy. This resulted in the creation of the Maple Leaf Centre for Food Security (the Centre) in 2016, a registered charity governed by an independent Board of Directors. The Centre is committed to working collaboratively across sectors with the goal of seeing food insecurity in Canada reduced by 50% by 2030.

In 2021, we celebrated the Centre's fifth anniversary. We've forged deep relationships with thought leaders in food security work and have committed over \$8 million in 24 initiatives that span coast-to-coast in the first five years. We've also led advocacy work with government and awareness raising campaigns to engage Canadians and drive action.

## Here are a few of the partners and projects we support:

A network of municipal leaders across Canado called the Food Communities Network who share best practices to advance food security through policies and program interventions

An Indigenous harvester program with MakeWay Foundation that seeks to capture the impact of full-time hunters and how their work increases access to highly nutritious and culturally appropriate foods in Northern communities

A Market Greens initiative with Community Food Centres Canada that increases the consumption of fruits and vegetables by people struggling with food insecurity through subsidies

A partnership with Prosper Canada that will increase access to financial benefits among low-income Canadians through identifying entitlements and supporting tax filing

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ad	process op working cl	We welcomed a long-term commitment and partnership with Isaac Operations, an innovative process optimization consulting firm, to support the goals of the Centre and our partners. Throug working closely with one of our partners in 2021, Isaac enabled them to realize \$500,000 in saving by reducing operating costs and optimizing food procurement.					Through
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We were also pleased to partner with Blake, Cassels & Graydon LLP (Blakes), a Canadian law firm delivering business-centred legal solutions in Canada and around the world. Blakes provides both financial and pro-bono support to the Centre and our partners.

In 2021, the COVID-19 pandemic continued to exacerbate the challenges of food access in Canada and the disproportionate impact on racialized and low-income communities. While emergency food relief plays an important role in addressing immediate need, it's crucial to focus efforts on the root causes of food insecurity to see meaningful change. Strong community supports accompanied by focused public policy is needed to move the needle on food insecurity, and this is what the Centre and our partners are fighting for.

The Centre ran a national campaign in 2021 to raise awareness of the impossible choices that people face who live with food insecurity – having to choose between covering the rent and utilities or buying decent food for their families - and to encourage the federal government to set a target to reduce food insecurity by 50% by 2030. Over 1000 letters were sent to elected officials seeking a clear target and roadmap to get there.

As part of our ongoing focus on increasing knowledge and understanding of food insecurity in Canada, the Centre administered three new Maple Leaf Board Chair Scholarships in Food Insecurity to Master's and PhD students from Ryerson University, University of Saskatchewan, and the University of Guelph.





#### **Better Communities**

### Principles That Guide How The Centre Works

We believe food is fundamental to human health, dignity, and social and economic potential. It feeds opportunity.

We believe everyone should have equitable access to good food and we strive to advance inclusivity and equity through our work.

We seek to advance cross-sector collaboration and learning that we share with others.

We engage in advocacy, using our voice and amplifying the voices of partners to build awareness and shift systems to address barriers to food security.

We build partnerships with organizations that foster dignity, social inclusion and increase sustainable food security.

We value experimentation to learn what works and what doesn't and strive to increase impact at scale.

We embrace clear and ambitious goals to drive us forward and apply evidence-based approaches to measure progress.







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### **Better Communities**

#### Partering With Organizations

The Centre partners with organizations across Canada to advance food security.

Here are some of the innovative programs we are supporting:



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#### **Better Communities**

# Here's what our partners have to say...

"The Maple Leaf Centre for Food Security has been key in helping Community Food Centres Canada (CFCC) to become a national leader in the food security sector. As the Centre has worked to innovate in their own approach, we've enjoyed a collaborative relationship with the shared goal of changing the national conversation around food insecurity. As a funder, they understand the importance of dedicated and flexible support that has enabled us to innovate and expand our work."

Nick Saul, CEO, Community Food Centres Canada "The team at FoodShare really values our relationship with the Centre. It's one of those true partnerships based on a commitment to shared goals. Support from the Centre has come in various forms, from mentorship and financial investment to strategic introductions, all in service of advancing our vision of a Toronto where all people can feed themselves with dignity and joy."

#### Paul Taylor,

Executive Director, FoodShare Toronto

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Community Collaborative partners with about 30 community-led food security projects annually, and through those partnerships thousands of people in northern Manitoba have developed food-related skills, increased the availability and quality of foods, and have planted the seeds of possibility for the future. The people of northern Manitoba are leading a movement to health and strength through strong food systems, and we are proud to be good partners in that movement.

"The Northern Manitoba Food, Culture and

It has been a pleasure and benefit to have staff from the Centre and Maple Leaf Foods contribute to and take part in this work. We didn't know what to expect from this partnership, as the Centre represented our first deep connection to the business world. The team has demonstrated great enthusiasm and support for the work as regular participants in our work."

Julie Price, MakeWay Foundation



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#### **Better Communities**

#### Supporting Other Community Initiatives

In addition to funding the Centre in 2021, Maple Leaf Foods donated more than \$3.0 million of healthy food products in Canada and the United States and more than \$300,000 to other community initiatives. Maple Leaf Employee Resource Groups donated an additional \$40,000 to the following charitable initiatives:

The 519: Food access for the 2SLGBTQ+ community in Toronto

Sundance Harvest: Education and training for BIPOC youth farmers

The Indian Residential School Survivor Society: A 24-hour crisis hotline supporting residential school survivors across Canada

#### A Long-Term Partnership With UNICEF Canada

Maple Leaf Foods has been a long-time supporter of UNICEF's work to provide children globally with emergency relief in times of crisis. The magnitude and severity of food crises has worsened in the last few years as prolonged conflict, the economic fallout of COVID-19, and weather extremes exacerbated pre-existing frailties.\* As of 2021, there were 155 million people in food crisis, the highest level in five years.\* Our support helped UNICEF to purchase critical supplies, including nutrition packs and therapeutic milk, to alleviate malnutrition and hunger in some of the hardest hit regions of the world.

See the source

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## **Ethical Workplace Conduct**

Maple Leaf Foods is committed to ensuring that the Company, our employees and our suppliers demonstrate the highest standards of ethics and integrity in all business activities. Our ethical business conduct is guided by our Leadership Values, Our Business Code of Conduct, our Diversity and Inclusion Blueprint, and our Supplier Code of Conduct.




### **Better Communities**

#### Human Rights

MAPLE LEAF

"Doing What's Right" is a core Leadership Value at Maple Leaf Foods. We operate our business by acting with integrity, behaving responsibly and treating people with respect.

We commit to providing a work environment that supports the health, safety and mental well-being of our people, characterized by mutual respect, fairness and empathy. Our commitment to human rights is embedded within our Maple Leaf Leadership Values, our Business Code of Conduct, Supplier Code of Conduct and our Diversity & Inclusion (D&I) Blueprint. These policies and standards, along with compliance with applicable laws and regulations, protect all our people and those we serve, including our consumers, customers and communities.

#### Fair Working Conditions & Fair Compensation

Maple Leaf Foods commits to fair and freely chosen employment. We prioritize the safety of our employees, and are committed to a workplace free of harassment, violence or discrimination. We prohibit child labour in any circumstance and comply with federal and local employment legislation ensuring appropriate working hours and compensation for our employees. Our compensation experts and Human Resources professionals conduct fact-based, market and internal comparative analysis that contribute to our compensation structure.

#### **Freedom Of Association**

Maple Leaf Foods respects our employees' rights and their freedom of association. Approximately 60% of our employees are represented by a union. The cooperation of labour unions is valued as we partner in continuing fair employment practices and progressing our business objectives and the future of the Company.





# **Occupational Health and Safety**

Workplace health and safety is a top priority for Maple Leaf Foods. Our mandate for Occupational Health and Safety (OHS) remains clear – an aspirational goal of zero occupational injuries.

Maple Leaf Foods strives for zero occupational injuries in the workplace, a goal driven by the commitment to employee safety. In 2021, we achieved a Total Recordable Incident Rate (TRIR) of 0.48, a 92.3% improvement from our 2012 baseline year, and 34 of our sites had zero recordable injuries. This is a reflection of our relentless commitment to workplace safety, our Safety Promise and continuous improvement in safety protocols. In 2021, we had zero fatalities, a trend that has continued for over a decade.

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#### **Total Recordable Incident Rates** (2012-2021)



Our TRIR improved by 92.3% in 2021 compared to our 2012 baseline reporting year.

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#### Workplace Safety COVID-19 Response

In response to COVID-19, a medical team and COVID-19 crisis team were formed to develop and implement a COVID-19 pandemic plan. The COVID-19 teams consist of medical professionals, Sanitation and Operational leaders, Labour Relations and Human Resources, Communications and individuals from our Senior Leadership Team (SLT). All Maple Leaf Foods sites have taken immediate steps to develop continuity plans that protect our people, protect our business and minimize disruptions and protect our community and help prevent negative impacts on customers, consumers and the economy. Our COVID-19 protocols are updated based on the recommendations from our COVID-19 teams and the best available science.

#### **OHS Governance**

We have an established governance structure to embed Occupational Health and Safety and Operational Risk Management across the Company, which includes direct reporting to the Safety and Sustainability Committee of the Board of Directors four times a year. Our Vice-President, Safety, Security, Sanitation and Environment is supported by a Senior Health, Safety, Security and Environment (HSSE) Leadership Team that provides leadership across Maple Leaf Foods. This team is supported by an HSSE designate at each work-site and representatives from the Joint OHS Committees who represent all the Company's employees. These formal joint management-employee committees monitor and advise on OHS programs, identify potential hazards and recommend controls. The Joint OHS Committees ensure that our plants comply with all federal and provincial health and safety regulations. All (100%) of Maple Leaf Foods sites have a Joint Health and Safety Committee that is represented by management and employees.







### **Better Communities**

### **OHS Strategy**

In 2013, Maple Leaf Foods developed a new, robust Occupational Health and Safety (OHS) Strategy that supports the Safety Promise to help us stay on track to zero recordable incidents. It enables us to assess, plan and be held accountable.

#### The key elements of our OHS Strategy are:

Improved OHS Communication

**Proactive Activities that Drive Performance** 

Roles and Responsibilities that Embrace Accountability

Implementation and Training

Integrated Safety Promise

**Better Care** 

#### Maple Leaf Foods' OHS Strategy enables all sites to identify:

#### **OHS** losses

Identification of common incidents and trends

Top losses are identified through incident tracking (after incident occurs), including incidents that are high in severity and frequency

#### OHS risks

Utilization of risk assessment to mitigate risk

Top risks are identified by measuring compliance with Maple Leaf Foods' HSSE Standards, utilizing the OHS Compliance Scorecard and other risk assessment tools (i.e., measuring OHS systems)

#### Workplace culture

The employee OHS Perception Survey enables all sites to measure the growth of their safety culture

Sustainable actions and areas of improvement are identified within the cultural drivers of the site's HSSE program

#### **Metrics:**

#### Leading OHS indicators

Compliance Scorecard

Perception Survey

Supervisory Scorecard/Vitals

Safety and Health Accident Reduction Plans (SHARPs)

Training

#### Lagging OHS indicators

Total Recordable Incident Rate (TRIR)

Days Away, Restricted or Transferred (DART) Rate

Workers' Compensation Board Claims



#### **Better Communities**

#### **OHS Management System**

A HSSE management system has been implemented across Maple Leaf Foods' sites based on the Company's HSSE program, our OHS Policy and various standards put forth by corporate HSSE. The management system has been implemented to ensure compliance with local OHS acts and regulations. HSSE designates at each site are responsible for HSSE program management and all employees are covered by the HSSE management system. Continual improvement of the management system is achieved by each site's Safety and Health Accident Reduction Plan and includes a strengths, weaknesses, opportunities, threats (SWOT) analysis to help develop safety action plans for the next fiscal year.

Maple Leaf Foods has an HSSE maturity assessment that was originally developed in 2013 with an independent, third-party consultant to capture Occupational Health and Safety Assessment Series (OHSAS) 18001 requirements and to measure HSSE maturity and performance. This assessment has been updated and incorporates the Company's OHS Strategy requirements. Annual assessments are conducted at our sites, including validation with the Regional HSSE Manager. The assessment determines the HSSE maturity level of each of our sites based on the Company's criteria and helps to establish an action plan to progressively achieve each HSSE maturity level and cultural safety over a five-level model.

#### **External Certification** And Audits

In Canada, external health and safety certification programs include the Government of Alberta's Certificate of Recognition (COR) program, Ontario Workplace Safety and Insurance Board's (WSIB) Health and Safety Excellence Program and ISO/IEC 17025 accreditation. Maple Leaf Foods' three sites in Alberta have achieved the Government of Alberta's COR, indicating that their OHS management systems have been audited by an external auditor and meet provincial standards. Five sites in Ontario have achieved recognition after external validation and certification through WSIB's Health and Safety Excellence Program. Maple Leaf Foods' laboratories are ISO/IEC 17025 accredited with Standards Council of Canada's Accreditation Program for Testing and Calibration Laboratories and are audited annually. In addition, Maple Leaf Foods' laboratories have a license from the Public Health Agency of Canada and follow the Canadian Biosafety Standards, which requires specific procedures, audits, security and training.

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#### Hazard Identification, Risk Assessment and Incident Investigation

Work-related hazards are identified by inspections conducted by employees, supervisors and monthly Joint OHS Committee inspections. Preventative maintenance programs, hazard reporting programs, incident investigations, task observations, job safety analyses, new equipment assessments and physical demands descriptions are other processes that assess risks. These processes help to ensure that hazards are identified before an incident occurs. Maple Leaf Foods ensures the quality of these processes and competency of persons who carry them out by providing appropriate training on incident investigation, hazard identification, risk assessment and other Maple Leaf Foods' standards and procedures. Employees are encouraged and expected to report hazards without any reprisals. Employees are protected by Maple Leaf Foods' Values, Human Resources policies, collective bargaining agreements, union processes and existing legislation.

Maple Leaf Foods has an incident investigation standard that all sites must adhere to. Employees complete hazard report forms and report incidents to their direct supervisor. The employee involved, supervisor and site safety representative participate in the investigation. Recommendations are recorded and work orders are completed. If the risk/hazards cannot be mitigated right away or there is no temporary solutions, this will trigger a report to the provincial Ministry of Labour for an inspector to visit and investigate for a solution until the issue is resolved.

#### **Training And Communication**

Employee training on occupational health and safety is crucial to ensure employees understand the risks and hazards that could occur on the job and how to handle them. New employees receive safety orientation on Maple Leaf Foods' standards, the site's standard operating procedures, safety rules, safe work procedures, emergency response procedures, task observations and several topicspecific training. Ongoing skills development and training are essential to reinforce the importance of workplace safety and procedures to keep people safe. Our supervisors receive training related to recognizing, assessing and controlling hazards, roles and responsibilities of supervisors, forklift safety, chemical safety and other related topics.

Beyond formal training, there are several procedures in place to encourage employee participation, consultation and communication on occupational health and safety. Joint OHS Committees, monthly safety talks and training, daily meetings, safety communication boards, OHS activities (e.g., safeguarding projects, ergonomics, informal site tours) and OHS feedback are all part of the process for employee engagement and used to evaluate the HSSE program.

In 2021, virtual town hall meetings were held to provide information and education on COVID-19.



#### **Better Communities**

#### **OHS Golden Rules**

Our OHS Golden Rules provide a consistent and standardized deployment of critical examples of behaviour that may pose the risk of injury, damage and even death. The seven core rules are intended to be a framework that supports the current Occupational Health and Safety policy, procedures and processes across Maple Leaf Foods. Given the severity of risk inherent in the behaviours illustrated, such actions may result in termination of employment, even if it is the employee's first offense.

Violation of lock-out/tag-out

Bypassing or disabling machine guarding or safety interlock devices

Violation of confined space procedure

Violation of fall protection procedure

Violation of hot work procedure

Unauthorized/unsafe use of powered material handling equipment

Violation of personal protective equipment procedure

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#### **Behavioural-Based Safety**

Our Behavioural-Based Safety (BBS) program assists in the identification of opportunities for improvement through behavioural trend analysis of safe and unsafe behaviours. Corrective actions are taken to correct any unsafe behaviours and recognition is provided to the employee who identified the unsafe behaviour to be corrected. Over the years, we have developed behaviour observation tools for our sites to utilize, as well as a behaviour tracking tools.

#### Zero Hero Safety Club And Safety Promise Recognition Programs

The Maple Leaf Foods "Zero Hero Safety Club" is an internal campaign to drive and support the OHS program in order to realize the aspirational achievement of zero occupational injuries. Our sites become members of the "Zero Hero Safety Club" when they achieve zero occupational injuries and meet other criteria. In 2021, we had 34 sites that had zero workplace injuries, and 19 of those sites are proud members of the Zero Hero Safety Club!

34 Maple Leaf Foods sites had zero recordable time injuries in 2021, and 19 of those sites are proud members of our Zero Hero Safety Club!





**Better Communities** 

# Diversity, Equity And Inclusion

We are committed to creating a workplace environment where everyone feels like they belong, and we believe in the benefits a diverse and inclusive workplace environment brings. To us, championing diversity and inclusion is a critical component to advancing our collective purpose and vision, living the Maple Leaf values, delivering winning results and creating shared value for our stakeholders.

Women represented 39% of managers and above, up from 36% when we set our goal in 2017.

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### "I care deeply about Maple Leaf Foods and our people. I envision a workplace where everyone can thrive, where our individuality is valued and celebrated. I invite everyone to explore what diversity and inclusion mean to you, and how you can foster a workplace of inclusivity."

– Curtis Frank, COO, Maple Leaf Foods

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### **Better Communities**

#### **Our Guiding Principles**

Actively build a workforce as diverse as the countries we are proud to serve

Enable top performance by removing barriers, so talented people can exert their energy on doing great work, leveraging our differences

Learn from each other's unique experiences and perspectives, in a culture of openness and inclusion

Create food that meets the diverse needs of the world we live in

#### Our Blueprint To Advance Diversity, Inclusion And Belonging

We believe in building, investing in, recognizing, and rewarding teams of remarkable people who value an inclusive workplace, embrace all forms of diversity and commit to including every voice in our collaborative environment.

Our Leadership Values guide our decisions. They compel us to confront hard truths through education and action. We know we all have a role to play in building a more equal, just, and inclusive world. Our strategic Diversity and Inclusion Blueprint guides our approach to building an environment where all our people feel they are seen and heard and that they belong. We aren't perfect, but we are committed to getting better every day.

#### Four strategic pillars form the foundation of our comprehensive approach:

Drive Accountability to Represent the Communities We Serve: Educate and empower people leaders to set measurable goals, and champion and realize our company-wide commitments and goals.

Align Our People Practices to Our Values: Audit, evaluate and embed diversity awareness and inclusive practices into people programs and policies to mitigate bias and make talent practices fair, equitable and reflective of our Values.

Facilitate Deep Listening and Nurture Curiosity: Enable people to convene, learn, share and elevate desired action. Foster curiosity and encourage people to listen and understand.

Foster Cultural Change that Creates Broad Engagement: Build awareness and understanding around the spectrum of individual and organizational behaviours that reinforce cultural outcomes to motivate personal change commitments.



### **Better Communities**

#### Making Maple Leaf Foods A More Gender-Balanced Business

Aligned with our Diversity & Inclusion Blueprint, we've introduced a series of programs, policies and partnerships to support women at Maple Leaf Foods and break down barriers to their inclusion and advancement. In 2021, women accounted for 35% of Directors and 30% of Vice Presidents, a 9% and 10% increase from 2017, respectively. These improvements are promising, as we know that when more women ascend to leadership roles, they become role models to other women and have greater opportunity to influence the decisions that pave the way toward gender equality. Big the straining focused on managing bias when evaluating talent.

Women's representation at the Manager level remains largely unchanged – from 41% in 2017 to 42% at the end of 2021. This is primarily driven by unique structural challenges in certain areas within our business and underrepresentation of women in manufacturing roles. To address these challenges, a cross-functional task force comprised of business leaders has developed and begun implementing a targeted action plan to attract, develop and retain women in manufacturing. While the action plan is focused on closing gender gaps, many of the actions enable fair and equitable access and opportunity for all and promote diversity more broadly. At the same time, all business leaders continue to communicate and implement their Action Plans, aligned with and supported by the Diversity & Inclusion Blueprint and multi-year strategy.



#### **Diversity And Inclusion Training**



#### **Better Communities**

#### **Employee Resource Groups**

We know many of our team members are eager to find ways to make a difference at work. Our Employee Resource Groups are company-supported, employeeled networks that build community, educate allies and advance our diversity and inclusion agenda.











The Multi-Cultural Advocacy Network (Multi-CAN) aims to share knowledge, promote cultural fluency and celebrate the strength of our collective differences.

Maple Leaf Pride & Allies fosters psychological safety so that our people are assured a safe, welcoming, and empowering environment when they come out at Maple Leaf Foods. It supports the professional and personal growth of LGBTQ2S+ team members, and builds awareness and understanding, so that all our people know how to be better allies.

The Women's Impact Network is committed to advancing gender equality by creating meaningful connections so that all talent thrives at Maple Leaf Foods.

Women in Manufacturing, a WIN chapter, is dedicated to attracting, engaging and advancing women in manufacturing, closing the gender gap at Maple Leaf Foods' plants, and unleashing the full potential of our talent.

AssessAbility unites team members with visible and invisible disabilities, team members with loved ones with disabilities, and allies to build a community and culture that empowers and values all abilities, while advancing Maple Leaf Food's accessibility and accommodation strategies.



#### **Better Communities**

#### Mental Health And Well-Being

Mental health is a growing concern across all segments of society, and its pervasiveness is so great that in any given year, one in five Canadians will personally experience a mental health problem or illness. The impact reaches across families, amongst friends and communities. That is why Maple Leaf Foods started the You Are Not Alone! Initiative, to develop a culture that stops the stigma associated with mental health challenges. We are extremely proud that we launched this initiative before the COVID-19 pandemic, because it helped us react quickly to further support the mental well-being of our people throughout the

We are extremely proud that we launched this initiative before the COVID-19 pandemic, because it helped us react quickly to further support the mental well-being of our people throughout the pandemic. We offer digital therapy tailored to address anxiety, depression, post-traumatic stress, panic and insomnia, among others. We have continued our virtual Healthy Minds Speaker Series, bringing in experts, such as, clinical psychologists and wellness coaches, to discuss and provide tools on a variety of mental health and well-being topics. We also continued our virtual Move and Smile fitness classes on a weekly basis with professional instructors to encourage healthy minds and physical movement.

Our Mental Health Connection Group of volunteers creates a safe space for open dialogue by driving organizational awareness and engagement through three annual campaigns: Bell Let's Talk, the You Are Not Alone Day via internal discussion panels and the World Mental Health Day.



#### Formal Mental Health Training

# To-date, 88% of all people leaders completed formal mental health training.



**Better Communities** 

# Leadership and Development

Investing in our people by providing exceptional development opportunities is critical to ensuring that we keep our people excited and engaged, attract and retain top talent and create the future leaders of Maple Leaf Foods.







### **Better Communities**

#### Our People Strategy

In 2021, we unveiled a multi-year People Strategy to strengthen and leverage the talents of our people by focusing on areas that will help us deliver against our purpose and vision. This multi-year plan provides us with a clear understanding of our path forward and what success looks like. The plan identifies four pillars that are critical to our success:

Values-based culture

Extraordinary talent

High-performing teams

Enduring engagement

Supporting these pillars are multiple initiatives aimed at strengthening our culture, enabling the development of our people and creating an environment where we can all thrive. Some initiatives are well under way and others will roll out in the next several years.

#### Values Training

With the refresh of our Maple Leaf Leadership Values, we have established the Leadership Values Academy. It provides a comprehensive approach to learning the Values, a chance to engage in a dialogue with others on how the Values are lived, and resources and tools to support their everyday application. A large part of the Academy is a dedicated Leadership Values Certification program which is made up of three learning experiences, and included discussions facilitated by our CEO and COO. To date, 84% of our salaried people have attended these sessions.

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#### Leadership Edge

At Maple Leaf Foods, we have a Leadership Edge commitment, culture and expectation. We are dedicated to investing in our people so that their talent thrives. We strive to be leading edge in how we engage, develop and provide a safe working environment for our people. It is a culture that enables people to thrive, succeed and reach their full potential - to take a stand, pursue excellence and create the future. We have various programs in place to provide our people with career development opportunities, such as self- directed learning, training, coaching, and recognition and rewards.

Learn more:

Careers

#### The Leadership Track **Program For New Graduates**

Established in 1998, The Leadership Track Graduate Program (LT Program) exists to seed the organization with high-potential and purpose-driven individuals with the goal of developing them into future Maple Leaf Foods leaders. We achieve this by creating a clear path of advancement through diverse, cross-function rotations, on-the-job training, focused leadership development and strong mentoring support. In 2021, 30 active program participants were completing 12-month rotations in three key areas: client or marketfacing, operations and a business support role. After three years, successful participants graduate into dynamic leadership roles at Maple Leaf Foods.

The Leadership Track Graduate Program was recognized for excellence with a nomination for Best Grad Program at the 2021 TalentEgg's National Recruitment Excellence Awards.





At Maple Leaf Foods, leading in sustainability is not only one of our core strategies, but it also represents an enterprisewide view that encompasses every aspect of our business. In order to progress towards our vision to be the most sustainable protein company on earth, it is critical that we reduce our environmental impact to sustainable levels.

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The protein industry plays an enormous role in nourishing billions of people, but also consumes resources and impacts our planet. At Maple Leaf Foods, we are continually working toward more sustainable food production and a more sustainable protein industry. We are proud to be a carbon neutral company and the first of only a few food companies in Canada to set science-based targets approved by the Science Based Targets initiative. We are focusing on eliminating waste in any resources we consume – including food, energy, water, packaging and time.

Our responsibility for environmental sustainability goes well beyond our own operations. We must also advocate and share knowledge that elevates practices and regulations across the industry. We actively engage with suppliers, consumers, customers, non-governmental organizations and other stakeholders so that change can be based on sound data and science, and what society expects of us. There are health, environmental and social issues that go beyond short-term profitability that must shape our business if we are to realize a sustainable future. Increasingly, sound environmental sustainability practices are becoming a key component of maintaining a competitive advantage.



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#### **External Assurance**

In 2021, Maple Leaf foods reappointed KPMG to provide independent assurance in accordance with ISAE 3000 and ISAE 3410. In line with industry practice, KPMG's scope was to provide limited assurance of selected environmental data and performance measures.

### Canada's First Sustainability-Linked Loan

External Assurance Report

In 2019, Maple Leaf Foods amended our Credit Facility to become part of the first Sustainability-Linked Loan in Canada – a partnership with nine global banks to encourage maintenance of carbon neutrality and reductions in GHG emissions. The Sustainability-Linked Loan consists of a \$1,300.0 million unsecured committed revolving line of credit maturing April 30, 2024 and two unsecured committed term credit facilities for US\$265.0 million and \$350.0 million maturing April 30, 2024 and April 30, 2023, respectively. This Sustainability-Linked Loan is intended to meet our funding requirements for capital investments and for general corporate purposes. Under the terms of the Sustainability-Linked Loan, Maple Leaf Foods can benefit from lower interest rates upon achievement of certain sustainability targets and maintaining carbon neutrality.





# Management and Performance

Maple Leaf Foods' enhanced management and governance approach to sustainability provides a strong foundation, including strategic oversight, visibility, accountability and resources to support our purpose, vision and robust sustainability strategy and reduction roadmap.

#### **Environmental Sustainability Commitment**

Maple Leaf Foods has a formal environmental policy entitled "Our Environmental Sustainability Commitment" that guides our environmental sustainability strategy and day-to-day practices. This policy has been approved by the Board of Directors' Safety and Sustainability Committee and is monitored on a regular basis by the Committee, including compliance with regulatory requirements and the use of internal environmental specialists and independent, external environmental experts.

Our Environmental Sustainability Commitment





#### Target And Performance

We are proud to be the world's first major carbon neutral protein company. We have set ambitious science-based targets to reduce our absolute Scope 1 and 2 emissions by 30% and the intensity of our Scope 3 emissions by 30% by 2030 (baseline of 2018), approved by the Science Based Targets initiative. In 2014, we set a bold goal to reduce the intensity of our environmental footprint by 50% by 2025 (2014 baseline).











Note: Performance is measured from a 2014 baseline, with the exception of solid waste, which is a 2015 baseline, food loss waste, which is a 2016 baseline, and SBTs (Scope 1, 2 and 3), which is a 2018 baseline.

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Water Intensity

**18.7%** Reduction

Natural Gas

Intensity

**21.4%** Reduction

SBT Absolute Scope 1 & 2 Emissions



SBT Scope 3 Emissions Intensity

**0.34%** Reduction

**1.95%** Increase





MAPLE LEAF

#### **Environmental Performance Summary**









30% by 2030 absolute Scope 1 & 2 emissions reduction is





Water Intensity (m<sup>3</sup>/1,000kg finished product)



50% x 2025 water intensity reduction is

21.4%



**Solid Waste Intensity** (MT/1,000kg finished product)



intensity reduction is

92.7%

Our landfill diversion rate is





> In 2021, our environmental footprint reductions largely plateaued, our Scope 1 & 2 GHG emissions reductions improved slightly and our Scope 3 emissions regressed slightly from the previous year. Although we have shown good initial reductions from our 2014 base year, in the past three years, our annual progress in achieving our targets has slowed. Our weak intensity performance in 2021 was primarily driven by the utility consumption during the construction and start-up of four new facilities/expansions located in Ontario, Manitoba and Indiana. During construction, these new facilities/ expansions consumed utilities, but had not yet started producing products. This both increased our consumption and negatively skewed our intensity performance.

In addition, throughout 2020 and 2021, we paused the execution of some of our environmental footprint

reduction initiatives due to the COVID-19 pandemic in an effort to prioritize fully our comprehensive COVID-19 prevention and safety program to keep our team members safe while continuing production to meet growing demands.

We recognize we will not achieve our environmental targets without a major strategic shift and investments in highimpact, GHG reduction technologies. Therefore, we continued working on two transformational strategies this past year: anaerobic digestion and regenerative agriculture. While not a new technology, we see anaerobic digestion as a scalable solution to abate GHG emissions arising from our hog manure, while at the same time developing renewable bio-gas to replace current fossil fuel consumption. We are also investing in the emerging field of regenerative agriculture to reduce environmental impacts in our feed grain supply chain. We have teamed up with

# -19 Nuti

Nutrien in Canada and Indigo Ag in the
US to reward grain farmers who adopt
regenerative agriculture practices that
reduce and remove GHG emissions from
the atmosphere through soil carbon
sequestration on their farms. For more
information on our progress in anaerobic
digestion and regenerative agriculture,
click <u>here.</u>

We are hopeful that as progress our anaerobic digestion and regenerative agriculture strategies, we will get back on track to meet our environmental targets.

A longer-term lens is also important to achieving our science-based targets.
By setting science-based targets, we have re-prioritized our approach to environmental sustainability to align with the best available climate science. We now view our 50% by 2025 environmental reduction goals as important milestones on the pathway to reach our ambitious

science-based targets. Our reduction roadmaps will continue to encompass the five areas where Maple Leaf Foods has the largest environmental impact: electricity, natural gas, water, solid waste and food waste. We will continue to implement our environmental sustainability action plans and track and report our environmental performance.





#### Environmental Management System (EMS)

As part of our Health, Safety, Security and Environment (HSSE) program and in line with our Environmental Sustainability Commitment, Maple Leaf Foods has an EMS in place at each of our facilities using the same methods as ISO 14001. Regulatory compliance is assessed at each of our operations, progress is tracked and action plans are created to continuously improve our performance.

Each facility's environmental designate reviews an Environmental Aspect Identification and Prioritization tool to gain a full understanding of the site-specific environmental risks. Twice annually our corporate environmental compliance lead reviews an environmental self-assessment and compliance scorecard with each site. These give each site an overall score and produce an action plan to improve their score. The self-assessment is focused on the following seven key areas: Policy and Planning; Roles, Responsibilities and Training; Regulatory Awareness; Site Environmental Aspects; Spills and Emergency Response; Complaint Management; and Documentation and Record Keeping The scorecard tracks regulatory compliance performance and is focused on the following four key areas: Regulatory Requirements; Environmental Incidents; Evaluation and Risk Assessment; and Continuous Improvement and Training.

Our corporate environmental lead completes an annual review of each site's emissions to air, land and water to ensure the sites remain in compliance with regulations. In addition, each site performs an annual internal review, in which the site must verify compliance and knowledge of regulatory requirements by reviewing permits, approvals and licenses, and identifying roles and responsibilities in an audit-like setting. This robust EMS ensures that we are in compliance with all applicable environmental laws and regulations.

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#### Auditing And Action Plans

We have a robust auditing and action plan program to achieve our environmental targets. In addition to our own internal audits, we work with a third-parties to conduct utility audits of our facilities on an annual or as-needed basis to identify savings and reduction opportunities. Based on the findings, we use an effort-impact matrix to prioritize projects based on key determinants, such as, implementation of capital, timing, human resource requirement, cost savings, return on investment, utilities savings and reductions. An action plan tracker is used to measure how each plant is progressing towards its own targets and our company-wide targets.

Our utility auditing and action plan development process has identified many common energy, water and waste reduction opportunities that we have classified as a priority due to their high return on investment and positive impact on reducing our environmental footprint. The chart below provides a breakdown of the types of opportunities that were identified as part of the utility audits conducted from 2015 to 2021, as well as several food loss waste audits since 2018. Overall, our auditing and action plan program has improved the quality of our environmental data and enhanced our understanding of our performance, cost savings and footprint reduction opportunities.

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#### Breakdown of opportunities identified





#### Lifecycle Assessment

In 2018, we conducted a comprehensive life cycle assessment (LCA) of our products to gain an insight into the relationships between the various production phases and their relative environmental impact(s). Life cycle assessment (LCA) is a useful tool to identify and prioritize initiatives that will further reduce the environmental impacts of the product that is assessed. We conducted a life cycle assessment (LCA) of one of our products, Maple Leaf bacon (375 g product), according to the requirements of ISO 14040 and ISO 14044.

As the results show in the graphic on the next page, environmental impacts occur throughout the entire pork production chain, with the most significant impacts coming from feed production and pig raising. The study highlighted several recommendations that have helped Maple Leaf Foods realize where to focus our efforts in order to have the most significant reductions in our environmental impact. Optimizing feed composition, considering different transportation modes and investigating ways for further reduction of methane emissions from barns are among the recommendations.

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\* Life cycle assessment of Maple Leaf bacon prepared by Ecofys, a Navigant company, finalized in 2018. In the graphic above, the size of the circle is proportional to the magnitude of the impact.

Transport	Processing and Prepared Meats Facilities	Distribution	Retail	Use and Packaging End-of-life
•			٠	
•				
•	•	•	•	•
•		•	•	

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Appendix





# **Energy and Emissions**

Maple Leaf Foods is the first major carbon neutral food company in the world and has set ambitious science-based targets to reduce our carbon emissions.

#### **Carbon Neutrality**

In 2021, Maple Leaf Foods celebrated two years as the first major carbon neutral food company in the world. We are carbon neutral by aggressively avoiding and reducing our greenhouse gas emissions and investing in high-impact environmental projects to neutralize our remaining and currently unavoidable emissions. We have neutralized all our remaining Scope 1 & 2 emissions and a portion of our Scope 3 greenhouse gas emissions. The Scope 3 emissions in our offset program include supplier emissions arising from animal production and packaging equivalent with the product volumes of Maple Leaf brands that display our Carbon Zero logo.

**Carbon Offset Projects** 

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#### Science-Based Targets

We were the first food company in Canada to set science-based targets that are aligned with the In 2021, our Scope 1 & 2 emissions accounted for 18% of our total GHG emissions. These emissions goals of the Paris Agreement on Climate Change and approved by the Science Based Target initiative are associated with the direct emissions from our owned animals and operations and the indirect (SBTi). Importantly, science-based targets require that we reduce our emissions even as we grow. emissions from consumption of electricity, heat or steam. Through our utility auditing and action plan program and our carbon reduction roadmap we are identifying and prioritizing opportunities In 2019, we pledged to reduce our absolute Scope 1 and 2 greenhouse gas emissions by 30% by that will have the greatest impact on our Scope 1 & 2 emissions in order to achieve our SBTs. 2030 against a 2018 base year and the intensity (per tonne of product produced) of our Scope 3

GHG emissions by 30% by 2030 against a 2018 base year.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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Our Scope 3 emissions account for 82% of our total emissions sources. These emissions are produced in our supply chain, including raw materials, feed and ingredients we purchase and consume, and emissions associated with packaging, plus distribution of our products. Recognizing that our Scope 3 emissions represent majority of our total GHG emissions, we understand that we need to consider the impacts of our supply chain and develop a plan to drastically reduce these emissions in our pursuit to be the most sustainable protein company on earth. We are working with our suppliers, customers and industry stakeholders to identify opportunities to reduce our supply chain impacts and we are participating in different programs to share knowledge and advance collaboration on supply chain issues.

We are exploring transformative technologies like anaerobic digestion and regenerative agriculture to reduce our biggest sources of Scope 1 and Scope 3 emissions: animal manure, emissions from third-party contracted growers and feed and crop production.



MAPLE LEAF

#### Carbon Inventory

#### Scope 1

All direct greenhouse gas (GHG) emissions under Maple Leaf Foods operational control

Total Scope 1 Emissions:

16%



6.6% Fuel (Natural gas, Fuel Oil and Propane)



5.3% Animal Manure



2.1% Animal Emissions

1.2% Process Emissions (Co2, Stunning and Refrigerant)



• 0.1% Business Travel (Car)

#### Scope 2

Indirect GHG emissions from consumption of purchased electricity, heat or steam

Total Scope 2 Emissions:

2%



#### Scope 3

Indirect GHG emissions not covered in Scope 1 and 2 that occur throughout the supply chain

Total Scope 3 Emissions:

82%

7.8% Freight (Road, Sea and Rail) 27.4% Feed and Crop Production 6.6% **Packaging Materials** 3.7% Waste 18.6% Third-Party Contracted Grower 1.7% Co-Manufacturers for prepared meat, fresh (Hog and poultry) pork, fresh poultry and plant-based products 1.4% Upstream Emissions from Fuel and Energy 14.2% 1.0% Purchased Ingredients Employee Commuting for MLF Products 0.1% • Business Travel (Car + Air)





#### Anaerobic Digestion

Anaerobic Digestion is a proven and established technology that has the potential to meaningfully reduce GHG emissions and solid waste arising from our animal raising activities and operations while at the same time producing renewable natural gas that could replace our current fossil natural gas consumption at our facilities or inject it back to the grid.

Anaerobic digestion is a process through which bacteria break down and 'digest'organic matter - such as animal manure, organic waste, food wastes, or wastewater - in the absence of oxygen. Through anaerobic digestion we are able to convert organic matter like pig manure into Renewable Natural Gas (RNG) and 'digestate'. RNG can be used in the same way fossil natural gas is used today like providing heat, generating electricity, injected directly into the natural gas pipeline grid, or compressed and used as transportation fuel. The digestate is primarily used as a highquality, low-odour, nutrient-rich fertilizer.

Should Maple Leaf Foods proceed with anaerobic digestion technology, it would enable Maple Leaf to have a circular economy by converting organic waste streams into useful renewable fuel and other commodities.

#### **Regenerative Agriculture**

We are investing in the emerging field of regenerative agriculture to reduce environmental impacts in our supply chain while regenerating the land and capturing carbon from the atmosphere and storing it back in the soil. Regenerative agriculture is a set of farming practices that regenerates the land, increases biodiversity and improves the soil.

We have teamed up with a Canadian company and the world's largest provider of crop inputs, Nutrien, to expand our regenerative agriculture project that started in 2021. The project incentivizes and educates farmers within a defined supply shed where we source feed grains to adopt regenerative agriculture practices. The project focuses on reducing emissions of nitrous oxide from the use of nitrogen fertilizer while increasing soil carbon sequestration by adopting practices that improve soil health. Soil management practices that increase soil carbon sequestration include: no-till direct seeding system, increased crop rotation practices, cover cropping and intercropping. Combined, nitrogen management and these soil health interventions create a more sustainable cropping system with lower carbon emissions.

In 2021, the project encompassed approximately 20,000 acres of farmland in Manitoba and Saskatchewan. In 2022, we plan to scale the project to 100,000 acres. Our project will educate farmers on what practices will have a positive impact on their land including lowering their input costs from the use of fertilizer, improving their crop yields, and making their soil and land more resilient to extreme weather events. By investing in this project with farmers within our supply chain, we will directly reduce our Scope 3 emissions and progress towards achieving our Scope 3 SBT.

We have also been working with Indigo Ag, a company that works with farmers and companies to advance regenerative agricultural practices as a solution to climate change. Companies can purchase certified carbon credits through Indigo Ag's Carbon Program that rewards individual farmers for adopting regenerative agriculture practices that improve biodiversity, soil health and carbon sequestration. Our commitment to this program reflects our dedication to improving agriculture industry and the food system as a whole and will contribute to maintaining our carbon neutral status in the future.

### Carbon Pricing

The internal "price on carbon" that we have established provides input to all our capital decisions. We have created a carbon calculator tool that factors the carbon cost into all capital expenditure requests and return on net assets calculations. This established price fluctuates with the average price the Company pays to secure Renewable Energy Credits and Verified **Emissions Reductions offsets. The Company** evaluates all existing and emerging federal and provincial carbon pricing and compliance programs and will participate if it sees value and minimal risk. The Company's ambitious SBTs and the implementation of our comprehensive carbon management strategy reduces our exposure to regulation changes around carbon pricing and gives us a competitive advantage against companies that do not engage in emissions reduction activities.



MAPLE LEAF

#### Manure Management

Good manure management is essential for minimizing GHG emissions caused by microbial activities during manure decomposition. In 2021, Maple Leaf's owned and leased hog barns recycled 1,205,810,412 litres of manure from storage lagoons by applying it to fields as fertilizer and 100% of it was applied with a site specific nutrient management plan developed by a certified agrologist.

The majority of Maple Leaf Foods pig farms are located in Manitoba, where we work with local farmers to recycle manure from the animals we raise. Pig manure contains valuable macro and micro nutrients that promote soil health, so we manage the manure in outdoor lagoons until we can deliver it to local farms for use as organic fertilizer.

Certified agrologists prepare a manure management plan for each of our farms, and register them with the Province of Manitoba. Once the plan is approved, the manure is applied to the land of local farms based on what nutrients currently exist in the soil, what nutrients are in the manure and the nutrient requirements of the crop. It is only applied at predetermined rates and times of the year to ensure the nutrients are fully incorporated into the soil to prevent runoff.

Manure is valuable and we don't want to waste it, but we know it must be applied at the right place, at the right time, in the right quantities. At Maple Leaf Foods, we are responsibly recycling manure and reducing greenhouse gas emissions by reducing the need for synthetic fertilizer. Using manure as fertilizer is nutrient recycling at its best! Anaerobic digestion will make our manure recycling even more valuable because the manure is converted into digestate. Dlgestate is an even better form of fertilizer, with higher bioavailability for the plants while having much less odour.

The Province of Manitoba has a comprehensive manure management program that ensures manure is used appropriately as fertilizer. Proper manure management is essential for any agricultural operation because improper use can lead to negative impacts on the environment.

Watch the video <u>"Manure Matters"</u> from Manitoba Pork for more detailed information.





MAPLE LEAF

### Water

Water conservation is of great importance to Maple Leaf Foods, and we continue to explore ways to reduce our absolute water consumption and use water more efficiently.

#### Water Conservation

Water conservation and reduction opportunities are a key component of our utility audit program and each facility's environmental sustainability action plan. Every facility has committed to reducing its water intensity by 50% by 2025 (2014 baseline) aligned with our overall company-wide goal. Since 2015, we have completed approximately 169 water conservation/reuse projects across our facilities.

As of 2021, we have reduced our absolute water consumption by 1,323,429 m<sup>3</sup> and our water intensity by 21.4% from our 2014 baseline. We recognize that we need to ramp up our efforts to achieve 50% reduction by 2025. In 2021, we continued implementing water conservation projects and re-audited our key facilities to update our action plans and identify further opportunities for reductions and efficiencies.





MAPLE LEAF

#### Water Risk Assessment

In 2017, Maple Leaf Foods worked with a third-party consultant and WWF Canada to conduct a water risk assessment of our owned/leased farms and facilities and sourced feed and feed ingredient locations in Canada. The assessment of water risk was divided into three categories: freshwater health, freshwater threats and future water yield. Health and threats were further broken down by water quality, pollution, water use and climate change. Future water yield was assessed using climate models and climate change scenarios.

Maple Leaf's owned/leased pork farms were identified in Southern Manitoba within the Souris, Assiniboine, Red, Lake Manitoba and Lake Winnipegosis, Western Lake Winnipeg and Winnipeg sub-watersheds. Our owned/ leased poultry farms were identified in the Southern Ontario sub-watershed of Northern Lake Erie and our chicken hatcheries were identified in Northern Lake Erie and Eastern Lake Huron. In addition to livestock farm type and location, Maple Leaf Foods sources feed and feed ingredients (soy, corn, canola oil, etc.) from the provinces of Saskatchewan, Manitoba, Ontario and Quebec. All but one of our manufacturing facilities and one of our distribution centres draw and discharge water using municipal sources. The majority of our barns and feed mills use well water due to their rural locations.

It was determined that our organization has not directly caused or contributed to any negative water-related impacts on environmentally sensitive watersheds; however, some of our farms are located in areas where there are high threats to fresh water and overuse of water. The findings of this assessment have helped to inform the strategies we have integrated across our operations to reduce water use at our facilities and across our supply chain, and to reduce economic risk in the future.

Maple Leaf Foods has also conducted a physical climate risk assessment and climate scenario analysis, working with an independent third-party consultant, to better understand the climate-related risks and potential impacts to our livestock, assets, supply chain and operations. This assessment focused on extreme temperatures, freeze-thaw The Company

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(i.e., number of ice days), water stress, and extreme wind and rainfall. It was determined that all regions in which we operate have medium to high risk of water stress due to temperature rise and increased drought risk, which can impact the availability of feed and water resources for sanitation. Using this information, we have prioritized where we should focus our physical risk mitigation efforts, and continue reducing our water consumption across our operations.



We are constantly auditing and monitoring our plants to ensure we are never complacent in our efforts to improve and to be as efficient as possible with our resources. In 2021, the team at our Heritage facility in Hamilton, Ontario investigated water reduction opportunities and identified that two major water systems continued to run during non-production and non-sanitation hours in an open-looped system. By implementing appropriate control measures and installing the right equipment, the team saved a significant amount of water and money.

Through analysis of a non-production day before and after control measures were in place, the average water load dropped from 200 litres per minute to 18 litres per minute. The water consumption for the plant decreased by 53,830 m<sup>3</sup> from 2020 to 2021, a reduction that can be partly attributed to this project, and the cost savings for the project were approximately \$75,000 annually. The findings from this project are incredibly important and we will look to replicate it where applicable across our operations.





### Solid Waste

Reducing waste across our operations is a top priority for Maple Leaf Foods. We are constantly exploring new opportunities to reduce the production of solid waste at our facilities, improve our landfill diversion rate, and reduce the amount of food loss and waste arising from our business.

#### Solid Waste Reduction

We continue to conduct solid waste audits annually through our facility auditing and action plan program to identify opportunities to reduce our solid waste. Every facility has committed to reducing its solid waste intensity by 50% by 2025. In 2021, we have reduced our solid waste intensity by 18.5% since our 2015 base year and have achieved a company-wide landfill diversion rate of 92.7%.

Our biggest opportunity continues to be the diversion of organic sludge from our Brandon wastewater facility. Over the past year we have been reviewing various technologies, including anaerobic digestion, to convert this sludge into renewable energy that can be consumed in our Brandon plant.





#### Food Waste Reduction

We are committed to reducing the intensity of food loss and waste (FLW) arising from our operations by 50% by 2025. That's why we've implemented a rigorous process to define and measure FLW and are continuing to investigate how FLW is impacting our business though a plant assessment program. Since 2016, we have reduced our FLW intensity by 33.3%.

In 2019, we joined seven other leading Canadian companies in formally committing to Canada's National Zero Waste Council and Provision Coalition in an effort to prevent and reduce food waste in our own operations. We engaged in a rigorous process to define FLW using the Food Loss Waste Protocol developed by the World Resources Institute (WRI). We conducted FLW assessments and worked to establish a baseline for each of our operating units. Due to our vertically integrated business model, we determined that the majority of our food waste occurs within our prepared meats and distribution centre facilities.

In 2021, we conducted 4 additional FLW assessments to help us develop a consistent standard to collect data, identify opportunities for reduction and improve processing efficiencies. Each plant that has been assessed has developed an action plan to meet our company-wide end goal. We are proud of the progress we have made to date. However, we still must work to ensure that food waste from our facilities does not end up in landfill. In 2022, we will continue to conduct additional FLW assessments and develop action plans for those facilities.

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MAPLE LEAF

#### Eliminating Waste In Our Supply Chain

To transport our products, we have partnered with CHEP, a provider of reusable pallets that are built from 99.7% certified lumber (PEFC and FSC certifications). Every time we use one of CHEP's reusable pallets, rather than one-way packaging, we eliminate waste and improve efficiency. In 2020, by using reusable pallets, we have reduced substantial environmental impacts:



\*Data provided by CHEP

As an organization, we review our business practices to incorporate smart and sustainable efficiencies, ensuring our suppliers make sustainability a high priority. That's why we've proudly worked with CHEP since 2011.

The CHEP business model is inherently circular and helps move more goods to more people in more places than any other organization on earth. Its sustainability vision is to pioneer regenerative supply chains while delivering life's essentials every day in a nature-positive way.

CHEP's share and reuse pallets power the Maple Leaf Foods supply chain, bringing several efficiencies and environmental benefits to our business in comparison to one-way, single-use solutions.



Our New Hamburg Hatchery facility has achieved landfill diversion certification for two years in a row through GreenCircle Certified LLC. The facility diverts 98% of its waste from landfill. The team at New Hamburg has placed a focus on waste diversion opportunities over the past several years with the majority of the material derived at the facility going to rendering, recycling and composting.




# Packaging

We believe that making our packaging 100% sustainable is both the right thing to do and a critical component to advancing Maple Leaf Food's purpose and vision.

### Sustainable Packaging Strategy

We have committed to 100% sustainable packaging and have created a formal packaging strategy to help us reach our goals. We will reduce and/or convert all our packaging components such as trays, films and labels into recyclable, compostable or reusable materials while meeting market criteria for performance, cost, quality and food safety throughout the product life cycle. In 2020, Maple Leaf Foods, along with more than 40 leading Canadian businesses, signed the Canada Plastics Pact (CPP). The CPP unites Canadian businesses, NGOs and public sectors to tackle plastic waste and pollution. The signatories will be collaborating to achieve clear and actionable targets. We developed our own targets based on the CPP's objectives, which are:

To define a list of plastic packaging that is to be designated as problematic or unnecessary and take measures to eliminate them.

To have 100% plastic packaging designed to be reusable, recyclable or compostable.

To implement the How2Recycle label set on all Maple Leaf branded products.

To have 30% recycled content across all plastic packaging.

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In 2021, we continued to explore sustainable packaging options. Working closely with our suppliers and packaging industry leaders, we identified and tested a variety of new materials with reduced environmental impacts and better suitability to the recycling infrastructure. In the long run, this progress will allow us to divert plastic from landfills. Over the coming years, we will continue to collaborate with the packaging industry to deliver more sustainable products that consume fewer resources, are made from recycled content and can be recycled after use.

We are currently integrating sustainable packaging for our products, where possible, with a focus on the following areas: reducing the overall amount of packaging materials used, sourcing materials with high recycled content, shifting to recyclable materials and exploring to eco-friendly packaging alternatives, like Halopack.





### **Material Reduction**

Reducing the amount of packaging and making our packaging more compact without compromising the safety of our food is critical on our journey to 100% sustainable packaging. We have successfully achieved the following reductions across our product lines:

30% reduction of material weight across our Deli Meat Portfolio on 175g pack sizes by optimizing material gauge selection.

40% reduction in packaging material weight across Maple Leaf® branded LunchKits by replacing the paperboard sleeve with pre-printed film.

14% average reduction in packaging material weight across Maple Leaf Prime<sup>®</sup> Further Processed Poultry by right sizing the packaging components.

### **Recyclable And Post-Consumer Recycled Content**

Incorporating recyclable, post-consumer recycled content (PCR) into are packaging are fantastic ways to make our packaging more sustainable. Recyclable content means that our packaging can be recycled by our end consumers. Post-consumer recycled content means that the packaging we use for our products was diverted from landfill and repurposed from the previous end consumer. This means that our packaging is made from material that has been discarded by an end consumer for reuse and that it can also be recycled by our end consumers. We have successfully achieved recyclability and PCR content in the following product lines:

100% recyclable trays that are made with 95% postconsumer recycled content for our Maple Leaf Prime® Organic Boneless, Skinless Chicken Thighs, Lightlife™ Plantbased Burger and Greenfield<sup>™</sup> Fresh Pork.

100% recyclable trays for our Schneiders® Grab N' Snack Lunch Kits and Schneiders® Artisanal Charcuterie Board.









## **Better Planet**

## **Alternative Materials**

We are also exploring eco-friendly packaging alternatives that use fewer materials and generate less waste across the product lifecycle. We launched our Prepped and Ready portfolio packaging with Halopack, an ecofriendly solution that uses a combination of 90% recycled paperboard and 83% less plastic.\* Halopack is the first fully gas-tight cardboard Modified Atmosphere Packaging that serves to preserve quality and nutritional value and reduce food waste.

\*When compared to a traditional high impact polystyrene (HIPS) tray.

### Stakeholder Engagement

Maple Leaf Foods became a founding member of the Canada Plastics Pact (CPP). The CPP is a platform for multi-stakeholder collaboration and industry-led innovation that unites leaders in Canada's plastics value chain behind a common vision and ambitious goals to address plastic packaging waste at the source. More than 40 leading Canadian businesses, NGOs and public sector partners have signed onto the CPP. They will be working to collectively achieve four clear, actionable targets by 2025. Maple Leaf Foods, together with the CPP partners, hope to fundamentally change the way Canadians use and reuse plastic, while securing a resilient economy that flourishes within nature's limits. The immediate next step for the CPP to achieve its goals by 2025 is to develop a roadmap for action. To be fully transparent and ensure measurable action, a CPP progress report will be made publicly available each year.

To learn more:

Visit Plastics Pact

**Better Care** 

## **Consumer Education**

We are the first Canadian protein company to partner with How2Recycle. How2Recycle is a standardized labeling system that provides instructions for proper recycling. We are continuing to explore collaborative opportunities with the How2Recycle program.

We have also partnered with Loop, a global circular shopping platform designed to eliminate the idea of waste by transforming products and packaging from single-use to multi-use. We are working together to support a Canadian launch of the Loop program.

# Cascades

To explore sustainable packaging options for our products, we have partnered with one of our packaging suppliers, Cascades. They supply us with clear protein trays that are made with 100% PET recycled plastics, including a majority of postconsumer recycled content from bottle flake. Cascades also supplies us with containerboard boxes that are fully recyclable and are made with a majority of recycled fibre.

Experts in sustainable hygiene and packaging solutions, Cascades drives its product innovation agenda according to eco-design principles and a circular mindset, thanks to its material recovery division. The company ranks 17th among Corporate Knights' 100 Most Sustainable Corporations in the World and has a long-standing commitment to sustainability and half a century of experience in recycling. In 2020, Cascades launched North America's first thermoformed cardboard tray that is recyclable and made with 100% recycled fibre.

Partners in sustainability, Maple Leaf Foods and Cascades remain on the lookout for more ecodesigned packaging solutions that integrate up to 100% recycled content and support Maple Leaf Foods' commitment to sustainable and recyclable packaging.





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# **APPENDIX:** Goals and Performance Table **Better Food**

2021 Priorities Status		Our Performance	2022 Priorities
	-	Nutrition	<u>.</u>
Expand our leadership in Raised Without Antibiotics (RWA) pork in North America and in RWA poultry in Canada	On track	In 2021, we achieved double digit growth in our RWA Prepared Meats business in North America and our RWA Fresh Poultry business in Canada. We elevated consumer communication and education on the benefits of RWA meat protein products.	Expand our leadership by achieving 6%+ growth in Raised Without Antibiotics (RWA) poultry in Canada and achieving double-digit growth in RWA pork in North America
Support our Prime <sup>®</sup> RWA lineup and RWA education	On track	We onboarded new Prime RWA retailers in 2021. We continue to deliver strong growth with our loyal consumers with increasing buy rates, and continue to expand reach and grow penetration in the category through broadly educating chicken consumers on RWA benefits.	Support our Prime® RWA lineup through RWA education and by growing our Prime brand's market performance outside of Ontario to 100 BDI (business development index) in next 5 years Advance Greenfield Natural Meat Co.™ suite of progressive claims by adding at least one new claim on-pack
Product innovation for Greenfield Natural Meat Co.™ portfolio	On track	In 2021, we added the Carbon Zero claim on package to the entire portfolio and launched innovation in adult kits, dry cured sliced meats and no sugar added thick cut bacon.	Execute the commitments of our Food Manifesto for our Maple Leaf® brand and be leaders of the real food movement
Execute the commitments of our Food Manifesto for our Maple Leaf® brand and be leaders of the real food movement	On track	Our Maple Leaf brand has successfully repositioned to become a premium, differentiated brand with strong, meaningful credentials, and maintains dominance as a leading packaged meat brand in Canada. The brand continues to be guided by our food manifesto as it uses its natural, real and simple point of difference to be a badge brand for Canadian families.	Accelerate research and development efforts against a pipeline of innovation that advances our commitment to better food
Accelerate research and development efforts against a pipeline of innovation that advances our commitment to better food	On track	We continued to develop new products for the short-term and long-term branded innovation pipeline for our brands. There are currently several product lines in development under Maple Leaf Foods' brands, with the first new innovation slated to launch in Spring 2023. Complementary work is also in progress on claims progression to ensure that we continue to accelerate the brand positioning of our flagship Maple Leaf brand.	
Execute significant product renovation to our Greenleaf Food's brands by delivering great tasting, 100% vegan and non-GMO certified product line in 2021	Partially Achieved	In 2021, we completed the repositioning of our Lightlife <sup>®</sup> brand to focus on delivering simple and recognizable ingredients and reinforced the commitment of our Field Roast <sup>™</sup> brand to deliver bold and adventurous taste. Both brands underwent significant product design and packaging renovations reflecting the revised brand mandates. All of Lightlife <sup>®</sup> and Field Roast <sup>™</sup> products are 100% vegan certified and are in the process of 100% Non-GMO Project verified.	

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# **APPENDIX:** Goals and Performance Table **Better Food**

2021 Priorities	Status	Our Performance	2022 Priorities
		Food Safety	
Ensure our raw material, ingredient and packaging suppliers achieve food safety certification to a Global Food Safety Initiative (GFSI) standardOn trackExpand Hazard Analysis and Critical Control Point (HACCP) coaching/training team members and execute four waves of trainingOn track		Meat protein:100% of co-manufacturers100% of raw meat suppliers98.8% of non-meat ingredient suppliers94.6% of food-contact packaging suppliers88.1% of non-food contact packaging suppliersPlant protein:100% of co-manufacturers97.1% of non-meat ingredient suppliers88.9% of food-contact packaging suppliers72.7% of non-food contact packaging suppliers	Ensure our raw material, ingredient and packaging suppliers achieve food safety certification to a Global Food Safety Initiative (GFSI) standard Expand Hazard Analysis and Critical Control Point (HACCP) coaching/training team members and execute four waves of training Deploy the LIMS solution at one of our plant-based facilities and the newly commissioned fresh poultry London facility
		We continued rolling out our world-class HACCP training program to all plants, aligned with the new Safe Food for Canadians Act and Food Safety Modernization Act requirements.	Deliver our annual food safety and quality performance metrics of our Food Safety Incident Rate (FSIR) and Quality Incident Rat (QIR) in 2022
Expand our Laboratory Information Management System (LIMS) functionality with additional modules, instrument interfaces and integration with other key-business (SAP) applications	Achieved	Successfully implemented LIMS for environmental monitoring, shelf life, and sample submission at four of our facilities.	Deliver our poultry pathogen strategy performance targets and invest in expanded collaboration with government and industry
Deliver our annual food safety and quality performance metrics of our Food Safety Incident Rate (FSIR) and Quality Incident Rate (QIR) in 2021	Achieved	We met and exceeded our FSIR target by 45% and QIR target by 51%.	Achieve sanitation performance targets in 2022 Deploy plan to reduce asset/equipment damage caused by sanitation
Deliver our poultry pathogen strategy performance targets and invest in expanded collaboration with government and industry.	On track	We continued to deliver and learn from our results, and review and improve mitigation strategies to reduce the impact of supply chain challenges that could impact our pathogen metrics.	Reduce foreign material complaints in 2022
Deliver our sanitation performance metrics in 2021.	Achieved	In the first year, many improvements were made and our SIR performance metric met and exceeded our target by 19%. By the end of 2021, our SIR performance metric normalized and we met and exceeded our target by 4.2%. Overall, the plant network sanitation performance improved by 63% compared to the 2019 baseline. We also successfully developed a strategic plan to ensure continuity between our sanitation strategy and asset procurement and preservation.	
Reduce foreign material complaints in 2021.	Achieved	Over the past three years, we have reduced the detection of foreign material complaints by 45%.	



# **APPENDIX:** Goals and Performance Table Better Care

2021 Priorities	Status	Our Performance	2022 Priorities
		Better Care	
Finish transitioning Maple Leaf Foods' sow barns to Advanced Open Sow Housing.	Achieved	Converted 69,850 sow spaces (100%) to our Advanced Open Sow Housing system as of the end of 2021.	Complete implementation of environmental enrichments in pig farms supplying our pork Raised Without Antibiotics program
Install environmental enrichments in the remainder of our sow barns as they are transitioned to Advanced Open Sow Housing.	Achieved	Completed installation of environmental enrichments in all Maple Leaf Foods' sow barns as of the end of 2021.	Advance implementation of environmental enrichments in broiler farms supplying our operations
Provide environmental enrichments in pig farms supplying our pork Raised Without Antibiotics program.	On track	We have implemented environmental enrichments for 89% of our Raised Without Antibiotics pig supply.	Evaluate environmental enrichments in our broiler breeder barns
farms supplying our Ontario Raised Without broiler chicken barns because		We were unable to complete the implementation of environmental enrichments in Ontario Raised Without Antibiotics broiler chicken barns because of enrichment manufacturing delays. However, we did implement our newly designed enrichments in all barns supplying our Certified Humane® Raised and Handled and Certified Organic Barns.	Commence a pilot test of remote video auditing for chicken catching
Finish rolling out SafeFlight digital transportation monitoring in our Ontario poultry trailer fleet and continue to train drivers.	Insportation monitoring in our Ontario poultry Achieved		Complete a proof-of-concept test of remote video auditing for paw scoring of chickens
Evaluate opportunities for remote video auditing during chicken catching, as permitted by COVID-19 restrictions.	Achieved	We conducted planning for a pilot test of remote video auditing for chicken catching in 2021.	Transition to controlled atmosphere stunning for all our broiler chickens at our London, Ontario plant when constructed
Transition to controlled atmosphere stunning for all our broiler chickens at our London, Ontario plant when constructed.	On track	Construction of our London, Ontario plant with controlled atmosphere stunning is underway, and progressed according to plan.	Continue the phased elimination of piglet castration in our Maple Leaf pig barns
Continue the phased elimination of piglet castration in our Maple Leaf pig barns.	On track	In 2021, we continued eliminating piglet castration, and transitioned five additional sow barns.	Commence a pilot rollout of our animal care certification program for employees
Complete a pilot rollout of our animal care certification program for employees.	Behind target	We progressed development of our animal care certification program; however, completion of a pilot implementation was delayed due to COVID-19.	Develop custom poultry welfare video training modules for our poultry plants
Develop custom poultry welfare video training modules for our poultry plants.	On track	In 2021, we completed filming of our Ontario and Alberta poultry operations and development of a pilot training module.	



# APPENDIX: Goals and Performance Table Better Communities

2021 Priorities	Status	Our Performance
		Occupatio
Total Recordable Incident Rate of 0.55 or less	Achieved	Our 2021 TRIR was 0.48. Our benchmarking indi Manufacturing in North America compared to th
Days Away, Restricted or Transferred Rate of 0.20 or less	Achieved	Our 2021 DART was 0.13. Our benchmarking inc Manufacturing in North America compared to th
100% completion rate on plant safety and health accident reduction plans	Achieved	Our full-year 2021 SHARP completion was 100%.
Advance our progress on the path to 50% gender equity for leadership roles held by women by 2022 and support inclusiveness across Maple Leaf Foods	Behind target	In 2021, women representation was 42% at the r (9% increase from 2017) and 30% at the VP level improvements are promising, as it shows women executing a cross-functional task force to contin
Promote volunteerism across MLF	Did not Meet	A comprehensive volunteer program plan was de built volunteerism into our multi-year People Stro
Develop a comprehensive People Strategy	Achieved	In 2021, a multi-year People Strategy was unveile aimed at strengthening our culture, enabling the
Execute on our Diversity & Inclusion (D&I) Blueprint	On track	We began executing on our strategic plans as p
Execute on our Mental Health initiative	On track	Mental health is a formal element of our multi-ye health training to our people leaders (88% comp COVID-19 pandemic by promoting mental health
Build talent pipeline to support the execution of strategic initiatives and continue investing in Leadership Development	On track	We continued investment in targeted developme
Roll out of our Maple Leaf Foods Leadership Values	On track	We continued to complete initiatives directly link

#### 2022 Priorities

#### ional Health and Safety

ndicates that this represents best-in-class performance across the Bureau of Labor Statistics.

ndicates that this represents best-in-class performance across Food the Bureau of Labor Statistics.

#### Our People

e manager level (1% increase from 2017), 35% at the director level rel (10% increase from 2017). Although we are behind target, these en are ascending into leadership roles. We have developed and begun tinue closing gender gaps.

designed but not implemented or rolled out to due COVID. We have trategy.

eiled which identifies four pillars supported by 14 initiatives that are the development of our people and engagement of teams.

part of our D&I Blueprint.

-year People Strategy. We continued to offer mandatory mental npletion to date). We continued to support our people throughout the lth resources and support.

ment, mentorship and executive coaching.

inked to supporting the activation of our Maple Leaf Leadership Values.

Days Away, Restricted or Transferred Rate of 0.19 or less

**Total Recordable Incident Rate of 0.44 or less** 

100% completion rate on plant safety and health accident reduction plans

Advance our progress on the path to 50% gender equity for leadership roles held by women by 2022 and support inclusiveness across Maple Leaf Foods

Execute a cross-functional task force comprised of business leaders to develop a targeted action plan to attract, develop and retain women employees and continue working to close gender gaps

Launch and promote volunteer program to engage ML people within their communities

Activate the People Strategy by implementing and launching key deliverables

Activate the D&I Blueprint and build the next evolution of the 3-year plan for 2023 onward

Build talent pipeline to support the execution of strategic initiatives and continue investing in Leadership Development

Roll out of our Maple Leaf Foods Leadership Values, including rolling out to hourly team members

Design and rollout a new performance management system





# APPENDIX: Goals and Performance Table Better Communities

2021 Priorities	Status	Our Performance
Raise awareness and engagement to influence change	On track	Conducted the #SpeakUpForFoodSecurity cam 1000 letters sent to federal Members of Parlian
Advocate for enhanced food insecurity measurement and target setting	Achieved	Collaborated with partners to submit a briefing consistent measurement of food insecurity and eliminating severe food insecurity and the disp
Multiply our impact through convening & collaboration	On track	Convened our partners and other stakeholders including results of a national research study o insecurity.
Invest in scalable projects to increase reach and impact.	On track	Invested in two new projects with the potential the broader health care network, and enabling filing.
Advocate for a universal national school food program.	Achieved	The federal government is moving forward, wit
Contribute more than \$1.5M in healthy food products in 2021	Achieved	More than \$3.0M in healthy food products were

#### **2022** Priorities

# **Food Security** Raise awareness and engagement to influence change ampaign in August 2021, generating 6 million video views and more than ament. Multiply our impact through convening and collaboration Invest in scalable projects to increase reach and impact ng note to the Minister of Agriculture and Agri-Food, asking for nd a target to reduce food insecurity by 50% by 2030, including sproportionate impact on Black and Indigenous people. Contribute more than \$1.5 million in healthy food products ers at virtual webinars and learning sessions throughout the year, on how people prioritize action on social issues, including food al to reach people through scale interventions, including tapping into ng more vulnerable people to access financial entitlements through tax vith committed funding to establish a national school food program. ere donated in Canada and the United States.



# **APPENDIX: Goals and Performance Table Better Planet**

2021 Priorities Status		Our Performance	2022 Priorities
		Better Planet	,
Execute environmental sustainability action plans to drive progress toward our 50% reduction by 2025 goals.	Behind target	In 2021, our environmental footprint reductions largely plateaued from the previous year. Although we have made good initial reductions from our base year, we recognize that we won't meet our targets unless we make major strategic shifts and invest in high-impact, innovative technologies. Therefore, we continued working on two transformational strategies this past year: anaerobic digestion and regenerative agriculture and are hopeful that as progress is made on these strategies, we will get back on track to meet our environmental targets.	Execute environmental sustainability action plans to drive progress toward our 50% reduction by 2025 goals
Renew our environmental sustainability action plans and develop reduction roadmaps to drive progress toward our 50% reduction by 2025 goals.	Achieved	We refreshed our facility action plans and built roadmaps to drive progress toward our 50% reduction by 2025 goals.	Execute carbon reduction roadmap to drive progress towards ou SBTs
Finalize and start implementation of our comprehensive Scope 1, 2 & 3 GHG reduction plans in 2021 in order to execute against our science-based targets and maintain carbonneutrality.		We continued developing our carbon reduction roadmap in 2021 and realize that it will be an ongoing process as new technologies and partnerships emerge and evolve. During our reduction plan development process, we identified anaerobic digestion and regenerative agriculture as two transformative strategies that will be essential to meet our SBTs.	Commence implementation of our anaerobic digestion and regenerative agriculture strategies in 2022 Execute on our sustainable packaging strategy
Begin roll out of our new supplier code and sourcing strategy in 2021.	Achieved	We successfully developed and rolled out our Supplier Code of Conduct in 2021. All of our preferred suppliers will acknowledge compliance to the code by the end of 2022.	Develop and deploy environmental sustainability employee training through our operations learning program
Begin roll out of our new supplier code and sourcing strategy in 2021.	Achieved	We successfully developed and rolled out our Supplier Code of Conduct in 2021. All of our preferred suppliers will acknowledge compliance to the code by the end of 2022.	
Begin to execute on our sustainable packaging strategy.	On track	In 2021, our sustainable packaging strategy was approved. Working closely with our suppliers and packaging industry leaders, we identified and tested a variety of new materials with reduced environmental impacts and better suitability to the recycling infrastructure.	
Finalize our food loss and waste reduction plans and conduct additional food loss and waste assessments.	Achieved	We conducted four additional food loss waste assessments and developed reduction plans for those facilities. We continued to make improvements and have achieved a 35.9% reduction in food loss waste intensity since 2016.	
Conduct third-party solid waste audits at our US facilities.	Did not meet	We were unable to find service providers for our Turner Falls facility that met our requirements nor a suitable location for our Seattle facility to perform the audit. Our food safety standards prevent us from performing on-site audits. We are working to resolve these challenges to complete the audits in 2022.	
Develop and integrate employee training on environmental sustainability into our operations learning program.	On track	We began development of environmental sustainability training program for our employees through our operations learning program but postponed further work on it due to the impacts and shifting priorities of our plants throughout the COVID-19 pandemic. We will continue development and begin integration in 2022.	

**Better Food** 

**Better Care** 

**Better Communities** 





# APPENDIX: Environmental Performance Summary Table

		Consumption	2	Inte	nsity (/1000 kg	g finished prod	uct) <sup>12</sup>	
Parameter	Base year <sup>1</sup>	2019	2020	2021	Base year <sup>1</sup>	2019	2020	2021
Total Energy (MWh) <sup>3</sup>	1,184,384	1,083,909	1,066,838	1,077,146	1.87	1.64	1.50	1.54
Direct Energy – Natural Gas (m³)4	66,703,818	62,697,905	60,552,023 <sup>*</sup>	59,958,982*	105.32	95.04	85.15	85.58
Indirect Energy – Electricity (MWh)⁵	464,057	377,188	385,425*	401,090*	0.73	0.57	0.54	0.57
Water (m³) <sup>6</sup>	10,171,717	8,786,821	8,956,615*	8,848,288*	16.06	13.32	12.60	12.63
Food Loss Waste (MT) <sup>7</sup>	28,472	20,656	20,556	19,542	41.81	31.31	28.91	27.89
Solid Waste (MT) <sup>8</sup>	22,346	21,599	21,013	19,165	33.58	32.74	29.55	27.35
Landfill Diversion Rate (%) <sup>9</sup>	91.83%	92.47%	91.97%	92.66%	-	-	-	-
Scope 1 & 2 (tCO <sub>2</sub> e)	323,328	314,072	316,195	322,220	0.23	0.23	0.21	0.22
Scope 1 (tCO <sub>2</sub> e) <sup>10</sup>	294,798	284,996	285,509*	290,620*	0.21	0.20	0.19	0.19
Scope 2 (tCO <sub>2</sub> e) <sup>10 11</sup>	28,530	29,076	30,686*	31,600*	0.02	0.02	0.02	0.02
Scope 3 (tCO <sub>2</sub> e) <sup>10</sup>	1,431,329	1,451,315	1,493,722*	1,518,391*	1.00	1.04	0.99	1.02



## **APPENDIX:** Environmental Performance Methodology

Our performance is reported consistent with our report boundary. In 2021, we have reported on entities over which Maple Leaf Foods has operational control - our processing and manufacturing facilities, distribution facilities and offices (both leased and owned buildings); and farms, barns and feed mill operations (unless otherwise indicated).

#### \* This performance indicator is within the scope of the limited assurance report.

**6. Water:** Water consumption is recorded on an as-billed basis for municipal water and as withdrawn for well water for the calendar year. 7. Food loss waste: Represents data collected through SAP, vendor invoices and diversion reports using the Food Loss and Waste Accounting and Reporting Standard. Data includes all food produced for North American consumption.

**1. Base year:** Electricity, natural gas and water have a 2014 baseline, solid waste has a 2015 baseline, food loss waste has a 2016 baseline, and SBTs (Scope 1, 2 and 3) have a 2018 baseline. **2.** Consumption: Consumption reflects actual usage or emissions. **3. Total energy:** Total energy represents electricity, natural gas, propane and number 6 fuel oil

4. Direct energy: Direct energy represents the consumption of natural gas and is recorded on an as-billed basis for the calendar year.

5. Indirect energy: Indirect energy represents the consumption of purchased electricity and is recorded on an as-billed basis for the calendar year.

**8. Solid waste:** Solid waste represents the amount of waste disposed at landfill (MT) on an as-billed basis for the calendar year. Solid waste performance is established by landfill diversion reports and invoices provided by our waste management vendors.

#### 9. Landfill diversion rate (%):

Represents the amount of waste diverted from our operations away from landfill. Landfill diversion rate: Total recycling divided by total waste generated including recycling and solid waste.





## **APPENDIX:** Environmental Performance Methodology

10. Greenhouse gas (GHG) emissions: GHG emissions are measured in units of tonnes of carbon dioxide equivalent (CO2e). In 2021, we restated our GHG emissions back to our baseline year (2018) for emission sources where we obtained improved availability of data or change in methodology. A methodology change included the removal of piglet as a separate category as a sow and their pre-weaned piglets are considered as a single sow unit consistent with the reporting standards of the hog growing industry.

Scope 1: Scope 1 sources include natural gas, propane, our corporate business travel, Maple Leaf Foods-ov trucks and shunt trucks, animal emissions and manure management, renewable natural gas, and CO2 used in process, mobile equipment and refrigerants. Scope 1 emissions are calculated using activity data (e.g. fuel consumption data from meters, average annual production by various livestock types, purchased records from suppliers) multiplied by a calculated emission factor from the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories or applicable regulated default emission factors.

Scope 2: Scope 2 sources include electricity and green power. Scope 2 emissions are calculated using current average U.S. Environmental Protection Agency's Emissions & Generation **Resource Integrated Database (eGRID)** factors (for U.S. facilities) and Environment and Climate Change Canada's National Inventory Report (NIR) factors (for Canadian facilities).

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Scope 3: see next page for a detailed breakdown.

- For our carbon neutral claim, we offset 100% of Scope 1 & 2 emissions and 5% of our Scope 3 emissions. Procurement of verified emissions reductions (VERs): \*363,784 tCO2e and Renewable Energy Certificates (RECs): \*47,414 MWh.

11. Location-based emissions: locationbased emissions according to the GHG Protocol Scope 2 Guidance. Scope 2 emissions calculated using the marketbased method: 8,660 tCO2e.

12. Intensity: Represents the individual performance measure per 1,000 kg of production (finished product). To avoid double counting, finished product does not include product volumes sold between Maple Leaf Foods business groups. For 2021, \*700,614 metric tonnes of finished goods produced.



Appendix



# **APPENDIX: Environmental Performance Methodology**

Scope 3 Emission Category	Sources & Activity Data	tCO <sub>2</sub> e	Emission Factor	Assumptions	Methodology	% Emission calculated based on 3rd party data
Purchased Goods & Services	Animal feed - using spend for hog and production volume for poultry Third party contracted growers and producers - using proportion of supply for hog and production volume for poultry Ingredients and packaging - using \$ spend Co-manufacturers - using kg of sales volume	1,259,220	Animal feed (hogs), ingredients and packaging - 2007 Producer Price Model published by the Green Design Institute of Carnegie Mellon University Third party contracted hog producers - prorating Maple Leaf Foods' reported emissions in proportion to the relative production of Maple Leaf Foods and the third-party grower prorating Maple Leaf Foods' reported emissions in proportion to the relative production of Maple Leaf Foods and the third-party producer Animal feed (poultry), third party contracted poultry grower - Lifecycle analysis by the Chicken Farmers of Canada Co-manufacturers - utilize Maple Leaf Foods' emission intensity as a proxy to calculate co-manufacturer's emissions	For third party contracted hog producers, as all third-party hog barns are located in proximity of Maple Leaf Foods' barns the assumption is that third-party producers' emissions will be similar per unit of production to Maple Leaf Foods.	Average-data and spend-based method	0.0%
Capital Assets	This category is relevant but not reported. Based on a review of the GHG Protocol Scope 3 Evaluator, this category is determined to be insignificant in size and the ability to collect data is limited.	N/A	N/A	N/A	N/A	N/A
Fuel and energy related activities (not included in Scope 1 or Scope 2)	Upstream emissions of purchased fuels - using natural gas and propane consumption Upstream emissions of purchased electricity - using electric power consumption	26,597	Department for Environment Food and Rural Affairs (DEFRA)	Fuel and electricity quantities sources and type of fuel and electricity consumed is a reference to Scope 1 and Scope 2.	Average-data method	0.0%
Upstream transportation and distribution	Rail transport, using tons-kilometer Road transport, using kilometers travelled	21,648	Rail transport - Department for Environment Food and Rural Affairs (DEFRA) Road transport - US EPA Climate Leaders - Commuting, Business Travel and Product Transport	The most direct road route is used to transport (road and rail) products, feed and animals between shipping points.	Mass/distance- based and distance- based method	0.0%
Waste generated in operations	Manure land application - using annual average hog and chicken Disposal in a landfill - using tonnes Composting - using tonnes Rendering - using tonnes	67,982	Manure land application - IPCC Guidelines for National Greenhouse Gas Inventories Disposal in a landfill - Environment Canada National Inventory Report Composting - US EPA, "Documentation for Greenhouse Gas Emission and Energy Factors Used in the Waste Reduction Model" Rendering - "Data for the Carbon Footprinting of Rendering Operations", Gooding, C.H.	For landfill facilities that use landfill gas capture and recovery system is 99.7% efficiency, otherwise 100% of the methane is reported. For rendering, materials are sent to rendering facilities located in proximity of Maple Leaf Foods sites and is based on a proxy of an average-sized rendering plants in North America.	Average-data method	0.0%
Business Travel	Air travel, including commercial airline and corporate jet services - using kilometers travelled and litres consumed, respectively Automobile travel, using rental cars and employee personal car - using kilometers travelled and gas expenditures	2,141	Air Travel - Department for Environment Food and Rural Affairs (DEFRA) and The Climate Registry Automobile Travel - US EPA Climate Leaders - Commuting, Business Travel and Product Transport	Automobile emission is based on an average size car with an average fuel efficiency in North America.	Distance-based, fuel-based and spend-based method	0.02%
Employee Commuting	Employee commuting - using the number of employees working directly for the Company	8,334	The GHG Protocol Quantis Scope 3 Evaluator tool is used - it is based on the US Department of Transportation data (USDOT 2014), in conjunction with ecoinvent 2.2 datasets for various transportation mode	Average work schedule in North America and adjusted for the impact of COVID-19 work from home policy based on internal employee survey.	Average-data method	0.0%
Upstream leased assets	Electric power - Information system data centre - using KWh consumption	12	Environment Canada - National Inventory Report	Electricity grid for the province in which the asset is located was used.	Asset-specific method	0.0%

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# **APPENDIX: Environmental Performance Methodology**

Scope 3 Emission Category	Sources & Activity Data	tCO <sub>2</sub> e	Emission Factor	Assumptions	Methodology	% Emission calculated based on 3rd party data
Downstream transportation and distribution	Animal feed - using spend for hog and production volume for poultry Marine transport - using tons-kilometers Road transport - using kilometers travelled Ingredients and packaging - using \$ spend Co-manufacturers - using kg of sales volume	122,457	US EPA Climate Leaders - Commuting, Business Travel and Product Transport	The most direct route is used to transport finished products between shipping points.	Mass/distance- based and distance- based method	0.0%
Processing of sold products	This category is not relevant and therefore not reported. Maple Leaf Foods does not sell intermediate products for further processing.	N/A	N/A	N/A	N/A	N/A
Use of sold products	This category is not relevant and therefore not reported. Our products do not result in direct use-phase emission.	N/A	N/A	N/A	N/A	N/A
End-of-life treatment of sold products	This category is relevant but not reported. Based on a review of the GHG Protocol Scope 3 Evaluator, this category is determined to be insignificant in size and the ability to collect data is limited.	N/A	N/A	N/A	N/A	N/A
Downstream leased assets	This category is not relevant and therefore not reported.	N/A	N/A	N/A	N/A	N/A
Franchises	This category is not relevant and therefore not reported. Maple Leaf Foods does not operate any franchises	N/A	N/A	N/A	N/A	N/A
Investments	This category is relevant but not reported. Maple Leaf Foods has a minority stake (with no operation control) in a few companies. All are insignificant and emissions have been assessed to be negligible.	N/A	N/A	N/A	N/A	N/A
	Total	1,518,391				0.02%



Appendix