



Carbon Strategy – FAQs

01 What is Maple Leaf Foods announcing?

Maple Leaf Foods is the first major food company in the world to become carbon neutral. We have achieved carbon neutrality by aggressively reducing our greenhouse gas emissions and investing in high impact environmental projects to neutralize the unavoidable emissions that remain. And, we are the only food company in Canada to set Science-Based Targets (SBTs) that are aligned with the goals of the Paris Agreement on Climate Change. Importantly, SBTs require that we reduce our emissions even as we grow.

02 How does this achievement align with your broader ambition to become the most sustainable protein company on earth?

Maple Leaf Foods is on a mission to become the most sustainable protein company on earth. We recognize that creating nutrient-dense protein like ours takes resources, and today we are proud that we are staking our future on being carbon neutral today, and every day going forward.

Since 2015, we have significantly advanced against our emissions reduction target of 50% by 2025, one of the most aggressive environmental reduction targets in the food industry. This is achieved by pursuing efficiency gains across our network, investing in conservation technologies and rigorous monitoring. To neutralize our remaining emissions, we are investing in high-quality, credible and verifiable projects that reduce global greenhouse gas emissions to bring our net carbon footprint to zero.

03 What are the Science-Based Targets you've adopted?

Maple Leaf Foods is the first food company in Canada to set SBTs and one of only three animal protein companies to do so globally. Science-Based Targets are emission reduction targets aligned with the goals of the Paris Agreement on Climate Change.

As part of the agreement, Maple Leaf has pledged to reduce our absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 30% by 2030 from a 2018 base year. These are emissions produced directly by our operations and from the electricity we purchase. We have also pledged to reduce Scope 3 GHG emissions 30% per tonne of product produced over the same period. These are emissions produced by our supply chain including raw materials, feed and ingredients we purchase for the packaging and distribution of our products.

04 How much will your investment in carbon offsets decline over the next five years as you reduce your energy usage and GHG emissions? Do you see a time when you will achieve carbon neutrality without purchasing carbon offsets?

No company that we are aware of that has achieved carbon neutrality has done so without investing in environmental projects through offset purchases, and we are no different. By investing in offset projects, we have established an internal price on carbon. This will help to incentivize future energy reduction projects and drive reductions against our targets. Our goal is to meet our SBTs for additional emissions reductions, so we then have to obtain fewer and fewer offsets.

05 What carbon offset projects are you investing in to be 100% carbon neutral?

We are investing in credible and independently verified projects that eliminate carbon emissions including: landfill gas, biomass, renewable energy, composting and forestry. We are also supporting wind power projects to address our electricity consumption. The projects are located throughout Canada and the United States and are verifiable using third parties.

06 Who certifies these projects?

The projects are certified by the leading certification organizations in the field, including Green-e, Verified Carbon Standard, The Gold Standard, CSA Group and American Carbon Registry.



Carbon Strategy – FAQs (cont.)

07 What technologies or process improvements are currently in place at Maple Leaf Foods to reduce your carbon footprint?

We have both short- and long-term carbon reduction plans and initiatives in place to reduce, replace and avoid carbon-intensive activities through all facets of our operations. Our emissions reductions efforts will be accelerated with the adoption of SBTs.

All of our facilities are required to develop and implement comprehensive environmental action plans that collectively support our company-wide goal. Since 2014, we have invested nearly \$12 million in capital on environmental sustainability related projects, we have reduced electricity intensity by 24%, process water usage by over 16% and solid waste by over 22% (diverting almost 93% of our total waste from landfill). These initiatives include:

- Environmental training and engagement to raise awareness and support environmental action plans
- **Electricity:** LED lighting retrofits, replacing old equipment (e.g., pumps, air compressors, chillers, dryers, motors, vacuum systems, generators, etc.), new ammonia compressors.
- **Natural Gas:** heat recovery/preheat systems, heat exchangers, heating and ventilation controls, boiler replacements, steam system improvements.
- **Water:** high-efficiency fixtures, valves, sprayers, piping replacements, tank repairs, closed loop water systems, wastewater treatment enhancements.
- **Solid Waste:** organics diversion utilizing bio-digester technology, food loss and waste assessments, and enhanced waste audits at facilities, increasing recycling across our operations.

08 Does carbon neutrality mean you can be in the meat business and be environmentally sustainable?

Yes. We recognize that creating nutrient-dense meat and poultry like ours takes significant resources, but we believe our meat and poultry products offer unique nutrition benefits and can be part of a healthy balanced diet for those who consume and enjoy them. By becoming carbon neutral, we feel confident in saying that our meat and poultry are both nutritious and sustainably produced.

09 How do you expect this to be received by customers and suppliers?

Consumers, investors and customers expect business leaders to problem solve and act on climate change. Our announcement shows that becoming carbon neutral and setting SBTs are both achievable, and we hope our actions will inspire companies in the food sector and in business broadly to adopt similar targets.

10 Will the switch to carbon neutral impact the cost of products for consumers?

No. Consumers should not have to pay a premium to make choices they are proud of. Establishing our operations as carbon neutral will have no impact on the price of our products.
