The year 2020 was both a challenging and pivotal year for TreeHouse. We faced one of the worst global pandemics in history, one that stretched our business in ways we could not have predicted and that changed the very way we work. Our number one priority was keeping our people safe, and the dedication and resilience demonstrated by our teammates this past year has been nothing short of extraordinary. Through it all, we stayed true to our values of Own It, Commit to Excellence, Be Agile, Speak Up, and Better Together, and are stronger for it. Last year also served as a pivotal transition for us concerning Environmental, Social, and Governance (ESG). We committed to meaningful goals for 2025 and shifted from a traditional sustainability-centric approach to one that integrates ESG throughout the company, enabling us to better identify and address risk, create value, and improve our environmental and social performance. At TreeHouse, we know that doing the right thing for our shareholders, our customers, our consumers, and our employees is the key to driving long term growth and economic success.

2020 also brought other challenges, from climate change and wildfires to racial equity and social justice. As a responsible public company that employs more than 10,000 people across North America and Italy, we need to warrant action by driving change to preserve and respect the planetary and human boundaries. We will continue to use our capabilities and influence to help address the complex social and environmental challenges.

We are in the business of food and all our products are intertwined with human health and the planet’s health in every imaginable way. As a private label business, we must respect and care for the brands and retailers we serve and their consumers. We are committed to delivering innovation, a responsive strategy, and market-oriented solutions that integrate our ESG efforts into our products and services.

In 2020, we focused on setting up the structure for our ESG goals in three key additional areas: responsible sourcing, sustainable packaging, and diversity, equity, and inclusion. Our 2021 projects have focused on implementing changes to meet our goals in the new areas as well as continuing our environmental and sustainability efforts. As part of our broader ESG strategy, we have begun work on a new responsible sourcing policy and are preparing an assessment of our supply chain to evaluate ESG performance. We are auditing our packaging to identify where we can begin adding sustainable options and are preparing to conduct a more thorough sustainable packaging assessment to help determine a longer-term sustainable packaging goal. We have developed new strategies and programs focused on enhancing diversity, equity, and inclusion across our enterprise. More information on these efforts can be found in this report, along with an insight into our ESG progress. We know, however, that our efforts are part of a longer ESG journey, and we remain committed to continuous improvement in all areas of ESG.

Sincerely,

Steve Oakland
CEO & President
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The goals, targets and projects described in this report are aspirational and forward-looking. As such, results may vary significantly and no guarantees are made that the goals and targets will be met or that projects will be successfully executed.

Numbers and percentages in this report are estimates or approximations and may be based on assumptions.
TreeHouse Foods, Inc. (TreeHouse) is a leading manufacturer and distributor of private label packaged foods and beverages in North America. We have approximately 40 production facilities across North America and Italy, and our vision is to be the undisputed solutions leader for custom brands for our customers.

Our extensive product portfolio includes snacking, beverages, and meal preparation products, available in shelf stable, refrigerated, frozen, and fresh formats. We have a comprehensive offering of packaging formats and flavor profiles, and we also offer better-for-you, organic, and free from preservative products across almost our entire portfolio.

Our purpose is to make high quality food and beverages affordable to all.
ESG GOVERNANCE

TreeHouse is committed to strong corporate governance in order to deliver reliable, quality products to our customers and long-term value for our shareholders. ESG performance is an important part of that commitment, which is why we established our ESG governance structure in 2020. This structure starts at the highest levels of our leadership and extends to all employees to ensure that ESG is integrated across our organization.

Our Board

The TreeHouse Board of Directors (the Board) demonstrates our commitment to diversity and plays an important role in the execution of our ESG Strategy. Our Board makeup at the time of this report’s publishing is depicted below.

ESG is overseen by our Nominating and Governance Committee. The committee has oversight responsibility for the company’s ESG strategy and helps ensure that our efforts are fully resourced and consistent with broader business planning and objectives. The Board receives quarterly updates on ESG performance and per its charter, the Nominating & Governance Committee reviews the ESG program in depth annually.

The Nominating and Governance Committee is currently chaired by Ms. Linda K. Massman. Ms. Massman has been on our Board since 2016 and was previously the President and CEO of Clearwater Paper Corporation.

The Audit Committee oversees the performance of TreeHouse’s internal audit function. It provides a direct line of communication between the Board and internal auditors for conveying findings. The team reviews our ESG report annually to ensure data quality and accuracy. They also provide advisory services to the ESG team to ensure that we are keeping up with industry ESG trends in transparency and disclosure.
In addition to the Board oversight provided by the Nominating and Governance Committee, TreeHouse has also created the ESG Executive Steering Committee, a cross-departmental leadership team chaired by our CEO and President, Steve Oakland. The committee is made up of senior leadership from all relevant departments including Finance, Investor Relations, Operations, Human Resources, Legal, Commercial Excellence, Procurement, and Strategy.

The ESG Executive Steering Committee provides direct guidance to the business on our ESG agenda, confirms sufficient resourcing is in place to advance our ESG strategy, and reports to the Board on ESG-related matters. The committee meets quarterly to progress our ESG strategy towards our 2025 goals.

To help with the development and execution of our ESG strategy, TreeHouse has formed four strategic ESG subcommittees to drive progress on our key ESG initiatives. Those subcommittees include Supply Chain and Operations, Transparency and Disclosure, Plastics and Packaging, and Employee Engagement and Welfare.

Each subcommittee has two co-chairs from the business and is made up of a cross-functional team of subject matter experts. The ESG subcommittees are responsible for setting the action plan needed to achieve our ESG goals, to provide subject matter guidance to the company on ESG issues, and to assist with ESG reporting and disclosure.
At TreeHouse, we believe it is important to live our values every day. Our ESG commitments fit with our broader company values in the following ways:

Own It
As a manufacturer of food and beverage products, we have a responsibility to our customers and employees to own our impact and focus on reducing it. Our company is committed to not only improving our own environmental and social practices, but also supporting our stakeholders improving their own efforts as well.

We also expect our employees to find ways to identify and own opportunities to contribute to our ESG efforts.

Commit to Excellence
We believe in setting high standards and then working to achieve them, and our ESG goals are an example of our commitment to build a company focused on achieving environmental and social change throughout our enterprise.

Progress on ESG issues begins with the engagement and passion of our people, and we commit to ensuring our people’s safety in every aspect of our operations as we work towards our shared goals.

Be Agile
We believe it is imperative that we have an aligned and embedded view of and strategy for ESG performance so that we can adjust and respond to our stakeholder needs and expectations quickly and effectively.

Long-term commitment requires a collective sense of purpose and shared vision for the future, and we are committed to the persistent and consistent action required to bring our ESG strategy to life.

Speak Up
The world is rapidly changing, and our employees and our customers expect more from us than ever before. We know that as one of the largest private label branded companies in our industry, and as the employer of thousands, it is our responsibility to speak up and address injustice when we see it, and we expect our employees to do the same.

ESG efforts often address risks to the business, and we encourage our stakeholders to help us identify risks and address them before they turn into problems.

Better Together
We know we cannot do this alone. It is only with the support and collaboration of all of our employees, vendors, and customers that we will be able to deliver real change.

We have created a cross-functional approach to engage employees at all levels of our business to help us advance our ESG efforts.
The COVID-19 pandemic presented a number of challenges in 2020. However, despite disruptions to the business, TreeHouse continued to prioritize the safety of our employees above all.

In 2020, TreeHouse established a multitude of safety protocols ranging from the introduction of mask requirements, hand washing stations, travel restrictions, and the provision of frequent communications to employees to help keep everyone informed and safe.

We established additional protections designed to maintain the safety and well-being of our team members. This included an enhanced, structured sanitation schedule, the development and execution of a personal protective equipment (PPE) strategy to ensure access to critical materials for all employees, and the retention of a third-party service that implemented temperature checks at facilities. Our COVID-19 defense practices included contact tracing and support for employees who were exposed to or contracted the illness.

Lastly, TreeHouse brought onboard a health navigation service to monitor changes to COVID-19 regulations and requirements and to launch an employee hotline to offer direct assistance when needed. The health navigation service also began engaging consumer packaged goods (CPG) partners to lay the groundwork for access to vaccinations in 2021.
Our Response to the COVID-19 Crisis in 2020

Supporting Our Front Line Employees

- Masks provided to all employees, contractors & visitors at all locations.
- Temperature screenings in place at all sites.
- Enhanced hand washing protocol & hand sanitizer made readily available.
- Physical barriers & social distancing protocols in place.
- Training protocols implemented to ensure employee & food safety.
- Enhanced sanitation protocols & COVID supply process established.
- Incentives for employees, including supplemental pay and additional paid leave.
- Registering our sites as essential workplaces.

Supporting Our Office Employees

- Established work from home guidance for all office employees; controlled access to offices, limiting capacity to 25%.
- IT Resources available to support work from home.
- Suspended non-essential business travel.
- Established return to office task force to ensure employee safety.

Supporting Our Customers & Consumers

- Dedicated to providing essential food to our customers & consumers.
- Streamlined production schedules & enhanced distribution capacity.
- Strong customer partnership & collaboration to meet heightened customer need.
- Proactive, transparent & clear communication with our business partners.

Frequent & Transparent Communication

- Dedicated COVID-19 response team.
- Dedicated COVID-19 internal intranet site established.
- Dedicated medical partnership to inform decisions.
- Developed resources for managing COVID response.
- Weekly leadership communications to employees.
- COVID leaders at each location & robust contact tracing protocol.
- Thank you videos from leadership to employees.
- Email & video messaging from our CEO.
# PERFORMANCE

## 2020 Environmental Sustainability
### Goals & Performance
- Project Highlights

## Our Environmental Performance
- 2025 Goals
- Climate Change and Energy Usage
- Water Management
- Waste Management
- Sustainable Packaging

## Our Social Performance
- 2025 Goals
- Employee Health and Safety
- Food and Safety
- Nutrition and Health
- Responsible Sourcing
- Diversity, Equity, and Inclusion (DEI)
- Employee Engagement

## Our Governance Performance
- Business Continuity

## Our Path Forward
In 2016, we set ambitious environmental goals for 2020. Since then, we have monitored our progress against these goals and developed solutions internally to meet them. In our 2020 ESG Report, we communicated our progress towards these goals, noting that challenges at the end of 2019 resulted in increases in energy and water intensity and decreases in landfill diversion rates at our facilities.

The graphic below identifies our 2020 targets and the progress made against the 2016 baselines.

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**2020 ENVIRONMENTAL SUSTAINABILITY GOALS & PERFORMANCE**

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**CLIMATE AND ENERGY**

- **9%**
  - Reduce Energy Intensity (kWh/lb) by 9%

**WATER**

- **6%**
  - Reduce Water Intensity (gal/lb) by 6%

**WASTE**

- **75%**
  - Increase landfill diversion and get 75% of facilities to Zero-Waste-to-Landfill (ZWTL)

- **3.4%**
  - Reduced Energy Intensity (kWh/lb) by 3.4%

- **3.8%**
  - Reduced Water Intensity (gal/lb) by 3.8%

- **37%**
  - 37% of facilities are Zero-Waste-to-Landfill (ZWTL)

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2 The 2016 baseline for 2020 Environmental Sustainability Goals was updated to reflect plant divestitures. The 2016 baselines do not include TreeHouse Italian facilities. Zero-Waste-to-Landfill is defined as diverting greater than 95% of waste from landfill.
Our progress towards achieving our 2020 goals was further impacted by the global COVID-19 pandemic. COVID-19 drastically changed the supply and demand landscape for food products and thus, food manufacturers.

Necessary stay-at-home orders beginning in March 2020 shifted food consumption from restaurants to homes, lowering the demand for some food service products and other product categories sold through our food-away-from-home sales channel. At the same time, unusually high production demand for other product categories primarily sold through our retail grocery sales channel led to longer production schedules. Access to nutritious and affordable food options was especially critical to support the health of our consumers. We remained committed to meeting our customers’ needs in those challenging times. As 2020 progressed, we dedicated substantial operating time and resources to rebuilding our inventory levels towards the end of the year.

The onset of COVID-19 impacted program execution as well as metrics. We were unable to execute the planned amount of Sustainability Treasure Hunts in 2020 due to travel restrictions and safety concerns.

The Sustainability Treasure Hunt program consists of facility-based teams conducting comprehensive facility assessments to identify opportunities for energy and water savings. We completed four assessments in 2020, all before March, at our Columbia, SC; Georgetown, ON; Kenosha, WI; and Ogden, UT facilities.

The necessary focus on adapting to changing global conditions, paired with an inability to travel and safely execute on our Sustainability Treasure Hunt program, prevented us from meeting our 2020 targets on the timeline we set.

While we were not able to achieve our 2020 Goals, we were still able to execute on several energy, water, and waste efficiency projects identified through our Sustainability Treasure Hunt program in prior years. We were able to reduce our footprint at a number of our facilities, while focusing on keeping our people safe and producing high quality food products.
Environmental and Sustainability Project Highlights

We recognize that our efforts to achieve our 2020 goals were limited by the impacts of the COVID-19 pandemic. To ensure that our ESG performance progress continued, TreeHouse bridged its 2020 goals into the 2025 ESG goals that were announced last year. This approach allows us to continue to advance the environmental and sustainability work that began in 2016, while also expanding that effort to social and governance objectives as well.

**Energy**

In total, 121 energy projects identified through the Sustainability Treasure Hunt process were completed in 2020. These improvements made from these projects account for an estimated 7,700,000 kWh of electrical savings and 45,000 MMBTU of natural gas savings, a total of over 5,700 Metric Tons of CO2e and over $1,000,000 in annual cost savings.

**Water**

A total of 18 water use reduction projects were completed in 2020 from projects identified in the Sustainability Treasure Hunt program. These projects accounted for an estimated 20 MM gallons of water use reductions and $240,000 in total cost savings.

**Waste**

In 2020, we had 23 plants with greater than a 90% diversion rate. This was achieved primarily through plant-led improvements to reduce the amount of waste sent to landfills.
Our efforts to achieve our 2020 goals laid the foundation for a larger and broader sustainability agenda at TreeHouse. In 2020, we set a series of ESG goals that include several focused, trackable, and measurable metrics we are committed to meeting by 2025. These goals are now the focus for our company’s sustainability agenda and promote a continued commitment to operating our business in a sustainable and environmentally responsible fashion.

2025 Goals

We recognize our responsibility to do better and to set meaningful targets to track our environmental and sustainability performance. A key step taken in 2020 was the development of Agenda 2025, TreeHouse’s ESG strategy for the next five years. As part of this strategy, we set measurable goals on key issues to improve our ESG performance and reduce our environmental and carbon footprints. Our environmental goals include targets around climate and energy, water management, waste management, and sustainable packaging.

We are committed to achieving these goals by 2025 (and 2030 respectively), and are actively developing internal roadmaps, milestones, and metrics to help drive progress towards our goals.

<table>
<thead>
<tr>
<th>Climate and Energy</th>
<th>Water Management</th>
<th>Waste Management</th>
<th>Sustainable Packaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce greenhouse gas emissions intensity (Scope 1 &amp; 2 emissions) by 5% by 2025 against a 2020 baseline of 0.201 lbs CO2e/lb of product. Work with suppliers to complete a Scope 3 Emissions Assessment and set a reduction goal by the end of 2025.</td>
<td>Reduce water intensity by 10% against a 2020 baseline of 0.391 gallons/lb of product.</td>
<td>Achieve a company-wide landfill diversion rate of 85% by 2025 against 2020 baseline of 79%. Reduce food loss waste from plant operations by 50% by 2030 against a 2020 baseline of 25,077 tons.</td>
<td>Conduct a Sustainable Packaging Assessment by the end of 2021.</td>
</tr>
</tbody>
</table>

3 2020 baseline numbers include all TreeHouse North American and Italian facilities.
Climate Change and Energy Usage

Our industry’s business continuity requires stable energy and fuel inputs to ensure consistent and safe food production, refrigeration, and packaging. The events of 2020 highlighted this need especially, as unpredictable global conditions affected every part of our value chain. However, energy production and consumption also contribute to climate change and pollution. We recognize that reducing our energy and carbon footprints is our responsibility as a manufacturer, as well as an opportunity for us to realize energy cost savings and other benefits. In 2020, we focused our efforts on improving our performance and disclosure to help meet our climate change and energy use goals.

Taskforce on Climate-related Financial Disclosures

The impacts of climate change will have major effects on communities, countries, and industries worldwide. Climate change threatens to affect every aspect of our business, from ingredient sourcing to production to distribution. We recognize the immediate need for and importance of identifying, monitoring, and mitigating the risks to our business from climate change, which also present potential opportunities for reducing our cost or expanding our portfolio. A key action taken in 2020 was the development of a Taskforce on Climate-related Financial Disclosures (TCFD) disclosure, included within this report. Our disclosure aligns with the Taskforce’s key recommendations for institutions to organize and communicate on climate-related impact, outlining our governance, strategy, risk management, and metrics and targets for addressing climate change.

Reducing Greenhouse Gas Emissions

We are actively working to reduce our operational Scope 1 and Scope 2 emissions by increasing the efficiency of our manufacturing operations. In 2020, our Scope 1 and 2 emissions totaled just under 382,000 metric tons of CO2e, which was a 3.5% decrease from 2019. This reduction in greenhouse gas emissions can be attributed largely to our reduction in Scope 2 emissions from our energy efficiency projects. These projects not only reduce our operational emissions, but also our non-renewable energy usage and costs.

TreeHouse Greenhouse Gas Data

[Graph showing greenhouse gas emissions data for 2016-2020]

4 2016 – 2020 greenhouse gas emissions data includes North American manufacturing facilities only. 2016 – 2019 performance data has been updated to reflect divestiture of three manufacturing facilities in July 2019. Scope 1 greenhouse gases includes natural gas only; other direct emission sources identified by GHG Protocol (refrigerants, diesel fuel, etc.) are excluded.
Energy Efficiency Projects and Achievements

In 2020, we implemented an airborne ultrasound program, which uses ultrasound technology to identify leaks in our compressed air systems. This program identified over 970 air leaks, which in total amount to over $150,000 in estimated energy costs savings annually. Working with plant production and maintenance schedules, we were able to repair over 280 of those leaks in 2020, which amounted to almost $45,000 in energy savings. The remainder of the identified leaks were placed on a repair schedule in line with plant maintenance activities to ensure completion and avoid additional line shutdowns.

In 2020, we completed LED lighting upgrades at our New Hampton, IA and Delta, BC manufacturing plants. Upgrading to LED lighting reduced total energy consumption in both manufacturing plants as well as supported our focus on people safety by increasing visibility and working conditions. By implementing these changes, the two plants were able to collectively reduce their energy usage by 1.2 MM kWh of electricity and save over $146,000 in annual electric costs.

Our Cedar Rapids, IA manufacturing plant reduced their energy consumption and operating costs through a different type of energy project. In 2020, Cedar Rapids executed several compressed air system improvement projects to reduce the plant’s electricity consumption. By installing an air compressor control system, the plant was able to better match their compressor system energy consumption to actual plant demand. Modifications were also made to their compressed air system to draw inlet air from outside the plant to utilize free, cooler air, therefore reducing the system’s energy consumption. These projects saved approximately 640,000 kWh of electricity and a realized annual savings of $52,000 in electric costs.

In 2020, we re-certified four Cookie and Cracker bakeries as Energy Star certified manufacturing facilities. This is a distinction from the U.S. Environmental Protection Agency (EPA) that recognizes facilities for excellent energy efficiency and performance compared to their peer facilities. These four manufacturing plants located in Ogden, UT, South Beloit, IL, Princeton, KY, and Tonawanda, NY were recognized for performing in the top 25% of all in-store Cookie and Cracker bakeries in the U.S. for energy efficiency.

2025 Climate and Energy Goals

We plan to build upon our energy and emissions reduction efforts in 2020 to help meet our climate and energy goals by 2025. We have committed to reducing our greenhouse gas emissions intensity (Scope 1 and 2 emissions) by 5% in 2025 against a 2020 baseline, as well as working with our suppliers to complete a Scope 3 Assessment and set a reduction goal by the end of 2025.
Water Management

Water is an important resource for all aspects of our value chain, from the water needed to grow key commodity ingredients to the water used for cleaning, cooking, and processing ingredients and production supporting processes at our facilities. We utilize water in our sanitation processes to clean our equipment and facility; a cornerstone of our food safety and quality strategy and our commitment to a safe and sanitary work environment for our team members. We also recognize that water is vital to communities and biodiversity where we operate as well as globally. Water scarcity is a possible consequence of climate change, one which would significantly impact our operations, team members, customers, and consumers. We are committed to reducing our water footprint and to making our products and processes more sustainable and less resource intense.

Water-related Risks

We recognize that as climate change evolves, the intensity and frequency of droughts, water pollution, and flooding increase, which may increase potential risk to our operations. The increased magnitude and frequency of water-related risks will negatively impact the availability, quality, and costs associated with our water usage. In 2020, we broadened our efforts on improving our water consumption and wastewater generation performance and risk identification. We continue to enhance our water management strategy through corporate initiatives and plant-level project execution.

We track the volume of water withdrawn at our manufacturing sites, including those in water-stressed regions. The World Resources Institute (WRI) classifies areas as “high risk” or “extremely high risk” for water scarcity. In 2020, we had five sites in “high” and “extremely high risk” locations, which represents 13% of water withdrawn. This was a significant reduction from 17 sites in 2019 and is primarily due to facility closures and divestitures and changes in WRI classifications. In total, we withdrew 6.268 MM m3 of water incoming to our facilities. For the facilities located in high or extremely high-risk areas, we are taking steps to help to prepare for and mitigate potential impacts of climate change on water availability.

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The WRI Water Risk Index Report was performed in August 2020, except for one manufacturing facility’s assessment that was performed in July 2021. The 2019 and 2020 WRI Water Risk Index Report only includes North American locations.
To prepare for and mitigate the impacts of climate change on water availability, we have identified several risks to our business continuity based on geography, key ingredient inputs, and product category, especially our beverage business. Reducing the impact of these risks is important not only to our continued operations, but also for the long-term success of our customers and the communities they serve. The following risks and mitigation strategies outline our approach to reducing our water footprint and risks:

- **Environmental Constraints – Sourcing and Manufacturing Site Water Withdrawal Risks:** The availability and quality of water in water-stressed regions where we have manufacturing facilities, both due to climate change impacts and poor local infrastructure, is a primary concern and risk. Water is critical to the growing of ingredients for our products, a key ingredient itself, and a vital resource to plant processes and operations. The lack of availability of quality water could result in disrupted and even halted production. We are working to mitigate this risk by increasing water stewardship protocols at our facilities, increasing our water reclamation efforts, and reducing the water intensity of our products. We have collaborated with external organizations to advance progress in this space, including a strategic relationship with our chemical partner which assists in identifying water reduction opportunities at our sites and completes water savings assessments across our network.

- **Regulatory, Financial, & Stakeholder Constraints – Cost Volatility and Reputational Risks:** Volatility in water costs, stakeholder perceptions, and concerns related to water withdrawals pose risks to our manufacturing operations and expenses. Delayed action on water-related issues could impact our reputation locally with the communities we operate in, as well as globally with our stakeholders. Water stewardship is also a key performance indicator for sustainability engagement programs and ESG ratings, and underperforming could reduce our rankings. We collaborate with local communities, Non-Governmental Organizations, and regulatory agencies to help us determine which ingredients, product lines, and geographies present the largest risks to our operations. We also work with third-party sustainable sourcing standards, as outlined in our Responsible Sourcing Section, to help reduce our water impact throughout the supply chain.

### Reducing Water Usage

We are actively working to reduce our water usage across our operations. In 2020, our total water withdrawn was 1.66 billion gallons, a 12% reduction from our water withdrawal in 2019. This reduction in absolute water can be attributed to our enterprise-wide efforts to improve our water usage efficiency and reduce water withdrawn. These projects not only reduce our water footprint, but also lower our water utility costs.
Water Efficiency and Reduction Projects
In 2018, our highest water-consuming plant in Dixon, IL switched to using a single-pass cooling water system. This single-pass water stream was purchased from the local municipality and used to cool product in the production process. It was then discharged directly to the river adjacent to the facility. This water stream was the single largest water stream in the company at the time. In 2020, we started a project to replace the single-pass, direct discharge water system with a closed-loop cooling system that utilizes an ammonia-based refrigerant system to cool the water. This project reduces the need to purchase and discharge the water after a single pass. The project was completed in early 2021 and it will present water usage and utility cost savings for our business.

We also identified and fixed several water and steam leaks at our Dixon, IL facility through the Sustainability Treasure Hunt process. In total, the plant saved approximately 7.0 MM gallons of water through the leak correction program accounting for an estimated $63,000 in cost savings from combined water, sewer, and heating costs for hot water.

Our Buckner, KY plant realized significant water savings in 2020 through several initiatives at the facility. These initiatives included correcting plant water leaks, repairing or replacing steam traps, and improving the performance of plant bottle washers. Cumulatively, these projects saved the facility an estimated 6.8 MM gallons of water and $119,000 in saved water, sewer, and water heating costs.

2025 Water Goals
We plan to continue our water efficiency efforts beyond 2020 to meet our water goal by 2025. We have committed to reducing our water intensity by 10% by 2025 against a 2020 baseline.

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Water Withdrawal and Water Intensity

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Withdrawn (1,000 gallons)</td>
<td>1,976,749</td>
<td>1,996,624</td>
<td>1,935,365</td>
<td>1,887,560</td>
<td>1,655,712</td>
</tr>
<tr>
<td>Water Intensity (gallons/lbs)</td>
<td>0.428</td>
<td>0.414</td>
<td>0.417</td>
<td>0.454</td>
<td>0.394</td>
</tr>
</tbody>
</table>

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Waste Management

According to the United Nation’s Intergovernmental Panel on Climate Change Climate and Land report, food loss and waste accounted for approximately 8 to 10% of global greenhouse gas emissions from 2010 – 2016. About 25-30% of global food waste occurs during production, post-harvest handling, and storage, with the rest occurring at the processing, distribution, and consumption stages. It is therefore important that companies like TreeHouse identify and implement opportunities to reduce their operational food processing waste as part of their ESG strategy. We understand the importance of reducing waste from our operations and are committed to making our products more sustainable. In 2020, we focused our resources on reducing our waste impact and identifying opportunities to increase our recycling and waste to energy programs to help set us up for reaching our waste goal by 2025.

Food Loss and Waste

Food loss and waste (FLW) can occur for a variety of reasons, such as cancelled customer orders, or food products or ingredients not meeting our quality standards due to causes like manufacturing variances or production planning issues. FLW represents immediate risks to our profitability due to the associated losses of unused ingredients and products, as well as the GHG emissions from the food decomposition process.

Reducing food waste within our operations and product production processes will make an impact on emissions reductions and cost savings. In 2020, our total FLW was an estimated 25,077 tons as calculated using the World Resource Institute (WRI) Food Loss and Waste Accounting and Reporting Standard. This number does not include FLW that was diverted to animal feed, which totaled 71,795 tons in 2020. We are always working to identify efficiencies in our production and ordering processes to optimize our manufacturing operations, reduce waste, and produce consistent, high-quality and affordable products for our customers.

Food Loss Waste (FLW) Weights by Destination

- **Animal Feed**: 71,795 tons
- **Codigestion / Anaerobic Digestion**: 12,344 tons
- **Composting / Aerobic Process**: 8,705 tons
- **Land Application**: 419 tons
- **Landfill**: 2,115 tons
- **Sewer / Wastewater Treatment**: 1,494 tons

7 This FLW inventory includes FLW from TreeHouse’s direct operations or operations owned by TreeHouse. It does not include FLW generated at our upstream suppliers or other stages in the supply chain.
Landfill Diversion Efforts
We are actively working to reduce the waste from and improve the efficiency of our operations. In 2020, our total enterprise-wide landfill diversion rate was 79%. We had 23 plants with greater than a 90% diversion rate, which was 3 more plants that achieved that rate than in 2019. We also had 15 plants with greater than 95% diversion rate. Our increase in landfill diversion rate was achieved primarily through plant-led recycling improvements, which included reducing efforts around cardboards and plastics, product waste, and waste-to-energy programs.

Waste Reduction Projects
Our new Single-Serve Coffee plant in Dallas, TX started operations in September 2020 and has been a Zero-Waste-to-Landfill facility since day one. The plant’s program includes recycling of traditional recyclables, like cardboards and plastics; compost for product waste, like coffee grounds; depackaging of packaged product waste; and incineration to produce energy for all remaining trash.

We also negotiated agreements at our Medina, NY and Milwaukee, WI plants to transfer service from landfill disposal to waste-to-energy incineration in 2020. These projects will allow each site to have over 95% landfill diversion rates, putting them at virtually Zero-Waste-to-Landfill. These agreements and the benefits from them will take place in 2021.

2025 Waste Goals
We plan to expand our recycling and waste reduction programs to more of our facilities in 2020. We have set a goal to achieve a company-wide landfill diversion rate of 85% by 2025. Additionally, THS established a 2030 goal that is focused on reducing food loss waste generated by its manufacturing locations by 50% by 2030 as part of the World Resources Institute (WRI) 10x20x30 Food Loss Waste Initiative.

#2020 landfill diversion rate include North American manufacturing facilities only. This data is based on our current waste accounting methods. As we focus on continuous improvement, any material changes due to waste accounting improvements will be reported in next year’s report.
Sustainable Packaging

We are committed to doing our part to combat the global plastic crisis. Growing consumer awareness, rising customer expectations, and evolving regulations on plastics and packaging represent both a significant cost to our bottom-line and a key risk to our business. As a private label supplier for many well-known retail grocery brands across the industry, our objective of integrating more sustainable packaging options into our operations is part of our responsibility to society at large.

Reducing Our Footprint

Plastics and Packaging are one of the key areas of focus for our TreeHouse ESG program. As a result, we created an internal Plastics and Packaging subcommittee to more formally evaluate customer requirements, goals, and expectations for sustainable packaging in 2021 and determine how we can meet those requirements by the stated timelines.

We continue to evaluate opportunities to partner with our suppliers and customers to reduce the amount of plastic material in our packaging, commonly referred to as light-weighting. This can be achieved through modifying or replacing existing packaging design in a way that reduces its size and weight. Not only does this reduce the amount of plastic in the environment, but it also provides opportunities to reduce material costs, freight costs, and reduce our Scope 3 emissions downstream.

We also are evaluating other strategies to reduce our plastic footprint, such as substituting for recyclable, renewable, or sustainable materials; reducing or replacing substrate in our packaging with sustainable options; and improving recycling labels on our products to support consumer recycling habits. These strategies vary based on the product line, quantity of product ordered, and length of distribution routes.
We participate in cross-industry and stakeholder collaborations. TreeHouse, a member of the Sustainable Packaging Coalition (SPC), through which we participate in multi-stakeholder efforts to make packaging more sustainable across the value chain. We actively engage with SPC and other member companies to inspire collaboration, education, and collective action on this key ESG issue.

We were able to evaluate or implement multiple successful light-weighting projects in 2020, including:

- In 2020, we developed a new design to reduce the weight of non-dairy creamer (NDC) plastic caps. This improvement will result in an estimated reduction of plastic usage of over 178,000 pounds annually starting in 2021. The decrease in cap weight also reduces the number of trucks needed to deliver the same number of caps. This equates to over 30 fewer shipments needed a year, therefore reducing the overall carbon footprint within our supply chain process.
- In 2020, an opportunity was identified to transition plastic syrup caps to a new design that would reduce the material needed by almost a third. This change was implemented in 2021 and will eliminate an estimated 60,000 pounds of plastic used annually.
- In 2020, we identified a design optimization opportunity for a cookie clamshell package. This new design will reduce the amount of material used per clamshell by over 25%. This change was implemented in 2021 and will result in an estimated annual savings of over 120,000 pounds of plastic.

**2021 Sustainable Packaging Goal**

We are committed to working with our suppliers and customers to continue to find ways to reduce our plastics and packaging footprint. We have set a goal to conduct a Sustainable Packaging Assessment by the end of 2021, which will guide our strategy development and implementation for the following years.
Our purpose at TreeHouse is to make high quality food and beverages that are affordable to all. We strive to do that in a way that is socially responsible to our employees, customers, and the communities we impact. Our EHS Commitment guides our vision and actions for protecting these groups while delivering exceptional value to our stakeholders. Strong performance in employee health and safety, ingredient sourcing, and the nutrition of our products are important to our success as a business. Our goal is to improve the sustainability of our products through setting meaningful, long-term targets in these areas.

2025 Goals

In 2020, we developed Agenda 2025, our ESG strategy for the next five years. This strategy was guided by our cross-functional ESG subcommittees and includes setting measurable goals on key issues to improve our ESG performance. Social responsibility is a key part of this performance, and we have set targets around health and safety, responsible sourcing, diversity, equity, and inclusion, and employee engagement. We are committed to achieving these goals by 2025 and are actively developing internal roadmaps and milestones to ensure and measure our progress.
Employee Health and Safety

The safety of our employees is our number one value. Our business could not operate without our team members, and our plant employees are essential to the success of our company. TreeHouse is committed to continuing to embed safety into the culture of our business and deploying systems that provide every team member with the tools they need to do their job safely and comfortably every day. The global COVID-19 pandemic highlighted the vulnerability of the health of our workforce and the increased need for systems and strategies to protect them. Information about our response to this unprecedented health risk can be found in the COVID-19 - Pandemic Response Section. We focused our efforts in 2020 on maintaining and improving our health and safety structure and performance and identifying new ways to protect our employees in global changing conditions.

Protecting Our Employees

We are always striving for zero injuries or illnesses in our workplace. In 2020, our occupational injury rate (OIR) was 1.26°. Safety has always been a priority for our organization; however, we have been on a journey since 2018 to transition safety into a core company value and fully integrate into our culture. We worked to achieve this change by harmonizing our Environmental, Health and Safety (EHS) structure and clearly communicating our expectations with employees at all levels.

We established a common plant structure for our Environmental, Health, Safety and Risk Management (EHS&RM) organization at our facilities. This allows us to streamline our EHS oversight processes and better focus our resources on safety risk identification and mitigation. We also adapted our safety communications to clearly convey the roles and responsibilities for this new organization and to deliver consistent safety messaging. This increased transparency, paired with the development of frontline employee safety committees, allows our employees at all levels to take ownership over creating a safety-first workplace and culture. Safety is incorporated into our TreeHouse Management Operating System (TMOS) and under TMOS, our plants are accountable to EHS Improvement Plans, Environmental Compliance Plans and standardized Incident Investigation and Communication processes.

2025 Health and Safety Goal

We plan to build upon our health and safety performance in 2020 to continue to improve our workplace for our employees. We are committed to reducing our occupational injury rate by 15% by 2025, compared to the 2020 baseline, to continue towards our ultimate goal of zero injuries or illnesses.

°OIR is calculated by the number of Occupational Injuries (OI) times 200,000, divided by the number of hours. The THS OI definition was standardized across locations in 2020 to focus on work relationship and severity. Work hours are estimated for 2020.
Food Safety

Ensuring that every product we produce is safe and fit for human consumption is our greatest responsibility. This was, and always will be, critical for TreeHouse, and we focused our efforts in 2020 on continuing to maintain our high food safety and quality standards. We work closely with our suppliers to help ensure production quality, supply chain traceability, regulatory compliance, and accurate and transparent labeling. The direct costs of product recalls and regulatory fines, and the indirect costs in terms of customer losses, reputational damage, and lost local license to operate are all risks to our business. We work to reduce these risks by deploying food safety system best practices across the enterprise, consistently and clearly communicating our expectations with suppliers through our Supplier Expectation Manual and validation processes.

Highest Food Safety Standards

To help provide the highest food safety for our customers, our food safety platform and facilities are audited annually against Global Food Safety Initiative (GFSI) certifications, including Safe Quality Food (SQF) and the British Retail Consortium (BRC) Food Standard. We conduct internal audits and participate in customer-led audits to ensure food safety across our production chain. These audits identify potential non-conformances in our products or processes and allow us to promptly take corrective action on identified issues, monitor trends in performance across facilities, and implement strategies and practices to prevent food safety issues in the future.

We prioritize working with suppliers that also conform to a GFSI-certified program to ensure that our ingredients are of the highest safety and quality. In 2020, over 96% of the suppliers we directly source our ingredients from were certified to a GFSI recognized food safety certification program¹⁰. Our Supplier Quality Management program, which includes regular supplier food safety audits, help confirms that all ingredient and food-contact packaging suppliers are providing quality materials to our company, complying with all applicable regulations, and meeting our TreeHouse Foods quality standards.

We had zero food safety violations in 2020, a target we are proud to have achieved for several years in a row. This success comes from the tireless work of employees across our organization to monitor and communicate regulatory changes, update internal processes, and consistently operate at the highest standards to deliver safe and reliable products to our customers.

¹⁰ This metric does not include direct suppliers to our two Italian manufacturing plants. However, these suppliers are still held to stringent and equivalent food safety and quality management standards that meet TreeHouse’s expectations.
Nutrition and Health

Providing healthy and nutritious food options to our customers and the communities they serve is a key part of our ESG strategy at TreeHouse. Consumer demand is shifting towards more transparently nutritious food options and awareness around diet and its effect on long-term health issues is growing. Consumers want to know that the foods they are eating contain nutritious, safe ingredients. Our social responsibility to meet those expectations drives our product formulation.

Our Product Development team continuously monitors consumer trends and concerns around health and nutrition. These trends, such as consumer preference for simple ingredients, less sugar, and higher nutritional value, inform our ingredient management and selection. Our Business Leads answer customer requests and share those requests, as well as any product claims or required customer initiatives, with our internal teams. These communications are used to develop our products, packaging, and labeling strategies for our customers. Our Labeling and Regulatory team monitors any governmental (U.S. Food and Drug Administration (FDA), U.S. Department of Agriculture (USDA), Canadian Food Inspection Agency (CFIA), etc.) regulatory changes to help implement internal changes accordingly and before any noncompliance can result in fines, recalls, reputational damage, or customer losses.

Demand for products that meet specific dietary restrictions, ingredient preferences, and sustainability practices is growing as well. We leverage the following certifications to meet the growing desire for information around ingredients, animal welfare, and food sensitivities:

- **Gluten Free Certification Organization (GFCO) and Gluten-Free Certification Program (GFCP):** These certification programs address gluten as an allergen in food products. They evaluate the ingredients and the manufacturing conditions of products and certify products as gluten free and safe to eat for people with gluten sensitivities or Celiac disease.
- **Cage Free, Global Animal Partnership, and Vegan:** These certifications address animal welfare of the animals raised for food products. Vegan certifications validate that no animal products have been used in the production of or as ingredients in products.
- **Non-GMO and Organic:** Non-GMO certifications address the use of genetically modified organisms (GMO) in food. Non-GMO certified food contains no genetically modified ingredients. Organic certifications validate that food or agricultural products have been produced according to USDA organic regulations.

In 2020, 15% of our total revenue came from products sold in the United States with health and nutrition attributes and we expect that this number will likely increase in future years. We are positioned to offer our customers better-for-you and/or organic alternatives across nearly every category. Our production of Non-GMO and Organic labeled foods has increased as well. In 2020, approximately 9.2% of our revenue came from non-GMO labeled products and/or organic labeled products. While these two labels are not mutually exclusive, they show the growing consumer demand for ingredient and production transparency. By anticipating the growing need in society, as well as the markets for nutritional alternatives and organic options, we are both addressing a societal challenge and driving our long-term profitability by capitalizing on these trends in almost every product category.
 Responsible Sourcing

TreeHouse sources ingredients globally and is committed to providing the highest quality for all our private label solutions, categories, and product lines. We recognize that the ingredients grown and raised for our products have their own environmental and societal impacts. Climate change threatens to change or displace food production and communities, and there are increasing and important concerns over human rights in agricultural production. Expanding our responsible sourcing program was a key focus for TreeHouse in 2020 when establishing our ESG structure and setting our 2025 goals. This means evaluating the environmental and social impacts of the ingredients we use and prioritizing sources that are ethical and sustainable.

We recognize the responsibility we have as a major food producer to build relationships with suppliers that have verifiable environmental and human rights stewardship methods. Our Social Responsibility Policy declares our commitment to running a business that is environmentally, socially, and ethically responsible with clear expectations for every party we do business with. It specifically addresses our commitment to human rights throughout our supply chains and operations.

The TreeHouse Code of Ethics defines our collective responsibilities to one another, our consumers, the communities we call home, and our stakeholders. Adherence to the Code of Ethics is critical for us to meet our Responsible Sourcing standards and goals. The Code lays out a clear set of expectations for our suppliers and subcontractors and includes an ethics violation reporting hotline. This code helps fortify our culture of integrity, accountability, and ownership for all who impact or are impacted by our business.

Mitigating Ingredient Sourcing Risks

The quality, consistency, and safety of our products are dependent on the health and stability of global ingredient supply chains and agricultural practices used to grow those ingredients. The impacts of climate change, such as physical damage from severe weather events or water scarcity due to global temperature rises, will influence the price and availability of key ingredients for our products. This could impact our profitability and business continuity.

One aspect of Responsible Sourcing at TreeHouse is identifying our priority ingredients and the environmental risks to their production. We determined priority food ingredients by assessing the commodities we directly source based on spend, volume, social and environmental impacts. We have identified three top priority ingredients: COCOA, COFFEE, and PALM OIL.
Water scarcity from climate change is a risk to our ingredient sourcing capabilities. Rising temperatures and increasing drought will challenge already stressed growing regions, which will affect crop yields, prices, availability, and quality. Three of our top ingredients, wheat, sugar cane, and soy, are among the most water-intensive commodities, and their production will be severely impacted by water resource issues.

Below is a breakdown of our top ingredients by water stress based on our latest World Resource Initiative (WRI) report:

<table>
<thead>
<tr>
<th>Ingredient / Commodity</th>
<th>Country or Region</th>
<th>Water Stress Classification¹¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>Colombia</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Texas, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Oregon, US</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>New York, US</td>
<td>Low</td>
</tr>
<tr>
<td>Cocoa</td>
<td>Pennsylvania, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Vermont, US</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>New Jersey, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Canada</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Malaysia</td>
<td>Medium-High</td>
</tr>
<tr>
<td></td>
<td>France</td>
<td>Low</td>
</tr>
<tr>
<td>Corn</td>
<td>Illinois, US</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Iowa, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Ohio, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td>Cucumbers</td>
<td>Mexico</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Florida, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Wisconsin, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>Malaysia</td>
<td>Low-Medium</td>
</tr>
<tr>
<td>Peanut Butter</td>
<td>North Carolina, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td>Rice</td>
<td>Arkansas, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td>Soybean Oil</td>
<td>Ohio, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Nebraska, US</td>
<td>Medium-High</td>
</tr>
<tr>
<td></td>
<td>Iowa, US</td>
<td>Low</td>
</tr>
<tr>
<td>Sugar</td>
<td>Idaho, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Minnesota, US</td>
<td>Medium-High</td>
</tr>
<tr>
<td></td>
<td>Florida, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Ontario, Canada</td>
<td>Low</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>California, US</td>
<td>High</td>
</tr>
<tr>
<td>Wheat (includes durum)</td>
<td>Canada</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>North Dakota, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Arizona, US</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Illinois, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Indiana, US</td>
<td>Low-Medium</td>
</tr>
<tr>
<td></td>
<td>Ohio, US</td>
<td>Low-Medium</td>
</tr>
</tbody>
</table>

¹¹WRI Water Stress Risk Index Report performed in October 2021.
To address water scarcity and other risks, we work with several third-party responsible sourcing bodies. Whenever practical, we work with suppliers that also engage with these organizations, especially for those ingredients that are unique to specific climates and geographies and not typically produced domestically, such as cocoa, coffee, and palm oil. These bodies also work to confirm that the smallholder farmers that grow these ingredients receive fair and livable wages, implement practices that follow International Labor Organization (ILO) principles, and use sustainable resource management practices to minimize the risks associated with climate change. These trusted third-party standards reflect our ESG and ingredient quality expectations and introduce us to trusted suppliers.

- **Roundtable on Sustainable Palm Oil (RSPO):** RSPO is a global, multi-stakeholder initiative to make sustainably produced palm oil the market norm and reduce global deforestation. We have been a member of RSPO since 2015 and provided input during review of the Standards as part of their Task Force. We also submit an Annual Communication of Progress report with RSPO to publicly disclose metrics and information around our use of palm oil. Our certified food ingredients are certified primarily to the Mass Balance (MB), and Book & Claim (B&C) supply chain standards, with a small percentage being certified to the Identity Preserved (IP) standard.

- **Fair Trade:** Fair Trade International and Fair Trade USA certify that ingredients are supporting the economic stability of smallholder farmers, building farmers’ capacities in environmental and social stewardship practices, and improving the lives of people across global supply chains. TreeHouse’s certified ingredients, including some coffee, tea, and cocoa products, are certified to the Trader Standard. Procuring Fair Trade certified ingredients drives positive economic, social, and environmental outcomes for those who need it most, and we are proud to leverage our scale and purchasing power to support them.

- **Rain Forest Alliance (RFA):** Our RFA-certified agricultural ingredients and commodities, such as some coffee and cocoa products, help align our standard business operations with the efforts of producers, nonprofits, and other companies around the world to leverage the power of business as a force for good in the world.

- **Certified Organic:** Organic production supports soil, plant, and animal health, and continuing to offer a variety of organic ingredients is a key component of our strategy to reduce the use of pesticides and synthetic agents throughout our product lines and across our supply chains.

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### 2025 Responsible Sourcing Goal

We are committed to growing our Responsible Sourcing program as part of our ESG strategy over the next five years. We have set a target to enhance the responsible sourcing program to include a Responsible Sourcing Policy and an associated grievance mechanism, ESG Screening Tool, and Annual Supplier Survey prior to 2025.
Diversity, Equity, and Inclusion (DEI)

Diversity, equity, and inclusion was a key focus area for our ESG strategy in 2020. Diversity of thought, background, and experience of our people has been and will continue to be a key driver of our ongoing success. We want to build and sustain a workforce that represents the diversity of our customers and communities. It is also essential to build an inclusive workplace where our employees can bring their full selves to work and reach their highest potential.

DEI Governance

In 2020, we worked to integrate our commitment to DEI at all levels of our organization, including our Board of Directors. Our leadership is dedicated to building and embracing a diverse and inclusive workforce, and this is reflected both through our board makeup and the key performance indicators tied to executive compensation. In 2020, we added one female director, Jill Rahman, bringing our total number of highly skilled and accomplished directors to 12 at the end of 2020. Of the 12, four directors are female and two are Black, Indigenous, and People of Color (BIPOC). We are committed to having a Board that reflects diverse perspectives, including those based on gender, ethnicity, skills, experience at policy-making levels in areas that are relevant to the Company’s activities, and functional, geographic, or cultural background. We are proud that, at the time of this report’s publishing, 50% of our board composition represents women and/or BIPOC leadership. For our current board makeup, please refer to the ESG Governance Section of this report.

We also reinforced our commitment to DEI at TreeHouse by adding a DEI key performance metric to our executive compensation in 2021. The due diligence and planning work for this metric was conducted in 2020 to determine what metric would be measurable, trackable, and would help to drive our DEI and employee engagement efforts. This performance metric is focused on fostering more women in leadership through actions such as hosting career development series for our Women @THS employee resource group and distributing job postings to diverse organizations for women, minority, individuals with disabilities, and veteran talent. We will continue to evaluate opportunities to further integrate DEI into our executive compensation to strengthen our commitment to building a diverse and inclusive workforce and culture.
PERFORMANCE

DEI Demographics and Roadmap
We track the demographics of our employees based on gender, race/ethnicity, employee type, and other human capital factors. This information allows us to best identify opportunities for DEI programs and resources that will support our employees. In 2020, our workforce demographics were:

Our Workforce Demographics (2020)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Hourly</th>
<th>Salaried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>37%</td>
<td>46%</td>
</tr>
<tr>
<td>Male</td>
<td>62%</td>
<td>53%</td>
</tr>
<tr>
<td>Unidentified</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Hourly</th>
<th>Salaried</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIPOC</td>
<td>37%</td>
<td>15%</td>
</tr>
<tr>
<td>White</td>
<td>43%</td>
<td>73%</td>
</tr>
<tr>
<td>Unidentified</td>
<td>20%</td>
<td>12%</td>
</tr>
</tbody>
</table>

In 2020, we built the foundation for developing our DEI Strategic Roadmap, a multi-year, enterprise-wide approach to accelerating our DEI journey. This included several important steps to advance our DEI progress and prepare our organization for the Strategic Roadmap. We introduced DEI training for our TreeHouse Leadership Community focused on Unconscious Bias, Inclusion, Allyship, and Advocacy. We also reviewed external population and consumer trends and conducted a current state analysis of our workforce to understand opportunity areas. We redesigned our DEI policy and implemented it across our enterprise and established our Employee Resource Group (ERG) framework based on employee demographics and interest. We implemented the first new ERG from this framework in 2020, the Parents and Caregivers ERG.

The next step is the formation of the DEI Council in 2021. This Council will reflect the diversity of our company and focus on enhancing the Strategic Roadmap with the objective of creating a diverse, equitable, and inclusive workplace. Initial plans for the Council include expanding the ERG footprint based on employee interest, rolling out DEI training to broader audiences across TreeHouse, and partnering with recruiting to design processes hiring tools for establishing diverse candidate slates.

This is just the start of our DEI journey at TreeHouse, and we will continue to identify strategies to improve our DEI performance and build our desired diverse and inclusive workforce and culture in 2021 and beyond.

2025 DEI Goal
We are committed to creating a DEI Council by the end of 2021. This council will develop our DEI Strategic Roadmap with the objective of creating a diverse, equitable, and inclusive workplace. This plan will outline the timeline for annual DEI goals, DEI training curriculum, and recruitment and hiring processes with a focus on DEI.
Employee Engagement

Employee engagement is a key driver of our social performance and overall ESG performance at TreeHouse. Employee engagement is the degree to which employees invest their cognitive, emotional, and behavioral energies towards positive organizational outcomes. We need the active engagement of employees across the enterprise in order to execute on our high impact ESG strategy and drive profitability and positive stakeholder relations. Our greatest assets are our people and increasing our focus on employee engagement will help us to attract, motivate, and retain the best talent. Our employee engagement strategies in 2020 included kicking off our first employee engagement survey and laying the framework for our employee engagement plan development by the end of 2021.

We are committed to creating our desired workplace culture where all employees are engaged, energized, and empowered to contribute to the company’s strategy and to reach their full career potentials. In 2020, we implemented our first annual employee engagement survey to salary-exempt and non-exempt employees and the hourly employees at 6 pilot facilities. We had an 80% survey response rate in 2020, which is considered best-in-class participation for employee engagement response rates. Additionally, we committed to conducting employee engagement surveys regularly, including targeted pulse check surveys to help us identify opportunities for improvement and gauge employee interest in potential programs.

Feedback from our first employee engagement survey has informed three areas of focus to progress our employee engagement success:

- **Strategy:** Aligning, executing, and communicating on our corporate and ESG strategies so that employees at all levels understand and can actively participate in our strategic direction
- **Collaboration:** Help our teams work together to focus on common goals and initiatives and build trust within and across our teams.
- **Career Growth:** Support our talent by building and strengthening core business and leadership capabilities through development programs and resources.
Learning & Growing

Employee development is critical to provide our people with the skills and opportunities they need to excel and be engaged at work. In response to our employee engagement results, we developed the Learning & Growing program. This program will provide employees with the tools and resources they need to learn and grow their career at TreeHouse with clarity around the behaviors, experiences, and expectations of our employees.

One development program that we implemented is our TreeHouse Leadership Community (TLC) leadership development program. This program provides four modules on critical capabilities needed for success, along with coaching, for the Executive Leadership team, senior leadership one level below, and all plant managers. We began the development of this program in 2020 and launched the program in 2021.

Our training and development program follows a 70/20/10 framework to maximize learning and first-hand development opportunities:

- **70%** of employee development should be from experiences an employee has on the job. We have developed capability frameworks with a prescribed set of skills, abilities and knowledge to support each employee’s development to be successful in their respective functions. This approach provides employees with information about “what” is expected and “how” to be successful in the role.

- **20%** of employee development is from relationships such as receiving feedback, mentoring, and learning from others. Our culture initiative is supporting the development of a more inclusive and engaging performance review and continuous improvement process. We will be developing an internal mentoring program, with emphasis for that placed on female talent.

- **10%** of employee development comes from learning opportunities such as educational courses, books, and articles. We offer and encourage participation in courses focused on enhancing the supervisory skills of our plant leadership, as well as leadership skills focused on for our TLC and for our Commercial teams. Our Tuition Reimbursement Policy assists our full-time, salaried employees with reimbursement for tuition and other expenses incurred while they further their education to enhance skills that are relevant to their role and the company’s business.
**Talent Recruiting & Retention**

A diverse, inclusive, and engaged workforce is critical to our business success and increases our ability to withstand potential business disruptions without losing customer or investor confidence. We employ several strategies to attract and retain high-performing employees, including partnering with external organizations. In 2020, we worked with two key organizations to accelerate our recruiting and retention of women talent:

- *Women Impacting Storebrand Excellence (WISE)*: WISE’s mission is to foster diverse collaboration and provide leadership that drives the continued success of the store brands industry.
- *Network of Executive Women (NEW)*: NEW’s mission is to advance women, grow business, and transform our workplaces through the power of our community.

We supported employee membership in both organizations to provide them with unique and targeted networking, mentoring, and skill development opportunities. We also leveraged job boards through these organizations to facilitate our job opportunities reaching a wide variety of talent. We will continue to evaluate partner organizations that align with our DEI strategy and goals to ensure we are finding and fostering the best talent at TreeHouse.

**2021 Employee Engagement Goal**

We plan to further expand our employee engagement programs and strategies in the near future and have committed to completing regular, ongoing employee engagement surveys, beginning in 2020. These surveys have already taken place and based on results, we will develop a plan by the end of 2021 to unlock a values-led, high performance and customer centric work culture marked by meeting or exceeding peer employee engagement benchmarks.
TreeHouse understands the importance of embedding ESG strategy into our business. We believe that an effective ESG strategy will help us to identify and mitigate risk, protect business continuity, and generate value for our employees, customers, and shareholders. To do that, we know that it is essential that we have an effective governance structure that ensures we are set up for success. We have worked to create a structure that provides ESG engagement at every level of our business. A detailed breakdown of this structure, including our Board of Directors, ESG Steering Committee, and ESG subcommittees, can be found in the ESG Governance Section of this report.

2025 Goals

In 2021, we developed Agenda 2025, our ESG strategy for the next five years. This strategy was guided by our cross-functional ESG subcommittees and includes setting measurable goals on key issues to improve our ESG performance. Strong governance is a key component of this ESG performance, and we have set targets around business continuity to drive our governance in sustainable directions.

**Business Continuity**
Integrate climate change risks into our Business Continuity Plan by 2025.
Business Continuity

Business continuity was on the forefront of our corporate strategy in 2020 to ensure our success during an unprecedented global pandemic. Our organization had to remain agile to meet the needs of our customers through difficult supply chain and workforce issues. COVID-19 continues to pose unique challenges to our business, but the lessons learned from them are strengthening our business continuity management, risk management policies, and crisis planning.

In 2020, we continued to focus our systems, processes, and protocols on maintaining business continuity across a wide variety of actualized and potential risks. We enhanced our existing elements to help us scale systems across the company, including beginning the development of an Enterprise Business Continuity Management (EBCM) policy and the formalization of a standardized approach to EBCM across departments and locations. We plan to build on this in 2021 and beyond through our standard and policy development, employee engagement and awareness efforts, business impact analysis, recovery strategies, and the continued improvement of business continuity plans for labor and people risks, and physical risks from climate change.

The events of this past year have highlighted the need to constantly improve our crisis playbook to enable consistent and systematic responses to crisis events. The four major components of this playbook include triggers for activation, protocols to inform and escalate, the composition and role of the corporate crisis team, and an action plan based on the severity and type of crisis being managed. In 2020, we continued to expand our enterprise critical event response playbook repository within Everbridge, our crisis communications platform, to promote access and engagement with the materials. We also plan to build on our crisis playbook by including additional scenarios and integrating them into Everbridge, conducting training and scenario planning exercises, and the creation of site-specific playbooks. We will align the additional scenarios in the crisis playbook with other existing response plans to improve our ability to maintain business continuity through a wide range of direct and indirect risks.
Enterprise Risk Management
Risk management has always been and will continue to be important to our business continuity and success. This is especially true in changing global marketplace and climate conditions. TreeHouse has an established Enterprise Risk Management (ERM) model, which includes an enhanced Risk Matrix for identifying risks to our business, ranking those risks, and setting plans and targets to monitor and mitigate them.

The Risk Matrix divides risks into three categories:

- **Business and Operating Risks:** This category includes risks from our direct operations, including environmental, health, and safety and supply chain risks, as well as risks from our internal organization and structure, such as corporate governance and employee talent retention.

- **Market and Other External Risks:** This category includes outside forces that may pose risks to our business, including acute physical risks and regulation risks from climate change and market transition risks.

- **Strategic:** This includes risks to our overall operating model and strategic portfolio and includes risks like portfolio disruption or business model disruption.

Each risk category is further broken down into sub-risks and those sub-risks are assigned a weighting. Each sub-risk also is assigned a risk owner, who is responsible for setting plans and targets to monitor and mitigate the risks. This ERM process ensures that we are evaluating all facets of our business and supply chain to identify risks and mitigate or eliminate them, therefore enhancing our business continuity.

Our Annual Enterprise Risk Assessment Process involves engaging with top stakeholders across the company through surveys, interviews, and facilitated discussions to collect top internal risk perspectives. These perspectives inform the previously discussed Risk Matrix and are ranked and classified based on impact, likelihood, and opportunity. The results of this assessment are presented to TreeHouse’s Board of Directors annually. Going forward, we plan to evaluate our ERM model for where we can include more climate-specific risks to align with TCFD and help us further prepare for climate-related physical, market, and regulatory risks.

2025 Business Continuity Goal
We recognize the impending risks from climate change and that they may have impacts on our supply chain, production, and distribution capabilities. We are committed to incorporating climate change risks into our Business Continuity Plan by 2025 to further prepare and equip us to mitigate them.
2020 was a pivotal year for TreeHouse’s ESG strategy. Despite the challenges presented by the global pandemic, we actively developed and deployed the strategies to help to achieve the goals in Agenda 2025. Additionally, the year provided us the means to engage, educate, and involve the company in our broader ESG journey. In doing so, we have been able to highlight three more specific areas of focus for the company that will frame the focus of our work in the coming year. Those include Diversity, Equity, and Inclusion, Responsible Sourcing, and Sustainable Packaging.

Programs have been put in place to significantly increase our efforts in each of these areas in 2021 and 2022.

We also understand the continued importance of addressing the global climate challenge facing our world. We plan to continue to develop additional efforts to increase our focus on reducing emissions across Scope 1, 2, and 3 and will be working on establishing more aggressive goals for the future as well.

ESG is not something that has an end, it is becoming more integrated into our business operations. It will continue to be central to helping TreeHouse identify and reduce risk while also delivering value to our important stakeholders and partners.
DISCLOSURES

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Task Force on Climate Related Disclosure (TCFD) 42
  Executive Summary 42
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  Strategy 45
  Risk Management 54
  Metrics & Targets 55

Conclusion 56
For the second year in a row, TreeHouse is reporting metrics based on the Processed Foods (PF) industry framework from the Sustainable Accounting Standards Board (SASB). By doing this, we are continuing the promise to our stakeholders to provide transparent and clear ESG information. This disclosure responds to all metrics considered to be important to our industry under the PF framework.

### Table 1

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>SASB Code &amp; Category</th>
<th>FY 2020 Performance</th>
<th>Additional Context &amp; Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy Management</strong></td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>FB-PF-130a.1 Quantitative</td>
<td>1) 5,272,729 Gigajoules (GJ)</td>
<td>2) 100% 3) 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>For additional information, please refer to the Climate Change and Energy Section, 2021 Report (page 12) Year-over-year information can be found in the 2021 Report (page 12)</td>
</tr>
<tr>
<td><strong>Water Management</strong></td>
<td>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>FB-PF-140a.1 Quantitative</td>
<td>(1) 6,268 thousand cubic meters (m3), (2) 13% water withdrawn*</td>
<td>*TreeHouse went from having 17 sites with water withdrawals classified as &quot;high&quot; and &quot;extremely high&quot; in 2019 to 5 in 2020. The decrease from 2019 to 2020 was largely attributed to re-classification of water risk based on the WRI analysis, divesture and closure of facilities. For additional information, please refer to the Water Management Section, 2021 Report (page 14) Year-over-year information can be found in the 2021 Report (page 16)</td>
</tr>
<tr>
<td></td>
<td>Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations</td>
<td>FB-PF-140a.2 Quantitative</td>
<td>1*</td>
<td>*TreeHouse has a wastewater project underway in 2021 to address the non-compliance. For additional information, please refer to the Water Management Section, 2021 Report (page 14)</td>
</tr>
<tr>
<td></td>
<td>Description of water management risks and discussion of strategies and practices to mitigate those risks</td>
<td>FB-PF-140a.3 Discussion &amp; Analysis</td>
<td></td>
<td>For additional information please refer to the Water Management Section, 2021 Report (page 14)</td>
</tr>
</tbody>
</table>

12 Unless otherwise noted, FY2020 performance metrics are scoped to include the North American manufacturing facilities. FB-PF-250a.1 and FB-PF-270a.2 includes the Italian manufacturing facilities.
<table>
<thead>
<tr>
<th>Topic</th>
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</table>
| Food Safety | Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | FB-PF-250a.1 Quantitative | 1) 5.34*  
2) a. 100% b. 100%  
*Two facilities did not get GFSI audited due to COVID-19 restrictions and the existing certifications were granted extension. Corrective actions were taken for all findings. | For additional information, please refer to the Food Safety Section, 2021 Report (page 23) |
|     | Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognized food safety certification program | FB-PF-250a.2 Quantitative | 96%*  
*Percentage is based on the number direct food suppliers of TreeHouse. | For additional information, please refer to the Food Safety Section, 2021 Report (page 23) |
|     | (1) Total number of notices of food safety violation received, (2) percentage corrected | FB-PF-250a.3 Quantitative | 1) 0  
2) Not applicable | For additional information, please refer to the Food Safety Section, 2021 Report (page 23) |
|     | (1) Number of recalls issued and (2) total amount of food product recalled | FB-PF-250a.4 Quantitative | 1) 2*  
2) 7.7 metric tons  
*In 2020, the two voluntary recalls were due to inaccurate labelling and improper line clearance. Additional procedures and verification checks were added to prevent similar issues from reoccurring. No legal preceding or fatalities were reported. | |
| Health & Nutrition | Revenue from products labeled and/or marketed to promote health and nutrition attributes | FB-PF-260a.1 Quantitative | $666 million – 15% of total revenue from products with health and nutrition claims | For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24) |
|     | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | FB-PF-260a.2 Discussion & Analysis | Please refer to the Nutrition and Health Section, 2021 Report (page 24) | For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24) |
**Sustainable Accounting Standards Board (SASB) Disclosure**

**DISCLOSURES**

<table>
<thead>
<tr>
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<th>FY 2020 Performance</th>
<th>Additional Context &amp; Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Labeling &amp; Marketing</td>
<td>Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines</td>
<td>FB-PF-270a.1 Quantitative</td>
<td>We do limited marketing directly to consumers as a private label company.</td>
<td>For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24)</td>
</tr>
<tr>
<td></td>
<td>Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO</td>
<td>FB-PF-270a.2 Quantitative</td>
<td>$420 million – 9.2% of total revenue from non-GMO and/or certified organic products.</td>
<td>For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24)</td>
</tr>
<tr>
<td></td>
<td>Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes</td>
<td>FB-PF-270a.3 Quantitative</td>
<td>Our Labeling and Regulatory team monitors governmental regulations and changes to promote compliance. We address any potential notices of noncompliance with regulatory labeling and marketing codes and work with agencies to correct issues immediately.</td>
<td>For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24)</td>
</tr>
<tr>
<td></td>
<td>Total amount of monetary losses as a result of legal proceedings associated with labeling and/or marketing practices</td>
<td>FB-PF-270a.4 Quantitative</td>
<td>We work to prevent incidences of noncompliance and legal proceedings associated with them. Our Labeling and Regulatory team monitors governmental regulations and changes to promote compliance.</td>
<td>For additional information, please refer to the Nutrition and Health Section, 2021 Report (page 24)</td>
</tr>
<tr>
<td></td>
<td>(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable</td>
<td>FB-PF-410a.1 Quantitative</td>
<td>As part of our goal to conduct a Sustainable Packaging Assessment by the end of 2021, the Plastics and Packaging subcommittee started work in 2021 to quantify a company baseline and will develop a strategic plan based on the assessment results.</td>
<td>For additional information, please refer to the Sustainable Packaging Section, 2021 Report (page 19)</td>
</tr>
<tr>
<td></td>
<td>Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle</td>
<td>FB-PF-410a.2 Discussion &amp; Analysis</td>
<td>See 2021 Report (page 19)</td>
<td>For additional information, please refer to the Sustainable Packaging Section, 2021 Report (page 19)</td>
</tr>
</tbody>
</table>
### TABLE 1

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</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental &amp; Social Impacts of Ingredient Supply Chain</strong></td>
<td>Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard</td>
<td>FB-PF-430a.1Quantitative</td>
<td>We leverage certifications to address the following concerns and preferences over ingredients, animal welfare, and food sensitivities: 1) Gluten Free certification addresses gluten as a sensitivity and/or allergen. 2) Cage Free, Global Animal Partnership, and Vegan certifications address concerns regarding animal welfare. 3) Organic and Non-GMO certifications address preferences towards non-GMO ingredients. 4) RSPO, Rain Forest Alliance and Fair Trade certifications address concerns regarding environment, social, and labor impacts.</td>
<td>For additional information, please refer to the Responsible Sourcing Section, 2021 Report (page 25)</td>
</tr>
<tr>
<td><strong>Suppliers’ social and environmental responsibility audit</strong></td>
<td>Suppliers’ social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances</td>
<td>FB-PF-430a.2Quantitative</td>
<td>TreeHouse has a Social Responsibility Policy which outlines expectations for suppliers behavior on human rights (including, without limitation, human trafficking and slavery and conflict mineral sourcing), environmental protection, sustainable development and bribery and corruption. TreeHouse reserves the right to audit our suppliers. TreeHouse is working on expanding its social responsibility policy to a broader responsible sourcing policy and developing an ESG Screening Tool and Annual Supplier Survey as part of its 2025 Responsible Sourcing Goal.</td>
<td>For additional information, please refer to the Responsible Sourcing Section, 2021 Report (page 25)</td>
</tr>
<tr>
<td><strong>Ingredient Sourcing</strong></td>
<td>Percentage of food ingredients sourced from regions with High or Extremely High Baseline Water Stress</td>
<td>FB-PF-440a.1Quantitative</td>
<td>See 2021 Report (page 26)</td>
<td>For additional information, please refer to the Responsible Sourcing Section, 2021 Report (page 25)</td>
</tr>
<tr>
<td></td>
<td>List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations</td>
<td>FB-PF-440b.2Discussion &amp; Analysis</td>
<td>See 2021 Report (page 25)</td>
<td>For additional information, please refer to the Responsible Sourcing Section, 2021 Report (page 25)</td>
</tr>
</tbody>
</table>

### TABLE 2

<table>
<thead>
<tr>
<th>Activity Metric</th>
<th>SASB Code</th>
<th>FY 2020 Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight of products sold</td>
<td>FB-PF-000.A</td>
<td>1,959,450 Metric Tons</td>
</tr>
<tr>
<td>Number of Production Facilities</td>
<td>FB-PF-000.B</td>
<td>43¹⁴</td>
</tr>
</tbody>
</table>

¹⁴ This includes facilities that were owned by TreeHouse Foods for more than one month in 2020.
TreeHouse Foods, Inc. (TreeHouse) is a leading manufacturer and distributor of private label packaged foods and beverages in North America. We have approximately 40 production facilities across North America and Italy, and our vision is to be the undisputed solutions leader for custom brands for our customers. Our extensive product portfolio includes snacking, beverages, and meal preparation products, available in shelf stable, refrigerated, frozen, and fresh formats. We have a comprehensive offering of packaging formats and flavor profiles, and we also offer better-for-you, organic, and free from preservative products across almost our entire portfolio. Our purpose is to make high quality food and beverages affordable to all.

We understand that the nature of our business exposes us to climate-related risks, both physically and from the low carbon economy transition. A rise in global mean temperatures at or above 2-degrees Celsius could significantly impact our ability to source ingredients, manufacture high-quality products, and distribute those products to our customers. It is imperative that we identify climate-related risks from this scenario and develop clear plans and targets for mitigating those risks. This TCFD-aligned report highlights our governance structure, strategy, risk management, and metrics and targets for mitigating the climate-related risks to our business and value chain.
Governance

Overview
Our approach to climate change management is overseen at all levels of the organization, from our subject matter experts to our Board of Directors, through clear ESG governance structures and responsibilities. Our Nominating and Governance board committee provides ESG and climate change strategy oversight at the highest level, helping to ensure that our long-term corporate strategy continues to create value. Our ESG Executive Steering Committee reports to the Board of Directors and is a cross departmental governance body that is led by senior leaders across our functional areas and chaired by our Chief Executive Officer. The ESG Executive Steering Committee provides strategic leadership on our enterprise wide ESG strategy, including around climate-related risks and opportunities. The Executive Committee oversees the risk management, business continuity, external reporting, and stakeholder engagement processes needed to ensure full implementation and continuous progress on our ESG goals across the business.

The committee assesses the financial exposure and stakeholder impacts of ESG risk factors across the company’s divisions and creates a course of action to manage these risks and capitalize on opportunities created by changing market conditions. The committee is also responsible for facilitating consistent communication about the execution of the ESG strategy, direction setting, and collective accountability for meeting relevant goals. Execution of our ESG strategy is led specifically by our ESG leader, ensuring we have a single individual overseeing our ESG efforts and interfacing with key departments and staff who are developing and deploying ESG initiatives.

ESG Subcommittees
We have created a series of ESG Subcommittees focused on providing specific subject matter leadership in areas of importance to TreeHouse, including climate change management strategy. This structure helps to embed ESG into the TreeHouse corporate culture and our day-to-day business planning and execution. These subcommittees are led by relevant department heads and are responsible for guiding our ESG strategy and goals to completion. These subcommittees and their contributions to our climate change management strategy are listed on the following page.
This subcommittee contributes to our climate change management strategy by setting goals, implementing management systems, and working to continuously improve on intensity metrics pertaining to energy and natural resource use across the value chain, from sourcing to production to packaging. Climate change is called out as a specific focus area for this subcommittee in our ESG governance structure.

This subcommittee contributes to our climate change management strategy by enhancing the frequency, comprehensiveness, and quality of data collection, aggregation, and communication with both internal and external stakeholders. This subcommittee works to communicate climate-related risks, opportunities, progress, and barriers to relevant parties involved and interested stakeholders.

This subcommittee contributes to our climate change management strategy by working to lower our carbon footprint from plastics and packaging. Since plastics and packaging release greenhouse gas (GHG) emissions throughout their lifecycle, this group is working to reduce plastic use at every stage of the value chain. A combination of food package light weighting, material substitutions, and substrate innovations are supporting our goal of reducing our plastic footprint, and therefore the associated climate-related risks.

This subcommittee contributes to our climate change management strategy by ensuring that roles at every level of the organization have the skills and resources necessary to contribute to the success of our ESG and climate change management strategies. This group promotes employee engagement, talent development, and continuous improvement at the individual and team levels to support our climate change management efforts and drive long-term business continuity.

The ESG Executive Steering Committee meets quarterly on the company’s ESG performance, strategy, initiatives and issues. A quarterly update is provided to the Board that includes progress towards our environmental sustainability goals and going forward in 2021, our overall ESG goals. These goals and performance include our climate change strategy for both our operations and supply chain. The Nominating and Governance Board Committee formally meets and reviews ESG performance and strategy annually. Our four subcommittees meet at least monthly to ensure we are making progress towards our commitments and addressing key ESG issues that arise.
Risks and Opportunities

The effects of climate change will impact the food and beverage industry, including food production, in several ways. The key risks we face as a company can be put into two categories:

- **Physical Risks**: Risks associated with physical impacts from climate change that could affect our ingredient sourcing, production facilities, and operational business continuity. These impacts may include acute physical damage from variations in weather patterns (such as severe storms, floods, and drought) and chronic impacts, such as sea-level rise, desertification, drought, and agriculture production and quality fluctuations. Physical risks ultimately include the disruption of operations across the value chain or destruction of property.

- **Transition Risks**: Risks related to the transition to a lower-carbon economy. The risks can be grouped into four categories: policy and legal risk; technological risk; market risk; and reputational risk. Transition risks include policy constraints on emissions, the imposition of carbon taxes, water restrictions, land use restrictions or incentives, and market demand and supply shifts.

We recognize that these types of risks may affect our business for differing amounts of time based on the varying life of our assets and infrastructure, as well as geographic location. We have defined these time horizons as being relevant for our risk assessments:

- Short-term: 0-1 year
- Medium-term: 1-10 years
- Long-term: 10+ years

The tables on the following pages outlines the specific risks identified and being tracked by TreeHouse.
### Risks Description

<table>
<thead>
<tr>
<th>Risks</th>
<th>Description</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escalating Threat of Climate Change:</td>
<td>The International Panel on Climate Change (IPCC) Sixth Assessment Report indicates that we are at “code red” for humanity. The report shows that we are perilously close to the 1.5°C global warming threshold past which acute and chronic physical climate risks are certain. The report highlights the urgent need for massive reduction or cessation of greenhouse gas emissions to stabilize the climate and prevent irreparable damage. Countries, and therefore the companies like us that operate in them, will need to set aggressive goals to reduce our greenhouse gas emissions. <strong>Time Horizon: Short to long-term</strong></td>
<td>Our 2025 goals are focused on attempting to decrease greenhouse gas emissions throughout our value chain. We have set specific goals to reduce our Scope 1 and 2 emissions intensities, evaluate and plan how to reduce our Scope 3 emissions, and attempt to reduce the methane emissions from our landfill and food loss waste. These goals directly support the identified urgent global need to reduce greenhouse gas emissions.</td>
</tr>
<tr>
<td>Acute Physical Risk:</td>
<td>According to the IPCC, a failure by carbon policy to mitigate global average temperature increases would result in even more frequent and intense weather events than experienced today. A major business interruption caused by a disaster such as a tornado, fire, flood, or major system failure at a shared service center, distribution center, or key plant could threaten our capacity to continue operations or significantly impact profitability. These changing conditions could also negatively affect the reliability of our feedstocks. Additionally, our business success is inextricably linked to the welfare of our employees and the stability of local infrastructure. More frequent and intense weather poses a threat to our people and hard assets. <strong>Time Horizon: Short to long-term</strong></td>
<td>We recognize the potential severity of climate risks to our business and set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This will include specifically identifying and planning for risks from increasing severe weather events at our facilities and across our value chain. In 2020, we began the development of an Enterprise Business Continuity Management (EBCM) System policy and the formalization of a standardized approach to EBCM across departments. Our Enterprise Business Continuity Management System (EBCMS) prepares our business to react to a wide range of manmade and natural events that threaten our own business and the businesses of our suppliers and customers, including those from climate change. Our EBCMS is designed to support quicker and more effective decision making in times of crisis, the mobilization of collective action with relevant stakeholders to mitigate damage, and the reduction of duplication and redundancy in our planning efforts. We grew our crisis playbook to include more scope and to engage with more TreeHouse team members. The four main components of this playbook include triggers for activation, protocols to inform and escalate, the composition and role of the corporate crisis team, and an action plan based on the severity and type of crisis being managed. We grew our critical event repository within Everbridge, our crisis communications platform, to promote access and engagement with the materials. We also plan to build on our crisis playbook by including additional scenarios, especially those related to physical climate risk, and integrating them into Everbridge. We will conduct training and scenario planning exercises and create site-specific playbooks to address different risks at our facilities based on factors like geography. Risk assessments, including a business impact analysis, hazard vulnerability assessments, and risk portfolio are being established to allow comprehension of interconnected risks that climate change could cause across our operations. 1) To reduce the personnel and labor management risks associated with climate damage to local infrastructure, such as disrupted public transportation and flooded roadways, operational resiliency planning is being implemented to ensure employees can safely operate in multiple roles thereby promoting business continuity. We could therefore maintain critical plant operations with 50% of our personnel. 2) Our strategy to manage the negative impacts on key natural resource inputs for food production, such as clean water and healthy soil, is incorporated in our existing supply chain management practices. Our strategy will become increasingly focused on climate change management and resilience in 2021 as we roll out our ESG supplier survey. Our goal is to ensure that every supplier has a robust understanding of the ESG risks and opportunities facing their own business so that we can minimize our own risks in doing business with them and collaborate during emergencies. 3) We will continue to work through sourcing bodies such as the Roundtable on Sustainable Palm Oil, Rain Forest Alliance Certified, and Fair Trade USA. As natural resource scarcity increases, these relationships will only become more vital to our long-term success. These bodies audit and verify the environmental and social practices of key ingredient suppliers. We will look to collaborate with additional third-party responsible sourcing organizations as part of our risk mitigation strategy.</td>
</tr>
</tbody>
</table>

### Physical Risks

- **Increased Incidence of Extreme Weather Events:** Escalating Threat of Climate Change: We are in a period of rapid climate change, with severe weather events increasing in frequency and intensity. These events can affect our operations, supply chain, and employee safety. Our strategy includes developing site-specific plans and adapting our operations to mitigate these risks.

- **Operational Resiliency Planning:** We are implementing operational resiliency planning to ensure continued business operations during extreme weather events. This includes preparing for potential disruptions and developing contingency plans.

- **Crisis Playbook Development:** We are developing a crisis playbook to address different risks at our facilities, focusing on physical climate risk. The playbook includes triggers for activation, protocols to inform and escalate, and a composition and role of the corporate crisis team.

- **Crisis Communications Platform:** We have enhanced our crisis communications platform to promote access and engagement with the materials. This is crucial for effective communication during emergencies.

- **Critical Event Repository:** We are expanding our critical event repository within a crisis communications platform. This repository is essential for managing and responding to crises.

- **Business Continuity Management System (EBCM):** We have established an EBCM system to prepare our business to react to a wide range of manmade and natural events. This system includes triggers for activation, protocols to inform and escalate, and a composition and role of the corporate crisis team.

- **Risk Assessments:** We are developing risk assessments, including a business impact analysis, to comprehensively understand the risks associated with climate change. This helps us to prioritize and allocate resources effectively.

- **Sourcing Practices:** We are ensuring that our suppliers have robust environmental and social practices to mitigate the risks associated with physical climate change. This includes certifications and audits by third-party bodies.
<table>
<thead>
<tr>
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<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chronic Physical Risk</strong>: The long-term changes to climatic conditions, including precipitation levels, mean temperatures, and rising sea levels, are resulting in changes to the stability of growing regions across the globe. These regions rely on agricultural commodities to produce consistent feedstock for our operations. Chronic physical risks will make it difficult to predict the stability of supply and reinforce the need for a more diverse supply chain. Failure to accurately predict and plan production, source, and purchase raw materials could result in distressed inventories or delays in meeting customer requirements. Chronic physical risks could also create volatility in commodity and crop costs, which may lead to lower margins or trading losses. With the majority of our North American Operations in the Midwest and Northeast, we do not have the same immediate physical risks from coastal flooding, hurricanes, and wildfires as the Atlantic, Gulf, and West Coast. However, it is projected that the Midwest could experience the biggest increase in average temperatures as well as toxic algae pollution in the Great Lakes. The Northeast could experience increasingly frequent storms similar to Hurricane Sandy in 2012. The roads and bridges that make up our distribution routes could become unviable, complicating not only TreeHouse’s business continuity but also exacerbating local traffic congestion and associated infrastructure challenges. These physical impacts could also threaten the electricity grid and the power generation systems we depend on to operate our production facilities across the country. This could result in operational strain, losses due to unfulfilled deliveries, and employee overtime pay to rectify unforeseen issues. Our operational costs may increase as a result of increasing energy and refrigeration needs to maintain food safety due to rising temperatures as well. <strong>Time Horizon</strong>: Medium to long-term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>We recognize the potential severity of climate risks to our business and set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This will include specifically identifying and planning for risks from long-term weather and climate changes at our facilities and across our value chain. Rising temperatures would require greater refrigeration in our facilities, which in turn could present additional costs and burdens on local power and water resources. We have set a goal to reduce our water intensity by 10% by 2025 compared to 2020 levels, which will make our operations more water-efficient and less exposed to risk of water commodity changes. We also are evaluating other ways to reduce our external energy and water reliance, such as procuring renewable energy for our operations and scaling water reclamation systems for our facility refrigeration units. For example, in 2020, our Dixon, IL plant saved a significant amount of water consumption by fixing water and steam leaks throughout the plant that were identified through the Sustainability Treasure Hunt process. In total, the plant saved approximately 7.0 MM gallons of water through the leak correction program. Changing global climate conditions could also affect our ability to package our ingredients. We are working to evaluate and improve our sustainable packaging offerings and set a goal to conduct a Sustainable Packaging Assessment by the end of 2021. By working to improve our sustainable packaging offerings, we aim to make our products more flexible to changing global manufacturing conditions and less impactful on the environment themselves.</td>
<td></td>
<td></td>
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### Risks

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<tr>
<th>Description</th>
<th>Strategy</th>
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<tr>
<td><strong>Policy and Legal:</strong> Policy driven changes in energy prices and carbon taxes would affect our operating costs. The number of proposed carbon regulations in the U.S. has increased significantly in recent years, with the SEC calling for public input on potential mandatory, regulated climate change disclosures in March of 2021. Changing laws and regulations could impact our competitive position, practices, assets, labor pool, business partners or business model and our capacity to efficiently conduct business. <strong>Time Horizon:</strong> Short-term</td>
<td>Agenda 2025, our ESG Strategy for the next 5 years, is the driving force behind how we manage the transition risks associated with climate change. This includes several goals that will reduce our greenhouse gas and environmental footprints, therefore moving us towards a lower-carbon and more sustainable operating model. By reducing our direct and indirect emissions, we will be less exposed to the financial risk of a carbon tax. We are proactively reporting on our carbon footprint and climate change risks through our annual SASB and TCFD disclosures. By gathering, validating, and reporting this information now, we will be better prepared and positioned for if regulated climate change disclosures become mandatory. We also participate in various trade associations that provide us with regulatory updates at the federal and local levels. This helps us to anticipate and plan for any significant policy changes in the markets we operate in. Our supplier base collaborates with us to share relevant information from a product, geographic, or customer channel standpoint. Our customers also keep us updated with policy changes relevant to TreeHouse.</td>
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<td><strong>Market:</strong> Consumer demand for nutritious, sustainably produced food products has grown exponentially in the past decade. Failure to effectively identify and prioritize products and acquisition targets that would expand our portfolio in line with this growing consumer awareness could result in reduced demand for our products. Increased energy and water costs due to changing market conditions would increase our operating costs. <strong>Time Horizon:</strong> Short to long-term</td>
<td>Expanding our product portfolio with more sustainably sourced food ingredients will reduce our market risk from changing consumer demand. As part of our Agenda 2025 we are working to implement a Responsible Sourcing Policy, which will promote supply chain diversity and focus on the ESG issues our customers and other stakeholders care about. This policy will have specific requirements and expectations around environmental sustainability, priority ingredient crop management, human rights, and food safety and quality, among other areas, so that we can continue to provide options for nutritious, sustainably produced, and ethically produced products.</td>
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<td><strong>Reputation:</strong> Not acting on climate change in a meaningful and demonstrable way is a reputational risk for our business in terms of customer, investor, and employee attraction and retention. Decline in investor confidence could impair our ability to efficiently raise capital for future acquisitions or sustain share value. Failure to attract, motivate, and retain talent could threaten our ability to execute on our business model and achieve key ESG and financial objectives. <strong>Time Horizon:</strong> Short to long-term</td>
<td>Agenda 2025, our ESG Strategy for the next five years, shows our investors and customers how we plan to act on climate change. We will continue to proactively and consistently report on our progress, successes, and learnings throughout our ESG and climate change management journey, which includes progress towards these goals. This information will be readily available in our annual ESG report and on our dedicated ESG website page.</td>
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## CLIMATE-RELATED OPPORTUNITIES

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<th>Opp</th>
<th>Description</th>
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<td><strong>Resource Efficiency:</strong> Improving energy and water use efficiency can not only reduce our risks associated climate change, but also result in direct cost savings to our operations. <strong>Time Horizon:</strong> Medium to long-term</td>
<td>One of our Agenda 2025 goals is to reduce our water intensity by 10% by 2025 compared to 2020 levels. Executing on this goal will reduce the amount of water needed for our operations and overall spend on water. We are also working to improve our power consumption and intensity so that we can reduce our usage costs and greenhouse gas emissions. This increased energy efficiency will allow us to use less energy from the grid, therefore reducing our energy costs. In partnership with our suppliers, we are committing to co-creating solutions across our supply base to reduce the carbon footprint across our products’ lifecycle. As part of our Agenda 2025, we will be working with suppliers to complete a Scope 3 Assessment and set a reduction goal by the end of 2025.</td>
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<td><strong>Energy Source:</strong> To meet global emission reduction goals, countries, and therefore companies, will need to transition to using low emissions energy sources, like wind and solar. As this decarbonization transition continues, energy costs from those sources will likely drop. By increasing our percentage of energy from renewable sources, we could reduce our annual energy costs. It will also reduce our exposure to future fossil fuel price increases and make our business less sensitive to changes in carbon tax. <strong>Time Horizon:</strong> Short to medium-term</td>
<td>As part of our Agenda 2025, we set a goal to reduce our Scope 1 and 2 emissions by 5% by 2025 compared to 2020 levels. We are evaluating increasing our energy usage from low emissions sources through deploying renewable energy at our own operations and through power purchasing agreements (PPA). This would lower our Scope 2 emissions and reduce our reliance on fossil fuels.</td>
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<td><strong>Products and Services:</strong> Consumer preference and demand is shifting towards more nutritious and sustainably produced food products. There is a greater emphasis on a product’s carbon footprint across the value chain, including sourcing, production, distribution, marketing, and labeling. By reducing the GHG emissions associated with our products, we will be able to meet the consumer demand and remain competitive in our industry. <strong>Time Horizon:</strong> Short to long-term</td>
<td>Our Agenda 2025 includes five ESG goals targeted directly at reducing our direct and indirect greenhouse emissions. These goals include reducing our operational and energy use emissions, reducing the emissions associated with our food loss waste and landfill waste, and developing a supplier assessment that promotes working with those that align with our climate goals. By executing on and meeting these goals, we will be able to show our climate progress and meet the consumer demand for lower emission food products.</td>
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<td><strong>Markets:</strong> New and emerging markets may emerge as the world transitions to the lower carbon economy. New solutions and products may also be needed to combat the short- and long-term effects of climate change, like severe weather disruptions or changing local conditions. By anticipating these needs and developing products that meet them, we will be able to expand our portfolio into new markets and increase our profitability. <strong>Time Horizon:</strong> Short to medium-term</td>
<td>Climate change is already impacting every aspect of the global food system, and its consequences are becoming increasingly visible across the world. These changes will bring new market needs to address and new customers to support. For example, we believe there will be market demand for meal-replacement options with dense nutritional content when climate change disruptions become increasingly regular across the country and the world. When evacuations from flooding, wildfires, and hurricanes occur, or drought causes a drop in the availability of nutritious local food, a range of meal-replacement products will be a necessity to lessen the human strain from climate impacts. Meal replacement solutions for climate change emergencies could be a real market opportunity in the future.</td>
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<td><strong>Resilience:</strong> Climate resilience is the adaptive capacity of an organization to respond to the changes, risks, and opportunities from climate change. By increasing the reliability of our supply chain and diversifying our resources, we will be able to maintain our reliable operations and distribution and deliver food to our customers and communities they serve. <strong>Time Horizon:</strong> Long-term</td>
<td>As part of our Agenda 2025, we will be implementing a Responsible Sourcing Policy. This policy is expected to promote diversifying our supply chain and working with suppliers who share our climate and sustainability goals. This will make our supply source more dependable through possible severe weather conditions or natural resource scarcity. We established a goal to integrate climate-related risks into our business continuity planning by 2025 as well. By identifying these risks as part of our overall risk and continuity management, we will be better positioned to mitigate or eliminate those climate-related risks, therefore improving our company’s resilience to climate change. We are also evaluating cost-competitive renewable energy and associated tax incentives to further drive down our costs and ensure that our business model and infrastructure are climate resistant. These efforts will reduce our overall environmental footprint and allow us to maintain our competitive advantage in the industry. The combination of energy sources will also support our own climate change resilience by giving us the ability to leverage renewable power when the electrical grid is down or damaged by the physical impacts of climate change.</td>
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Since the start of the COVID-19 pandemic, our focus has been on protecting our employees and supporting our customers and the communities they serve. This unprecedented global event has required internal allocation of resources to meet changing customer needs and consumer demands. Because of this, we had to delay our scenario planning efforts. We recognize the importance of scenario planning to evaluate the impacts of climate change to our business and will prioritize it going forward so that we can assess and mitigate risk.

**2°C Scenario Planning**

The International Panel on Climate Change (IPCC) Sixth Assessment Report indicates that we are at “code red” for humanity. The report shows that we are perilously close to the 1.5°C global warming threshold past which acute and chronic physical climate risks are certain. It is therefore important that organizations like TreeHouse plan for this scenario to ensure their business continuity and ESG strategies are resilient to climate change. To align with current TCFD recommendations, we are evaluating the impacts of a 2°C global mean temperature increase by 2050. We will continue to monitor TCFD and industry best practices and update that temperature number accordingly.

Going forward, we plan to evaluate our Enterprise Risk Model (ERM) for where we can include more climate-related physical, market, and regulatory risks impacting us, the global food supply chain and the food and beverage industry. This includes initial planning for the impacts of a 2-degree Celsius climate by 2050 scenario. We are analyzing specific impacts for our company, business model, and stakeholders. These efforts are a business imperative. We will identify risks and opportunities that could arise from projected climate change scenarios and update our climate-related financial disclosures. We will integrate SASB metrics in enterprise data collection, monitoring, and reporting, and evaluate the long-term potential business impacts and mitigation strategies the 2-degree Celsius scenario poses for each of our divisions, product categories, and geographic locations.

As part of our Agenda 2025, we set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This is expected to include conducting robust scenario analyses that are relevant to our business, including a 2-degree Celsius or below scenario.
Below are examples of our initial scenario planning based on currently available information. As more internal data is collected and relevant external information becomes available, these and other scenarios will inform our strategy development and implementation.

- **Climate Change Meets Aging Infrastructure:** A 2-degree scenario will create more frequent and intense storms, fluctuating temperatures, increased drought, rising sea levels, and coastal erosion. These climate change impacts, and their associated operational challenges are compounded by aging and deteriorating US infrastructure. US infrastructure overall has received a D+ grade from the American Society of Civil Engineers (ASCE). Climate change will likely combine with aging infrastructure to create increasing risks for business continuity, especially in areas prone to the most intense climate change impacts.

- **Agriculture and Ingredient Availability:** A 2-degree scenario will result in heat waves, freshwater scarcity, heavy rainfall, storms, and volatility in crop yields. Key ingredients for products could become scarce or ultimately unattainable during times of extreme heat and extreme flooding. Climate change also has the potential to destabilize an already precarious global food system, resulting in climate migrations due to drought and hunger, armed conflict over natural resources, and political instability. These impacts could become threats to commodity and ingredient sourcing at the beginning of the supply chain, creating a devastating reverberation across the entire food system.

- **Climate Migration and Unlivable Areas:** The 2-degree scenario will result in climate migration, with people leaving unlivable areas due to extreme climate change impacts. Such mass population migration will impact all economic activity in a given area. In communities with significant climate risk exposure, these risks may threaten our customers as well as the stability of local communities. TreeHouse is dependent on stability of local economic and social conditions of our customer bases. Therefore, climate migration and resulting economic disruption is a significant long-term threat.

- **Regulation on Greenhouse Gas Emissions:** Sudden regulatory changes are serious risks to food and product manufacturers. Like most food production companies, the vast majority of our Scope 1 emissions result from our production process and standard business operations.
We have identified several potential risks and opportunities arising from climate change, including but not limited to hotter weather, rising sea levels, and more frequent extreme weather events. We are actively working to incorporate these risks into our overall ESG strategy.

- **Contingency Planning & Local Climate Change Resiliency:** Climate change impacts and the state of US infrastructure could result in a wide variety of infrastructure-related threats such as electrical grid breakdowns or drinking water infrastructure contamination. Our business, as well as our customers and employees, depend on water and transportation infrastructure, so any impacts due to climate change could result in operational strain, losses due to unfulfilled deliveries, and employee overtime pay to rectify unforeseen issues. We are taking steps to respond to and reduce these risks by implementing and strengthening our ECBMS, EHS&RM programs, and a Crisis Playbook.

- **Focusing on Local Food Systems & Regenerative Agriculture:** Climate change impacts will have the most significant disruption for companies’ dependent on far-reaching, global supply chains. We are increasing our focus on domestic ingredient sourcing and local food systems to meet consumer expectations, and to manage the potential disruption of climate change impacts on global supply chains. By working at the local level, we are able to directly support our partners in managing these challenges.

- **Promoting Sustainable Products & Services – Customer Education & Trend Anticipation:** Although managing climate migration is outside of TreeHouse influence and scope, we know we can contribute to the sustainability outcomes of local communities. First, we can actively offer sustainable and healthier food products. As more and more consumers demand that all organizations make sustainability a key focus, we can work with our customers to further the adoption of sustainable products through active customer engagement and education. We will also work to identify trends, such as local plastics and waste bans, that may impact our customers and act before they become business continuity risks or operational challenges.

- **Immediate Action & Momentum:** Our long-term focus on the integration of renewables, and deployment of emerging technologies will help us manage the uncertainty surrounding the regulatory environment. Our immediate action entails the standardization of emission reduction strategies across our operational footprint, drawing upon the learning, experience, and best practices developed by facilities at the local level. This includes standardization and implementation of these practices across our operations, generating the enterprise momentum to make serious strides in our emissions reduction aspirations as we prepare for the future.
3-4°C Scenario Planning

In a scenario where global temperatures rise 3-4-degrees Celsius, all of the above challenges identified in the 2-degree Celsius scenario will be present or exacerbated alongside additional large-scale challenges. Climate change could be the polarizing force around the world, disrupting the supply chains and geopolitical relationships crucial to the stability of the global economy. We have identified the following as areas of increased focus in a 3-4-degree Celsius scenario:

- **Supply Chain Disruptions**: The need for countries to invest in domestic climate adaptation could impact economic aid to developing countries, which could also suffer from natural resource conflicts and the human health impacts of rising temperatures and intensified weather. All of these trends could result in disruptions to the ingredient and product availability for commodities native to these countries.

- **Chronic Issues of Heat and Drought**: Experts project that extreme heat and drought will cause mass migrations from cities and towns in the areas that are most affected. This would negatively affect real estate, economic activity, and the viability of our customers in those areas. These extremes will also limit the extent of safe outdoor work, creating both operational and personal challenges for labor-intensive industries such as agriculture. These impacts could significantly impact our business both at the supplier level and at the customer level.

- **Climate-Induced GDP Loss**: The impacts to natural resources, agriculture yield loss, the inhabitability of certain areas and the financial toll of enhancing climate resilient infrastructure around the country will all impact TreeHouse. Experts project that the combination of these impacts will lead to GDP loss. One result could be that people buy less expensive food and or eat lower quantities of food in general. If this projection is accurate, we could suffer significant economic losses along with the rest of the industry.

The 3-4-degree Celsius scenario is very possible given the current rate of environmental and climate change. We have identified the following opportunities for how TreeHouse could respond to the above risks in ways that contribute to the wellbeing of our customers, stakeholders, and business continuity.

- **Supporting Only Regenerative Agriculture Suppliers**: Water, soil, and air quality will be scarce, so regenerative agriculture will be necessary to systemically ensure we have these resources in our supply base. By supporting the development and scaling of regenerative practices across our supply chains, we would be able to maintain our business continuity while protecting the resources required to grow food.

- **Hydroponics, Rooftop Agriculture, & AgTech**: In addition to supporting local regenerative food systems, leveraging advances in agriculture technology and innovative production methods could be crucial to our business continuity. Hydroponics that use minimal water, rooftop agriculture that leverages existing commercial roofs for production facilities, and the ongoing innovation in food technology could help TreeHouse maintain customer bases and procurement orders. We would leverage these approaches and partner with suppliers that have the knowledge, networks, and infrastructure to support our plans. We could also explore the incorporation of more resilient crops as replacement ingredients for crops that are no longer be viable.
Risk Management

Risk management is important to our business continuity and success in the face of climate change impacts. TreeHouse follows our established Enterprise Risk Management (ERM) model for identifying and managing risks. This model includes an enhanced Risk Matrix for identifying risks to our business, ranking those risks, and setting plans and targets to monitor and mitigate them.

The Risk Matrix divides risks into three categories:

- **Business and Operating Risks:** This category includes risks from our direct operations, including environmental, health, and safety and supply chain risks, as well as risks from our internal organization and structure, such as corporate governance and employee talent retention.

- **Market and Other External Risks:** This category includes outside forces that may pose risks to our business, including acute physical risks and regulation risks from climate change and market transition risks.

- **Strategic:** This includes risks to our overall operating model and strategic portfolio and includes risks like portfolio disruption or business model disruption.

Each risk category is further broken down into sub-risks and those sub-risks are assigned a weighting. Each sub-risk also is assigned a risk owner, who is responsible for setting plans and targets to monitor and mitigate the risks. This ERM process ensures that we are evaluating all facets of our business and supply chain to identify risks, including those from climate change, and mitigate or eliminate those risks, therefore enhancing our business continuity.

Our Annual Enterprise Risk Assessment Process involves engaging with top stakeholders across the company through surveys, interviews, and facilitated discussions to collect top internal risk perspectives. These perspectives inform the previously discussed Risk Matrix and are ranked and classified based on impact, likelihood, and opportunity. The results of this assessment are presented to TreeHouse’s Board of Directors annually. The ERM model, in combination with our ESG Strategy, guides our overall risk management of climate-related risks.
Metrics & Targets
We measure and monitor our climate-related risks and opportunities across the TreeHouse organization. We publicly report on these metrics annually in our ESG or TCFD report to allow investors and other stakeholders to assess our progress in adapting to climate-related issues.

Agenda 2025
In 2020, we developed and implemented our Agenda 2025, which is our ESG Strategy for the next five years. The goals for Agenda 2025 were guided by our ESG Executive Steering Committee and will be the responsibility of the ESG subcommittees to achieve. These goals include eight key goals and metrics for tracking our progress against climate-related risks and opportunities relating to GHG emissions, water usage, sustainability, and business continuity. The table below calls out which climate-related risks and/or opportunities these targets address, as well as our progress since setting them.

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<tr>
<th>Goal</th>
<th>Risks Addressed</th>
<th>Opportunities Addressed</th>
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<tbody>
<tr>
<td>Reduce greenhouse gas emission intensity (Scope 1 and 2) by 5% by 2025 from 2020 levels.</td>
<td>• Escalating threat of climate change • Policy and legal risk • Reputation risk</td>
<td>• Energy source • Products and services</td>
</tr>
<tr>
<td>Collaborate with suppliers to assess Scope 3 emissions and set a Scope 3 reduction goal by 2025.</td>
<td>• Escalating threat of climate change • Policy and legal risk • Reputation risk</td>
<td>• Resource efficiency • Products and services</td>
</tr>
<tr>
<td>Reduce water intensity by 10% by 2025 compared to 2020 levels.</td>
<td>• Chronic physical risk • Reputation risk</td>
<td>• Resource efficiency</td>
</tr>
<tr>
<td>Achieve a company-wide landfill diversion rate of 85% by 2025 from 2020 levels.</td>
<td>• Escalating threat of climate change • Policy and legal risk • Reputation risk</td>
<td>• Products and services</td>
</tr>
<tr>
<td>Reduce food loss waste from plant operations by 50% by 2030 from 2020 levels.</td>
<td>• Escalating threat of climate change • Policy and legal risk • Reputation risk</td>
<td>• Products and services</td>
</tr>
<tr>
<td>Conduct a Sustainable Packaging Assessment by the end of 2021.</td>
<td>• Chronic physical risk • Reputation risk</td>
<td>• Products and services</td>
</tr>
<tr>
<td>Expand the responsible sourcing program to include a Responsible Sourcing Policy, ESG Screening Tool, and Annual Supplier Survey prior to 2025.</td>
<td>• Market risk • Reputation risk</td>
<td>• Resilience</td>
</tr>
<tr>
<td>Incorporate climate change risks into Business Continuity Plan by 2025.</td>
<td>• Acute physical risk • Chronic physical risk • Reputation risk</td>
<td>• Resilience</td>
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Greenhouse Gas Emissions
We report our current and historical Scope 1 and 2 emissions on an absolute basis on page 12. We chose to set goals in our Agenda 2025 based on emissions intensities, rather than absolute numbers, so that we can internally identify and compare performance between business segments and across the value chain. It also allows us to track the progress of our reduction efforts year over year, regardless of asset base or business activity fluctuations.
CONCLUSION

TreeHouse understands the urgent importance of identifying, monitoring, and mitigating climate-related risks to our business. Physical and transition risks from climate change can impact our future financial performance and business continuity, and we are committed through our ESG strategy to mitigating those risks. TreeHouse will continue to focus on strong ESG performance and providing high-quality, sustainably-focused products for our customers and the communities they serve.
ABOUT THIS REPORT

This report, which speaks only as of its date, is not comprehensive and should be read in conjunction with our 2020 Annual Report on Form 10-K and our 2021 Proxy Statement, which can be found on our website.

The ESG goals, projects, initiatives, and strategies described in this report are aspirational; as such, no guarantees or promises are made that these goals, projects, initiatives and strategies will be met or successfully executed. Furthermore, data, statistics, and metrics included in this report are non-audited estimates, not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees or subject to future revision. This report uses certain terms, including those that TCFD and SASB or others refer to as “material” or “key” to reflect the issues or priorities of the Company and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms “material” and “materiality” as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. For purposes of this report, the materiality standard is different than the materiality standard applied under federal securities laws and issues identified as material for purposes of this report may not be considered material for Securities and Exchange Commission (SEC) reporting purposes.

The information covered in this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our ESG goals, projects, initiatives, and strategies and related business and stakeholder impacts. These statements can be identified by words such as “future,” “anticipate,” “believe,” “estimate,” “could,” “can,” “may,” “target,” “goal,” “commit,” “plan,” “will,” “would,” and similar terms and are based on management’s current expectations and beliefs concerning future developments and plans and their potential effects on the Company and its subsidiaries. These statements involve risks and uncertainties, many of which are beyond our control and are difficult to predict, are not guarantees for future performance, and actual results may differ materially from any future results expressed or implied by the forward-looking statements. More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of the Company’s most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in our report are made as of the date first published, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements as a result of new information or to reflect subsequent events or circumstances, except as required by law.