



Environmental, Social and
Governance Report 2022

SUMMARY

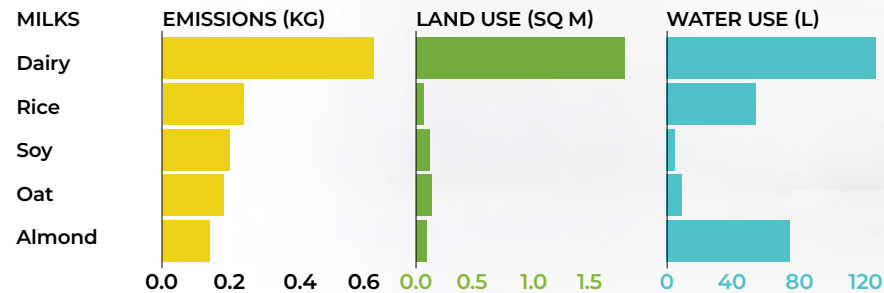


Sustainability

As a maker of plant-based and fruit-based food and beverages, sustainability is an integral part of our business and is inherent in everything we do.

Our plant-based beverages, ingredients and foods are naturally more sustainable compared to dairy-based alternatives. The crops grown for our plant-based milks require significantly less land and water and produce fewer greenhouse gas emissions than milk from cows, and organic fruits greatly reduce use of pesticides and herbicides.

Environmental impact of one glass (200ml) of different milks



Source: Poore & Nemecek (2018), Science, Additional calculations, J.Poore BBC



Our Products

SunOpta is a global pioneer focused on fueling the future of sustainable, plant-based and fruit-based food and beverages.

PLANT-BASED BEVERAGES



Oatmilk, soymilk, almondmilk, coconutmilk, hempmilk, and other nut, grain, seed and legume-based beverages

FROZEN FRUIT, FRUIT-BASED INGREDIENTS AND SNACKS



BROTH AND STOCK



TEA



Market Segments

Our projects reach consumers through a variety of market segments:

OUR BRANDS



Sown®, Dream®, West Life™, Sunrise Growers®

PRIVATE LABEL



CO-MANUFACTURING



FOODSERVICE



INGREDIENTS



Environmental Stewardship

As a company grounded in environmental stewardship, we are working to reduce our environmental footprint.

Our actions:

- ✔ Striving for efficient use of electricity, gas and water
- ✔ Achieving zero waste in our manufacturing facilities
- ✔ Developing innovative packaging solutions
- ✔ Using effective modes of transportation
- ✔ Responsibly sourcing our ingredients
- ✔ Encouraging sustainable agricultural practices

Environmental Goals

We have adopted corporate-wide goals to eliminate landfill waste and significantly reduce energy and water use. In 2020, we committed to begin an eight-year challenge in our own U.S. and Canadian manufacturing facilities to reduce our electricity by 40%, reduce our natural gas by 30%, and reduce our water consumption by 25%.



Electricity*
↓40%



Natural Gas*
↓30%



Water*
↓25%



Waste**
ZERO WASTE
TO LANDFILL

*By 2027 compared to 2019 baseline, adjusted for production levels.

**By 2022; zero waste defined as 90% diversion from landfills.



We continued SunOpta's tree planting tradition to commemorate the opening of our new facility.

Built for Sustainability

We are investing in the sustainability of our facilities. For example, our new plant-based beverage manufacturing facility in Midlothian, Texas, is equipped with:

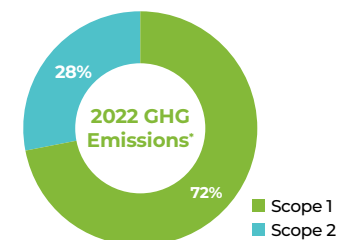
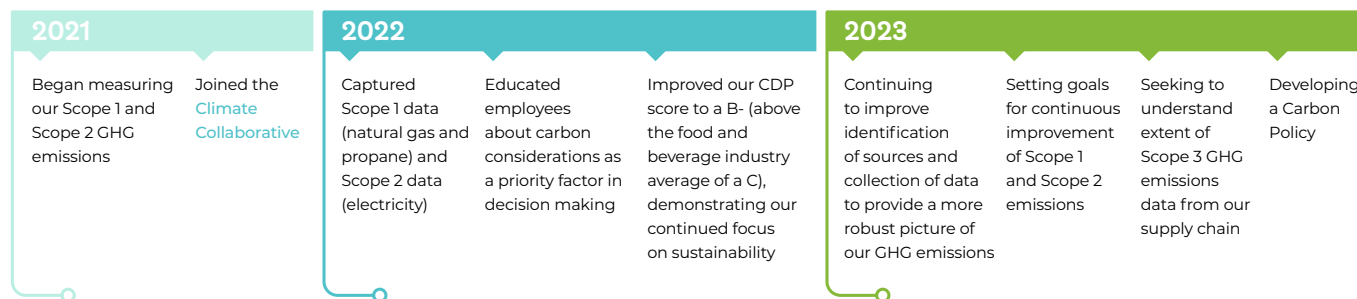
- ✔ Energy-efficient heating, ventilation and air-conditioning (HVAC) system that **reduces energy consumption for HVAC by 45%**
- ✔ LED lights and water heaters that **reduce energy consumption for water heating and lighting by 95%**
- ✔ Water reuse equipment that **saves up to 20 million gallons of water per year**



GHG Emissions

SunOpta is focused on tracking and reducing our greenhouse gas (GHG) emissions.

Our actions include:



*2022 GHG emissions data: Scope 1 (tCO₂e): 42,610; Scope 2 (tCO₂e): 16,831. As we mature, data collection completeness and accuracy may be improved and result in changes in the data year over year.

Energy Management

Energy management is an important pillar of SunOpta's companywide sustainability goals.

RENEWABLE ENERGY

In 2022, 100% of our electricity was purchased from the grid and zero percent was purchased from a renewable source. During 2022, we explored procurement and generation options from renewable sources. We designed our Midlothian plant to be prepared for electric service through future installation of solar panels. We also procured and installed solar panels on the roof of our headquarters facility. These panels are anticipated to be fully functional during 2023. Looking ahead, we aim to create a plan in 2023 for incorporating renewable energy purchases and the creation of renewable energy into our strategy.

ELECTRICITY AND NATURAL GAS

ENERGY MANAGEMENT GOAL*



*By 2027 compared to 2019 baseline, adjusted for production levels.

Our renewable energy investment and planned development complements SunOpta's strategy to reduce the electricity footprint in our own plant facilities by 40% and natural gas by 30% by 2027. In 2022, SunOpta reduced electricity usage by 31.7% and increased natural gas usage by 8.2% from our 2019 baseline in our U.S. and Canadian plant facilities. The rise in natural gas usage, on a volume adjusted basis, in part reflects the expected timing differences between usage and utilization from our capital project investments. While the natural gas usage is immediate through qualification and start-up, the production volume, which is how we measure our natural gas utilization compared to prior years, builds over time.

2022 IMPACT

↓31.7%

IN 2022, WE REDUCED ELECTRICITY USAGE IN OUR U.S. AND CANADIAN PLANT FACILITIES BY 31.7% FROM OUR 2019 BASELINE.

CULTURE OF SUSTAINABILITY

Our dedicated and passionate Plant Sustainability Ambassadors meet bi-weekly to identify energy reduction and water conservation opportunities, implement projects, share insights, track progress of key performance indicators and report results.

Water Management

We focus on reducing water use in our operations and supply chain.

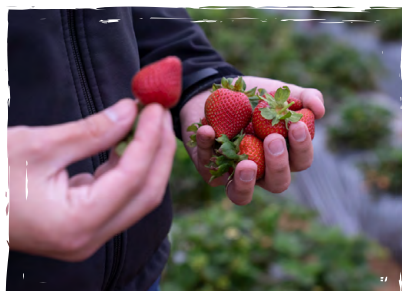
WATER MANAGEMENT GOAL*



*By 2027 compared to 2019 baseline, adjusted for production levels.

To meet our water goal, we focused in 2022 on collecting reliable water data, identifying and resolving gaps, and determining a consistent and repeatable process for collecting, reporting and analyzing water data. We procured reporting software to assist with data management and formed a water conservation team to help one

of our Plant Sustainability Ambassadors identify projects and implement initiatives.



We source strawberries from growers that use water conservation practices, such as mulching, drip irrigation, micro-climate control tunnels and controlled fertilization systems.

Water Savings Impact of Producing Plant-Based Beverages

Producing plant-based beverages from oats, soy, rice, coconuts and almonds consumes far less water than producing an equivalent amount of dairy milk. SunOpta determined a **savings of 37.6 billion gallons of water** based on 2022 production volume compared to milk from cows.*



*Estimated global average water savings of plant-based milk when compared to equivalent production of dairy milk based on SunOpta's annual plant-based milk production volume consisting of almond, oat, soy, rice and coconut milks which represent over 99% of SunOpta plant-based milk production when using data from Poore and Nemecek (2018) with additional calculations by Poore as published by BBC and Roos et al. (2018). The water savings estimations are not directly associated with water use from SunOpta plant-based milk manufacturing, but instead refer to global averages of water consumption from plant-based milk production in the Poore and Nemecek research.

Waste Management

We strive to divert 100% of waste away from landfills and reduce food waste.

WASTE MANAGEMENT GOAL



*By 2022; zero waste defined as 90% diversion from landfills.

Six of our facilities have achieved our zero-waste target and another two are awaiting third-party verification. We have conducted waste audits and are working with our two remaining plants to achieve our goal.

REDUCING FOOD WASTE AND UPCYCLING INGREDIENTS

We take steps to repurpose food that does not meet our standards or those of

our customers (such as damaged fruits or vegetables that are still safe to eat) by redirecting it for another use or sending surplus food to food banks. In 2022, we drafted our Food Loss and Food Waste Reduction Policy and Standard Operating Procedure for Food Donations. These actions resulted in food going to nourish people rather than being wasted.

We also look for ways to upcycle ingredients. Our *OatGold* protein powder — made using insoluble solids from our oatbase manufacturing process — is used as an ingredient in baked goods, savory snacks, dips and spreads.



SunOpta is expanding use of *OatGold* protein powder in new product applications, such as Seven Sundays Oat Protein Cereal.

6 facilities

6 OF OUR FACILITIES HAVE ACHIEVED ZERO WASTE TO LANDFILL AND 2 OTHERS ARE AWAITING VERIFICATION



Sustainable Packaging

We innovate to develop new packaging that maintains food quality with less environmental impact.

We work with our suppliers and customers to innovate and develop sustainable packaging options for our products that will maintain high standards of food safety and quality while reducing the resulting impact on the environment. Our packaging team is dedicated to delivering sustainable packaging solutions, including using plant-based resins, designing packaging to use less material, and identifying and testing recyclable and compostable structures, while also educating consumers about how to handle packaging at end of use. We are exploring options to reuse non-food

contact packaging materials in our plants to reduce waste. SunOpta is a member of the Sustainable Packaging Coalition.



Sown®, Dream®, West Life™, Sunrise Growers®

99%

SUNOPTA'S PACKAGING ENGINEERS HAVE SET A GOAL OF HAVING 99% BY WEIGHT OF OUR OWN BRANDED PACKAGING BE RECYCLABLE, COMPOSTABLE OR REUSABLE BY 2025.

2022 IMPACT

97.3%

BY WEIGHT OF ALL PACKAGING SOURCED BY SUNOPTA IS RECYCLABLE

64.6%

BY WEIGHT OF ALL PACKAGING MATERIAL SOURCED BY SUNOPTA IS RENEWABLE MATERIAL AND 27.7% IS FROM RECYCLED MATERIAL

Transportation

We focus on transporting products efficiently to reduce GHG emissions.

We look for opportunities to transport our products efficiently from where they are produced to where they are sold and consumed to lower GHG emissions and reduce cost. Our logistics team uses load mode optimization, including

intermodal transportation, combined with strategically positioned warehouse locations that allow us to be closer to our customers. SunOpta participates in the U.S. Environmental Protection Agency SmartWay® Transport Partnership.

GHG EMISSIONS REDUCTION

261+ tons

OF CARBON EMISSION SAVINGS ANNUALLY FROM LOAD MODE OPTIMIZATION

15 million

FREIGHT MILES OF GHG EMISSIONS SAVED ANNUALLY

59+ million

POUNDS OF CARBON EMISSIONS REMOVED FROM OUR NETWORK ANNUALLY

Responsible Sourcing

We are committed to sourcing sustainably produced ingredients that meet our high standards.

We expect our suppliers to comply with the ethical, legal, labor, workplace safety and procedural requirements articulated in our [Supplier Partner Code of Conduct](#). We intend to work only with suppliers who value what we value:

sustainability, human rights and being a good corporate citizen.

SUSTAINABLE AGRICULTURE

We encourage sustainable agricultural practices upstream in our value chain

on the farms where our ingredients are grown. We believe in the value of long-term partnerships with our growers to promote sustainable farming, nourish lives and make an impact in the communities where we operate. We support our grower partners

in their sustainability efforts; we maintain a grower services team and provide resources to help our growers supply safe, wholesome, organic and conventionally grown commodities to SunOpta.

BIODIVERSITY AND TRACEABILITY

We are developing a Biodiversity Policy and we actively seek suppliers that can provide us with sustainable, traceable materials. We work with our suppliers to learn about their programs and collaborate with them to make a larger sustainability impact.

FOOD SAFETY AND QUALITY

SunOpta takes pride in the advanced approach we take to ensure customers and consumers receive safe and wholesome products. We take our management commitment and responsibility for quality and food safety seriously and have deployed robust tools at each step of the supply chain from raw material supply, processing and storage to distribution. 99.7% of the ingredients used in our own U.S. facilities are sourced from Tier 1 supplier facilities certified to a Global

Food Safety Initiative (GFSI) recognized food safety certification program (our one remaining supplier is in the process of getting its certification).



We conduct in-person visits with our suppliers as part of our process of ensuring they meet SunOpta expectations. Not only are we reviewing ingredient quality, we also are looking at plant and personnel hygiene practices, how our suppliers execute documented programs, and the broader economic and social environments in the areas from which we source our ingredients.

Supplier Sustainability Highlights

SunOpta partners with like-minded suppliers that share our values of ethical and sustainable sourcing.



OATS

Our primary oat supplier uses a milling process that causes minimal waste, and by selling byproducts for animal feed and using oat hulls for fiber and poultry bedding, they have achieved 99% landfill diversion at one of their facilities. The supplier is beginning the process of analyzing the carbon footprint of their oat facilities in order to measure environmental impact.



VANILLA

Our vanilla supplier in Madagascar is positively impacting farming communities through a "closest to the source" vanilla farmer sustainable development program.

Ethics and Governance

We believe good governance and strong business ethics are essential to achieve SunOpta's purpose.

SunOpta is committed to acting responsibly and requiring the same responsible actions of our suppliers. We are committed to conducting business in an ethical manner that upholds best practices, protects

human rights, complies with regulations, demonstrates integrity, provides equal opportunity and supports fair labor practices. Our comprehensive [Code of Conduct](#) promotes ethical behavior in all

aspects of our employees' work, and our [Supplier Partner Code of Conduct](#) sets our expectations for our suppliers. The SunOpta Corporate Governance Committee oversees and advises on ESG policy, goals and

initiatives. Our Board of Directors is apprised of the goals and progress made on ESG program initiatives on a quarterly basis.

Employee Engagement

We focus on employee engagement, development, training and retention.

SunOpta conducts an organizational health survey twice a year to check the pulse of our workforce and look for areas of improvement through the lens of all our employees. In 2022, our average survey

score was 4 or above on a 5-point scale for the third year in a row. We invest in talent management and developmental opportunities that are instrumental in developing a sustainable workforce.



Employee Health and Safety

We prioritize safety, health and wellness.

We are committed to providing our employees with a safe workplace. At our manufacturing facilities, we conduct safety training and education programs and we measure the impact of our safety initiatives. We reduced our Total Recordable Incident Rate (TRIR) to 1.44 in 2022, lower than our 1.6 goal and down from our TRIR of 1.93 the previous year. In addition to employees' physical safety, we also focus on their overall health and wellness. We offer a comprehensive total rewards program that incorporates our four well-being pillars—physical, emotional, social and financial well-being—with options that support our employees at any stage of life.

Culture of Sustainability

Driven by a spirit of continuous improvement, our people are using their expertise to support the well-being of employees, customers, consumers and the planet. We celebrate their spirit of collaboration and speed of innovation as we advance toward our corporate goal of doubling our plant-based business by 2025.



We take steps to ensure the safety and quality of the foods we make.

Diversity, Equity and Inclusion

We believe in the power of diversity.

To advance diversity, equity and inclusion at SunOpta, we have set diversity targets aligned with our [Diversity Policy](#), provided training to employees and expanded our inclusion initiatives. We are committed to achieving diversity in our hiring and promotion activity with the goal of accelerating diversity, equity and inclusion across our company. Our diversity targets include increasing the percentage of racially diverse and female employees with specific goals at the professional and leadership (Director and above) levels as well as within our Board of Directors.

2022 IMPACT

37.5%

OF SUNOPTA'S BOARD
OF DIRECTORS
ARE FEMALE*

45%

OF SUNOPTA LEADERS
(DIRECTOR LEVEL AND
ABOVE) ARE FEMALE**

*Board of Directors membership included three female and five male directors as of December 29, 2022.

**Includes all U.S. employees and Canadian corporate employees.



Employees visited the local organics recycling center where organic waste from our headquarters is turned into nutrient-rich compost. [Learn more.](#)



Employees regularly volunteer in our communities, including this group at a local food bank.



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