



# Environmental, Social and Governance Report 2023

## SUMMARY

*Advancing our mission to fuel the future of food*

## Sustainability

### *An innovative manufacturer fueling the future of food, SunOpta is rooted in sustainability.*

For 50 years, sustainability has been at the root of SunOpta's mission. As we celebrate five decades of business, sustainability has continued to be at the forefront, reflecting who we are as much as what we do.

SunOpta's 2023 sustainability achievements include installing

742 solar panels to reduce 317 metric tons CO<sub>2</sub> per year, maximizing our warehouse network to reduce ~100,000 pounds of CO<sub>2</sub> emissions annually and achieving zero waste to landfill at six of our seven manufacturing facilities. In addition, we donated nearly 3.4 million

pounds of food, equivalent to nearly 2.8 million meals, to Feeding America.

On the following pages, we share highlights of these achievements and others to summarize progress made in the 2023 fiscal year.



## Our Products

### *Through our products and processes, we focus on nurturing people and the planet.*

With a significant portion of our business focused on plant-based foods and beverages, sustainability is inherent in everything we do. As of December

30, 2023, our products include plant-based beverages, broth, tea, nutritional beverages, and liquid and dry ingredients (utilizing oat, almond, soy, coconut, hemp

and other bases). Through innovation, we developed an ingredient from our oatmilk byproduct, receiving upcycle certification and sold on the market as

nutrient-rich OatGold™. We also produce fruit bars, twists, ropes and other fruit varieties, as well as smoothie bowls\*.

### SunOpta focuses on fueling the future of foods and beverages through its offering of consumer products.

#### PLANT-BASED BEVERAGES AND INGREDIENTS



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

#### FRUIT-BASED SNACKS AND SMOOTHIE BOWLS\*



#### BROTH AND STOCK



#### TEA



#### NUTRITIONAL BEVERAGES



### SunOpta goes to market in multiple ways.

#### OUR BRANDS



Sown®, Dream®, West Life™

#### PRIVATE LABEL



#### CO-MANUFACTURING



#### COMMERCIAL



\*We sold our smoothie bowl business in the first quarter of 2024, thus our product line going forward does not include smoothie bowls.



## Environmental Stewardship

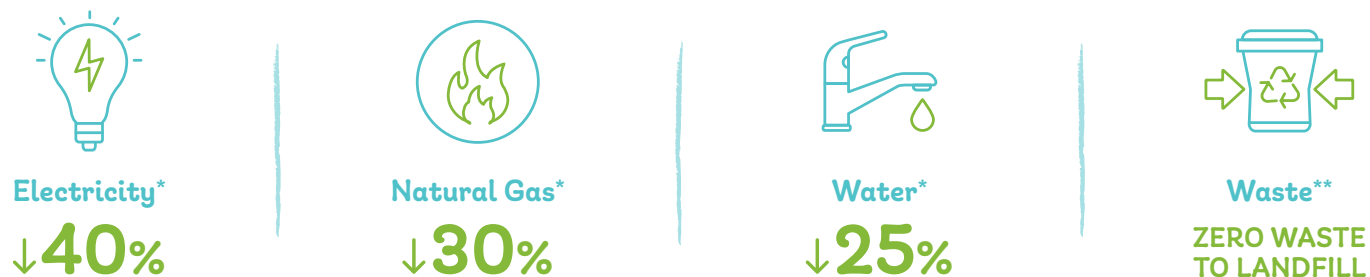
*Grounded in strong environmental stewardship, SunOpta is working to reduce our environmental footprint.*

### Our focus areas:

- Using less electricity, gas and water
- Achieving and maintaining zero waste in our manufacturing facilities
- Exploring innovative packaging solutions
- Using efficient modes of transportation
- Responsibly sourcing our ingredients
- Developing complete, accurate, and repeatable internal GHG data collection practices
- Advancing an ethical supply chain through transparency

### 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%. The progress made on these goals in 2023 include our existing business as of December 30, 2023. The progress made on these goals in this 2023 report includes our existing business as of December 30, 2023. With the restructuring to the new SunOpta over the past several years, we will use this data to re-assess our goals and refine our ESG strategy in 2024.



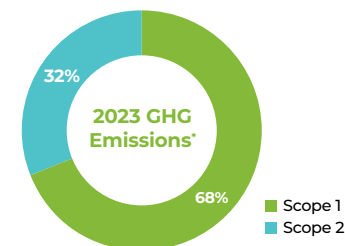
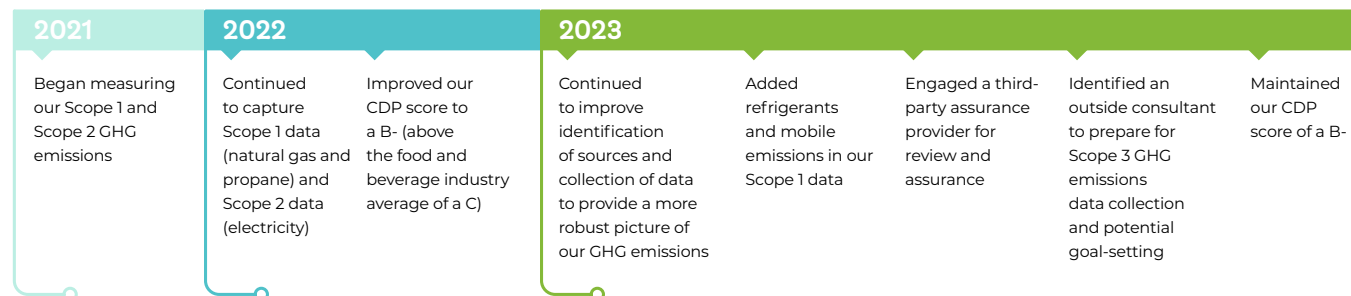
\*By 2027 compared to 2019 baseline, adjusted for production levels.

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

## GHG Emissions

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

### Our actions include:



\*2023 (January 1 - December 31) GHG emissions data: Scope 1 (tCO<sub>2</sub>e): 42,810; Scope 2 (tCO<sub>2</sub>e): 19,873. 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 company-wide sustainability goals.

### ENERGY MANAGEMENT GOAL\*



Electricity  
↓ 40%



Natural Gas  
↓ 30%

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

### ENERGY MANAGEMENT PROGRESS

In 2023, we reduced electricity usage from our baseline year of 2019 by 2.4% and reduced natural gas usage by 12.6%. In 2023, 100% of our electricity in our manufacturing facilities was purchased from the grid (150,924GJ). We procured,

installed and activated 742 solar panels covering 36,000 square feet on the roof of our headquarters facility.

The headquarters solar installation is expected to:

- ✓ **2/3** – Generate nearly two-thirds of the annual energy needs at our headquarters
- ✓ **447,667** – Produce up to 447,667 kilowatt hours (kWh) of energy annually
- ✓ **317** – Reduce 317 metric tons of carbon dioxide (CO<sub>2</sub>) per year

Consistent with our solar strategy, we designed our Midlothian, Texas, plant for possible installation of solar panels in the future.

### 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.



SunOpta employees celebrated the installation of solar panels at our headquarters location.

### 2023 IMPACT\*

2.4%

WE REDUCED ELECTRICITY USAGE IN OUR U.S. AND CANADIAN PLANT FACILITIES BY 2.4% FROM OUR 2019 BASELINE\*

12.6%

WE REDUCED NATURAL GAS USAGE IN OUR U.S. AND CANADIAN PLANT FACILITIES BY 12.6% FROM OUR 2019 BASELINE.

\*As of December 30, 2023. See full report for additional details.

## Water Management

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

### WATER MANAGEMENT GOAL\*



Water  
↓ 25%

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

### WATER MANAGEMENT PROGRESS

Our continued focus in 2023 was on the data and determining a consistent and repeatable process for collecting,

reporting and analyzing the data. As of Dec. 31, 2023, we increased water use by 9.0% per pound of product produced in our own U.S. and Canadian manufacturing facilities. We have identified opportunities to take action including continuous improvement in our Clean-In-Place process and investigation into water reuse projects. Though the percentage of water usage has increased, with the improvements in data management, we can take informed action.

### Water Savings Impact of Producing Plant-Based Beverages

We've long known that producing plant-based beverages from oats, soy, rice, coconuts and almonds consumes far less water than producing an equivalent amount of dairy milk. In 2023, we **saved 40.4 billion gallons of water** by producing plant-based milk compared to dairy milk.\*

\*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



**ZERO WASTE  
TO LANDFILL**

### WASTE MANAGEMENT PROGRESS

Our goal was to attain zero waste at all our plant facilities by the end of 2022, excluding new construction and expansion of existing facilities. As of December 30, 2023, all SunOpta facilities except for our recently opened Midlothian, Texas, facility have achieved zero waste to landfill. We are proud to have met our



goal in all existing facilities at the time it was set. The new Midlothian facility has a goal of achieving zero waste by the end of 2025. The Midlothian facility had a waste audit completed in 2023 and is working toward finding the best solutions to a few remaining waste streams as it continues to work toward its goal.

### REDUCING FOOD WASTE

We take steps to repurpose food that does not meet our standards or those of our customers (such as ingredients that are still safe to eat) by redirecting it for another use or sending surplus food to food banks. In 2023, we published our Food Loss and Food Waste Reduction Policy as well the Standard Operating Procedure (SOP) for Food Donations.

### 2023 IMPACT

**6 facilities**

6 OF OUR FACILITIES HAVE  
ACHIEVED ZERO WASTE  
TO LANDFILL

**2.8 million meals**

WE DONATED NEARLY 3.4 MILLION  
POUNDS OF FOOD TO FEEDING  
AMERICA, EQUIVALENT TO  
NEARLY 2.8 MILLION MEALS



## Sustainable Packaging

*We work with our suppliers and customers to explore new sustainable packaging formats that maintain food quality with less environmental impact.*

We work with our suppliers and customers to innovate and develop sustainable packaging options that will maintain high standards of food safety and quality while reducing environmental impact. Our packaging team is dedicated to delivering sustainable packaging solutions, including incorporating 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's packaging engineers have set a goal of converting 99% by weight of our own branded packaging to recyclable, compostable or reusable by 2025. We have identified sources of sustainable packaging and conducted qualification activities on some packages to aid successful commercialization.



### 2023 IMPACT

**99.2%**

BY WEIGHT OF ALL PACKAGING  
SOURCED BY SUNOPTA  
IS RECYCLABLE

**80%**

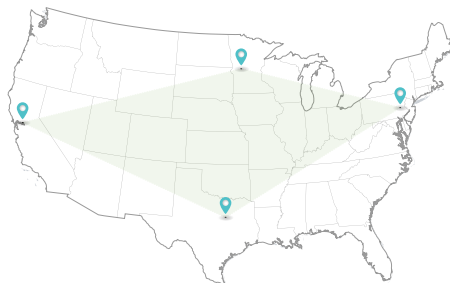
BY WEIGHT OF ALL PACKAGING  
MATERIAL SOURCED BY SUNOPTA IS  
RENEWABLE MATERIAL AND 18.2%  
IS FROM RECYCLED MATERIAL

## Transportation and Warehouse Optimization

*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 reduce GHG emissions. Our logistics team examined our transportation lanes for optimization and to determine if there were carbon savings that could be captured. Overall utilization of intermodal transportation has increased from 6.4% in 2022 to 10.5% in 2023 with a 26% increase in total intermodal miles. As a result of the mode shift from truckload to intermodal, we saved an additional 150.3 tons of carbon emissions in 2023.

To increase manufacturing capacity, our Midlothian, Texas, facility completes the fourth point in a diamond shape of SunOpta plant-based facilities around the U.S. The strategic location allows



us to be closer to our customers across North America and, as a result, there is a potential to eliminate an estimated 15 million freight miles, equating up to 59 million pounds of carbon emissions annually. We also completed construction in December 2023 on a 252,000 square-foot warehouse in Alexandria, Minnesota that will help us further reduce 5,000 gallons of diesel and 100,000 pounds of carbon emissions annually.

### ESTIMATED IMPACT

**150+ tons**

OF CARBON EMISSION  
SAVINGS ANNUALLY FROM  
LOAD MODE OPTIMIZATION

**100,000  
pounds**

OF CARBON EMISSIONS  
SAVED ANNUALLY WITH NEW  
ALEXANDRIA WAREHOUSE

## Responsible Sourcing

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

We prioritize the health, well-being and safety of our employees as well as the human rights of workers across our value chain and in the communities where we operate. In 2023, we began implementation of our suppliers into the Sedex platform to advance supply chain transparency, sustainability and ethical practices.

### CERTIFICATIONS AND PALM OIL

When sourcing ingredients and packaging materials to make our finished products, there are many certifications we require depending on the product, including Organic, Rain Forest Alliance, Gluten-Free and Non-GMO Project.

For palm oil derivative products, we track Roundtable on Sustainable Palm Oil (RSPO) certification to ensure compliance with our Palm Oil Policy.

### BIODIVERSITY AND TRACEABILITY

We are in the process of developing a Biodiversity Policy and are actively seeking suppliers who can provide sustainable and traceable materials, such as oats, vanilla and soybeans. We work with our suppliers to learn about their programs and collaborate with them to make a larger sustainability impact by leveraging relationships and efforts in the overall value chain.

## Culture of Innovation

*Innovation, sustainability and community are central to who we are and how we will continue to grow as a company.*

We strive to create a safe, healthy, inclusive and engaging work environment that fosters innovation and continuous improvement so that our employees can continue to fuel the future of foods

and beverages. SunOpta's corporate headquarters — the Eden Prairie Innovation Center, or EPIC — blends our past, present and future into a space that fosters collaboration and new ideas.

### EPIC Sustainability Features

- Solar panels
- Renewable bamboo flooring
- Interior and exterior green spaces
- Composting and recycling
- Non-disposable dishes and silverware
- Large windows for natural light and heat
- LED fixtures
- Living plant wall
- EV charging stations
- Exercise room and showers
- Five garden boxes

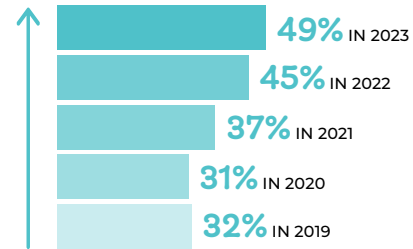


## Diversity, Equity and Inclusion

*We advance diversity and provide training and allyship materials to employees.*

### Percentage of Female Leaders at Director Level and Above

(as of December 30, 2023)\*



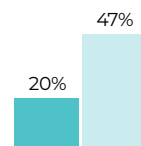
\*Includes all U.S. and Canadian employees.

### Employee Demographics

(as of December 30, 2023)

#### Salaried (U.S. Only)

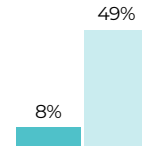
■ Racially Diverse  
■ Female



All Salaried

#### Director Level and Above (U.S. and Canada)

■ Racially Diverse  
■ Female



Director and Above

## Employee Development & Engagement

*We care about the well-being of our employees and communities.*

We provide opportunities for employee growth through sustainability education, such as lunch and learns on solar/renewable energy and food loss & food waste reduction. Also in 2023, we increased our commitment to employees by launching two new leadership development programs to accelerate personal growth as well as future company growth.



## Community Involvement

*We believe it is key to give back to where we live and work.*

Throughout the year, many employees participate in organized opportunities to donate talent and gifts to local charitable organizations.



### 2023 IMPACT

**37.5%**

OF SUNOPTA'S BOARD OF DIRECTORS MEMBERS ARE FEMALE\*

**49%**

OF EMPLOYEES AT THE DIRECTOR LEVEL AND ABOVE ARE FEMALE

**3**

EVENTS WITH SPEAKERS FOCUSED ON NATIVE AMERICAN HERITAGE, WOMEN'S LEADERSHIP AND HISPANIC HERITAGE MONTH

**7**

DEI PROGRAMMING EVENTS OR EDUCATIONAL OPPORTUNITIES FOR AAPI, BLACK HISTORY MONTH, IWD, HHM, NAHM, PRIDE AND VETERANS DAY

\*Board of Directors membership includes three female and five male directors as of December 30, 2023



## Ethics and Governance

### *We are grounded in good governance and strong business ethics.*

The SunOpta Corporate Governance Committee of the Board of Directors oversees and advises on ESG policy, goals and initiatives. The Board is apprised of the goals and progress made on ESG program initiatives on a quarterly basis. The Senior Leadership Team also conducts a deep dive into the ESG program and progress on a quarterly basis. As of December 2023, we now have a dedicated resource leading our sustainability efforts, which further signifies the importance of sustainability within SunOpta.

### Built for Sustainability

Our state-of-the-art plant-based beverage manufacturing facility in Midlothian, Texas, is designed for sustainability, including lower carbon emissions, efficient power usage, water conservation and use of recycled materials. The facility is equipped with:

- ✓ Energy-efficient heating, ventilation and air-conditioning (HVAC) system that **reduces energy consumption by 45%**
- ✓ LED lights and water heaters that **reduce power usage by 95%**
- ✓ Water reuse equipment that can **save up to 20 million gallons of water** per year
- ✓ Offices and labs **constructed with at least 40% recyclable materials**



Our Midlothian, Texas, plant was built with sustainability in mind.



# SunOpta™

[www.sunopta.com](http://www.sunopta.com)

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