



FEEDING FAMILIES TODAY.
BUILDING A BETTER TOMORROW.

Canada
2024





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MESSAGE FROM MICHAEL LATIFI, CHAIRMAN, FOUNDER AND CEO



Since its founding almost 30 years ago, Sofina Foods has been built on a very ambitious vision: to be the most successful food company in the world. This may seem like a lofty aspiration but at Sofina, we believe that unlimited vision summons unlimited possibilities. Our pursuit of excellence leads to new and exciting avenues for expansion. It builds a workforce that is united and uplifted. Rigorous quality protocols and an unrelenting passion for improvement sharpen our skills and our Company's competitive edge.

To achieve our vision, we are guided by a business model and business style that together work to make Sofina different and successful: how we address issues, how we tackle opportunities, how we make decisions and how we take actions in our everyday business. This approach is summarized in our Sofina Builders Blueprint.

From the beginning, Social Responsibility has been a fundamental component of our Blueprint:

- Embrace a strong commitment to community citizenship, sharing our time and our resources with those in need.
- Strive to preserve the environments in which we operate by constantly adopting best-in-practice policies.
- Ensure the continuous relentless evolution of the Sofina Foundation and its affinity for children's causes and needs...children are our future.

Social Responsibility has now become a critical business driver, and it is embedded in every part of our business. But we acknowledge that this is a journey, and we have a long road ahead of us. This first report offers a current snapshot of where we are and while we are proud of the progress we have made; we know there is more to do. The concept of continuous improvement runs deep within our culture. Success is about always improving, growing, and getting a little bit better every day. This report is also our pledge to our loyal consumers, customers, vendors, employees, and other stakeholders that we will continue to challenge ourselves to be better every day in our exciting future.

Thank you for your ongoing support and participation in our journey.

Michael Latifi
Chairman, Founder and CEO

MESSAGE FROM BRENT QUARTERMAIN, CHIEF EXECUTIVE OFFICER, SOFINA CANADA



Every day, Canadians put their trust in us when they choose to purchase our products to feed their friends, families and themselves. That is a tremendous privilege that we do not take for granted, and we want Canadians to not only feel good about the products they are buying, but also about the company that made them.

We are proud to be one of Canada's leading manufacturers of primary and value-added protein and distributors of grocery products. We have achieved this through the hard work of our dedicated employees, our "Sofina Builders", and our steadfast commitment to our Mission, which includes delivering Operational Excellence in every corner of the company. We deliver Operational Excellence by delivering upon 5 key Dimensions: Cost, Service, Quality, Safety, and Environment. For us, success depends on delivering on these simultaneously, where one

Dimension should not take single priority.

This has been especially challenging over the last few years. We are no different than other companies working through the phenomenal and enduring impacts of the COVID pandemic:

- Strains on the global supply chain causing unpredictable disruptions to manufacturing operations and raw material sourcing.
- Exponential increases in the costs to run our business.
- An accelerated adoption of digital tools.
- A workforce with new expectations for how and where work gets done.
- Open and honest conversations about workplace mental health and well-being.

We know the pandemic was hard on our employees who, as workers in an essential industry, continued to come to our plants and offices every day to produce our products. Added to these challenges, in 2022 we were impacted by one of the biggest outbreaks of Avian Influenza in our industry's history. Through it all we stayed true to our business philosophy and were able to maintain our workforce and all of our operations. We thank our employees and customers for your loyalty and support during these times as we continue to recover.

We have built positive momentum in fiscal 2024, and we have much to look forward to. We are investing significantly in our plants to build

capacity and capabilities. We have a renewed focus on Health and Safety, embarking on a massive initiative to re-assess all of our equipment and adding new roles to our team to protect our most valuable asset: our people. We are investing in new tools, processes and systems to help our employees work smarter and better. We are continuing the integration of our European business – learning and adopting best practices and capitalizing on opportunities to bring innovation to the Canadian market. We have doubled down on communication and employee engagement with action plans that directly address the critical areas for improvement identified by our Sofina Builders. And since its inception in 2007, our Sofina Foundation has raised over \$7.8M, all going towards supporting children's charities across Canada. We could not be prouder of the difference our Foundation makes in the lives of children across Canada.

As you will read in the following report, ESG is interwoven into all areas of our business. We are excited about our future and what's to come. On behalf of the Sofina Foods family, we hope you enjoy reading about our ESG efforts to date and what is to come next in our journey.

Brent Quartermain
Chief Executive Officer
Sofina Foods, Canada

MESSAGE FROM ROLAND DESCHAMPS, VICE PRESIDENT, LEGAL AFFAIRS AND ESG



Now, more than ever, we have a critical role to play when it comes to offering safe and nutritious food to Canadians. While we are in the early stages of our ESG journey, we are committed to operating with excellence and doing our part to ensure we're creating a food system that is sustainable and equitable for generations to come.

We have accelerated our efforts and committed more resources to enhance our sustainability program in Canada. As such, we have reevaluated and updated our ESG approach, renewed our focus on our sustainability pillars, aligned those pillars with the UN Sustainable Development Goals, and developed our underlying policies and practices, including the implementation of a Code of Conduct, and several significant compliance policies. In parallel, we have established more goals and developing a comprehensive roadmap and progress tracking system.

The ESG Committee is proud to publish this first annual ESG report which outlines our commitments and describes our ESG progress to date and our plans for the future.

Thank you to our more than 5,000 dedicated

employees who work hard every day to produce and deliver high quality food to Canadians from coast to coast to coast. And thank you to our customers, suppliers, and other key stakeholders. We truly recognize the importance of collaboration, and we're excited to continue our journey to feed families today and build a better tomorrow.

Roland Deschamps

Vice President, Legal Affairs and ESG

ABOUT SOFINA FOODS

OUR FOOTPRINT

CANADA

5,000 employees

22 sites

- Markham, ON (Head Office)
- Belleville, ON
- London, ON
- Mitchell, ON
- Brampton, ON (3)
- Mississauga, ON
- Etobicoke, ON
- Scarborough, ON
- North York, ON
- Burlington, ON
- Wynyard, SK
- Wynyard Hatchery, SK
- Edmonton, AB (2)
- Edmonton Hatchery, AB
- Calgary, AB
- Port Coquitlam, BC
- Abbotsford, BC
- Abbotsford Hatchery, BC
- Laval, QC

EUROPE

8,000 employees

27 sites

- Brydock Farms, UK
- Malton, UK (1 + Head Office)
- Cookstown, UK
- Scunthorpe, UK (2)
- Hull, UK
- Stoke, UK
- Haverhill, UK
- Coalville, UK
- Redditch, UK
- Grimsby, UK (2)
- Haverhill, UK
- Northern Ireland, UK
- Fraserburg, Scotland
- Livingston, Scotland
- Annan, Scotland
- County Tipperary, Ireland
- County Kilkenny, Ireland
- Tullamore, Ireland
- Castleblayney, Ireland
- Wilhelmshaven, Germany
- Bremen, Germany
- Wimille, France
- Paris, France

LEGEND



Site(s)



Hatchery



When Michael Latifi founded Sofina Foods in 1995, he had a long-term vision and an approach to business he believed would guide us to be the most successful food company in the world. That vision and approach are summarized in our Sofina Builders Blueprint.

Our Blueprint embodies our Vision, Mission, Core Values and Guiding Principles. The Core Values provide guidance on how we should behave, and the Guiding Principles outline how we approach challenges, pursue opportunities, make decisions and take actions across all areas of our business. The Guiding Principles have been fundamental to Sofina's success to date and our future success will depend on our ability to stay true to these Principles, every day and everywhere across Sofina Foods.

CORE VALUES

INTEGRITY

We are honest and can present the truth in an appropriate and helpful manner.

We are authentic.

We keep the confidence of those around us.

We conduct ourselves ethically.

RESPECT

We value individual differences and what they contribute to the organization.

We treat people the way we would want to be treated.

We are loyal in people's absence.

ACCOUNTABILITY

We take ownership of difficult situations and manage them appropriately.

We are answerable to ourselves and each other.

We can be counted on to do what we say we are going to do.

VISION

To be the most successful food company in the world.

MISSION

Driven by relentless **Focus** on our **Guiding Principles**, we will constantly drive to execute, with a disciplined approach, the critical initiatives required to achieve our **Vision**. All of our long term strategies and short term actions will be shaped by our **Core Values**. In doing so, we will deliver **Operational Excellence** in every corner of the Company to meet and exceed our commitment to all stakeholders we serve.





GUIDING PRINCIPLES

ENTREPRENEURIAL SPIRIT

- Embrace a sense of pride and passion about the Company and its business
- Demonstrate a bias for action and sense of urgency to establish and sustain our competitive advantage
- Show a clear intolerance for politics and bureaucracy by practicing hands on leadership to create an uplifting environment for employees
- Foster a mindset of continuous improvement in every process, person, product... believing that there is an infinite capacity to improve everything we do
- Establish an environment to encourage decision making while insisting on placing substance ahead of form and flexibility ahead of structure

FAMILY VALUES IN BUSINESS

- Cultivate an environment to promote effective and frequent communication... all without judgment
- Build a strong commitment to diversity, constantly driving to remain responsive to employees...believing that an organization which sustains its employees is destined for glory
- Drive and passionately advocate the spirit of our most valuable asset: "our loyal employees"... which are our source of pride, our source of strength, and our source of inspiration... taking care of our people
- Promote change as an infinite opportunity for growth and renewal, while infusing the heritage and traditions of the past with innovations of tomorrow to guide the organization through the next generation...

DISCIPLINED APPROACH TO BUSINESS

- Ensure that assets and resources are utilized to achieve maximum return...believing that we can always do more with what we have
- Insist on thoroughness in pursuit of delivering results knowing that there is no limit to asking questions...ask questions...
- Establish and cultivate relationships with customers and vendors who assist us in our pursuit of long term, sustainable and profitable growth
- Aspire to become a master at all the critical drivers of the business
- Emphasize the critical value of collaborative decision making, recognizing that this will result in a superior business outcome

SOCIAL RESPONSIBILITY

- Embrace a strong commitment to community citizenship sharing our time and our resources with those in need
- Strive to preserve the environments in which we operate by constantly adopting best in practice policies
- Ensure the continuous relentless evolution of the Sofina Foundation and its affinity for children's causes and needs...children are the future...

OUR BRANDS

DID YOU KNOW?

Sofina Foods manufactures many of the private label brands you know and love, including:

- Selection (Metro)
- Compliments and Panache (Sobeys)
- Your Fresh Market (Walmart)
- President's Choice (Loblaws)
- Great Value (Walmart)
- Best Buy (Sobeys)
- No Name (Loblaws)
- Ziggy's (Loblaws)
- Kirkland Signature (Costco)
- Co-op Gold (Federated Co-op)
- Marché (Giant Tiger)
- Farm Boy



*MarketTrack database for the Luncheon Meat – Exact Weight category for 52 Weeks ending June 17, 2023. Copyright © 2023, Nielsen Consumer LLC.

As one of Canada's leading manufacturers of primary and value-added protein products for both retail and foodservice customers, Sofina Foods has a broad portfolio of branded and private label pork, beef, fish, turkey, and chicken products. Sofina's family of branded products include Janes, Mastro, San Daniele, Lilydale, Cuddy, Fletcher's, Vienna, and Zamzam.

We are proud to be market leaders* in several of the categories in which we compete:



- Canada's #1 Specialty Deli Brand
- Canada's #1 Salami (Genoa / A/O Dry Cured) Brand (Mastro)
- Canada's #1 Mortadella Brand (San Daniele)
- Canada's #1 Prosciutto Brand (San Daniele)



- Canada's #1 Frozen B&B Chicken Brand
- Canada's #1 Frozen B&B Turkey Brand



- Canada's #1 Poultry Breakfast Sausage
- Canada's #1 Poultry Smoked Sausage

We also distribute several of Canada's most loved grocery brands:



We proudly service over 3,500 customers in foodservice and retail, including national and regional grocery banners, national food distributors, and many of your favourite restaurants:



OUR APPROACH TO ESG



SUSTAINABILITY STRATEGY

We are in the midst of an aggressive plan to refresh our ESG strategy, which was formally introduced in 2019, to deepen our commitment to our people, communities, Canadians and environment. Based on insights we have gained through engagement with our stakeholders, including our valued customers, we have a renewed focus and are making significant improvements to our ESG strategy and our underlying policies and practices, including our newly introduced Code of Conduct and Competition Law Compliance Policy. While many improvements have been implemented, many more are planned.

WHAT'S NEXT

We are working on our long-term targets and the tracking of key performance indicators (KPIs). We will begin to better leverage our systems to collect data and emission sources while addressing site-specific issues across our operations. To execute this ambitious strategy, we are establishing several working groups tasked with developing goals, targets, KPIs, implementation roadmaps and resourcing plans. The working groups are composed of leaders from across corporate functions and operations. We call on all employees to embrace our ESG journey.

In keeping with our continuous improvement mindset, we will regularly review our practices and publish an annual ESG Report to increase transparency and accountability.

STRATEGIC COLLABORATION

We aim to conduct our business in a socially and environmentally responsible manner, working collaboratively with all sector stakeholders to inspire meaningful and sustainable change. Many of the opportunities and challenges we face are industry-wide and often too large or complex for us to address singlehandedly. Through strategic partnerships, we continue to pilot and scale programs aimed at reducing environmental risks and sustainable growth.

That is why we work in partnership with advocacy groups, nonprofit organizations, industry, customers, suppliers, farmers, and governments to build trust and achieve common purpose.

UN SUSTAINABLE DEVELOPMENT GOALS

Sofina Foods shares the United Nations' global vision for a more inclusive, peaceful, and prosperous future. We believe that the UN Sustainable Development Goals (SDGs) play a critical role in addressing the most pressing challenges facing our world today. We have prioritized the 13 SDGs that most closely tie to our business and operations, and have aligned our ESG framework more directly with these 13 goals. Within our ESG framework, we have identified five pillars where we believe we can truly have an impact on moving our industry forward: Environment, People, Care of Animals, Food Safety and Quality, and Communities. These five pillars guide our activities as we strive to make meaningful progress towards the SDGs.



OUR ENVIRONMENT

Acting responsibly to protect our environment for future generations

At Sofina Foods, we take great pride in our commitment to sustainability and continuously improving the environmental impact of our operations and products. The principles of environmental sustainability are embedded in our Blueprint through the following guiding principles:



ENTREPRENEURIAL SPIRIT

Foster a mindset of continuous improvement in every process, person, product...believing that there is an infinite capacity to improve everything we do



DISCIPLINED APPROACH TO BUSINESS

Ensure that assets and resources are utilized to achieve maximum return...believing that we can always do more with what we have



SOCIAL RESPONSIBILITY

Strive to preserve the environments in which we operate by constantly adopting best-in-practice policies

Sofina's Health, Safety & Environmental Policy reinforces the company's commitment to taking a proactive approach in minimizing the environmental impact of our operations and adapting our operations to global environmental change.

ENVIRONMENTAL GOALS AND OBJECTIVES

Sofina Foods currently tracks environmental metrics related to energy and water usage and reports on these metrics on a frequent basis to drive continuous improvement across the organization and to meet the reporting requirements of our customers.

Recently, we created our first Environmental & Sustainability role to focus not only on improving our process of collecting and reporting environmental metrics, but also developing programs and standards to improve environmental sustainability performance.

We are developing a roadmap to reduce emissions and improve efficiency across our business. This roadmap will include both short and long-term goals, balancing achieving immediate action and fostering a culture of continuous sustainable improvement, while also providing a greater strategic vision to prepare the company for a low-carbon economy.

ENVIRONMENTAL PILLARS

Sofina Foods is committed to improving its environmental performance through the following environmental pillars:

EMISSIONS AND ENERGY

We track energy usage (natural gas, diesel, electricity) on a monthly basis. Energy usage is reported to Sofina senior management and compared against production throughputs. GHG emissions from energy usage are calculated on an annual basis.



DID YOU KNOW?

Sofina Foods recently joined the Canadian Industry Partnership for Energy Conservation (CIPEC). As a CIPEC leader, Sofina Foods will participate in CIPEC networking activities, share energy management best practices, and work to improve our energy intensity as well as that of the food processing sector.



WHAT'S NEXT

We will develop a robust program to reduce emissions and energy usage at our operations through the following measures:

- Hiring our first Energy Manager;
- Completing energy audits at our large facilities; and evaluating the deployment of Energy Management Systems at large facilities, conforming to the ISO 50001 Energy Management Systems Standard;
- Undertaking a Greenhouse Gas (GHG) Emissions and Energy Efficiency Site Assessment and a GHG Emission Reduction Plan Training Program at our Mississauga plant through a partnership with the City of Mississauga and Partners in Project Green.

WATER

- Recognizing that freshwater is a finite resource, Sofina Foods is committed to reducing our water footprint while maintaining our high food safety standards.
- We work directly with municipalities such as the City of Toronto and Region of Peel to identify and implement water conservation measures at our facilities.
- In our Brampton plant, we are piloting new low flow meters to be able to monitor our water consumption in real time, which will allow us to quickly identify and address any excess water use. Following this pilot, the intent is to install these meters at all of our plants where we do not currently have real-time monitoring capabilities.



WHAT'S NEXT

We will develop equipment standards and procedures to reduce our water footprint through the following measures:

- Equipment efficiency (high pressure, low flow washing systems);
- Water conservation plans for all facilities;
- Evaluation and development of water treatment and reuse systems; and
- Overall system efficiency upgrades.

We are investing in our plants to improve wastewater treatment, including significant investment in our Mississauga plant to improve the quality of wastewater prior to returning it to the municipal system.

DID YOU KNOW?

As many parts of the hogs are used as possible. Sofina's pork processing facility in Burlington, Ontario utilizes an enzymatic process to extract mucosa proteins from the intestines of hogs. The extracted mucosa is sent to a third party for further processing where it is converted into heparin, which is a pharmaceutical used to prevent or treat certain heart and lung conditions and prevent blood clots. Other organs that are not consumed (i.e., heart, lungs, liver, bladder) go to local secondary and post-secondary schools and medical companies to be used in teaching, training and research.



WASTE

- Sofina Foods takes pride in diverting meat byproducts from landfill by utilizing licensed third-party providers to upcycle these materials into higher value products such as animal feed, pet food ingredients, and biofuels such as renewable diesel.
- Many organic waste streams such as wastewater sludge are diverted from landfill by being transported to anaerobic digesters to generate electricity and/or renewable natural gas (RNG).
- Sofina Foods is currently in the process of implementing a multi-year strategy to expand existing and construct new wastewater treatment systems to reduce the amount of pollution loading discharged to municipal treatment systems.



TRANSPORTATION

To reduce vehicle emissions and prevent unnecessary fuel usage and equipment wear and tear, Sofina has:

- An anti-idling policy that must be followed for all company vehicles, with regular tracking.
- A load optimization program to reduce the number of trucks on the road with monthly tracking.



ENVIRONMENTAL MANAGEMENT

- Establishing Environmental Management Systems (EMS) within our operations exemplifies our dedication to proactive environmental stewardship and solidifies our commitment to a greener future.
- We participate in all provincial recycling programs to ensure our recyclable packaging is properly managed and stays out of landfill.



WHAT'S NEXT

Sofina Foods is committed to implementing an Environmental Management System to conform to the ISO 14001:2015 standard across all production facilities (excluding distribution centres).

WHAT'S NEXT

2024 stands as a pivotal juncture for Sofina Foods and our environmental efforts. This year, we are embarking on an ambitious journey of comprehensive trials, all geared towards authenticating the feasibility of recyclable packaging across a spectrum of our packaging formats. This crucial initiative sets the stage for an important transition. While we recognize that not all our customers have set a 2025 mandate for recyclable packaging, our commitment is to actively align with those who have. Thus, we are dedicated to ensuring that products tailored for these specific customers will be encapsulated in recyclable packaging by January 1, 2025. This targeted endeavour is emblematic of our dedication to both honouring our customer partnerships and driving sustainable advancements in the food industry.



PACKAGING

Innovation is a driving force at Sofina Foods and we continually seek opportunities to minimize the impact of our packaging on the natural environment. From adopting new eco-friendly materials and improving packaging designs to pioneering recycling technologies, we are unceasing in our efforts to innovate and improve.



As a leader in the food industry, we pledge to make recyclable packaging an available option for all of our products by 2025. For example, our fresh poultry is available in recyclable PET trays for our customers who are looking for a sustainable alternative to polystyrene. Furthermore, we are innovating in polyethylene-based packaging that is aligned with the Golden Design Rules of Plastic Packaging as set out by the Consumer Goods Forum Plastic Waste Coalition of Action. This ambitious yet achievable goal underscores our dedication to significantly reduce plastic waste, demonstrating our proactive approach to sustainable business practices and protecting the planet for future generations.

Our dedication to sustainability reflects our mission to deliver high quality products while actively caring for our communities and the environment. We understand the crucial role of food safety in our industry. With that in mind, our innovation and development teams are deeply involved in ensuring our transition to recycle-ready packaging maintains the highest standards of food quality and safety. We are actively exploring and investing in advanced technologies and materials that promise to protect the integrity of our products while promoting recyclability. We allocate significant resources to thoroughly qualify new packaging materials on our equipment and conduct rigorous shelf-life studies. By managing inventories with precision, we ensure the seamless production of high-quality products through these transitions.

Consumers are at the heart of everything we do. We want them to feel good about choosing our products, confident in the knowledge that they are making a difference with every purchase. The recyclable nature of our packaging will be clearly communicated, supporting consumers to make informed and environmentally responsible decisions.

Sofina Foods is committed to responsible packaging management in accordance with regulatory guidelines set by provincial bodies across Canada. By prioritizing recyclable materials and eco-conscious practices and supporting provincial collection and recycling programs where applicable to our business, we contribute to the circular economy and minimize our environmental impact.

We wholeheartedly embrace this journey towards sustainability. We believe these measures will not only create value for our business and customers but also contribute positively to our communities and the environment. With our unwavering commitment to sustainability, we are leading the way in the food industry towards a more sustainable future.

OUR PEOPLE

Enhancing the social well-being of our valued employees



Our people are our most valuable asset. They are our source of pride, our source of strength, and our source of inspiration. We care about their health and well-being and strive to provide them with the best possible work environment - one that is safe, diverse, equitable, inclusive, and values driven.

CODE OF CONDUCT

Sofina Foods has adopted a comprehensive Code of Conduct that applies to all employees. The Code of Conduct reaffirms our long-standing commitment to how we conduct ourselves in business and how we comply with all applicable laws. Sofina Foods is firmly committed to consistently treating all our employees, customers, suppliers, and the communities in which we operate with integrity, honesty, and respect.

The Code is an expression of the standards of behaviour that we expect of all employees in their daily activities and in their dealings with others. It requires all Sofina employees to comply with all applicable laws, rules and regulations, provides specific guidance with respect to particular areas of ethics and compliance, and counsels employees on how to deal with common compliance related scenarios. It contains specific guidance with respect to each of the following:

- Compliance with laws
 - Human rights/modern slavery/child labour
- Conducting business ethically
 - Bribery and corruption
 - Duty of fidelity and avoidance of conflicts
 - Gifts
 - Inside information
 - Personal relationships
- Use of confidential information
- Use of company assets
- Financial reporting
- Company records
- Internal Reporting and Compliance
- Whistleblower Protection

The Code of Conduct encourages employees to ask questions when unsure about ethical issues and requires them to report potential violations of policy or law to a manager, human resources, or legal. It also emphasizes our non-retaliation policy for anyone who reports a problem in good faith or participates in an investigation.

Consistent with the Code of Conduct, Sofina Foods provides more detailed guidance in our Competition Law Compliance Policy.

WHAT'S NEXT

We will implement compliance training for all of our employees.





HUMAN RIGHTS COMMITMENT

Sofina Foods is committed to and conducts business in an ethical and responsible manner that respects and promotes the protection of human rights. These principles have been codified in Sofina's Code of Conduct that apply to all employees and include the following:

- We will not use child labour or any form of forced or involuntary labour.
- Employees have the right to communicate openly regarding working conditions without fear, intimidation, or reprisal.
- Employees are protected against all forms of harassment, discrimination, violence and bullying.
- We will have a safe and healthy workplace that meets all applicable standards for occupational health and safety.
- Employees shall be fully compensated for wages and benefits that are in compliance with applicable employment standards.
- We will comply with applicable laws concerning working time (including maximum hours and overtime), rest periods, holidays, disciplinary and dismissal practices and maternity protection.
- Employees have the right to form, join and run their own associative organizations without prior authorization or interference by the Company.

WHAT'S NEXT

Many of our employees receive wages, benefits, and all other terms of employment as outlined in their collective bargaining agreement. For all other employees, we plan to implement an Employee Handbook which will set out standard terms governing their employment relationship such as employment policies, details about benefits, and business cycles.

Employees will be strongly encouraged to familiarize themselves with the Handbook and company policies. Employees, supervisors, managers, Human Resources professionals, and members of senior management will have a shared duty to ensure that the guidelines, policies and procedures in the Handbook and associated company policies are followed.

ENGAGEMENT

We engage our employees with regular consistent engagement surveys, capturing feedback and developing plans to put their feedback into action. In our most recent survey in 2022, our survey response rate was an impressive 92%, and our overall engagement score increased over the prior year.

Following our 2022 survey, we delved further to explore our three areas of greatest opportunity (Barriers to Execution, Continuous Improvement, and Communications) and held cross-functional focus groups to gather more specific, qualitative feedback. Coming out of these sessions, we developed a robust Engagement Action Plan containing both national actions across the organization as well as functional action plans based on feedback unique to our internal functions. In total, we have identified and are acting on 111 actions.



WHAT'S NEXT

We are executing our national and functional action plans with full support and endorsement from our Senior Leadership Team. We will track and review our program at all Leadership Team meetings and gather feedback throughout the year to ensure we are making meaningful improvement. Our next formal engagement survey is scheduled for 2024.

RECOGNITION

Throughout the year we proudly recognize our employees in a way that is keeping with the family values of our business. We are proud to highlight our employees' outstanding contributions through our Builders Spotlight Program. At the heart of this program is an employee who is nominated by their leader for modeling our Mission, Vision, Core Values, and Guiding Principles outlined in our Company's Blueprint. We then share these stories throughout our organization.

We also acknowledge our employees with long service through our long service recognition program and we celebrate together with our employees during our summer BBQs and end of year celebrations which are held at each of our locations throughout the year.

TRAINING AND DEVELOPMENT

Sofina Foods believes in supporting our employees' career growth and aspirations. We are committed to training and developing our people to promote internal career growth and progression as well as enhancing their overall engagement and Sofina Foods experience.

We continually look to build our talent pipeline to prepare our people and workforce for the future. Numerous times throughout the year, we engage

in conversations with our people about employee development and training, including performance discussions performance discussions between the employee and their manager. In addition, we hold Functional People Days annually to review and calibrate the talent in each function. Coming out of this, we build succession models and identify individual development action plans in support of each employee's professional growth.

We also prioritize promoting from within to ensure our employees are offered every opportunity to continue their career progression with us. We have a well-defined Internal Application Program which helps us promote qualified internal candidates, foster career development and retain talent. In fiscal 2023 alone we provided 126 opportunities for career growth through promotion.

We are proud of the career growth opportunities we make available to our employees which sets them up to professionally develop and be ready for their next role within our organization.

WHAT'S NEXT

We have invested in a Learning Management System that will focus on frontline skills, competency, and compliance to support career advancement and development for both hourly and salaried employees and leaders. This system will be piloted in two sites in 2024 with the intention of rolling it out across our entire organization.

DID YOU KNOW?

Approx. 29 different languages are spoken across our Canadian sites!



EQUITY, DIVERSITY AND INCLUSION

We are strongly committed to diversity, equity, and inclusion in every aspect of our work. We believe that our differences make us stronger and better, and the workforce in our operations represent a diverse and broad spectrum of Canadians.

The best ideas come from teams with a wide range of backgrounds and experiences working together effectively to harness the creative power and ingenuity of diversity.

Through equity and inclusion, we strive to champion all voices and ensure each member of our team is empowered to contribute fully with their unique skills, experiences, and perspectives.

Leveraging the power of diversity to achieve our mission is critical to pushing us to a brighter future. We strive to communicate in multiple languages across our plants to support on-the-job learning, safe work practices, and work instruction materials.

WHAT'S NEXT

We will establish an equity, diversity and inclusion (ED&I) governance team and establish recruitment and succession targets to address under-represented dimensions.

HEALTH AND SAFETY

The primary accountability and communicated deliverable of people leaders across Sofina Foods is to take care of our people and work in balance between all 5 Dimensions of Plant Success.

In Health and Safety, this means that:

- Decisions are not made that could negatively affect safety to promote production.
- We focus on taking care of our people and meeting our regulatory responsibilities.

- We keep our people safe through effective training/communication, efficient maintenance and use of our systems.
- Feedback and improvement processes are functioning as intended.

Although we continually invest in our people and processes to improve our Health and Safety culture and performance, we are not where we want to be. We have started a comprehensive Health and Safety Improvement Initiative across all of our processing facilities, hatcheries, distribution centers, and offices. This initiative is focused on improving our knowledge retention and transfer, equipment condition and reliability, management system effectiveness, and sharing and documenting organizational learning.

KNOWLEDGE RETENTION AND TRANSFER

We are in the process of mapping and documenting further SOPs (Standard Operating Procedures) and procedures to further improve the execution of our day-to-day activities. These standards and procedures are reviewed on a regular basis and form the basis of regular training across the organization. There has been an increased focus on the importance of training to exceed regulatory compliance and help drive continual improvement.

In addition to our regulatory and risk-based training standards, we are also focused on supporting front line and executive leadership through ongoing sessions and training around our values and leadership fundamentals.



EQUIPMENT CONDITION AND RELIABILITY

While digging into our incident data, cross functional inspections and assessments and engagement surveys, we saw an opportunity to invest in our tools and equipment as well as the overall working environments in our facilities. We have started a massive program of re-assessing all of our equipment to ensure that they are operating within expected safety and operational parameters, and investing where any deficiencies are found. A dedicated team will oversee this program.

Beyond the physical improvements to the environment and equipment in our facilities, we also reinforce our need to operate in balance with all 5 Dimensions of Plant Success (safety, quality, cost, service and environment), and emphasize the equal importance of all 5 Dimensions.

MANAGEMENT SYSTEM EFFECTIVENESS

Sofina Foods has launched an enhanced Health and Safety Management System to improve the safety culture and performance of the organization. Through effective change management and engagement from all levels of the company, we have more reliable data and greater visibility to make decisions and implement long-term programs and processes to ensure sustainable work execution. Site level inspections and behavioural based observations are utilized to seek out deviations from expectations and opportunities to improve. The results of these are discussed with the entire plant leadership team at Daily Directional Setting (DDS) meetings with KPIs recorded. These KPIs are then reviewed and discussed at monthly continuous improvement (CI) meetings to determine the support required to meet plant deliverables in Health and Safety performance and culture.

Continuous improvement is part of our DNA. We recognize that proactive and consistent management of our leading indicators will ensure we are achieving the goals of our Health and Safety management system. We review our indicators regularly to make sure that we are effectively managing our processes and engaging our people.

With auditing and self-assessments, as well as focus groups and surveys, we are driving improvements to our processes and programs.

ANNUAL EMPLOYEE FOOD AND WORKPLACE HEALTH AND SAFETY SURVEY

Sofina Foods has implemented an annual Food and Workplace Health and Safety Survey to engage our people, ensure that the improvements being made are felt in the plants, and that we receive regular feedback.

WHAT'S NEXT

We will develop the execution plan and identify the resources necessary to complete the assessment of all our facilities and complete remedies to priority areas, with mid-term planning for any residual items. Five new additional corporate health and safety positions have been added to the team to support program development, change management and sustainability.

OUR CARE OF ANIMALS

Protecting the welfare of animals in our operations and at our partner farms



Sofina Foods is fully committed to the principles of sustainability and animal welfare. We continuously strive to maintain the highest standards of care for the animals in our supply chain, and we work closely with industry stakeholders to promote responsible practices. Our dedication to animal care extends from farm to plant, and we hold our employees and partners accountable for upholding these essential principles of animal welfare.

Sofina's commitment to animal care is rooted in the framework of the Five Fundamental Freedoms, which provide a comprehensive perspective on animal well-being:

- Freedom from hunger, malnutrition, and thirst, secured by access to water and proper nourishment.
- Freedom from discomfort, attained through suitable living conditions.
- Freedom from pain, injury, and disease, facilitated by preventative measures and prompt treatment.
- Freedom to express normal behaviour, enabled by sufficient space, appropriate facilities, and companionship.
- Freedom from fear and distress, assured by conditions that prevent mental suffering.

These principles not only define our approach to animal welfare but also shape national regulations for animal protection. These regulations, which include codes of practice established by the National Farm Animal Care Council (NFACC),

are endorsed by national and provincial producer associations.

At Sofina Foods, our unwavering commitment to animal care drives us to actively reduce stress and prevent injuries. Our stringent Animal Welfare Policy mandates training and compliance with applicable regulations and industry-recognized Codes of Practice for both our employees and suppliers involved in live animal handling.

In our pursuit of elevated animal welfare standards, Sofina Foods proactively nurtures initiatives to refine transportation, reception, lairage and processing practices. Furthermore, we support the adoption of cutting-edge technologies and engage in applied research to contribute to the development of science-based animal welfare codes of conduct.

We are steadfast advocates of humane, safe, and healthful animal handling throughout their lives. Our commitment extends to seeking partnerships with those who uphold unwavering ethical standards, with animal care remaining a paramount priority in all our endeavors.



Aligned with this commitment, we wholeheartedly endorse and adhere to established Canadian codes of practice, notably the National Farm Animal Care Council codes governing hatching eggs, breeders, chickens, turkeys, and hogs. These codes form the cornerstone of the Animal Care Program established by the Chicken Farmers of Canada and Turkey Farmers of Canada on Farm

Food Safety Program, Flock Care Program, Canadian Pork Excellence Program and the Canadian Quality Assurance/Animal Care Assessment, which comprehensively governs on farm and processing practices, mandating:

- Housing requirements, stocking densities and well-managed facilities that uphold high standards of animal care.
- Husbandry practices on farm.
- Nutritionally balanced diets and a continuous supply of fresh water to meet animals' needs at all stages.
- Training in proper animal care practices and maintaining ongoing assessments at various points, including the hatchery, during transport, on the farm, and at our primary plants.
- Humane treatment of all animals by all stakeholders throughout every stage of the process.

RESOURCES

Sofina Foods has a dedicated team and resources to ensure the adherence of producers, suppliers, and employees to best practices, as well as the enhancement of animal holding conditions. Our specialized animal welfare team, led by the Vice President of Animal Care and Hatcheries, comprises of certified members from the Professional Animal Auditor Certification Organization (PAACO). This certification equips us to conduct audits aimed at elevating the oversight of animal treatment. Status updates are reviewed at monthly continuous improvement meetings.

The Sofina team is steadfast in ensuring that all employees and suppliers handling live animals strictly comply with federal and provincial regulations, along with industry-recognized codes of practice. Our comprehensive program, aligned with the NFACC's codes of practice, encompasses all facets of animal welfare. This program

prioritizes the training of personnel involved in animal handling, taking into consideration animal behaviour and wellbeing. We maintain a zero-tolerance stance against actions that jeopardize the welfare of live animals, cause them suffering, or display disrespectful behaviour towards animals.

Our commitment to animal welfare is further reflected in:

- Active engagement and collaboration with industry groups, including regulatory bodies.
- Ongoing mandatory employee training at each facility handling live animals, conducted at least once annually. Following the training, each employee reaffirms their commitment to upholding the required animal care standards.
- Continued training opportunities through the Professional Animal Auditor Certification Organization (PAACO) for key employees handling live animals. Our objective is to have at least one PAACO trained employee at each facility.
- Development of measurable animal care metrics, subject to monthly review with our plant management and executive team.
- Weekly discussions involving all key stakeholders overseeing the live animal process, encompassing hatchery, farm, catch, transportation, live receiving, and processing.
- Transparent accountability through review of daily animal welfare metrics by facility.
- Monthly review of all animal care issues by senior executives through our continuous improvement meetings.

Sofina's allocation of resources underscores our resolute dedication to upholding the highest standards of animal welfare across all stages of our operations.



EMPLOYEE TRAINING

Sofina Foods is committed to continuously researching, promoting, and maintaining high standards of animal well-being through comprehensive procedures, educational materials, and

training programs for all our employees and contractors, referencing the animal welfare requirements contained in Health of Animals Regulations as well as NFACC (National Farm Animal Care Council) codes governing hatching eggs, breeders, chickens, turkeys, and hogs:

- Safe Food for Canadian Regulations (SFCR) Division 7 Subdivision C Humane Treatment
- Health of Animal Regulations (HAR) Part XII: Transport of Animals - Regulatory Amendment - Interpretive Guidance for Regulated Parties
- Guidelines for the Humane Care and Handling of Food Animals at Slaughter
- Guidelines for Preventative Control Plan for Animal Welfare for the Slaughter of Food Animals apply to the live birds slaughtered in all our Federal Establishments, and processing plants operating under the Federal/Provincial domestic program

All Sofina employees handling live birds and hogs must be trained and knowledgeable about the basics of poultry/hog handling and animal welfare including obvious signs of normal behavior and indicators of stress or illness in each species. Employees must be trained before handling live animals. We have established Animal Welfare Technical Training procedures and materials for detailed instructions regarding each activity involving birds.

All employees working in our primary facilities receive general Animal Welfare training at hiring. Those handling animals also receive specific training at hiring, annually, and as needed due to procedure changes or non-conformance incidents. All training is conducted, documented, and kept on file. As an example, specific training includes the following SOP's:

- SOF AC 01 Live Poultry Receiving
- SOF AC 02 Ante-mortem Screening Procedure

- SOF AC 10 Animal Care Technical Training Procedure
- SOF AC 11 Animal Welfare Internal Audit Procedure
- BUR SOP 1000 Animal Welfare Control program

CONTRACTOR TRAINING TRAINING OF CATCHERS

Training is required to be conducted at least annually for all employees involved in catching. Third party catchers are required to provide a letter of guarantee that all catchers have received required training and training records must be available upon request. This training must cover the following:

- All members of the catching crew must be trained and knowledgeable about the basics of poultry handling and animal welfare.
- All persons working with poultry must understand and accept their responsibility to prevent avoidable pain, injury, stress and suffering to the birds. Before they are assigned their duties, workers are required to be adequately instructed and have knowledge of the basic needs of the poultry entrusted to their care.
- Staff must be able to recognize obvious behavioural signs that indicate health problems or a state of discomfort of the birds.
- Training and evaluation of catching personnel is the responsibility of the catching crew supervisor.

TRAINING OF TRANSPORTERS (DRIVERS)

All transporters must be trained and knowledgeable about the basics of poultry/hog handling and animal welfare. All drivers delivering live animals for Sofina Foods must be certified under Certified Livestock Transport – Canadian Livestock Transporters (CLT) Program and the Transport Quality Assurance (TQA). Transporters must provide a letter of guarantee for trained personnel to Sofina Foods, with training records available upon request; proof of training must also be provided or made accessible upon Sofina's request.



RESPONSIBLE PROCESS

Sofina Foods actively reviews opportunities to continuously improve animal care practices. We continue to work with the industry, specifically the various Marketing Boards and Associations, to continue bringing enhancements to animal care practices throughout our supply chain.

Our process uses two stunning methods recognized nationally and within North America for their effectiveness in humane slaughtering: electric stun and controlled atmospheric stunning.

All facilities that handle live animals are continuously monitored by the Canadian Food Inspection Agency (CFIA) as required by regulations. We work in collaboration with CFIA inspectors to ensure our operations meet or exceed requirements. In addition, we conduct regular self and independent third-party audits of our standards and processes. Our manufacturing facilities are all certified to the highest globally recognized standards of the Global Food Safety Initiative (GFSI).

We require our employees to adhere to our protocols and ensure that our animal care commitment and vision are upheld by taking the following steps:

- Any employee in live operations must and can take immediate remediation action should they observe any deviation or weakness in our process.
- Investigating and considering technology that can improve the humane handling of animals.
- Enforcing a zero-tolerance policy with respect to willful acts of neglect or abuse of an animal by one of our employees.

TRANSFER OF CARE

Transfer of Care is an important aspect of animal welfare and biosecurity at our facilities, and we aim to ensure that the animals experience a smooth transition with minimal disruptions to their health and comfort. It involves coordination and communication among several stakeholders, such as hatcheries, farms, and processing facilities, to ensure a seamless transfer process.

During the Transfer of Care, Sofina Foods ensures that proper protocols are followed in alignment with Health of Animal Regulations (HAR) Part XII Section 153 Transfer of Care and Safe Food for Canadian Regulations (SFCR) to maintain the health, safety, and welfare of the animals. This includes handling, transportation, and the provision of appropriate environmental conditions to minimize stress and ensure the animals' continued well-being.



MONITORING

At Sofina Foods, our primary facility staff are required to adhere to the guidelines established by the Government of Canada to ensure the humane treatment of animals during their journey. They are also expected to meet specific standards set by organizations such as the National Chicken Council, National Turkey Federation, and North American Meat Institute, based on the type of animal.

In our commitment to upholding these rigorous standards, we conduct regular internal audits of our primary facilities. These audits play a vital role in ensuring strict adherence to regulations and promptly addressing any issues that may arise. Additionally, we engage independent external auditors to assess our facilities and procedures, ensuring a comprehensive and unbiased evaluation.

Every stage of the Transfer of Care process between parties (from farm to processing plant) where the responsibility for animals' transitions between parties is documented. If any deviations from the standards and established regulations are identified, we create detailed reports outlining the concerns. Immediate action is taken to investigate any deviation, followed by the implementation of corrective measures.

CONTINUOUS IMPROVEMENT

Examples of our commitment to continuous improvement in the animal care arena include:

- Implementing Controlled Atmospheric Systems in two of our poultry facilities: our Turkey plant in Mitchell, ON and our Chicken plant in Calgary, AB. This measure is designed to reduce animal stress and injuries while also contributing to an improved work

environment and higher meat quality. This approach involves a fully automated unloading of trailers to avoid physical handling of birds which can cause stress and potential injury. Cages containing poultry are automatically conveyed into a tunnel where the birds are irreversibly stunned, ensuring that birds lose consciousness and become insensible before the slaughter process.

- Investing \$10M in a state-of-the-art Controlled Atmospheric System in our pork plant in Burlington, ON.
- Collaborating on a new hog trailer design in 2020. These new trailers reduce the slope of ramps and provide automatic side curtains and exhaust fans based on temperature and humidity within the trailer, while maximizing square footage allowances for the hogs. There are five of these new trailers in operation today delivering hogs to Burlington, with more being ordered.
- Redesigning the smart stack system used to transport chickens to add a partitioning system that would limit the potential for injury while still allowing ample space for the birds within each crate.

WHAT'S NEXT

Group Sow Housing - Sofina supports the conversion of sow housing as prescribed within the Code of Practice - Hogs by 2029, as announced by the Canadian Pork Council. To that end, we are diligently working with our producer partners to complete conversions or build new production units by the end of 2026, three years prior to the required date. By the end of 2023, 66% of the hogs we receive will be from sow production units partially or completely compliant with the Code.

OUR FOOD SAFETY & QUALITY

Ensuring that we offer nutritious food and protect consumers

DID YOU KNOW?

In 2019-2020, we transitioned all our Janes branded and other breaded and battered chicken products sold in retail from raw to fully cooked. Raw chicken products must be handled and cooked appropriately to prevent risks associated with Salmonella, as Salmonella naturally occurs in raw poultry. Cooking the product at the manufacturing stage ensures all Salmonella is eliminated prior to reaching consumers. This massive undertaking required significant investment in a new oven and a new floor plan design.



Sofina Foods strives to deliver operational excellence in every corner of our business to meet and exceed our commitment to all stakeholders we serve. We have over 100 quality and food safety experts who diligently track and monitor new developments in industry and around the world to stay ahead of emerging risks and ensure we continue to consistently deliver safe quality food.

Our commitment to providing safe, quality products is uncompromising. That is why our internal Quality Assurance and Food Safety policies and programs meet or exceed all Canadian Food Inspection Agency's (CFIA) requirements. We continually look for ways to improve our processes and standards.

FOOD SAFETY

Our manufacturing facilities are all certified to the highest globally recognized standards of the Global Food Safety Initiative. With a vision of Safe Food for Consumers Everywhere, GFSI brings together key stakeholders of the food industry to collaboratively drive continuous improvement in food safety management systems around the world.

This year, the British Retail Consortium Global Standards, the globally recognized standards for food safety, released version 9 of its standards which put greater focus on food safety culture. Our manufacturing teams and plants successfully met these new standards and were able to maintain the highest ratings at all our facilities (A to AA).

Sofina Foods is certified by the Marine Stewardship Council (MSC), and we are audited annually. Overfishing is a grave threat to our oceans. Sofina Foods only purchases from fisheries that are MSC approved and that catch fish in ways to ensure that the long term health of the stock or species and well-being of the ocean are protected to ensure global sustainable seafood.

According to the Centers for Disease Control and Prevention (CDC), foodborne illness is an ongoing and global concern. The need to strengthen food safety systems is more important than ever and this is where our strong comprehensive programs come in. Through scientific and risk approach environmental monitoring, we can measure our cleaning and sanitation programs for pathogens, spoilage organisms and allergens to protect our finished products.





QUALITY

We have strict quality control and safety measures in place which are applied to all food products manufactured and processed at our facilities, as well as throughout our supply chain.

We continuously monitor the effectiveness of our programs through regular swabbing and testing of our manufacturing environment and our products.

All our products are subjected to rigorous oversight by our quality assurance and operations personnel. We employ multiple levels of methods to manage risks such as foreign material detection systems and high-pressure pasteurization.

Food Safety must be a key component of company culture to ensure a company's programs are delivered consistently. Sofina Foods empowers our employees to act and communicate any concerns and we regularly reinforce this through our annual Food and Workplace Health and Safety Survey. These responses provided valuable feedback on where we need to focus for continuous improvement efforts. In 2022, these efforts included:

- Building routines into senior leader plant visits to embed Health and Safety culture into meetings and discussions.
- Safety Survey Action Planning and Tracking added to all monthly plant Continuous Improvement meetings.
- Initiating a monthly meeting with all plant managers focused solely on Safety: what could we be doing better and sharing best practices.
- Launching a quarterly Safety newsletter sharing lessons learned, site wins and safety updates; shared across all plants and offices with salaried and hourly employees.

We measure Food Safety and Quality Key Performance Indicators (KPI's) daily. The results of these KPI's are discussed daily within the plants and reviewed at a senior leadership level.

Sofina Foods has a dedicated national Customer Care team to track and trend consumer feedback ensuring we continually improve our products and processes.

SPECIAL CONSUMER CONSIDERATIONS

Sofina Foods offers a complete line of certified gluten-free products and are certified by the Canadian Celiac Association. We are audited at a regular frequency to ensure we meet the requirements.

We also offer a line of Halal-certified products, and a line of poultry and pork products that are Raised Without Antibiotics (RWA) certified.

WHAT'S NEXT

We are streamlining our complaint process to maintain customer, product, and brand focus.

We will be moving our internal audits to be unannounced in an effort to further drive our audit readiness across all plants. The majority of our facilities have already moved to unannounced third-party audits. Audit results are shared across the business to prioritize business needs.

OUR COMMUNITIES

Contributing to causes that make a difference in our communities

At Sofina Foods, we are proud to support the communities where we live and work by sharing our time and our resources with those in need. The vast majority of our charitable efforts in our communities are managed through The Sofina Foundation.



“My vision for The Sofina Foundation started with the humble dream of making a difference in the lives of children and families in need. Today’s children are tomorrow’s artists, manufacturers, peacekeepers, change-makers, leaders, and humanitarians. Over the years we have seen how our support directly impacts the lives of so many. The testimonials we receive each year from our partners are truly touching and continue to be our motivation.”

Michael Latifi, Founder, Chairman and CEO,
Sofina Foods Inc.

SOFINA
foundation

THE SOFINA FOUNDATION

The Sofina Foundation is the charitable arm of Sofina Foods Inc. Initially established in 2007, The Sofina Foundation received its formal charitable status at the beginning of 2014, and proudly partners with various charities across Canada focusing on improving the health and wellbeing of Canadian children. From product donations to sponsorships, along with numerous third-party partnerships, The Sofina Foundation continuously seeks to expand its impact and make a difference.

Since its inception, the Foundation has raised over \$7.8M for children’s causes across Canada. We can only do this through the generous support of our employees, suppliers, vendors, and business partners.

SOFINA
Amici

SOFINA & AMICI GOLF CLASSIC

The Sofina & Amici (Sofina & Friends) Inaugural Golf Classic started in 2008 and raised \$221,000 (more than 5 times the anticipated fundraising goal!) with the support from suppliers, business partners, and Sofina family and friends. To date, the annual event has raised \$5.2 million towards capital programs at Sunnybrook Health Sciences Centre, and Ronald McDonald Houses (RMH) in both Toronto and Edmonton:

- \$1,889,000 towards NICU Operative Unit & High-Risk Suite + Women & Babies Program at Sunnybrook
- \$2,500,000 investment in Youth Mental Health (Brain Sciences Centre at Sunnybrook)
- \$550,000 to RMH Toronto School
- Kitchen Renovation at RMH Edmonton



DID YOU KNOW?

To date, the Dream Builders' Campaign has:

- granted 139 wishes,
- provided 344 days of camp for children living or affected by childhood cancer,
- donated \$645,000 to children's hospitals (child life, NICU or child/youth mental health programs), and
- donated \$315,000 to RMH in Calgary and Toronto.



We pride ourselves on spreading our support to as many organizations as possible. Last year alone, the Dream Builders' Campaign supported 25 charities, positively impacting the lives of hundreds of thousands of children and their families across the country. Sofina Foods matches every dollar donated by our employees, as well as supplier donations, doubling the impact. To date, the Dream Builders' Campaign has raised over \$3 million.

139 (and counting!) wishes granted through charitable organizations: Make-A-Wish Canada, Sunshine Foundation of Canada and Canuck Place Children's Hospice in Abbotsford:

★ = number of wishes granted



DREAM BUILDERS' CAMPAIGN



The Dream Builders' Campaign was launched in 2014 to bring employees together to fundraise for a common cause – to grant the most heartfelt wish of five critically ill children. Since then, through this national initiative, we have supported 44 Canadian charities that each provide unique programs, support, and critical help for children and families. Included in these charities are children's hospitals in each of the provinces where we operate.

Funds raised from the employee-driven campaign have supported all different types of children and programs – from sick, critically ill, or disabled children, to supporting children from low-income families and those living with lifelong illnesses, both physical and mental.

Last year, we proudly celebrated the 10th anniversary of the Dream Builders' Campaign. From humble beginnings filled with bake sales, dunk tanks and selling stars to make children's dreams come true, we embarked on a journey that would forever impact the lives of countless children across the country. To celebrate this milestone, each month we revealed a new \$50,000 donation to a Canadian children's charity, totaling \$500,000. These donations ranged from building inclusive and accessible parks, NICU programs and equipment, urgently needed child and youth mental health programs and more.

Over and above this commitment, The Sofina Foundation committed an additional \$450,000 to children's charities across Canada, bringing the total number of charities supported to 25! A few of these charities include Make-A-Wish Canada, Sunshine Foundation of Canada, Ronald McDonald House Charities, CNIB Foundation, and many of the children's hospitals located in the provinces where we operate.

We also had an ambitious goal to exceed the \$3 million dollar mark of total funds raised. Thanks to the passion and hard work of our dedicated Dream Team volunteers, spearheading fundraising events such as raffles, Step Challenges, and employee product sales at each of our sites, we reached our goal!

MAKE-A-WISH CANADA

PARTNERSHIP/EVENT SPOTLIGHT

"What an incredible opportunity to be able to see firsthand what our hard work and donation can accomplish. To witness the smiles and enthusiasm of the kids and their families as they embarked on a break from their day to day lives. The struggles of juggling work, caregiving for their ill child as well their other children's needs, treatments, all types of testing, specialist and doctor's appointments as can be an overwhelming task. The granted wishes give the families time to enjoy the little time they have left together and create memories, for others to heal and continue to live and for some to give back.

I struggled with so many mixed emotions during this experience as I observed the children play and be carefree, amazed at their surroundings and the accessibility available to all regardless of their physical conditions was incredible. Listening to the journey of adults that had their wishes granted and how it has changed their lives was overwhelming and brought tears to so many of us. For the kids, parents, siblings and even grandparents to come up and hug and thank us for all we have done. Even complete strangers assisting us during our shopping spree would help find the items on the kid's wish list and thank us, was humbling.

As for the incredible team: Umeeda, Lauren, Amber, Barbara, Jody, Julie and Lori. We made Sofina "PROUD". We cheered the loudest, worked the hardest and made sure the kids and their families enjoyed the events planned. Our enthusiasm was contagious and drew so many other volunteers to our group and we embraced them and worked tirelessly together. Our passion was so evident in every task we were given.

I am forever grateful to you for making this one of my most treasured memories thus far!"

Toula Girmenia,
Dream Team Member since 2014

In 2023, The Sofina Foundation made the largest commitment in Dream Builders' Campaign history: donating \$150,000 to Make-A-Wish Canada in support of their 40th Anniversary Wish Trip, which sent 44 wish families to Disney.

Our employees were able to be part of the magic. Seven Dream Team members delivered wish boxes to families attending the trip in Markham, Brampton, and Edmonton. Eight Dream Team members also attended the trip, volunteering and being able to interact with the families.

The trip was a once-in-a-lifetime experience, being able to positively impact the lives of so many children and their families simultaneously.





Source: Canadian Income Survey (CIS) 2021. Data on food insecurity for CIS 2021 were collected in Jan-Jun 2022. Source: Second Harvest

DOLLARS FOR DREAMS

Dollars for Dreams is our payroll deduction program where employees can sign up to have a certain amount deducted per pay cheque. Since 2019, employees have contributed over \$250,000 towards children's causes. In 2023, over \$86,000 was raised from this program and distributed to local charities across Canada. Our employees are proud to come together with their colleagues and peers across Canada to make a difference in our communities.

FOOD SECURITY

6.9M 

\$50K 

 2.2M requests

6.9 million Canadians experienced food insecurity this past year, including almost 1.8 million children living in food-insecure households*. Being one of Canada's leading food manufacturers, we are committed to avoiding any and all food waste.

In 2023, Sofina Foods donated 149,194 lbs. of protein to Second Harvest, Canada's largest food rescue agency. Protein is the category most in demand and the hardest to find. This food was distributed to over 2,103 front-line social service organizations across Ontario, including food banks, soup kitchens, homeless shelters, women's shelters, student nutrition programs, and many more. On average, their agency partners are serving 72% more clients than they were pre-pandemic, and 88% need more food to meet demand*.

Sofina Foods has committed \$50,000 over 5 years (2019-2024) in partnership with Food Banks of Quebec (FBQ) to support their Supermarket Recovery Program (SRP). The SRP is the first of its kind in Canada, uniting a solid network of societal and corporate organizations to fund a win-win solution that eliminates losses in supermarkets by feeding those in need. It's a solution that greatly improves the quantity and variety of recovered foods, including fresh produce and meat.

Each month, the FBQ network responds to more than 2.2 million urgent food-aid requests. 500,000 people across Quebec receive food aid every month thanks to a network-affiliated organization. Since 2013, the distribution of meals for children has risen by 48.5%! Thanks to our contributions in 2023 alone, 30,000 meals will be served to Quebecers experiencing food insecurity. 32 service partners serve more than 1,200 affiliated local community organizations which meet the growing demand of requests each month.

To minimize food waste, we have partnerships with local food banks in each of the cities and/or provinces where we operate, ensuring that no edible food ends up in a landfill.



Since 2020, Sofina Builders have volunteered their time each year to support Second Harvest's Feeding our Future program by preparing sandwiches and snacks that go out to summer camps across Toronto. These meals help feed children and youth that experience summer hunger and food security.

EMPLOYEE VOLUNTEERISM

In addition to providing financial contributions to charities, our employees volunteer their time at various fundraising events in partnership with our charity partners. In 2023, our employees volunteered with:

- Wish Box Deliveries with Make-A-Wish Canada
- Wish Trip Volunteers with Make-A-Wish Canada
- Feeding Our Future with Second Harvest
- Parks Foundation Calgary

WHAT'S NEXT

The Sofina Foundation will continue its efforts to make a difference in the lives of children and families in need, thanks to the passion and support from Sofina Builders. In 2024, The Sofina Foundation has a goal to support 26 charities.



GOVERNANCE



OVERSIGHT AND ESG COMMITTEE

With oversight from our Founder and Chairman, our Vice Chairman, and our Chief Executive Officer (CEO), our Vice President, Legal Affairs and ESG (VP ESG) leads Sofina's ESG initiative. Our VP ESG reports to our CEO and is chair of our ESG Committee.

The ESG Committee is a cross-functional management committee of Sofina Foods which consists of executives and leaders from relevant functions, including environmental, health and safety, operations, legal, human resources, food quality, animal care, the Sofina Foundation, information technology, procurement, sales, engineering, government affairs, and communications. The ESG Committee supports Sofina's on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to Sofina Foods (collectively, ESG Matters).

The ESG Committee assists the Canadian Leadership Team in:

- Setting general strategy relating to ESG Matters,
- Developing, implementing, and monitoring initiatives and policies based on that strategy,
- Overseeing communications with employees, customers and other stakeholders with respect to ESG Matters,
- Monitoring and assessing developments relating to, and improving Sofina's understanding of, ESG Matters, and
- Efficient and timely disclosure of ESG Matters to internal and external stakeholders.

The ESG Committee's responsibility is oversight in nature, while the primary responsibility and ultimate decision making with respect to Sofina's underlying programs and policies remains with the subject matter experts currently responsible for such matters. Sofina's ESG Committee governs the implementation of the sustainability strategy

and is anchored in the top management with key competencies across functions. Daily implementation of the strategy, underlying ambitions, and policies to support sustainable development lies with relevant functions.

The duties and responsibilities of the ESG Committee are:

- To create and maintain Sofina's ESG strategy, and to consider and recommend policies, practices, and disclosures that conform with the strategy;
- To develop goals and timelines for our company's ESG performance;
- To ensure implementation of comprehensive and complementary strategies to achieve goals;
- To oversee Sofina's reporting and disclosure with respect to ESG Matters;
- To assist in overseeing internal and external communications regarding Sofina's position or approach to ESG Matters;
- To consider current and emerging ESG Matters that may affect the business, operations, performance or public image of Sofina Foods or are otherwise pertinent to Sofina Foods and its stakeholders, and to make recommendations on how Sofina's policies and practices should be adjusted;
- To put systems in place, as deemed necessary and appropriate, to monitor ESG Matters;
- To review and assess its Charter annually and recommend any proposed changes for approval; and
- To play an active role in the creation of an annual ESG Report.



The ESG Committee is very engaged in its activities and met bi-weekly throughout fiscal 2024. Progress reports of the Committee are provided to Company executives on a semi-monthly basis.

PRIVACY AND SECURITY

The confidentiality and privacy of our customers and employees as well as the protection of information systems are key principles in our Code of Conduct. As cybersecurity risks continue to pose a growing threat, our IT Security Committee ensures oversight of the protocols to identify, assess and manage our key cybersecurity programs. The Chair of the IT Security Committee reports to the CEO, who is in charge of risk oversight.

We have also taken significant actions in the last few years to protect our organization against cyberattacks. These include:

- Elevating our information security governance.
- Investing significantly in people, security protocols and technology.
- Embedding incident response in global crisis management.
- Building a culture of cybersecurity and raising employee awareness.

Sofina Foods is on a multi-year cyber security journey and has adopted the CIS-IG3 Framework, which is a model for codifying and promoting cybersecurity best practices. This framework will help to better identify and secure Sofina against sophisticated cyberattacks. We have a prioritized plan in place to continually improve our score and measure ourselves against the framework.

In early 2022, the Cyber Response Plan was built under the Crisis Management Team to prepare against potential cyber threats to our business, such as a ransomware attack. The plan outlines a framework to quickly and effectively respond to these potential risks to protect our assets and ensure business continuity.



In mid 2022, monthly cyber awareness training was implemented and aggressively pushed for adoption with our salaried employees. Completion of the training is a key metric in annual performance reviews and by the end of May 2023, we achieved a 97% completion rate. Cyber training modules continue to be released every month as part of our ongoing efforts.

Additionally, we updated our main Electronic Devices, Systems and Usage Policy to govern the use of IT systems to find the ongoing balance of security and usability.

We have a standing engagement with a recognized third-party consultant to help guide us on our continuous improvement and to be available immediately should Sofina encounter a cyberattack. Through the consultant, we conducted tabletop exercises with Senior Leadership and Sofina IT teams to simulate cyberattack scenarios, such as account compromise and a ransomware attack. We applied the lessons learned from these simulations, including better inter-department communications and SOP's.

Our overarching objective is to build a Global Cyber Roadmap across our entire business in Canada and Europe that aligns our investments and resources against identified risks.

CRISIS MANAGEMENT

Sofina Foods has a dedicated Crisis Management Team (CMT) to effectively, efficiently, and comprehensively prepare for and manage through any risk and crisis situations. These situations can include product withdrawals and recalls, natural disasters, production interruptions, etc. The CMT is comprised of leaders from across all functions of the business with additional members brought in depending on the situation. This team participates in mock scenario drills, both planned and unplanned, to test preparedness and procedures. Following these drills and any real-life crises, any learnings are applied to continuously improve our effectiveness.



RESPONSIBLE SOURCING

NURTURING QUALITY, ENSURING INTEGRITY

At Sofina Foods, we are deeply committed to responsible sourcing, ensuring that animals are treated with utmost care and respect throughout our supply chain. We conduct regular animal welfare audits across our network of suppliers, ensuring that ethical practices are at the core of our sourcing processes. Upholding the highest animal welfare standards is not only a moral commitment but also a vital aspect of our promise to conduct our business with the utmost integrity.

POULTRY, PORK, AND BEEF

To uphold our promise of uncompromising quality and safety, we diligently require our suppliers to adhere to the Global Food Safety Initiative (GFSI) standards. Specifically, we mandate that our suppliers obtain certifications such as the British Retail Consortium (BRC) to guarantee the highest levels of safety and quality for our poultry, pork, and beef products. Through these stringent requirements, we ensure that every aspect of our sourcing practices meets and exceeds the industry's most rigorous standards.



FISH

Sustainability is at the heart of our fish sourcing practices. We are proud to partner exclusively with suppliers certified by the Marine Stewardship Council (MSC), ensuring that the fish we source come from well managed and sustainable fisheries. Our commitment to MSC certification underscores our dedication to preserving the health of our oceans and ecosystems.



At Sofina Foods, responsible sourcing is more than a commitment; it is an integral part of who we are. By demanding stringent standards and certifications from our suppliers, we assure our customers that our products meet the highest levels of quality, safety, and ethical sourcing practices. Through responsible sourcing, we aim to nourish not only bodies but also the future of our planet.

WHAT'S NEXT

We will implement a Supplier Code of Conduct to ensure that all of our suppliers adhere to our standards for protecting human rights, adhering to employment and labour standards, and providing safe working conditions.



STAKEHOLDERS

We develop fair and collaborative relationships with customers, suppliers, neighbours, industry, and governments to achieve sustainable and mutual success.

Everyone at Sofina Foods deeply values the strong relationships we have developed with our stakeholders over the years. We believe that, in addition to the commitments our Company and employees uphold daily, continuous improvement truly reaches its full impact and becomes sustainable with the collaboration of every participant in our industry. We collaborate with our suppliers, customers, industry and government organizations to ensure our food industry's sustainable legacy by producing safe, high quality and affordable products while minimizing the impact of our operations on natural resources.

We are members of and collaborate with many industry and government organizations, including:

- American Meat Institute
- Canadian Food Inspection Agency
- Canadian Hatching Egg Producers Association
- Canadian Meat Council
- Canadian Pork Council
- Canadian Poultry & Egg Producers Council
- Chicken Farmers of Canada
- Global Food Safety Initiative
- Halal Monitoring Authority
- Marine Stewardship Certification
- National Farm Animal Care Council
- Ontario Livestock Transport Association
- Ontario Pork
- Poultry Industry Council
- Poultry Innovation Partnership
- Professional Animal Auditor Certification Organization
- Turkey Farmers of Canada



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ABOUT THIS REPORT

Except where otherwise noted, the data provided in this report covers the fiscal period from March 26, 2023 to March 30, 2024, for the operations of Sofina Foods Inc. in Canada and does not include the operations of the subsidiaries of Sofina Foods Inc. in Europe or the United Kingdom.

We encourage feedback on this report. Please submit any questions or comments by email to ESG@sofinafoods.com.

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