



# ESG Report

2022

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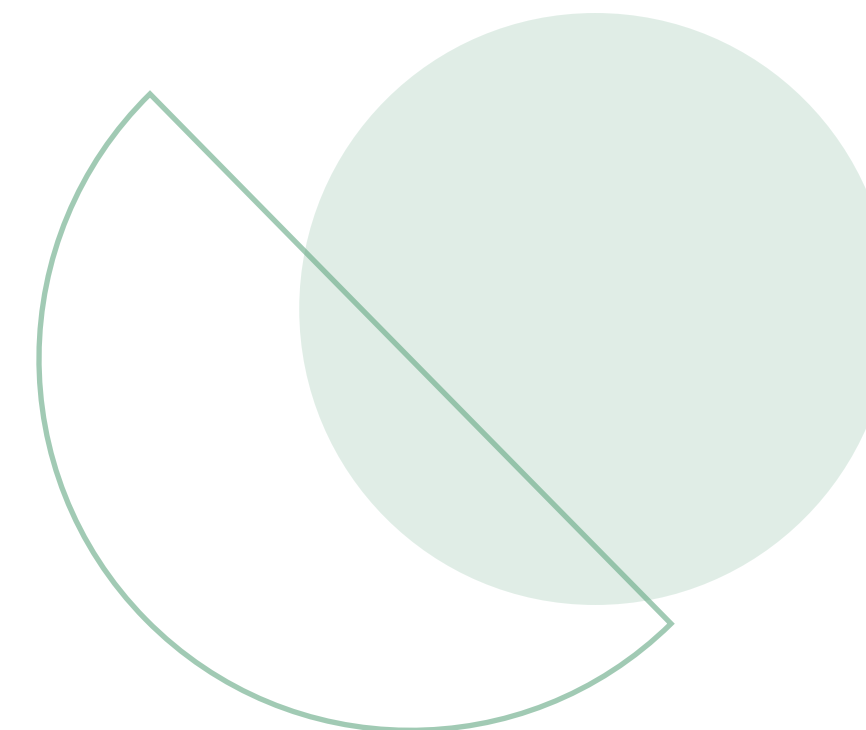
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# A word from our Chief Executive Officer

Lassonde is a community-minded corporation, and our concern, beyond our legal and regulatory obligations, is the well-being of society. Every action and decision to reduce our environmental impact, improve conditions in communities and comply with regulations reflects our desire to be a responsible organization. This approach is in line with our environmental, social and governance (ESG) 2030 vision: **To be an influential and committed environmentally aware business that drives the transition to a more sustainable society.**

Over the past years, we have focused on building the governance structure that will enable us to achieve this vision. This structure, the first pillar of our ESG strategy, serves as the foundation of our approach. After setting goals and priorities for the coming years, we turned our attention to our second pillar and most valuable asset: our people. Taking care of people, from our employees and customers to the wider communities we serve, has always been part of Lassonde's culture. We will continue to enhance our ways of doing things in matters of health and safety as well as diversity, equity and inclusion (DE&I). In keeping with our third pillar—caring for the planet—the Innovation Center of Excellence will provide us with innovative solutions, particularly regarding sustainable packaging. Moreover, our working groups will collaborate at different levels to identify where we can improve our environmental impact. Our final pillar will lead us to open dialogue with our suppliers to increase commitment to creating a more sustainable supply chain.

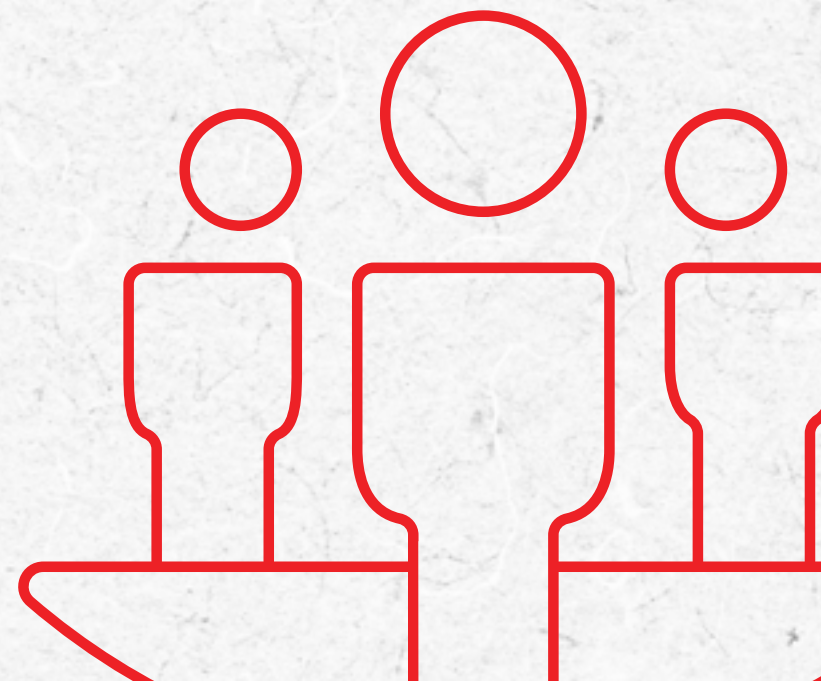
I am proud to present you with this report that demonstrates our rigor, shows our progress and positions us for the future. Our teams are motivated and ready to make the necessary efforts to ensure that Lassonde remains committed to its ESG vision.

Nathalie Lassonde, Chief Executive Officer and Vice-Chair of the Board of Directors





# Who are we?





## Over 105 years of passion

Lassonde Industries Inc. is a leader in the food and beverages industry in North America. The Corporation develops, manufactures, and markets a wide range of private label and national brand products, including ready-to-drink beverages, fruit-based snacks as well as frozen juice concentrates. It is also a leading producer of cranberry sauces and specialty food products such as pasta sauces, soups and fondue broths and sauces.

The Corporation produces its superior quality products through the expertise of more than 2,700 people working in our facilities across Canada and the United States.

Founded in Quebec in 1918 by an entrepreneurial couple who wanted to help local farmers with their surplus crops, Lassonde promotes strong values such as respect, integrity, responsibility and community.





## Our mission

To craft quality food and beverages that consumers love, customer value, employees are proud of, and that demonstrate care for the planet.

## Our vision

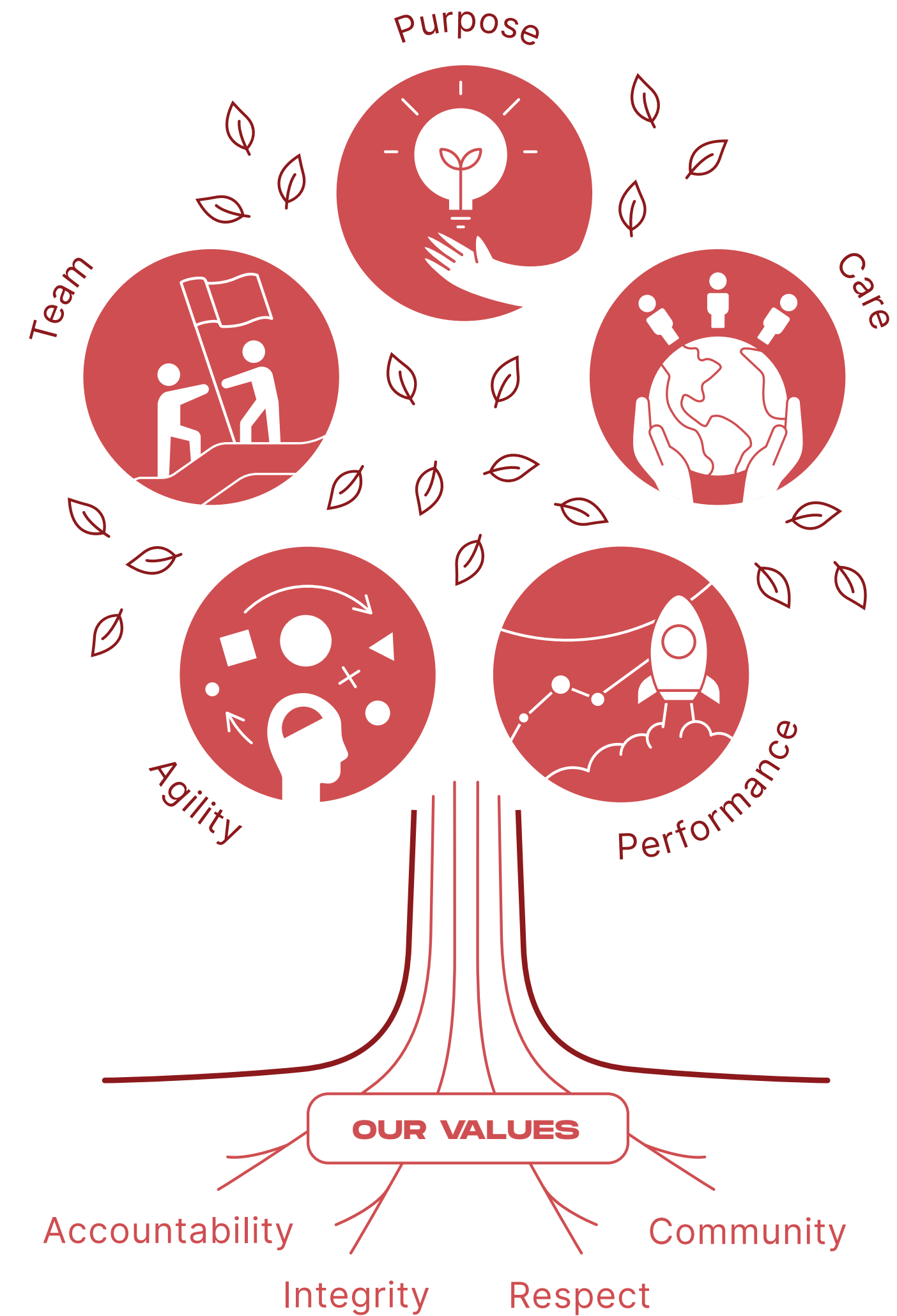
Our great tasting products in more hands, serving more needs, across more occasions, every day.

## Our values and behaviors

We are guided by a core set of values that reinforce our beliefs, and by a set of behaviors that inform our actions, every day. Both are at the heart of who we are and how we engage with our employees and with each of our stakeholders. Together it shapes a Lassonde experience that is unique and focused on delivering and capturing value the right way.

**Our values** represent us. They are what make us unique and set us apart from other organizations.

**Our behaviors** guide our actions in tandem with our values. They help us achieve our ambitions, objectives and strategic priorities and strengthen our corporate culture.





## Our brands

<p>Juice and drinks</p>	
<p>Snacks</p>	
<p>Specialty foods</p>	
<p>Wines and ciders</p>	

## Our presence in North America





# Our ESG pillars







## Our ESG pillars

In 2022, Lassonde completed a materiality assessment to identify the ESG topics that are most important to our internal and external stakeholders. The objective was to structure our sustainability strategy around ESG factors that, in addition to being considered priorities for sustainability, could also create value for the organization.

As noted, our strategy is based on four main pillars, and each pillar subdivides into various priorities. The report outlines why each priority is important to Lassonde, describes our approach for each one and presents the action plans and targets we have set, where applicable. We disclose data when available.

### Pillar 1: Establishing sound ESG governance

Promoting sound ESG governance is a priority for Lassonde, as it supports our sustainability strategy. We introduced an organizational structure that reflects our ambition and accelerates our efforts toward achieving our objectives. At the heart of this structure are the various working groups that coordinate the implementation of our action plans, in collaboration with the ESG Executive Committee and with the support of the Board of Directors and its Governance Committee.

### Pillar 2: Taking care of people

Lassonde is mindful of its impact on its internal and external stakeholders. Taking care of people is a priority for us and an integral part of our culture. We take the time to examine our behaviors and understand the reality and needs of those around us. Our commitment is based on four priorities that will guide our actions:

1. Offer safe, quality products
2. Build a culture of health, safety and well-being
3. Promote a culture of diversity, equity and inclusion
4. Positively impact our communities

### Pillar 3: Caring for the planet

Environmental issues and climate change are serious matters that need to be carefully addressed so that future generations can benefit from the planet's resources as much as previous generations. Accounting for our environmental footprint is an integral part of our growth strategy.

Our actions are structured around four priorities:

1. Improve the sustainability of our packaging
2. Reduce our greenhouse gas emissions
3. Preserve water
4. Reduce our waste

### Pillar 4: Building a sustainable supply chain

Our commitment is clear: we aim to build a sustainable supply chain. We recognize the importance of having a sustainable supply chain that reflects our corporate culture and the values and behaviors we promote.



## Summary of our achievements

Lassonde has been leading social and environmental initiatives for several years now. In 2022, the Corporation underwent an important shift to better meet the growing expectations of its stakeholders. This pivotal year was marked by the development of a sustainability program based on rigorous processes and an organizational structure conducive to the effective deployment of our strategy.

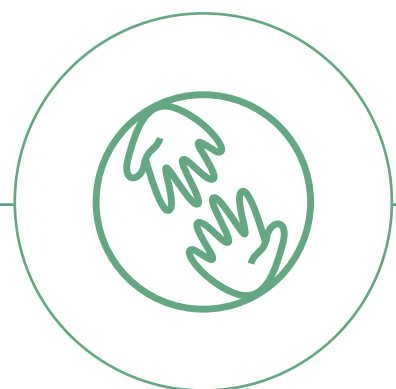




### **Pillar 1: Establishing sound ESG governance**

Establish a governance structure and process to effectively manage ESG considerations.

- Established an ESG governance structure consisting of working groups and an ESG Executive Committee.
- Established a rigorous ESG data collection process.



### **Pillar 2: Taking care of people**

Placing the safety, health and well-being of our employees and the communities where we operate at the heart of everything we do.

- Maintained all GFSI-recognized (Global Food Safety Initiative) certifications in our specialty food and juice plants.
- Created a health and safety recognition program for employees.
- Created the Employees & Culture working group responsible for DE&I themes.
- Deployed a North American employee survey on DE&I.



### **Pillar 3: Caring for the planet**

Look to the future by prioritizing concrete actions that reduce our environmental impact.

- Created the Packaging & Ecodesign working groups in each subsidiary.
- Increased to 35% the paper straws on our national brand products in Canada.
- Calculated our scope 1 and 2 greenhouse gas emissions.
- Confirmed our commitment to join the Science-Based Target initiative (SBTi).
- Finalized the collection of water consumption data for all our plants across North America.



### **Pillar 4: Building a sustainable supply chain**

To have a decisive impact while reflecting our corporate culture and values.

- Confirmed the sustainable supply chain as one of the pillars of our strategy.



## Our levers

Our achievements were made possible by the combined efforts of various working groups, employees, suppliers and partners. Lassonde uses powerful levers to foster success for each project.

### COMMITMENT

Lassonde and its stakeholders further the Corporation's sustainability strategy through their commitment to ESG considerations. Every act counts whether it is a contribution from our employees, suppliers, customers or consumers. Looking beyond the objectives we set for ourselves, we recognize the need for a joint effort toward creating a more sustainable society.

### INNOVATION

Innovation is the spark that leads to change, and it supports the organization's efforts to find sustainable, value-creating solutions. Every innovative idea that helps us achieve our ESG targets is one worth exploring.

### EDUCATION

Education plays a key role in our society and serves as a driver of change. Driving awareness and educating our stakeholders around ESG is a key priority allowing us to achieve our objectives.



Pillar 1

# Establishing sound ESG governance



Establish a governance structure and process to effectively manage ESG considerations.

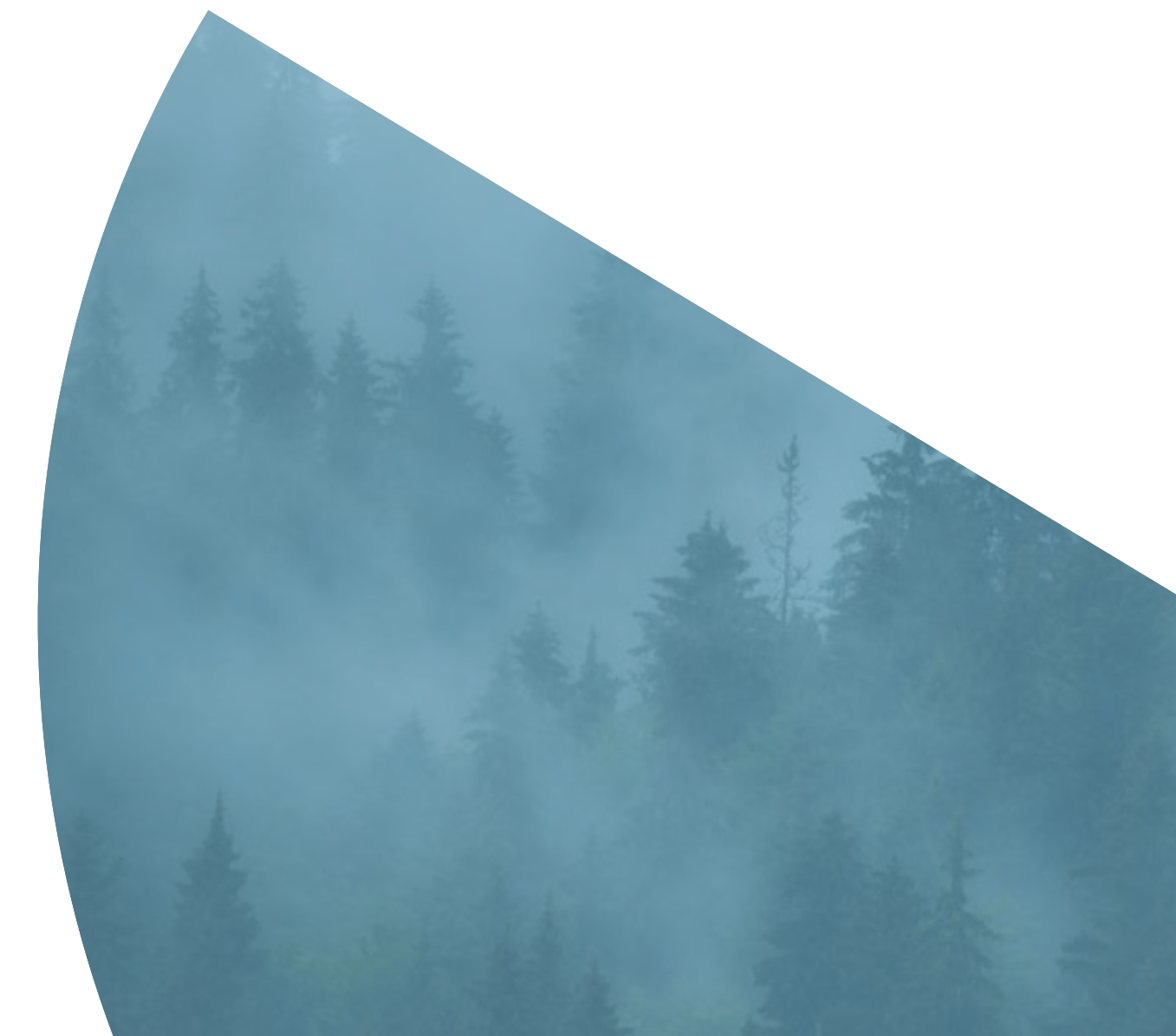


## Why is this important to us?

Promoting good ESG governance practices is a priority for the organization, not to mention essential to the deployment of our sustainability strategy.

***“Good governance is an invaluable business practice. It means that the right people are making the right decisions at the right time, using the right information. This is also true of ESG governance. We strongly believe that having a governance structure made up of multidisciplinary teams dedicated to achieving our objectives is key to our success.”***

*– Vince Timpano, President and Chief Operating Officer*





# Our approach

## Board of Directors

The Board of Directors is responsible for adopting an ESG practice framework and overseeing the alignment of the sustainability strategy with the organization’s overall strategy. It has assigned to the Governance Committee the responsibility of recommending the adoption of an ESG practice framework and overseeing the implementation and its disclosure.

## ESG Executive Committee

The ESG Executive Committee, and ultimately the Chief Executive Officer (“CEO”), are responsible for approving the ESG strategic direction. The ESG Executive Committee, which meets quarterly, is comprised of members of senior management, the CEO and the ESG Committee.

## ESG Committee

The ESG Committee develops strategic direction and ensures that the right conditions are in place to achieve the organization’s objectives. The committee reports its progress to the ESG Executive Committee and the Board of Directors. Together, the team members ensure that the priorities are appropriately managed and that the action plans are developed and handled by the appropriate people in the working groups. The ESG Committee reports to the Senior Vice President, Innovation, Quality and Sustainability.



## The ESG Committee’s responsibilities

- Management** Set the organization’s sustainability and ESG ambitions, objectives and priorities and develop action plans to achieve them.
- Tools and technologies** Implement a data-driven strategy supported by appropriate tools and technologies in order to measure progress and make effective decisions.
- Expertise** Develop and share knowledge and expertise and provide support to internal stakeholders.
- Reporting** Ensure that reporting is carried out for all ESG commitments and results.
- Governance** Implement an ESG governance structure to support the deployment of the sustainability strategy.
- Partnerships** Develop new strategic partnerships and strengthen existing partnerships.



### 2022 Achievements

The year 2022 was marked by a first deployment phase of the new ESG organizational structure and the creation of various working groups. Made up of multidisciplinary teams, the working groups aim to optimize the process of developing and implementing action plans and ensure that our progress is well monitored.

### 2023 Priorities

Several new working groups and sub-groups will be created in fiscal year 2023. These include groups that will support our objectives and initiatives in the areas of greenhouse gas emissions reduction, water management and waste management. Moreover, the ESG Committee will work closely with the Innovation Center of Excellence on projects related to packaging and recycling certain types of waste. Alongside our focus on the continuous improvement of our organizational structure, we will intensify our efforts in communication, accountability and risk management. Lassonde is committed to providing its stakeholders with useful and relevant information on its ESG commitments and achievements on an annual basis.

### The following working groups were created in 2022:

<b>ESG Governance &amp; Ethics</b>	Optimizes the organization's ESG governance practices.
<b>Packaging &amp; Ecodesign</b>	Aim to improve the sustainability of our packaging.
<b>Water Management</b>	Coordinates efforts to reduce water consumption.
<b>Waste &amp; Circularity</b>	Is responsible for establishing action plans to reduce the amount of waste sent to landfill.
<b>Employees &amp; Culture</b>	Oversees the development and deployment of action plans to continuously improve human resources practices, including those related to DE&I.
<b>ESG Communications</b>	Puts in place effective communication tools and methods for informing our stakeholders about our ESG achievements and objectives.





## EDUCATION

As a measure to ensure sound governance, Lassonde has made its Code of Ethics available not only to employees but also on its website. When new employees are hired, they must read the Code of Ethics and confirm their understanding of it. This procedure is repeated annually. This helps ensure that our values, behaviors and commitments are understood by all and are embodied in the organization's daily actions.



### **A strategy backed by data**

In 2021, Lassonde introduced a platform for collecting and tracking its ESG data. Employees are responsible for entering data into the platform for all Lassonde sites across North America (every plant, office and warehouse).



Pillar 2

# Taking care of people

Placing the safety,  
health and well-being of  
our employees and the  
communities where we  
operate at the heart of  
everything we do.



# 1. Offer safe, quality products

## Why is this important to us?

Offering safe and quality products is our top priority in order to maintain the confidence of our consumers, customers and stakeholders. As a food processing company, we consider the risks inherent to the safety and integrity of our products in our risk management strategy. That is why we focus all our efforts on producing safe, high-quality products for consumers.

**Our commitment: to offer trustworthy products**





## Our approach

Lassonde strives to mitigate product safety and quality risks by deploying best management practices throughout the organization. We ensure that we clearly communicate our requirements to our stakeholders.

We apply high standards of food safety and quality management. All of our specialty food and beverage plants must maintain certifications recognized by the Global Food Safety Initiative (“GFSI-recognized certifications”).<sup>1</sup>

Every year, our facilities are audited by third parties to confirm that our certifications are maintained. We conduct internal audits and participate in customer-led audits to ensure food safety throughout our production chain. These audits identify possible cases of non-compliance in our processes and allow us to take prompt corrective action when necessary.

We apply the same standards to the network of co-packers who package our products. We require these partners to have GFSI-recognized certifications. When they do not, we conduct additional checks and require a clear transition plan to obtain such certification.

Across all Lassonde divisions, we source ingredients from over 800 suppliers worldwide. As part of our supplier approval program, we verify that they are GFSI-certified. Non-certified suppliers are further screened and are asked to provide additional documentation to ensure that we receive the highest quality ingredients.

We have implemented a centralized governance structure involving various teams across North America. Headed by the Senior Vice President, Innovation, Quality and Sustainability, the North American Food Safety Committee deals with matters such as risks in our supply chain, regulatory changes and best practices.

<sup>1</sup>The Global Food Safety Initiative is a global network of food industry stakeholders who work together to improve food safety.

### 2022 Status

### 2025 Objectives

**100%** of our specialty food and juice plants are GFSI certified. → **100%**

**92%** of our co-packers are GFSI certified. → **100%**

**92%** of our ingredient suppliers are GFSI certified. → **95%**

### EDUCATION

Quality representatives from all Lassonde divisions participated in the North American Food Safety & Quality summit. At this event, our teams shared their expertise and best practices, resolved various issues facing the organization and created synergies between our teams across North America.



## 2. Build a culture of health, safety and well-being

### Why is this important to us?

Our employees are our most valuable asset, and our business could not succeed without them. Moreover, our organization is exposed to specific health and safety risks and could suffer financial loss or a serious loss of reputation if an incident was to occur. This is why the health, safety and well-being of our employees are fundamental pillars of our growth strategy.

Lassonde prioritizes health, safety and well-being in the workplace.





## Our approach

We believe in the importance of developing a prevention culture that promotes interdependence and employee accountability. Managing the risks and developing a health, safety and well-being culture rest on a solid governance structure and the commitment, education and training of our employees.

Led by the Chief Human Resources Officer, a North American Health and Safety Committee meets three times a year to review the results of previous years, establish priorities for the coming year and ensure that this information is sent to all plant managers.

Additionally, the **Employees & Culture working group** was set up to establish and discuss priorities, action plans and performance monitoring for matters of health, safety and well-being, including mental health and DE&I. The working group, which consists of the ESG Committee and the Chief Human Resources Officer, meets monthly.

To improve our health, safety and well-being practices, Lassonde has developed a three-year strategic plan, which includes three key steps:

- Strengthen governance for all our plants in terms of health and safety management and deploy training and programs in this area.
- Conduct external third-party audits to assess the Corporation's health and safety performance.
- Conduct rigorous internal audits to assess the effectiveness and implementation of health, safety and well-being initiatives.

### 2022 Achievements

- Implemented the ICR (Intent, Collaboration, Response) health and safety program—a recognition program that strengthens employee commitment.
- Deployed the Health & Quality of Life at Work Brigade and the “I AM IN” (Increase Awareness, Maximize and Influence) program in Canada with the goal of improving health and well-being throughout the organization, particularly through prevention programs. An ambassador responsible for leading initiatives and proactively managing well-being has been selected for each facility.

### 2023 priorities

- Deploy the Health & Quality of Life at Work Brigade and the “I AM IN” program in the United States.
- Increase our prevention capabilities by establishing health and safety committees and add a dedicated health and safety officer to each plant with over 100 employees.
- Complete external health and safety audits.
- Train 100% of managers in mental health awareness.

2025 Objective



Improve our health, safety and well-being practices.

### EDUCATION

Lassonde is continually increasing mental health awareness at all levels of the company so that people can identify and assess the warning signs of declining mental health and burnout. Managers are trained to work with their teams to proactively manage this important aspect of their health.



# 3. Promote a culture of diversity, equity and inclusion

## Why is this important to us?

We recognize how important diversity, equity and inclusion are to enriching our human capital, fostering commitment and creativity and ultimately improving our performance.

***“We believe the unique backgrounds, experiences, and expertise of each of our employees makes us stronger and we are committed to fostering a culture that embraces diversity, equity and inclusion.”***

*– Nathalie Lassonde, Chief Executive Officer and Vice-Chair of the Board of Directors*





## Our approach

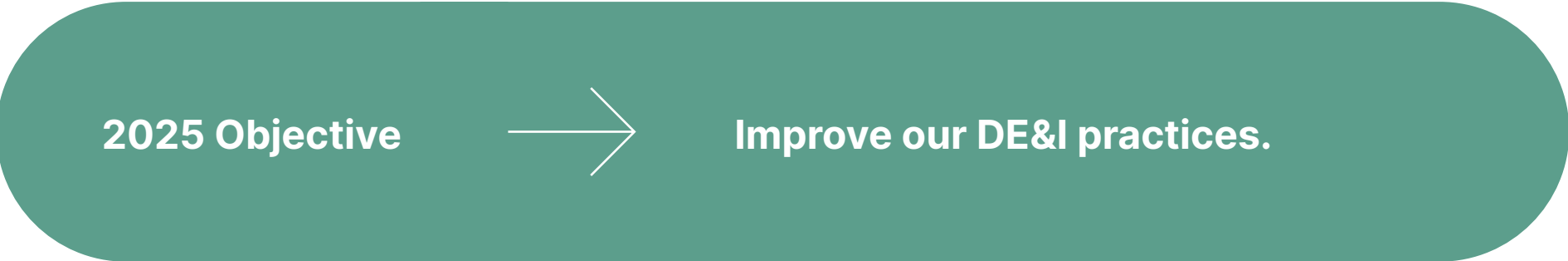
As part of management’s commitment to DE&I, the **Employees & Culture working group** was created in fiscal year 2022. The Chief Human Resources Officer and the ESG Committee meet monthly to oversee the development and deployment of concrete initiatives. The committee ensures that our practices are continuously evaluated and improved, and its short-term focus is on employee training and education.

### 2022 Achievements

- Created an **Employees & Culture working group** responsible of DE&I.
- Conducted a DE&I survey of all permanent employees across North America.

### 2023 Priorities

- Provide diversity, equity and inclusion training to our employees.



**COMMITMENT**

The survey on DE&I was rolled out toward the end of fiscal year 2022. The purpose of the survey was to collect diversity-related data for all our teams across North America, while also giving the respondents the opportunity to provide feedback and suggestions related to equity and inclusion. The results will be used to establish concrete action plans adapted to the realities and needs of our employees.





# 4. Have a positive impact on our communities

## Why is this important to us?

The answer is simple: at Lassonde, responsibility and respect are part of our values. When the company was founded, Lassonde showed its commitment to responsibility by helping communities with their surplus crops, and 105 years later, this commitment continues—particularly through our donation and sponsorship program.



Photo credit: Catrine Daoust



## Our approach

For many years, Lassonde has been involved in local, provincial and/or state and even national communities through its sponsorships and donations, in the form of monetary contributions or products. Based on the importance of food security and supporting our local communities, our donation and sponsorship program allows us to give back.



## 2022 Achievements

Lassonde's commitment to donations and sponsorships is felt across North America. In 2022, in Canada alone, Lassonde contributed more than \$347,000 in donations and sponsorships. We also contributed to food banks and community events with product donations of approximately \$1.6 million in monetary value.

Our plants also play an important role in supporting local communities. For example, our Lassonde plant in Sparta, Michigan, has had an important product donation program for several years. Approximately 1,800 1.8 L bottles are donated on average each week to local organizations, primarily Feeding America West Michigan, which works with food banks throughout the state of Michigan and the Midwest region of the United States.

## 2025 Objective



To have a measurable positive impact through a donation and sponsorship program that supports initiatives that improve food security and the well-being of the local communities where we operate.



## COVID-19: resilience and adaptability

As we faced this unprecedented crisis, we were clear on one thing: our employees are the priority. We implemented a rigorous structure and took concrete actions such as adapting workspaces and ensuring clear communication. This approach continues to encourage employee engagement.

We also took steps to make mental health a priority. We offered programs to address mental health, provided more training to educate employees and help them identify signs of distress, checked in with employees more often and generally increased mental health awareness.

If there is one thing we can learn from this difficult period, it is that our employees are resilient, determined and agile to adapt. They continued to show up day after day to do tremendous work. This was crucial in reducing the impact of COVID-19 on Lassonde's operations.





Pillar 3

# Caring for the planet



Look to the future by  
prioritizing concrete  
actions that reduce our  
environmental impact.





# 1. Improve the sustainability of our packaging

## Why is this important to us?

As a leader in the food and beverages industry in North America, Lassonde produces a significant amount of packaging annually. It is therefore our responsibility to take action to reduce the environmental footprint of our packaging. This positioning also reflects the growing concern over sustainability on the part of our customers and consumers.

**COMMITMENT**

Lassonde is working closely with packaging suppliers to create opportunities to improve the overall sustainability of our packaging portfolio.





## Our approach

We rely on clear objectives for recyclability and recycled content, and on dedicated teams working together to improve our packaging. We have set up **Packaging & Ecodesign working groups** in each of the organization’s subsidiaries to pool expertise and optimize our efforts. These groups meet quarterly and include the Vice President, Operations, and members of the Engineering, Procurement, Quality Assurance and Research and Innovation teams. These groups also work in conjunction with the Innovation Center of Excellence.

### 2022 Achievements

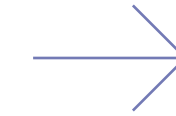
- Created the Packaging & Ecodesign working groups in each subsidiary.
- Increased to 35% the paper straws on our national brand products in Canada.

### 2022 Status

### 2025 Objectives

**99%<sup>2</sup>**

of our primary and secondary<sup>3</sup> packaging components are recyclable.



**100%**

**14%<sup>2</sup>**

recycled content in our priority primary packaging<sup>4</sup>.



**20%**

**3%<sup>2</sup>**

recycled content in our primary PET packaging.



**50%**

**35%<sup>5</sup>**

of paper straws on our national brand products in Canada.



**100%**

across North America, in addition to identifying alternatives to straws.

Lassonde has a data collection and validation process in place that has been reviewed by third-party experts. It is possible that data may be adjusted in the future as our processes evolve and the quality of available data improves.

<sup>2</sup>Data is based on purchase volumes in 2022 for all our national and private brand products.

<sup>3</sup>Primary packaging is in direct contact with the product and is usually intended for the final consumer. The secondary packaging contains several primary packages to provide additional protection and facilitate transportation.

<sup>4</sup>Our priority primary packaging are: Polyethylene Terephthalate (PET), multilayer cardboard, glass and aluminum.

<sup>5</sup>Data based on production volumes in 2022 for our national brands.



# 2. Reduce our greenhouse gas emissions

## Why is this important to us?

Lassonde recognizes the seriousness of climate change and the urgent need for collective action. Reducing our carbon footprint is a priority for the organization. Climate change is affecting and will continue to affect all aspects of our operations, from sourcing raw materials to the production and distribution of products. Moreover, our stakeholders are asking for more transparency and for concrete actions to reduce our greenhouse gas emissions, and we intend to meet their expectations in this regard.





## Our approach

Obtaining reliable and rigorous data is the critical starting point for our greenhouse gas emissions reduction plan. In fiscal year 2022, we mainly focused our efforts on collecting and validating data to measure our scope 1 and 2 emissions. Working with external consultants, we laid the groundwork for developing our strategy to reduce our emissions.

A working group dedicated to managing our greenhouse gas emissions will begin its activities at the beginning of fiscal year 2023. The initial mandate of the working group, which includes members of the ESG Committee and operations teams, is to develop action plans to improve energy efficiency in our plants—a first step toward reducing emissions directly generated by operations.

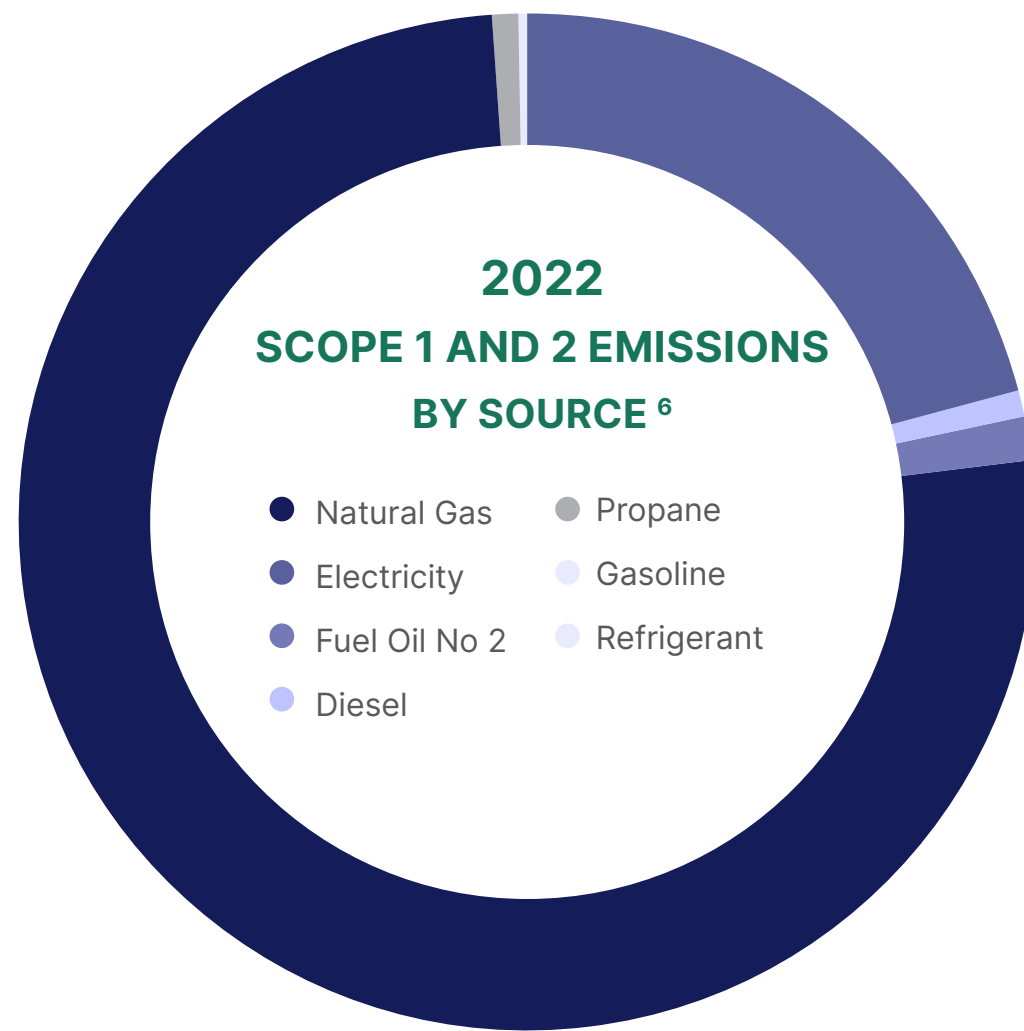
To broaden the scope of our actions and follow through on our vision for sustainability, we will then develop an action plan to measure our carbon footprint across our value chain. This action plan will focus on building engagement and driving awareness with our stakeholders as we set ambitious science-based targets. Moreover, by establishing objectives based on science, we are seeking to contribute more concretely to the fight against climate change.

### 2022 Achievements

- Finalized the collection of data to measure our scope 1 and 2 greenhouse gas emissions for 2022.
- Confirmed our commitment to join the Science-Based Target initiative (SBTi).

### 2023-2024 Priorities

- Conduct final data validation for the year 2022 in collaboration with external experts.
- Define action plans to improve the energy efficiency of our operations.
- Measure our scope 3 emissions and establish science-based 2030 targets for our scope 1, 2 and 3 emissions approved by the Science-Based Target initiative (SBTi).



**Scope 1 emissions:** 67,526 metric ton CO<sub>2</sub>-eq  
**Scope 2 emissions:** 19,149 metric ton CO<sub>2</sub>-eq  
**Total:** 86,675 metric ton CO<sub>2</sub>-eq



<sup>6</sup>The chart shows the scope 1 and 2 greenhouse gas emissions of the Corporation's main operating subsidiaries for facilities over which operational control is exercised. Scope 2 emissions were calculated using the location-based method. Lassonde has implemented a data collection and validation process that has been reviewed by third-party experts. Data may be adjusted in the future as our processes evolve and the quality of available data improves.





### Science-Based Target initiative (SBTi)

The Science-Based Target initiative (SBTi) encourages organizations in the private sector to take action by setting science-based emissions reduction targets. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

By 2025, we will set science-based targets aligned with the level of reduction that climate scientists consider necessary to keep global warming below 1.5°C.

**COMMITMENT**

By confirming that we will be joining the SBTi, we are pledging our commitment to the collective effort to fight climate change.





# 3. Preserve water

## Why is this important to us?

The quality and availability of drinking water are global issues that affects several parts of our value chain, from the cultivation of our raw materials to their processing. In addition to being an important ingredient in our products, water is used for equipment sanitization, which is an essential step in maintaining the safety and quality of our products. As climate change events such as droughts, floods and storms become more frequent and intense, we recognize how important it is for our growth strategy to include a concrete plan to manage risks related to water quality and availability.





## Our approach

The first step in our plan is to ensure that water use in our direct operations is reduced as much as possible. To achieve this, we have established a **Water Management working group**, which works alongside the operations and engineering teams in our plants to monitor our water consumption data and the implementation of our action plans. Our focus will be on identifying issues and finding solutions while also building awareness and providing training to our employees.

### 2022 Achievements

- Finalized the collection of water consumption data for all our plants across North America.
- Identified plants whose consumption is higher than 2 liters of water per liter of product.

### 2023 Priorities

- Confirm the causes of higher water consumption and identify possible solutions, including the addition of water meters in some plants.

### 2022 Status

Average water consumption in our beverage plants below at 2.2 L/L<sup>7</sup>.



### 2026 Objective

**2 L/L**

<sup>7</sup>Covers the total amount of water consumed, including that used as an ingredient in products. Lassonde has implemented a data collection and validation process that has been reviewed by third-party experts. Data may be adjusted in the future as our processes evolve and the quality of available data improves.



# 4.

## Reduce our waste

### Why is this important to us?

Waste management is a major concern in the food processing industry. Lassonde generates organic waste such as fruit pulp along with inorganic waste such as the tertiary packaging used to transport our raw materials. By effectively managing our materials, we not only reduce the costs associated with their disposal but also reduce our environmental impact.





# Our approach

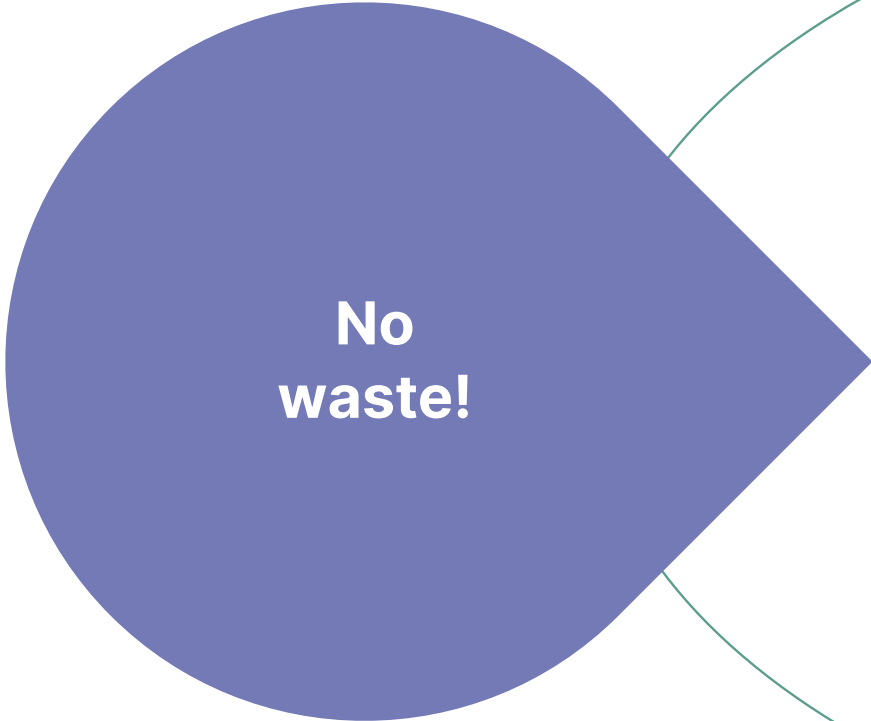
Our strategy is guided by the importance of creating a zero-waste culture that promotes reduction at the source, reuse and recycling. We are focused on engaging our employees, developing partnerships with local recyclers and implementing innovative projects. Our efforts will be supported by the **Waste & Circularity working group**, which is in charge of analyzing waste, identifying issues and developing targeted action plans.

## 2022 Achievement

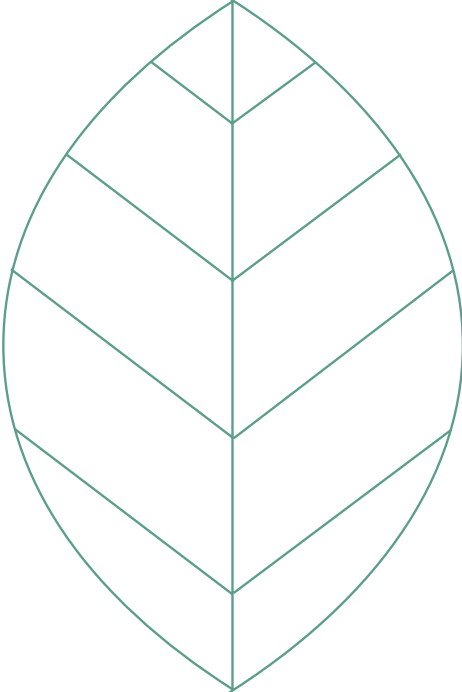
- Finalized the preliminary characterization process, which allowed us to identify problematic waste materials.

## 2023 Priorities

- Complete the collection and validation of data and the characterization of our waste materials.
- Launch projects for recycling our main source of waste—raw material transport packaging— spearheaded by the Innovation Center of Excellence.



Our Rougemont (QC) and Wapato (WA) plants dispose of the organic waste from pressing fruit by supplying it to livestock farmers in the region. This organic waste is a precious resource for the farmers, as it allows them to diversify the feed for their livestock. In Washington and Massachusetts, the residue is distributed to farmers, who use it to make compost.





## Innovation Center of Excellence

At the 2022 Annual General Meeting, Lassonde announced the implementation of a new operating model. This led to the creation of the Innovation Center of Excellence, whose vision is to build a stronger culture of innovation at Lassonde. With this mandate in hand, a dedicated team of Food Science, Technology, Innovation, and Insight experts is driving this important part of the business forward. The Innovation Center of Excellence crafted a multi-year innovation strategy that pushes the boundaries of what is possible, while also aligning to business objectives and ESG priorities. Together, the team is committed to being hyper consumer centric, building a growth-oriented portfolio and developing strategic partnerships across North America.

***“Lassonde has been recognized for its innovative nature, and we want to continue on this path to drive Lassonde’s growth agenda by bridging the gap between our current and future state.”***

***– Jamie Bradford, Vice President, Innovation, North America***

In 2022, the Innovation Center of Excellence established its structure and set its business objectives for 2023-2025. Since its inception, several projects have already been initiated, including strategic partnership and collaboration with universities, research centers and packaging suppliers across, North America. Onboarding of a predictive artificial intelligence software tool and numerous consumer- and consumption-based research projects to fuel Lassonde’s innovation pipeline for years to come are also in the works. The Innovation Center of Excellence is also working alongside the ESG Committee and various working groups on Lassonde’s sustainability approach.

**INNOVATION**

**A waste product that becomes a project**

The manufacturing process for some of Lassonde's product requires the transportation of raw materials in multilayer plastic packaging. This packaging has been identified as Lassonde's most important waste issue since it is not currently recycled. The Innovation Center of Excellence team rolled up its sleeves to find a way to remedy this problem. One of the possible solutions is a partnership to develop a circular economy project so that the packaging can have a second life and allow other companies to recover this plastic. This is a perfect example of what the Innovation Center of Excellence will be doing over the next few years to support Lassonde's sustainability efforts.



**Pillar 4**

# **Building a sustainable supply chain**



To have a decisive impact  
while reflecting our  
corporate culture  
and values.



### Why is this important to us?

Our commitment is clear: we aim to build a sustainable supply chain. We recognize that it is important for our supply chain to reflect our corporate culture, values and behaviors. We are aware that this is where we have our greatest impact and where a significant proportion of our business risks originate. In addition to being a main consideration in our risk management process, our supply chain sustainability is becoming increasingly important to our stakeholders.







### Our approach and our priorities for 2023

In fiscal year 2023, we will prioritize the development of a well-structured, comprehensive strategy that incorporates risk management and a rigorous methodology for validating the environmental and social components that are most important to the organization. As a starting point, we will form a better understanding of where our sustainability risks and issues lie. We will evaluate the sustainable procurement criteria and establish our approach regarding our suppliers and certain products and ingredients, all while considering the expectations of our stakeholders and recognized standards. We will use tools that will allow us to apply a risk-based approach and then measure, track and ultimately improve the sustainability of our supply chain.

We will benefit from an improved governance structure through the creation of working groups focused on sustainable procurement with a mission to establish our short- and medium-term objectives, priorities and action plans. We also intend to work more closely with our supply chain partners to improve their practices.



**We recognize the importance of establishing an open dialogue with our suppliers so that everyone is more committed to creating a more sustainable supply chain.**



# About this report

## Period covered

This report covers a 12-month period from January 1 to December 31, 2022 (“fiscal year 2022”).

## Entities concerned

Lassonde Industries Inc. and its subsidiaries (collectively referred to as “the Corporation,” “the organization” or “Lassonde”). The main subsidiaries of the organization are A. Lassonde Inc., Lassonde Pappas and Company Inc., Lassonde Specialties Inc., Apple & Eve LLC and Old Orchard Brand LLC. Some of the statements in this document, including information on various programs and initiatives, may not apply equally to all divisions. Wherever possible, we have indicated when initiatives apply only to a specific division.

## Data validation

Lassonde has made every effort to ensure that the information in this report is as accurate as possible. We strive to continuously improve our processes in collaboration with external experts.



## Forward-looking statements

This report contains “forward-looking information” and Lassonde Industries Inc.’s (hereinafter the “Corporation”) oral and written public communications that do not constitute historical fact may be deemed to be “forward-looking information” within the meaning of applicable securities law. These forward-looking statements are based on current expectations, estimates, projections, beliefs, judgments, and assumptions on the basis of information available at the time the applicable forward looking statement was made and considering the Corporation’s experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Forward-looking statements are typically identified by words such as “anticipate”, “continue”, “estimate”, “endeavor”, “expect”, “may”, “will”, “project”, “should”, “could”, “would”, “believe”, “plan”, “intend”, “design”, “target”, “undertake”, “view”, “indicate”, “maintain”, “explore”, “entail”, “schedule”, “objective”, “strategy”, “likely”, “potential”, “outlook”, “aim”, “propose”, “goal”, and similar expressions suggesting future events or future performance in addition to the negative forms of these terms or any variations thereof. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Various factors or assumptions are typically applied by the Corporation in drawing conclusions or making the forecasts, projections, predictions, or estimations set out in the forward looking statements. These factors and assumptions are based on information currently available to the Corporation, including information obtained by the Corporation from third-party sources. In this report, forward-looking statements include, but are not limited to, the ESG priorities and objectives and the assumptions used in determining these forward-looking statements.

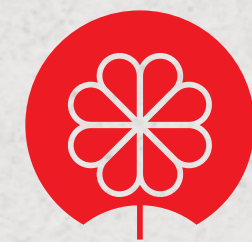
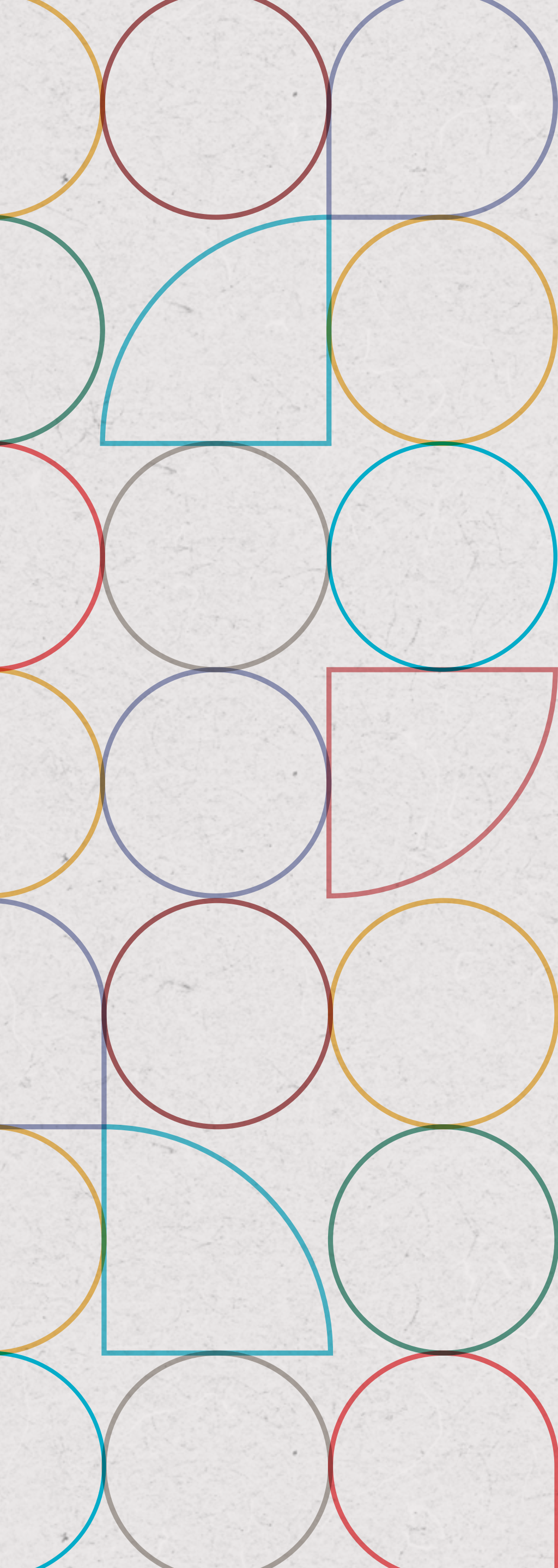
Such forward-looking statements relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated. Readers are cautioned that the assumptions considered by the Corporation to support these statements may prove to be incorrect in whole or in part. Factors that could cause actual results to differ materially from the results expressed, implied, or projected in the forward-looking statements contained in this document include, among other things, risks associated with the following: the availability of raw materials (including as a result of climate change, extreme weather, global or local supply chain disruptions, loss of key suppliers or supplier concentration, impact of pandemics, geopolitical developments, military conflicts, and trade sanctions) and related price variations; fluctuations in the prices of inbound and outbound freight, the impact of oil prices (and derivatives thereof) on the Corporation’s direct and indirect costs along with the Corporation’s ability to transfer those increases through higher prices or other means, if any, to its clients in competitive market conditions; failure to maintain strong sourcing and manufacturing platforms and efficient distribution channels; disruptions in or failures of the Corporation’s information technology systems, including the ability to access and implement technology necessary to achieve the Corporation’s targets, commitments and goals, as well as the development and performance of technology; cyber threats and other information-technology-related risks relating to business disruptions, confidentiality, data integrity, and business email compromise-related fraud; the scarcity of labor in North America and the related impact on the hiring, training, developing, retaining and reliance of qualified and/or key personnel together with their productivity, employment matters (including compensation), compliance with employment laws across multiple jurisdictions, and the potential for work stoppages due to non-renewal of collective bargaining agreements or other reasons; the successful deployment of the Corporation’s health and safety programs in compliance with applicable laws and regulations; serious injuries or fatalities, which could have a material impact on the Corporation’s business continuity and reputation and lead to compliance-related costs; the successful deployment of the Corporation’s multi-year strategy; climate change and disasters causing higher operating costs and capital expenditures and reduced production output, and impacting the availability, quality or price volatility of key commodities sourced by the Corporation; disputes with significant suppliers; the increasing concentration of clients in the food industry, providing them with significant bargaining power that could limit the Corporation’s ability to raise its prices to offset inflationary pressures; major events,

such as systems and equipment failure, pandemics and natural disasters, or increased frequency or intensity of extreme weather conditions (including as a result of climate change), leading to unanticipated business disruptions at the Corporation’s facilities or those of certain suppliers; the implementation, cost and impact of environmental sustainability initiatives, as well as the cost of remediating environmental liabilities; changes made to laws (including tax and tariffs), regulations, rules and policies that affect the Corporation’s activities as well as the interpretation thereof, and new positions adopted by relevant authorities; failure to adopt to changes and developments affecting the Corporation’s industry, including customer preferences, tastes, concerns or perceptions and buying patterns, market conditions and the activities of competitors and clients; crisis management and the execution of the business continuity plan; failure to maintain the quality and safety of the Corporation’s products, which could result in product recalls and product liability claims for misbranded, adulterated, contaminated, or spoiled food products, along with reputational damage; damage to the reputation of the Corporation and its brands, including as a result of its inability to meet stakeholders’ ESG expectations or to realize expected benefits in that respect; risks related to fluctuations in interest rates, currency exchange rates, liquidity and credit, stock price and pension obligations; deterioration of general macroeconomic conditions, including international conflicts, which can lead to negative impacts on the Corporation’s suppliers, customers and operating costs; the incurrence of restructuring, disposal, or other related charges together with the recognition of impairment charges on goodwill or long lived assets, particularly in a context of challenging performance and rising cost of capital; the sufficiency of insurance coverage; expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, and availability of capital to fund growth plans, operating obligations and dividends; pension plan performance, including the adequacy of pension contributions, assets, and potential pension liabilities; the implications and outcome of potential legal actions, litigation and regulatory proceedings to which the Corporation may be a party; and innovation and the future use and deployment of technology and associated expected future outcome, ability of the Corporation to protect its intellectual property and the costs incurred to do so.

The Corporation cautions readers that the foregoing list of factors is not exhaustive. Readers are further cautioned that some of the forward-looking statements in this report, such as statements concerning the achievement of ESG objectives, may be considered to be future courses of action for the purposes of applicable securities legislation. Readers should not assume that these future courses of action will materialize.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. **All forward-looking statements contained herein are expressly qualified by this cautionary statement.**

To send us comments, questions or ideas, contact us via our website at [lassonde.com/en/contact](https://lassonde.com/en/contact).



**Lassonde**