

# Communication on Progress

## Participant

- [SunOpta Incorporated](#)

## Published

- 2012/05/09

## Time period

- 5/2011 – 5/2012

## Format

- Stand alone document – Basic COP Template

## Differentiation Level

- This COP qualifies for the Global Compact Active level

## Self-assessment

- Includes an explicit statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labour
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes
  
- **Statement of continued support by the Chief Executive Officer**
- *Statement of the company's chief executive (CEO or equivalent) expressing continued support for the Global Compact and renewing the company's ongoing commitment to the initiative and its principles.*
  
- Letter from CEO Steve Bromley  
At SunOpta, we have evolved to become an industry leading global natural and organic foods company.  
We remain committed to the health of our customers and communities and committed to environmental stewardship and social responsibility in all facets of our business.  
In 2011, we released our inaugural Corporate Social Responsibility Report. This report provides key economic, social and environmental information to our valued stakeholders including customers, employees, consumers, shareholders, business partners, community members and governmental and non-governmental organizations. In our report we identify specific employee success, partner relationship and environmental success goals, which we believe will help guide us in our journey to becoming an increasingly sustainable organization. As one of the 10 founding signatories of the UN CEO Water Mandate, we recognize that water is one of the most important resources to both the planet and our business. Over the past three years, our conservation initiatives have resulted in a total savings of over 85 million gallons of water. Our Cambridge Minnesota facility received the Minnesota State and also the Midwest Central States Water Environment Association's Industrial Environmental Achievement Award.

At SunOpta, we are committed to doing our part to address the critical global challenges of climate change, energy and water conservation and human rights. We also recognize that these issues are bigger than any single organization can address on its own, and therefore reaffirm our continued support to the UN Global Compact and the promotion of universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

In the years ahead, as a member of the Global Compact, we will strive to set realistic but challenging goals based on our core sustainability values, which will help guide us in our journey of becoming an increasingly sustainable organization.

"Committed to sustainability, organized for sustainability; together, we are "bringing well-being to life".

Steve Bromley  
President and CEO, SunOpta Inc.

## Human Rights

- **Assessment, policy and goals**

- *Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.*

- SunOpta supports the Universal Declaration of Human Rights and other international standards. Our commitment is solidified in our Supplier Partner Code of Conduct policy and guidelines as well highlighted in our CSR report. SunOpta conducts business first and foremost in accordance with the spirit and letter of the law, and we expect all of our Suppliers and their businesses to do the same. SunOpta contractually requires all partners to comply with federal and local labor laws, and if a legitimate inquiry is made we are prepared to respond with due diligence to ensure such laws are followed. Beyond simply adhering to the law, we believe in and adhere to standards of ethical conduct in all business operations throughout SunOpta Group Companies and hold all of our Supplier Partners to comply with the SunOpta Supplier Partner Code of Conduct. Our corporate goal of implementation of our Code of Conduct is communicated in our CSR report.

- **Implementation**

- *Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.*
- The "Supplier Partner Requirements" section of our Supplier Partner Code of Conduct policy and guidelines details the program steps for implementing Human Rights policies, the identification and reduction of risks and response to Human Rights nonconformance to our policy. We seek to build awareness within our company and among our suppliers. Beyond expectations of compliance with our Code of Conduct, a social compliance assessment process is in place to conduct supplier assessments. Assessments are undertaken using both internal and

external auditor resources. Our Supplier Partner Code of Conduct and requirements is communicated directly to our suppliers as per our commitments in our CSR report.

- **Measurement of outcomes**

- *Description of how the company monitors and evaluates performance.*

- SunOpta has policies and procedures in place to protect the Human Rights of its employees. We have implemented a Confidence Line program that allows all employees to confidentially contact a third party administrator and notify them of any ethical or inappropriate behavior witnessed in the work place. The third party will then contact the head of Human Resources and inform them of the reported incident. At that point in time, there will be a HR Representative designated to conduct a thorough investigation. After the investigation is complete, a determination will be made as to what actions will be taken and a follow-up letter is sent to the third party to communicate directly with the individual filing the complaint. There is a Confidence Line report that is presented to the Senior Management Team and Board of Directors every quarter

There are also extensive safety procedures and communication posted throughout all SunOpta facilities. Safety training is required for all employees, especially those working in a manufacturing environment. They're national safety meetings held every month. At these meetings safety updates and measurements are shared at these as well.

SunOpta and its service providers embrace a structured process by which supplier assessments and documentation are required and onsite assessments may be scheduled, conducted and reported. The purpose of the social compliance assessments is to determine and report on a particular Supplier Partner's level of compliance with local laws and the Code of Conduct. Supplier conformance is monitored by our Quality Leaders and non-compliance concerns are reported to our Senior Management Team for follow-up.

Over the past review period, there have been no legal cases nor investigations related to Human Rights issues involving our Supplier Partners; Please refer to the following sections of our SPCC guidelines for how SunOpta monitors and evaluates performance:

- i) SunOpta Supplier Partner Policy; Program Management
- ii) SunOpta Expectations; Supplier Partner Requirements

## Labour

- **Assessment, policy and goals**

- *Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.*

- SunOpta adheres to all Labour Rights laws in every country it employees' people. The leadership in all facilities of SunOpta is required to complete a consistent 'Management Training Program' to provide proper training in dealing with employees in a fair, humane, and safe environment. SunOpta also conducts

a company-wide employee opinion survey. By conducting this survey every two years, it provides the organization with an audit of potential employee issues that can be addressed appropriately.

We believe that the success of our company is based on foremost on the strengths of our people. It is our aim to provide and foster long lasting careers for our employees. We firmly believe in providing training, development, fair compensation and benefits package for our full time employees.

SunOpta Inc. and Supplier Partners conduct their business in accordance with the spirit, as well as the letter, of the law. We believe in and adhere to standards of ethical conduct in all business operations, even beyond the strict requirements of the law, applicable to all SunOpta Group Companies and to all Supplier Partners in respecting and upholding our Code of Conduct.

The SunOpta Supplier Partner Code of Conduct encompasses our philosophy, guidelines, and policies as they relate to: child labor, forced labor and discrimination etc.

- **Implementation**

- *Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.*

- SunOpta consistently updates its corporate policies to reflect all labour law changes and communicates those changes to all employees where it applies. The company also has implemented a company-wide confidence line program. This program allows all employees to call into a third party anonymously if they choose. The confidence line is a specifically detailed process and has timelines built into the program to follow up within five days of the reported incident. SunOpta Inc. and Supplier Partners conduct their business in accordance with the spirit, as well as the letter, of the law. SunOpta selects its agents, contractors, distributors, suppliers and consultants based on their abilities to perform the required work competently and comply with the SunOpta Supplier Partners Code of Conduct. This policy has been established to set forth the standards that govern all SunOpta Group Supplier Partners in the performance of their duties on behalf of the respective members of the SunOpta Group, and in accordance with all existing and future business relationships.

Beyond expectations of compliance with our Code of Conduct, a social compliance assessment process is in place to conduct supplier assessments. Assessments are undertaken using both internal and external auditor resources. Over the past number of years we have invested in extensive training programs to ensure a healthy and safe workplace and to develop the skills of our team members. Employee health and safety is a top priority at SunOpta. We strive for zero accidents in the workplace and have implemented a company-wide safety program designed to address physical, behavioral and compliance elements in our safety program. A cross functional corporate safety committee meets on monthly basis to discuss best practices and employees receive monthly training. Training is ongoing and continually adapted to the evolving needs of the Company and our people. The training includes: Leadership development, performance management, Health and Safety, Harassment in the Workplace.

All new employees to SunOpta are provided a “new employee package” which includes policies pertaining to: Hiring and Promotions, Harassment and Discrimination, Ethics and Code of Conduct, Information Technology

- **Measurement of outcomes**

- *Description of how the company monitors and evaluates performance.*

- SunOpta has a robust performance management process that is completed by the end of the first quarter. There are specific timelines that are communicated every year and every leader in the organization is required to evaluate their employee’s performance.

Our Supplier Partner social compliance assessment process is in place to conduct supplier assessments. Assessments are undertaken using both internal and external auditor resources.

Assessment activities include:

- Verification of product supply chains to evaluate and address risks;
- Evaluation of Supplier Partner's commitment and compliance with our Code of Conduct;
- Confirmation that materials incorporated into the product comply with our Code of Conduct and any laws of the country (or countries) that may be applicable;
- Maintenance of internal accountability for employees and contractors to ensure conformance to our Code of Conduct, or a comparable set of requirements; and/ or

- SunOpta administered social compliance training for employees who have direct responsibility for assessing Supplier Partner conformance, particularly with respect to mitigating risks.

SunOpta will conduct Supplier Assessments as needed. If the Supplier Partner is able to provide evidence of their commitment and compliance to our Code of Conduct, an onsite assessment may not be deemed immediately necessary. Our determination and prioritization will be based in part on the Supplier Partner's ability to comprehensively complete and submit the Self Assessment and supporting evidence in a timely manner.

SunOpta HR Representatives monitor labor violations and conduct a thorough investigation. After the investigation is complete, a determination will be made as to what actions will be taken. HR management reports on any labor violations to the Senior Management Team and Board of Directors every quarter.

There have been no Investigations, legal cases, rulings, fines and other relevant events related to Labour in the past year.

## Environment

- **Assessment, policy and goals**

- *Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.*

- SunOpta’s Approach to Sustainability; Our sustainability efforts aim to pursue perfection and the interconnection between all three dimensions of sustainability:

Social, Environmental and Economic. To achieve this we are focused on the sustainability platforms that we believe will positively impact our people, planet and profit.

Environmental Stewardship; Becoming an environmentally restorative company  
We believe the success of our organization is directly linked to the health of the planet and its resources. Environmental stewardship means first the understanding the impact of our actions on the health of the environment and continually working to reduce these impacts

- **Implementation**

- *Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.*
- Achieving our vision of becoming an environmentally restorative company requires a company culture committed to continuously finding innovative ways to positively contribute to the environment. As part of our Lean and Green program our colleagues are receiving training and coaching focusing on the reduction / elimination of Green wastes. Over the past years our Teams focus has resulted in some impressive achievements...see CSR report for more details Our Environmental Goals have been communicated in our CSR report and Teams are championing the initiatives below to execute on our goals and targets:
  - Reduce the overall carbon footprint intensity of our operations by 20% by 2020 as compared to our 2008 baseline
  - Reduce the overall water usage intensity of our operations by 20% by 2020 as compared to our 2008 baseline
  - Perform energy audits on all SunOpta owned facilities
  - Set energy reduction and renewable energy targets by the end of 2012
  - Develop an complete packaging inventory to set a packaging reduction target
  - 90% diversion from landfill at all of SunOpta facilities by 2020

- **Measurement of outcomes**

- *Description of how the company monitors and evaluates environmental performance.*
- Please refer to our CSR report, Environmental Stewardship section for more information on how the company monitors environmental performance and metrics

## **Anti-Corruption**

- **Assessment, policy and goals**

- *Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.*
- SunOpta, Inc. prides itself in providing regular training on ethical standards and expectations of all leaders. Each leader signs off on a document confirming their understanding of the company's policies and procedures regarding ethics.

- **Implementation**

- *Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.*
- SunOpta has a designated Risk Management team that conducts annual internal audits on all functions within the organization. There is a process established and a risk/audit report is presented to the board of directors every quarter.
- **Measurement of outcomes**
- *Description of how the company monitors and evaluates anti-corruption performance.*
- SunOpta monitors its employees by several means of measurements. The anti-corruption / ethics training is provided to SunOpta employees including written ethics policies are provided to new employees. Quartelyr risk/audit reports are presented to Senior Leadership and the Board of Directors. The confidence line is in place to provide all employees a way to report any anti-corruption while protecting their anonymity. SunOpta's objective in 2012 is to review all ethics policies and ensure wording consistency with UN principles. There have been no investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery during the review period.

Note: Responsibility for the content of participants' Communication on Progress and any other public communication related to the Global Compact principles and their implementation lies with participants themselves and not with the UN Global Compact Office.