



*Committed*  
to SUSTAINABILITY.

*Organized* for  
SUSTAINABILITY.

**SunOpta™**

2011 CORPORATE SOCIAL RESPONSIBILITY REPORT

# Welcome

## to SunOpta's First Sustainability Report

We are pleased to welcome you to SunOpta Inc. Since our initial entry into the natural, organic and specialty foods business in 1999, we have evolved to become one of the leading players in these categories in North America and the world.

The SunOpta family is comprised of a number of enterprises previously built and developed by industry pioneers. Driven by our commitment to the health and well-being of our customers, communities and the environment, we manage our business with strongly held values and maintain high quality and certification standards throughout the entire process. Our largest operating group, SunOpta Foods, has grown to become a leader in the sourcing, processing and distribution of natural and organic food products with a focus on sustainable business practices and vertically integrated business models from seed through packaged products.

We are deeply concerned with sustainability and our efforts to continually improve our practices are ongoing. While we have a lot of hard work ahead of us, we continue to make strides as we continue to build a sustainable organization.

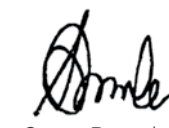
This inaugural report is intended to provide key economic, social and environmental information to our stakeholders, including our consumers, employees, customers, investors, business partners, community members and governmental and non-governmental organizations.

This Report covers the operations of SunOpta Inc., including our wholly owned

and joint-venture operations (excluding OptaMinerals), and complements other information about SunOpta Inc. available on our Website ([www.sunopta.com](http://www.sunopta.com)).

In an effort to create a meaningful and useful document, we have aimed to provide a complete and balanced view of our Corporate Social Responsibility (CSR) performance tailored to the expectations and interests of our stakeholders. We have reviewed various external resources to help guide the creation of this report, including Global Reporting Initiative (GRI) standards, the most widely accepted in sustainability reporting. As we further develop enhanced tracking processes, we anticipate that future editions of this report will include more robust metrics.

Please read on to find out more about what we have accomplished so far and where we are focusing our efforts going forward.



Steve Bromley  
*President and Chief Executive Officer*



Tony Tavares  
*Vice President and Chief Operating Officer*



Corporate Social Responsibility Report  
[www.SunOpta.com](http://www.SunOpta.com)

©2011 SunOpta, Inc. All rights reserved.

Executive Summary: What You'll Find Inside

*The 2011 SunOpta CSR Report provides a summary of our commitment and progress towards continued development of a sustainable organization.*

SunOpta's commitment to sustainability is long standing. Over the past year, we have been successful in formalizing our sustainability programs and governance practices. On pages four through nine you will find details on how we have formally organized for sustainability and the approach we are taking to become a sustainable organization.

The body of this report is organized to align with our focus on the five sustainability platforms that we believe will positively impact our people, planet and profit. They are:

**SOCIAL**

*Employee Success:* Creating long lasting careers for our employees..... 10

*Partner Relationships:* Developing long lasting relationships with our partners .....20

*Community Strength:* Advancing communities and social progress.....22

**ENVIRONMENTAL**

*Environment Stewardship:* Becoming an environmentally restorative company .....28

**ECONOMIC**

*Sustainable Profit:* Growing profits steadily and predictably ..... 46

We invite you to read through the following pages to find a summary of our overall progress in each of these areas.

We welcome any feedback, comments or questions relating to the content in this report and our overall sustainability efforts. Please contact our sustainability department at [sustainability@sunopta.com](mailto:sustainability@sunopta.com) with specific comments or questions.

Sincerely,  
 Nathan Morr  
 Director, Global Sustainability



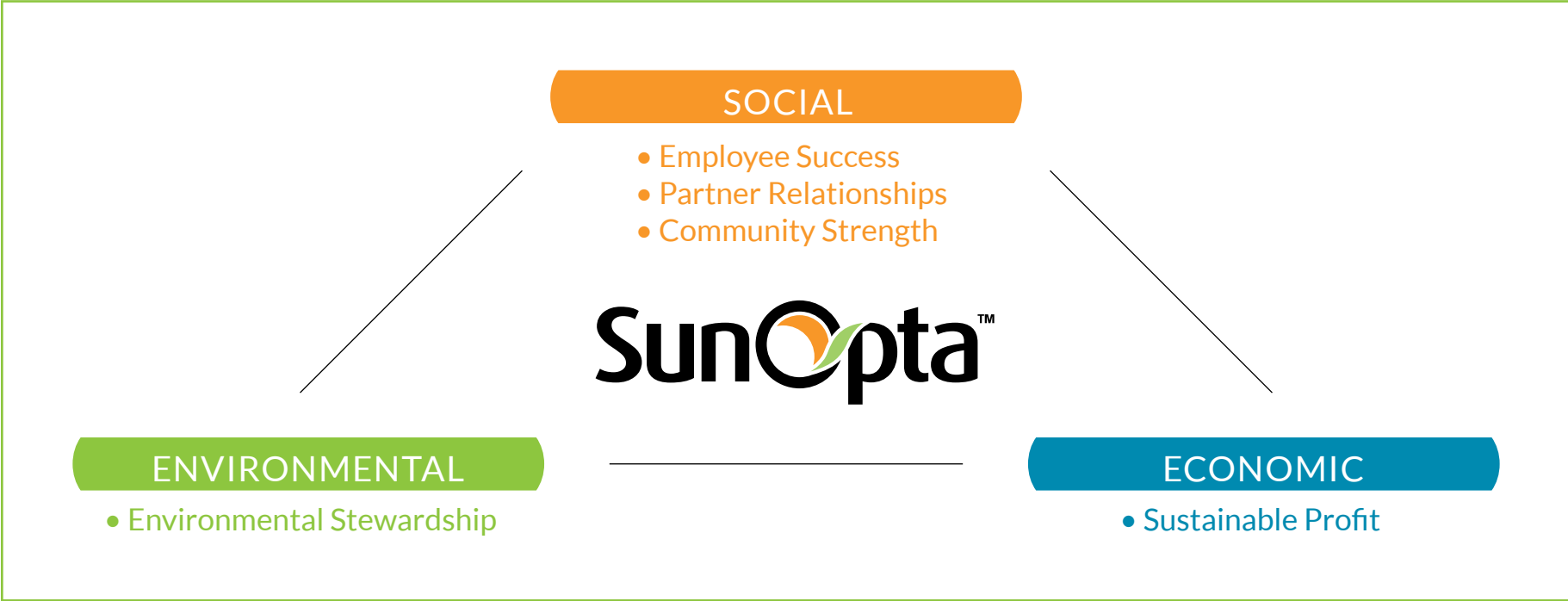
### Committed to Sustainability

At SunOpta, we are committed to environmental stewardship and social responsibility in all facets of our business. The food business is entirely dependent on the availability of natural resources and we are committed to doing our part to address the critical global challenges of climate change and energy and water conservation.

We have established a comprehensive framework to support our evolution towards becoming a sustainable organization, which will allow us to leverage the skills, creativity and energy of our employees and other stakeholders. The development of a comprehensive strategy with priorities, targets and supporting programs is ongoing and the focus will be on Continuous Improvement (CI) in all aspects of our business.

Our management philosophy supports an interconnection between all three dimensions of sustainability: Social, Environmental and Economic. This can be summed up as delivering sustainable profits for our shareholders while making responsible choices for the environment and society.

To achieve this, we use a five-pillar framework to prioritize and categorize our sustainability efforts. The pillars are: Employee Success, Partner Relationships, Community Strength, Environmental Stewardship and Sustainable Profit.



### Responsible Reporting

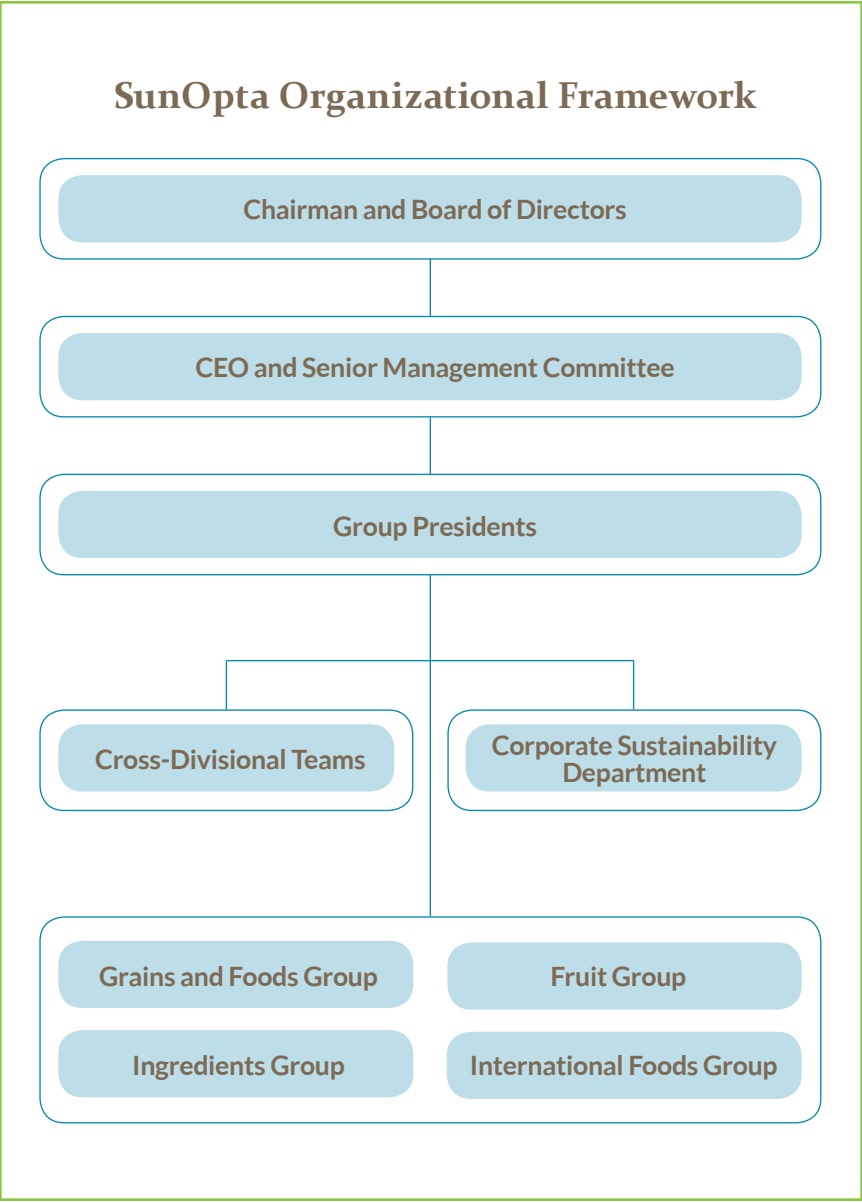
We have used global best practices including Food Trade Sustainability Leadership Association (FTSLA) and GRI standards to help guide the development of our first annual report. While at this time we are not in a position to declare any application levels under GRI, going forward we are striving to increase our alignment towards GRI and FTSLA.

### Organized for Sustainability

Sustainability is not the responsibility of a select few. We aim to have all of our employees make sustainability a part of their daily work. Sustainability is becoming part of our corporate DNA and impacts every area of the Company.

The strategic vision, direction and goals are set by management. We have established a reporting structure to gather information and report on progress at regular intervals to our internal and external stakeholders. We have also created a sustainability department to guide and provide resources. This department is based primarily on the existing talents of colleagues within the Company and is supplemented as required by outside resources.

As part of our organizational framework, we have also established a number of cross-divisional teams in procurement and supply chain, logistics, engineering and other functional areas. These teams focus on the development of innovative solutions to reduce water usage and energy consumption and incorporate alternative energy resources into our production processes.





*Sustainability is a continuous journey with a goal of meeting the needs of today's generation without compromising the ability of future generations to meet their own needs.*

### Where We Are Today

Sustainability is a continuous journey with a goal of meeting the needs of today's generation without compromising the ability of future generations to meet their own needs. After many years of being heavily engaged in sustainability and Continuous Improvement (CI) initiatives, we formalized our efforts into an operating philosophy that we call the SunOpta Way. This is our strategy for becoming a sustainable organization. To date we have realized significant cost improvements and in doing so eliminated wastes and optimized our processes.

Another initiative under the SunOpta Way strategy was to complete our first company-wide Greenhouse Gas (GHG) Inventory and track our global water impact. This data has allowed us to better understand our impact on the environment and begin to develop reduction goals and targets. This has also enabled us to develop this first CSR Report, providing us with a detailed understanding of the current state of our business as it relates to our vision of becoming a sustainable organization.

### Where We Are Going

In the spirit of CI, we will continue to focus on the areas that are critical to the overall sustainability of our organization and stakeholders. We have selected areas in each of our five platforms that we believe will have the greatest impact.

One of our overarching objectives will be continuing to embed sustainability in our culture through The SunOpta Way program. Ongoing employee training and development, combined with the introduction of an employee satisfaction survey, will help to make our employees more successful.

Continued implementation of our supplier partner code of conduct across the corporation will enhance our relationships with our supply partners.

The launch of a formal employee volunteer program will increase our community involvement and help strengthen the communities that we operate in. To keep us on track towards becoming a restorative company, we will continue to focus on water conservation and re-use and reducing our GHG footprint through energy conservation and renewable energy. An aggressive waste diversion goal for our facilities will be a strong focus.

Continuing to focus on building sustainable and predictable vertically-integrated business models and shareholder return remains an ongoing commitment.

We will strive to set realistic but challenging goals, which will help guide us towards our overall vision of sustainability.

We believe dialogue is a critical component of sustainability and will be reaching out to our stakeholders to discuss the impacts, risks and opportunities surrounding sustainability.



*We will strive to set realistic but challenging goals, which will help guide us towards our overall vision of sustainability.*

## SunOpta's Approach to Sustainability

Our sustainability efforts aim to pursue perfection and interconnection between all three dimensions of sustainability: Social, Environmental and Economic. To achieve this we are focused on five sustainability platforms that we believe will positively impact our people, planet and profit.

### SOCIAL

#### Employee Success: *Creating long lasting careers for our employees*

We believe the success of our company is based on the dedication, commitment and strengths of our people. We aim to be the employer of choice for all of our employees, which is why we are thoroughly invested in training and promoting from within, dedicated to promoting health and safety in all of our locations and committed to diversity and being an equal opportunity employer for all.

#### Partner Relationships: *Developing long lasting relationships with our partners*

We are committed to developing long lasting, mutually beneficial relationships with those we choose to do business with. We believe that our customers, growers, suppliers, employees and other stakeholders are integral to the success of our sustainability efforts, which is why we encourage them to follow a strict code of ethics that respect our planet and its people.

#### Community Strength: *Advancing communities and social progress*

We are committed to contributing to the improvement of all of the communities that we operate in worldwide. We promote sustainable agricultural and commercial practices, participate in philanthropic initiatives and promote volunteerism amongst our employees by offering them three paid days off per year to participate in volunteer activities.

### ENVIRONMENTAL

#### Environmental Stewardship: *Becoming an environmentally restorative company*

We believe that the success of our organization is directly linked to the health of the planet and its resources. Environmental stewardship means first understanding the impact of our actions on the health of the environment and continually working to reduce these impacts.

### ECONOMIC

#### Sustainable Profit: *Growing profits steadily and predictably*

It is our vision to be the recognized global leader in natural and organic food products that drive sustainable well-being. We believe that by doing what is right for our people, planet, customers, suppliers and other stakeholders, superior returns will be generated for all of our shareholders.

## SunOpta's Approach to Sustainability





## Employee Success: *Creating long lasting careers for our employees*

We believe that the success of our company is based first and foremost on the strengths of our people. Over the past number of years we have invested in extensive training programs to develop the skills of our team members. Training is ongoing and is continually adapted to the evolving needs of the Company and our people. We want to develop leaders from within the Organization and create long term, fulfilling careers. We also believe it is key to create a corporate culture and framework that encourages engagement where everyone can openly contribute ideas and look for ways to continuously improve. Our goal is to be the “employer of choice” for all of our employees.

### **Employer of Choice**

We want 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. These include:

- Comprehensive health care insurance;
- Disability insurance;
- Life insurance;
- Retirement and investment plans;
- Employee assistance program;
- Tuition reimbursement;
- Internal scholarship program;
- Employee stock purchase plan (ESPP); and
- More



### 2012 SUNOPTA EMPLOYEE SUCCESS GOALS:

- Conduct employee satisfaction survey.
- Target zero recordable injuries.
- Launch volunteer program across the Corporation.

# The SunOpta WAY

## The SunOpta Way: Building a Sustainable Organization

The SunOpta Way is our operating philosophy. It provides the framework to create a culture that focuses on our triple bottom line of people, planet and profit. The focus of The SunOpta Way is to align all SunOpta operations to a common vision, accelerate improvement initiatives to achieve the vision, sustain the improvements that are made and provide a focus for the long term growth of all SunOpta operations.

A number of programs have been established to support The SunOpta Way, including:

- Training and Development
- Performance Management
- Mentoring
- Continuing Education

### Training and Development

We recognize and value highly skilled and motivated employees. We encourage our employees to participate in life-long learning for both professional and personal growth. These are some of the many diverse training programs being offered by SunOpta:

- Front Line Leadership (FLL)
- Leadership and Management Training
- Process Excellence through People (PEP)
- Lean and Green

### Performance Management

Our performance management program requires our various divisions to report to senior management quarterly on their progress towards advancing their CI initiatives.

### SunOpta Mentoring

Our leaders who participate in the FLL program are assigned a SunOpta mentor. The mentor's responsibilities are to coach and support our leaders throughout the Program and enhance the impact of learning within our company.

### Continuing Education

A tuition reimbursement program is available to encourage and assist employees to continue their education in academic areas beneficial to both the employee and SunOpta.

We also offer an environmental bursary program, the Jeremy Kendall Environmental and Social Responsibility Awards, for the children of SunOpta employees. Bursaries are awarded annually to individuals who are interested in and actively contributing to the community and issues of social and environmental sustainability. At SunOpta we recognize the value of a good education in the pursuit of a career and are investing in the next generation.



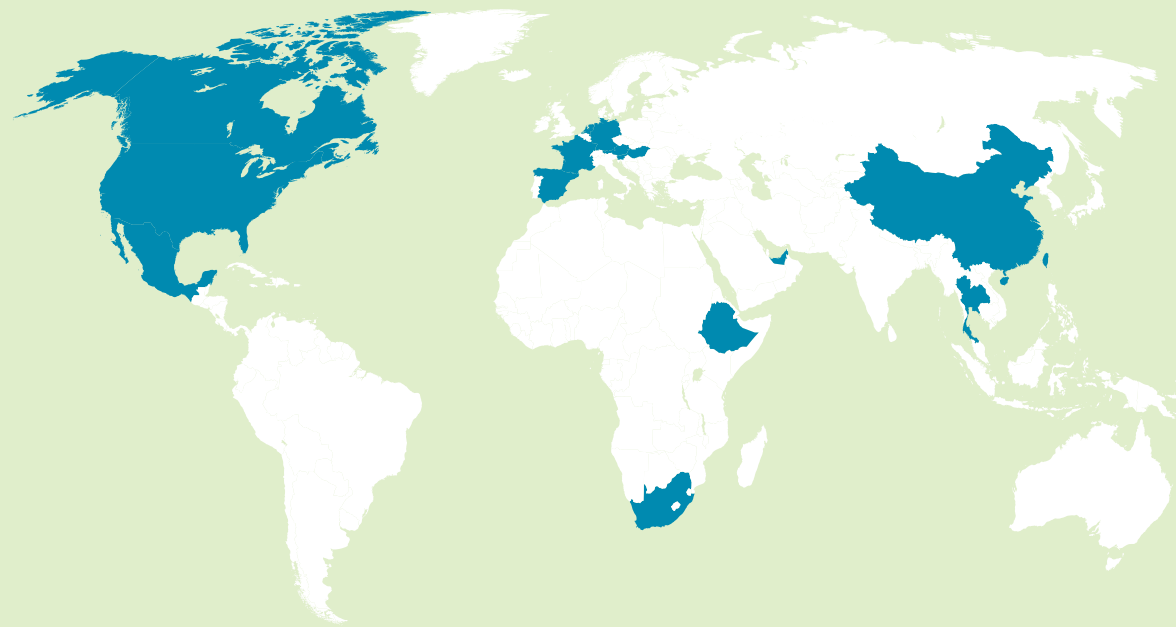
Staff training at SunOpta's Buena Park facility



**Employee Diversity**

SunOpta has approximately 1,900 full and part-time employees worldwide representing a wide range of experiences, cultures and diversities. We work to maintain positive and professional relationships with all of our employees worldwide. Our expansion as a global company has brought a dynamic range of thought processes and talent to our organization. It is essential to our success that we continue to seek and source creative and innovative individuals for future sustainability and growth.

■ SunOpta employee presence



**SunOpta Training Metrics**

- total number of hours employees spent on training - 28,120
- total \$ amount spent on training - \$309,644
- # of employees trained - 1,578

This list represents various training programs that SunOpta staffed for 2010:

- Front Line Leadership
- SunOpta Way
- Green Education
- PEP
- Lean Manufacturing
- Health & Safety
- IT Training



**Employee Safety**

Employee health and safety is a top priority at SunOpta. A healthy workforce is fundamental to our success and long-term sustainability.

We strive for zero accidents in the workplace and have implemented a company-wide safety program designed to address physical, behavioral and compliance elements of a best-in-class safety program. Safety is both an individual and team responsibility.

We are committed to improving safety by investing in our people, processes and facilities. A cross-functional corporate safety committee meets on a monthly basis to discuss best practices between facilities and business units. Employees receive monthly safety training, including specialized emergency response training. We keep our employees well-informed about workplace safety issues with a monthly safety newsletter that also emphasizes wellness, fitness and home safety tips.

Employee safety highlights include:

- No work-related fatalities in SunOpta's history.
- Total recordable incidents have decreased by 22 percent since 2008.
- Lost time days have decreased by 10 percent since 2008.

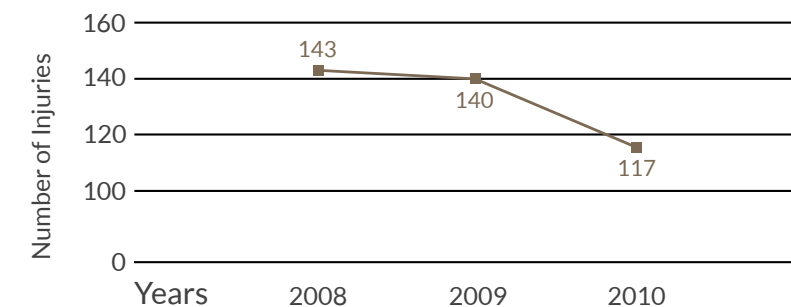
Three SunOpta facilities have achieved more than five years without a single lost time incident.

**Safety Milestones**

Cresco, Iowa	11 years without a lost time injury
Moorhead, Minnesota	9 years without a lost time injury
Galesburg, Illinois	8 years without a lost time injury

*Three SunOpta facilities have achieved more than five years without a single lost time incident.*

**Recordable Injuries**



**SunOpta Automatic Defibrillator Program**

SunOpta purchased and distributed 32 automatic defibrillator units to help ensure our employees receive the best possible first aid.

## Partner Relationships: *Developing long lasting relationships with our partners*

We believe in working in partnership with our customers, growers, suppliers and other stakeholders and recognize that they are an integral part of our sustainability efforts. Sustainability requires a permanent and evolving effort and cannot be achieved without mutually successful and long lasting relationships with stakeholder partners who are equally committed to sustainability. We have developed codes of conduct to govern our relationships and work closely with our partners to have a positive impact on the constituents we serve.

### **Customer of Choice**

With rising commodity prices, an increasing reliance on suppliers for cost savings, product innovation ideas and supply availability, SunOpta understands that building long term relationships is just as important with our suppliers as it is with our customers.

Moving beyond traditional "supplier relationship management" to become the Customer of Choice is not only the right thing to do, we believe it is the smart thing to do. The value of this comes in many forms, such as successful programs to leverage supplier cost improvements, avoiding supply disruptions and getting first access to breakthrough product or service innovations that will ultimately benefit our customers and other stakeholders.



### 2012 SUNOPTA PARTNER RELATIONSHIP GOALS:

- 100% implementation of a Supplier Partner Code of Conduct
- Train all appropriate Quality Assurance staff on social auditing
- Implement social audits into supplier packet



Since 2009, we have purchased over 2,600 metric tons of organic sugar and cocoa, providing over US \$288,000 in premiums to farmers.

**Supplier Partner Code of Conduct**

We believe in and adhere to standards of ethical conduct in all of our business operations, even beyond the strict requirements 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.

In accordance with SunOpta's Code of Conduct, supplier partners must be prepared to provide information regarding their social policies and be audited by a SunOpta employee or an authorized third party representative. Our program implementation is based on the risk of supplier non-compliance to fundamental social principles and considers the geographic location of the suppliers and also the supply chain risk of non-conformance to these ethical standards by our business partners.

**SunOpta and TransFair**

SunOpta actively promotes fair trade programs through our partnership with TransFair to support community development and ensure fair financial returns to our grower base. Since 2009, SunOpta has purchased over 2,600 metric tons of organic sugar and cocoa, providing over US \$288,000 in premiums to farmers involved in fair trade programs.



**Japan-United States Soybean Friendship Aid Program**

In April 2011, we donated money to help the victims of Japan's devastating earthquake and tsunami. The donated funds went towards the U.S. Soybean Export Council's "Japan-United States Soybean Friendship Aid" program. The Program raised \$30,000 in total, which was passed onto the Red Cross. The Red Cross then utilized this money for earthquake and tsunami relief.



SunOpta's Ethiopian coffee co-op supply partner

**Selet Hulling PLC: Addis Ababa, Ethiopia**

In December 2007, Tradin Organics, a division of SunOpta's International Foods Group, partnered with Kaleb Service Farmers House, an Ethiopian company, to create Selet Hulling PLC, a joint venture to source and produce organic sesame seeds for worldwide distribution.

Selet's facilities were completed in December 2009. They comply with international standards for food manufacturing.

Selet Hulling works to improve the livelihood of Ethiopians by sourcing sesame seeds from local farm cooperatives made up of over 1,500 Ethiopian families in Humera, Ethiopia. These seeds are pesticide free, certified organic, kosher and processed in an ISO 2200 certified facility.

This project is having a very positive impact on local development in Ethiopia as it results in higher income for farmers, added employment in the area and improved well being for over 1,500 families.

By purchasing sesame seeds from Selet, it is our goal that Tradin Organics will be able to provide a platform for sustainable agriculture in Ethiopia, which will result in better incomes for farmers and their families as well as provide needed support for local schools and other community infrastructure.

*By purchasing sesame seeds from Selet, it is our goal that Tradin Organics will be able to provide a platform for sustainable agriculture in Ethiopia.*



**Food Trade Sustainability Leadership Association**

We are an active member of the FTSLA, a non-profit trade association dedicated to helping the organic food trade adopt leading edge environmentally sound and socially just practices. It is grounded in solid principles and practical experience in agriculture, organics, science, business, social issues, policy and sustainability frameworks.

The FTSLA unites businesses and allied partners across the supply chain to raise the bar in organic food operations and across the organic food industry. As a member of the FTSLA, we are required to report on an 11 point framework articulating our progress in sustainability.

Nate Morr, SunOpta's Director of Global Sustainability, has been Board president of the FTSLA for the last four years.



**Organic Trade Association**

The Organic Trade Association (OTA), founded in 1985, is the membership-based business association for organic agriculture and products in North America. OTA is the leading voice for the organic trade, representing over 6,500 organic businesses. Its members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. OTA's Board of Directors is democratically elected by its members. OTA's mission is to promote and protect the growth of organic trade to benefit the environment, farmers, the public and the economy.

SunOpta and its affiliated companies have a long supportive history with the OTA. SunOpta has been a sponsoring member of OTA since 2004 and several of the companies that SunOpta has acquired have been members of OTA since its inception in 1985.



*SunOpta's Grower Incentive Program focuses on contributing to sustainable farming practices that give back to the earth more than we take.*

**Grower Relationships**

We understand the role that growers play in our company's success, and appreciate that it is in large part because of our grower partners that we have progressed to become one of the natural and organic food industry's largest producers, suppliers and developers of ingredients and private label retail products.

One particular example that showcases how SunOpta supports local farmers is the Grains and Foods Group's enhanced Grower Incentive Program. The Program encourages producers to increase non-GMO crop production and convert their current acreage into organic production.

The Grower Incentive Program's goal is to support sustainable agriculture practices that nurture natural food production and processing. It allows SunOpta to focus on educating growers and empowering them to improve their yield and financial return while contributing to sustainable farming practices that give back to the earth more than we take from it.



### Community Strength: *Advancing communities and social progress*

SunOpta is committed to contributing to the improvement of our communities by promoting sustainable agricultural and commercial practices as well as giving back through philanthropic initiatives, volunteerism and other activities. We believe that to achieve this, the most effective approach is to work in partnership with our customers, suppliers and other stakeholders to leverage our combined resources and promote social activities across the world.

We are working to develop the communities in the areas where we operate and are focused on opportunities to promote children's health, nutrition and education. We also believe that local community residents need to be involved in these endeavors in order for them to be successful long term. We have a number of initiatives to help the thousands of growers who supply us with products from across the world. By paying fair prices for their products and working with them to improve their farming practices we can generate greater benefits for their families, communities and the environment and, in doing so, make these communities and activities sustainable.

*We are working to develop the communities in the areas where we operate and are focused on opportunities to promote children's health, nutrition and education.*

*Our Trabocca coffee operations recently completed a project with Whole Foods to invest €20,000 euros to pave roads and add drying beds for the grower cooperative involved.*

#### **Giving Back - Ethiopia**

We currently have several active programs in Ethiopia. Our Trabocca coffee operations, which are part of our International Foods Group, recently completed a project in partnership with Whole Foods to invest €20,000 euros to pave roads and add drying beds for the grower cooperative involved. Trabocca is also working with a number of other customers to fund a school for other coffee grower cooperatives in Ethiopia.

Our Selet sesame seed operation in Ethiopia is working with cooperatives comprised of thousands of farmers to improve farming methods and improve yields and farmer income. We also have a program providing these farmers with solar panels to run small appliances. This reduces the need to burn scrub brush to cook food; a real environmental issue which leads to soil erosion. We are also providing partial funding for two schools in the sesame growing regions.

We believe it is important for the community to be actively involved in each of these initiatives and local community residents are actively involved in realizing the project. Visit our website for a video on some of our initiatives in Ethiopia if you are interested in learning more.

It is our objective is to fund a number of similar projects in other parts of the world where we do business. Over time, as the local economic benefits generated are increased, we believe we can make a difference in the quality of life in these communities.

*If we can make smallholder farming more productive and more profitable, we can have a massive impact on hunger, nutrition and poverty.*

#### **Giving Back - One Prosper**

We have also recently begun an association with One Prosper, an organization whose mission is to improve the lives of malnourished children in India through sustainable agriculture. One Prosper provides poor women smallholder farmers with drip irrigation kits along with organic fertilizers and crop aids.

Three-quarters of the world's poorest people get their food and income by farming small plots of land, so if we can make smallholder farming more productive and more profitable, we can have a massive impact on hunger, nutrition and poverty. Drip irrigation also allows farmers to grow value-added crops and two crops per year instead of one. Drip irrigation kits are gravity-fed, which eliminates the need for diesel-powered irrigation pumps. Drip irrigation is also a beneficial water conservation approach that ensures less stress on the water table.

At SunOpta, we believe that in order to better the world as a whole, we must first focus on improving the local communities that we operate in individually. We have a wide reach across the world with offices and operations in 11 countries and use this as a platform to better the local areas that we reside in. We encourage each of our company's operating groups to give back through volunteerism, philanthropic efforts and supporting local charities. We hope that in doing this we can advance our local communities and encourage social progress worldwide.



**SunOpta’s Moorhead Minnesota Employees Spread Holiday Cheer with the Salvation Army**

Four years ago, employees at SunOpta’s Moorhead Minnesota facility decided to forgo their annual office holiday party and instead raise money for struggling families in need. They aligned their efforts with the local Salvation Army, who assist with the distribution of aid to Moorhead area families each year. Today, the Group remains passionate about and committed to this office holiday tradition. Their goal is to provide hope and the financial means to keep families together, both during the holiday season and throughout the year.



**Wounded Warrior Project**

We are a proud sponsor of the Wounded Warrior Project™, a non-profit, nonpartisan organization, that provides programs and services to injured U.S. service members and their families. The mission of the Wounded Warrior Project™ is to honor and empower wounded warriors and their vision is to foster the most successful, well-adjusted generation of wounded warriors in U.S. history.



**Supporting Employee Volunteerism**

Consistent with our vision of becoming a sustainable organization, we want to give all SunOpta employees the opportunity to give back to the community by volunteering with the approved charities, events or fundraisers of their choice. We encourage, but do not require, all employees to take up to three paid days off per year to volunteer with a community or charitable organization.

Charities approved by our company include national organizations such as the American Cancer Society, UNICEF and Habitat for Humanity. They also include local charities, such as Meals on Wheels, women and animal shelters, beach clean-ups, schools, hospitals, senior care, walk-a-thons, fundraisers, youth development, sports programs and more, which are all important to our communities.

**Giving Back**

The following are some of the community initiatives SunOpta has given back to throughout 2010 and 2011:

- Cancer Care Ontario
- The Red Cross
- Brampton YMCA
- Georgetown Highland Games
- The Orange County Food Bank
- David and Margaret Youth and Family Services
- Light of the Canyon Church Festival, Anaheim Hills
- Neutron Fitness and Sports
- Youth Without Shelter
- Brampton Blazers Mite 1, Baseball Team
- The Air Force Marathon
- Vancouver Thunderbirds Track and Field Club
- Habitat for Humanity
- Sunshine Foundation, Dreams for Kids
- Cure for Cancer
- Relay for Life (cancer fund raiser)
- Missing Kids (previously known as ‘Child Find’)
- Georgetown Fire Fighter’s Association
- USSEC – U.S. Soybean Export Council (Relief for Japan following the earthquake and tsunami)
- Haiti Relief Efforts
- Boys & Girls Club
- Santa Cruz Cancer Benefit Group
- Homeless Garden Project

**SunOpta’s Community Enrichment Program**

SunOpta is currently developing a community enrichment program that will focus on children’s health and nutrition. The program will involve SunOpta’s supply partners, customers and non-governmental organizations.



**Employee Volunteer Spotlight: Becky Starr**

Becky Starr, Western Region Sales Manager, SunOpta Grains and Foods Group, is a dedicated volunteer with the Sacramento Food Bank and Family Services’ Mother-Baby program, whose goal is to create stronger, healthier families. It offers classes to low-income moms to help them learn about parenting skills, community services, breastfeeding, cloth diapering, nutrition and more. If a mom attends one class per month she is eligible to receive a bag of formula, baby food, 15 articles of baby clothing and other important products.

Becky began volunteering with the Mother-Baby program in 2008 and has since helped check women in for the class, packed grocery bags with appropriate foods and organized clothes every Monday evening when she is not travelling for work.

It is through the dedication of employees like Becky that the communities we operate in are improved, which is why we are committed to promoting volunteerism and philanthropic efforts.



## Environmental Stewardship: *Becoming restorative*

The success of our organization is directly linked to the health of the planet and its resources, and to us, environmental stewardship means first understanding the impact of our actions on the health of the environment and continually working to reduce these impacts. We have a vision of becoming an environmentally restorative company whose activities actually have a positive impact on the health of our planet. Our approach is to use our sustainability framework to engage all of our employees in this effort. We have established PEP, Lean/Green teams and champions in all of our divisions. Their focus is to eliminate waste in all its forms. We believe this is the most effective way to reduce our environmental impact.



### 2012 SUNOPTA ENVIRONMENTAL STEWARDSHIP GOAL:

- Reduce the overall carbon footprint intensity of our operations by 20% by 2020 as compared to our 2008 baseline.



# Lean and GREEN

## Lean and Green at SunOpta

Achieving our vision of becoming an environmentally restorative company cannot be achieved through incremental improvements alone. It requires a culture where every single one of our employees is committed to continuously finding innovative ways to positively contribute to the environment. Arming our employees with processes, tools, techniques and thinking is one way we are creating this culture.

Lean Manufacturing principles are most often applied to improve products, services or processes, but we are using this proven thinking to drive environmental stewardship throughout the organization.

Lean and Green builds on traditional Lean thinking that is practiced by thousands of organizations around the world. While traditional Lean thinking has focused on eliminating the seven Lean Wastes and building value for the customer, Lean and

Green expands this thinking to include elimination of the seven Green Wastes: Energy, Water, Materials, Garbage, Transportation, Emissions and Biodiversity.

As part of our Lean and Green program our colleagues are receiving ongoing on-site training, coaching and support on the Lean and Green process. The results are promising; our champions and their teams are continually identifying opportunities and implementing initiatives that are bringing us closer to our vision of becoming environmentally restorative. While we still have many challenges ahead of us, we have been making progress. Over the past few years the work completed through SunOpta Lean and Green teams have resulted in some impressive achievements to date. Read on to find out some of the major accomplishments to date.



EMISSIONS



ENERGY



WATER



MATERIALS



GARBAGE



TRANSPORTATION



BIODIVERSITY

## The Seven Green Wastes

Lean and Green expands on traditional thinking to include elimination of the seven Green Wastes:

*Emissions, Energy, Water, Materials, Garbage, Transportation and Biodiversity.*



## EMISSIONS

Emissions waste results from discharging pollutants into the atmosphere, causing negative environmental impacts. Eliminating airborne pollutants that are discharged directly from our facilities will move us toward our vision of becoming a sustainable organization.

### Understanding our Footprint

We are committed to understanding and reducing our carbon footprint. In 2011, we completed our first company-wide GHG Inventory using 2008 as our base year for Scope 1 and Scope 2 emissions. This inventory, completed according to the Greenhouse Gas Protocol's Corporate Standard, is proving to be a valuable tool in helping us better understand our organization's GHG impact.

In addition to calculating our footprint, we established a Quality Management System using the internationally recognized ISO 14064 Standard as a guidance tool and engaged our internal audit team to help ensure the accuracy of the data. The Quality Management System provides strict policies, procedures and guidelines needed to ensure a relevant, complete, consistent, accurate and

transparent inventory year after year. We are currently analyzing the data and developing our company-wide strategy to achieve our reduction goal and bring us closer to our vision of becoming a sustainable organization.

### SunOpta's Cambridge, Minnesota Biogas Energy Recovery Project

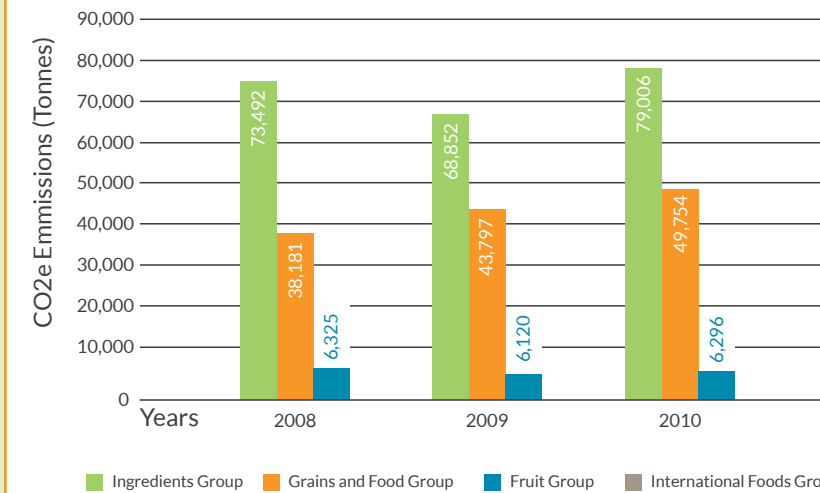
In March 2010, SunOpta's Ingredients Group completed the installation of a state-of-the-art biogas energy recovery system at their Cambridge, Minnesota oat fiber facility. Prior to the installation of this new system, biogas produced by the facility's former waste treatment system was released into the atmosphere, presenting an untapped source of energy and an environmental risk. This project will help SunOpta continue its efforts towards becoming an increasingly sustainable organization that yields environmental and financial benefits.



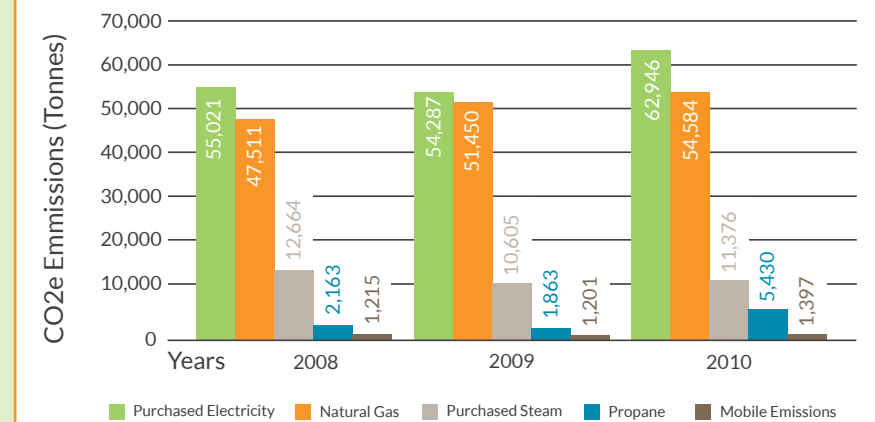
The Cambridge facility's new biogas system works by capturing methane gas produced by the digestion of the waste stream resulting from the production of oat fiber. The collected methane gas is then filtered, compressed and conditioned, which converts it into pipeline quality natural gas. The gas is then used to power a boiler that supports the facility's hot water and heating needs.

As a result of this project the Facility's use of natural gas has been reduced by 40%, or 1,755 tons of carbon dioxide. That is equal to taking 312 cars off the road or unplugging 193 homes from the grid for a year!

SunOpta's Complete GHG Impact 2008-2010



SunOpta's Emissions by Energy Source



EMISSIONS *continued...*

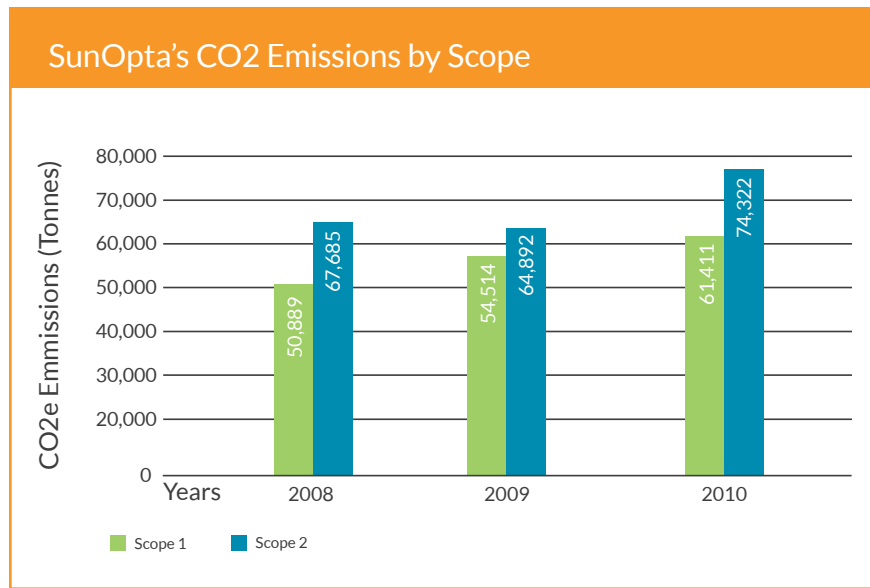
**SunOpta's Production Efficiency**

In the tables on this page you will notice areas with a general downward trend of our emissions per unit of production. This is in line with our sustainability goals and reflects the system upgrades and efficiency measures we have taken across the corporation in order to lower our ghg emissions impact. You will also notice an increase in the fruit group and in the grains groups aseptic facilities. In 2010 we

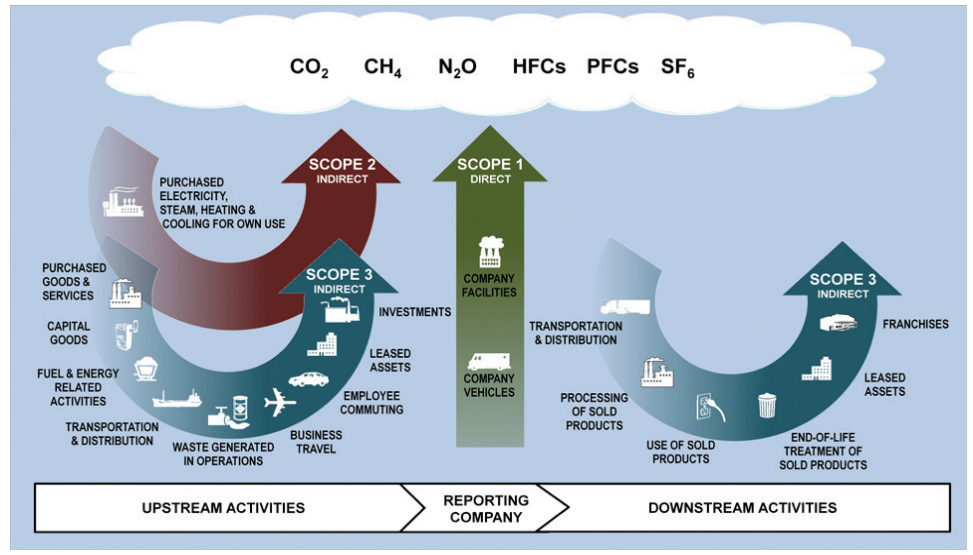
opened a new facility in Modesto, CA to process our liquid grain products. In doing so we diverted some production from our Alexandria, MN facility to the new facility in Modesto. As the levels of production increase at each aseptic facility, we anticipate a decrease in the intensity of CO2e emissions for our aseptic facilities.

SunOpta's CO2e Production Efficiency (Tonnes)				
CO2e Tonnes / Production Tonnes	2008	2009	2010	
Grains and Foods Group	0.0768	0.0858	0.0828	
Ingredients Group	2.6778	2.5659	2.4684	
Fruit Group	0.1344	0.1468	0.1645	

SunOpta's CO2e Production Efficiency (Gallons)				
CO2e Tonnes / Thousand Gallons	2008	2009	2010	
Aseptic Facilities	0.30	0.38	0.42	



Greenhouse Gas Emissions Map



**GHG Scope Definition**

- Scope 1:** Direct GHG Emissions: GHG Emissions coming directly from SunOpta owned or controlled assets.
- Scope 2:** Energy Indirect GHG Emissions: Indirect GHG Emissions resulting from the generation of imported electricity, heat or steam consumed by SunOpta.
- Scope 3:** Other Indirect Emissions: Indirect GHG emissions other than Energy Indirect Emissions, resulting from the operation of SunOpta business units and its supply chain.



## ENERGY

Energy waste results from using excessive amounts of energy supplied by sources that have a negative environmental impact. SunOpta is working to minimize energy use across all of our facilities and moving towards self-harvested renewable energy where we will harvest energy for free from sources that have no negative impact on the environment.

At SunOpta, energy use accounts for a significant portion of our carbon footprint, providing one of the largest opportunities for improvement. Across all of our facilities reducing energy consumption is one of the most meaningful measures we can immediately take to reduce our footprint while adding value for our shareholders.

With an eye on renewable energy, we are currently implementing energy best practices across our facilities. The focus is on energy conservation, management and the use of energy efficient technologies.

One of the SunOpta Fruit Group divisions, Pacific Fruit Processors (PFP), located in Southgate, California, has completed several projects to improve productivity while reducing the amount of energy used. Conservation related to electricity usage in the plant has resulted in a savings of approximately 146,000 kWh. This is equivalent to taking ten average sized homes off the grid for one year. PFP has also been working with Parallel Products, North America's leader in unsellable beverage destruction and recycling, since February 2004 to convert liquid waste into fuel grade ethanol. Since this partnership began, approximately 10.5 million pounds of liquid waste, or 2.1 million pounds of sugar solids, have been converted into fuel grade ethanol.



### 2012 SUNOPTA ENVIRONMENTAL STEWARDSHIP ENERGY GOAL:

- Perform energy audits on all SunOpta-owned facilities.
- Set energy reduction and renewable energy targets by end of 2012.





## WATER

Water waste comes from using excessive amounts of water and having to pay a third party to transport it into our facilities and pay them again to take it away and clean it for us. We are focused on minimizing the amount of water used within our facilities and moving towards a closed-loop system where we can clean our own water and use it over and over again.

As a major manufacturer and processor of natural and organic foods and beverages, we are a major user of water. While we cannot reduce the amount of water that goes into our products, we can reduce the amount of water that is used for sanitation and processing.

Over the past three years, our conservation initiatives have resulted in a total savings of over 85,000,000 gallons of water, equivalent to the amount of water needed to fill 1,700,000 standard home bathtubs.

Our Cambridge Minnesota facility received the Minnesota State and also the Midwest Central States Water Environment Association's Industrial Environmental Achievement Award. This award is given to one industry player per year in recognition of outstanding achievements.



### SunOpta CEO Water Mandate Founding Signatory

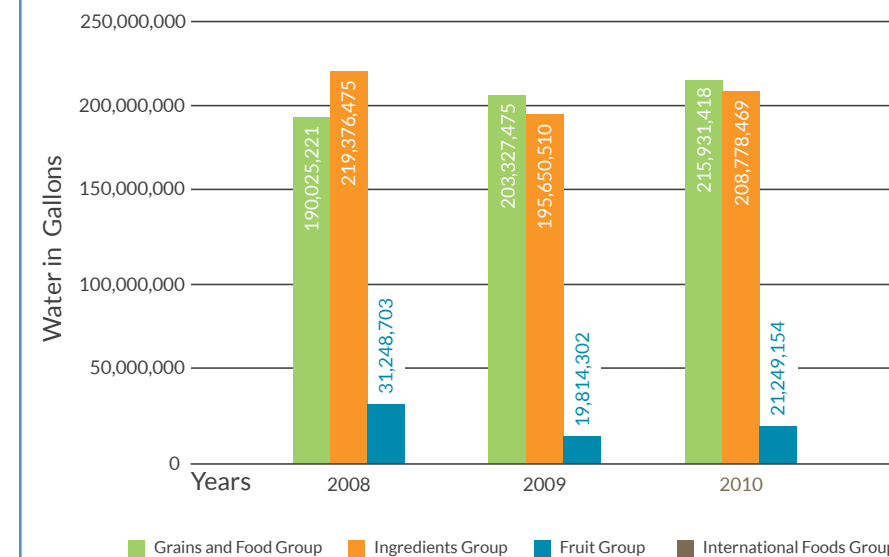
We recognize that water is one of the most important resources to both the planet and our business. We solidified our commitment to conserve this precious resource when we signed on as a one of the ten founding signatories of the UN CEO Water Mandate. This public-private initiative is designed to assist companies in the development, implementation and disclosure of water sustainability policies and practices.



### 2012 SUNOPTA ENVIRONMENTAL STEWARDSHIP WATER GOAL:

- Reduce the overall water usage intensity of our operations by 20% by 2020 as compared to our 2008 baseline.

### SunOpta's Total Water Use



### SunOpta's Water Efficiency Usage by Group

Water (1000's gal) / Production Tonnes	2008	2009	2010
Grains and Foods Group	0.3162	0.3113	0.2370
Ingredients Group	7.9934	7.2912	6.8638
Fruit Group	0.6642	0.4752	0.5535

Water (1000's gal) / Production (1000's gal)	2008	2009	2010
Alex and Modesto	1.77	2.13	2.56

### SunOpta's Water Sources

Water / Gallons	2008	2009	2010
Ground Water	82,065,226	81,100,226	73,701,403
Municipal Water	347,876,345	327,334,009	363,870,741



## MATERIALS

Material waste comes from a global design flaw where virgin raw materials are designed to end up in the landfill. We are working to minimize the amount of materials we use in the first place and moving towards a cradle-to-cradle model where the materials we do use flow in a closed-loop system. In doing this, materials will come from recycled or renewable materials and can either be recycled, re-used or composted at the end of their life.

One of our biggest sources of material waste comes from the packaging of our incoming raw materials and our outgoing finished goods. Currently our efforts are focused on minimizing the amount of packaging coming into our facility and materials we use to package our products while increasing the use of recycled and recyclable materials. We are making strides in moving towards our goal of closing the materials loop while continuing to ensure a high degree of food safety.

### Cedar Rapids' Filter Bag Reduction

An initiative at our Cedar Rapids Fiber facility identified that the disposable filter bags used during our drying process were utilizing excessive amounts of filters and generating large amounts of waste that ended up in the landfill. The continued focus of the local operations team identified a reusable teflon filter that dramatically reduces the amount of waste generated by the process. This innovation realized an environmental benefit and a cost savings of \$425,500 for the year. This continues to reinforce the positive relationship between sustainability and profitability.



### 2012 SUNOPTA ENVIRONMENTAL STEWARDSHIP MATERIALS GOAL:

- Develop a complete packaging inventory to set a packaging reduction target

### South Gate's Landfill Reduction

SunOpta's facility in South Gate, California purchased approximately 300 reusable stainless steel totes in 2011, to carry bulk fruit prep back and forth to customers. These containers were purchased to replace one-way disposable plastic bags in box cartons. Each tote will eliminate 3,200 bags and boxes from the landfill, plus reduce the need of 80 wooden pallets over its projected ten-year life span. In total, the 300 totes will eliminate 960,000 plastic bags and boxes from the landfill and reduce the need for 24,000 totes over the projected lifespan. The residual fruit returned in each tote is recycled at a local ethanol plant. This system represents a closed loop cycle that eliminates 100% of the waste from the landfill—investment of \$750,000

### Little Things Make a Big Difference

Some of the things we are doing to reduce material waste at our company include:

- Re-using pallets to transport goods between facilities and to our customers;
- Re-using Super Sack bags by using food grade liners in the bags;
- Recycling super sacks that can no longer be used;
- Purchasing greener office supplies; and
- Switching to Forest Stewardship Council certified paper and cardboard.





## GARBAGE

Garbage waste comes from the fact that we pay for things that we are only going to throw “away” and then we pay again to have it taken to a landfill. We are working to divert our garbage from landfills and incineration with the ultimate goal of continuously driving lower the amount of garbage that we generate.

At our fruit bar plant in Omak, Washington, a partnership was formed with Washington State University in support of our Lean and Green initiatives. This project identified a number of opportunities to decrease the amount of waste going to landfill. One of the opportunities implemented has eliminated 52,000 plastic bags per year. The Omak facility is now operating at a 97% diversion rate from landfill.

**Minimizing Waste Generation**

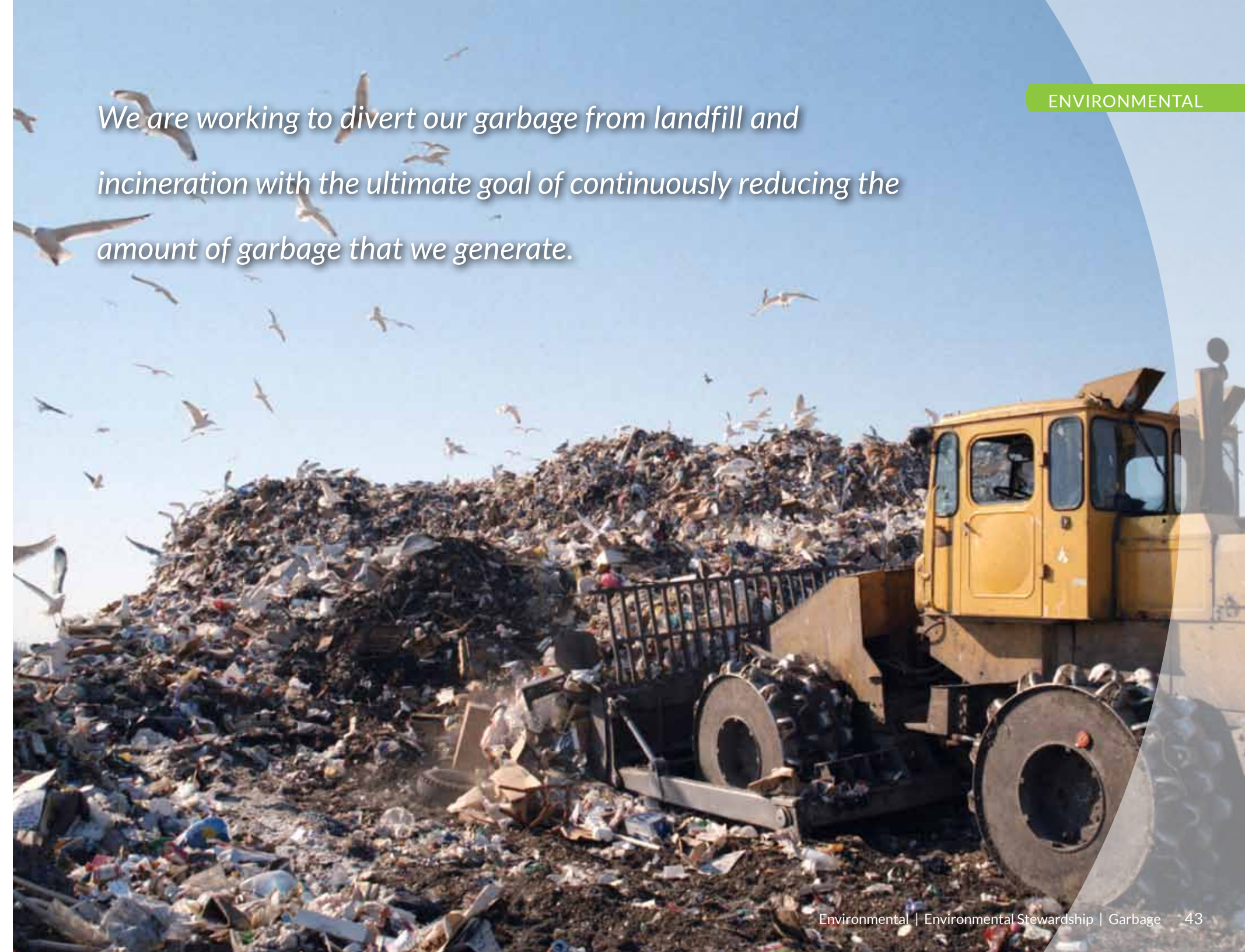
Going beyond traditional recycling initiatives, our facilities are finding innovative ways to minimize the generation of waste and keep remaining waste out of landfills. Some of the things we are doing include:

- Working with suppliers to reduce packaging on incoming materials;
- Utilizing re-usable shipping containers wherever possible;
- Converting non-recyclable packaging materials over to recyclable materials; and
- Eliminating disposable food and beverage containers in break and lunch rooms.




**2012 SUNOPTA ENVIRONMENTAL STEWARDSHIP WASTE GOAL:**

- 90% diversion from landfill at all of SunOpta facilities by 2020



*We are working to divert our garbage from landfill and incineration with the ultimate goal of continuously reducing the amount of garbage that we generate.*



## TRANSPORTATION

Like many of the other green wastes, transportation waste results from using excessive amounts of transportation that is powered by fossil fuels. We are focusing on minimizing the amount of transportation required and moving towards environmentally friendlier forms of transportation and offsetting our current impact.

### Minimizing Transportation Waste

We have identified and implemented a number of initiatives to minimize transportation waste, including:

- Consolidating shipments from suppliers;
- Optimizing the packing of trucks and containers;
- Sourcing from local suppliers whenever possible;
- Developing relationships with progressive, environmentally conscious freight providers; and
- Encouraging employees to carpool and use public transit.

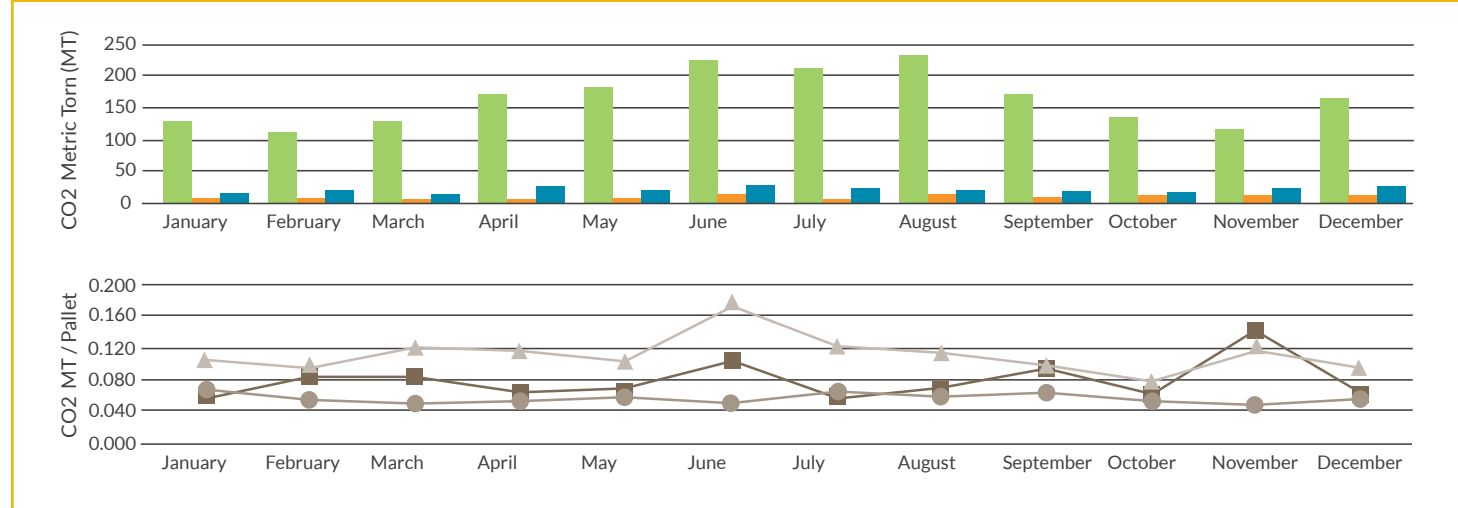
### SunOpta's C.H. Robinson and Trees Ontario Tree Planting Partnership

In April 2009, Tradin USA and Food Solutions, divisions of SunOpta approached C.H. Robinson, our logistics provider, to formulate a strategy for minimizing the environmental impact of CO2 emissions via over-the-road freight transportation. The C.H. Robinson London, Ontario team took a unique approach, engaging Trees Ontario to establish a carbon offset tree-planting program on behalf of our company. The strategy was to plant one tree in Ontario, Canada, the location of SunOpta's corporate office, for every shipment of SunOpta products. The planted trees live 125 years on average and offset 19 metric tons of CO2 annually per hectare.

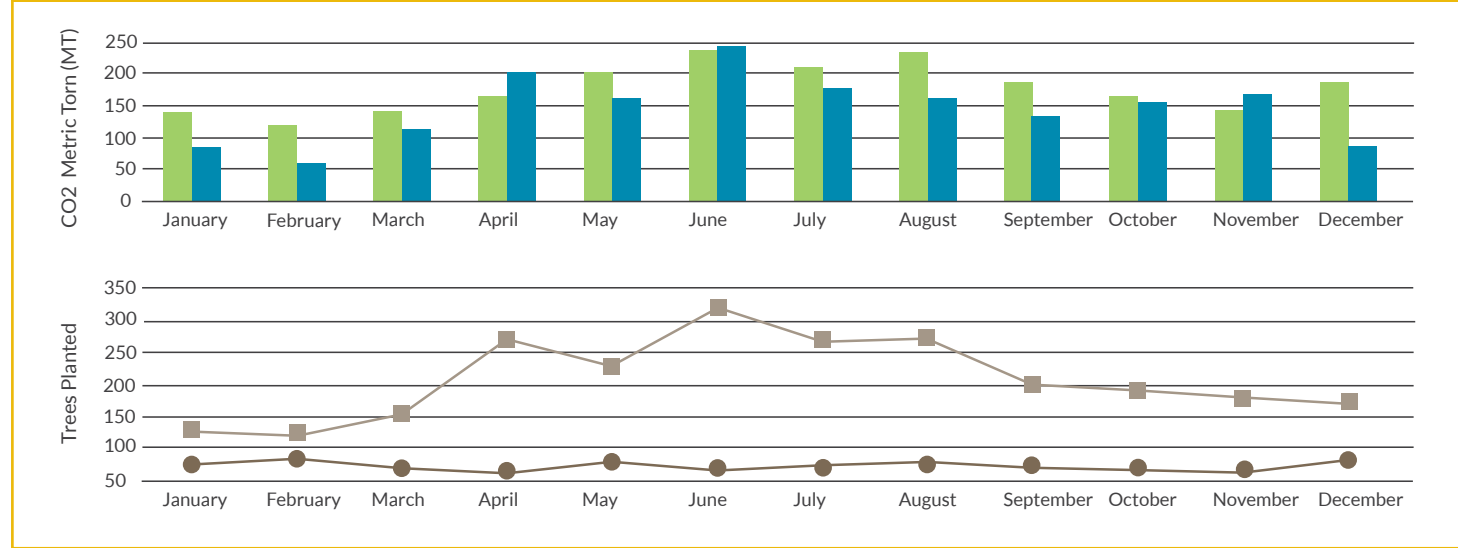
In 2010, C.H. Robinson London, Ontario planted 2,516 trees on SunOpta's behalf. This equates to a CO2 offset of 3,800 metric tons over the life of the trees. As a result of the efforts put towards this program, all of the SunOpta/C.H. Robinson freight CO2 emissions in 2010 will be offset during the life of the planted trees.

### SunOpta's C.H. Robinson and Trees Ontario Tree Planting Partnership

Carbon Footprint By Mode – Consolidated data for Tradin USA and Food Solutions



Tree Planting Carbon Offset – Consolidated data for Tradin USA and Food Solutions







## BIODIVERSITY

Biodiversity waste results from irresponsible and negligent practices that cause destruction to the natural environment. We are focusing our efforts to eliminate biodiversity waste through the support of sustainable agriculture practices.

As a leader in the natural and organic food market, we rely heavily on the natural environment to provide a sustainable supply of resources to our operations. While the destruction of biodiversity within the natural environment can come from many things, one of the biggest impacts we have on biodiversity comes indirectly from the consumption of agricultural products.

Sustainable agriculture is essentially about meeting the agricultural needs of the present without compromising the ability of future generations to meet their own agricultural needs by eliminating the biodiversity waste that results from traditional agricultural practices. At SunOpta, we are in a unique position to drive forward sustainable agriculture due to our vertical integration in the agricultural market.

One way that we are promoting sustainable agricultural practices is through our direct support of North American soybean growers committed to environmentally-sound farming practices. We work directly with farmers to offer them premium pricing contracts for their non-genetically modified (GMO) and organic soybeans, which are used in our soymilk production. We control every step of the soymilk process by operating a vertically-integrated business model, from planting soybeans to the finished product. This allows us more control over the long-term environmental sustainability of soymilk production and processing. In total, we have contracts with over 3,000 Certified Organic farmers who grow a variety of crops.

### SunOpta's Traceability Integrity Program

In order for our customers to be assured they will reap the benefits of a specialized crop or product, valuable traits in specialized crops must be measured and tracked. This is why our Grains and Foods Group uses a Traceability Integrity Program (TIP); so that they can trace a specific variety or type of grain to its origin for full seed-to-table vertical integration. The TIP process works to ensure the purity of a crop is maintained through supply chain so that the end user receives the desired characteristics for their crop varietal or trait. It allows for traceability, quality, control and more marketability and safety, which in turn results in high quality, non-GMO seed selection that is environmentally sustainable.

*By eliminating the biodiversity waste that results from traditional agricultural practices, we give future generations the ability to meet their own agricultural needs.*



**Sustainable Profit:**  
*Growing profits steadily and predictably*

We believe that doing what is right for our people, planet, customers, suppliers and other stakeholders will also generate superior returns for our shareholders. Our vision is to be the recognized global leader in natural and organic food products that drive sustainable well-being. Our commitment to CI will not only reduce our environmental impact but also reduce costs and improve profits. Although we are still early in our journey, numerous CI initiatives have already resulted in significant savings.

**Continuous Improvement: Driving Profitability Through the Elimination of Waste**

The SunOpta Way philosophy is providing us with a standard approach to build a sustainable organization that will generate growing profits and return on assets employed steadily and predictably for our company while having a positive impact on our people and the planet.

In alignment with the SunOpta Way, we are making good progress in our objective to create a sustainable organization. We continue to invest in our people and processes with a focus on innovation, category management, cost control, productivity improvements and improved asset utilization. These efforts are now showing their benefits.

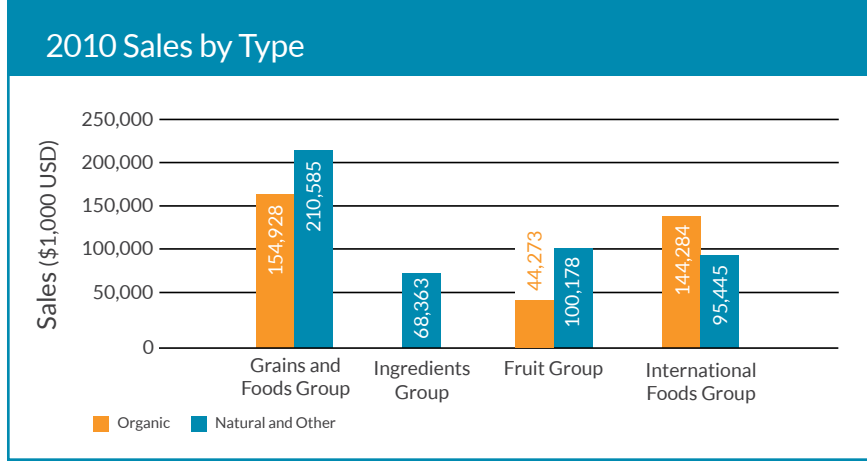


We are seeing increasing results from this extensive training and process re-engineering and the benefits are now being realized. We set out in 2009 with the goal of generating \$10 million in annualized operating improvements from this initiative launch and have since realized a cumulative benefit of approximately \$22 million in cost improvements.

As our results demonstrate, we are making solid progress and are optimistic about our future prospects. We are well positioned for continued growth opportunities. Our goals for 2011 and beyond remain focused on building a profitable, sustainable and growth-oriented global natural and organic foods business

**SunOpta’s Organic and Natural Foods Focus**

We encourage and promote organic agriculture farming methods as a holistic system with the primary goal of optimizing the health and productivity of



interdependent communities of soil life, plants, animals and people. Management practices are carefully selected with the intention of restoring and maintaining the ecological harmony of a farm, its surroundings and, ultimately, the whole planetary ecosystem.

We view the land as a fragile and living medium that must be protected and nurtured to ensure its long-term productivity and stability.

We remain focused on our purpose to produce and distribute “good for you,” healthy, natural, organic and specialty food products that benefit the health of our consumers and sustain the integrity of the earth.

**In Summary**

In summary of our report, we are satisfied with our progress to date, but acknowledge that we have a long way to go to become a sustainable organization. As we have done so with this report, we will use our future reports to communicate our progress towards operating more sustainably. Our commitment to our stakeholders is to issue an annual report that details our progress on our goals, and to highlight new projects, new goals, new challenges and new achievements. We look forward to sharing this new information with you.

# The SunOpta Process

The production and distribution of healthy, “good for you” foods





2838 Bovaird Drive West  
Brampton, Ontario,  
Canada L7A 0H2  
ph: (905) 455 2528  
fx: (905) 455 2529  
[www.sunopta.com](http://www.sunopta.com)