

SunOpta™

bringing well-being to life



# Corporate Social Responsibility

Progress Report 2013

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







# Welcome to our 2013 Progress Report

Sustainability at SunOpta is driven by our commitment to the health and well-being of our people, customers, communities and the environment.

This report provides an update on our progress since our last CSR report published in December 2012.

Over the past two years, we have made substantial strides on many fronts and created measurable targets to track improvements on each engagement priority. In this report we present a review of our efforts and the progress we are making toward becoming an increasingly sustainable organization.

In an effort to publish timely information related to our sustainability performance, we are transitioning our annual Corporate Social Responsibility reporting timeframe from December to June of each year. We published our last report in December 2012 and will file our next full report in June 2014. In the interim, we have published this Progress Report to provide an update on our sustainability efforts.

While we are proud of our achievements, we know that there is always room for improvement.

Please read on to find out more about our progress and the focus that we fully expect will result in achieving sustainable prosperity.



**Steve Bromley**  
Chief Executive Officer

**Rik Jacobs**  
President and Chief Operating Officer

At SunOpta we continue to build a profitable, sustainable and growth oriented natural and organic foods business that we are confident will lead to the achievement of economic, environmental and social sustainability.

# About SunOpta

At SunOpta, we take great pride in “Bringing Well-Being to Life” through our commitment to the health and well-being of our people, partners, community and environment.

It is through this commitment that we have grown to become a global leader in natural and organic foods.

Our expertise is in the sourcing, processing and packaging of natural, healthy and organic foods that complement healthy living and healthy eating. We have leveraged these “field to table” capabilities to build a customer-focused organization that delivers benefits for our customers, our employees, the planet, our communities as well as our investors.

For more information about our organization, please visit our website at: [www.sunopta.com](http://www.sunopta.com)



## Extensive Global Capabilities

**\$** 2012 REVENUES\*: **1.091 Billion**

**PUBLICLY HELD**  
NASDAQ-STKL | TSX - SOY

**EMPLOYEES\***  
**1,830**

**HEADQUARTERS**  
BRAMPTON, ONTARIO, CANADA

**CURRENTLY DO BUSINESS IN OVER 60 COUNTRIES**



**MANUFACTURING AND PROCESSING: 31** | **OTHER: 16**

**NORTH AMERICA: 40**  
**AFRICA: 3**

**EUROPE: 3**  
**ASIA: 1**

\* INCLUDES OPTA MINERALS OPERATIONS

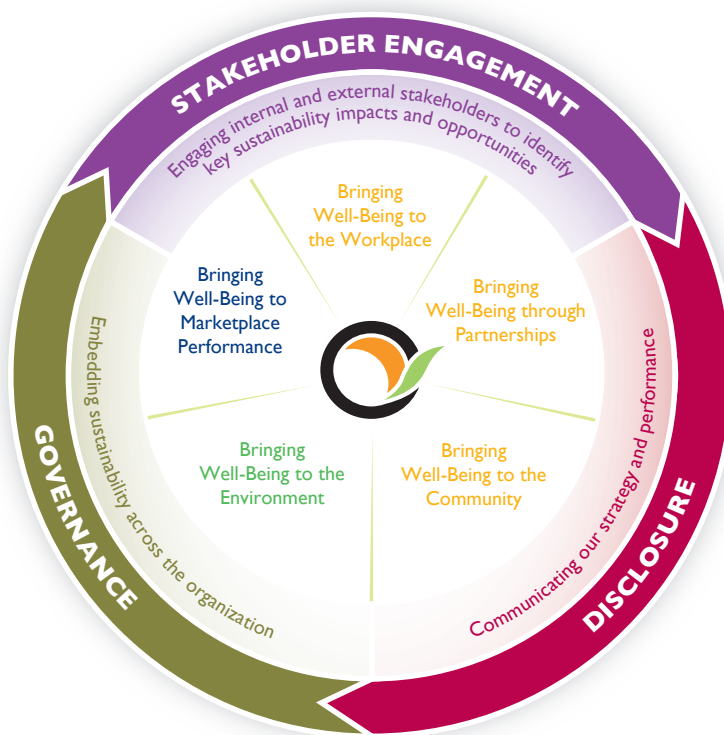
# Our Approach

At SunOpta, we have long recognized what is good for the environment and society, is also good for our business.

We are committed to effectively managing our social, environmental and economic capital to accelerate our journey towards becoming a sustainable organization. Our approach is based on the following framework:

## Our approach to Sustainability

-  Communicate and engage with our key stakeholders to better understand our performance in the global context in which we operate.
-  Have a clear vision and objectives to guide us on our journey.
-  Cascading Key Performance Indicators (KPIs) and Metrics to measure progress towards the vision and objectives.
-  Set goals and make commitments to improve the KPIs and Metrics.
-  Measure, monitor and build accountability to these goals and commitments.
-  Provide support and resources needed to achieve these goals and commitments.
-  Continually improve our approach and framework to ensure performance is in line with stakeholder expectations on our journey towards becoming a Sustainable Organization.



# About This Report

In the interest of our stakeholders and in an effort to publish meaningful and timely information related to our sustainability performance, we are transitioning our reporting timeframe.

Historically, we have released our annual CSR report in December. Moving forward, we will be publishing our annual report in June. This change will enable timely reporting of our most current environmental performance and our progress towards our overall sustainability goals. To facilitate the transition of our reporting we have published this Progress Report to provide an update on our progress towards our 2013 goals. This report covers performance related to all of our food operations but does not provide information related to non-core operations including our 66.1% investment in Opta Minerals and our minority investment in Mascoma Corporation.

**Note:**  
 All 2013 year-to-date information is as of July 31, 2013.  
 All info-graphics relating to our goal performance are visual representations of progress and are not to exact scale.  
 Tonnes expressed in this report are in metric units.



# Bringing Well-Being to the Workplace

## Our Vision: Developing Long-Lasting Careers for Our Employees

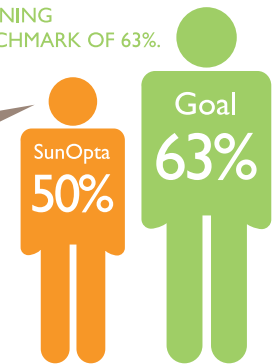
We strive to foster a safe, engaged and agile workplace in which our employees can have a long and successful career. We continue to invest in our employees' health & wellness, and best-in-class safety programs, engagement and volunteerism.

In 2012, we set a target to develop measurements and goals to move towards world class organizational engagement. We have achieved our target and selected an Employee Engagement Score as our organizational measurement. This metric is designed to measure the amount of commitment, discretionary effort and intent to stay the employees' exhibit. Further, the index metrics help us identify areas of strength and areas for improvement across the entire organization.

## Employee Engagement Score

WE HAVE SET A GOAL OF ATTAINING THE ENGAGEMENT SCORE BENCHMARK OF 63%.

Communication  
Safety Environment  
Discretionary Effort  
Intent to Stay  
Customer Service  
Work Environment  
Compensation & Rewards  
Leadership



WE ARE INTRODUCING INITIATIVES ACROSS THE COMPANY TO ENGAGE OUR EMPLOYEES

Based on the results from our survey, we established employee focus groups to address 'Recognition & Rewards' and 'Communications' gaps which were identified by our employees..

Our focus groups generated many ideas and suggestions and as a result we developed action plans to improve our performance. Three initiatives were identified to improve communication, recognition and rewards.

### Our Top 3 Initiatives for Recognizing and Rewarding Employees

- 1. 'Way to Go' Card** - A brief note available to all employees recognizing an accomplishment of another colleague or team.
- 2. Service Recognition Awards** - Recognizing the long-term dedication and commitment of our employees.
- 3. SunOpta Store** - SunOpta branded items will be available in an online store to reward employees and also available for purchase.

### Our Top 3 Initiatives for Listening to Our Employees and Sharing Information

- 1. Monthly Town Hall Meetings** with employees at each site to share information.
- 2. Employee Forums** - monthly employee meetings at each site to gather suggestions and establish an ongoing feedback process on actions taken, ideas under review and reasons for decisions.
- 3. Daily Stand-Up Meetings** before each shift to engage employees, discuss the work at hand for the day, safety, and general information.





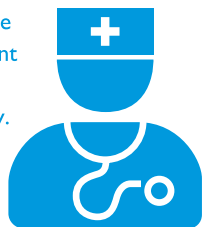
## Our Employee Wellness Initiative was launched in 2012.

The purpose of this program is to improve employee health and awareness by offering interactive and personalized wellness programs that make it easy for employees to live

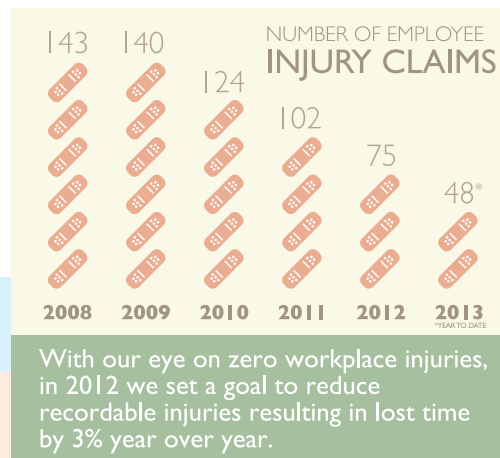
their healthiest lifestyle. We encourage our employees to take a personalized health risk assessment. With our partner, *Vitality*, employees are able to complete their online health risk assessment, select and set personalized health and fitness goals, complete activities and track progress, and achieve goals and rewards.

## Health & Safety EMPLOYEE SAFETY IS A TOP PRIORITY.

We work hard to ensure that the systems, processes and equipment are in place to enable our employees to do their jobs safely. Our established strong safety performance continues to improve year over year.



**IN 2012**  
**70%**  
OF OUR FULLTIME U.S. EMPLOYEES TOOK A VOLUNTARY HEALTH RISK ASSESSMENT



**26%** IMPROVEMENT IN TOTAL EMPLOYEE INJURY CLAIMS IN 2012 FROM 2011

**52%** REDUCTION IN LOST WORK DAYS DUE TO ILLNESS OR INJURY IN 2012 FROM 2011

## Employee Volunteerism Program

We are very proud that our employees generously give their time and energy to support organizations and activities committed to community development, social and environmental responsibility.

In 2012 we launched an employee volunteerism program across the company. Employees are compensated for up to three days to volunteer during regular work hours at an approved organization or event. We were pleased with the

initial participation in the program and have set a goal to double the amount of volunteerism days across the company in 2013. Below is an update on our progress:

**2012** 10 days - Employee donated time to serve their communities

**2013<sup>YTD</sup>** 27 days - Employee donated time to serve their communities

Brandie Streiff from our Breckenridge facility has volunteered with Junior Achievement (JA) for the past 15 years.



JA is a volunteer-driven program dedicated to educating students about workforce readiness, entrepreneurship and financial literacy. Brandie has taught students from kindergarten to 7th graders, making five 1 hour visits each week. Brandie enjoys volunteering for JA because she feels it is important to educate students at a young age, on topics that aren't part of the curriculum. She feels it helps them to be fiscally responsible members of society. When learning about careers, they are able to learn about what is needed in order to have that job and this often sends the message to stay in school and study hard!

# Bringing Well-Being through Partnerships

## Our vision: Developing Long-Lasting Relationships with our Partners

We recognize the significant role our partners play in our journey towards Sustainability. For this reason, we are focused on building a sustainable value chain based on lasting relationships with our partners including suppliers, customers and other key stakeholders.

In 2012, we set a short-term goal to implement customer loyalty tracking as well as develop customer satisfaction measurements and goals to move towards a world-class, customer-centric organization.

We are well on our way to achieving this goal and pleased to share an overview of our approach for a new, robust customer listening program, customer loyalty measurement and tracking process.



SunOpta is committed to providing our customers with world class products, services and support.

Listening to our customer's feedback is important to us. As part of this initiative, we have launched Customer Perspective, a companywide program designed to provide insight into how customers view their relationship with SunOpta, and keep our employees aware of SunOpta's ongoing customer initiatives.

## PROMOTING FAIRTRADE PROGRAMS FAIRTRADE INTERNATIONAL



SunOpta actively promotes fair trade programs through our partnership with the TransFair and Fairtrade Labelling Organizations to support community development and ensure fair financial returns to growers. Since 2009, SunOpta purchased



**12,266** metric tons  
of certified fair trade organic sugar, cocoa, agave and grains



providing over  
**USD \$2.1** million  
in premiums to farmers  
involved in fair trade programs

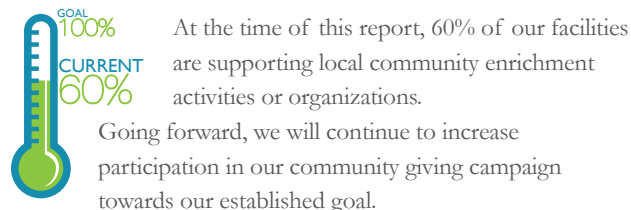


# Bringing Well-Being to the Community

## Our Vision: Enriching the Communities in Which We Operate

We maintain a strong focus on enriching the communities where we operate and where our employees live and work. Our commitment to communities begins with supporting local organizations or activities through direct giving and volunteering. We build relationships with local groups that make a positive contribution to the community and that are aligned with our core values of health and well-being.

In 2012, we committed to support a local charitable activity or organization in every community where we operate. We are encouraged by the continued enthusiasm of our people to support local communities.



Given our passion for healthy foods, many of our facilities are supporting local community food banks that provide nutritious foods to people in need.

OVER THE PAST  
**5 YEARS,**  
SUNOPTA HAS  
DONATED OVER



TO HUNGER RELATED ORGANIZATIONS.

## Fighting Hunger

SunOpta donated aseptic beverages, snack items and other products to Second Harvest. Second Harvest is a relief charity which distributes to needy food shelves. SunOpta was recognized as one of Second Harvest's top donors in 2012.



Here is Linda Wayne, Customer Service for SunOpta shown with CEO and COO of Second Harvest, Robert Zeaske and Bob Chatmas.

In early 2013, a Breckenridge Elementary School was raising money to purchase an iPad for their students.

Daniel Max Roberts from our Breckenridge Sunflower facility heard of this fundraiser. Daniel initiated the donation of an iPad to the school on behalf of SunOpta. The children were so grateful to receive the iPad that they wrote letters to SunOpta to say thank you. This is one of many spontaneous acts of giving by our employees that help to enrich the communities where we operate.



## OneProsper Update



OneProsper is an organization dedicated to reducing the number of malnourished children in India. Money is raised to provide farmers with drip irrigation kits to help farmers to work more productively and profitably. With the help of our Brampton office sponsorship in December 2012, OneProsper was able to provide Rajendra Komandla with his drip irrigation kit. Using this kit, Rajendra was able to double his crop production and reduce the cost of fertilizer by using organic growing practices. A second farmer, Jaipal Anumandla (pictured left) received his drip irrigation kit in March through the generous support of our Brampton employees and has since been able to water 1.25 acres of his land to sow groundnut.

# Bringing Well-Being to the Environment

## Our Vision: Becoming a Restorative Organization

At SunOpta, we have long understood the link between environmental and business performance. Reducing environmental impact across our entire value chain is central to becoming a sustainable organization. Building on the re-organization of our environmental platform in 2012, we remain committed to minimizing the environmental impacts of our operations from ‘field to table’.

### Carbon

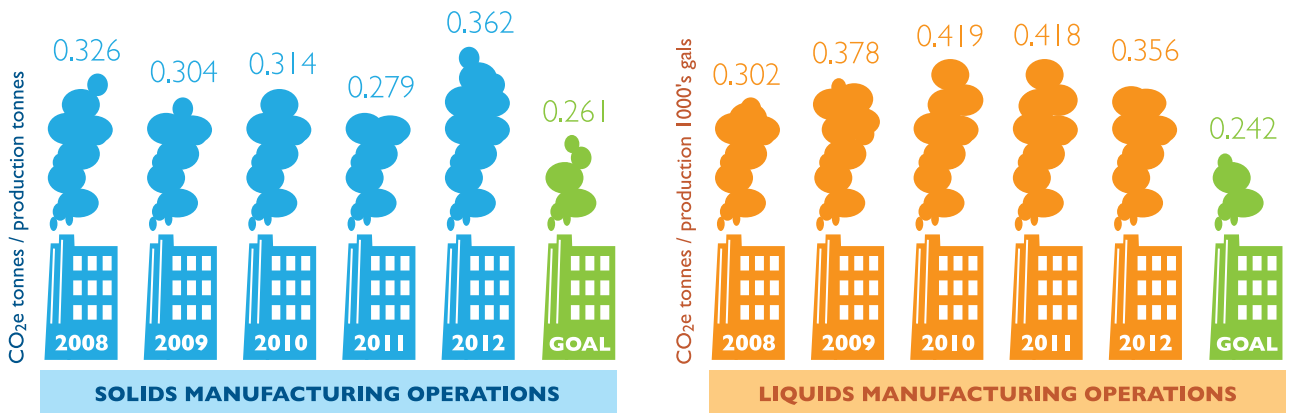
We continue to work towards our 2020 goal of reducing carbon intensity 20% vs our 2008 baseline.

In 2012, our intensity performance improved for our fluids ‘liquids’ manufacturing operations due to energy conservation initiatives and slightly increased production levels. The performance of our dry goods ‘solids’ manufacturing operations regressed slightly, primarily due to reduced product volumes. Our absolute CO<sub>2</sub>e emissions decreased in 2012.

## SunOpta’s CO<sub>2</sub>e Emissions by Year



## SunOpta’s CO<sub>2</sub>e Intensity by Year



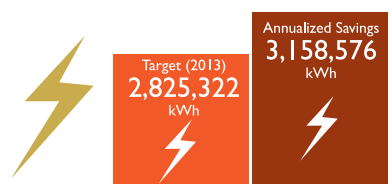


## We continue to identify and implement carbon reduction initiatives across the organization.

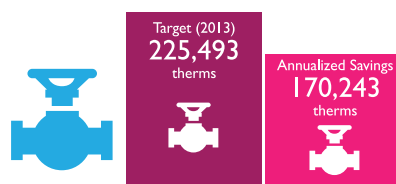
To support our 2020 Goal, we are targeting a 3% annual intensity reduction driven by 3% annualized absolute reductions for electricity and natural gas usage. Given the complexities involved with rate based metrics and goals, the focus on implementing 3% annualized absolute reductions should lead to reductions required to achieve the 3% intensity reduction.

To date, the projected combined annualized savings from electricity and natural gas reductions in 2013 are on target to achieve the annualized 3% CO<sub>2</sub>e reduction.

### ELECTRICITY PROJECT SAVINGS



### NATURAL GAS PROJECT SAVINGS



Our total annualized energy savings for initiatives planned in 2013 is equivalent to unplugging

**469 HOMES**  
from the electrical grid

Based on the reduction initiatives implemented throughout 2012 and into 2013 combined with increased production levels, our carbon intensities for both liquids and solids are trending favourably towards our target of a 3% intensity reduction for this year.

## SunOpta Alexandria 2012 Energy Projects

In 2012, our Alexandria ingredients plant completed three energy conservation projects realizing enough electricity savings to unplug 58 homes from the grid and enough natural gas savings to heat 30 Minnesota homes for one year. The first project reclaimed waste heat to increase the temperature of incoming process water, saving over 3000 dekatherms of natural gas per year. The second project involved upgrading the insulation for a large ice bank unit, saving over 125,000 kWh per year. The third project relocated a chiller and cooler closer to the process load eliminating 1000 feet of process piping and improved insulation on remaining piping to realize over 540,000 kWh of electricity annually.

The electricity savings from these projects is equivalent to unplugging

**58 homes**  
from the electrical grid

The natural gas savings from these projects is equivalent to heating

**30 homes**  
in Minnesota

## SunOpta's Tree Planting Partnership

Since April 2009, we have partnered with C.H. Robinson and Trees Ontario to reduce the environmental impact resulting from the transport of our products. This partnership program plants one tree for every SunOpta / C.H. Robinson shipment.



THIS IS EQUIVALENT TO UNPLUGGING **2,578 HOMES** FROM THE ELECTRICAL GRID.



THIS IS EQUIVALENT TO REMOVING **3,588 PASSENGER CARS** OFF THE ROAD.



THIS IS EQUIVALENT TO THE CO<sub>2</sub> EMISSIONS FROM **40,051 BARRELS** OF OIL



THIS IS EQUIVALENT TO A CO<sub>2</sub> OFFSET OF **17,222 METRIC TONS** OVER THE LIFE OF THE TREES.



**SINCE 2010, 11,440 TREES HAVE BEEN PLANTED.**

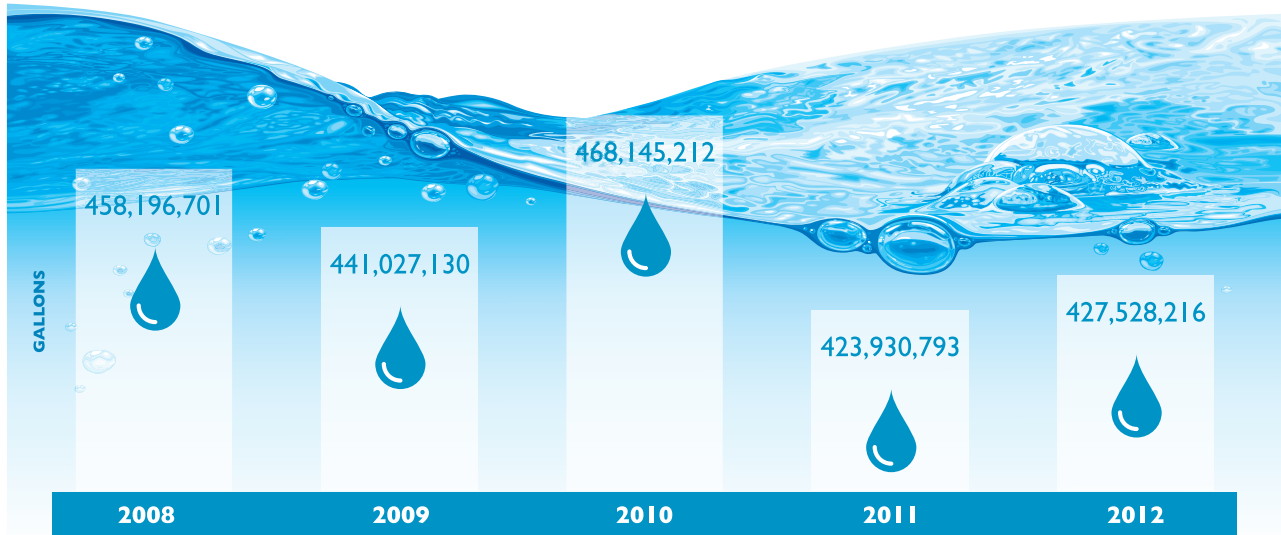
## Water Stewardship

We continue to be committed to preserving the precious resource of water.

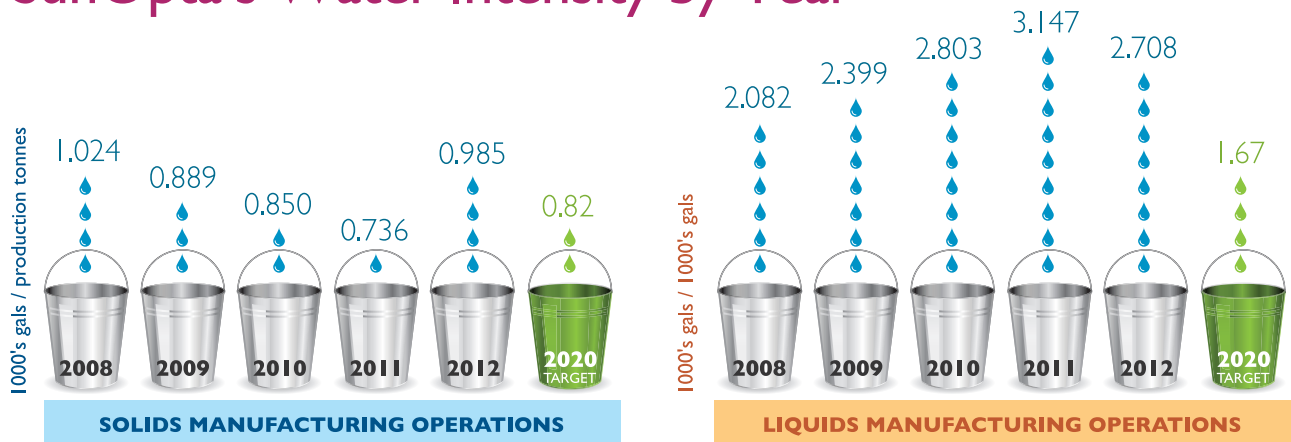
To support this commitment, we became a founding signatory of the UN CEO Water Mandate and have set a long term goal of reducing our water use intensity 20% by 2020 vs 2008 baseline. To keep us on track towards our long term goal, we are targeting a 3% annual reduction of water use intensity.

Last year, we reported our 2011 performance was tracking well towards our 2020 goal, particularly for our dry goods 'solids' manufacturing operations. The challenge with intensity based goals is managing performance through swings in production levels. Case in point, our 2012 intensity based performance for dry goods 'solids' manufacturing operations digressed due to reduced volumes while our fluids 'liquids' manufacturing operations performance improved due partly to increased volumes combined with water conservation initiatives. Our absolute usage remained stable.

## SunOpta's Water Use by Year



## SunOpta's Water Intensity by Year



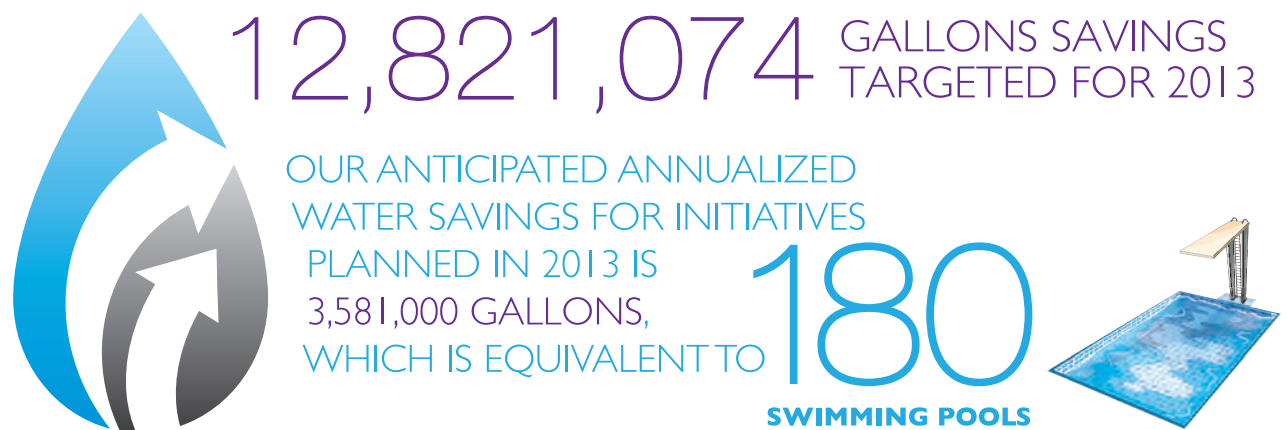


Given our strong history of water conservation, it is increasingly challenging to realize further reductions. However, we are committed to our 2020 goal through an annual 3% intensity reduction driven by a 3% annualized absolute reduction.

To achieve this we will continue to track water usage in each of our production facilities. We are continually striving to identify and implement water savings projects.

To date, the projected annualized savings from water conservation initiatives in 2013 are trending below our reduction target but we remain dedicated to achieving our long- term goal.

## Water Project Savings



Our water intensities for both liquids and solids manufacturing operations are trending favorably towards our target of a 3% intensity reduction for this year. This is attributable to water

reduction initiatives implemented throughout 2012 and 2013 combined with increased production levels

### Alexandria Ingredients Facility



A combined energy and water savings project at our Alexandria ingredients facility entailed the installation of a heat exchanger and condensate return pump. This will result in an annual savings of approximately 200,000 gallons of water.



## Waste Management

In support of our long term goal of 90% waste diversion from landfill at all our facilities by 2020, we set a goal to develop a solid waste baseline by the end of 2013.

We are pleased to report this waste baseline has been completed. We are well on our way to achieving our waste diversion goal with 7 facilities close to or having already attained 90% waste diversion from landfill status. We will use this baseline information to support our remaining facilities on the journey towards zero waste.



## Packaging

We are progressing with our efforts to improve the sustainability of our packaging.

A number of projects are currently underway with additional opportunities being investigated. Here are a few highlights of our efforts in this area over the last year:

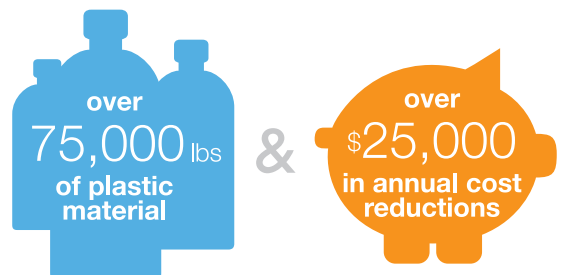
Aligned with our efforts to reduce the environmental impacts caused by our packaging, we developed a solution for reducing the weight of a container label.

By simply reducing the thickness of the label, we realized a reduction of:



Working closely with a supplier we redesigned one of our PET bottles used for co-packer production.

The new design reduced the weight of the bottle realizing a savings of:





## Sustainable Agriculture

As one of North America’s largest natural, organic and healthy foods companies, agriculture contributes significantly to our overall environmental footprint.

We encourage and promote organic farming methods, which optimizes the health and productivity of soil life and plants. We also recognize that sustainable agriculture is much broader than organic farming. As part of our commitment to environmental stewardship, we are continually looking at ways to support sustainable agriculture and over the past year have been particularly focused on the area of deforestation.



We are committed to doing our part to address the critical global challenges of deforestation. The standards and practices followed by our suppliers can positively or negatively impact the forests through expansion of agriculture into forested areas.

Our ambition is to ensure the sourcing of raw materials does not result in deforestation. By working with our suppliers we can help them become responsible stewards of forests and forested areas from which they are sourcing materials. As part of our commitment to Forest Stewardship, we have established a deforestation policy that guides our management and governance of deforestation related issues. We will work with supplier partners to strive towards having raw materials sourced from forests and forested landscapes that:

- Have not led or will not lead to deforestation
- Have been produced in compliance with the SunOpta Supplier Partner Code of Conduct
- Have third party certification to internationally recognized multi-stakeholder initiatives such as: The Forest Stewardship Council (FSC), Sustainable Forest Initiative (SFI), Roundtable on Sustainable Palm Oil (RSPO)



To solidify our commitment to forest stewardship, this year we reported to The Forest Footprint Disclosure Project.

This Carbon Disclosure Project (CDP) program offers a platform for companies to disclose how they are managing their exposure to the risk of deforestation in their operations and supply chains to provide investors and other stakeholders with a single source of information.



We use approximately

**25,000,000** lbs

annually of paper based packaging materials supplied from North American suppliers certified to meet FSC or SFI forest stewardship standards.





### Bringing Innovation to Life

Every day we are looking for new and innovative ways to Bring Well Being to Life. Our focus on new product development has resulted in many innovative solutions



that provide good for you healthy, natural and organic food products that benefit the health of consumers and sustain the integrity of society and the earth. For example, in 2012, we became the first food ingredient company to create a wholesome fiber from spent rice hulls from rice milling. This new ingredient provides a gluten free non-GMO alternative to other conventional grain based fibers.

We also participate in open innovation forums and Strategic Research Alliances with major universities, to understand the potential of bolder visions for innovation, and connect unrelated technologies into actionable concepts. Partnering with leading academic institutions provides insights into the latest discoveries from the brightest researchers and places the company on the leading edge of innovation.

### Quality and Food Safety

We are committed to maintaining and improving the highest quality products and services that meet or exceed our specifications, our customers' expectations and all applicable industry and regulatory standards:

Driven by our philosophy of continuous improvement, the advancing of our food safety management system is an ongoing priority for the company. We also voluntarily participate in the Global Food Safety Initiative (GFSI), a set of industry standards designed to improve food-safety management systems across the supply chain. So far in 2013, an additional 4 facilities have attained certification to GFSI standards raising our total to 11 certified facilities. We are working towards attaining food safety management system 3rd party certification in 18 of our facilities.





## Looking Ahead

At SunOpta we take great pride in bringing well – being to life. We know that doing the right thing is not only the best thing for our business; it also fulfills our role as a responsible corporate citizen.

We will continue to follow our strategic framework, an integrated approach for embedding environmental and social concerns into our corporate DNA. To do this, our efforts moving forward will be focused on:

- Achieving defined sustainability goals
- Integrating sustainable business strategies
- Disclosing our sustainability performance
- Expanding our engagement of stakeholders across the value chain
- Enhancing our ability to measure progress
- Setting progressive targets for our key indicators

We understand that sustainability is a journey, and we will continue to learn and improve. We are proud of our success and excited about the future as we continue to leverage the skills, creativity and energy of our employees and other stakeholders, supporting us in our evolution of becoming a sustainable organization.

Through our actions, we are simultaneously working to bring well-being to life and we look forward to sharing our progress in our next CSR report in June 2014.



**Bill VanHeeswyk**  
VP Sustainability

*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,*





**SunOpta™**

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