



2020 SUSTAINABILITY REPORT

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Dear Reader,

At Nature's Path, our purpose is to Always Leave the Earth Better than we Found it.

And, over the decades, growing from a tiny seed to where we are today, our impact expanded, allowing us to step up giving back to society and the planet as a way of expressing our gratitude.

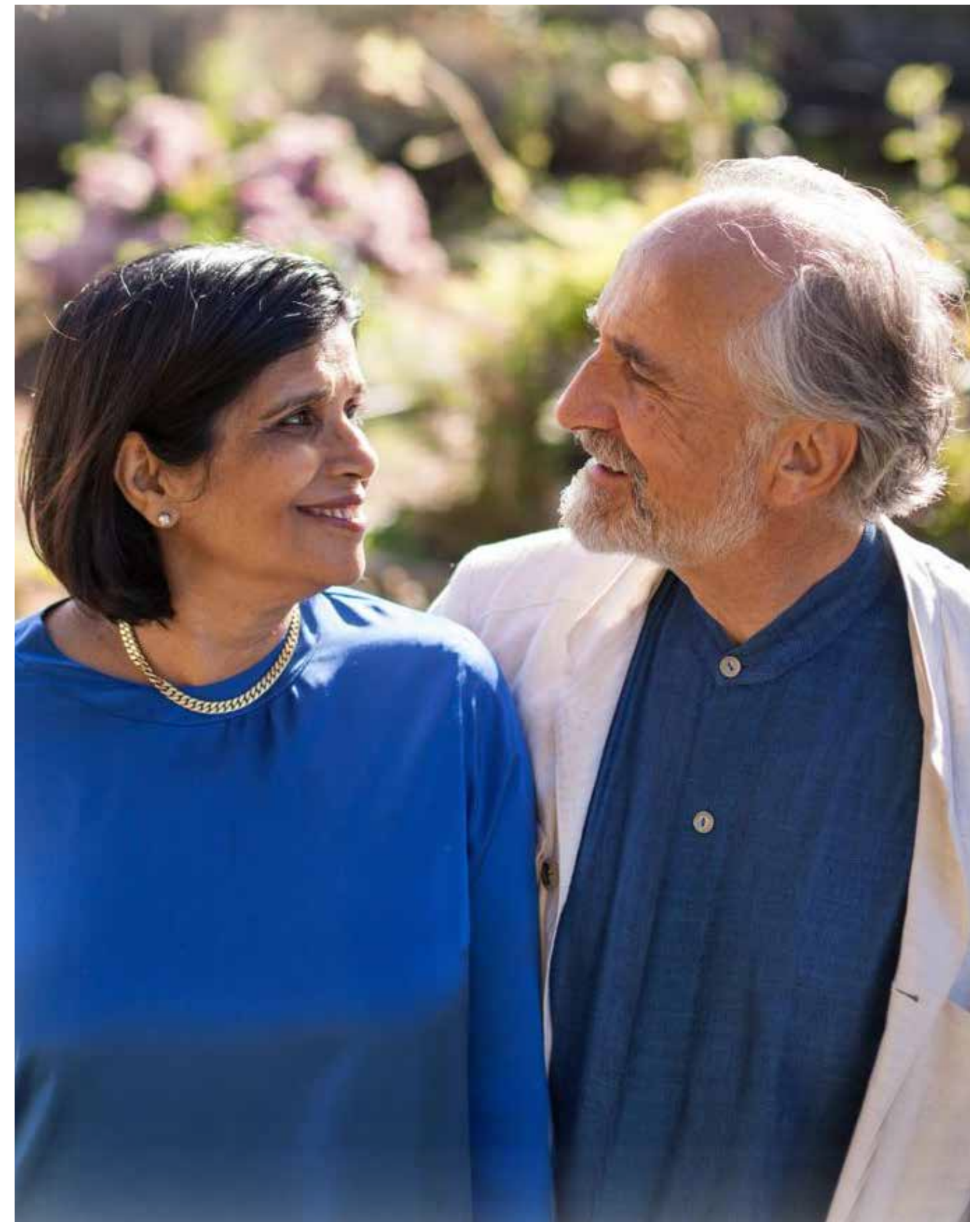
This past year, we made strides in sustainability, climate change policy advocacy, and organic regeneration. We're working to reduce our packaging plastics at every level by partnering with like-minded organizations in advocating for a circular economy, including the LOOP initiative. And as always, we remain mindful of the kind of world we wish to leave behind for our children.

This report will take you on a walk along our sustainability path with goals and performance.

With love,



Ratana and Arran Stephens
Nature's Path Co-Founders





GROW **ORGANIC**

With the help of The Regenerative Organic Alliance,

we participated in a regenerative organic farm pilot at Legend Organic Farm. Regenerative organic farming builds on organic practices and focuses on restoring soil to its richest and healthiest state, thus helping pull carbon out of the atmosphere and back into the soil. It also helps ensure farmers and workers are treated fairly, and animals are treated humanely. Annually, this farm alone prevents more than 1.4 million pounds of chemical or synthetic fertilizers and 19,000 pounds of the active ingredients of pesticides from potentially entering the soil.

We invest in furthering organic research and collaborative partnerships.

These are some of the organizations we supported in 2019:



Canada Organic Trade Association (COTA)

Member and supporter. (Dag Falck, our Organic Program Manager, was Board President board for 9 years) www.canada-organic.ca/en

Non GMO Project Provides Non GMO

Provides Non GMO verification. Most Nature's Path products are verified. www.nongmoproject.org

Prairie Organic Grain Initiative (POGI)

Nature's Path is a PODF supporter and board member.

Organic Science Cluster 3 Project (OSC3)

Organic Oat Breeding / Oat cultivars specifically developed for organic production systems in Canada. www.organicfederation.ca/organic-science-cluster-0

Organic Federation of Canada (OFC)

Responsible for: OFC administration. Nature's Path is supporter. www.organicfederation.ca

National Organic Coalition (NOC)

Organic advocacy organization working in the USA. Nature's Path is a Network Affiliate of NOC. www.nationalorganiccoalition.org

Organic Alberta (OA)

Nature's Path is a member. <https://organicalberta.org>

Sask Organic

Nature's Path is a member. <http://saskorganics.org>

Organic Agriculture Centre of Canada (OACC)

Nature's Path is a supporter. Dag Falck, Organic Program Manager, was on the board for 9 years, outgoing as President. www.dal.ca/faculty/agriculture/oacc/en-home.html

Certified Organic Associations of BC (COABC)

Nature's Path is supporter. Dag Falck has presented at many past conferences. www.certifiedorganic.bc.ca

Canadian Organic Growers (COG)

Nature's Path is member and supporter. www.certifiedorganic.bc.ca/

IFOAM North America

Nature's Path is member and supporter. Dag Falck, past board member for three years. www.ifoam.bio/about-us/our-network/regional-bodies/ifoam-north-america

Canadian Biotech Action Network (CBAN)

Nature's Path is a supporter. <https://cban.ca>

CGSB Organic Technical Committee

Body responsible for revising organic standards in Canada. Dag Falck is a voting member. www.publications.gc.ca/site/eng/9.854643/publication.html

Climate Change-Fighting Oatmeal



In 2020 we launched the world's first Regenerative Organic Oatmeal. To realize our vision of fighting climate change, we created our limited-edition Regenerative Organic Certified Instant Oatmeal — cultivated using farming techniques that draw more carbon from the air into the soil. Introduced on April 22nd, the 50th Anniversary of Earth Day, our Regenerative Organic Oatmeal is working to fight climate change, one spoon at a time.

Ongoing Commitments

100% of all

Nature's Path, Que Pasa, Envirokidz & Love Crunch products are certified USDA Organic, Canadian Organic and Non-GMO project verified.

Sourcing organic means

over 70,725 acres

of farmland were kept free from chemical pesticides and synthetic fertilizers in 2019.

Prevented

538,000 lbs

of active ingredient toxic pesticides from being sprayed.

Prevented

37,822,721 lbs

of chemical fertilizers from being used in 2019.

100% of our palm oil

is Sustainably sourced and RSPO certified.



ZERO WASTE

STORY ON

Ellen MacArthur Foundation, New Plastics Economy Pledge

We have pledged to make all our packaging either reusable, recyclable, or compostable by 2025.

We joined the New Plastics Movement along with 850 other businesses spearheaded by the Ellen MacArthur Foundation with the aim of supporting a circular economy. The goal of a circular economy is to move away from a “take, make, waste” model to a reuse and up-cycle model. Unnecessary plastic is eliminated entirely, and the plastics created are reusable, recyclable, or compostable.

We’ve endorsed the Global Commitment’s common visions

We have committed to:

- Take action to eliminate problematic or unnecessary plastic packaging by 2025.
- Take action to move from single use towards reuse models where relevant by 2025.



Our Packaging Goals:

Set an ambitious 2025 target to increase the use of recycled plastic, or (only for producers of compostable plastic) Set a 2025 target to increase the share of renewable content to at least 75% all of it from responsibly managed sources.

100%

of plastic packaging to be reusable, recyclable, or compostable by 2025.

Commit to using at least

10%

of post-consumer plastic by 2025.

Commit to collaborate towards increasing reuse recycling/composting rates for plastic.

Report annually and publicly on progress towards meeting these commitments.



2020 saw us continue exploring new product offerings, and working towards new retailer partner launches in reusable containers.

Turtle Splash, our 1st product to use post-consumer plastic



We're proud to say that Turtle Splash™ will be the first of our cereals with the inner plastic bag to be made with minimum 35% post-consumer recycled (PCR) plastic. By using more PCR materials, we will increase the demand for recycled plastics. This will also help decrease the reliance on virgin plastic, support recycling programs, and help divert plastic waste from landfills and from ending up in our oceans. Our cereal boxes are made with 100% recycled paperboard, a minimum of 35% post-consumer recycled content and FSC Certified material, meaning it is only sourced from responsible forestry sources.

Ongoing Commitments

Our waste is generated in packaging and the production of our products. By conducting bi-annual third-party and internal waste audits, we can see how effectively we are managing our waste. Our number one priority is to reduce our waste at the forefront and divert at least 90 percent of what remains across the entire company. This would mean at least 90 percent of our waste is diverted from landfill — either to compost, reuse, donate or recycle. In 2016, two Nature's Path plants – Delta, BC and Blaine, WA – became certified by the US Zero Waste Business Council.

We're the only company with multi-national sites that are Zero Waste Certified.



Our Delta plant achieved an average diversion rate of 98% in 2020. Our Sussex plant achieved an average diversion rate of 86%, while our Blaine achieved a 93% average diversion rate. This marks an increase over 2019 metrics for all three plants.

Sustainable Packaging

Our commitment to sustainability in packaging means that we strive to reduce the packaging we use, utilize materials with the highest level of recyclable content as possible, and prioritize the use of materials that can be recycled or composted by our consumers. This is why 97% of our packing is recyclable by weight. All the cardboard and paperboard we purchase is FSC certified, printed on vegetable-based inks, and is 100 percent recyclable.

Additionally, all of our plastic packaging is BPA free. Our use of plastic film has increased in recent years as we produce more products in stand-up pouches. The result is that our plastic packaging use efficiency has stayed flat with minor improvements. However, we have seen increased packaging efficiency with cartons and corrugated board.

Sustainable Packaging continued

Finally, our increased efficiency and decreased waste at our plants continues to drive a reduction in overall packaging use.

How2Recycle:

In February 2017 we joined How2Recycle, a standardized labeling system designed to clearly communicate product- and package-specific recycling instructions to consumers.

Bulk packaging:

We offer many of our products in bulk packaging. Many stores carry our granola in bulk, thereby eliminating all individual packages. Our EcoPacs offer our customers the same products, but with up to 66 percent less packaging. The EcoPac offers bulk volume of cereal and granola in a larger bag and without the box. This greatly reduces packaging and the bag is made with a recyclable package (#4 recyclable plastic film). Using on-package messaging, we provide the option to consumers so they can choose to reduce waste, reduce energy use,

ECO PAC®





CLIMATE NEUTRAL

Ongoing commitments

As in 2019, in 2020 we were once again one of Walmart's Giga-Gurus — suppliers that have pledged to lower tier emissions by taking definitive action, including:

making public commitments

setting goals

and reporting emissions reductions from:

renewable energy support

sustainable forestry practices

and sustainable packaging materials.

Our Climate Impact

We're committed to reducing practices that create greenhouse gas (GHG) emissions. We have worked with partners such as CDP and Climate Smart to better measure our footprint. We purchase energy from our utilities providers and buy Renewable Energy Credits (RECs) that support green energy projects. Our plan for working on our climate is four-fold:

- ✓ **Understanding our carbon footprint through tracking and metrics.**
- ✓ **Reducing our use and our costs as much as possible without impacting production capacity.**
- ✓ **Investing in energy efficient infrastructure and renewable energy credits.**
- ✓ **Partner down our supply chain to address what remains.**

Climate Smart Business certified

We calculate our emissions using the Green House Gas calculator through Climate Smart Business. Climate Smart Business is a social enterprise based in Vancouver, BC, which helps small and medium-sized enterprises address climate change and lead the transition to a prosperous, low-carbon future.

Renewable Energy Commitments

In 2020 we were able to offset all of our electricity bills with RECs purchased through ACT commodities.



PRESERVE WATER

Pesticides are finding their way into our drinking water in increasing amounts which, needless to say, are highly damaging to humans.

Additionally, fertilizer run-off damages aquatic ecosystems. Not only are these fertilizers directly dangerous to animals if ingested, but they contain high levels of phosphorous and nitrogen which induce the growth of algae in aquatic systems. When algae decompose, they use a lot of oxygen, thus depriving the other animals in the ecosystem from oxygen, resulting in the death of many animals.

Organic farming promotes watershed protection and reduces the water needed for growing crops. Our primary uses for water are in the manufacturing of our products and as an ingredient in our products. As part of our commitment to safe food production, we value clean, safe water.

As an organic company, we only use cleaning agents approved by organic food productions standards. All our wastewater in our Blaine facility is sent to an anaerobic biodigester which creates renewable energy.



EDUCATE

INSPIRE

ENGAGE

Leaving the earth better than we found it

is our reason for being. We see sustainability as a journey of continual improvement toward this goal. When new team members join the company, they may be at different points along their own personal path to understanding what sustainability means and how it affects their work. Therefore, we ensure that all of our team members receive access to sustainability training workshops.

To further build a community of sustainability, every year, we host lunch and learns, shoreline cleanups, and workshops. Over the years, we have brought in our EnviroKidz partners, give back partners (such as food banks), and fair trade partners so that they could share their knowledge and experience in our efforts toward sustainability. Every new team member must go through sustainability training, in which all our goals for the company are outlined. Rather than have a large sustainability department, we have tried to build a culture for sustainability where all of our team members understand and are engaged in how we can reduce our negative ecological impact and increase our positive social impact. Our core sustainability capabilities for our team are that they:

- ✓ **Learn the organization's goals, strategy, standards, processes, partnerships and cultural norms regarding our triple bottom line approach.**
- ✓ **Consider issues from a broad point of view, identifying impact beyond short term business needs.**
- ✓ **Take into account all relevant issues, risks and impacts around social and environmental sustainability when making decisions.**
- ✓ **Build solid relationships in the community with a giving back spirit.**

Recognized Green

We were recognized as one of Mediacorp's Greenest Employers of 2020, an editorial competition that recognizes employers that lead the nation in creating a culture of environmental awareness. We also received the 2020 Supplier Sustainability Award from the Canadian Health Food Association (CHFA) West for exceptional sustainability leadership and operations.

Besides an ambitious 90% waste diversion rate, all our manufacturing plants are certified as zero-waste facilities by the US Zero Waste Business Council. Through 2020, we continued our search for ways to cut our energy/resource consumption and support worthy causes. For example, through our partnership with 1% for the Planet, one percent of sales generated from EnviroKidz is donated to non-profit organizations that support endangered species, habitat restoration, and environmental education for kids worldwide. We've raised over \$4 million to aid conservation efforts to date.

Fighting Hunger Organically

2020 marked a significant milestone for us. We successfully delivered more than one million bowls worth of donated organic food to ten US and Canadian organizations. Over the past 11 years, our Bite for Bite program has generated more than \$30 million worth of food to address food security — which is predictably hitting record levels during the pandemic. As a campaign specifically created to address childhood hunger, Eat Well Do Good has provided more than \$335,000 worth of food to partners such as Feed the Children, Second Harvest Canada, Blessings in a Backpack, and many more.







♥ Reporting:

We report and share best practices with the Sustainable Food Trade Association and other like-minded organizations every year. We also share internal newsletters about our sustainability goals to keep our team members up-to-date. Additionally we report to CDP, project Gigaton, Bcorp, and Climate Smart. We are also members of the National Zero waste council, which brings together organizations to advance waste prevention in Canada and the transition to a circular economy.

INSPIRATION

Many of the green initiatives that have been put in place were driven by employees. Each year, team members bring ideas that help to live our mission and also drive improvement in our main sustainability goals, including:

-  Increasing the amount of organic farmland that Nature's Path directly supports.
-  Decreasing the number of pounds of fertilizers and pesticides added to the environment.
-  Reducing carbon dioxide emissions.
-  Helping divert waste from landfills and bringing forward new ideas for recycling.

Giving ideas to direct targeted and in-kind donations. Some team member-led green initiatives and ideas in 2019 included: Live Green Week

In 2020,

the week of April 22-26 was dedicated to helping team members achieve their personal sustainability goals, or green pledges. Team members were encouraged all week to collect garbage around their workplace's neighborhood, clean up the organic garden outside of the headquarters in Richmond, and share their creative recycling techniques and tips. Each day of the week all team members would gather and either share an organic, vegetarian company sponsored meal or learn together a bout climate change through documentaries and TED Talks. Additionally, we paired up with SeaSmart to do beach cleanups around the Vancouver Area.

Every year we host the PATHS awards, which annually recognize team members in each location who exemplify the values and core competencies laid out in our PATHS performance management system: Performance Driven, Always Improving, Honorable and Respectful, Team Focused, Sustainably and Socially Conscious.

We are honored to continue to be recognized as one of Canada's Greenest Employers, Canada's Top Small & Medium Employers, and BC's Top Employers.



TEAM MEMBER MATCHING & COMMUNITY INITIATIVES



Our team members are passionate about support topical events and victims of natural disasters. We have a matching fund for these issues that come up through the year. In 2019 we matched team member donations that went to support victims of the Australian and Amazonian fires. We also support community initiatives across North America ranging from hospitals and front line workers, children and students, animal organizations, and environmental groups. Just a few of the many wonderful organizations we've donated to are: Canadian Cancer Society, Boys & Girls Clubs, Special Olympics Minnesota, the Organic Trade Association, BC Children's Hospital, The Food Bank of Canada, American Heart Association and many many more.

