

  
**HIGH LINER FOODS**

**2020 SUSTAINABILITY REPORT**





# Introduction

We are passionate about being a leader in providing delicious, healthy, and responsibly sourced and produced seafood. That passion shapes our strategy and guides our actions. We also believe that it is essential to our long-term success as a valued partner, a preferred employer, a trusted supplier and a growing, profitable business. Operating sustainably, in line with our purpose and in accordance with our values, defines our company and our culture, and is embedded in the way we serve our customers, consumers and communities.

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## About This Report

Our 2020 Sustainability Report provides a broad overview of our sustainability priorities, practices and performance across all of our operations and activities for the fiscal year ended January 2, 2021, along with a look at key events that occurred through the year. This report is aligned with the SASB (Sustainability Accounting Standards Board) Standards: Food and Beverage — Processed Foods Standard. The SASB Standards are designed to accurately assess the financial impacts of sustainability and help show how sustainability can contribute to value creation. Some content and data in our report also aligns to select general, specific and management approach disclosures from the Global Reporting Initiative (GRI) Standards. We continue to develop our ESG (Environmental, Social, Governance) program and related measurement and reporting practices. All currency amounts are in United States dollars (“USD”) unless otherwise stated.

We welcome feedback on our report and initiatives. Please contact us at [investor@highlinerfoods.com](mailto:investor@highlinerfoods.com).

# Our Global Sustainability Commitment

High Liner Foods is a leading North American processor and marketer of value-added frozen seafood to the foodservice and retail trades. Our unified platform and well-known core brands give us the unique ability to serve our customers with a variety of value-added seafood that meets their diverse needs. Our goal is to become the leader in branded value-added seafood in North America.

We source seafood from around the world. No matter where we source, our requirements are the same: suppliers must strive to catch or farm seafood responsibly, protect against overfishing and limit impacts on the natural environment. They are also expected to treat their employees well — in accordance with human rights and human dignity — and uphold high worker safety and social standards.





# At-a-Glance

We have the scale and global reach to deliver the products our customers and consumers want. We also have leading practices and standards in place that enable us to meet the growing demand for our products in a sustainable way.

## Key retail brands



## Key foodservice brands



## Our top species by percentage of 2020 purchases:



**Cod**  
22.6%



**Shrimp**  
20.5%



**Pollock**  
15.2%



**Haddock**  
12.0%



**Salmon  
(Wild and Farmed)**  
11.5%



**Tilapia**  
6.8%



**Sole**  
2.5%

# CEO Message

The past year has shown that when it comes to meeting extraordinary challenges, there's no substitute for committed people and strong relationships. Amid the unique pressures and uncertainties of 2020, High Liner Foods dug deep to keep our colleagues and communities safe — all while maintaining a high level of operational continuity and moving ahead on our wider sustainability program.

Even as teams took on extra duties to adapt to new health protocols, together we maintained an unwavering commitment to responsible sourcing (see pages [14-17](#)), launched an ambitious waste reduction initiative (page [25](#)) and improved our water conservation record (page [24](#)). We also committed to extending our leadership in transparency and traceability, becoming the first North American firm to join the Ocean Disclosure Project (page [16](#)).

One initiative we're especially proud of is our Hunger Mission. We're currently ahead of schedule in delivering 10 million meals over 10 years to alleviate hunger in our communities (page [22](#)) — an effort that meant all the more to us this year as our communities navigated the economic impacts of COVID-19.

## Staying healthy — and sustaining the food supply — during COVID-19

Across our operations, our teams worked diligently to protect the health and safety of everyone on-site. From providing personal protective equipment to expanding our sick leave policy to redesigning processes to minimize human contact, we quickly made dozens of adaptations to how we work (pages [21](#)). The extremely low presence of the virus at our facilities attests to the care and consistency with which new safety measures were adopted.

Maintaining rigorous health protocols not only protected our employees and their families and communities, it also let us continue doing our part to maintain the stability of the North American food supply. As consumers stocked up on frozen foods and tried new grocery products to add variety to daily routines constrained by COVID-19, we were proud to keep doing what we do best: provide delicious, healthy and responsibly sourced seafood.

## Investing in people

Our teams' commitment and perseverance over the past year reaffirmed a truth that has guided our work since long before the pandemic: people are our greatest strength. To keep building this vital strength — and to show that we're ready to invest in the people who invest so much in their work with us — we offered extensive wellness and mental health support and expanded our slate of career development initiatives. We also introduced carefully designed programs to help our team members grow professionally within High Liner Foods, while at the same time ensuring that our organization is building the capacity and leadership capabilities to tackle the opportunities ahead.



**Rod Hepponstall**  
President and CEO

**Maintaining rigorous health protocols not only protected our employees and their families and communities, it also let us continue doing our part to maintain the stability of the North American food supply.**





**Our new purpose, *Reimagining Seafood to Nourish Life*, is a powerful yet versatile statement that encourages every member of our team to envision new ways of working.**

Also in 2020, our new Diversity, Equity and Inclusion Committee worked to develop a vision and strategy (page 20) which we'll begin to implement in 2021. Ultimately, this work will help to ensure that High Liner Foods reflects the diversity of the communities where we live and work, and that our commitment to diversity, equity and inclusion is evident across every aspect of our organization.

### Renewing our purpose and plan

Everything we've done over the past year — from rapid pandemic adaptations to maintaining a steadfast commitment to responsible sourcing amid vast global supply chain disruptions — has been guided by the values that have shaped High Liner Foods for more than 120 years.

While the values that drive our sustainability program are long-standing, we believe in steadily renewing our commitment to them — refreshing their relevance and making sure they're well adapted to each new chapter of our work. Our new purpose, *Reimagining Seafood to Nourish Life*, is a powerful yet versatile statement that encourages every member of our team to envision new ways of working. Together, we'll push for ever greater efficiency, lower environmental impact, and more innovative offerings as we continue to deliver high-quality, responsibly sourced seafood that nourishes people and enhances their lives.

As we work toward updating our business and the ways in which we operate, our commitment to sustainability will be unwavering. We'll engage our stakeholders extensively (see page 9) to identify areas where we can make the greatest positive sustainability impact while deepening our relationships with team members, supplier partners, customers and shareholders.

We see our sustainability program not as a place for abstract ideas and lofty rhetoric but as a system to continually improve our core business activity and enhance our long-term performance in areas ranging from waste reduction to fraud prevention.

Ultimately, we believe in a sustainability program whose benefits are plainly evident in the quality of our products, the health of our business, the strength of our culture and the vibrancy of the communities in which we operate. I'm proud to share our 2020 sustainability results in the pages that follow — on behalf of the extraordinary team who made them happen, in a year like no other.

Sincerely,

**Rod Hepponstall**

President and CEO



# 2020 Sustainability Highlights

## Responding to COVID-19

Our top priority during the pandemic was protecting the health of our employees and communities, while supporting the stability of the North American food supply. Thanks to the extraordinary and collaborative efforts of our employees, we had strong success in preventing the spread of COVID-19 at our facilities and remained fully operational throughout the year, with only brief interruptions at two sites. We describe our pandemic response in greater detail on page [17](#).

### Environment

# 2.29 M lbs

of food waste reduction

While changes in customer demand and supply chain factors caused fluctuations in our environmental performance, we strive for ongoing efficiency gains through our continuous improvement program. We're also launching a new environmental impact reduction initiative in 2021.

### Sourcing

# 96%

of seafood responsibly sourced  
(2019: 96%)

# 98%

of raw material sourced from  
audited suppliers (2019: 98%)

### People

# 30%

of Board members are women  
(2019: 30%)

# 28.6%

of executives and senior managers are  
women (2019: 26.7%)

### Recognition

EcoVadis Bronze



# \$1,671,428

in community support in 2020 through  
donations and products (2019: \$214,341)



# Our Approach

Guided by our purpose — *Reimagining Seafood to Nourish Life* — we work to deliver delicious, healthy seafood while having a positive impact on our employees, customers, consumers, communities and planet. Meeting high sustainability standards not only helps us nourish life in every sense; it also drives us toward new opportunities for innovation and collaboration, ultimately strengthening our organization and enhancing our performance across every dimension of our work.

“In 2020, even as we navigated the challenges of the pandemic, we reinforced our sustainability commitments — including further strengthening Board oversight of our performance on environmental, social and governance dimensions.”

— Tim Rorabeck, Executive Vice President, Corporate Affairs and General Counsel





# Governance and Ethics

Our sustainability program is supported by robust governance and oversight, as well as a widely shared commitment to ethical, transparent practices across our organization. From the standards we set for product quality and safety, to the systems we design to ensure responsible sourcing and traceability, we work hard to earn our stakeholders' trust in everything we do.

## Sustainability governance

The Governance Committee of the Board of Directors oversees our entire Employee, Environmental, Social and Governance (EESG) program. On environmental compliance matters specifically, responsibility rests with our Environmental Steering Committee, which reports to the Audit Committee of the Board. Made up of representatives from across the company and meeting quarterly, the Environmental Steering Committee oversees and acts upon environmental topics such as regulatory compliance and evolving requirements, waste and hazardous substance management practices, air emissions, and occupational health and safety concerns.

## Board of Directors

Audit Committee  
Human Resources Committee  
Governance Committee  
President and CEO

## Executive Leadership Team

Steering Committee  
Diversity, Equity and Inclusion  
Environment  
Ethics

## Key policies

**Code of Conduct** | Outlines our company-wide commitment to honest, ethical behaviour among all employees, officers and directors of High Liner Foods. We require 100% of employees to review and acknowledge the Code of Conduct annually.

**Supplier Code of Conduct (SCOC)** | Establishes guidelines for suppliers regarding the ethical treatment of workers, using a risk-based approach to audit frequency. We continually review and revise policies to ensure they reflect changing circumstances in our industry while always reflecting our core values and commitments. While our original SCOC pertained only to our fish suppliers, in 2019 we extended it to include suppliers of packaging and ingredients. In late 2021, we intend to release a further updated and refined SCOC (version 3.0) that will incorporate an enhanced risk dimension.

**Our Corporate Social Responsibility (CSR) Policy — and beyond** | Our current CSR policy details company-wide expectations for many of the areas covered in this report, such as responsible sourcing, traceability, waste management and resource efficiency. After our executive team reaffirmed a deep commitment to sustainability in 2020, we engaged third-party consultants to help us develop a new strategic business plan that will make rigorous sustainability practices even more integral to how we operate. We expect to release this policy and share more information about its implications in our 2021 report.

Learn more about our governance structure and policies, as well as our sustainability policies, at [highlinerfoods.com](https://highlinerfoods.com).





# Partnering on Sustainability

As we deliver delicious, healthy food to North American consumers, we also collaborate widely to secure seafood as a sustainable resource for the world.

The seafood industry is a complex network that spans the globe, connecting a wide range of entities — from small, independent fishers to the world’s largest retailers — and touching diverse ecosystems. To promote sustainable practices across this entire field, we not only hold ourselves and our suppliers to high standards, we also work with governments, NGOs, researchers, trade associations and investors to continually raise the bar in areas like responsible sourcing and traceability.

## Key partnerships and affiliations

Alaska Seafood Marketing Institute (ASMI)

Aquaculture Stewardship Council (ASC)

Fair Trade USA

FishWise

Genuine Alaska Pollock Producers (GAPP)

Global Aquaculture Alliance (GAA)

Global Good Agriculture Practices (Global GAP)

Global Ocean Trust

Global Sustainable Seafood Initiative (GSSI)

Marine Stewardship Council (MSC)

National Fisheries Institute (NFI)

New Hampshire Department of Fish & Game

NOAA Fisheries

Ocean Wise (Vancouver Aquarium)

Seafood Nutrition Partnership (SNP)

Seafood Task Force (STF)

Seafood Watch (Monterey Bay Aquarium)

Stronger America Through Seafood (SATS)

Sustainable Fisheries Partnership (SFP)

University of Massachusetts

University of New Hampshire

World Wildlife Fund (WWF)



# Stronger America Through Seafood

In 2020, High Liner Foods continued to work with the advocacy coalition Stronger America Through Seafood (SATS) to promote a strong, sustainable U.S. aquaculture industry.

Scientists' and practitioners' understanding of effective aquaculture practices continues to improve, showing that responsibly managed and monitored fish farming can help meet growing consumer demand for animal protein while protecting aquatic habitats and promoting biodiversity.

Benefits of responsible aquaculture include:

- Providing a reliable and sustainable source of seafood protein;
- Reducing pressure on wild fish populations by providing an alternate supply;
- Meeting demand for animal protein, often more efficiently than land-based agriculture can;
- Providing a dependable source of employment for coastal communities.

In May 2020, U.S. President Trump signed an executive order promoting American seafood competitiveness; the order included important measures designed to promote sustainable offshore aquaculture.

Building on that success, in September 2020 a bipartisan group of Senators introduced the Advancing the Quality and Understanding of American Aquaculture Act, which would clarify a regulatory system for the development of aquaculture in the U.S. exclusive economic zone and support a range of research and innovation activities.

SATS continues to advocate for the expansion of domestic offshore aquaculture, including as part of President Biden's COVID-19 economic recovery program.



**Growth of the American aquaculture industry would create new jobs, provide new business opportunities and grow our economy as our country recovers from the COVID-19 pandemic."**

— Bill DiMento, Vice President, Corporate Sustainability and Government Affairs at High Liner Foods



# Our Sustainability Priorities

Amidst our efforts to protect our workforce during the pandemic, we continued to focus on 11 core sustainability priorities established with input from our customers and NGO partners at our 2018 Sustainability Summit.

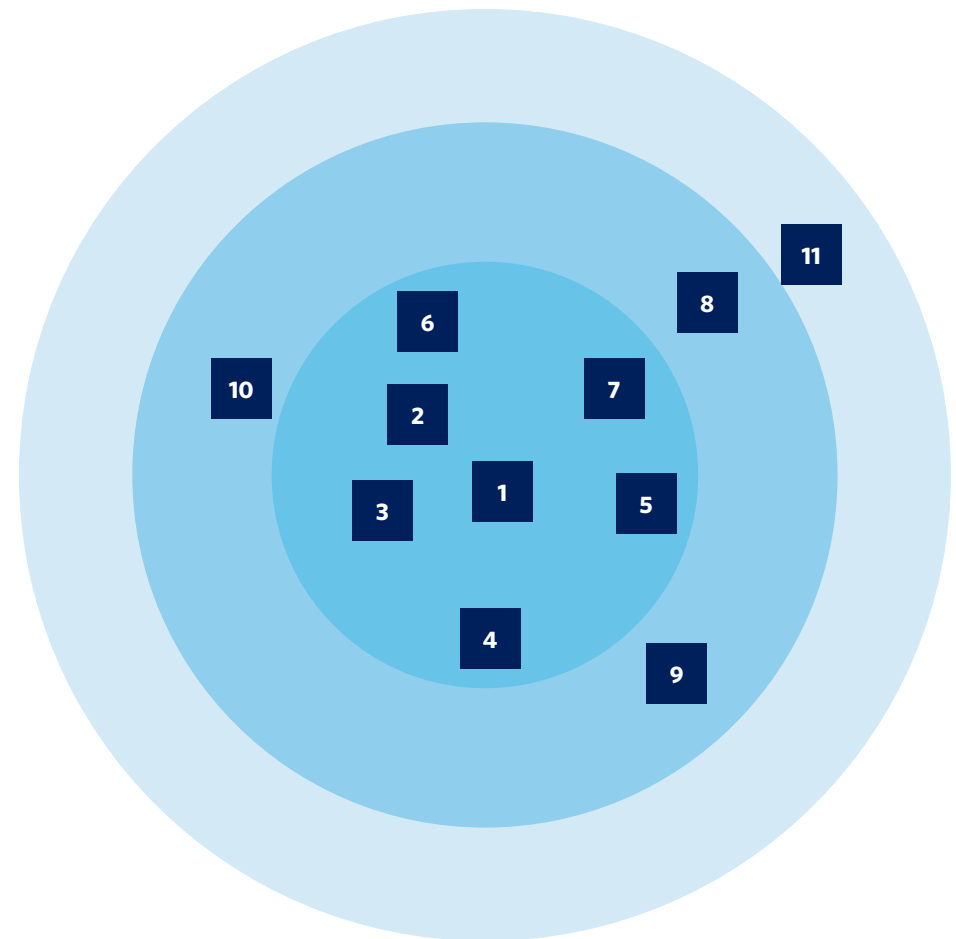
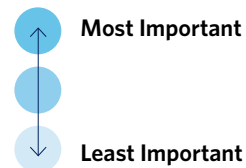
## Key sustainability priorities in 2020

1. Traceability and transparency
2. Social compliance
3. Carbon and waste reporting and tracking
4. Sustainability/GRI reporting
5. Packaging updates
6. Animal welfare
7. Ocean plastics
8. Global Ghost Gear Initiative
9. Seafood Stewardship Index
10. Impacts of climate change and ocean warming
11. Food security for a growing population

To define the most important priorities for our stakeholders and business in the years ahead, we also engaged a third-party consultant in 2020 to help us lay the foundations for a strategic business plan that will reinforce and extend our sustainability program.

Our 2021 report will present an updated slate of sustainability priorities developed through an extensive stakeholder engagement process (see page [9](#)) conducted to inform the new strategy.

## Prioritization of issue





# Inviting Insights from Our People and Partners

In 2020, we began to lay the foundations for a new three-year strategic business plan that will make sustainability even more integral to our business than it has ever been before. To inform this plan, we will undertake an extensive stakeholder engagement and materiality assessment process that will include surveys, peer reviews, focus groups and interviews.

In addition to investors, customers and employees, our stakeholder consultations will include:

- Board members
- Governments
- Industry associations
- Non-governmental organizations (NGOs)
- Peer firms
- Senior managers
- Shareholders
- Suppliers

The insights and perspectives gathered through this process will help us prioritize our sustainability initiatives in the years ahead, and also begin the work required to publish performance targets in key sustainability areas.







# Responsible Sourcing

High Liner Foods is a leader in responsibly sourced seafood — applying high standards for our own products, and collaborating actively to support our entire industry in becoming more socially and ecologically responsible. We began our responsible sourcing journey a decade ago. Today, under the leadership of our Chief Supply Chain Officer, we continue to strive for progress against our goal of delivering products that are 100% responsibly sourced.

“Despite an exceptional number of global supply chain challenges in 2020, the responsible sourcing of our seafood never wavered. It’s a testament to the clarity of our expectations, the commitment of our suppliers and the quality of our relationships.”

— Ron van der Giesen, Chief Supply Chain Officer







# Defining Responsibly Sourced Seafood

We use strict criteria to define responsibly sourced seafood, using certification schemes that earn approval from respected NGOs and industry experts. We also use social compliance audits and measure ourselves against the Global Sustainable Seafood Initiative (GSSI) benchmark.

## Wild-caught seafood

Sustainable wild-caught seafood is legally caught, secure from poaching and protected from overfishing. We require our suppliers to demonstrate that they minimize damage to fish habitats and use effective strategies to avoid bycatch. We source wild-caught products that are:

- MSC certified or from suppliers undergoing full MSC assessment;
- Recognized by the GSSI benchmark;
- From credible, publicly documented Fishery Improvement Projects; or
- OceanWise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™.

## Farmed seafood

Experts increasingly agree that responsible, sustainable aquaculture is essential to meet the world's growing demand for seafood. (For more on the benefits of responsibly practised aquaculture, see page 11.) In addition to disclosing the sources of our farmed seafood through the Sustainable Fisheries Partnership's Ocean Disclosure Project, we source farmed products that are:

- Recognized by the GSSI benchmark;
- Aquaculture Stewardship Council (ASC) certified or from suppliers undergoing full ASC assessment;
- Global Aquaculture Alliance Best Aquaculture Practices (1-4 stars) certified;
- From credible, publicly documented Aquaculture Improvement Projects;
- OceanWise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™.

# 22%

of our 2020 seafood sales (by lbs.)  
was farmed



# 78%

of our 2020 seafood sales (by lbs.)  
was wild-caught

# Traceability: From Ocean to Table

To ensure that seafood is safe, legal and sustainable, it's essential to verify every stage of a product's journey — from the source to the consumer. We have a highly developed traceability system designed by experts in food safety and logistics. We also participate in collaborations with NGOs and researchers and adhere to rigorous reporting standards created to promote transparency about where and how seafood products are sourced.

## **Transparency on aquaculture: the Ocean Disclosure Project**

We have worked with the Sustainable Fisheries Partnership (SFP) for more than a decade to evaluate and continuously improve the sustainability of our source fisheries and aquaculture operations. This year, we embarked on a new chapter in this relationship, joining the SFP's Ocean Disclosure Project (ODP) and thus committing to disclose information about our farmed fish sources in accordance with the Project's annual reporting requirements. The ODP launched in 2015 to provide information to investors, consumers and others interested in sustainable seafood. Since then, 23 other firms have signed on to the reporting program; High Liner Foods is the first North American frozen seafood processor to make this commitment.

## **Collaborating to prevent seafood fraud: the Better Seafood Board**

High Liner Foods is a member of the Better Seafood Board, an entity established by the National Fisheries Institute (NFI) to fight labelling fraud, weight or count discrepancies, and shipment practices designed to circumvent duties and tariffs. Fraud not only harms customers and consumers by creating the potential for them to be overcharged, it also creates sustainability risks by reducing transparency about which species are being caught and sold — and where they've come from. For these reasons, we're proud to work with the Better Seafood Board to support strict enforcement of laws and regulations that prohibit seafood fraud. Among other activities, the Board:

- Promotes proper labelling for origins, weights and species;
- Supports NFI members in complying with regulations;
- Monitors instances of fraud flagged by members;
- Supports training for customer representatives, including the Food Industry Association and the National Restaurant Association, on how to avoid seafood fraud in retail operations and restaurants.



# Supply Chain Resilience and Integrity: Beyond COVID-19

Many of the practices we typically rely on to ensure responsible sourcing of our seafood products, such as on-site social compliance audits and inspections of our suppliers, were suspended due to travel constraints associated with the COVID-19 pandemic. Nevertheless, we continued to engage actively with our partners and suppliers, using virtual tools and other approaches to ensure that everyone we work with consistently adhered to rigorous standards of quality, safety, traceability and sustainability.

Although COVID-19 presented the greatest threat to the stability of supply chains in 2020, other threats — including extreme weather and other climate change effects — also hold the potential to create major disruptions. With that in mind, we took steps in 2020 to ensure that our supply chain remains reliable, resilient and sustainable. From enhancing our Supplier Code of Conduct to diversifying our processing apparatus in Asia, we continue to make adaptations to ensure we're well positioned to meet growing consumer demand in a complex, interconnected global industry.

## Evolving our Supplier Code of Conduct

Since 2014, we've upheld a Supplier Code of Conduct (SCOC) with all of our seafood suppliers, requiring them to meet high social and environmental standards. In 2019, we expanded the scope of this Code, applying it not only to our roughly 50 seafood suppliers but also to our more than 1,200 suppliers of packaging, ingredients and other products and services.

The next step in this evolution will be to introduce a further updated and refined SCOC (version 3.0) that will incorporate an enhanced risk-based approach to supplier oversight, enabling us to focus our monitoring activities in areas of activity where the risk of non-compliance is greatest.

Although this new iteration of the SCOC was in development prior to the COVID-19 pandemic, the Code we ultimately implement will reflect learnings from 2020, when some of our standard audit and inspection activities were disrupted and we used new tools and approaches to maintain high standards amid the disruptions.







# Our People and Communities

We are committed to making positive contributions to the communities where we live and work, some of which have been home to our business for more than 120 years. Under the leadership of our Executive Vice President, Human Resources, we are also dedicated to creating safe, inclusive work environments where people of all backgrounds and identities have equitable access to rewarding career opportunities. By embracing diverse talent and treating all employees with respect, we not only express our core values, but also ensure we have engaged, capable teams to help drive our business forward.

*“Our company purpose — Reimagining Seafood to Nourish Life — reflects a deep commitment to not only provide healthy, delicious seafood, but to meet the needs of our employees and communities and help them thrive.”*

— Rod Hepponstall, President and CEO





# Our Team by the Numbers

At January 2, 2021, High Liner Foods had 1,124 active regular full-time and part-time employees, of whom 668 were salaried employees and 456 were hourly employees.

Regular full-time and part-time employees by country are as follows:

COUNTRY	EMPLOYEES
United States	659
Canada	445
China	14
Thailand	4
Iceland	2
<b>Total</b>	<b>1,124</b>

High Liner Foods has approximately 233 unionized employees in its Lunenburg, NS, facility who are represented by the Unifor union. Hourly workers in Portsmouth, NH, Newport News, VA, and Peabody, MA, are not unionized.

On gender diversity, women represent 46% of our North American workforce, 36% of our combined executive and senior management group, and 30% of our Board of Directors.

## Environment, health & safety (EHS)

Ensuring that every employee stays safe through every shift has always been a vital imperative. In 2020, as part of a broader review of our practices, we reaffirmed safety as a top priority, making it one of the core pillars of our continuous improvement program.

**A new EHS strategy** | Although COVID-19 delayed some of our planned activity, once our pandemic protocols were established, we resumed planned work to develop a new three-year EHS strategy. In the latter half of 2020, we finalized the strategy, began communicating with our teams about forthcoming changes and generally prepared for an official launch of the strategy in 2021. The launch of our new EHS strategy will include an environmental gap analysis at each of our manufacturing and warehouse facilities to help us set priorities for improvement and ensure that best practices are consistently applied across all our sites.

**Promoting safe behaviour** | Of the incidents that have taken place in our facilities in recent years, an analysis found that the vast majority — more than nine in ten — resulted from employee behaviour. To reduce the risk of behaviour-driven incidents, we initiated a new safe behaviour campaign, beginning with a train-the-trainer program in late 2020, and plans to launch officially in 2021.

**Extending our record** | The new safe-behaviour campaign complements an existing slate of safety activity, which includes safety training for new hires, as well as monthly and annual training updates for all employees; supervisor safety goals and scorecards; safety huddles at the beginning of each shift; and monthly plant safety audits.

**A culture of safety** | We work to embed safety into our company culture, inviting employees to take ownership by involving them in inspections and in the delivery of safety training, encouraging and empowering everyone to speak up when they see something wrong, and working together to identify opportunities for improvement.

## OSHA incident rate<sup>1</sup>

YEAR	INCIDENT RATE
2017	1.4
2018	1.9
2019	1.6
2020	1.7

We ended 2020 with 21 recordable injuries (RIs). This result represented a modest increase relative to 2019 (20 incidents) but maintained an improvement relative to our 2018 baseline (25). We believe process and facility disruptions associated with the COVID-19 pandemic have contributed to the stall in our progress this year. As we embark on our new three-year EHS strategy in 2021, we're confident that we'll regain our momentum in our journey to zero workplace injuries.

<sup>1</sup> The OSHA (Occupational Safety and Health Administration) incident rate is calculated by multiplying the number of recordable safety incidents by 200,000 hours, then dividing that number by the number of hours worked. It represents the injury rate for every 100 employees working 50 weeks per year, 40 hours per week.

# Diversity, Equity and Inclusion

High Liner Foods has a strong record of building a respectful, collaborative culture across our organization and investing to help our people thrive at work. Today, we're increasing our efforts to ensure that everywhere we operate, our teams represent the diversity of the surrounding community and that every team member is supported in doing their best work and advancing in our organization.

## A new Diversity, Equity and Inclusion Committee

Formed in 2020, this cross-functional group is composed of 13 leaders from across our organization. All committee members applied to participate, attesting to strong dedication to the committee's mandate. Through a year-long strategy process, they developed a vision and set of goals designed to enhance our diversity, equity and inclusion practices across the entire employee life cycle — from attraction, recruitment and onboarding through retention and development.

Here are just a few of the specific initiatives we intend to advance in the first phase of our work:

- **Strategic recruitment** | We're taking new steps to attract and hire employees from a wide range of backgrounds. Specific activities include working to remove unintended bias from our recruitment practices and investing in outreach to let diverse candidates know about opportunities with us.
- **Floating holidays** | Employees will be able to take up to two holiday days annually to observe religious or cultural holidays. This step ensures that employees whose holidays don't fall on statutory holidays can be with family and friends on important occasions.



- **Succession planning** | We're committed to hiring and promoting from within, retaining talent while creating opportunities for employees to grow with us. When it comes to diversity, equity and inclusion, we're working to ensure that our formal succession program — combined with a new mentorship program — brings diverse talent to every level of our organization.
- **Information-gathering** | To drive ongoing improvement in reflecting the diversity of our communities and building an inclusive culture, we're in the process of developing research practices to help us learn about our employees and their experiences.



# Investing in Our People

We believe in building a high-performance organization by investing in our people. This means offering our team members resources like personalized training and development plans that help build their personal capacity for leadership. It also means fostering a positive culture where everyone has the tools and support they need to do their best work.

**Learning from 2020** | We sought opportunities to learn from the disruptions associated with the COVID-19 pandemic, initiating wide-ranging conversations about how we operated before the pandemic — and what worked about working differently. Inviting input from employees through engagement surveys and other channels, we're developing an in-house Future of Work initiative aimed at making work more effective, more flexible and better at supporting our employees' well-being.

**Supporting growth** | To ensure that our people have opportunities to develop new skills and meet new challenges, we've introduced individual development plans (IDPs) for all High Liner Foods team members, and linked these to a competency framework designed to ensure that our organization has the skills it needs to succeed. Helping our employees build on their strengths supports our commitment to developing talent and promoting from within, growing a strong, connected team.

**Celebrating success** | In November 2020, we introduced a new employee recognition and rewards program called Star Fish. This online platform enables peer-to-peer and leadership recognition — and lets team members accumulate points redeemable for gifts and experiences. Star Fish is just the latest tool we've adopted to foster a culture of excellence, where people celebrate colleagues who go the extra mile and bring our values to life.



## A year when culture came through

During a year of stress and isolation for millions of people, leaders at High Liner Foods worked hard to keep their teams connected and supported. In addition to an expanded sick-day policy and other vital safety measures in our workplaces where employees continued to work on-site, we introduced a range of offerings for employees working from home, including:

- Coffee chats with leaders where team members could ask questions on any topic
- Email updates with timely health and safety information, as well as reminders about support available through employee benefits plans
- Casual team meet-ups that let colleagues relax and connect
- Virtual boot camp and yoga classes as well as friendly step-count competitions that encouraged people to stay active when public health rules constrained many activities
- Wellness-oriented gifts of appreciation



# Community Giving

High Liner Foods has always believed that the secret to our success is our people — so naturally we’re committed to investing in the communities where our people live and work. Our three core philanthropic priorities are shaped by local needs and backed by our entire organization.

**Ten million meals** | In December 2015, we embarked on our Hunger Mission, setting out to provide 10,000,000 meals over 10 years to people in need in our communities, through donations to food banks and other organizations that promote food security. This long-standing goal took on new relevance in 2020, with food bank use increasing as many communities struggled with the economic impacts of COVID-19. By the end of the year, we reached 87% of our target.

**Corporate giving** | In addition to our Hunger Mission, we support local programs focused on hunger education, the environment, health and wellness, and community improvement. We’re also a founding member of Friends of We Care, a network of companies working across the foodservice and hospitality industry that raises funds to send kids with disabilities to Easter Seals camps.

**Supporting local involvement** | Because we work in multiple locations throughout Canada and the United States, our community giving work needs to be flexible and responsive to local needs in order to be relevant and meaningful. We convene local philanthropy teams to design volunteer events that address local needs and give all our permanent salaried employees a day of volunteer leave every year to participate.

## \$1,671,428

donated in products and financial support in 2020

## 8,758,702

meals provided to date through our Hunger Mission





# Protecting the Environment

We've always been guided by the knowledge that the health of our business relies on the health of oceans and seafood resources around the world. Through our continuous improvement program, we're making gains against concrete commitments in areas like waste reduction and water efficiency — and steadily raising the scale of our ambitions. In addition to maintaining rigorous regulatory compliance in our own operations under the direction of our Executive Vice President and General Counsel, we also collaborate proactively with firms, NGOs and governments to help drive responsible practices across our industry.

“High Liner Foods embraces our responsibility to not only set an example in our own environmental practices but to encourage others to join us in building a sustainable seafood industry for future generations.”

— Bill DiMento, Vice President, Corporate Sustainability and Government Affairs







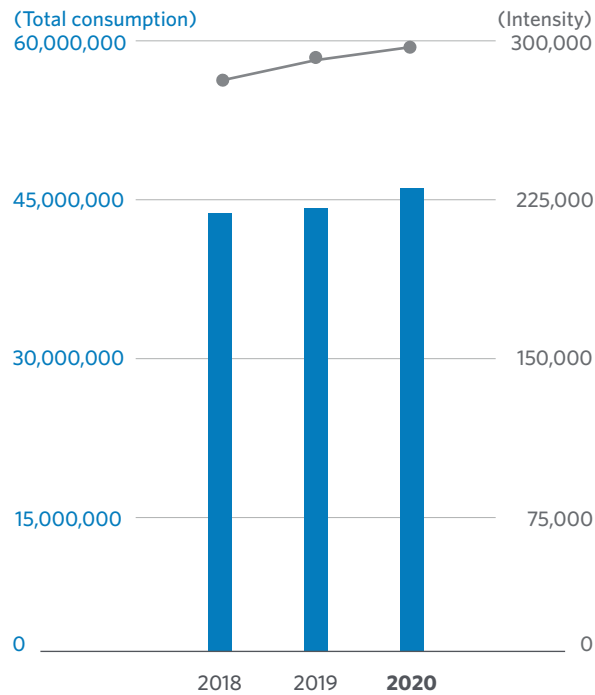
# Operational Footprint

In every jurisdiction where we operate, we not only comply with environmental laws and regulations but strive to exceed them. In addition to upholding the environmental responsibilities unique to our industry — such as preventing overfishing — we’re committed to improving our performance on dimensions common to most sectors and industries, like minimizing the amount of energy and water our operations require.

Our goal is to reduce our energy consumption by 30% by 2030 compared to a 2017 baseline. As a step toward this goal, in 2020 we initiated a capital project to adopt energy-efficient lighting across all our facilities. We’ve also committed to making energy efficiency a key theme in all future expansions and upgrades of our facilities and equipment.

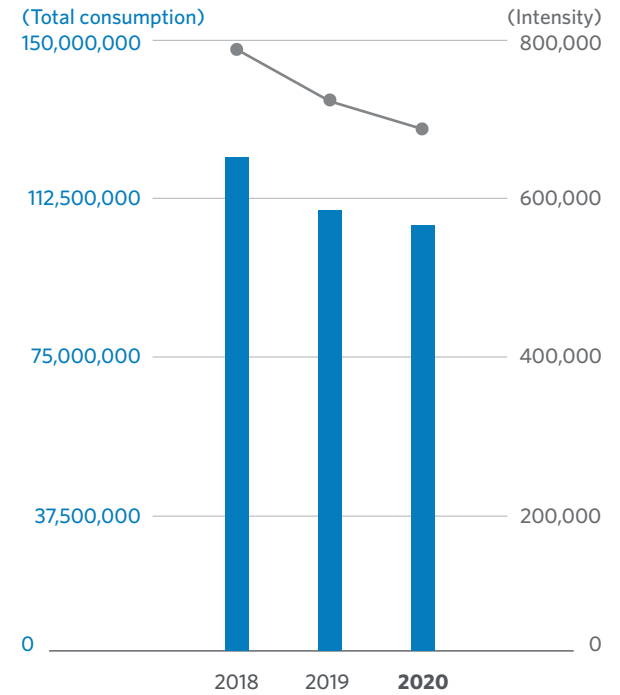
To build on the year-over-year improvements already underway in our water usage, we intend to make water a key focus of the environmental impact reduction team we’re assembling in 2021.

## ENERGY USAGE (kWh)



● TOTAL CONSUMPTION (kWh)  
 ● INTENSITY (kWh per million pounds of product)

## WATER USAGE (gallons)



● TOTAL CONSUMPTION (gallons)  
 ● INTENSITY (gallons per million pounds of product)

# Waste Reduction

Minimizing waste means optimizing our practices to ensure that every catch delivers as much value to people as possible. It also means delivering our products with the least possible waste when it comes to how we package products and operate our facilities.

Building on work initiated in the previous year, in 2020 we continued our process of systematically reducing waste across our operations, from eliminating plastic liners in product packages where possible to embarking on a major collaboration to cut food loss and waste.

**Working together** | We collaborate across our supply chain to reduce food and other waste. We require our suppliers to meet waste-reduction standards, and we seize opportunities to support our customers' efforts. In 2020, we joined some of the world's largest food suppliers and retailers in a shared initiative to cut food waste in half by 2030.

**Less waste is in our nature** | We're in the business of frozen seafood products, which by their nature extend shelf life and reduce the risk that food will be discarded. Overall, fish and seafood account for only about 2% of food loss and waste globally each year.

## What we're doing

### Our goal

# 50%

less food waste by 2030  
(compared to 2018)

### Our 2020 result

# 2.29 M lbs

less food waste (compared to 2019)

## Why it matters

# 17%

of all food is lost or wasted  
every year around the world<sup>1</sup>

# 8%

of greenhouse gas emissions result  
from food loss and waste<sup>1</sup>



<sup>1</sup> According to the [United Nations Environment Program](#).



# Performance Data

The index below presents an overview of our performance on key environmental, social and governance (ESG) dimensions, including select metrics from the Sustainability Accounting Standards Board (SASB) Processed Foods Standard. We see transparency in reporting ESG performance — as well as management approaches and priorities — as a fundamental element of our sustainability commitment.

ESG Performance Metrics	2020	2019	2018	2017	SASB Code
<b>Responsible Sourcing</b>					
Top species percentage of sales - Shrimp	20.50%	21.70%	27.70%	19.60%	
Top species percentage of sales - Cod	22.60%	30.20%	27.30%	24.90%	
Top species percentage of sales - Salmon (Wild & Farmed)	11.50%	13.20%	14.10%	14.60%	
Top species percentage of sales - Haddock	12.00%	11.10%	10.60%	9.00%	
Top species percentage of sales - Pollock	15.20%	9.70%	6.90%	14.20%	
Top species percentage of sales - Tilapia	6.80%	6.00%	4.60%	5.80%	
Top species percentage of sales - Sole	2.50%	3.30%	3.30%	N/A	
Percent of seafood responsibly sourced	96%	96%	95%	90%	FB-PF-430a.1
Percent of raw material responsibly sourced from audited suppliers	98%	98%	98%	80%	FB-PF-430a.1
Percent of wild-caught seafood sold	74%	77%	75%	69%	FB-PF-430a.1
Percent of farmed seafood sold (2018 includes Rubicon sales)	26%	23%	25%	31%	FB-PF-430a.1
Percent of all seafood purchases covered by required social audit	98%	98%	98%	N/A	FB-PF-430a.2
Percent of all required social audits approved with no conditions	100%	100%	100%	N/A	FB-PF-430a.2
<b>Our People and Communities</b>					
Number of regular full-time and regular part-time employees	1,124	1,136	1,259	1,293	
Number of salaried employees	668	450	482	527	
Number of hourly employees	456	686	777	745	
Number of unionized employees	233	226	240	209	
Percent of workforce that is female	36.1%	35.7%	35%	N/A	
Percent of Board members who are female	30%	40%	30%	16.7%	
Percent of combined executive and senior leadership teams who are female (ELT & SMG)	28.6%	26.7%	23%	N/A	
OSHA incident rate (Canada/US till 2019; combined in 2020)	1.7	0.7	1.1	.68	
Donated products and financial support (financial value)	\$1,671,428	\$214,341	\$80,079	\$140,385	
Number of meals provided for local communities since 2015	8,758,702	6,381,537	N/A	N/A	
<b>Protecting the Environment</b>					
Energy usage (kWh)	45,530,108	43,466,932	N/A	N/A	FB-PF-130a.1
Energy intensity	295,958	290,166	280,019	260,113	FB-PF-130a.1
Water usage (gallons)	104,602,741	107,923,940	N/A	N/A	FB-PF-140a.1
Water intensity	679,945	720,454	791,274	772,620	FB-PF-140a.1



At High Liner Foods, our purpose is

# *Reimagining Seafood to Nourish Life.*

Our purpose calls us to nourish people with healthy, delicious seafood while ensuring that our products are responsibly sourced and delivered — minimizing environmental impact and maximizing benefit to our employees, partners and communities.

We know that our success as a business, today and in the long term, is deeply linked to our success in embedding sustainability in everything we do, and collaborating to help create a truly sustainable industry.

To learn more:

[highlinerfoods.com](https://highlinerfoods.com)