



Message from Chairman, CEO and Managing Partner John Anderson

After working closely with our stakeholders across the supply chain over the years, Oppy is proud to have a sustainability focus that underlies our work from farm to fork. It is this process of refinement and improvement that is critical to our continued success in sustainability, as well as in our business as a whole.

This includes working with various partners to ensure that our sustainability goals and pillars are realized and built upon while guaranteeing that our projects are both effective and have a long-lasting impact, introducing changes that are fundamental, rather than merely cosmetic. Our passion for our people, environment and industry remain the driving forces for all of the initiatives outlined in this report. Our ultimate goal is to become one of the greatest sustainable fresh produce companies in the world, and every year we will work toward making this goal a reality.

The importance of transparency and disclosure of sustainability projects becomes more apparent every year. The separation of business from its social and environmental impact is quickly becoming obsolete, with more and more companies including their social and sustainable impact alongside their financial statements. Profitability and sustainability are not mutually exclusive, but instead are closely correlated and often provide opportunities to improve both simultaneously.

Although our sustainability reports are a fairly recent development in light of our 162 years of operation, Oppy has always been committed to environmental stewardship. From ethical business practices, Fair Trade Certified produce, to introducing new innovations over the decades, for Oppy, sustainability is a catalyst for improvement, and one of the ways we do business.

We are therefore proud and passionate about the progress that we've achieved so far, but in true Oppy fashion, we are constantly looking to future growth.

One thing is for certain, achieving a more sustainable business, and industry, is not a solo endeavor, but one that relies heavily on cooperation and collaboration across our value chain. For now, we will continue working toward greater innovations to ensure that the wellbeing of our planet and people remains front and center

Our 2019 report provides a birds-eye-view of our projects that have concluded successfully, as well as those that are ongoing, and full of promise.

John Anderson, Chairman, CEO and Managing Partner

Growing with purpose

To achieve our goal of becoming one of the greatest sustainable produce companies in the world, we know we have to work toward developing and integrating an environmental and social strategy that is aligned with the expectations of our stakeholders and the aspirations of our business. Over the next five years we are committed to enhancing the frequency and transparency with which we disclose our sustainability performance. We are committed to:

- Setting impact goals for our highest priority material issues
- Establishing KPIs and targets to measure and track our performance
- Engaging our stakeholders to ensure our strategy is aligned with their expectations

Nurturing Sustainability in 2019

Sustainability at Oppy underlies everything that we do. Since we believe that sustainability is not an obligation, but an opportunity, we proactively engage with partners to create meaningful initiatives. These programs aim to leave a lasting impact on the people who make up our communities as well as our priceless planet, and are aligned with Oppy's sustainability pillars which focus on a healthy people and healthy planet.



Growing

We support growers who excel at managing the environmental and social aspects of their business through the implementation of new technologies, best practices, and socially responsible certifications that ultimately contribute to the viability of their operations and the communities in which they operate.



Post-harvest & Packing

We work closely with growers to exceed standards for food safety, worker welfare, and environmental considerations. We collaborate in the design and production of packaging solutions, and invest in research that will help safeguard the supply chain of the future by contributing to the Center for Produce Safety.



Warehouse & Manufacturing

We understand the importance of monitoring energy usage and pursuing new approaches that increase efficiency, and extend shelf life in order to reduce waste and maximize the supply of high quality produce.



Logistic

We recognize the need and value of reducing the carbon footprint of our transportation and distribution network in addition to ensuring the health and wellbeing of our drivers.



Retailers. Wholesalers & Foodservice Customers

We will continue to deliver an abundance of safe, flavorful, high-quality produce by ensuring that we work with growers and partners who adhere to the best practices of food safety.



Consumers

We communicate transparently with consumers who are increasingly aware of—and seek—the story behind the food they eat and take pride in sharing with their friends and families. We are committed to helping them better appreciate where their food comes from through labeling and marketing and offering more organically grown options.



Supporting communities with Fair Trade

Oppy's Fair Trade Certified™ program began in 2004, and has continued to grow over the past 16 years, generating \$1.1 million in premiums in 2019 alone, a 32% increase from 2018. Our extensive Fair Trade program encompasses bell peppers, tomatoes, cucumbers and grapes, as well as other products. We are incredibly proud to be a leader in market share for Fair Trade Certified bell peppers, providing 83% of total market volume in North America in 2019.

While these numbers showcase the strength of Oppy's commitment, the true success of the program lies in the tangible community support that these premiums help provide. From community park improvements and dental care to educational scholarships and beyond, our projects positively impacted over 75,000 beneficiaries across our communities.

A notable example of this is Oppy's sale of Divemex cucumbers and bell peppers, which have financed educational initiatives that benefited over 1,000 students from elementary to adult education; dental clinic units that serviced over 800 people; four new ambulances and several home improvement projects such as new water tanks and critical building renovations that provide substantial quality-of-life enhancements.

Adopt-a-highway pilot program takes off

A testament to Oppy's commitment to its communities, 2019 saw the launch of a pioneering adopt-a-highway program in Peru that has improved the living conditions of over 1,300 people in the Piura region. By working closely with our partners, including Fair Trade Certified grape grower Agropiura, Oppy was able to clean up a long stretch of highway that was otherwise plagued with garbage.

Initially, the program only ran for six months, but has since garnered local media interest as well as the attention of many more companies who have applied the program to their regions. In total, 10 growers fully implemented Oppy's program, with five additional companies in the process of joining our initiative.

Oppy has also managed to spur municipal involvement, which significantly increases the likelihood of systemic, wide-ranging changes to garbage disposal and collection. The program continues to grow, improving the lives of even more people as Oppy garners greater community and governmental involvement.



Introducing tree-free, plastic-free packaging

Thanks to Oppy's continued work with strategic partners CanePak, we introduced an innovative first for the industry: a plastic-free, tree-free renewable packaging solution made of sugar cane fibers. The packaging is compostable, recyclable and also printed with vegetable-based inks, and debuted in early 2020 with one-pound units of green kiwifruit bearing Oppy's popular KeeWee brand.

The bagasse fiber-based packaging relies on an existing agricultural waste stream so requires no new materials, no additional cultivation areas and has no impact on existing forest areas. Bagasse also requires less chemical processing than



tree-based pulp which means its environmental impact is reduced even further. The pack generated considerable interest across trade media, as well as retailers throughout the industry, fueling ambitions of wider adoption in the near future.

Looking ahead Oppy is exploring a variety of other packaging solutions that have a greener environmental impact, as well as working to improve the recyclability of existing packaging with wash off labels and inks.

Industry-leading environmental stewardship

As a founding member of the Canadian Produce Marketing Association's (CPMA) Plastics Packaging Working Group, Oppy joined 26 other industry leaders in May 2019 to address issues related to plastics and their impact.

The group works to address the future of plastic packaging in the produce industry, develop best practices and standards, as well as create a roadmap to ensuring food quality and safety while reducing the environmental impact of plastics. Actively participating in regular workshops, Oppy has supported the group's efforts at exploring the most pertinent topics to the industry, as well as contributing to the CPMA's <u>Preferred Plastics</u> <u>Guide</u>, released in June 2020.

We will continue to work closely with the cross-sectional group to ensure that our sustainability efforts are aligned, unified and thus more effective.

Using innovation to reduce food waste

Recognizing the significant road towards reducing food waste in North America, where 30% of all food that is harvested in the U.S. is thrown away due to spoilage, Oppy has conducted numerous successful trials with shelf life extension technology. By partnering with pioneering companies like Hazel Technologies, as well as others, Oppy has made great strides toward a future where innovative technologies are widely used to reduce wastage during transit and while in storage.



Oppy continues to pursue different technologies and their applications to various products in our extensive offerings, aiming to magnify the impact of these innovations beyond the lab in the years to come.

Saving Vancouver's coastlines

Committed to keeping our planet clean, Oppy partnered with the BC Marine Trails Network (BCMT) to help preserve Vancouver's magnificent coastlines. The BCMT beach cleanup program works to remove plastics and related debris from the environment, targeting stretches of shoreline that suffer from especially high concentrations of plastic buildup.

Thanks to Oppy's support of \$5,000 in 2019, the BCMT were able to cover the high cost of transporting the collected plastics off of the beach, as well as other essential expenses.



Clearing up consumer confusion

Oppy has joined more than 175 brand owners and retailers who have added the How2Recycle® label program to their products. How2Recycle® is a standardized on-package label program dedicated to

reducing confusion over a product's recyclability. Each label is unique in that all group members receive a customized recycling assessment for every pack style to ensure accurate disposal—these labels provide the public with detailed recycling instructions that the traditional symbol doesn't provide.



Oppy's partnership with How2Recycle® is another example of our multipronged efforts at creating a circular plastics economy, reducing plastic waste every step of the way.

The green road ahead

The sustainability landscape is constantly evolving, which is why Oppy is always looking two steps ahead.

Sustainable business practices and initiatives are viewed as essential at Oppy, not optional. From introducing a top seal machine in 2015, to trialing wash-off labels on packaging in 2019, our future programs will continue to build on our sustainability promise, while striving for practicality over perfection.