




HIGH LINER FOODS

Reimagining Seafood **TO NOURISH LIFE**

2021 SUSTAINABILITY REPORT

INTRODUCTION

In 2021, guided by our purpose — *Reimagining Seafood to Nourish Life* — High Liner Foods continued to deliver delicious, healthy and responsibly sourced seafood to consumers and customers across North America. Our commitment to sustainability is integral to how we work. It's embedded in our strategy and activated every day across our operations. We are pleased to share the results we've achieved over the past year as we continue to enhance our own performance and support sustainable practices throughout the seafood industry.

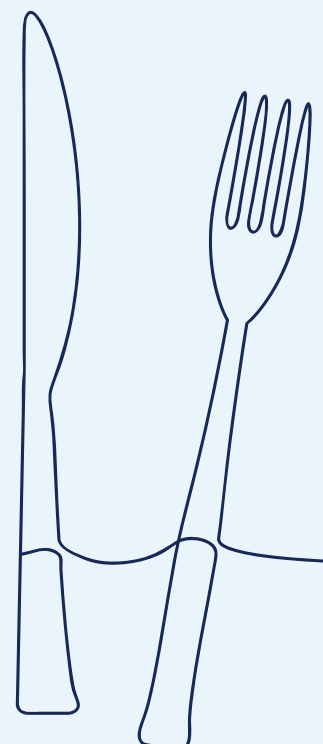
About this report

Our 2021 Sustainability Report provides a broad overview of sustainability priorities, practices and performance across all of our operations and activities for the fiscal year ended January 1, 2022, along with a look at key events that occurred throughout 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 Environmental, Social and Governance (ESG) program as well as related measurement and reporting practices, including an expanded materiality assessment process this year and new investments in greenhouse gas emissions measurement. 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.

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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 trade. Our unified platform and well-known core brands — sold throughout the United States and Canada in grocery and club stores as well as through restaurants and institutions — give us the unique ability to serve our customers with a variety of value-added seafood that meets their diverse needs. High Liner Foods is a publicly traded Canadian company, trading under the symbol HLF on the Toronto Stock Exchange. 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're also expected to treat their employees well and uphold high worker safety and social standards.

We source seafood from around the world.



AT A GLANCE

Our top species

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. Our top species by percentage of 2021 purchases (in USD):



Shrimp
21.2%
(2020: 20.5%)



Cod
20.5%
(2020: 22.6%)



Salmon
14.3%
(wild and farmed)
(2020: 11.5%)

Key retail brands



Pollock
14.1%
(2020: 15.2%)



Haddock
11.5%
(2020: 12.0%)

Key foodservice brands



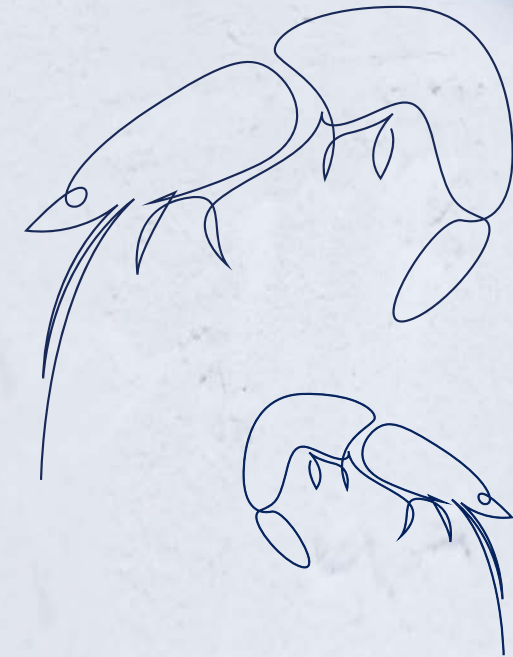
Tilapia
7.3%
(2020: 6.8%)



Sole
2.9%
(2020: 2.5%)



Shrimp was our top species at 21.2% in 2021 (2020: 20.5%)



CEO MESSAGE

The disruptions of the past two years have inspired widespread reflection among people and organizations alike — from businesses re-evaluating their supply chains to families rethinking long daily commutes.

At High Liner Foods, we had already initiated a period of planning and reflection before the effects of the pandemic began to take hold. We'd started to engage our team in the development of a new purpose. And early work had already begun on a new strategy to integrate environmental, social and governance (ESG) priorities — already well established in our company — even more deeply into our overall business approach.

A sustainability strategy grounded in our purpose

The fact that we undertook this strategic work at a time when our wider social and business context was in a state of upheaval led to conversations that were especially deep and wide-ranging. Through these deliberations, we developed a new corporate purpose: Reimagining Seafood to Nourish Life. This powerful purpose, first announced last year, has been widely embraced by our organization and has already begun to shift our thinking and actions.

Building on that purpose, in 2021, we adopted a new business strategy whose three pillars are designed to support strong business results as well as outstanding ESG performance: nourishing health and wellness, supporting people and community, and regenerating ecosystems.

Long-held priorities, new ambitions

Activity in each of these three areas is already well underway at High Liner Foods, as our 2021 Sustainability Report attests. Our work to support the mental health and well-being of our teams has continued to mature this year (see [page 19](#)), and we've continued to find new ways to express our unwavering commitment to protecting the safety of every employee ([page 18](#)). High Liner Foods remains an active and engaged community member ([page 21](#)), and our dedication to environmental responsibility continues to drive many forms of concrete action — from how we source seafood ([page 14](#)) to how we operate our facilities ([page 23](#)).

We're committed to making even more gains in each of these areas. Over the past year, our team has begun to set baseline measures on a number of dimensions — from waste reduction to greenhouse gas emissions — in preparation for setting targets for improvement in the years ahead.

Good business

Strong sustainability performance is important to us on its own terms: our values and purpose call us to operate responsibly, and our stakeholders expect nothing less, as the materiality assessment we undertook this year affirmed ([page 12](#)). At the same time, improving our sustainability performance results in improved business outcomes. Cost savings from an energy efficiency initiative this year have provided a positive result ([page 23](#)). Innovating in our approach to our team — from developing our diversity, equity and inclusion program ([page 20](#)) to enhancing leadership development opportunities — improves engagement and retention. And reimagining



our supply chain for sustainability and resilience ([page 16](#)) is deepening our relationships and strengthening loyalty and collaboration with suppliers and customers alike.

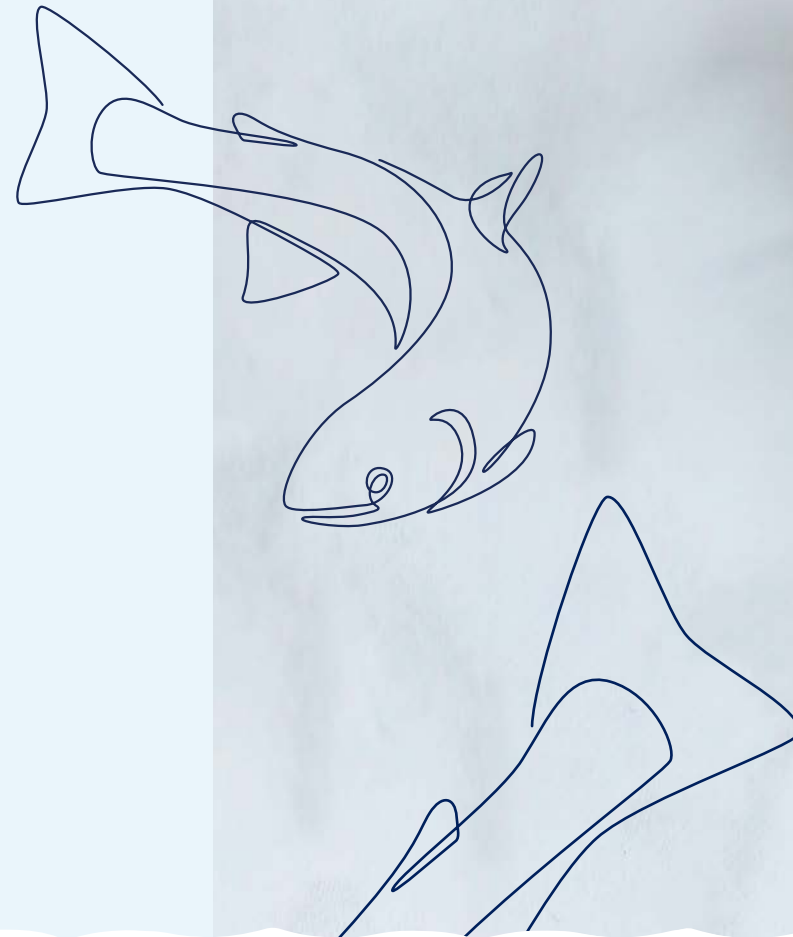
Considering that improved sustainability performance often has the effect of enhancing overall performance, it's not surprising that High Liner Foods increased net sales and profit growth this year — while advancing our existing sustainability initiatives and taking important steps to do more in the years ahead.

The results described in this report are achievements that our entire team has collectively realized through hard work, collaboration and ingenuity. I'm proud to work alongside these exceptional colleagues and grateful for all their contributions in 2021. I look forward to reaching even more ambitious sustainability goals as we continue to move forward together.

Sincerely,

Rod Hepponstall
President and CEO

In 2021, we adopted a new business strategy designed to support strong business results and outstanding ESG performance.



2021 SUSTAINABILITY HIGHLIGHTS

Environment

643,000 lbs
of food waste reduction
(compared to 2020)

Sourcing

98%
of seafood responsibly
sourced (2020: 96%)

Safety

24%
decline in safety incidents
since 2020 (21 to 16)

People

30%
of Board members are
women (2020: 30%)

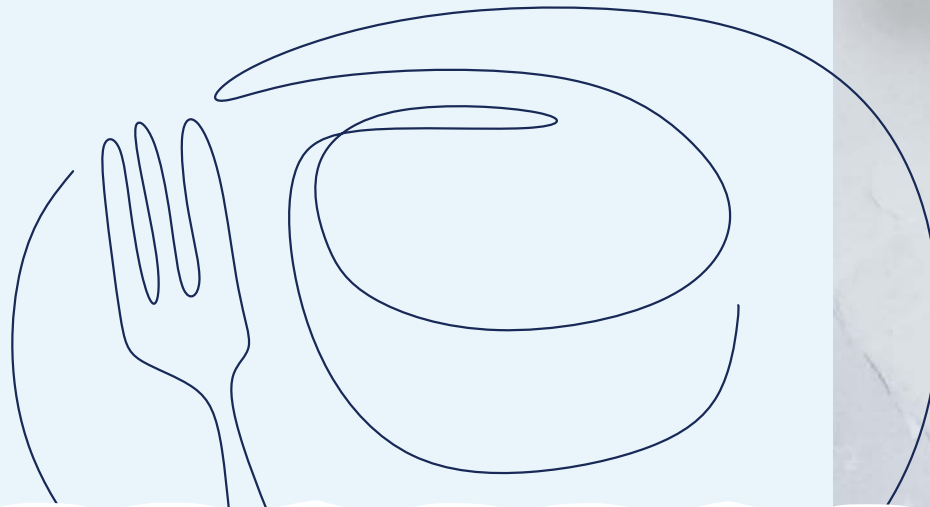
98%
of raw material sourced from
audited suppliers (2020: 98%)

36%
decline in safety incidents
since 2018 baseline (25 to 16)

34.48%
of senior managers are
women (2020: 28.6%)

\$252,750
in community support in 2021
through donations and products

Recognition



Our Approach

A commitment to meeting high environmental, social and governance (ESG) standards sharpens our focus and enhances our performance in every area of our business — from seeking energy efficiencies in the operation of our plants to partnering across our supply chain in support of seafood industry sustainability.

“In 2021, we adopted a new strategic plan that puts sustainability at the heart of our business strategy. Success on environmental, social and governance dimensions is integral to how High Liner Foods defines overall success.”

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



GOVERNANCE AND ETHICS

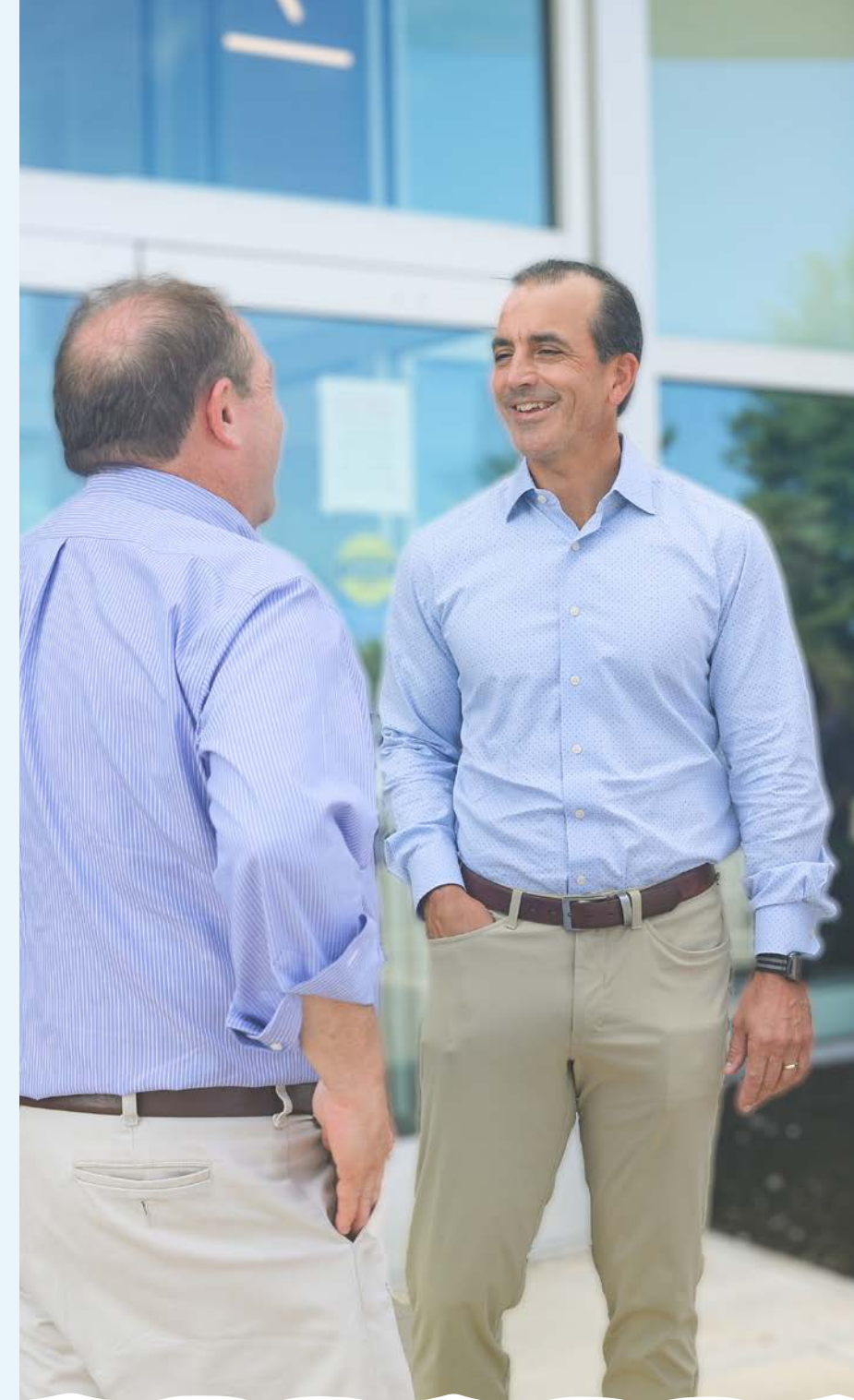
The rigorous governance and oversight mechanisms that support the success of our business also underpin the quality and rigour of our ESG initiatives. From carefully developed and regularly updated policies to clear lines of reporting and accountability, we ensure that our rules and practices reflect the strength of our commitment to making our organization truly sustainable.

Sustainability governance

Our Board of Directors and Executive Leadership Team are committed to achieving high ESG standards. We believe the purpose and values of High Liner Foods — as well as the expectations of our stakeholders — all point to the need for an outstanding sustainability program. We also believe that strong ESG performance supports the profitability and valuation of the Company.

Given the importance of ESG to the Company's risk management and business strategies, and considering also that sustainability concerns cut across our organization, our ESG program is overseen by three committees of the Board: the Governance, Audit and HR committees.

- The Governance Committee of the Board of Directors oversees our entire program, ensuring that management is implementing the Company's ESG framework responsibly.
- On environmental compliance matters specifically, responsibility rests with our Environmental Steering Committee, which reports to the Audit Committee. Made up of representatives from across the Company and meeting quarterly, the Environmental Steering Committee oversees and acts on environmental topics such as regulatory compliance and evolving requirements, waste and hazardous substance management practices, air emissions, and occupational health and safety concerns.
- The Human Resources Committee (HR Committee) ensures that the health and safety of employees is protected and prioritized, and that management is effectively designing and pursuing goals related to diversity, equity and inclusion.



Board of Directors

- Audit Committee
- Human Resources Committee
- Governance Committee
- President and CEO

Executive Leadership Team

- Steering Committee
- Equity, Diversity and Inclusion
- Environment
- Ethics

Key policies

Strategic Business Plan | This year, we adopted a new strategic plan that shapes our own ESG policies and practices, and sets guidelines for how we engage with others on sustainability initiatives. The plan establishes a framework that makes these considerations integral to our core business, and evaluates our collective and individual performance accordingly.

Code of Conduct | This Code of Conduct (CoC) outlines our company-wide commitments to honest, ethical behaviour among all employees, officers and directors of High Liner Foods. We require 100% of employees and directors to review and acknowledge the Code of Conduct annually, including specific online training for employees to further reinforce the CoC.

Supplier Code of Conduct (SCOC) | The SCOC establishes guidelines for suppliers regarding the ethical treatment of workers, using a risk-based approach for 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. Our original SCOC pertained only to fish suppliers; in 2022 we will extend it to include suppliers of packaging and ingredients. (This effort was postponed during COVID-19.)

Learn more about our governance structure and policies, as well as our sustainability policies, at highlinerfoods.com.

Strong ESG performance, underpinned by effective policies and governance practices, supports the profitability and valuation of High Liner Foods.



PARTNERING ON SUSTAINABILITY

The seafood industry is a complex global network that touches communities, economies and ecosystems around the world. We strive to play a positive role, setting high standards for ourselves and collaborating widely — with stakeholders large and small — to support responsible and sustainable practices everywhere. We work with governments, NGOs, researchers, trade associations and investors on our shared objective: securing seafood as a sustainable source of nourishment for everyone.

Key partnerships and affiliations

Alaska Seafood Marketing Institute (ASMI)	Global Ocean Trust	Seafood Task Force (STF)
Aquaculture Stewardship Council (ASC)	Global Sustainable Seafood Initiative (GSSI)	Seafood Watch (Monterey Bay Aquarium)
Fair Trade USA	Marine Stewardship Council (MSC)	Stronger America Through Seafood (SATS)
FishWise	National Fisheries Institute (NFI)	Sustainable Fisheries Partnership (SFP)
Genuine Alaska Pollock Producers (GAPP)	New Hampshire Department of Fish & Game	University of Massachusetts
Global Seafood Alliance (GSA)	NOAA Fisheries	University of New Hampshire
Global Good Agriculture Practices (Global GAP)	Ocean Wise (Vancouver Aquarium)	World Wildlife Fund (WWF)
	Seafood Nutrition Partnership (SNP)	



Materiality assessment: Engaging our stakeholders

In 2021, we carried out an extensive stakeholder engagement process, connecting with close to 1,200 people through surveys and interviews. The process was designed to help us understand various stakeholder groups' perspectives on our current sustainability performance and practices, and where they believe we should focus our efforts. A few key findings:

- Approximately two-thirds of respondents see High Liner Foods as sustainable or highly sustainable.

- When asked to complete the sentence "I really like how High Liner Foods..." stakeholders most often named our work on responsible sourcing, the care we show for employees and our efforts to continue improving our ESG performance.
- When asked to name some key priorities for High Liner Foods to focus on in the future, stakeholders most often emphasized the importance of sourcing sustainable seafood, enabling product traceability, supporting biodiversity and using sustainable packaging. (See the [next page](#) for a complete materiality matrix.)

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

Our 2021 materiality assessment helps us understand where stakeholders believe we should focus our sustainability efforts.

By the numbers

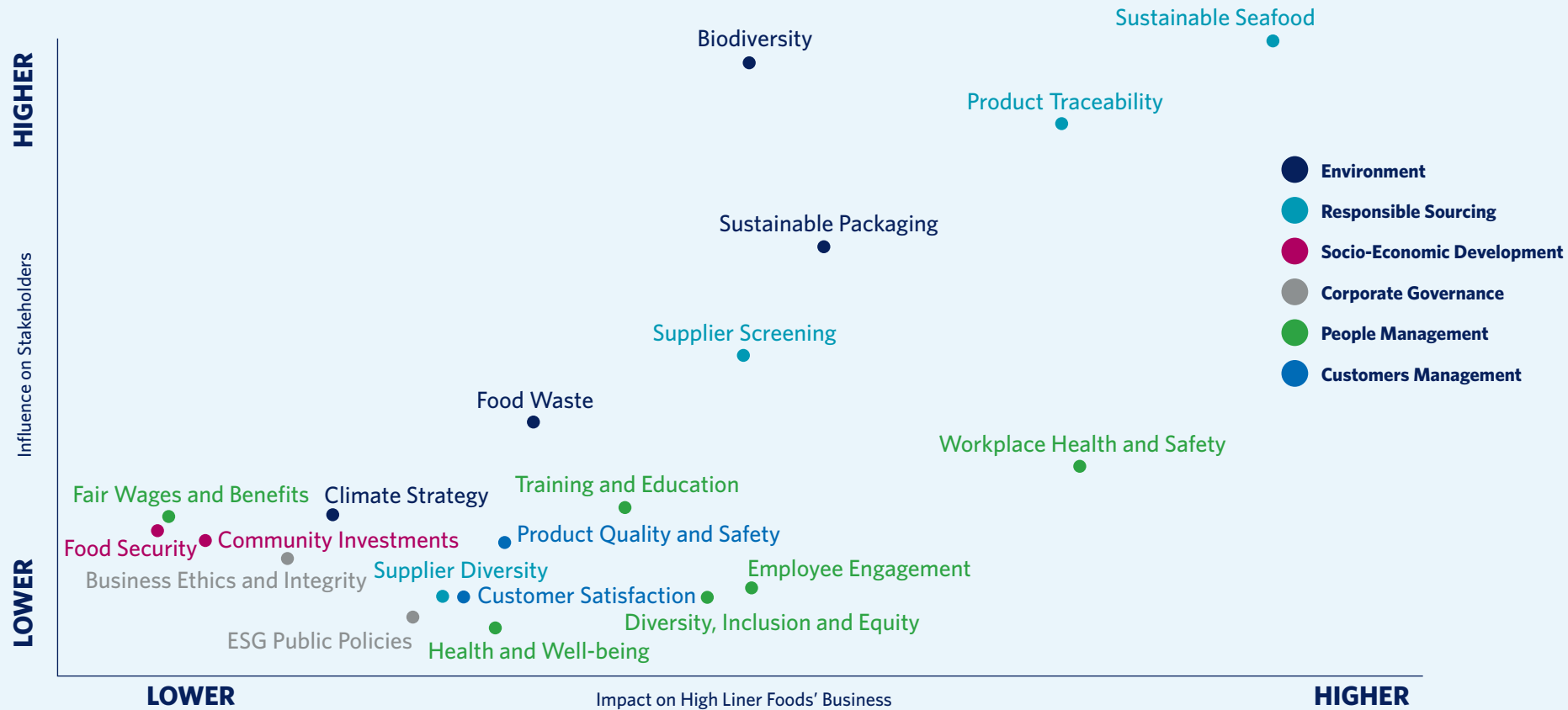
Through a combination of surveys and interviews, we reached out to:

1,026 employees	47 top strategic suppliers (seafood and non-seafood)	10 key shareholders
28 senior managers	26 customers	9 key banks and financial institutions
10 Board members	14 NGOs with which we have relationships (see page 11)	2 government contacts we engage with regularly



Materiality assessment: Stakeholder priorities

Developed in accordance with the Global Reporting Initiative (GRI) Standards, the matrix below presents an overview of the most material sustainability topics for High Liner Foods' stakeholders, and where we may be in a position to make meaningful impacts.



Responsible Sourcing

High Liner Foods began our responsible sourcing journey over a decade ago and has made steady gains since that time, working toward a goal of delivering products that are 100% responsibly sourced. Today, under the leadership of Ron van der Giesen, Chief Supply Chain Officer, our commitment to social and environmental responsibility is exerting an even stronger influence on our strategy, logistics and operations.

“We maintained our high standards even as global supply chain challenges persisted in 2021. Indeed, the disruptions inspired us to reimagine our existing practices – undertaking a comprehensive review with a view to reaching even higher levels of sustainability and resilience.”

– Ron van der Giesen, Chief Supply Chain Officer



DEFINING RESPONSIBLY SOURCED SEAFOOD

We use strict criteria to define responsibly sourced seafood, relying on 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

Responsibly fished 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. 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 certified (1-4 stars);

- From credible, publicly documented Aquaculture Improvement Projects;
- OceanWise™-recommended or rated Best Choice or Good Alternative by Seafood Watch™.

Of the seafood we sold in 2021, by weight:

76%
was wild-caught

24%
was farmed



COLLABORATING FOR A MORE SUSTAINABLE SUPPLY CHAIN

We're engaging businesses across our supply chain, seeking ways to work together toward shared goals such as reducing waste and greenhouse gas emissions.

High Liner Foods has a history of setting high standards for our suppliers, insisting on responsibly sourced seafood and carrying out rigorous audits to ensure that everyone we do business with treats their employees with fairness and dignity. Today, we're also having creative conversations with suppliers and customers alike about how we can achieve important ESG objectives together.

We're more committed than ever to rigorous social and environmental standards — and we continue to uphold and strengthen policies like our Supplier Code of Conduct. At the same time, we're exploring new ways to get results. We recognize that many businesses in our industry are trying to achieve ambitious sustainability goals in a complex environment with many different actors — from small, independent fishers to some of the world's largest retailers.

We see opportunities to achieve stronger ESG outcomes by engaging customers and suppliers to share knowledge, examine challenges from multiple perspectives and seek opportunities to help each other succeed. To choose just one example of how this practice can work, this year we began working with a major customer to facilitate improved coordination between their transportation network and our plants in order to minimize empty backhauls (trucks returning empty to their points of origin after making a delivery) and related costs and emissions.

A disruption and an opportunity

The disruptions to global supply chains related to the COVID-19 pandemic prompted many firms to revisit their approaches. Although focus and flexibility helped us navigate the last couple of years with considerable success, we've taken this

opportunity to reflect on "business as usual" and make adaptations to our supply chain guided by three key imperatives: sustainability, risk and cost.

As we go about this work, we're actively involving customers and suppliers in our considerations, with the goal of coordinating and aligning our efforts where possible. The purpose of these collaborations is to mitigate risk, minimize cost and maximize sustainability — for example by avoiding waste, cutting transportation emissions, optimizing the use of warehouse space and supporting team members.

We see opportunities to achieve stronger ESG outcomes by engaging customers and suppliers.



Our People and Communities

Our business has always been powered by strong relationships. From close-knit teams in small maritime communities to fishers and suppliers around the globe, our people and partners drive our results. In turn, we work hard to earn their trust and demonstrate our commitment to them by investing in their success. Our Executive Vice President, Human Resources, Johanne McNally Myers, leads our people-first approach: developing our team, recognizing their contributions and building a positive culture that drives performance and supports well-being.

“Building a positive, engaged culture is one of our top priorities as an organization. We pay close attention to culture — and care deeply about it — because it reflects so many aspects of an organization’s health, from diversity of thought to employee experience to people’s sense that they have opportunities to fulfill their potential.”

– *Johanne McNally Myers, Executive Vice President, Human Resources*



OUR TEAM: PROFILE AND SAFETY

As of January 1, 2022, High Liner Foods had 1,102 active regular full-time and part-time employees, of whom 459 were salaried and 643 were hourly.

Country	Employees
United States	632
Canada	451
China	13
Thailand	4
Iceland	2
Total	1,102

High Liner Foods has approximately 233 unionized employees in its Lunenburg, Nova Scotia, facility, who are represented by the Unifor union. The Lunenburg collective agreement expired in December 2020 and was renegotiated and ratified by the union in January 2021. Hourly workers in Portsmouth, New Hampshire, Newport News, Virginia, and Peabody, Massachusetts, are not unionized.

On gender diversity, women represent 49% of our North American workforce, 34% of our combined executive and senior management group, and 30% of our Board of Directors.

Environment, health and safety (EHS)

In 2021, we had a total of 16 recordable injuries (RIs). This represented a decrease of five incidents relative to 2020 (21 RIs) and a cumulative decline of nine incidents from our 2018 baseline (25). We take pride in these gains not only because they show progress toward our goal of zero workplace injuries, but also because they indicate that a new, three-year EHS strategy we adopted in January of 2021 is already working to keep our team members safe.

OSHA incident rate

Year	Incident Rate
2018	1.9
2019	1.6
2020	1.7
2021	1.4

Striving for ongoing improvement, we study incidents that do occur and explore ways they might have been prevented. This year, the decline in overall incidents was driven mainly by progress in our three

manufacturing plants. Improved safety performance at these locations is especially positive since these facilities present risks of serious injury by virtue of their equipment. At the same time, the share of incidents in 2021 that occurred in our warehouses and off-site (including two traffic accidents) increased. We aim to intensify our efforts in those other environments to ensure continued progress across North America in protecting the safety of every employee through every shift and functional division.

Managing COVID-19

In 2021, we continued to make extensive efforts to protect the safety of our employees and communities amid the ongoing pandemic, while maintaining operations that support hundreds of livelihoods and contribute to the North American food supply. In addition to maintaining and adapting safety protocols adopted in 2020 — and updating them where appropriate according to new guidance from experts — we hosted several on-site vaccination clinics to make it

more convenient for team members to get their shots, further supporting our goal of prioritizing the safety of our employees.

Safe behaviour around the clock

We continue to expand our SafeStart program, which promotes safe behaviour 24/7. Initially focused on our U.S. manufacturing and warehouse facilities, this program was extended to Lunenburg in 2021 and will be available throughout High Liner Foods North America in 2022. We've prioritized safe behaviour because an analysis of the incidents that have taken place in our facilities in recent years found that the vast majority resulted from employee behaviour. The program's first step is to make people more aware of states — such as rushing, frustration, fatigue and complacency — that can result in errors, leading to safety risks. It then offers guidance on how to identify, anticipate and avoid potentially unsafe behaviour in a range of scenarios at work, at home and on the road.

BUILDING OUR TEAM

From new succession planning approaches to flexible work arrangements and wellness supports, we continue to adopt systems and practices that show our team we value their contributions — and that we see their potential for growth.

Balance and well-being

Although employee well-being has always been a priority at High Liner Foods, last year we took new steps to ensure that our team members felt supported amid the unprecedented strains of the pandemic. We ground our well-being program in three key pillars — better health, better wealth, better mind — and make resources and supports available in each area. A weekly wellness newsletter offers tips and updates in a convenient format and directs employees to specific resources on our intranet. We've also kept up popular programs first initiated in 2020, such as virtual yoga and virtual bootcamp workouts, even as in-person activities have become more accessible again. In recognition of these efforts, High Liner Foods earned a Cigna Well-Being Award in 2021 from Cigna, a health services provider.

A flexible return to the office

Although many team members need to be on-site at plants or warehouses to perform their essential work, more than 200 High Liner corporate employees

began working from home when the pandemic hit in 2020. As local public health guidance permitted in 2021, we started asking employees to return to the office. Although many were glad to return, we received feedback during the transitional period indicating that some wanted to maintain higher levels of flexibility, choosing which days they would return to the office based on the demands of their own specific teams and home lives. In response to this feedback, we adapted our return-to-work policy, moving from an approach that included two mandated, shared days in the office to a model that gives employees greater control over their schedules. To help managers and team members align their expectations and craft new arrangements that work for everyone, we created a flexible hybrid-work playbook as a shared guide and reference document.

Ready for the next opportunity

Over the past couple of years, we've updated and formalized our succession planning approach — both to ensure more equitable access to promotions and to ensure that team members are aware of and

prepared for opportunities to develop their careers within High Liner Foods. When an employee is fully prepared to take on a role with greater responsibility, they enter the "ready now" category; through systematic efforts to identify and support employees who are primed for a promotion, we've seen the number of employees in the "ready now" category increase by 20% relative to 2020.

Tracking turnover

To ensure that we understand who's leaving our business, where, and why, this year we began tracking voluntary and involuntary departures from High Liner Foods by work location, salary tier and setting. We're also benchmarking our statistics against those in our industry overall to understand how we compare, and to ensure that we're able to identify emerging talent issues — or spread effective retention and culture-building practices — in a timely way.



TOP EMPLOYER

Our work in 2021 led to High Liner Foods being recognized as one of Atlantic Canada's Top Employers and Nova Scotia's Top Employers for 2022.

DIVERSITY, EQUITY AND INCLUSION

We're committed to ensuring that talented people of all backgrounds and identities can join our team and do their best work with us, finding opportunities for learning, growth and advancement. As our Diversity, Equity and Inclusion (DE&I) program continued to mature this year, the benefits were felt across our organization, in the performance of our teams and the quality of our culture and conversations.

Hiring differently

In 2021, we provided new interview guides to reduce the risk of "subjective" hiring practices. The new guides include quantitative assessments of specific competencies, creating opportunities for managers to notice and question assessments that might be grounded in implicit bias. Hiring managers have also been trained in the elimination of bias in recruitment selection, as well as in topics such as human rights and prohibited grounds of discrimination. The training will be rolled out more broadly in 2022.

Promoting differently

Overall, the team at High Liner Foods includes approximately equal shares of men and women. But until recently, women were underrepresented in management and leadership positions — occupying a little over a third of such roles. A more thoughtful and formal succession planning process has prompted leaders to think more systematically about the candidates available for promotion, and by early 2022 we were on target for women to reach parity in leadership roles later in the year.

Building skills and knowledge

This year our entire senior leadership team — executives and vice presidents — as well as our HR team completed training on topics including anti-racism, identifying and eliminating bias, and having difficult conversations.

Learning and celebrating together

We've received a remarkable amount of positive feedback about a simple intervention undertaken through our internal communications platform, the Fish Tank (our internal communications platform). For holidays, and celebrations that are important to groups within the High Liner Foods community — from Indigenous peoples to LGBTQ2+ employees to members of various cultural and religious groups — we've posted announcements about the nature of events such as Lunar New Year, Pride and Black History Month and linked to resources where people can learn more. Those most closely connected to the events have told us they felt recognized, and others have been glad to know more about their colleagues' lives and communities.

Partnering for a more equitable industry

Although the main focus of our DE&I work is within our own organization, we also take opportunities to work with other organizations and groups on shared initiatives. This year we engaged with Restaurants Canada to understand key patterns and trends in the food industry, and to identify areas where businesses like ours can support positive change — especially by increasing opportunities for racialized people to start and own restaurants and other businesses.

By early 2022 we were on target for women to reach parity in leadership roles later in the year.



COMMUNITY GIVING

High Liner Foods invests in the communities where our team members live and work. In addition to striving to be a good neighbour and an employer of choice, we support — and create opportunities for employees to support — a range of local volunteer and philanthropic initiatives.

Although these commitments are long-standing, enthusiasm connected to our new purpose (see [page 2](#)) and the active involvement of our leadership team have brought new energy and momentum to our community giving program in recent years, driving high levels of participation across our entire team.

Ten million meals

In 2015, we set the goal of providing 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. By the end of 2021, we reached 95% of our goal; thanks to the generosity and engagement of our teams over the years, we reached our target in early 2022 — three years ahead of schedule.

Days of Nourishment

In 2021, for the first time, teams across all our North American locations gathered in their local areas during the same week to support food banks and other non-profits focused on nourishment. We offered paid time off to participate in these initiatives, to show our commitment and ensure that all team members are equally able to contribute. Because we work in multiple states and provinces in Canada and the United States, we've always made our community giving work flexible in order to ensure it was responsive to local needs. This year, we received positive feedback from our teams about the power of doing this work in different locations but at the same time. After the work was done, teams gathered for a festive meal and many posted photos to their social media channels to share their experiences with colleagues, family and friends.

\$252,750
donated in products and financial support in 2021

9,484,926
meals provided through the end of 2021 through our Hunger Mission

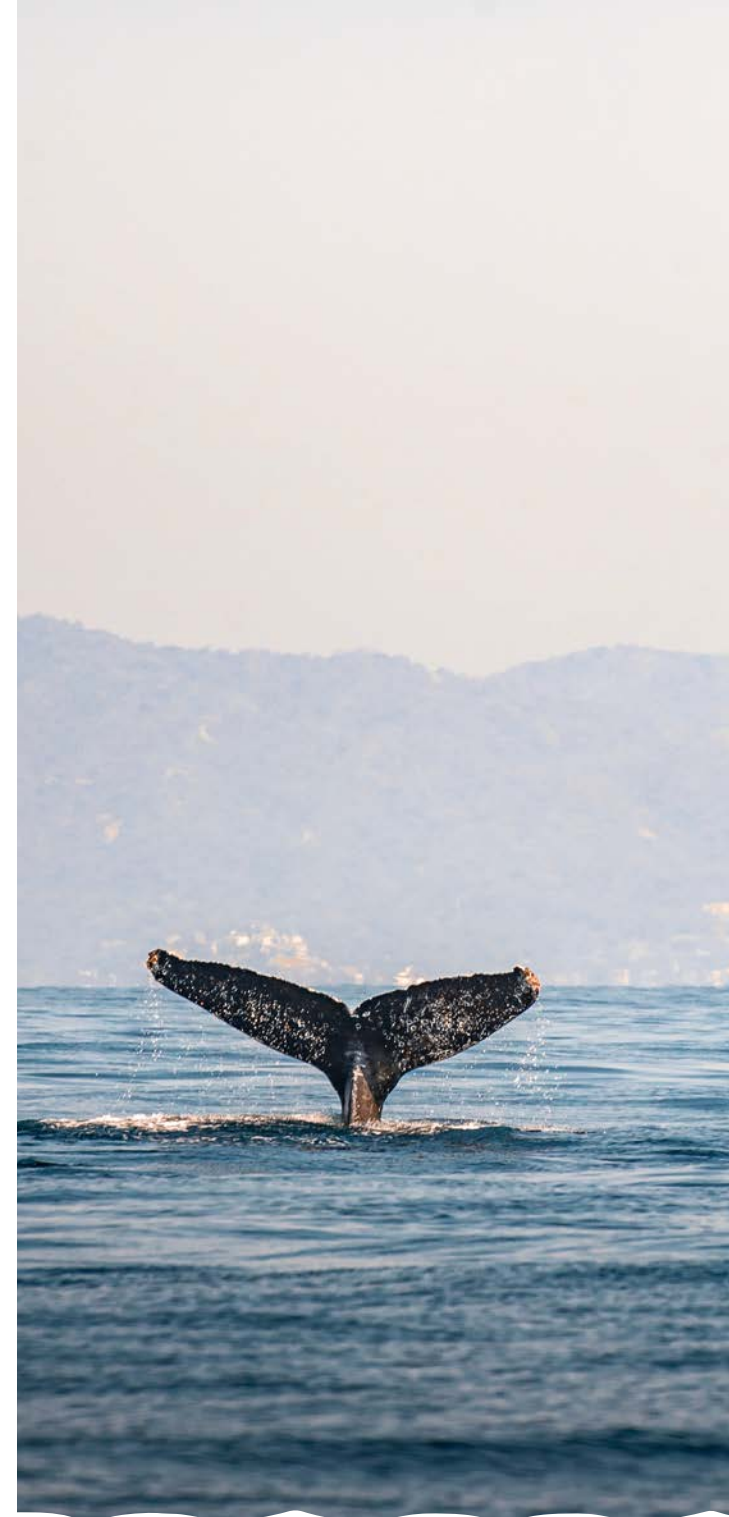


Protecting the Environment

The health of our business is inseparable from the health of the oceans, ecosystems and habitats that support the world's seafood resources. Under the direction of Tim Rorabeck, Executive Vice President, Corporate Affairs and General Counsel, we continue to broaden and deepen our environmental commitments. This year, in addition to a slate of existing activities, we began work toward creating a comprehensive greenhouse gas (GHG) inventory management plan (IMP) with a view to setting science-based emissions reduction targets and steadily reducing our contribution to climate change.

“Protecting the health of the oceans is a critical imperative for humanity. As a major leader in the seafood industry, we have a unique responsibility to model and promote sustainable practices, and we’re passionate about rising to that responsibility.”

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



OPERATIONAL FOOTPRINT

In addition to meeting the responsibilities specific 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 we use.

In 2021, we engaged external consultants to perform a comprehensive review of processes and equipment at our Lunenburg plant and to identify opportunities to increase our efficiency. In response to this review, we are:

- Installing new water and electricity meters to let teams make adjustments in response to real-time consumption data;
- Making adjustments to hot water management and improving leak detection;
- Making equipment upgrades that will give our teams greater control over water and energy usage.

Further action will extend the impact of these adaptations: we're applying the changes adopted at Lunenburg to our other plants and incorporating the consultants' guidance into our continuous improvement program.

16%

Our energy efficiency work this year presented opportunities to reduce emissions at our plants by 16%, through a combination of reducing energy use and cutting food loss and waste.

30%

This year's gains will also help us progress toward a pre-existing goal of reducing our energy consumption by 30% by 2030 compared to a 2017 baseline.



GREENHOUSE GAS EMISSIONS

In 2021, we accelerated work on a comprehensive inventory of our Scope 1 and Scope 2 greenhouse gas (GHG) emissions — a first step toward measuring High Liner Foods' contribution to climate change.

Reducing our emissions is not a new priority

Minimizing our contribution to climate change is an essential goal for High Liner Foods. Climate action is imperative for us not only because our values call on us to operate responsibly, but because the health of the oceans depends on global efforts to decarbonize the atmosphere and the economy. For these reasons, we've been taking steps to identify and reduce greenhouse gas (GHG) emissions for several years. We have explicitly connected our work to use less energy and minimize food waste, for example, with the goal of GHG reduction.

We're entering a new phase of climate action

Like many organizations around the world, High Liner Foods is responding to a changing context: the need for decisive climate action has become steadily more clear and urgent, and our stakeholders' expectations

are also changing. (This includes the expectations of our own leaders; see pages [23](#) & [24](#) for information about our recent materiality assessment.) In response, we're taking a number of new steps — from laying the foundations for comprehensive measurement of our emissions (as a step toward reducing them) to adopting new policies and practices to ensure that climate is consistently factored into our business decisions.

Measurement and target-setting are key components of our program

This year we began creating an inventory management plan (IMP) that defines the process of gathering emissions source data and calculating GHG emissions for High Liner Foods' North American operations. By first understanding our current GHG inventory, we can then begin the process of setting credible, science-based targets for emissions reductions.

But it's action that matters most

We're beginning to embed GHG considerations into everything we do: how we manage our supply chain, how we develop our products and how we operate our plants and warehouses. To choose just one example, in 2021 we added climate and other sustainability factors into the analysis we undertake to assess requests for new capital expenditures. In addition to evaluating business decisions in new ways, we'll continue to pursue progress on the environmental initiatives we've been advancing for years, such as waste reduction and reducing our energy consumption.



WASTE REDUCTION

This year we continued to drive operational improvements — and collaborate across our supply chain — to minimize food waste and optimize packaging.

Thinking big

Our waste reduction approach is holistic and ambitious. Reaching far beyond incremental improvements, we strive instead to reimagine all our products and processes with a view to bringing waste to zero. If zero waste isn't possible with existing technologies, we pursue innovations to help us get there.

Partnering to reduce waste

We work with customers and suppliers to minimize food waste and loss across the entire supply chain — from ocean to table. Although fish and seafood account for only about 2% of food loss and waste globally each year, we've challenged ourselves and our partners to do even better.

Our goal

50%
less food waste
compared to 2018

Our 2021 result

643,000 lbs
less food waste
than in 2020

Refining our operations

This year we adopted new cutting tools and techniques to ensure that every catch delivers as much nourishment as possible. We also improved our waste separation practices to boost recycling and minimize the amount of material that goes to landfill. When one of our facilities adopts an effective technique, we make sure it's quickly shared across our plants and warehouses.

Developing next-generation packaging

In 2021, we undertook a comprehensive review of the current composition of our packaging in order to set baselines in areas like recyclability. Next year, we'll begin to set goals and targets for improvement, increasing the share of recyclable materials and seeking innovations to replace elements like plastic liners. Although reducing plastic waste is a vital priority, plastic liners are highly effective in ensuring food safety and reducing food waste. We're exploring ways to adopt more sustainable materials while retaining the food-waste-reducing benefits of plastic.



We're increasing the share of recyclable materials in our packaging and seeking innovations to replace plastic liners.



Performance Data

The index on the [next page](#) presents an overview of our performance on key environment, social and governance (ESG) dimensions, including select measures from the 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.



PERFORMANCE DATA

ESG Performance Metrics	2021	2020	2019	2018	SASB Code
Responsible Sourcing					
Top species percentage of sales – Shrimp	21.20%	20.50%	21.70%	27.70%	
Top species percentage of sales – Cod	20.50%	22.60%	30.20%	27.30%	
Top species percentage of sales – Salmon (Wild & Farmed)	14.30%	11.50%	13.20%	14.10%	
Top species percentage of sales – Haddock	11.50%	12.00%	11.10%	10.60%	
Top species percentage of sales – Pollock	14.10%	15.20%	9.70%	6.90%	
Top species percentage of sales – Tilapia	7.30%	6.80%	6.00%	4.60%	
Top species percentage of sales – Sole	2.90%	2.50%	3.30%	3.30%	
Percent of seafood responsibly sourced	98%	96%	96%	95%	FB-PF-430a.1
Percent of raw material responsibly sourced from audited suppliers	98%	98%	98%	98%	FB-PF-430a.1
Percent of wild-caught seafood sold	76%	74%	77%	75%	FB-PF-430a.1
Percent of farmed seafood sold (2018 includes Rubicon sales)	24%	26%	23%	25%	FB-PF-430a.1
Percent of all seafood purchases covered by required social audit	98%	98%	98%	98%	FB-PF-430a.2
Percent of all required social audits approved with no conditions	100%	100%	100%	100%	FB-PF-430a.2
Our People and Communities					
Number of regular full-time and regular part-time employees	1,102	1,124	1,136	1,259	
Number of salaried employees	459	668	450	482	
Number of hourly employees	643	456	686	777	
Number of unionized employees	233	233	226	240	
Percent of workforce that is female	49%	36.1%	35.7%	35%	
Percent of Board members who are female	30%	30%	40%	30%	
Percent of combined executive and senior leadership teams who are female (ELT & SMG)	34%	28.6%	26.7%	23%	
OSHA incident rate (Canada/US till 2019; combined in 2020)	1.4	1.7	0.7	1.1	
Donated products and financial support (financial value)	\$252,750	\$1,671,428	\$214,341	\$80,079	
Number of meals provided for local communities since 2015	9,484,926	8,758,702	6,381,537	N/A	
Protecting the Environment					
Energy usage (kWh)	45,373,075	45,530,108	43,466,932	N/A	FB-PF-130a.1
Energy intensity	294,937	295,958	290,166	280,019	FB-PF-130a.1
Water usage (gallons)	107,424,891	104,602,741	107,923,940	N/A	FB-PF-140a.1
Water intensity	698,290	679,945	720,454	791,274	FB-PF-140a.1



At High Liner Foods, sustainability is integral to our core business — and everything we do is firmly grounded in our purpose:

Reimagining Seafood **TO NOURISH LIFE**

As we pursue increasingly ambitious objectives, adopting a new GHG measurement program and embarking on a growing number of sustainability-oriented partnerships and collaborations, our purpose continues to clarify our vision and fuel our progress.

To learn more:

highlinerfoods.com/sustainability highlinerfoods.com/investors

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