

Responsible Food Soybean Sourcing and Sustainability



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1. SunOpta

a.) About SunOpta

SunOpta is a leading provider of soy, corn, sunflower and grain-based food ingredients. We gather the best of nature's most wholesome organic grains and soybeans and help convert them into delicious, healthy products. Established in 1978, with 450 employees, contracting directly with over 2500 farmers, and operating a dozen production facilities, we supply and process only the very highest-quality ingredients and whole grains that are available as Certified Organic and Kosher, Non-GMO, and Identity Preserved (IP).

SunOpta is committed to environmental stewardship and social responsibility in all facets of our business, including the soymilk industry. Though we are the one of the largest soymilk producers in the world, SunOpta still contracts its soymilk soybeans directly with North American farmers. We operate under a vertically-integrated business model, which allows us to control every step of the soymilk process: from the soybean seed planted in the ground to the finished consumer product. With this vertically-integrated structure, we can better exercise corporate responsibility in all of our business decisions.

We utilize various production methods including Certified Organic, Non-Genetically Modified Organisms (Non-GMOs), Identity Preserved (IP), and other third party testing and verification systems. These methods preserve the identity, quality, safety and purity of SunOpta products.

From farm and community, to manufacturing and industry, SunOpta considers sustainability at every level of organization. We strive to ensure a safe environment and food-secure world for all. SunOpta has taken many concrete steps to further ensure that we are protecting our environment for future generations, including setting up environmental teams and reducing our carbon footprint.

b.) SunOpta's Value System

As SunOpta continues to grow, we stand strongly beside our Value System, and remain focused on our purpose to produce and distribute "good for you," healthy, natural, organic and specialty food products.

Our Value System directs SunOpta to conduct our business in a manner which demonstrates:

1. Mutual respect for those with whom we work and serve
2. Compassion, honesty and support in all our interactions
3. A culture which builds on the passion of our people and the industry
4. Respect for the environment through minimal impact and sustainable practices
5. Premium products and services, which are generally free of genetic modification and chemical treatment
6. The highest ethical standards, transparency in all business decisions, and a dedication to an above-average return for our shareholders
7. An active role in the communities where we work

c.) Soy Growing and Facility Locations

SunOpta contracts with North American farmers to get the highest quality local soybeans. We have soybean processing facilities located in Hope, Moorhead, and Alexandria, MN; Modesto, CA; Huevelton, NY; and Lamar, CO; and also various other strategically located processing partners.

2. Vertical Integration

SunOpta is a vertically integrated company, which means that we are involved in every step along the way. We work directly with the farmers, own our own processing facilities, and distribute our products domestically and internationally. This ensures that the products are the highest quality and the best value.

a.) SunOpta Farmers

It all starts with the farmers, many of whom have partnered with SunOpta since our inception over 30 years ago. In large part due to working directly with our growers, SunOpta has become leading producers, suppliers, and ingredient developers for the food industry. SunOpta cooperates with the farmers to select soybean varieties with the best agronomic and food application characteristics.

b.) Processing and Packaging

SunOpta owns and operates our own processing and manufacturing facilities, which allows for traceability and quality control. We employ natural processing techniques and thereby avoid using any harsh chemicals on our products. Our aseptic packaging for soymilk beverages and broths are shelf stable and reduces the need for refrigeration in storage and transportation, reducing the energy required and overall impact of delivering foods and ingredients to the market.

3. Production Methods

a.) Certified Organic

SunOpta works with growers that are third party certified to meet the USDA NOP (National Organic Program) Standards.

i.) Our Commitment to Organics

The benefits of organics are numerous and varied, from personal to far-reaching. The following reasons are why we are committed to organics:

- **Protect:** Many EPA-approved pesticides were registered long before extensive research linked these chemicals to cancer and other diseases. Now the EPA considers 60% of all herbicides (weed killers), 90% of all fungicides (mold killers), and 30% of all insecticides (insect killers) as potentially cancer causing. Organic farming keeps harmful chemicals and pesticides out of the food we eat and drink. Organic practices also protect the farm workers from high exposure to chemicals and synthetic pesticides.
- **Build:** Soil is the foundation of the food chain and building soil fertility is a primary focus of organic farming. Modern conventional farming practices, using chemical intensive mono-cropping, have created significant topsoil erosion problems, and organic farming provides part of the solution.
- **Preserve:** The loss of a large variety of species (biodiversity) is one of our most pressing environmental concerns. Organic standards require regular crop rotation, which is the antithesis of mono-cropping, and many dedicated organic farmers further collect and preserve unusual varieties in order to expand biodiversity.
- **Support:** Organic farming provides a truly sustainable tactic for preserving rural farms and communities. In addition, the majority of all SunOpta processing facilities are located in those rural communities, providing further support of the community.

- **Respect:** Organic farming practices respect our water sources by the elimination of polluting chemicals protects and conserves water resources. Throughout the world, large areas of our coastal waters are becoming so polluted that they lack sufficient oxygen, called “hypoxia.” This is sometimes a natural condition. However, the increased area of water affected, extended length of each episode, and increased frequency of episodes suggests that conventional agriculture has contributed to this problem in recent decades. Over-enrichment of estuaries and coastal waters with nutrients, especially nitrogen, stimulates outbreaks or “blooms” of algae that consume vital oxygen from the water when they decompose. The effects of hypoxia include fish kills and shellfish bed losses. Organic farming helps prevent hypoxia by avoiding harsh fertilizers and preserving precious water resources.

b.) Non-Genetically Modified Organisms (Non-GMOs)

SunOpta uses traditional cross-breeding methods to produce seed varieties and tests every inbound delivery of grain to ensure the Non-GMO integrity of our products.

c.) Identity Preserved (IP)

SunOpta’s IP Trait Tracker™ Program makes it possible to trace a specific variety or type of grain to its origin. This ensures that the purity of the crop is maintained and allows the product to be identified at any point in the supply chain. It also allows for SunOpta to measure and respond to quality concerns immediately and effectively. We maintain this traceability through documentation, testing, trace flow, auditing, and certification.

4. Testing and Certification

a.) Third Party Certification

Along with internal quality programs, SunOpta also utilizes third party certification programs including Quality Assurance International (QAI) Certified Organic, Minnesota Crop Improvement Association (MCIA) Certified Seed and Seed Conditioning, Hazard Analysis and Critical Control Point (HACCP), Kosher, Japanese Agricultural Standard (JAS), American Institute of Baking (AIB), and National Food Processors Association (NFPA). These programs verify that SunOpta follows the correct protocols and produces the highest quality products.

b.) Soybean Testing Procedures

We test our soybeans upon arrival at our facilities to ensure superior quality. At each shipment, a representative sample is taken to be tested to ensure the correct amount of protein, oil and moisture. We also test for GMOs, foreign materials, damage, and discolored soybeans.

5. Sustainability

a.) SunOpta’s Mission for Sustainability

Sustainability seeks to provide the best outcomes for the human and natural environments both now and in the future. It is intended to be a means of direction so that society, its members and its economies are able to meet their needs and express their greatest potential in the present, while preserving biodiversity and natural ecosystems for the long term.

Sustainability affects every level of organization, from local neighborhoods to the entire planet. As our company grows, we increasingly realize that our everyday decisions have environmental and social impacts around the globe.

b.) Natural Resource Sustainability

Natural resource sustainability means protecting and preserving all of our natural resources for generations to come, with the intent of leaving a better environment for future generations.

i.) Waste Reduction

Reducing waste not only conserves natural resources; it also alleviates business inefficiencies and bolsters profits. Waste reduction is therefore a core initiative of SunOpta. SunOpta is one of only two companies in the nation that packages its soymilk into half-gallon aseptic containers, with 8 containers (4 gallons) per case.

ii.) Energy Conservation and Pollution Control

At the core of most business and environmental management strategies is energy efficiency—the prudent and conservative use of energy resources. SunOpta prioritizes energy conservation and pollution control in all aspects of its vertically-integrated business model.

We reduce our dependence on non-renewable energy sources through effective transportation policies, innovative technologies, and strategically-located processing and packaging facilities. With the existing soymilk facilities in the Midwest, and the addition of a new West Coast soymilk processing and aseptic packaging facility, SunOpta reduces their transportation miles, eliminates significant fossil fuel pollution, and conserves natural resources. Having facilities in multiple locations also ensures reliable soymilk production and efficient national distribution.

SunOpta currently uses soymilk in aseptic packaging, which eliminates the need for the energy-intensive and polluting process of refrigeration at retail stores, distribution centers, and during transit. Aseptic processing is a safe, healthy, and proven processing system that significantly extends the shelf life to soymilk.

SunOpta recently completed its own wind energy feasibility study, with plans to construct a commercial scale wind farm near its Hope, Minnesota facility.

iii.) Sustainable Agricultural Practices

SunOpta encourages and promotes organic agriculture farming methods. SunOpta contracts with over 3,000 Certified Organic farmers who grow a variety of crops.

c.) Social Sustainability

Social sustainability recognizes the effects that corporate decisions have on employees, suppliers, investors, local/global communities and customers. SunOpta's socially responsible business practices include:

i.) Direct Support of Family Farms

SunOpta actively supports the economic vitality of North American soybean growers who are committed to environmentally-sound farming practices. We work directly with farmers to offer them premium pricing contracts for their Non-GMO and Organic soybeans. By operating under a vertically-integrated business model, we control every step of the soymilk process: from the soybean seed planted in the ground to the finished aseptic product. This model allows us more control over the long-term ecological and social sustainability of soymilk production and processing.

ii.) Commitment to Fair Trade

Fair Trade is based on a business model that puts workers and the environment first, not last. It establishes living wages, benchmarks for environmental sustainability, respect for cultural identities, and transparency in business interactions. SunOpta shares the ethics ingrained in the Fair Trade movement.

iii.) Commitment to Non-GMOs

SunOpta is committed to producing products that promote the wellbeing of people and the environment.

Approximately 85% of soybeans in North America contain genetically-modified organisms (GMOs). Health issues surrounding the presence of GMOs in food are controversial, and likely to become growing concerns for North American consumers. We use non-GMO varieties and test each shipment for GMOs to ensure that they meet our standards.

d.) Economic Sustainability

Economic sustainability means capturing the tangible and intangible costs—social and environmental—of the products and services we use and produce.

i.) True Costs of Transportation

“Food miles” is an expression used to explain the mileage of food before it reaches the consumer (or the plate). It is a partial indicator of the environmental impact of certain foods, and part of the broader concept of sustainability. The average piece of food on an American dinner table travels 1,300 miles to get there. SunOpta assesses the environmental impacts of its food ingredients and finished products. Part of this assessment considers the costs of transportation—economically and environmentally—with the goals of reducing food miles and thoughtfully transporting every shipment. The addition of the West Coast soymilk facility to our existing Midwest facilities will reduce food miles and transportation costs to many locations domestically and internationally.

ii.) Resource Productivity

We are committed to exploring every opportunity to recycle or reuse waste materials generated by our operations. Waste that cannot be eliminated, reduced, reused, recycled, or composted is disposed of through safe and responsible methods.

iii.) Premium Pricing

Through contracts, SunOpta is able to offer local farmers premium prices to help ensure a reliable supply of desirable crop varieties. These premium pricing options support small and mid-sized family farms. The family farms then nourish people with wholesome and diverse foods, generate jobs and dollars that stay in local economies, and breed an ethic of stewardship for the land.

6. SunOpta in Action

SunOpta is not only committed to using sustainable practices and producing organic products, we are also actively making a difference in our communities through various activities.

a.) Environmental Teams

In 2007, thirty environmental teams, consisting of over 100 committed staff members, were formed at the various SunOpta facilities. Their mandate was to focus our efforts to develop

programs that include waste reduction, recycling, energy conservation and corporate social responsibility initiatives that support local, regional and global needs in a sustainable manner.

b.) Creating a Food-Secure World

SunOpta’s commitment to sustainable farming practices contributes to the production and use of our planet’s food resources to nurture its people. We believe that the direct consumption of high quality vegetable-based protein foods helps to assure an ample supply of food for all mankind and helps reduce malnutrition worldwide. Our products and services reflect our commitment to use crops efficiently for both food and feed use, helping to make the world food-secure, particularly in these days of rising prices and tightened supplies.

c.) Improving Nutrition for All

SunOpta’s product line focuses on healthy foods for all age groups and the mechanisms for delivering those foods. SunOpta is committed to improved nutrition for all people—from our healthy school lunch programs featuring low-fat, high-protein sunflower kernels and soy nuts, to our efforts with the Soyfoods Association of North America to allow WIC programs to include soymilk as a needed alternative to dairy milk. In addition, SunOpta routinely participates in stocking local food shelves and continually seeks ways to serve the global market.

d.) Grower Incentive Program

The SunOpta Grains and Foods Group launched an enhanced grower incentive program to encourage producers to increase Non-GMO crop production and convert current acreage to organic production. The goal of these initiatives is to support sustainable farming practices that nurture natural food production and processing. The focus is on educating the growers and empowering them to improve their yield and their financial return, while at the same time, contributing to sustainable farming practices that give back to the earth more than we take from it. Our Grower Incentive Program incorporates a holistic approach, supporting our producers on many levels including:

- Environmental Stewardship
- Personal Health and Wellness
- Business Integrity
- Exceptional Quality

This model helps to support both the farmer and farming practices in a sustainable manner and increase natural and organic food production for our world.

e) Reducing Our Carbon Footprint

From efficient energy and resource use to the direct contributions of funds to tree planting organizations, SunOpta is committed to reducing and offsetting our greenhouse gas emissions and reducing our carbon footprint. For example, money that we saved by not purchasing and mailing holiday cards alone was used to plant 13,000 trees in North America in 2008, helping to mitigate environmental damage caused by forest fires and heavy industry.

f.) Harvesting Wind Power

SunOpta is also actively studying how to “harvest the wind” and use this clean and unlimited power in our processing plants. Ideally, a wind farm is one that has an average annual wind speed of at least 14 miles per hour. The area also needs to be flat, with few or no surrounding structures—this makes the Midwest, where our processing is concentrated—an ideal location to harvest wind power.

g.) United Nations CEO Water Mandate

In 2007, SunOpta became one of the ten founding global corporations to endorse the United Nations CEO Water Mandate. The mandate represents a call for action and provides a strategic framework to address issues of water sustainability in response to the emerging global water crisis.

A key requirement of participating companies is that they must show true commitment and measurable results in their water conservation efforts during their first 12 months in the program and every year thereafter. Since signing on to the CEO Water Mandate in July 2007, SunOpta has successfully completed a series of water conservation programs at its SunOpta Ingredients fiber plants in Minnesota, Kentucky, and Iowa.

Through a number of technological upgrades, process improvements, and focused conservation programs, SunOpta saved over 85 million gallons or 322 million liters of water last year. The knowledge gained from these initiatives is now being applied to other SunOpta facilities to achieve our goal to reduce water consumption by 10% corporate wide in 2008.