What do you call a company that’s making people healthier and happier with nutritious, delicious and natural, plant-based food that’s good for them and the planet?

ESG Report 2021
Establishing Generation Plant
Don’t know about you, but we call it Upfield!
Upfield is a young organisation, but our heritage stretches back to 1871, as the original dairy alternative company. Today, we are the world’s largest plant-based foods company. Our heritage gives us the scale and know-how to meet the growing global demand for environment-friendly, healthy, and affordable plant-based foods.

But history doesn’t hold us back. We have the energy and drive to innovate into products with distinct health and environmental benefits compared with their dairy counterparts. They have a significantly smaller carbon footprint and can contribute to reducing cardiovascular disease. Our products help make the world more sustainable.

But we are not just relying on the “sustainable food trend.” We want to accelerate it, working hand-in-hand with all of our stakeholders; from governments to farmers to consumers and all those in between.

We want to create products that can be enjoyed by everyone everywhere, every day. We are building power brands which rely on the fundamental idea that the environmentally friendly, and healthy choice can also be the most delicious, nutritious, accessible and affordable choice for people worldwide.

ESG is integrated in the way we operate our business. It is a core driver of our strategy and our innovation. It informs our focus on resource usage, our interactions with our supply chain, importantly our farmers in the fields growing essential ingredients and the way we recruit and treat our employees. We know that sustainable products and sustainable businesses are not a passing fad. We are working hard to future-proof our business for a world where sustainability is the only option.

ESG is at the heart of our culture and values. Our Purpose is to make people healthier and happier with nutritious and delicious, natural, plant based food that is good for you and for our planet.

The following report details the programmes we have put in place to achieve just that.
We need a sustainable alternative to our reliance on cows.

An estimated 23% of global GHG emissions come from agriculture, livestock and the land and forests needed to raise them.\(^1\)

If meat and dairy cows were a country, after China, they would be the joint 2nd largest emitter of CO\(_2\)e in the world with the US.\(^2\)

There are already roughly 270m dairy cows on the planet.\(^3\)

With 8bn people on the planet to feed, and 10bn projected by 2050.\(^4\)

The problem is only getting bigger.

We already have a solution. It’s plant-based.

Our plant-based products have a much lower carbon and methane impact than their dairy equivalents.\(^5\)

Butters and spreads: 70% less
Cheeses: 74% less
Creams: 50% less\(^6\)

Plant-based margarines and spreads use:

- 50% less water than their dairy equivalents
- 66% less land than their dairy equivalents\(^8\)

When people choose our products instead of their dairy counterparts, we estimate that people collectively save 6m tonnes of CO\(_2\)e annually, based on our global sales volumes, that’s almost twice as much as our own footprint. That’s the same as powering 1m homes for a year.\(^7\) By helping more people switch to our products instead of dairy we can make a even bigger impact on carbon reduction.

Our products are better for the planet, and the cow too.
Plant-based foods are better for our planet

We conduct thorough, ISO-compliant Life Cycle Assessments (LCAs). We know that our products have a far lower impact on climate change, water use and land use than their dairy counterparts. We also know that a growing global population (approaching 10bn by 2050) requires food system transformation, in order to feed everyone sustainably. Our products are part of the solution to the food system problem. Our products produce less carbon and methane emissions than dairy. The three categories of spreads, creams and cheese account for over 95% of our portfolio. On a category average basis they produce 70% less for butters, 50% for creams and 74% for cheese.

To show the potential impact of switching to plant-based from dairy, based on our global sales volumes, we estimated that people collectively save 6m tonnes of CO₂e annually. That’s almost twice as much as Upfield’s own carbon footprint. By helping more people switch to our products from dairy, we can make an even bigger impact on carbon reduction.

Plant-based foods are much better for people

Meanwhile, some 17.9m people die from cardiovascular disease every year, with unhealthy diets and low physical activity playing a part. The Rockefeller Foundation-Lancet Commission on Planetary Health said ‘more environmentally sustainable diets tend to be healthier than less sustainable diets.’ Our 100% plant-based products contain zero trans fats and are often much lower in saturated fats than their dairy counterparts. Heart health products from our ProActiv brand are clinically proven to lower cholesterol because of their plant sterol content. Plant-based food makes the difference.

Alternative food producers are growing fast, but aren’t up to scale yet

The plant-based dairy alternative food industry is small and fragmented – it’s just 4% of the size of the traditional dairy sector. It’s mostly made up of many small brands, who would take years to get to the kind of global scale needed to make the changes we all need to see.

We have the strategy to shape the future of food

Upfield is the world’s largest plant-based food business, with distribution networks and innovation capabilities to match. Our purpose is to make people healthier and happier with nutritious and delicious, natural, plant-based foods that are good for consumers and the planet. Our four-pillar strategy sets out how we will deliver it.

That’s where we come in

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**Plant-based**
1bn people choose our delicious plant-based products by 2030

**Healthier lives**
200m lives positively impacted with access to affordable and healthy nutrition by 2030

**Happier people**
140,000 livelihoods enhanced and 5m chefs reached to enable Generation Plant by 2030

**Better planet**
Better than Net Zero and 95% plastic free! We are pioneering products that preserve nature by 2030
We’re already making a difference

...to the food system
99% of our ingredients by volume are plant-based and dairy-free

...to health
€1bn+ of sales from products with nutrition or health claims, or promoting health benefits

...to happiness
500,000 chefs and farmers are supported through growing and serving plant-based food

...to the planet
94% of our packaging is recyclable, reusable or compostable
Our influence is growing

...through our people
4,100 engaged, passionate people

...through our reach
Our products are on sale in more than 95 countries
Our brands are ranked #1 and #2 in 45 of them

...through our expertise
2020 Violife was a small but leading Greek vegan cheese producer, bought by Upfield
2022 Violife is global leader in the plant-based cheese market and sold in 60 countries and accounts for 24% of the worldwide plant-based cheese market

...through our innovation
In the last 2 years we have innovated or renovated 80% of our products

...through our power brands that lead on...

<table>
<thead>
<tr>
<th>Plant-based</th>
<th>Healthier lives</th>
<th>Better planet</th>
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</thead>
<tbody>
<tr>
<td>100% natural</td>
<td>Healthier heart</td>
<td>Better for the climate than dairy counterparts</td>
</tr>
<tr>
<td>100% plant-based</td>
<td>Children’s nutrition</td>
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*of measured markets in NA and Europe
Our recipe for success

We’re on a mission to build a better, plant-based future, aiming to drive a positive change in people’s health and their daily lives, while reducing our own impact on the planet.

Purpose

Make people healthier and happier with great-tasting, all-natural, plant-based nutritious products that are better for our health and the planet.

Vision

Be the global leader in sustainable and healthy plant-based nutrition, pioneering plant-based foods for everyone.

Step 1: Ingredients

People
A team of more than 4,100 talented experts.

Brands
Seven power brands, in leading positions in 95 markets, backed by 150 years of heritage and plant-based expertise.

Inputs
Natural, sustainably sourced ingredients blended in state-of-the-art manufacturing facilities, distributed through a global, well-honed distribution and sales chain.

Finance
Standalone, investor-backed finance function investing in our future.

Relationships
A growing network of stakeholder relationships with suppliers, non-governmental organisation (NGO) experts, plant-based innovators, policymakers, customers, partners and investors.

Step 2: Method

Insights
Collecting the latest consumer insights to develop our products, brand and marketing.

Manufacturing
Making high-quality, market-leading products in our 15 modernised manufacturing facilities around the world, underpinning our growth in every region.

Innovation
Applying world-class plant-based research and development (R&D), backed by 150 years of experience, to increase the benefits of our products.

Logistics
Getting ingredients from source to shelf, powered by a new enterprise resource planning system.

Responsible sourcing
Sourcing the most sustainable and natural ingredients we can.

Marketing, sales and consumer use
With a focus on building purposeful brands, agile teams use data rather than tradition to grow brands and open new sales channels, drive consumption occasions and household penetration.

Step 3: Results

For consumers
Making the shift to lower-carbon, healthier, plant-based products easier and tastier, providing more innovative plant-based options and leading change with retail partners.

For customers
Supporting our retail partners to lead change and achieve their ESG ambitions and targets.

For our people
An inclusive, equal, rewarding, stretching and spirited team culture for our people, who call themselves Upfielders.

For investors
A profitable, responsible and long-term business that delivers the kind of impact that people are proud of.

For suppliers and partners
Trusting, fair and long-term relationships that create value for everyone involved.

For governments and regulators
Meeting today’s food and fiscal regulations and working with policymakers to create lower-carbon, nutritious, plant-based foods for tomorrow.

For our planet and society
Delicious, nutritious, plant-based alternatives to dairy products that are accessible to people of all incomes the world over.
Creating our strategy

We defined the four pillars of our sustainability strategy, and the targets that sit within it by starting from our purpose and engaging with experts.

To define our strategy, we worked with a leading sustainability consultancy. Together, we identified the key issues to cover, using frameworks such as those laid down by the Sustainability Accounting Standards Board and the Global Reporting Initiative (GRI). We then interviewed expert external stakeholders, including investors, customers, industry bodies, academics, suppliers, NGOs and a panel of young people to understand the issues in depth. Internally, we interviewed our senior leadership team, to understand the business perspective.

The insights from all these interviews revealed the most important issues for us to focus on, which are grouped into our four pillars: plant-based, healthier lives, happier people, and better planet. Our ESG addendum covers disclosures related to material topics that aren’t included in this report.

Contributing to the world’s goals

The United Nations’ 17 Sustainable Development Goals set out what the world needs to achieve by 2030. Through our four pillars, we will contribute to nine of them. Here’s how.

**Plant-based**

- **15: Life on Land**
  Plant-based food uses less land, so more is available for biodiversity and natural carbon capture and storage.
- **12: Responsible Consumption and Production**
  Scientists agree that plant-based diets are more environmentally responsible than animal-based diets, but change isn’t easy. We’re working to make this shift easier, better and more affordable.

**Healthier lives**

- **2: Zero Hunger**
  Our purpose means we’re committed to making sustainable, nutritious food more affordable and available the world over.
- **3: Good health and well-being**
  We’re investing in making our product recipes healthier, and our brands encourage healthier, more active lifestyles.

**Happier people**

- **5: Gender equality**
  From our offices through our supply chains, we’re making changes to achieve gender equality and a diverse and inclusive workplace.
- **8: Decent Work and Economic Growth**
  By scaling plant-based food, we’re creating more, better-paid work for people involved in the value chain, from top to bottom.

**Better planet**

- **6: Clean Water and Sanitation**
  Moving to a diet without animal products could reduce the progressive enrichment of water bodies with excessive nutrients by 49% globally and reduce scarcity-weighted freshwater withdrawals by 19%.
- **13: Climate Action**
  We can’t tackle climate change if we don’t shift from animal-based foods to plant-based ones. Our whole business is designed to make that shift easier, faster, healthier and more affordable, and to happen at scale.
- **17: Partnerships for the Goals**
  This goal underpins all of our work, but it sits within this pillar because it’s where partnerships are most urgent and where our partnership work is most active.
First year progress...

We are proud of the progress we made in 2021; you can read more about our achievements in the following tables. They outline the progress we have made against our commitments in our first year, as well as the areas where we have further work to do.

**Plant-based**

Reach 1bn people by 2030

<table>
<thead>
<tr>
<th>COMMITMENTS</th>
<th>TARGET DATE</th>
<th>TARGET</th>
<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROWTH</td>
<td>Build purposeful power brands that inspire and educate people to move to plant-based foods</td>
<td>Ongoing</td>
<td>7</td>
<td>7</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>Increase category impact and availability to make it easier for consumers to choose plant-based foods</td>
<td>-</td>
<td>Ongoing commitment to innovation, giving new customers and consumer access to our products</td>
<td>✔️</td>
<td></td>
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<tr>
<td></td>
<td>Always launch tastier and better performing plant-based products</td>
<td>-</td>
<td>All new and reformulated products launched in 2021 were classed by our experts and consumer testing panels as being as tasty as the dairy equivalent</td>
<td>✔️</td>
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**PLANT-BASED**

100% plant-based product portfolio

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<thead>
<tr>
<th>COMMITMENTS</th>
<th>TARGET DATE</th>
<th>TARGET</th>
<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
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<tbody>
<tr>
<td></td>
<td>2025</td>
<td>100%</td>
<td></td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>99% of our ingredients by volume are plant-based and dairy-free</td>
<td>✔️</td>
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**NATURAL**

Migrate to 100% natural ingredients portfolio with simple clean labels

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<th>COMMITMENTS</th>
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<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>2025</td>
<td>100%</td>
<td></td>
<td></td>
<td>✔️</td>
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<tr>
<td></td>
<td>97% of natural ingredients purchased by volume</td>
<td>✔️</td>
<td></td>
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“In 2021, our power brands reached huge numbers of people already. We’re investing in better data to track brand reach.”

**Healthier lives**

200m healthier lives by 2030

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<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
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</thead>
<tbody>
<tr>
<td>AFFORDABLE</td>
<td>Invest in innovations that are affordable for consumers of lower socio-economic status so that we maintain our share of the C&amp;D customer base</td>
<td>Ongoing</td>
<td>Maintain</td>
<td>-</td>
<td>&gt;250m people</td>
</tr>
<tr>
<td>BENCHMARK</td>
<td>Deliver better nourishment by outperforming nutrition benchmarks on saturated fats and salt with no trans-fats</td>
<td>2030</td>
<td>100%</td>
<td>Category specific nutrition benchmarking methodology to be developed in 2022</td>
<td></td>
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</table>

**CHILDRENS NUTRITION**

Provide balanced nutrition and education to 100m children

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<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
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<tbody>
<tr>
<td></td>
<td>2030</td>
<td>100m</td>
<td>11.2m</td>
<td>11.3m</td>
<td>✔️</td>
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**HEART HEALTH**

Enable 50m adults to lower their risk of heart disease by offering healthier products plus nutrition education

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<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
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<tbody>
<tr>
<td></td>
<td>Ongoing</td>
<td>50m</td>
<td>-</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>&gt;40m people</td>
<td>✔️</td>
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</table>

**ACTIVE LIVES**

Enable an active lifestyle and improve functional health for 50m adults

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<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td></td>
<td>Ongoing</td>
<td>50m</td>
<td>-</td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>&gt;40m people</td>
<td>✔️</td>
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Better planet

Happier people

Enabling ‘Generation Plant’ by supporting 140,000 livelihoods and 5m chefs by 2030

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<thead>
<tr>
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<th>TARGET</th>
<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
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</thead>
<tbody>
<tr>
<td>DIVERSITY Champion social mobility and equity by having an inclusive business, including gender balance</td>
<td>2030</td>
<td>50%</td>
<td>34%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>ENGAGEMENT Upfielders are advocates for Upfield’s purpose and strategy in our communities (measured by employee net promoter score - eNPS, from Peakon)</td>
<td>2030</td>
<td>&gt;8.1 / 10</td>
<td>7.7 / 10</td>
<td>7.5 / 10</td>
<td></td>
</tr>
<tr>
<td>VOLUNTEERING Grow ‘Generation Plant’ in our communities by Upfielders investing 15,000 hours annually in volunteer work</td>
<td>2030</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CHEFS Build a network of 5m plant-based chefs, supporting 40,000 with knowledge and capability</td>
<td>2030</td>
<td>5m</td>
<td>-</td>
<td>500k</td>
<td></td>
</tr>
<tr>
<td>FARMERS Enhance livelihoods of 100,000 smallholders and plant-based entrepreneurs</td>
<td>2030</td>
<td>100k</td>
<td>14k</td>
<td>21k</td>
<td></td>
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“Better than net zero and 95% plastic free by 2030

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<tr>
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<th>TARGET</th>
<th>2020</th>
<th>2021</th>
<th>PROGRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARBON Reach Carbon Neutral status on Scopes 1 &amp; 2 (CO₂)³⁸</td>
<td>2030</td>
<td>0kt</td>
<td>128kt</td>
<td>113kt</td>
<td></td>
</tr>
<tr>
<td>Achieve 25% reduction in Scopes 1,2 and 3 (CO₂)³⁹</td>
<td>2030</td>
<td>2,530kt</td>
<td>3,373kt</td>
<td>3,075kt</td>
<td></td>
</tr>
<tr>
<td>Communicate benefit of plant-based food by labelling carbon emission on 500m product packs</td>
<td>2030</td>
<td>500m</td>
<td>13.2m</td>
<td>120m</td>
<td></td>
</tr>
<tr>
<td>WASTE All factories to achieve zero waste to landfill</td>
<td>2030</td>
<td>100%</td>
<td>46%</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>PACKAGING Eliminate 95% of plastic content in all our packaging (measured as plastic as a proportion of total packaging)</td>
<td>2030</td>
<td>5%</td>
<td>46%</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td>All packaging is recyclable, reusable or compostable (% of total packaging)</td>
<td>2030</td>
<td>100%</td>
<td>94.5%</td>
<td>94.0%</td>
<td></td>
</tr>
<tr>
<td>RESPONSIBLE SOURCING 100% responsible sourcing for palm, paper and soy as per our policy commitments</td>
<td>2025</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

“In 2022, we will launch our volunteering programme as part of our Upfield Cares programme.”
Sounds good in theory... but what about in practice?
We’re driving plant-based adoption

Plant-based diets are already growing in popularity, and for good reason. People want to protect the planet and their own health. Now, our job is to make plant-based foods readily available and easier to choose.

Many countries have structural incentives that promote animal-based foods over plant-based foods: subsidies, public procurement purchasing, promotion campaigns and unequal taxation, making it difficult for people to choose healthier, more sustainable food. And we’re looking to fix that.

We’re also focusing on innovating new products that make plant-based choices more affordable, more available and tastier than dairy.

In the past 12 months we have introduced products with 100% natural ingredients and products without palm oil, to ensure we cater to a range of different consumer preferences.

Nutritional content is important to us and to consumers. Unlike the dairy counterparts, our products are free of trans-fats, and meet the benchmarks set by external bodies on salt content too.

More innovation

In 2020, we invested €47m to build the world’s largest R&D facility dedicated to plant-based food innovation. Located in Wageningen, Netherlands, also known as the Silicon Valley of food, it will accelerate our work to expand into new categories and grow existing brands by making them healthier, tastier, 100% natural, more affordable and more sustainably packaged. And, culturally, it’s a symbol of our commitment to our purpose. Right down to the fully plant-based in-house restaurant.

More plant-based choice

Our brands continue to expand their offerings into new markets and categories, so more people can choose plant-based foods.

In 2021, our Rama consumer brand relaunched its 100% plant-based, lactose-free cream range in Germany with an improved graphic design in a new paper-based, recyclable pot format. Around 800,000 households were reached through a marketing campaign that saw Rama quickly become Germany’s second-best-selling plant-based cream brand. Violife also launched Vioblock, a 100% vegan butter alternative, throughout Europe and Japan.

In the professional market, Flora 100% plant-based cream entered new markets, including the US, Australia, China, Sri Lanka, Chile, Thailand, Malaysia, Mexico, UAE, Peru, Chile, Trinidad & Tabago. It’s now available in 51 countries. Upfield Professional secured a number of new deals with Papa Johns, Domino’s Pizza, Pizza Hut, Starbucks, Sodexo, Compass, Ikea and Subway in 19 new countries.

More natural ingredients

To accelerate growth, we’re focused on achieving 100% natural ingredients across our portfolio. Our Spanish brand Tulipán, relaunched its 100% natural ingredient spread, which led to significant brand growth. Across the Nordic countries, Lätta successfully relaunched the core portfolio to a 100% palm oil-free recipe, an important consumer choice in the region. The campaign reached 1.7m people, with 44.7m impressions. After years of decline in a mature market, the brand gained 0.5% market share.

Stronger brands

We set high, thoroughly consumer-tested, standards for new product launches. Every new product a brand launches has to be at least as tasty, if not tastier than the alternative. The results speak for themselves. Two years after its launch, Country Crock is the best known plant butter brand in the US. In Europe, Becel’s 100% plant-based butter alternative grew 3% in the last six months of 2021, and grew its consumer base by 20% for the year. Violife, our plant-based cheese brand, is the global leader in the category and accounts for an average of 24% of the plant-based cheese market in the European and North American (where measured data is available).
We’re furthering the health benefits of plant-based

With the rising cost of living, food poverty is growing worldwide. Sustainable, tasty and nutritious food choices should be available to everyone, but unfortunately some people associate more sustainable products with higher prices. However, that isn’t always the case. Our plant-based spreads, butters, creams and cheeses are comparatively less expensive than their dairy equivalents, and we’re continually innovating to make them more accessible and affordable.

Health and quality are at the heart of our product development. Across our brand portfolio, we’re reformulating old products and developing new ones with health benefits in mind, and all in-line with our Product Quality Policy. It’s not just through product that we have influence – it’s through our brand communications too. Where health benefits and active lifestyles are key ingredients of the brand, these issues are championed through their outreach and engagement.

Making plant-based benefits more accessible

We believe that plant-based products should be available to everyone, so we keep developing new ways of packaging our products so they are as affordable as possible. In Indonesia and Pakistan, we launched a low-priced pack of our Blue Band spread, in a smaller size and priced at the equivalent of €0.12. The spread is fortified with vitamins A, D, E, B1 and B2, plus omega 3 and 6 fatty acids. In Indonesia, the products are distributed through 249,000 stores, together with a multimedia campaign, they’ve reached 2.89m families. In Pakistan, distribution has hit 35,000 stores, and the TV, digital and outdoor campaigns reached 23m, allowing 240,000 families in Pakistan to enjoy more affordable and healthy plant-based food.

More and more nutritious

While we make our products tastier and more affordable, we’re also working on making them more nutritious. In 2021, over €1bn of sales came from products with nutrition or health claims, or that promote health benefits, including products with low-calorie options, added vitamins, calcium and omega 3 and 6, and plant sterols for heart health.

Our ProActiv range is a leader in the heart health space, containing plant sterols. These are found naturally in plant oils, fruits and vegetables. They work by reducing the amount of cholesterol absorbed by your gut. This reduces the amount of cholesterol in your bloodstream, resulting in lower levels of LDL (bad) cholesterol. It’s not just limited to product. The Becel Centre for Heart Health partners with four registered dietitians to develop practical, actionable content about the benefits of plant-based diets for their peers to use with clients in their practices. The programme reaches dietitians across Canada and draws on the experiences of these health professionals, Canada’s Dietary Guidelines and heart health recipes.

Getting people active

Lots of studies show that eating less meat and dairy, and more plant-based foods, helps to reduce the risk of diabetes, hypertension, cardiovascular disease and some forms of cancer.1 When people get more active, these benefits grow, so we’re focusing on that too. Flora continues to put its marketing muscle behind World Heart Health Day by backing sporting events around the world, including the London Marathon and a triathlon in Pakistan. In Sri Lanka, this brand developed celebrity-fronted content encouraging people to be more active.


Healthier lives

With the rising cost of living, food poverty is growing worldwide. Sustainable, tasty and nutritious food choices should be available to everyone, but unfortunately some people associate more sustainable products with higher prices. However, that isn’t always the case. Our plant-based spreads, butters, creams and cheeses are comparatively less expensive than their dairy equivalents, and we’re continually innovating to make them more accessible and affordable.

Health and quality are at the heart of our product development. Across our brand portfolio, we’re reformulating old products and developing new ones with health benefits in mind, and all in-line with our Product Quality Policy. It’s not just through product that we have influence – it’s through our brand communications too. Where health benefits and active lifestyles are key ingredients of the brand, these issues are championed through their outreach and engagement.
We’re making our business better for the people that grow it

Making a food system that’s healthier, more affordable and sustainable through plant-based products means working closely with our communities, our supply chain and with each other.

People do their best work when they are happy, secure and supported, and that’s the focus of our work in this pillar.

Our team

Upfield has only existed for three years. It has taken a lot of work to set up the kind of people practices expected of a global employer that attracts the best talent.

In 2021, we published our diversity & inclusion policy and put in place practices to remove bias from our recruitment processes too. We created a Young Advisory Board to make sure young Upfielders have their say, and set up support networks for mental health, parents and LGBTQ+ people. Our global team of ‘happy and healthy champions’ design and support many Upfield initiatives, focusing this year on mental and physical well-being and volunteering. Alongside this, our global development series of training and content supports people’s career development.

Our Upfield Cares programme underpins all this. It’s designed to give our team the trust and support to do the best job they can. It covers flexibility, parental leave, bereavement leave, extended leave, rest and recharge days, and, in 2022, volunteering.

Our eNPS score, which measures how employees feel about their employer, reflects the impact we’re having. Our team’s engagement scores put us in the mid-range of most engaged consumer facing businesses just three years after the business was established.

Our communities

We run a lot of activities to support the communities we’re part of.

In 2021, we sponsored the Vegan Women’s Summit. Becel’s Kind Heart Fund, which tackles food insecurity in Canada with $1 donation for every Becel product bought, donated $500,000 to food banks in Canada. In Indonesia and Sri Lanka, our Mumpreneur projects created more than 5,000 home bakers.

Supporting chefs is an integral part of our work. In late 2021, our ProPlantChefs social platform launched, reaching 2.9m across 25 countries, with plant-based cooking recipes and inspiration. Violife’s Plant Grants worked with legendary hip-hop artist RZA to give five chefs $20,000 and expert mentoring support to help them create exciting plant-based dishes for menus. This helped to showcase just how widespread plant-based foods are loved.

Our value chain

We firmly believe a successful, sustainable business doesn’t happen in isolation, it’s the result of collaboration, particularly in the supply chain. In 2021, in Kenya, we supported thousands of small-scale canola farmers improve their profitability and sustainability. In East Africa, we partners with Tanafaka Cooperative Society to work more closely with peanut farmers. Both these projects are underpinned by the choice to source locally for the regional market. This choice means local communities and economies benefit more, we have more traceability and the carbon impact of transport is as small as possible.
Better planet

We’re making plant-based even better for the planet

Livestock has huge land-use, water and carbon impacts, that are not sustainable today, nor as populations grow. Our products are a solution to these problems, as we’ve shown, they have significantly better environmental footprints than their dairy counterparts.

We still have environmental impacts though and we are committed to finding ways to reduce the negative impacts and enhance the positive ones. We reach huge numbers of consumers globally, so we need to look at other ways to reduce our environmental impact. That’s why we’re working hard to make our products and business as sustainable as possible, and helping people understand how switching to plant-based helps them and the planet.

Strong climate action

We’re committed to tackling our own impacts and helping people shift to plant-based products with lower emissions than dairy.

In 2021, our combined 3-Scope carbon footprint was 3,075kt of CO₂e. Reducing the use of natural gas cut our Scope 1 emissions by 14%, Scope 2 emissions reduced by 10% and Scope 3 emissions are down by 9%. Ingredients are our biggest source of emissions, across all scopes. Of these, 1% is dairy, yet this is 7% (2021) of our carbon footprint and 51% of our methane emissions. We are the first major company the food and agriculture sector to transparently declare our methane emissions. You can read more [here](#).

Scope 4, the emissions avoided from using our products instead of alternatives, is where it gets exciting. Our products produce less carbon emissions than dairy. The three categories of plant butters/margarines, creams and cheese account for over 95% of our portfolio. On a category average basis - 70% less for margarines & butters, 55% for creams and 74% for cheese. If every pack purchased from us in 2020 was chosen instead of a dairy alternative, 6m tonnes of CO₂e were theoretically saved, double our entire carbon footprint.

Our Scope 4 calculations are based on ISO compliant, peer reviewed lifecycle analysis (LCAs) aligned with EU Product Environmental Footprint (PEF) methodologies for hundreds of individual products covering the three core categories (plant spreads, plant-based creams, and plant-based cheese).

In 2021, we put carbon labels on 120m packs, over-delivering on our 100m target. We also completed our first multimarket LCA, for the cheese category.

Responsible and sustainable sourcing

We source key ingredients, mostly natural, edible oils, and packaging materials from around the world including palm, paper, soybean, coconut, sunflower, rapeseed and shea. We recognise the benefits that strong, resilient supply chains provide as well as the potential risks of deforestation and exploitation for high risk commodities.

We have a strong responsible sourcing programme and use Sedex to better manage the social and environmental performance of our suppliers according to their geography, industry and their specific practices. Beyond Sedex, we have specific responsible sourcing policies for key high-risk ingredients (palm oil, soy, pulp and paper, coconut and shea). We achieved 100% compliance on palm, paper and soy with our responsible sourcing policy commitments. This includes maintaining 100% sustainable sourcing of palm oil (RSPO MB & SG).

We are taking action to monitor progress made on those specific supply chains, for example by using Starling to monitor deforestation in the regions where we sourcing palm oil. Where there’s an issue, we investigate each case transparently, publishing supplier details and reporting any issues on Upfield.com. For our high-risk raw materials, we work towards independent certification.

Our own operations

Beyond our climate targets and energy plans we also look to manage our waste and water impacts. We recycle, reuse or recover 8% more of our waste over the last three years. Over half our sites sent zero waste to landfill, but overall waste has increased, because our German plant is now pre-treating waste water. This sludge is used to generate energy, it is an absolute increase we’re working to reduce. See our more detailed disclosures on energy, waste and water for more information.

Packaging

Plastic free and better packaging

We’ve set an ambitious target of cutting 95% of the plastic packaging by 2030. In 2021, plastic use was down by 8,000 tonnes, to 43,000 tonnes. Plastic is now 47% of total packaging volume. We are working on designing packaging to maximise the recyclability across our markets. At the end of the year 94% of our packaging was assessed as being recyclable reusable or compostable. This fell marginally due to the increase in creams volumes as a portion of our portfolio, in formats that are not considered widely recyclable as they are composite rather than mono-material.

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**Doing it right**

**We’re serious about it**  
Without good governance, the right things don’t always get done in the right way.

Upfield Group BV is the strategic management company of Upfield. The Board of Directors, seven male, three female, are accountable for the purpose, values, strategy and impact of Upfield.

The Board delegate the day-to-day management of the business, including ESG, to Upfield’s Executive Committee. Authority for ESG is delegated to the ESG Leadership Team, which reports regularly into the Board and Executive Committee. Gerry Mulvin, Chief Product & Strategy Officer and Executive Committee (ExCo) member, is responsible for the ESG strategy and its delivery. He chairs the ESG Leadership Team, which reports monthly to the ExCo. The ExCo is accountable for the ESG strategy, the ESG Leadership Team is responsible for implementation. This team is also accountable for monitoring progress against the ESG strategy, and making sure the material ESG risks and opportunities are well managed.

**Our ESG strategy is integrated into our business strategy**

First and foremost, we are a business. And integrating ESG strategy with business strategy will deliver sustainable, profitable growth. Upfield realises this integration both functionally and structurally. We have also implemented a central quality management system which includes standards for safety and quality processes. We place our ESG and Strategy teams within the same business function and encourage Upfielders to link their professional goals to our ESG commitments. We cannot fix our future by treating sustainability as a bolt-on. At Upfield, our ESG agenda is core to the way we do business.

Gerry Mulvin  
Chief Product & Strategy Officer

**Bringing governance to life for our people**

**Code of conduct**

In 2021, we launched our new code of conduct. It sets out our position on compliance, and what we expect from our employees in the way they conduct themselves, and in standards for safety and quality.

**Raising concerns**

We want all Upfielders to feel safe and secure in their work. Their line manager is usually the right person to resolve any issue. They can also talk directly to human resources, who can give guidance on policies, benefits, workplace issues and ethics related matters. The legal and compliance team are also easy to contact by any member of the team and are equipped to respond promptly.

Sometimes anonymity is needed, so we have developed the SpeakUp platform. Our annual human resources survey asks questions specifically related to our SpeakUp process too, so we can make sure it’s working well.

The SpeakUp Line is a 24/7 hotline for any Upfielders with immediate and urgent concerns. Any call will be responded to in the local language of the caller, and follows a systematic procedure upon receipt.

**Risk management**

Robust risk management is critical to Upfield. In 2021, we enhanced our operational risk registers, upskilled management and increased governance by identifying ‘functional risk champions’. We conducted a materiality process, as the foundation of our sustainability strategy in 2020 and, looking forward, are working on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

**Engaging with the wider world**

Being the largest plant-based foods business in the world means we have to be a good role model in the industry. Not only are we active in all the relevant industry bodies, but we’re committed to working with leading corporate sustainability standards and frameworks too, including:

**Industry bodies**

- [Plant-based Food Association](https://www.plantbasedfood.org)
- [EFUDE](https://www.efuder.org)
- [FDA](https://www.fda.gov)
- [GFSI](https://www.gfsi.org)
- [ILSI](https://www.ilsi.org)
- [KAM](https://www.kam.org)
- [IMACE](https://www.imace.org)
- [NASDAQ](https://www.nasdaq.com)
- [SASB](https://www.sasb.org)
- [Unilever](https://www.unilever.com)
- [Global Shea Alliance](https://www.globalea.org)
- [Canajad](https://www.canajad.org)
- [Plan-Based Foods Alliance](https://www.plantbasedfood.org)
- [FAO](https://www.fao.org)

**Corporate sustainability**

- [TCFD](https://www.t-c-f-d.org)
- [GRI](https://www.gri.org)
- [CDP](https://www.cdp.net)
- [SustainAbility](https://www.sustainability.com)
- [Fórum](https://www.forum.org)

Upfield ESG Report 2021
There’s a lot more to come

We’ve achieved a lot in a short time because of the energy, passion and expertise of everyone involved. Not just every Upfielder, but all our partners too. We’re only just getting started.

This year, we’ve established solid foundations, and started to make progress towards our targets. Next year and every year after, we will keep building on these foundations. Not with slow and steady progress, but the swift and strategic kind. Because we don’t have another option. The global food system has to be transformed, from what we choose to eat to how it is grown. We have an essential part to play, as the window of opportunity to make a real impact on climate change has started to close.

That’s why we will keep exploring how to help people choose a better plant-based future. We will keep improving our existing products and processes to make them better for people and planet, removing barriers to change, creating new solutions and scaling proven projects. We will keep doing all this because it’s how we will fulfill our purpose.

We’re already working hard on what’s next and can’t wait to make it happen.

References

5. Upfield LCA. https://upfield.com/purpose/better-planet/climate-action/
13. Products pictured are representative of the brand's leading claim
15. 2020 report stated 16.6m, this was based on data from before Upfield was incorporated. Following a detailed review, we have restated for accuracy to 11.2m
16. 2020 GHG data has been restated to reflect improvements in emissions factors and in the quality of data
17. Tai Le & Sabaté - Beyond Meatless, the Health Effects of Vegan Diets: Findings from the Adventist Cohorts. Nutrients (2014)
18. The slight increase is due to the shifting balance of the products in our portfolio and we are investing and innovating to find ways to remove plastic from our packaging