

# Upfield ESG Disclosures

Addendum to the  
Annual ESG Report  
2021



Upfield™

# About this report

This report summarises Upfield's approach and performance on a range of material ESG topics as identified through our materiality process for the reporting period 1 January 2021 to 31 December 2021. These topics have been mapped against what is expected to align with the 'Core' level at the Global Reporting Initiative (GRI). Each disclosure is scored against the following criteria:

- **Fully disclosed:**  
Upfield data or information complies fully with the required GRI disclosure.
- **Partially disclosed:**  
Upfield can provide data or information on some parts of the GRI disclosure.
- **Not disclosed:**  
Upfield is not disclosing on the GRI disclosure.

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# Introduction

**This addendum to the annual ESG report summarises Upfield's approach and performance on a range of material ESG topics identified through our materiality process. Upfield has reported in accordance with the GRI standards and selected SASB disclosure standards for the period 1 January 2021 to 31 December 2021.**



# General Disclosures

## The organisation and its reporting practices

- 2-1 **Organisational details**

Headquartered in Amsterdam, we employ over 4,100 Upfielders globally across factories and offices, and sell our products in over 95 countries worldwide.

The ultimate controlling party of Upfield Group BV is Kohlberg Kravis Roberts & Co. Inc. (KKR). The ultimate parent is also required to prepare consolidated financial statements.
- 2-2 **Entities included in the organisation's sustainability reporting**

Upfield's reported entities are based on the internal reporting structure of the company. Our entities are defined as follows:

  - Developed markets – comprising of Europe, North America and Australia.
  - Emerging markets – comprising all other territories in which the business operates.

Revenue breakdowns include Europe, North America, LATAM, AMEA. Please refer to the Annual Report for more information.

Our reporting covers directly owned Upfield operations and third-party manufactured product where stated. Arivia, the cheese alternative producer which Upfield acquired in 2020, is included in third-party data unless otherwise stated.
- 2-3 **Reporting period, frequency and contact point**

The report covers Upfield's operations for the 2021 calendar year and was published in May 2022.

Upfield publishes an ESG report annually. Please visit our website and use our contact form to request a copy: <https://upfield.com/contact/>
- 2-4 **Restatements of information**

Some 2020 data has been restated; where this has occurred, a footnote has been included to explain the restatement.

Restatements of data include:

  - Health and safety: realigning our reporting to match international reporting guidelines
  - Site audits: to correct a miscalculation (5% increase)
  - Waste: to reflect more accurate data (12% increase)
  - Water discharge and consumption: to reflect more accurate disposal data (4% decrease)
  - Carbon footprint: 2020 scope 2 and 3 emissions corrected to use consistent emission factors and correct an error (8% increase)
- 2-5 **External assurance**

Upfield is not seeking external assurance this year. We carry out internal auditing of the data and content of this disclosure and intend to seek limited assurance of key elements in the future.

## Activities and workers

- 2-6 **Activities, value chain and other business relationships**

We are the largest plant-based food company on the planet, and the global leader in plant-based spreads, butters, creams and cheeses. Our business is at the forefront of plant-based nutrition, with an expansive geographic footprint. And we're still growing. History doesn't hold us back; in fact, it's what makes us unique. We have the knowledge and expertise of an established business, combined with the agility, pace and creativity of a start-up.

# General Disclosures

Headquartered in Amsterdam, we employ over 4,100 Upfielders globally across factories and offices, and sell our products in over 95 countries worldwide. We are new but our brands are not, and we can trace our heritage to 1871 and the invention of margarine. Household names including FLORA, RAMA, BLUE BAND, PROACTIV and COUNTRY CROCK have been loved for generations, and we've also welcomed cutting-edge vegan brand VIOLIFE to the family.

We are innovators, activists and foodies. Together, we are committed to creating delicious, natural and nutritious foods that people want to eat and chefs want to cook with – making plant-based and vegan foods accessible to everyone. Our team of world-class chefs, food technologists and nutritionists consistently deliver industry-leading innovations, pushing the boundaries of functionality and catering to consumers who want to embrace sustainable food choices.

In 2021, we invested €47 million 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.

The primary raw materials used in the production of our products are commodities, comprising oils such as rapeseed, soybean, shea, coconut, palm and sunflower, and small quantities of other ingredients, including dairy. Our packaging comprises paper, plastic and small quantities of metals and glass, with a target to eliminate 95% of plastic content in our packaging.

## ● 2-7

### Employees

Our more than 4,100 Upfielders in almost 95 countries are all unique individuals. Whether they are driven by health, food or sustainability, they form a team of the best and brightest minds who want to make a real impact on people's lives and our planet. A breakdown of our workforce is included below.

Employment contract	Dec 19	Dec 20	Dec 21
Interns & apprentices	39	40	33
Permanent	3,404	3,892	3,836
Temporary/fixed term	338	320	255
<b>Total</b>	<b>3,781</b>	<b>4,252</b>	<b>4,124</b>
Gender			
Female	1,215	1,461	1,415
Male	2,553	2,791	2,703
Not disclosed	13	0	6
<b>Total</b>	<b>3,781</b>	<b>4,252</b>	<b>4,124</b>
Region			
Asia, Middle East & Africa	943	943	912
Europe	2,089	2,454	2,298
Latin America	248	271	256
North America	501	584	658
<b>Total</b>	<b>3,781</b>	<b>4,252</b>	<b>4,124</b>

\*Based on headcount on 31 December 2021.

# General Disclosures

Employment type			
Full-time	3,690	4,148	4,011
Part-time	91	104	113
Total	3,781	4,252	4,124

\*Based on headcount on 31 December 2021.

## ● 2-8 Workers who are not employees

Contingent headcount:

Employment contract	Dec 19	Dec 20	Dec 21
Asia, Middle East & Africa	93	95	54
Europe	185	258	99
Latin America	27	18	4
North America	12	64	26
Total*	317	435	183

\* Contingent headcount in offices, excluding contingent factory workers.

Contingent workers are hired for a fixed period, often on a project basis – for example, freelancers, consultants and independent contractors, and other outsourced, non-permanent workers. We have ‘off-payroll worker’ guidelines that stipulate which contingent workers are recorded in this number.

## Governance

### ● 2-9 Governance structure and composition

Upfield Group BV, the strategic management company of Upfield, has a Board of Directors with 10 members, of whom three are female. Upfield Group BV is supported by an Audit Committee, Internal Audit division and a Compliance Office.

Day-to-day, Upfield is led by our Executive Committee. The Executive Committee consists of established leaders with proven track records from the food, consumer and health industries. Together they bring a wealth of complementary experience, knowledge and skills to build on Upfield’s strong legacy, and successfully lead the company into a new era focused on “A Better Plant-based Future”. Further details can be found on our [website](#).

### ○ 2-10 Nomination and selection of the highest governance body

Not disclosed

### ● 2-11 Chair of the highest governance body

Upfield’s Chief Executive Officer is David Haines and the Board Chair is Timothy Franks.

### ● 2-12 Role of the highest governance body in overseeing the management of impacts

Upfield Group BV is accountable for the management of impacts as well as setting the purpose, values and strategy for the company. These are implemented throughout the organisation by the Upfield Executive Committee, which is responsible for the day-to-day management of the company.

# General Disclosures

## ● 2-13

### **Delegation of responsibility for managing ESG**

The Board of Upfield Group BV delegates authority on ESG topics to the Upfield Executive Committee, which, in turn, delegates to the ESG Leadership Team, who report progress to the Board on a bi-monthly basis. The Chief Product & Strategy Officer, Gerry Mulvin, is the nominated Executive Committee member responsible for ESG matters.

The ESG Leadership Team is responsible for our conduct as a sustainable and responsible business. It is chaired by the Chief Product & Strategy Officer, with representatives from finance, people and organisation, operations and procurement, product development, and legal and corporate affairs. The Leadership Team is responsible for implementing ESG strategy and monitoring progress in the management of material environmental, social and governance risks and opportunities. The Leadership Team reports to the Upfield Executive Committee, which in turn reports to the Board.

## ● 2-14

### **Role of the highest governance body in sustainability reporting**

The Upfield ESG Leadership team reviews the ESG report and associated disclosures. The report is agreed by the Executive Committee and Board prior to publication.

## ○ 2-15

### **Conflicts of interest**

Not disclosed

## ● 2-16

### **Communication of critical concerns**

Upfield has had a Crisis Management Plan and Toolkit in place since 2018 to help the company manage critical concerns. This toolkit details processes to define and address any crisis that may arise, including appropriate escalation within the organisation and to the Board.

As per 2020, the Covid-19 pandemic remained an ongoing global critical concern in 2021. To deal with the issue, the global crisis team began meeting in January 2020 and continued until Q1 2021 before reverting to management via the Local Crisis Management Teams and the Covid Response Team. Our key priorities remained ensuring the health and safety of Upfield Associates as they returned to work, ensuring business continuity across our plants and operations, and delivering against our customer commitments and consumer demand for plant-based foods.

## ○ 2-17

### **Collective knowledge of the highest governance body**

Not disclosed

## ○ 2-18

### **Evaluation of the performance of the highest governance body**

Not disclosed

## ● 2-19

### **Remuneration policies**

Our reward philosophy drives outstanding performance and helps us attract and retain critical talent. Our remuneration policy is based on principles of pay for performance and market competitive pay. The remuneration package's key elements are: fixed pay, annual bonus, long-term incentives and inclusive care-focused benefits. The remuneration policy supports the growth of our business, the acceleration of our transformation and the achievement of our strategic performance-based objectives.

The remuneration policy is reviewed regularly to ensure it remains competitive and allows us to attract and retain critical talent. This ensures that we are aligned with local markets and paying competitive salaries for the wide range of roles that we offer. In addition, the Upfield Remuneration Committee, on behalf of the Group, ensures that the policy continues to provide a clear link between Upfield's business strategy and performance and shareholders' interests.

## ● 2-20

### **Process to determine remuneration**

The remuneration package for each country is structured using market data to ensure we offer fair and competitive packages to Upfielders in all our locations. Our remuneration packages typically include: salary; bonus; savings/pension plan; and consistent and inclusive country benefits that focus on health and well-being and support our core values of performance, care and passion. Bonus targets and benefits are benchmarked against the external market in each country to ensure they remain competitive. Salaries are based on market data, performance, experience, skills, impact and internal equity. We award salary increases and bonuses based on performance and the impact an Upfielder has within the business, not tenure or level.

# General Disclosures

○ 2-21

## Annual total compensation ratio

Not disclosed

## Strategy, policies and practices

● 2-22

## Statement on sustainable development strategy

This is included in the introduction to the 2021 ESG Report.

● 2-23

## Policy commitments

At Upfield, our purpose is to make people healthier and happier with great-tasting, natural, plant-based foods that are better for you and for the planet. Our values – performance, care and passion – guide the way we work every day.

We have a Code of Conduct that covers our responsibilities to our employees, consumers and communities and includes our commitment to uphold human rights in our business and supply chain. At Upfield we are committed to upholding the highest standards of conduct across our business. We believe it's the right thing to do. This commitment holds us accountable and creates a more durable business for the long term that we can all be proud of. We respect the genuine interests of those with whom we have relationships. For more details on our policies, please see our [website](#).

● 2-24

## Embedding policy commitments

All employees receive training (either e-learning or face-to-face) on our Code of Business Principles, which covers our policy commitments.

● 2-25

## Processes to remediate negative impacts

● 2-26

## Mechanisms for seeking advice and raising concerns

We have established grievance processes that enable the identification and investigation of complaints and grievances in a timely way. These mechanisms are used by Associates and external stakeholders to raise concerns. Once a grievance is raised, it is investigated and appropriate action is taken, which can include excluding a specific supplier from our supply chain, taking disciplinary action or reviewing internal policies. These processes are supported by proactive systems to identify issues, such as our product quality and safety systems and our use of the Starling satellite monitoring system, to monitor deforestation in our supply chain.

Our Code, policies and guidelines provide practical guidance to ensure all our Associates live the values and behaviours that underpin all our work. We have robust mechanisms in place to ensure concerns can be raised.

An Associate's line manager is usually the right person to report any issue. If this is not appropriate, the Associate can talk to one of the following people:

- Human Resources can provide guidance on employment policies, benefits, workplace issues and ethics-related matters.
- Legal and Compliance can be reached for any inquiries or reports on the Code of Conduct. Individual members of the Legal and Compliance team can be contacted either directly or by sending an email to [compliance@upfield.com](mailto:compliance@upfield.com).
- Data Privacy-related matters and inquiries can be raised to the Chief Privacy Officer directly or by emailing [upfield.privacy@upfield.com](mailto:upfield.privacy@upfield.com).

The Speak Up Line (whistleblowing) is available 24/7 and all calls are answered in the local language of the caller.

# General Disclosures

It is of utmost importance that we learn about possible concerns that our Associates may have in relation to issues at the workplace or general concerns related to the Company. For this reason, in 2021 we have put additional focus on promoting an open culture of reporting in Upfield. Associates are encouraged to raise issues or concerns with their line manager, an HR person or through a report to the SpeakUp platform. The annual HR survey includes questions about our SpeakUp culture to determine whether Associates would use our SpeakUp process if they had any concerns. This topic will continue to be a focus area for 2022 and beyond.

We run a consumer Careline across our territories in order to identify and address questions, queries and concerns from our consumers.

● 2-27

## **Compliance with laws and regulations**

Based on our internal reporting processes and our knowledge of our business operations, we are not aware of any instances of material non-compliance resulting in fines or sanctions imposed against Upfield, and there were no violations of the UN Global Compact principles.

● 2-28

## **Membership associations**

Upfield is a member of a wide range of registered national and international alliances and industry associations that focus on improving the environment for plant-based foods and businesses. These include the European Alliance for Plant-based Foods, IMACE, the National Association of Manufacturers (USA), the Plant-based Foods Association (USA), Plant-based Foods of Canada, the Kenya Association of Manufacturers, Etüder: Out-of-Home Consumption Suppliers Association, CANAJAD, CANACINTRA, and the International Life Sciences Institute (LATAM).

Upfield has also joined alliances that support responsible sourcing, e.g., the Roundtable on Sustainable Palm Oil, the Global Shea Alliance and Forum for the Future.

## Stakeholder engagement

● 2-29

### **Approach to stakeholder engagement**

We consult our key stakeholders both formally, as part of our materiality assessments, project boards and policy review panels, and informally, as we work with partners, investors, civil society, customers, consumers and the communities we serve and operate in every day. Stakeholders include:

- Associates
- Contractors
- Customers
- Consumers
- Suppliers
- Local communities
- Works councils
- Investors
- Non-governmental organisations
- Governments

A range of stakeholder groups are identified to reflect the diverse views of those potentially impacted by our business across our value chain. This helps us to understand, prioritise and respond appropriately to the range of potential ESG risks and opportunities.

In 2020, we conducted a materiality assessment to inform our ESG approach and strategy. This process was facilitated by an external specialist sustainability consultancy and included a wide range of internal and external stakeholders. In addition to this strategic process, we regularly consult external stakeholder panels to guide and inform significant projects and policies.

● 2-30

### **Collective bargaining agreements**

We have a strong commitment to continual and transparent dialogue with our Associates. All our employed factory workers are covered by collective labour agreements. This is equivalent to 37% of our workforce (2020: 34%).

# General Disclosures

## Material topics

### ● 3-1

#### **Process to determine material topics**

In 2020 we undertook a materiality assessment, a structured process for identifying and prioritising ESG risks, impacts and opportunities, to ensure that our activities and resources focus on the areas where we can maximise our positive and minimise our negative impacts.

Working with a leading sustainability consultancy, we identified a list of priority ESG topics – drawing on frameworks like GRI and SASB – which was used to guide a series of interviews.

As part of the process, we interviewed key external stakeholders including investors, customers, industry bodies, academics, suppliers, NGOs and a panel of young people to better understand their perspectives on key sustainability topics. We also interviewed our senior leadership team, including David Haines our CEO, to understand their perspective on key topics for Upfield.

This materiality process aligns with the wider company approach to risk management. It is recognised by the Board that risk management is integral to Upfield's strategy and to the achievement of Upfield's long-term goals. The success of Upfield as an organisation depends on its ability both to identify and mitigate risks and to identify and maximise opportunities. To that end, we will be carrying out work to understand the risks related to climate change, in line with the best practice guidance set out by the Taskforce for Climate-related Financial Disclosures (TCFD). For more details on our risk management process, please refer to the Annual Report.

### ● 3-2

#### **List of material topics**

From the materiality assessment, we identified the following six topics as those that deserve particular attention and focus:

- Climate change
- Responsible and sustainable sourcing
- Plant-based sustainable diets
- Plastic packaging
- Health and nutrition
- Engagement, diversity and inclusion

For our full materiality matrix, please see our 2021 ESG Report.

### ● 3-3

#### **Management of material topics**

For each of our priority topics, we have in place targets, policies or programmes of work that ensure that our areas of greatest impact are matched with the areas of greatest investment.

The Upfield ESG Leadership Team is responsible for reviewing our material ESG topics and progress against our targets.

## Customer privacy

As Upfield holds personal data about its Associates, consumers, customers and suppliers, it has appointed a senior lawyer in the business to fulfil the role of Chief Privacy Officer. Our Associates are trained on our Code of Conduct, which includes information on our approach to privacy laws. Managers in relevant functions also undergo specific online training in data privacy issues and Upfield's approach to managing personal data.

### ● 418-1

#### **Substantiated complaints concerning breaches of customer privacy and losses of customer data**

Upfield had no substantiated complaints concerning breaches of customer privacy and no identified leaks, thefts or losses of customer data.

In the standard contract template, Upfield has clear wording on compliance with data privacy laws and regulations.

# General Disclosures

## Compliance

### ● 205-1

#### **Operations assessed for risks related to corruption**

All new third parties are screened through our Third-Party Due Diligence Programme. In addition, we monitor all our third parties on a continuous basis and screen against sanction party lists from the US, UN, UK, EU, etc.

In 2021, we concluded a risk assessment conducted by an independent organisation. There were no significant findings that required attention.

### ● 205-2

#### **Communication and training about anti-corruption policies and procedures**

In 2021, we finalised the training of our employees on anti-bribery and corruption. The training addresses topics including those referred to in the FCPA and other international anti-bribery legislations. The training also includes instructions on how to deal with government agencies, although the guiding principles apply to interactions with both governments and private enterprises.

All relevant employees have been asked to complete Code of Conduct, anti-bribery and competition law training. By the end of 2021, our training completion rate was 97%. The missing 3% relates to long-term absence or maternity leave. These Associates will be asked to complete the training upon their return.

In total, 2,025 employees have completed the Code of Conduct e-learning (49% of total employees) and 1,735 have completed anti-bribery training (42% total employees). In the standard contract template, Upfield has clear wording on compliance with anti-bribery laws and regulations.

# Plant-based

## 1 billion people choose our delicious plant-based products

Targets	SDG alignment
<ol style="list-style-type: none"> <li>1. Build purposeful 'Power Brands' that inspire and educate people to move to plant-based foods</li> <li>2. Increase category impact and availability to make it easier for consumers to choose plant-based foods</li> <li>3. Always launch tastier and better-performing plant-based products</li> <li>4. 100% plant-based product portfolio by 2025</li> <li>5. Migrate to 100% natural ingredients portfolio with simple clean labels by 2025</li> </ol>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>  </div> <div style="text-align: center;"> <p><b>13</b> CLIMATE ACTION</p>  </div> </div>

### Reach 1 billion people

See the ESG Report for reporting on targets 1, 2 and 3 above, and examples of how we have been helping a billion people choose our plant-based products.

### Cow-free and plant-based

Across our global portfolio, the majority of our products already contain no dairy ingredients. We have active innovation, research and reformulation programmes to achieve our 2025 target of being 100% plant-based and cow-free. In 2021, dairy ingredients accounted for only 1.1% of ingredients (by weight) used in the recipes we make in our own factories. Please see the ESG Report for examples of how we are encouraging consumers to choose more plant-based products.

### Natural ingredients

By December 2021, 97% of the ingredients (by weight) used in our products in North America and Europe came from natural sources. We have active innovation, research and reformulation programmes to achieve our 2024 target of 100% natural. Please see our ESG Report for examples of how we continuously improve our recipes.

# Healthier Lives

## 200 million lives positively impacted with access to affordable and healthy nutrition

Targets	SDG alignment
<ol style="list-style-type: none"> <li>1. Invest in new innovations that are affordable for lower socioeconomic consumers so we maintain % C&amp;D consumer base</li> <li>2. Deliver better nourishment by outperforming nutrition benchmarks on saturated fat and salt with no trans fats</li> <li>3. Provide balanced nutrition and education to 100 million children</li> <li>4. Enable 50 million adults to lower their risk of heart disease by offering healthier products plus nutrition education</li> <li>5. Enable an active lifestyle and improve functional health for 50 million adults</li> </ol>	 <p>3 GOOD HEALTH AND WELL-BEING</p>

### Affordable, healthy nutrition

#### Bespoke indicator: Nutritional benchmark performance

We will launch our nutritional benchmarking programme in 2022. We are using official scientific and nutritional recommendations to establish appropriate benchmarks on a range of important parameters for our core product categories. This year we will establish our baseline and set targets for the coming years. We plan to integrate the benchmarks into our product design methodology to drive improvements over time.

Upfield’s products have not contained partially hydrogenated oil since 2012, so we can proudly say that our products do not contain industrial trans fats, beating the WHO target to eliminate industrial trans fats by 2023.

#### Bespoke indicator: Number of children reached with nutrition education

To help young people achieve a balanced diet, we aim to provide nutrition education to 100 million children by 2030. Since Upfield was formed in 2018, we have reached 11.3 million children through the Blue Band™ nutritional programme (16.6 million since the programme’s inception, prior to the creation of Upfield). The number of children we reached fell during 2020 and 2021 due to challenges linked to the Covid-19 pandemic. We plan to increase figures again in 2022 and reach a further 3 million children.

#### Bespoke indicator: Number of adults reached with heart health products

In 2021, we reached over 40 million people worldwide with products that are specifically created to reduce the risk of cardiovascular disease with heart-healthy fats, phytosterols and limited salt content.

\*This calculation uses externally provided Kantar Worldpanel household and buyer reach data for yellow fats, publicly available average household numbers per country and Upfield sales per SKU to estimate heart health product reach.

#### Bespoke indicator: Number of adults reached with functional health product

In 2021, we reached over 40 million people worldwide with products that are lower in calories, to help the functioning of the immune system and help maintain healthy bones.

\*This calculation uses externally provided Kantar Worldpanel household and buyer reach data for yellow fats, publicly available average household numbers per country and Upfield sales per SKU to estimate functional health product reach.

- **FB-PF-260a.1** **Revenue from products labelled and/or marketed to promote health and nutrition attributes (EUR)**  
Over €1 billion (€1,173 million) of Group sales came from products carrying nutrition or health claims or promoting health benefits (for example, where we communicate the benefits of vitamins, essential omega 3 & 6 and plant sterols on pack).
- **FB-PF-260a.2** **Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers**  
Consumer research is used to understand consumer needs and preferences. We monitor official channels and scientific press for relevant news on food safety and health topics. We use this information to identify concerns or potential issues with ingredients and products.

## Labelling and marketing

- **417-1** **Requirements for product and service information and labelling**  
We have robust processes in place to ensure our product labelling complies with relevant regulations in the markets where our products are sold.  
**Sourcing of components of the product or service:**  
We use country-of-origin labelling where legally required.  
**Content, particularly regarding substances that might produce an environmental or social impact:**  
Where ingredients have certification, we may label to show our commitment to responsible sourcing. We voluntarily use the appropriate logos or statements to indicate the use of sustainably sourced palm oil and carbon labelling.  
**Safe use of the product or service:**  
Not applicable for our products  
**Disposal of the product and environmental/social impacts:**  
Although this is not required for our products, we are committed to labelling our packaging clearly to identify the material and preferred disposal route to guide consumers on reuse, recycling or composting.
- **417-2** **Incidents of non-compliance concerning product and service information and labelling**
- **FB-PF-270a.3.** **Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes**  
We had no incidents meeting the reporting threshold of non-compliance concerning product and service information and labelling.
- **417-3** **Incidents of non-compliance concerning marketing communications**
- **FB-PF-270a.4.** **Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices**  
To the best of our knowledge, there have been no material fines or sanctions imposed against Upfield.
- **FB-PF-270a.1.** **Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines**  
We have guidelines regarding marketing to children, which include a commitment to not market directly to children under the age of 12. This includes not placing advertising in media where more than 35% of the audience is children. Our core products are intended to be used as ingredients, rather than as finished goods or snack foods. Our core products are not high in sugar or salt. As such, our products do not appeal specifically to children. Therefore, we do not currently track advertising impressions made on children.

- **FB-PF-270a.2.** **Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO**  
Upfield follows applicable regulations for the mandatory declaration of ingredients derived from GMOs. In key markets like the EU and North America, we do not use ingredients that must be declared as being derived from GMOs. We use GMO-free claims on packaging for a limited number of products in North America.

## Food safety and quality

In 2021, Upfield implemented a central quality management system which includes standards for safety and quality processes.

Our focus has been on developing standards for manufacturing, warehousing, logistics, consumer and customer complaint management, suppliers, and third-party manufacturing, as well as product and process design.

Training has been provided to ensure the standards are implemented, and verification of the standards is implemented in the Upfield internal quality audit programme for 2022.

- **416-1** **Assessment of the health and safety impacts of product and service categories**  
100% of products are assessed on food safety impacts.  
All new ingredients, product formulations, packaging and processes are subject to formal safety assessments in line with our internal Product Quality Policy.
- **416-2** **Incidents of non-compliance concerning the health and safety impacts of products and services**
- **FB-PF-250a.3.** **(1) Total number of notices of food safety violation received, (2) percentage corrected**
- **FB-PF-250a.4.** **(1) Number of recalls issued and (2) total amount of food product recalled**  
In November 2021, Upfield voluntarily withdrew 65,000 consumer units of one product from the market in Spain due to the unintended presence of traces of dairy protein. The recall was successfully executed with only 12 of the 65,000 tubs reaching the market.  
We have received no fines or warnings due to non-compliance with regulations.
- **FB-PF-250a.1.** **Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances**  
All factories are GFSI certified and audited, except our factory in Ghana, which has passed the FSSC stage 1 audit. We track and monitor the non-conformance rate and the associated corrective action rate for minor and major non-conformances.
- **FB-PF-250a.2.** **Percentage of ingredients sourced from Tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI)-recognised food safety certification programme**  
Our quality management system includes a robust supplier approval process which is followed when onboarding new suppliers. We are currently developing a system to help us quantify the percentage of ingredients we source from direct suppliers holding a recognised food safety certification programme.

# Happier People

## 140,000 livelihoods enhanced and 5 million chefs reached to enable Generation Plant

Targets	SDG alignment
<ol style="list-style-type: none"> <li>1. Champion social mobility and equity by having an inclusive business, including gender balance.</li> <li>2. Upfielders are advocates for Upfield’s purpose and strategy in our communities – top 25% eNPS.</li> <li>3. Grow Generation Plant in our communities by Upfielders investing 15,000 volunteering hours annually.</li> <li>4. Enhance livelihoods of 100,000 smallholders and plant-based entrepreneurs.</li> <li>5. Improve 40,000 chefs’ plant-based knowledge and capability. Build a network of 5 million plant-based chefs.</li> </ol>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>

### People and engagement

At Upfield we are a global community of Associates who share the values of performance, care and passion. We care and are working to positively impact our people, our community and our planet.

We understand that our employees are looking for greater flexibility and a supportive company culture. Our focus is on creating this in our burgeoning company culture. In 2021 we developed the ‘Upfield Cares’ programme, which will be rolled out globally during 2022. The programme has six main elements: working flexibly, parental leave, bereavement leave, extended leave, rest and recharge days, and volunteering.

Upfield Cares is inclusive, sustainable and flexible: it puts Upfielders at the heart of our business and puts the tools for flexibility and care into their hands. Because Upfield cares, we want to show that flexibility for all really is possible: Upfielders are trusted to do what they need to do, when they need to do it. This is critical to achieving growth and success as a business. Our intention with this programme is to raise minimum standards, so that Upfielders all over the world are treated equitably.

Upfield Cares is also our way to support our Upfielders on mental health and provide an inclusive and caring offering to attract and retain the best talent. Our internal Peakon survey tells us we are having some success and helps us identify areas where we can make further improvements. These improvements include supporting our colleagues’ mental health.

We want our people to ‘come as they are’ – to feel able to be themselves. We define diversity in the broadest sense, just like our approach to food. Upfield creates an inclusive environment for everyone – all ages, all faces, all tastes. The basis for recruitment, development, training, compensation and advancement at Upfield is an individual’s performance, skills, behaviours, experience and knowledge. We believe everyone should have equal access to opportunities.

We have set a gender diversity ambition to achieve gender balance, including women and minority gender identities, across the organisation by 2030.

For full employee numbers please see disclosure 2-7 in General Disclosures.

**Note: Associates include all full and part-time employees who are on Upfield’s payroll.**

**Bespoke indicator: Upfielders are advocates for Upfield’s purpose and strategy in our communities – top 25% eNPS.**

We have made important progress in creating a purposeful and values-driven culture. Our employee engagement scores are strong at 75%, and our eNPS is at 25. This puts Upfield in the middle range of the consumer sector. In 2021, we paid particular attention to mental health initiatives – from yoga classes to sleep and nutrition workshops and counselling services. We also launched a series of workshops to give line managers and Upfielders tools to drive their careers at Upfield as well as managing their workload. These will remain focus areas for 2022.

	May 2020	Sep 2020	Apr 2021	Oct 2021
Peakon – engagement score	8	7.7	7.4	7.5
Peakon – eNPS	42	31	20	25

● 406-1 **New employee hires and employee turnover**

Upfield employs 4,100 people across the globe. In 2021, we continued to grow and hired over 1,000 people. Our voluntary turnover in 2021 was 14% (2020: 8%)\*.

Hires by gender	2019	2020	2021
Female	512	497	370
Male	949	807	626
Unidentified	81	35	13
<b>Total</b>	<b>1,542</b>	<b>1,339</b>	<b>1,009</b>

Hires by age	2019	2020	2021
Under 30	440	391	312
30-50	907	808	600
Over 50	195	138	97
Unknown	0	2	0
<b>Total</b>	<b>1,542</b>	<b>1,339</b>	<b>1,009</b>

	Hires by regions			Associates: Leavers by region*		
	2019	2020	2021	2019	2020	2021
Africa, Middle East & Asia	535	265	167	73	163	167
Europe	741	819	497	416	451	571
Latin America	143	69	50	51	54	57
North America	123	186	295	64	101	176
<b>Total</b>	<b>1,542</b>	<b>1,339</b>	<b>1,009</b>	<b>604</b>	<b>769</b>	<b>971</b>

\* Leavers who chose to resign from their role, excludes no-shows and contracts coming to an end.

## ● 401-2

### **Benefits provided to employees that are not provided to temporary or part-time employees**

Our reward and benefit philosophy is focused on driving outstanding performance, and we pride ourselves on rewarding our people when we deliver on our strategic growth plans.

Our performance-based bonus is aligned to Upfield's overall global performance, and when Upfield achieves its mission targets, Associates have the potential to earn an annual bonus at the top end of the market. We provide inclusive benefits that support our values of performance, passion and care and are aligned to the median of the market as a minimum, with the exception of medical and other health initiatives, which are aligned to the top 25% of the market.

100% of Associates are entitled to life insurance and have access to medical cover, and 97% have a pensions/saving mechanism. All Associates are invited to participate in an Upfield global employee investment plan.

## ○ 401-3

### **Parental leave**

In total 191 employees took parental leave in 2021 (2020: 147).

As part of our Upfield Cares programme, from April 2022 we will be providing a global minimum of 12 weeks' paid parental leave for all new parents, including those adopting or becoming a parent through surrogacy. We want to support all types of parents with the important role of raising the next generation of foodies. We don't have any concept of 'primary and secondary carers', so our policy applies even if both parents work for Upfield.

## ● 402-1

### **Minimum notice periods regarding operational changes**

Where operational changes are proposed, we share the new proposal with unions in advance as required by labour laws or the Collective Labour Agreement. Everything in the Collective Labour Agreement is dictated by law (minimum standards) or negotiated with the works council/union. Four months before a collective labour agreement expires, we start preparations, and we share the new proposal one month in advance with unions.

For office-based Associates, the notice period will depend on the type of change and the local legislation.

## Diversity

### Bespoke indicator: Champion social mobility and equity by having an inclusive business, including gender balance

In 2021, we made significant progress in delivering against our diversity and inclusion agenda. We published our Diversity & Inclusion Policy and established employee networks for LGBTQ+, parents and mental health support. We also created the 'Young Advisory Board' (YAB), made up of young Upfielders who work directly with members of the senior team and act as a sounding board to ensure that decisions are made in collaboration with the younger generations.

We recognise that there needs to be more than just talking. That's why we made practical changes to our recruitment process with the goal of removing barriers, ensuring job adverts are free from unintentional bias and using gender-balanced slates for all job applications. We also rolled out our Inclusion Index globally. This is a company-wide survey collecting insights about inclusion, diversity and non-discrimination. Using this feedback, we will work to improve our corporate practices regarding diversity, equity and inclusion.

	2020	2021
Gender at individual contributors: Contributors	67% Male	68% Male
	33% Female	32% Female
Gender in management: Management (includes EXCO)	60% Male	59% Male
	40% Female	41% Female
Gender in Upfield: Total Associates (contributors + management)	66% Male	66% Male
	34% Female	34% Female

### ● 405-1

#### Diversity of governance bodies and employees

Generally, we have more women in non-factory settings than in factories, with gender balance constant from 2020 to 2021 in total. We also have a younger workforce in our non-factory settings and fewer over-50s in 2020 at contributor level.

Gender by employee category	Male			Female		
	2019	2020	2021	2019	2020	2021
Factory	80%	80%	81%	20%	20%	19%
Non-factory	60%	59%	58%	40%	41%	42%
<b>Management</b>						
Contributors	70%	67%	68%	30%	33%	32%
Management (includes EXCO)	60%	60%	59%	40%	40%	41%
<b>Board of Upfield Group BV</b>	90%	70%	70%	10%	30%	30%

Age by employee category									
Associates	Under 30			30-50			Over 50		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Factory	13%	12%	13%	52%	54%	55%	35%	34%	32%
Non-factory	15%	17%	15%	63%	64%	66%	21%	19%	19%
<b>Management</b>									
Contributors	18%	19%	18%	55%	56%	58%	28%	25%	24%
Management (includes EXCO)	2%	3%	4%	76%	76%	75%	22%	21%	21%

**Definitions:**

Associates: Upfield employees

Contributors: Associates who held an individual contributor pay band at Upfield

Management: Associates who held a manager, Head of, or Leadership pay band at Upfield

● 405-2

**Ratio of basic salary and remuneration of women to men**

Our ambition is to pay a balanced ratio of salaries for males and females in similar-sized roles, considering country and individual performance. We strive to pay our Associates fairly for their performance and reward high performance. We regularly review salary and remuneration, including pay parity. In 2021, the ratio of salary across all Upfield Associates was 1.08 to 1, female to male (2020: 1.07:1). Our assessment of pay parity includes all countries where we have FTEs and covers salaries based on EUR exchange rates as of December 2021; it excludes Executive Director remuneration.

● 406-1

**Incidents of discrimination and corrective actions taken**

No incidents of discrimination were reported via our SpeakUp Helpline in 2021.

The SpeakUp Helpline is available to all employees as well as to external parties seeking to make complaints more generally. We substantiate any complaints and have processes in place for responding appropriately to these.

## Communities and volunteering

### **Bespoke indicator: Grow Generation Plant in our communities by Upfielders investing 15,000 hours annually volunteering**

In 2021, we donated €2.75 million to charities including foodbanks, chefs and our local communities across the world. The charities tackle issues relevant to each site, in line with our focus on providing healthy nutrition and our commitment to zero hunger in support of SDG 2. We are in the process of developing a volunteering programme, which we will roll out in 2022.

Also, through our One Seed, One Deed, One Feed volunteering programme, we encourage all Upfielders to take time to plant trees or help the local environment, or cook meals for or support charities in their local communities. This year we are stepping up our volunteering efforts by giving all Upfielders one day per year of paid leave to pursue personal volunteering and one day per year of paid leave to take part in Upfield volunteering initiatives.

## Enhancing livelihoods

### **Bespoke indicator: Enhance livelihoods of 100,000 smallholders and plant-based entrepreneurs**

In 2021, we enhanced the livelihoods of 21,197 smallholders.

We support smallholders through our supply-chain project partners who provide training, access to finance, information and support to farmers in our supply chain.

Projects include:

#### Kenya – Sustainability – The Canola Oil Project

The Canola Oil Project aims to sustainably source canola oil from smallholder farmers in Kenya under a partnership with Agventure Limited, a company based in Nanyuki. The partnership ensures a ready market for over 7,000 small-scale farmers in the Mt Kenya region along with training to improve soil health on their fields.

#### Middle East – Health and nutrition – Emirates Salon Culinaire Partnership

For the second time, Upfield sponsored the vegan category at the 2021 Emirates Salon Culinaire, which aims to promote the use of plant-based dairy alternatives in cooking and baking. The goal is to help local chefs, bakers and hospitality businesses in the Middle East meet increasing demand for plant-based foods due to health reasons such as lactose intolerance, gluten intolerance and other allergies.

#### LATAM – Sustainability and Generation Plant – Mariposa

Upfield is a donor to the Mariposa programme in LATAM, which supports smallholder farmers with education in sustainability practices and human rights to transform the industry and their livelihoods. Upfield has been supporting this initiative since 2019.

#### Asia – Generation Plant – Mompreneurs

“Mompreneur” programmes in Indonesia and Sri Lanka were able to create over 5,019 home bakers by encouraging mums to start their own businesses to support their families and be able to provide their children with good nutrition and a good education. These programmes also created awareness of Upfield’s brands among 13.5 million consumers.

## Plant-based chefs

**Bespoke indicator: Improve 40,000 chefs' plant-based knowledge and capability. Build a network of 5 million plant-based chefs**

In 2021, we supported 500,000 chefs to grow their knowledge around plant-based products, and access and use them in their kitchens.

With the collective challenge of building a sustainable future, it's even more important that we place plant-based products at the heart of professional kitchens, helping chefs, bakers and baristas serve every diner regardless of their dietary requirements and preferences.

Our aim is to help professionals adopt plant-based dishes and menus, by providing sustainable plant-based products that are delivering against the needs of professional kitchens in terms of taste and performance, thereby enabling them to serve every diner with healthy, planet-friendly dishes that consume less CO<sub>2</sub>, water and land space.

## Safety

Upfield maintains a comprehensive approach to health and safety across its operations. We act as necessary to improve our performance, through initiatives such as capability building, improvements to processes and investments in assets and resources. Health and safety is covered in our Code of Conduct and we have a Global Health & Safety Policy.

### ● 403-1

#### **Occupational health and safety management system**

Our occupational health and safety framework applies to all offices and factories.

The framework sets out standards and guidelines to manage risk along the organisation's network and meet legal requirements.

### ● 403-2

#### **Hazard identification, risk assessment and incident investigation**

We have comprehensive incident prevention measures in place, including job hazard analysis; process hazard analysis; HAZOP studies; risk assessment for locations, tasks and auxiliary equipment; machine safety assessments; ATEX assessments; and audits at all factories.

Risk assessments are required for all working areas and tasks, and are reviewed regularly, when there are incidents and when there are changes to processes. The areas and tasks that pose higher risks undergo additional assessments, which are more detailed.

Established incident investigation procedures and templates are used by all teams. Incident reports are reviewed by a central team and shared throughout the network where necessary. Lessons learnt are documented and stored centrally so that all factories can access and benefit from any learnings.

Safety behaviour observations and anonymous reporting procedures for near misses, unsafe acts and unsafe conditions are in place at all factories. There are internal targets for the minimum engagements reported, encouraging teams to be transparent in their reporting.

Upfield's Golden Rules for Safety and its Health and Safety Policy encourage reporting and prohibit retaliation against employees who report work-related hazards or who remove themselves from work situations that they believe may cause injury or illness.

### ● 403-3

#### **Occupational health services**

Associates' health and wellness is the focus of several forums – from daily meetings at the factory floor to the quarterly Works Council. Identification of hazards that impact health in the workplace occurs through location and task risk assessments. These may include elements like noise, glare or insufficient light, dust, man-machine interface (ergonomics), lifting, and repetitive motions. Associates have access to medical services if any of these issues arise. Where legally required, Associates in roles that involve high-risk tasks undertake periodic medical checks to assure their fitness to continue in their roles.

## ● 403-4

### **Worker participation, consultation and communication on occupational health and safety**

Every factory has its own approach to team participation, but the most common model is to have a daily meeting on the shop floor among workers, shift leaders and members of the leadership team. Sites have joint health and safety committee meetings where shop-floor and management Associates meet to discuss safety performance, gather feedback from behaviour observations and review actions being taken on any concerns raised.

## ● 403-5

### **Worker training on occupational health and safety**

Human resources provides a training matrix to each factory that identifies the training needs for each role.

Induction training is mandatory for all newcomers and visitors. Refresher training in emergency response and evacuation procedures and hazards on-site takes place on an annual basis. Roles exposed to higher risks (like those working with ammonia, heavy machinery, in an explosive atmosphere, at height, with electricity, or doing hot work) receive additional training annually for the risks specific to their roles.

## ● 403-6

### **Promotion of worker health**

We provide support to our Associates in the form of local Employee Assistance Programmes, mental health support via medical cover, mental fitness workshops, mental health first-aiders, line manager conversation guides, an Upfielder network for mental health and live events for World Mental Health Day. Our Healthy and Happy Champions programme is ongoing, and we run internal accreditation annually for Associates looking to become Healthy and Happy Champions. This year we saw three external recognitions in AMEA and LATAM:

- Upfield won ‘Best in Workplace Practice’ at the 2021 Sustainability, Enterprise and Responsibility Awards (SERAS) Africa. Upfield was also nominated in six other categories in our first-ever entry to SERAS, which is the largest awards programme recognising corporate social responsibility and sustainability in Africa. For more information, please visit our announcement [here](#). Upfield Mexico was recognised by Top Companies as one of the ‘Super Empresas (Super Companies) of Mexico’. Please find more information [here](#).
- Upfield Indonesia was awarded the ‘Best Company to Work For’ in 2021 award by HR Asia Singapore for the second time in a row. The team also won ‘Most Caring Company’ award. Please find more information [here](#).

During 2021, we again ran Virgin Pulse, an interactive fitness and well-being programme that encourages Associates to stay active and achieve work-life balance. We had 1,162 participants in 2021, representing roughly 30% of all Upfielders.

## ● 403-7

### **Prevention and mitigation of occupational health and safety impacts directly linked to business relationships**

This is managed at a factory level depending on the production process. We have specific guidance on a range of topics including ammonia safety, warehouse safety, electrical safety, asbestos management safety, explosive atmosphere management, machinery safety guidance and contractor HSE management guidance.

Each site’s response depends on the risk assessments in place, which identify both preventive and mitigating measures. Specific examples are included for environmental or process safety hazards. Factories are responsible for implementing the measures and are audited accordingly. The effectiveness of the measures is evaluated periodically as defined in the site procedures, and these assessments are updated at regular intervals or when changes are made.

● 403-8

**Workers covered by an occupational health and safety management system**

All Associates are covered by the occupational health and safety management system as defined in the policy.

Upfield is committed to complying with all legal HSE regulations across all Upfield workplaces within the geographies it operates in. To support sustainable growth, HSE compliance plays a key role in our organisation. This is managed by workplace leaders (office, factory or warehouse) and the HSE community designated in each workplace.

● 403-9

**Work-related injuries**

In 2021, there was an increase in Recordable Work-Related Injuries, linked to a small increase in incidents across a number of sites. These were linked to machine safety; chemical handling; slips, trips and falls; and ergonomic/manual handling issues. We will be rolling out risk assessment reviews and training in these areas in 2022.

Work related injuries*	Total			Rate per million hours		
	2019	2020	2021	2019	2020	2021
Fatalities	0	0	0	0	0	0
High-consequence work-related injuries	0	0	0	0	0	0
Recordable work-related injuries	19	18	28	3	4	6

2019 and 2020 data has been restated to align Upfield reporting to international definitions of TRFR. A new category of high-consequence work-related injuries has been introduced and three Upfield reported categories – Lost Time Accidents (LTA), Restricted Working Cases (RWC) and Medical Treatment Cases (MTC) – have been combined to give total Recordable Work-related Injuries. Data on first-aid cases is collected and monitored but excluded from these figures.

Total Recordables Frequency Rate (TRFR) = Number of (Fatalities + LTA + RWC + MTC)/hours worked x 1,000,000. Data covers Upfield employees and permanent contractors.

An employee of a third-party contractor providing construction services at the new plant in Brantford, Canada, suffered a fatality from a fall from height in April 2021. Upfield has cooperated fully in the investigation by the Ministry of Labor commenced at the time of the incident. Any incident highlights the criticality of commitment to safety and the importance of continuous improvement in identifying and promoting best practices.

## Training

● 404-1

**Average hours of training per year per employee**

● 404-2

**Programmes for upgrading employee skills and transition assistance programmes**

Upfield provides a range of development and learning opportunities for Associates, primarily through our digital learning platform, Cultivate. In addition, Upfield provides training and capability development at a local level to ensure Associates are equipped to work safely and effectively. This includes over 30 role-based training courses covering topics as varied as food safety, first aid, electrical awareness and allergen awareness.

In 2021, we recorded 3.59 hours of digital learning per Associate (this includes those who have never accessed the learning platform). This is primarily office-based training, with factory-based learning more often delivered face-to-face and not recorded centrally.

We also provide targeted training programmes to help employees develop their skills. In 2021, these courses included training to help our sales teams develop critical core competencies; personal and managerial development; training on our diversity, equity and inclusion programme; mandatory compliance training on our Code of Conduct; training on key systems and processes;

● 404-3

and cybersecurity training.

**Percentage of employees receiving regular performance and career development reviews**

100% of Associates who were eligible received regular development reviews for the performance year 2021.

All Associates receive performance reviews with some exceptions: contingent workers; factory workers; field sales in Greece; and Associates in locations which are covered by collective labour agreements (such as our Associate population in the Netherlands where a locally agreed process is in place). Eligible Associates were those who joined before 1 November 2021.

**For Responsible sourcing (including human rights) see page 32 of the Better Planet section.**

# Better Planet

**Better than Net Zero and 95% plastic free! We are pioneering products that preserve nature**

Targets	SDG alignment
<ol style="list-style-type: none"> <li>Better than net zero by 2050 (carbon neutral for Upfield’s business, and 25% reduction in total footprint by 2030).</li> <li>Communicate benefit of plant-based food by labelling carbon emissions on 500 million product packs by 2025.</li> <li>Reduce our environmental impact including 50% waste reduction and zero waste to landfill.</li> <li>Eliminate 95% of plastic content in all our packaging.</li> <li>All packaging is recyclable, reusable or compostable.</li> <li>No deforestation or exploitation – 100% responsible sourcing by 2025.</li> </ol>	<div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center;"> <p><b>6</b> CLEAN WATER AND SANITATION</p>  </div> <div style="text-align: center;"> <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> <div style="text-align: center;"> <p><b>13</b> CLIMATE ACTION</p>  </div> <div style="text-align: center;"> <p><b>15</b> LIFE ON LAND</p>  </div> </div>

## Climate impact

The global population is projected to grow to nearly 10 billion people by 2050\*. The world has finite resources, and we do not have the land, water and other resources to continue to eat meat and dairy in the future as we do today. Plant-based diets help to limit global warming to no more than 1.5°C over 1990 levels and avoid a climate catastrophe.

As a plant-based food business, we have a portfolio of products that we know have comparatively lower climate impacts than their dairy counterparts. We have an opportunity to help consumers choose less carbon-intensive food and a responsibility to reduce our own footprint, including our operations and supply-chain emissions.

We measure and manage our climate footprint and have an ambition to reach net zero by 2050. We are in the process of setting interim science-based targets for 2030. As well as tackling our own climate footprint, we want to grow the climate upside of our plant-based products and promote climate-friendly foods through on-pack carbon labelling.

Our own carbon footprint and management include our operations, offices and warehouses as well as a detailed analysis for key supply-chain emissions (scope 1, 2 and 3 in line with the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol).

We have conducted a carbon footprint assessment of our operations for 2021, including scope 3 emissions. Responsibility for the collection of this data is integrated into existing roles within the business, depending on the scope of data required. Carbon and energy are topics that are reported to the ESG Committee. Targets are set and agreed by the ESG Committee, which has overall responsibility for ESG requirements.

Inspired by the Global Methane Pledge agreed at COP26 to reduce man-made methane emissions by at least 30% from 2020 levels by 2030, we have also for the first time measured our methane footprint. This shows the disproportionate impact dairy ingredients have on our methane emissions. Dairy makes up just 1% of our total ingredients by volume but contributes 7% of our carbon footprint and 51% of our methane emissions. This demonstrates the importance of our commitment to eliminate dairy from all our products in the coming years, to reduce both our methane footprint and our overall greenhouse gas footprint.

\*Based on data from the [UN](#)

**Bespoke indicator: Better than net zero by 2050 (carbon neutral for Upfield’s business, and 25% reduction in total footprint by 2030).**

Our total carbon footprint reduced by 8.3% in 2021 leading to a small decrease in carbon intensity by 1.2% overall, and 4.7% in our scope 1 and 2 emissions. This shows that, while our sales volumes have fluctuated, we are still reducing our impact across the board.

In our own operations, we are investing to make our factories more efficient. We are also making lower-carbon energy choices including using biogas in one location and buying renewable electricity at all our factories via green energy tariffs and renewable energy certificates (RECs).

Our ingredients account for over 68% of our carbon footprint, so making the right choice about what we buy and from where will have a significant impact on our carbon footprint. Our understanding of the disproportionate impact of some ingredients is a driving force behind our commitment to be 100% plant-based by 2025. Dairy accounts for just 1% of our ingredients and 7% of our carbon footprint. We will continue looking at the impact of our ingredients across the portfolio to understand the relative impact and how we can make lower-impact choices.

- 305-1 Direct (Scope 1) GHG emissions
- 305-2 Energy indirect (Scope 2) GHG emissions
- 305-3 Other indirect (Scope 3) GHG emissions

GHG emissions – Location based * (metric kilotonnes CO <sub>2</sub> e)	2020	2021
Scope 1	42	36
Scope 2	86	77
Scope 3	3,245	2,962
<b>Total</b>	<b>3,373</b>	<b>3,075</b>
Contribution from methane	174	154

\* Based on grid energy mix in the country or region.

GHG emissions – Market based ** (metric kilotonnes CO <sub>2</sub> e)	2020	2021
Scope 1	42	36
Scope 2	32	28
Scope 3	3,236	2,958
<b>Total</b>	<b>3,311</b>	<b>3,022</b>

\*\* Based on our purchase of renewable electricity through tariffs and RECs.

## Scope 1 from biogenic sources: 1,000 tonnes CO<sub>2</sub>e

Scope 1, 2 & 3 emissions across the supply chain are shown below, including third-party production	2021 % total emissions	Kt CO <sub>2</sub> e 2020	Kt CO <sub>2</sub> e 2021
<b>Key components</b>			
Operations*	4%	147	135
Packaging	6%	222	189
Ingredients	79%	2,687	2,424
Other (including logistics)	11%	336	349

Please note, 2020 figures have been restated to use the most up-to-date emission factors and correct an error in the ingredient and logistic numbers. Previously stated figures are:

- Location based (metric kilotonnes CO<sub>2</sub>e) – Scope 2: 85, Scope 3: 3,027, Total: 3,154.
- Market based (metric kilotonnes CO<sub>2</sub>e) – Scope 2: 25, Scope 3: 3,027, Total: 3,085.
- Key components (metric kilotonnes CO<sub>2</sub>e) – Operations: 146, Logistics: 248, Packaging: 222. Ingredients: 2,352, Other: 186.

\* Operational emissions from Upfield and third-party manufacturers related to Upfield products.

### Methodology notes – Scope 1 & 2

Our footprint was calculated in line with the GHG Protocol using the emission factors listed below. CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included. The footprint covers owned and leased assets in our operational control, excluding Arivia.

The calculation includes assumptions about annual distance travelled by fleet cars. Carbon figures are based on location-based emission factors and do not account for green energy tariffs or RECS purchased to reduce emission factors.

Source of emission factors:

- UK Government (BEIS) Greenhouse gas reporting: conversion factors 2021
- IEA electricity emission factors (2021)
- US EPA eGRID2019 (2021)
- Green-E residual mix (2021)
- Australia's National Greenhouse Accounts Factors (2021)
- Canada's official greenhouse gas inventory (2021)
- Residual mix (2021)

## Methodology notes – Scope 3

Our footprint was calculated in line with the GHG Protocol, supported by a more detailed methodology for estimating market-based FERA using the emission factors listed below. CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O are included.

The following GHG Protocol categories are included, being those considered material:

- Purchased goods and services
- Capital goods (included in PG&S)
- Fuel- and energy-related activities (FERA)
- Upstream transportation and distribution
- Waste generated in operations
- Business travel

### Source of emission factors:

- World Food LCA database v3.5 (with Quantis updates, private communication)
- EcoInvent LCA v3.7
- UK Government (BEIS) Greenhouse gas reporting: conversion factors (2021)
- UK Government (DEFRA) Environmentally Extended Input Output tables
- IEA electricity emissions factors (2021)
- US EPA eGRID2019 (2021)
- Green-E residual mix (2021)
- Australia's National Greenhouse Accounts Factors (2021)
- Canada's official greenhouse gas inventory (2021)
- AIB European Residual mix (2021)

### Global warming potential (GWP)

For ingredients, the following emission factors have been used from IPCC AR5:

- CH<sub>4</sub> (fossil): 36.8 (including climate-carbon feedback)
- CH<sub>4</sub> (biogenic): 34 (including climate-carbon feedback)
- N<sub>2</sub>O: 298 (including climate-carbon feedback)

The majority of emissions come from ingredients. Emissions were estimated using tonnes of ingredients purchased (by country of origin) multiplied by LCA emission factors (IPCC 2013) for the closest matching product in the LCA databases. Where there was no matching product (mostly for ingredients purchased in small quantities), the average emission factor for the broader product type was used. The emission factors include emissions from land use and land-use change, and for many of the tropical oils these emissions form the largest part of total emissions. While palm oil is certified by the Roundtable on Sustainable Palm Oil (RSPO) using segregated or mass balance approaches, no adjustment has been made to the default LCA emission factors to account for any potential reductions in emissions, in particular land-use change. Such an adjustment may be made in future years when the methodology for making the adjustment is sufficiently well advanced.

PG&S also includes emissions associated with third-party manufacturing which are estimated using emissions per tonne for Upfield's in-house manufacturing.

Fuel- and energy-related activities: these are calculated using the same sources of data as scope 1 and scope 2 emissions. The main components are well-to-tank emissions from the production of fuels, transmission and distribution (T&D) losses for electricity and heat, and well-to-tank emissions related to generation and T&D losses. Where renewable energy certificates (RECs) do not cover T&D losses, then these are accounted for at the residual mix factor where available or otherwise the location factor.

Emissions from transportation and distribution are calculated using detailed data on tonnes transported, distances transported, and modes of transport multiplied by the appropriate emission factors.

Emissions from waste are estimated using tonnes of waste disposed of by landfill or recycling and the appropriate emission factors.

Emissions from business travel are estimated using total miles travelled by each mode of transport. Total distance for scheduled flights was split into distance category based on detailed data from the previous year.

## ● 305-4

### **GHG emissions intensity**

It is important to understand our relative carbon impact, which we measure per tonne of production. In 2021 this was:

- 2.55 tonnes CO<sub>2</sub>e per tonne of product produced for all emissions (2020: 2.59 tonnes) (scopes 1, 2 and 3, location-based/tonnes Upfield and third-party manufactured product). This is a 1.2% decrease, due to a reduction in the use of dairy, which has a disproportionate impact on our carbon footprint. This second year of calculating our carbon footprint has also shown the geographic differences in carbon emissions for some of our key ingredients. We will use this information to support low-carbon purchasing decisions where possible.
- 0.094 tonnes CO<sub>2</sub>e per tonne of product produced for all direct emissions (2020: 0.098 tonnes) (scopes 1 & 2 location-based/tonnes Upfield manufactured product). This 4.7% reduction demonstrates the efforts we are making to reduce carbon and improve efficiency in our factories, which includes investing in more efficient boilers and machinery, using heat recovery and using lower-carbon energy. To further reduce our impact, we purchase green electricity, either through green tariffs or renewable energy certificates (RECs) for all our factory sites, which is not reflected in this location-based figure.

\* 2020 figures have been restated to correct errors in the carbon footprint and use consistent emission factors. Previously stated figures were: All scopes: 2.42 tonnes CO<sub>2</sub>e.

### **Bespoke indicator: Methane footprint**

In 2021, we worked with sustainability experts to gather data to measure and share our methane emissions.

Of our 3.07 million tonne CO<sub>2</sub>e emissions in 2021, 154 kilotonnes of CO<sub>2</sub>e, or 5.0%, were related to methane. This is down 11.6% vs 2020 (174 kilotonnes). Our 2020 methane footprint showed that the tiny proportion of dairy ingredients had a disproportionate impact on our methane footprint. Dairy accounts for just 1% of our ingredients, but contributes 7% of our carbon footprint and 51% of our methane footprint (down from 8% of our carbon footprint and 63% of our methane footprint in 2020). The reduction we saw in our 2021 methane footprint reflects the work we are doing to eliminate dairy from our products.

More information on our methane footprint, and the methodology we use, can be found at [www.upfield.com/purpose/better-planet/climate-action/](http://www.upfield.com/purpose/better-planet/climate-action/).

### **Bespoke indicator: Climate Upside – The Upfield ‘Upside’ is the CO<sub>2</sub>e benefit of buying Upfield products instead of dairy equivalents**

Upfield is committed to understanding, transparently reporting, and reducing our own climate impact and informing consumers and customers about how individual products compare. We also think it is important to understand the benefits that plant-based companies and the plant-based food industry offer at a systemic level to help address climate change.

We know from product lifecycle assessment (LCA) that our plant-based products come with benefits when compared with their dairy equivalent. For example, plant-based margarines and spreads are 70% lower in climate impact, and use less than half the water and two thirds of the land, compared with dairy butter. Please refer to [Environmental Action - Upfield](#).

Working with an external specialist, we have calculated the climate benefit or climate upside of our portfolio of products when compared to their dairy equivalent. This is sometimes referred to as scope 4 or avoided emissions. We have taken our ISO-compliant and peer-reviewed product lifecycle assessments and systematically applied them to the margarine and spreads, creams, and plant-based cheese portfolios, following recognised portfolio methodology.

To calculate the Upfield Upside, we applied an indicative portfolio lifecycle methodology. Representative products from Upfield’s set of LCAs were mapped to product groupings based on Upfield classifications, and country where applicable (portfolio calculation). The impacts of the representative products were expanded by sales figures to provide total impacts across the whole portfolio of sold products in the spreads, creams and cheese categories. In parallel, the impacts of dairy comparator products were also calculated to show the hypothetical CO2e impact of the sale of equivalent dairy products. The difference between these figures is the Upfield Upside.

	% lower than dairy equivalent
Spreads	70%
Creams	50%
Cheese	74%

We recognise that this method of calculation has a number of limitations, given that no internationally adopted portfolio methodology exists. However, we have provided a conservative estimate of the Upfield Upside benefit by applying the portfolio analysis to our corporate product footprint, using the most recent emission factors from lifecycle databases, adjusting for sales volume and updating and accounting for factor changes in comparison categories such as butter.

On that basis, the Upfield Upside estimates give a ‘comparable’ indication of the total portfolio benefit of Upfield’s plant-based products when compared with dairy ones. Upfield’s plant-based margarines and spreads have a 70% smaller carbon footprint than dairy butter, Upfield’s creams have a 50% smaller carbon footprint than the dairy equivalents and our Violife cheese alternatives have a 74% smaller carbon footprint than dairy cheeses.

**Bespoke indicator: Communicate benefit of plant-based food by labelling carbon emissions on 500 million product packs by 2025**

We exceeded our target of including carbon labelling on 100 million packs by the end of 2021. In total, we produced 120 million packs carrying carbon labelling by the end of 2021, up from 13.2 million packs in 2020. Our position on carbon labelling can be found [here](https://www.upfield.com) (upfield.com).

## Energy consumption

● 302-1

Energy consumption within the organisation

	2019	2020	2021
Energy from non-renewable sources ('000 GJ)	1,064	964	879
Energy from renewable sources ('000 GJ)	589	608	561
Electricity ('000 GJ)	497	505	491
Heating ('000 GJ)	712	806	681
Steam ('000 GJ)	315	261	268
Total ('000 GJ)	1,653	1,572	1,440

Energy consumption remained stable, in line with production levels, between 2020 and 2021. With a number of initiatives to reduce carbon and energy use in progress during 2021 and 2022, and new, more efficient sites due to come online, we hope to see energy intensity reduce in the coming year.

Energy efficiency projects in 2021 included closing down air compressors and steam boilers at weekends at our site in Sweden, introducing heat recovery to preheat process water at our site in Poland, and using solar energy rather than steam to maintain ingredient temperatures at our Nairobi site.

Data includes all energy used at Upfield-operated production sites.

● 302-3

### Energy intensity

2021: 1.197 GJ/Tonne Production

2020: 1.208 GJ/Tonne Production

2019: 1.176 GJ/Tonne Production

While absolute energy consumption has reduced, from 2020 to 2021, energy intensity has remained stable. We are planning improvements to reduce energy consumption over the coming year.

## Waste

As a manufacturer of food products, we want to make our manufacturing as efficient as possible – using fewer resources, generating less waste, recycling and recovering more materials. We have a target to reduce waste at our factories by 50% by 2030, and to send zero waste to landfill.

Our primary impact area for waste is in our factories – we are consistently striving to refine and update our product processes to minimise any waste produced, while ensuring that our products are transported safely and securely across our supply chain.

Responsibility for the collection of data needed for this is integrated into existing roles within the business, with factory managers reporting figures to our Global Operations lead monthly. While greater detail is recorded at site level, centrally we track absolute waste generated, hazardous and non-hazardous waste disposed of, and the waste that is reused, recycled or sent to energy recovery excluding waste from third parties operating within the premises.

**Bespoke indicator: Reduce our environmental impact including 50% waste reduction and zero waste to landfill**

We saw waste from our factory sites increase in 2021, from 42 kilotonnes to 51 kilotonnes, with waste intensity increasing from 32.5 kg/tonne production\* to 42.4 kg/tonne production. While we are disappointed that waste has increased, this is due to an environmental improvement at our site in Germany, which has begun pre-treating its wastewater. This means we are taking greater responsibility for the impacts of our facilities and reducing the pressure on the municipal wastewater treatment plant. The waste sludge from this wastewater treatment is being used to generate energy; in fact, 97% of our waste is recycled, reused or recovered.

Over half our sites (7 out of 13) sent zero waste to landfill, up from 6 out of 13 sites in 2020.

\* This data has been restated to reflect more accurate data collection. Previously stated 2020 data: 28.9 kg waste/tonne production.

○ 306-1

**Waste generation and significant waste-related impacts**

Waste mapping is in place at all sites, and is monitored by type, volume and disposal method, and in some instances by waste source. All waste is monitored through to final disposal. We also require waste partners' certification for managing each waste type before we work with them.

○ 306-2

**Management of significant waste-related impacts**

Business waste is actively measured and managed at site and in our supply chain, with relevant management initiatives determined at site level.

● 306-3

**Waste generated**

● 306-4

**Waste diverted from disposal**

● 306-5

**Waste directed to disposal**

Waste generated (kilo tonnes)*	2020	2021
Reused	0.9	0.4
Recovered	17.5	28.9
Recycled	21.8	20.1
Hazardous, disposed of	0.09	0.10
Non-hazardous, disposed of	2.1	1.4
<b>Total</b>	<b>42.4</b>	<b>51.0</b>

We have seen a significant increase in waste at our Kleve factory in Germany, in part due to the installation of a wastewater pre-treatment plant. The plant was introduced in May and has reduced chemical oxygen demand (COD) loads by ~60%, reducing the burden on the municipal wastewater treatment plant. The sludge from this plant has been used for generating biogas. An increase in recipes manufactured, and the linked changeovers and cleaning, has also led to an increase in unpacked food waste.

\* Some data has been restated to reflect more accurate data collection. Previously stated 2020 data: Reused: 0.3, Recovered: 14, Recycled: 21, Hazardous: 0.05, Non-hazardous (disposed of): 2.2, Total: 37.7.

**Bespoke indicators: Waste recycling and intensity**

We have made great strides over the last three years, moving waste away from landfill and instead recycling, reusing and recovering 8% more of our waste.

Waste management and intensity	2019	2020	2021
% recycled, reused, recovered (excluding hazardous waste)	90.3%	95.1%	97.3%
Intensity (kg waste/tonne production)	32.8	32.5	42.4

\* Some data has been restated to reflect more accurate data collection. Previously stated 2020 data: 94.1% recycled, reused, recovered; 28.9 (kg waste/tonne production).

## Water

Water scarcity is becoming an increasingly important issue in many parts of the world where we have operations. As a result, it is vital that we track and seek to reduce our consumption, particularly within our factories.

Water usage is monitored on-site at our factories, which is where most of our organisational water is used. This information is submitted monthly and reviewed at a group level.

### 303-1

#### Interactions with water as a shared resource

Water consumption is monitored at each factory where local targets are set on an annual basis.

Our primary concern is at water-stressed locations, which we track through the World Resources Institute's (WRI) Aqueduct tool. Two sites have been provisionally identified as located in areas of potential water stress. These are in Greece and Turkey.

Other facilities are required to monitor, track, measure and manage water consumption, and meet local permits and regulatory requirements.

### 303-2

#### Management of water discharge-related impacts

The parameter limits for water discharge are set by local authorities. The level of the various indicators is monitored at regular intervals by our factories and by certified third parties. Authorities also take samples for analysis at random.

### 303-3

#### Water withdrawal

Our data covers all water consumed by factories based on metered consumption and invoiced data. Total water withdrawal decreased from 2019 to 2021, and also decreased in one of the sites identified as being in an area of water stress.

Water withdrawal	2019	2020	2021
All areas ('000 m3)	2,287	2,160	2,040
Areas of water stress ('000 m3)	323	314	348

Water use has increased in one of the sites in a water-stressed area due to changes in the products made at our site in Greece. An increase in the production of kosher products, which require additional cleaning, has led to higher water usage.

Some of our data relies on information provided to us by Unilever, most of which we are unable to verify. Numbers have been rounded to reflect this and some figures have been estimated to reflect our best knowledge.

### 303-4

#### Water discharge

Water discharge	2019	2020	2021
All areas ('000 m3)	1,311	1,369	1,259
Areas of water stress ('000 m3)	230	199	202

Each site monitors wastewater at the level required by local authorities, including detailed mapping of the wastewater discharged, showing the volume of water discharged to different receivers.

Some of our data relies on information provided to us by Unilever, most of which we are unable to verify. Numbers have been rounded to reflect this and some figures have been estimated to reflect our best knowledge.

Some data has been restated to reflect more accurate data. Data was previously stated as: 2020 water discharge: 1,422, Water discharge in areas of water stress: 199.

Water consumption	2019	2020	2021
All areas ('000 m3)	737	790	782
Areas of water stress ('000 m3)	93	115	146

Some of our data relies on information provided to us by Unilever, most of which we are unable to verify. Numbers have been rounded to reflect this and some figures have been estimated to reflect our best knowledge.

Some data has been restated to reflect more accurate data. Data was previously stated as: 2020 water consumption: 700, Water consumption in areas of water stress: 115.

## Packaging

Packaging is critical to ensure our products reach people in a high-quality condition, can be shipped and stored safely, and stay fresh to minimise food waste.

Packaging is managed by a dedicated packaging team with robust packaging targets and strategy. Our Packaging Policy is designed to improve the environmental footprint of our packaging through elimination, innovation, resource conservation and collaboration. It outlines our commitments to:

- Innovate to eliminate plastic packaging with an ambition for all our packaging formats.
- Choose alternative solutions that reduce the climate impact of our packaging footprint, increase our use of renewable materials (non-food source), and maximise recycled content.
- Design packaging to enable recycling, reuse or composting and clearly label packaging to encourage responsible treatment after use.
- Source our packaging from suppliers that meet our responsible sourcing policies, with 100% of our virgin paper coming from suppliers that have FSC or PEFC certification.
- Collaborate with industry and government partners, and advocate for effective recycling, material recovery and composting solutions for our packaging formats.

We track these KPIs for all the primary and secondary packaging for Upfield brands (at our factories and produced by third parties).

### **Bespoke indicator: Eliminate 95% of plastic content in all our packaging**

The total plastic we used dropped by 7.1% from 49 kilotonnes to 43 kilotonnes in 2021. However, the percentage plastic content of our packaging increased slightly from 45.8% in 2020 to 47.1% of total packaging in 2021. This was 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.

**Bespoke indicator: Total packaging ('000 tonnes)**

2021: 91

2020: 107

**Bespoke indicator: Total plastic ('000 tonnes)**

2021: 43

2020: 49

**Bespoke indicator: Total recycled content ('000 tonnes)**

2021: 23

2020: 25

**Bespoke indicator: Total packaging that can either be reused, recycled or composted ('000 tonnes / percentage)**

2021: 86 / 94.0%

2020: 101 / 94.5%

The decrease in packaging that can be reused, recycled or composted is due to increased volume of Tetrapaks (which do not meet our qualification of recyclability) and the introduction of the CombiPot.

**Bespoke indicator: Total FSC/PEFC paper ('000 tonnes / %)**

2021: 46 / 100%

2020: 56 / 99.6%

2019: 54 / 100%

Suppliers of packaging in Ghana and Portugal were identified as not meeting our policy requirement. Corrective actions have been completed to close this gap.

**Bespoke indicator: Plastic eliminated (cumulative, tonnes)**

The total volume and percentage volume of plastic packaging purchased decreased slightly from 49 kilotonnes (46% of total packaging volume) in 2020 to 43 kilotonnes in 2021 (47% of total packaging volume). We are implementing our elimination strategy and anticipate this figure will continue to reduce over time.

**Bespoke indicator: Recycled content (percentage)**

2021: 25.1%

2020: 23.3%

**Packaging indicator: Packaging that can either be reused, recycled or composted (percentage)**

2021: 94.0

2020: 94.5%

**Bespoke indicator: Advocacy**

Upfield advocates for and works with partners to enable effective recycling, reuse and composting systems.

We work with partners to measure recyclability, compostability, carbon footprint and plastic within our packaging. For new packaging needs, we focus on suppliers that invest in technologies linked to recyclability, compostability, carbon footprint and plastic definition.

## Responsible sourcing (including human rights)

Upfield's management approach to responsible sourcing covers a broad range of activities and governance measures, both proactive and reactive. The Chief Procurement Officer (CPO) is ultimately responsible for Upfield's Responsible Sourcing Initiatives, and has a dedicated Responsible Sourcing Team in place to drive the implementation of the programme. The Responsible Sourcing Team is responsible for ensuring accountability to set KPIs that are agreed with the CPO and reviewed on a monthly basis.

Proactive measures include, but are not limited to, robust policies in place covering responsible sourcing, and specific processes that form the basis for engagement with suppliers. In addition, suppliers are required to have material-specific certification where applicable (e.g. palm, timber, soy). We ask all suppliers to initiate a relationship with us via the Sedex Advance platform, which enables ethical trade, and complete an up-to-date Sedex SAQ.

For indirect categories, suppliers are assessed based on projected spend (under or over €100,000). Upfield applies the same standards for products manufactured at external trusted partners as it does for those manufactured in its own factories. These measures are reviewed on a quarterly basis with the Procurement Leadership Team and the Responsible Sourcing Team.

Reactive measures include, but are not limited to, a well-established cross-functional grievance process. This process is chaired by Upfield's Chief Compliance Officer who reviews, verifies and where necessary takes action on issues raised that do not comply with Upfield's Policies. Remedial actions are then logged and monitored on Upfield's public grievance log. The grievance committee meets on an ad-hoc basis upon awareness of potential issues, and periodically to review the steps within this process. The grievance process is also informed by Upfield's satellite monitoring programme with respect to palm oil, ensuring both traceability and transparency of the upstream supply chain, Upfield's Speak Up process, and dialogue with external parties including the Earthworm Foundation.

As part of a continuing journey to empower local communities in Upfield's upstream supply chain, initiatives are in place to empower women, increase livelihoods and tackle deforestation. Upfield invests great effort to ensure these initiatives are embedded within its supply chains. These initiatives are reviewed quarterly.

Our management approach to responsible sourcing is reviewed on an annual basis by the Chief Procurement Officer as the primary stakeholder, as part of an end-of-year assessment of delivery against KPIs. In addition to this formal assessment, inputs are also collected periodically from additional stakeholders, including the Chief Operations Officer, the Director of Sustainability & ESG, the Chief Compliance Officer, and others.

We have maintained compliance with our responsible sourcing commitments through review and engagement with suppliers. We have also accelerated the onboarding of vendors to Sedex, reaching more than 67% of existing suppliers, through a strategically targeted approach.

Upfield will continue to focus on embedding responsible sourcing workstreams into Upfield's systems, further enabling reporting, governance and speed to resolution for any issues. Upfield will also expand the scope of suppliers reviewed via the Sedex platform, further increasing transparency in the Upfield supply chain.

**Bespoke indicator: No deforestation or exploitation – 100% responsible sourcing by 2025**

Material	Percentage certified/sustainably sourced*	
	2020	2021
Palm oil	100%	100%
Soybean oil	100%	100%
Paper & pulp	99.6%	100%

\*Excludes third-party manufactured products

● 407-1

**Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**

All suppliers are expected to comply with our policies and principles. Our Supplier Code of Business Principles sets out our expectation for business partners to respect the rights to freedom of association for employees to join, or not join, a labour union in accordance with the law.

In addition, we use our ethical sourcing assessment programme (Sedex) to assess suppliers' operations, workers' rights, freedom of association and collective bargaining. We then use these insights to inform our strategy and mitigate those risks where required.

● 408-1

**Operations and suppliers at significant risk for incidents of child labour**

● 409-1

**Operations and suppliers at significant risk for incidents of forced or compulsory labour**

Protecting human rights is fundamental to the values we hold at Upfield. In accordance with the UN Guiding Principles on Business and Human Rights, we aim to protect and promote human rights in the communities in which we operate. This includes a zero-tolerance approach to child, forced or compulsory labour.

We understand the importance of transparency in our supply chain. We use a variety of Sedex tools, with SMETA audits, sustainability certification standards like RSPO, and our own Supplier Code of Business Principles, to identify and remove risk within our supply chains.

We use our ethical sourcing assessment programme to determine and prioritise areas and types of suppliers that are at risk of child, forced or compulsory labour practices. We then use a variety of mechanisms to mitigate against these risks, including engaging with suppliers in particular regions, collecting and evaluating data from these suppliers, and working with suppliers to implement corrective actions where appropriate.

In addition, we pursue independent certification for high-risk commodities and raw materials. 100% of our palm oil has been physically certified since 2019 and we have achieved our certification targets on paper and soybean oil.

For our own operations, we use Sedex on-site risk assessments, to ensure our own operations meet the standards we have set. Up to and including 2021, 11 out of 13 factories have been assessed. Audits on the remaining two sites were delayed and will be carried out in 2022.

Also refer to our Modern Slavery Statement: [https://upfield.com/wp-content/uploads/2021/09/Modern-Slavery-Statement\\_final.docx.pdf](https://upfield.com/wp-content/uploads/2021/09/Modern-Slavery-Statement_final.docx.pdf)

● 411-1

**Incidents of violations involving rights of indigenous peoples**

There have been no incidents of violations involving rights of indigenous peoples identified.

We are fully committed to upholding and protecting the rights of indigenous peoples and their communities by buying 100% physically certified RSPO palm oil, underpinned by Free Prior and Informed Consent (FPIC) principles. We are also monitoring areas that pose significant risks in terms of rights of indigenous people and their communities and prioritising these in our engagement work with our suppliers.

● 412-1

**Operations that have been subject to human rights reviews or impact assessments**

With an additional three site audits carried out in 2021, 85% (11/13) of our factory sites have been subject to Sedex Members Ethical Trade Audits (SMETAs), which cover human rights (2020: 62%\*). Audits for the final two remaining sites, both in North America, will be completed in 2022 following delays due to reorganisations. Our target is to carry out a SMETA audit at every factory site every three years.

\*restated due to miscalculation (was 57%)

● 412-2

**Employee training on human rights policies or procedures**

All Associates were trained (either via e-learning or face-to-face) on the Code of Conduct, which covers human rights elements.

● 412-3

**Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening**

Human rights criteria are considered as part of our risk management and due diligence processes. Significant investments, including acquisitions and joint ventures, are required to comply with Upfield's existing policies.

● 308-1

**New suppliers that were screened using environmental criteria**

● 414-1

**New suppliers that were screened using social criteria**

In Sedex, we screened five new suppliers in 2021 using social and environmental criteria based on Upfield's supplier process. This reflects the low number of new suppliers onboarded by the business in 2021.

As Upfield has newly implemented many of our ESG processes and assurance workstreams, our focus is on setting a baseline for our entire supply base to conduct full risk profiling of our supply chain. This baselining programme continued during 2021 and will inform subsequent actions and mitigation programmes. We will work collaboratively with our suppliers to implement improvements.

● 308-2

**Negative environmental impacts in the supply chain and actions taken**

● 414-2

**Negative social impacts in the supply chain and actions taken**

Our responsible sourcing policies cover both social and environmental impacts for all ingredients. Direct materials suppliers are requested to have material-specific certification where applicable (e.g. palm oil, timber, soy). We also ask that suppliers initiate a relationship with Upfield on the Sedex Advance platform and complete an up-to-date Sedex SAQ. For indirect categories, suppliers are assessed based on projected spend (under or over €100,000). We also use the Sedex Radar risk assessment tool, which allows us to proactively determine which geographies and industries can be considered as high social and environmental risk to ensure sufficient monitoring is in place. As well as assessing new suppliers at onboarding, we are assessing existing suppliers in parallel to de-risk the supply chain.

In 2021, 160 suppliers were assessed for social and environmental impacts. Of these, 96 suppliers have received a SMETA audit.

**Social impact**

No suppliers were identified as having actual or potential significant social impact. All Upfield's investigations are maintained through our transparent grievance process, which can be found on our website. Via this process, Upfield also undertakes to evaluate any and all complaints made against parties that exist within our supply chain, whether they be direct suppliers to Upfield or an indirect supplier within the supply chain.

**Environmental impact**

Upfield takes both reactive and proactive approaches when it comes to monitoring significant actual and potential negative environmental impacts in our supply chain. Our proactive approach consists of consulting the Sedex Radar risk assessment tool, to determine which geographies and industries can be considered as high environmental risk.

Our reactive approach consists of using the Starling satellite monitoring system, to track land-use change and engage where this points to deforestation occurring, as well as using our grievance mechanism to address complaints and grievances from any channel.

As part of Upfield's programme with Starling, a number of palm oil mills have been identified as high risk by Starling and as high-impact supplier groups by Earthworm, our partner in this space. All cases are reviewed collaboratively with our suppliers to conduct 'on site' investigations to verify the impact. Many of the risks flagged are in the process of investigation; however, where an impact has been verified, this has triggered our grievance process, and, where necessary, the respective actor has been removed from Upfield's supply chain.

As a result of the above process, we stopped working with one indirect supplier during 2021; further information can be found on [Upfield's website](#).

● **FB-PF-430a.1**

**Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard**

All the palm oil we purchase is certified by RSPO; this accounts for 42% of our purchased ingredients. We also purchase soybean oil that complies with the Amazon Soy Moratorium.

● **415-1**

**Political contributions**

Upfield made no political donations in 2021.



Upfield™