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Introduction

We are passionate about being a leader in providing delicious, healthy, and sustainably sourced and produced seafood. That passion shapes our strategy and guides our actions. We also believe that it is essential to our long-term success as a valued partner, a preferred employer, a trusted supplier and a growing, profitable business. Operating sustainably, in accordance with our values, defines our company and our culture and is embedded in the way we serve our customers, consumers and our communities.

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About This Report

Our 2019 Sustainability Report provides a broad overview of our sustainability priorities, practices and performance for the fiscal year ended December 28, 2019, along with a look at key events in the year. This report is aligned with the SASB (Sustainability Accounting Standards Board) Standards: Food and Beverage – Processed Foods Standard. The SASB Standards are designed to accurately assess the financial impacts of sustainability and help show how sustainability can contribute to value creation. Additionally, we remain committed to reporting to the Global Reporting Initiative (GRI) Standards in 2020, and several key metrics in this report are aligned to specific GRI indicators.

We welcome feedback on our report and initiatives. Please contact us at investor@highlinerfoods.com.

About the cover: Ships working on behalf of High Liner Foods, help provide us with sustainable, nutritious wild-caught seafood.

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At-a-Glance

High Liner Foods is a leading North American processor and marketer of value-added frozen seafood to the foodservice and retail trade. Our unified platform and well-known core brands give us the ability to serve our customers with a variety of seafood products that meet their diverse needs.



To help us deliver what our customers want, when they want it, we source seafood from around the world. No matter where we source, our requirements are the same: suppliers must strive to catch or farm seafood responsibly, protect against overfishing and limit impacts on the natural environment. Suppliers must also treat their employees fairly and provide workplaces that meet high safety and social standards.

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OUR TOP SPECIES

High Liner Foods has the scale and global reach to provide the products that our customers and consumers want. We also have leading practices and standards in place that enable us to meet the growing demand for our products in a sustainable way. Our top species by percentage of 2019 purchases (in USD):



30.2% Cod
(Atlantic and Pacific)



21.7% Shrimp



13.2% Salmon
(Wild and Farmed)



11.1% Haddock



9.7% Pollock



6.0% Tilapia



3.3% Sole

KEY RETAIL BRANDS



KEY FOODSERVICE BRANDS



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CEO Message

High Liner Foods has a long-standing and well-deserved reputation for doing the right thing. I made that observation in my first sustainability report, and today it is as true as ever.

We are passionate about operating as a sustainable seafood company. In order to achieve this objective, High Liner Foods must be a thriving and successful business. In 2019, we executed on the critical initiatives that would ensure High Liner Foods continued as a value-creating investment and a leader in environmental sustainability and social responsibility.

The dedication and hard work our team put into implementing the critical initiatives is reflected in the way they met the challenge of COVID-19. While this report looks at our 2019 sustainability performance, I want to take a moment to congratulate my colleagues on their outstanding response to the COVID-19 pandemic in 2020.

When the pandemic began, our first concern was the health and safety of our people, particularly at our processing plants. We faced many challenges and hard choices as we implemented our COVID-19 response plan, including temporarily suspending production at our Portsmouth plant between April 20 and 27.

At the same time, we remained focused on business continuity, on safely delivering healthy food and on working with stakeholders and peers to support them through this difficult time.

We delivered on our commitment to keep people safe while meeting the needs of customers and consumers, thanks to the hard work of people across High Liner Foods. I could not be more proud of our employees' devotion and dedication as essential workers, supplying food to families across North America.

A STRONG FOUNDATION

We recognize that sustainably is an increasingly important concern for consumers, customers, employees, communities and investors. The successful implementation of our critical initiatives provides High Liner Foods with a long-term foundation for operating sustainably that, I believe, will provide us with a competitive edge when it comes to growing our business.



ROD HEPPONSTALL
President and CEO

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A LEADER IN SUSTAINABILITY

We are committed to driving sustainable practices across our industry. By working with many groups, including fisheries, industry peers, government agencies and non-governmental agencies, we have delivered significant achievements like the MSC certification of the Russian Pacific cod longline fishery.

We also took part in the 28th International Groundfish Forum, a group we helped found, and continue to engage with seafood associations such as the Genuine Alaska Pollock Producers, the Alaska Seafood Marketing Institute and Iceland Responsible Seafood, to discuss sustainable seafood opportunities. Our support and participation of these groups and activities has an impact that extends well beyond High Liner Foods. Through our leadership, we are raising the bar and helping to secure seafood as a sustainable protein resource for the world.

MOVING FORWARD

High Liner Foods continues to build a culture based upon continuous improvement in everything we do. In late 2020, we will launch a new business plan that has employee, environmental, social and governance (EESG) dimensions which will help us further embed sustainability across our operations.

We will focus on reducing our energy footprint and ensuring energy efficiency is a key theme in all future capital expansions and upgrades. We will continue to work with industry partners to enhance the sustainability of our supply chain. Our efforts will include supporting a sustainable wild-caught fishery, while fostering the sustainable aquaculture sector that will be essential to meet global demand for affordable seafood protein.

Our employees play a vital role in our ability to capitalize on, and continually strengthen, our commitment to sustainability. Their contribution to the successful implementation of the critical initiative plan and the exceptional work they are doing to meet the COVID-19 challenge demonstrates why they are High Liner Foods' most valuable resource.

In the face of daunting challenges, we have shown that resilience and responsibility are defining elements of our culture. For more than 120 years, High Liner Foods has helped to provide nutritious, affordable seafood to families during times of crisis. Today, as the world deals with the pandemic challenge, High Liner Foods maintains that tradition.

Sincerely,

Rod Hepponstall
President and CEO



May 14, 2019 - President and CEO, Rod Hepponstall, addresses stakeholders at High Liner Foods' 2019 Annual General Meeting.

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ENVIRONMENT

To meet customers and consumers' evolving needs, we are continually revising the product style and mix made at our operations, which will cause variations (higher and lower) in water and electricity usage over time. As a result of our Continuous Improvement program, we expect to show a downward trend in usage over time.



SOURCING



96%
of seafood responsibly sourced (2018: 95%)

98%
of raw material sourced from audited suppliers (2018: 98%)

PEOPLE

30%
female board members

30%
of senior management group is female

\$214,341
donated in products and financial support in 2019

CORPORATE SUSTAINABILITY



Ecovadis
2018 Silver



29th on Corporate Knights' 2019 Best 50 ranking



Nova Scotia's Top Employers 2019



Atlantic Canada's Top Employers 2019



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“By continually engaging with customers, suppliers and other key stakeholders, we keep up-to-date on the evolving sustainability landscape. In turn, this helps us develop innovative, sustainable approaches for meeting the challenges that face our company, our industry and our world.”

TIM RORABECK, EXECUTIVE VICE PRESIDENT,
CORPORATE AFFAIRS AND GENERAL COUNSEL

Our Approach

As our history shows, we believe that being environmentally and socially responsible is the best way to do business. Our sustainability approach helps us build trust, mitigate risks, realize new opportunities, and meet the changing needs and expectations of customers and other stakeholders.

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Governance and Ethics

Every day across our operations, we work to earn the trust of our colleagues and our customers and consumers. Our stakeholders can depend on High Liner Foods to conduct our business ethically, responsibly and transparently. Customers and consumers can rely on the quality and safety of our products, and on the sustainable sourcing of seafood and other ingredients in our products.

SUSTAINABILITY GOVERNANCE

The Environmental Steering Committee, which reports to the Audit Committee of the Board of Directors, oversees and acts upon environmental topics such as regulatory compliance and evolving requirements, waste and hazardous substance management practices, air emissions, and occupational health and safety concerns. Made up of representatives from across the company, the committee meets on a quarterly basis.

Board of Directors

Audit Committee
Human Resources Committee
Governance Committee
President and CEO

Executive Leadership Team

Steering Committees
Diversity and Inclusion
Environment
Ethics

KEY POLICIES

Code of Conduct — outlines our company-wide commitments to honest, ethical behaviour among all employees, officers and directors of High Liner Foods. We require 100% of employees to review and acknowledge the Code of Conduct annually.

Supplier Code of Conduct (SCOC) — establishes guidelines for suppliers regarding the ethical treatment of workers, using a risk-based approach for audit frequency. We continually review and revise policies to ensure they reflect changing circumstances in our industry while always reflecting our core values and commitments. In 2019, we added packaging and ingredients to our SCOC and we will introduce SCOC 3.0 to build on our previous version, while incorporating an enhanced risk dimension.

Corporate Social Responsibility Policy — details company-wide expectations for responsible sourcing; traceability; sustainability reporting and education; product design; waste management and resource efficiency; global impact and responsibility; and social responsibility.

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

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Stakeholder Engagement

To succeed in a complicated and fragmented global industry, we need to work with a wide range of stakeholder groups that includes government agencies, trade associations, academia, non-governmental organizations (NGOs), investors, customers and consumers. In addition to direct engagement with organizations, we take part in coalitions and associations to achieve common goals.

Since 2009, we have brought together members of the seafood community at an annual Seafood Summit to exchange ideas about issues and solutions surrounding sustainable seafood. In 2019, the Summit was postponed so that the company could focus on achieving our critical initiatives.



September 16, 2019 - Bill DiMento, Vice President, Corporate Sustainability and Government Affairs, High Liner Foods, receives the Chairman's Circle Award from Linda Cornish, president of the Seafood Nutrition Partnership (SNP). The award recognizes High Liner Foods' efforts to support SNP's Move the Needle on Seafood campaign.

KEY PARTNERSHIPS AND AFFILIATIONS

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

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STANDARDS: GSSI Expands Its Platform

The **Global Sustainable Seafood Initiative** (GSSI) was established to provide the seafood industry and industry stakeholders with a means for objectively and credibly evaluating the effectiveness of seafood certification programs. Recognizing the need for such an initiative, High Liner Foods was an early supporter, and Bill DiMento, Vice President, Corporate Sustainability and Government Affairs, currently chairs the GSSI Steering Board.

In 2019, the GSSI welcomed the China Aquatic Products Processing and Marketing Alliance (CAPPMA) to its roster of more than 90 organizations. Representing more than 1,800 members from across the seafood value chain, CAPPMA is the first Chinese organization to join the GSSI. China is one of the largest producers and consumers of seafood on a **worldwide basis**, and CAPPMA'S participation provides the GSSI with an increased ability to contribute to an environmentally and socially responsible global seafood industry.

ADVOCACY: Stronger America Through Seafood

In October 2019, leading seafood experts, including Kathryn Unger, past president of Stronger America Through Seafood (SATS), appeared before the United States Senate to speak about the need for America to further support and expand sustainable marine aquaculture. Representing stakeholders from across the seafood supply chain, High Liner Foods worked alongside other like-minded seafood companies to advocate for a thriving and sustainable U.S. aquaculture sector.

During his senate testimony, Dr. Paul Doremus, Deputy Assistant Administrator for Operations within the National Oceanic and Atmospheric Administration's (NOAA) National Marine Fisheries Service (NMFS) in the U.S. Department of Commerce, observed that about half the seafood imported into the U.S. comes from foreign aquaculture.

According to the U.S. National Fisheries Institute, four of the six most popular U.S. species by consumption (i.e., shrimp, salmon, tilapia and pangasius) are farmed. Despite this wide acceptance, myths and misinformation about aquaculture – ranging from the health of farmed fish to impact on the environment – persist.

Advances in aquaculture over the past two decades have resulted in an industry that is beneficial for the environment. **A study** by the United Nations' Food and Agriculture Organization notes that aquaculture has "low EI (emissions intensity)" compared to cattle, sheep or goat farming. Companies like High Liner Foods expect aquaculture farmers to strictly manage water quality and ensure that no illegal antibiotics are used. In fact, in some species, antibiotic use has been virtually eliminated.

On May 7, 2020, President Donald Trump signed an executive order promoting American seafood competitiveness and economic growth, with key aquaculture components. "The order," noted Bill DiMento, current president of SATS and Vice President of Corporate Sustainability and Government Affairs at High Liner Foods, "is an important step towards improving the competitiveness of the entire U.S. seafood supply chain. It provides regulatory reform to maximize commercial fishing while also enabling producers to revolutionize seafood production through sustainable offshore aquaculture."

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RESEARCH AND INNOVATION:

Genuine Alaska Pollock – A Sustainable Wild-Caught Resource

The Wild Alaska Pollock is the largest certified sustainable fishery in the world; its operations are independently monitored by the Alaska Responsible Fisheries Management program and the Marine Stewardship Council (MSC). The blue MSC label is the trusted signature for sustainability.

To provide a viable resource for generations to come, the population of wild Alaska pollock is continually surveyed, and when the allowable annual catch is scientifically determined, the fishery actually sets a lower catch limit. This approach helps to ensure that the wild population of pollock in Alaska’s waters remains sustainable. In addition to following science-based standards for sustainable fishing, wild Alaska pollock are completely traceable from boat to shore and the fishery works to ensure the full utilization of the fish.

High Liner Foods continues to work closely with Genuine Alaska Pollock Producers (GAPP), which has supported marketing efforts for our innovative Alaska Wild Wings through funding targeted to promoting wild Alaska pollock to consumers. An innovative, sustainable entry

into the appetizer and snacking category, Alaska Wild Wings took First Place in Foodservice for 2019 at the 27th Annual Alaska Symphony of Seafood. “We knew this was a strong innovation in the seafood category,” said Craig Murray, Senior Vice President, Marketing and Innovation for High Liner Foods. “It’s delicious, easy to prepare, and because it’s made from wild Alaska pollock, it also sets a bar for sustainability.”



Buffalo-style (U.S.) Alaska Wild Wings™ or (Canada) Fish Wings™ served with blue cheese dip and celery.

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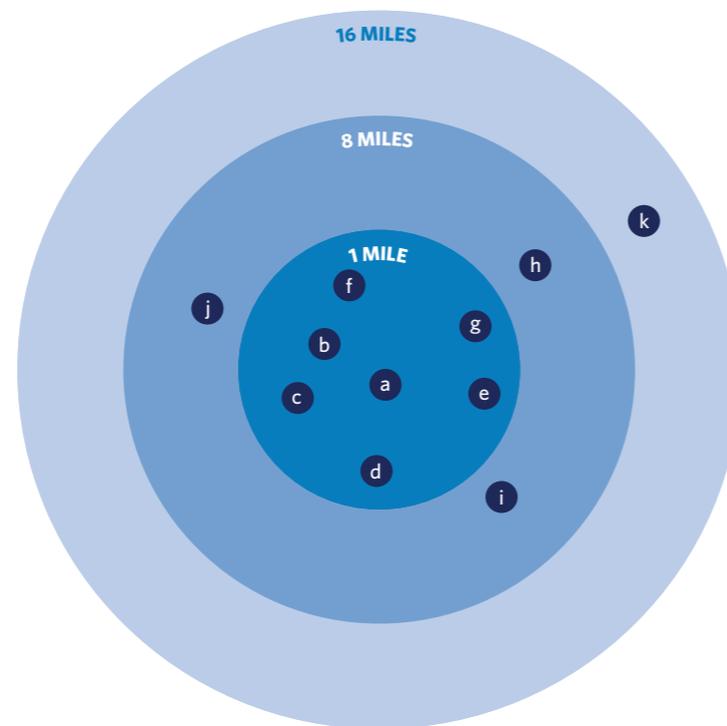
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Sustainability Priorities

In 2019, we continued to focus on the 11 priority sustainability issues that matter most to our customers, consumers and business. These issues were identified with input from our NGO partners at our 2018 Sustainability Summit. In addition to identifying and prioritizing issues at the Summit, we also discussed action plans and the need for policy and positioning statements. The graph below shows our priority issues and how we ranked them with respect to their potential impact on our business.

PRIORITIZATION OF ISSUE



1 MILE:

- a. Traceability and transparency
- b. Social compliance
- c. Carbon and waste reporting and tracking
- d. Sustainability/GRI reporting
- e. Packaging updates*
- f. Animal welfare
- g. Ocean plastics

8 MILES:

- h. Global Ghost Gear Initiative**
- i. Seafood Stewardship Index***
- j. Impacts of climate change and ocean warming

16 MILES:

- k. Food security for a growing population

We intend to assess High Liner Foods' most relevant sustainability priorities in the coming year to ensure we continue to be focused on what matters most for our customers, consumers and business, and are positioned to influence positive change.

* Packaging updates refers to reducing seafood packaging's environmental footprint and phasing out single-use plastics.

** Global Ghost Gear Initiative (GGGI) is a cross-stakeholder alliance of the fishing industry, private sector, corporations, NGOs, academia and governments focused on solving the problem of lost and abandoned fishing gear worldwide.

*** Seafood Stewardship Index (SSI) aims to build more sustainable and inclusive seafood supply chains by assessing and benchmarking the performance of the world's largest seafood companies regarding their contribution to the Sustainable Development Goals closest to their core business.

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“Responsible sourcing is a top priority for High Liner Foods and also for our customers and consumers. We work continually with our partners and suppliers to ensure that we provide seafood that has been raised or harvested as sustainably as possible.”

RON VAN DER GIESEN, SENIOR VICE PRESIDENT, SUPPLY CHAIN

Responsible Sourcing

High Liner Foods is recognized as an industry leader in responsibly sourced seafood. Led by Ron van der Giesen, our Senior Vice President, Supply Chain, we work with suppliers around the world to make sure **our expectations are clear** so that our stakeholders can be sure that products from High Liner Foods are responsibly sourced and sustainable.

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Criteria for Responsibly Sourced Seafood

High Liner Foods is built on high expectations for quality, responsibility and sustainability. We expect our suppliers, wherever they operate, to catch or farm species responsibly, guard against overfishing and limit impacts on the environment. We also expect them to maintain high worker and social standards and treat their employees well, in accordance with human rights and human dignity.

We define responsibly sourced seafood according to strict criteria, and make sure those criteria are met by employing credible certification schemes, including social compliance audits and the GSSI benchmark.

WILD-CAUGHT SEAFOOD

Sustainably fished wild-caught seafood is legally caught, secure from poaching and protected from overfishing. Suppliers must show that they minimize damage to the habitat and bycatch species.

We source wild-caught products that are:

- MSC certified or from suppliers undergoing full MSC assessment;
- Recognized by the GSSI benchmark;
- From credible, publicly documented Fishery Improvement Projects (FIP); or
- Ocean Wise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™.

FARMED SEAFOOD

It is increasingly clear that responsible, sustainable aquaculture is essential to meet the world's growing need for seafood. The science and understanding of best practices in aquaculture continue to improve, showing that responsibly managed and monitored fish farming can contribute to habitat conservation and biodiversity promotion.

At the same time, it can take pressures off wild fish populations by providing a sustainable alternate source of supply. Compared to land-based agriculture, **aquaculture is often more energy efficient**. It can also provide a dependable source of employment for coastal communities, while helping to establish a reliable, responsible source for seafood protein.

We source farmed products that are:

- Recognized by the GSSI benchmark;
- ASC certified or from suppliers undergoing full ASC assessment;
- Global Aquaculture Alliance Best Aquaculture Practices (1-4 stars) certified;
- From credible, publicly documented aquaculture improvement projects; or
- Ocean Wise™ recommended or rated Best Choice or Good Alternative by Seafood Watch™.

77%
of our seafood came from the wild in 2019

23%
of our 2019 seafood supply was farmed

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Meeting Customer Demand

In 2019, 96% of the seafood we purchased was responsibly sourced. Our goal for our High Liner branded products is to make that 100%.

To remain a competitive, sustainable business, High Liner Foods must offer products that customers want at a price they find acceptable. With some species, such as Atlantic cod, Alaska pollock or haddock, it is easy to source responsibly because most of these fisheries are MSC certified and pricing is competitive. Now that the Russian Pacific cod long line fishery has also achieved MSC certification, most Pacific cod fisheries are certified.

However, in some cases, certified fisheries are unable to meet customer demand or there is too big a cost difference between certified and non-certified product. In these circumstances, we work with suppliers and customers to find ways to move the industry forward and find new opportunities for increasing the supply of responsibly sourced seafood.

MOVING FORWARD ON TRACEABILITY

Traceability – the capacity to follow and verify the path of a seafood product as it moves from ocean to consumer – is essential to ensuring that seafood is safe, legal and sustainable. High Liner Foods’ traceability system was developed by experts in food safety and logistics; it enables us to provide customers with key information, on an annual, quarterly or real-time basis, about the products they’re buying:

- For every lot of wild-caught seafood, we track the fishery, country of catch, gear type and certification status.
- For every lot of farmed seafood, we track country of farming, production method and certification status.

We actively collaborate with key seafood organizations, including Global Dialogue on Seafood Traceability and the GS1 North American Traceability Task Group, to help drive continuous improvement in traceability.

Reflecting our commitment to detailed and active traceability, in 2018 High Liner Foods set up a system to automatically provide traceability information to the U.S. government through its Seafood Import Monitoring Program (SIMP). The program tracks 13 imported fish and fish products identified as at-risk for fraud or Illegal, Unreported and Unregulated (IUU) fishing. Currently, we are working with the National Oceanic and Atmospheric Administration (NOAA) to review and enhance tracing through SIMP.

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MSC Certification Achieved

On October 8, 2019, the Russian Pacific cod longline fishery received MSC certification. This was the culmination of an eight-year journey and High Liner Foods has been with the fishery every step of the way.

The blue MSC label represents the world's most recognized and market-leading seafood certification program and is the only certification recognized by the UN FAO and ISEAL, the global membership association for sustainability standards. A growing number of customers require MSC certification, including national retailers and foodservice operators concerned about sustainability.

Work toward certification began in October 2012, when High Liner Foods, SFP, MSC and other stakeholders met with leading companies in the fishery to discuss the problem of IUU fishing and the push for greater transparency. The meeting led to the formation of the Longline Fishing Association (LFA), which is committed to the development of a more responsible fishery, and the subsequent implementation of a Fisheries Improvement Project (FIP). The FIP was focused on establishing a fishery fully compliant with international criteria for sustainable fisheries, and workplan measures included:

- Developing a sustainability policy and code of conduct for LFA members;
- Assessing the threats to endangered, threatened and protected species;
- Reducing bycatch of non-target species;
- Enhancing scientific data on the assessment of the stocks;
- Improving rules controlling harvesting;
- Assessing IUU fishing; and
- Providing better public access to information about the stock status and fishery management.

The fishery made steady progress and embarked on the certification process in 2018. Achieving MSC certification significantly expands the range of affordable options for customers seeking sustainable seafood products. It also further embeds operating sustainably as a baseline for competitive fisheries around the world.

"This is a great achievement for the fishery and for the seafood industry as a whole," said Dave Martin, Director, Aquaculture and Reduction Fisheries, Sustainable Fisheries Partnership. "It confirms the trend within the industry of the move toward adopting best practice in sustainability, and it was market driven, which is the most dependable force for driving positive change."

Russian longliner Tomkod, part of the Pacific cod and halibut fishery. Company: Norebo Holding, Yamsy. Location: Kamchatka



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To help drive improvements in sustainability in global fisheries and aquaculture, High Liner Foods actively participates in several supply chain roundtables and similar precompetitive efforts, including:

- Working with other seafood companies, we supported the launch of several fishery improvement projects and certification efforts for Russian wild salmon;
- Through the Russian Far East Whitefish Supply Chain Roundtable (SR) and the Russian Sustainability Alliance, we celebrated the certification of Russian Pacific cod and also contributed to the launch of a new fishery improvement project for Russia West Bering Sea pollock; and
- We participated in the Asian Farmed Shrimp Supplier Roundtable to promote effective zonal management of aquaculture production and help shape how aquaculture improvement projects are designed and implemented. We also supported projects on shrimp health management in Thailand and Indonesia and have set India as a company priority for 2020.



Bill DiMento, Vice President Corporate Sustainability and Government Affairs, participates in the 2019 Capitol Hill Ocean Week Panel on Seafood Deficit.

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People, treated with fairness and respect, are key links in our socially responsible supply chain. We expect our suppliers, guided by our Supplier Code of Conduct, to operate in accordance with internationally recognized standards for human rights, employment and worker safety.

In addition to overseeing performance, senior executives from our supply chain team also help develop supply chain policy and regularly conduct on-site visits to our suppliers around the world. Our suppliers are not only expected to abide by the SCOC, but to ensure the Standards are also met throughout their respective supply chains.

Our SCOC was updated and expanded in 2019 to include ingredients, packaging and services. Under the SCOC, suppliers are subject to announced and unannounced third-party social compliance audits, which include factory tours, employment interviews and document reviews. Based on the results, suppliers may be approved unconditionally; approved with conditions, which mandates that corrective action must be taken immediately; or disapproved, in which case we terminate all business with that supplier.

We are currently moving to a more efficient, risk-based system for supplier evaluation: instead of conducting annual audits for every supplier, the frequency of audits is based upon the degree of species, product and conduct risk.

98%
of all HLF seafood purchases were covered by an HLF required social audit

100%
of the audits conducted were approved with no conditions



At an aquaculture farm in Asia, aerators enhance oxygen levels in the water, supporting seafood stocks and encouraging beneficial micro-organisms.



“Our values guide our actions and are essential to High Liner Foods’ success. They are embodied in our commitment to meeting the needs of our employees and communities.”

ROD HEPPONSTALL, PRESIDENT AND CEO

Our People and Communities

Our success as a company depends upon the success of our people and communities. Guided by Johanne McNally Myers, Vice President, Human Resources, our programs* acknowledge the value of diverse perspectives and treating others equitably and with respect. To foster a high-performance culture, we invest time, training and financial resources in our people’s development. Our goal is to both empower individuals and bring people together, within our company and our communities, so that they can achieve their best.

* Oversight of our activities related to people is provided by the Human Resources Committee of the Board.

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One High Liner Foods

Coming together as one integrated North American organization, One High Liner Foods (ONE HLF), united in purpose and values, was our most significant achievement in 2019. It was essential for our business' ongoing success and profitability, which meant it was crucial to realizing our sustainability goals.

A vital element of the ONE HLF initiative was to simplify our company, across all of our locations and operations, so we could focus our efforts on what matters most to business and stakeholders, which includes sustainability and acting as a good corporate citizen.

To encourage a culture where people can do their best work and grow professionally in a high-performance environment, we developed innovations like the ONE HLF scorecard to help track progress in achieving our critical initiatives. As part of our effort to support ONE HLF and foster a shared culture across all of our operations, we established a policy and compliance committee with a view to aligning U.S. and Canadian Human Resources policies as far as possible, while always remaining compliant with regional laws and regulations.

Throughout the year, we worked to strengthen a ONE HLF culture that supports sharing best practices and promoting communication and collaboration with colleagues worldwide. Our efforts were encouraged by being recognized, for the eighth year in a row, as one of Canada's Top 100 Employers in both Nova Scotia and Atlantic Canada.



November 2019, High Liner Foods employees contribute to the fun at the Lunenburg Holiday Parade.

IMPROVING GENDER DIVERSITY

30%
of our Board of Directors are women

26.7%
of our combined executive and senior management group are women

35.7%
of our North American workforce are women

By the Numbers

At the close of 2019, High Liner Foods had 1,167 active regular full- and part-time employees. Of the total number of employees, 690 were salaried and 477 were hourly.

Approximately 226 unionized employees in our Lunenburg facility are represented by Unifor, while hourly workers in Portsmouth, Newport News and Peabody are not unionized.

COUNTRY	EMPLOYEES
Canada	435
U.S.	711
China	14
Thailand	5
Iceland	2
Total	1,167

HEALTH AND SAFETY

Across our operations, at the end of every day, we want our people to go home safely. We expect each employee to follow safe working practices and procedures and empower them to speak up when they see something wrong. Our programs include safety training plans for new hires, supervisor safety goals and scorecards, safety huddles at the start of each plant shift, monthly safety training and plant safety audits.

Reflecting our commitment to safety, all employees complete “Respect and Safety in the Workplace” training annually. Moreover, employees take part in safety teams, act as safety trainers and are involved in inspections. Employee input and feedback are encouraged so that everyone takes ownership of safety, and safety deficiencies are quickly identified and corrected.

We ended 2019 with 20 recordable injuries (RIs) compared to 25 RIs in 2018. This 20% decrease is a move in the right direction, but we continue to work toward our goal of zero workplace injuries.

OSHA Incident Rate*

	CANADA	U.S.
2017	0.68	2.0
2018	1.1	2.2
2019	0.7	2.0

* The OSHA (Occupational Safety and Health Administration) incident rate is calculated by multiplying the number of recordable safety incidents by 200,000 hours, and then dividing that number by the number of hours worked. It represents the injury rate for every 100 employees working 50 weeks per year, 40 hours per week.

Community Giving

High Liner Foods has a long history of contributing to the communities where we operate and we work diligently for them to thrive. Our community support efforts are built around three philanthropic pillars:

- **Hunger Mission** — We are committed to supplying 10 million meals over 10 years through product and financial donations to food banks and other organizations that promote food security in our communities. By year-end 2019, we had provided 6,381,537 meals since our mission began in December 2015.
- **Corporate Giving** — In addition to our Hunger Mission, we support local programs focused on hunger education, the environment, health and wellness, and the betterment of communities. We are also a founding member of Friends of We Care, a network of companies representing all facets of the foodservice and hospitality industry, which raises funds to send kids with disabilities to Easter Seals camps.
- **Volunteerism** — The geographic scale of our operations requires local flexibility. Permanent salaried employees can take one day of volunteer leave per year to support events developed by local philanthropy committees.

\$214,341
 donated in products and financial support in 2019



At the third annual Fancy Pants Open golf tournament in Rye, NH, we raised (USD) \$27,000. Proceeds go to GATHER, the largest hunger relief organization on the seacoast. Over the last three years, we have been able to donate \$77,000, equivalent to 61,600 meals for families in need.



Through High Liner Foods' matching gift of \$10,000, Feed Nova Scotia was able to raise \$80,020 in financial donations, enough for the organization to distribute 120,030 meals worth of food.



HLF's Canadian Foodservice Sales Team participated in a Bowling Challenge in an effort to raise funds for the Friends of We Care charity. In an effort to create some excitement and raise some extra funds for the bowling challenge, the team prepared a delicious "High Liner Fish and Chip Extravaganza" lunch for the Mississauga office staff on November 14, 2019. Over \$500 was raised for this worthy cause.

Introduction

Our Approach

Responsible Sourcing

Our People and
Communities

**Protecting the
Environment**

Operational Footprint
Performance Data



“High Liner Foods is a leader on environmental issues. We recognize that we have a responsibility to use our scale, reach and position to drive positive, sustainable change in our industry.”

BILL DIMENTO, VICE PRESIDENT, CORPORATE SUSTAINABILITY AND GOVERNMENT AFFAIRS

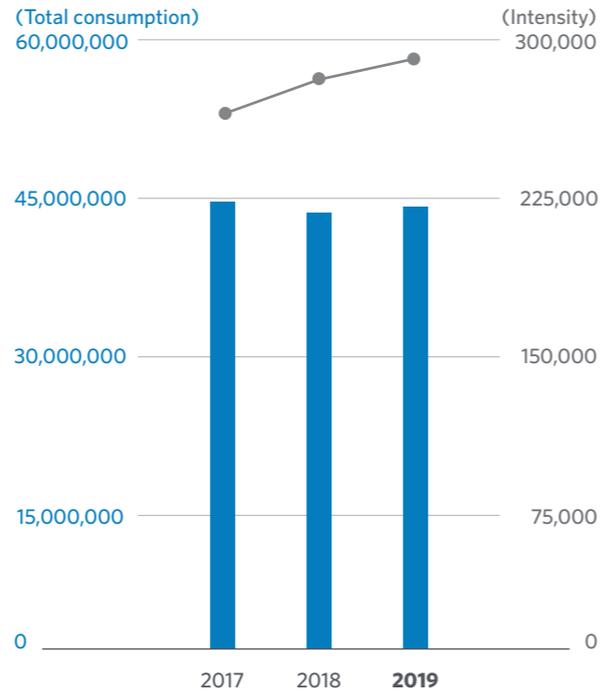
Protecting the Environment

The sustainability of our business depends upon the sustainability of the seafood resource around the world. Directed by Tim Rorabeck, Executive Vice President, Corporate Affairs and General Counsel, we are committed to protecting global fish stocks from threats such as overfishing and operational pollutions, while working to reduce our operational footprint through our own efforts and in collaboration with international organizations.

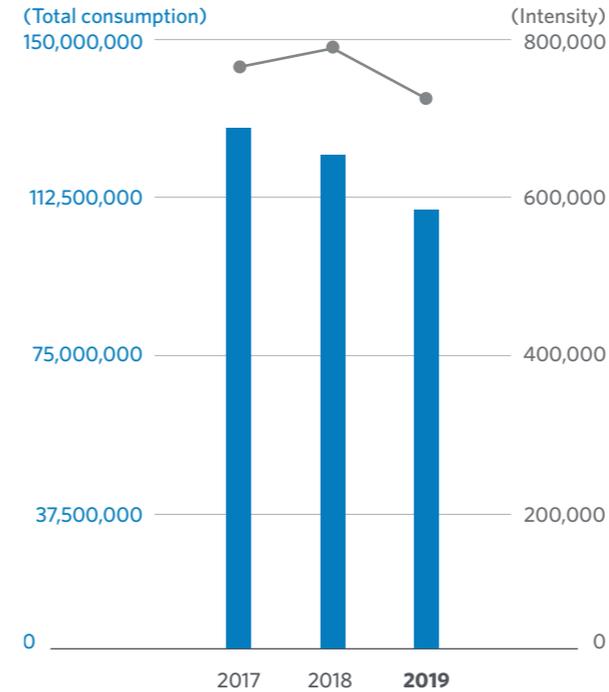
Operational Footprint

We are continually working to support sustainable seafood, both wild-caught and farmed, around the world. At the same time, we are mindful of our operations – ensuring that they always comply with applicable environmental laws and regulations. Whenever practical, we exceed local requirements and help to further reduce our environmental impact.

ENERGY USAGE (kWh)



WATER USAGE (gallons)



In 2019, we introduced new metrics around Material Loss and Line Efficiency that will enable us to better track our performance – and ultimately drive performance improvements – with respect to managing seafood resources and energy use at our operations. We will begin to have useable data on these fronts in 2020. We also began looking at planned capital expenditures that, when implemented, will have the benefit of making our operations more productive and energy efficient.

WASTE REDUCTION

Dealing with waste is a constant challenge for communities and businesses around the world. At High Liner Foods, we are continually looking for ways to get the most out of the seafood we process and to minimize the waste generated by our operations.

With their extended shelf life, High Liner Foods' frozen seafood products generate less food waste. We are building on that foundation in many ways:

- All of our manufacturing locations recycle corrugated cardboard, paper, plastic, metal and food waste.
- We make sure, as far as possible, that any food from our operations that is not used in our products is diverted to animal consumption or compost rather than landfill.
- In 2019, we engaged third-party consultant to help us look for further opportunities to make productive use of food waste.
- For packaging, we opt for materials most commonly accepted by recycling programs in the municipalities where we sell our products.

We continue to collect waste data from our operations and will use this information to develop strategies for implementing significant waste reductions in the near future.



To reduce waste, where possible, we eliminated the plastic liner in some products.

Performance Data

In line with our commitment to being transparent on our environment, social and governance (ESG) priorities, management approaches and performance, the following index includes our performance to several key metrics including those that are aligned to select metrics from the SASB Processed Foods Standard.

ESG Performance Metrics	2019	2018	2017	SASB Code
Responsible Sourcing				
Top species percentage of sales - Shrimp	21.70%	27.70%	19.60%	
Top species percentage of sales - Cod	30.20%	27.30%	24.90%	
Top species percentage of sales - Salmon	13.20%	14.10%	14.60%	
Top species percentage of sales - Haddock	11.10%	10.60%	9.00%	
Top species percentage of sales - Pollock	9.70%	6.90%	14.20%	
Top species percentage of sales - Tilapia	6.00%	4.60%	5.80%	
Top species percentage of sales - Sole	3.30%	3.30%	N/A	
Percent of seafood responsibly sourced	96%	95%	90%	FB-PF-430a.1
Percent of raw material responsibly sourced from audited suppliers	98%	98%	80%	FB-PF-430a.1
Percent of wild seafood sold	77%	75%	69%	FB-PF-430a.1
Percent of farmed seafood sold	23%	25%	31%	FB-PF-430a.1
Percent of all seafood purchases covered by required social audit	98%	98%	N/A	FB-PF-430a.2
Percent of all required social audits approved with no critical conditions	100%	100%	N/A	FB-PF-430a.2
(1) Total number of notices of food safety violation received, (2) percentage corrected	0	1/100%	0	FB-PF-250a.3
(1) Number of recalls issued and (2) total amount of food product recalled	1 / 60 lbs	0	1/ 2.4 million lbs	FB-PF-250a.4
Our People and Communities				
Number of regular full-time and regular part-time employees	1,136	1,259	1,293	
Number of salaried employees	450	482	527	
Number of hourly employees	686	777	745	
Number of unionized employees	226	240	209	
Percent of workforce that is female	35.7%	35%	N/A	
Percent of female board members	40%	30%	16.7	
Percent of senior leadership team who are female	26.7%	23%	N/A	
OSHA incident rate (Canada)	0.7	1.1	.68	
OSHA incident rate (U.S.)	2.0	2.2	2.0	
Donated products and financial support (financial value)	\$214,341	\$80,079	\$140,385	
Number of meals provided for local communities since 2015	6,381,537	N/A	N/A	
Protecting the Environment				
Energy usage (kWh)	43,466,932	N/A	N/A	FB-PF-130a.1
Energy intensity	290,166	280,019	260,113	FB-PF-130a.1
Water usage (gallons)	107,923,940	N/A	N/A	FB-PF-140a.1
Water intensity	720,454	791,274	772,620	FB-PF-140a.1

Across High Liner Foods, we are passionately committed to operating as an environmentally and socially responsible company. Every day, we work with suppliers, seafood sector organizations, customers and communities to help create a truly sustainable industry.

We recognize that our success as a business, today and in the long term, is crucially linked to our success in embedding sustainability in everything we do.

To learn more about our sustainability commitment, visit our website:

highlinerfoods.com/sustainability

highlinerfoods.com/investors