



# ESG REPORT

June 2021

TSX RSI

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## REPORTING SCOPE AND BOUNDARY

The data presented in this report is based on the fiscal year ended October 3, 2020, unless otherwise indicated. The data is primarily reported for the Sugar segment, as the Maple segment was recently acquired and has limited data. The data has not been audited by an independent third party and some indicators are manually compiled. The information is accurate to the best of Rogers' knowledge.

For the purposes of this report Rogers Sugar Inc. will hereby be referred to as "Rogers" or "the Company".

## I AM PLEASED TO PRESENT ROGERS' FIRST ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



While this is our inaugural report, we have been committed to the core principles of ESG for many years. As a food manufacturer with nine facilities, we understand the impact our operations and products have on the environment and consumers alike. Over the last five years, we have implemented numerous ESG initiatives such as completing sustainability audits at some of our processing facilities, improving our health & safety procedures and increasing our diversity at the Board level, all of which have contributed positively to our business.

To build on these achievements and to set the foundation for our formal ESG process, we conducted a materiality assessment internally. The results from this analysis helped us determine which areas we should prioritize. The key indicators we chose to present in our first report include metrics we were already tracking, many of which were from our sugar segment.

Our Board and company values have always driven our business priorities, which in turn already embrace some of the key principles of ESG. We conduct regular reviews of business monitoring outcomes through established management systems, including continuous improvement targets for Environmental compliance, Health and Safety, and energy and water usage. Several of our internal ESG targets are directly linked to management's compensation as we strongly believe sustainability drives better business outcomes and reduces risks.

Our first ESG report should be considered a base from which we will build. In time, we intend to integrate the results from our recently acquired maple segment, share additional ESG metrics that are critical to our business and eventually develop ESG targets to measure our progress against a broader set of our objectives that align with both our internal and external materiality assessments. In closing, I would like to thank our employees for their dedication, our suppliers and customers for their confidence and our shareholders for their support in our sustainability journey.

A handwritten signature in black ink, appearing to read 'John Holliday', with a stylized flourish at the end.

**John Holliday**

President and Chief Executive Officer



## ROGERS

1. Head Office and Cane Refinery  
VANCOUVER, BC
2. Beet Plant  
TABER, AB
3. Distribution Centre  
TORONTO, ON
4. Blending Facility  
TORONTO, ON
5. Administrative Office and Cane Refinery  
MONTREAL, QC

## TMTC

6. Head Office — Bottling Plant, Eastern Sales and Distribution  
GRANBY, QC
7. Bottling Plant, Warehousing and Shipping  
SAINT-HONORÉ-DE-SHENLEY, QC
8. Bottling Plant, Warehousing and Shipping  
DÉGELIS, QC
9. Bottling Plant, Warehousing and Shipping  
WEBSTERVILLE, VT

944

Employees

9

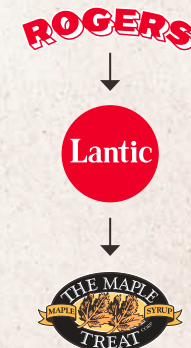
Facilities

## ROGERS AT A GLANCE

Rogers holds all of the common shares of Lantic Inc., which operates cane sugar refineries in Montreal, Quebec and Vancouver, British Columbia, a blending facility and distribution center in Toronto, Ontario, as well as the only Canadian sugar beet processing facility in Taber, Alberta.

LANTIC owns all of the common shares of The Maple Treat Corporation ("TMTC"). TMTC operates plants in Granby, Dégelis and in St-Honoré-de-Shenley, Quebec and in Websterville, Vermont.

## LEGAL STRUCTURE



ROGERS AT A GLANCE

\$860.8M

Total revenue

\$92.3M

Adjusted EBITDA

7.4%

Dividend yield

761,055

Metric tonnes of sugar  
N°1 in Canada

53,180,000

Pounds of maple syrup  
N°1 in the world

\$590M

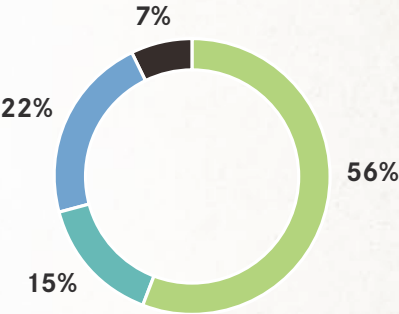
Market capitalization

2020 Revenues



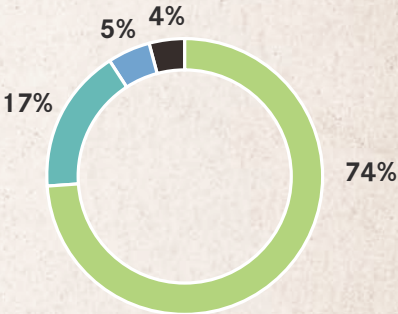
Sugar Maple products

2020 Sugar revenues by segment



Industrial Consumer Liquid Export

2020 Revenues by geography



Canada United States Europe Other

ENVIRONMENT



3,665,807

Total energy use (GJ)<sup>(1)</sup>

192,886

GHG emissions (tCO<sub>2</sub>e)<sup>(1)</sup>

SOCIAL



\$300K

Charitable donations

-15%

Reduction in lost time recordable incident rate in last 3 years<sup>(1)</sup>

GOVERNANCE



17%

Women on Rogers' Board

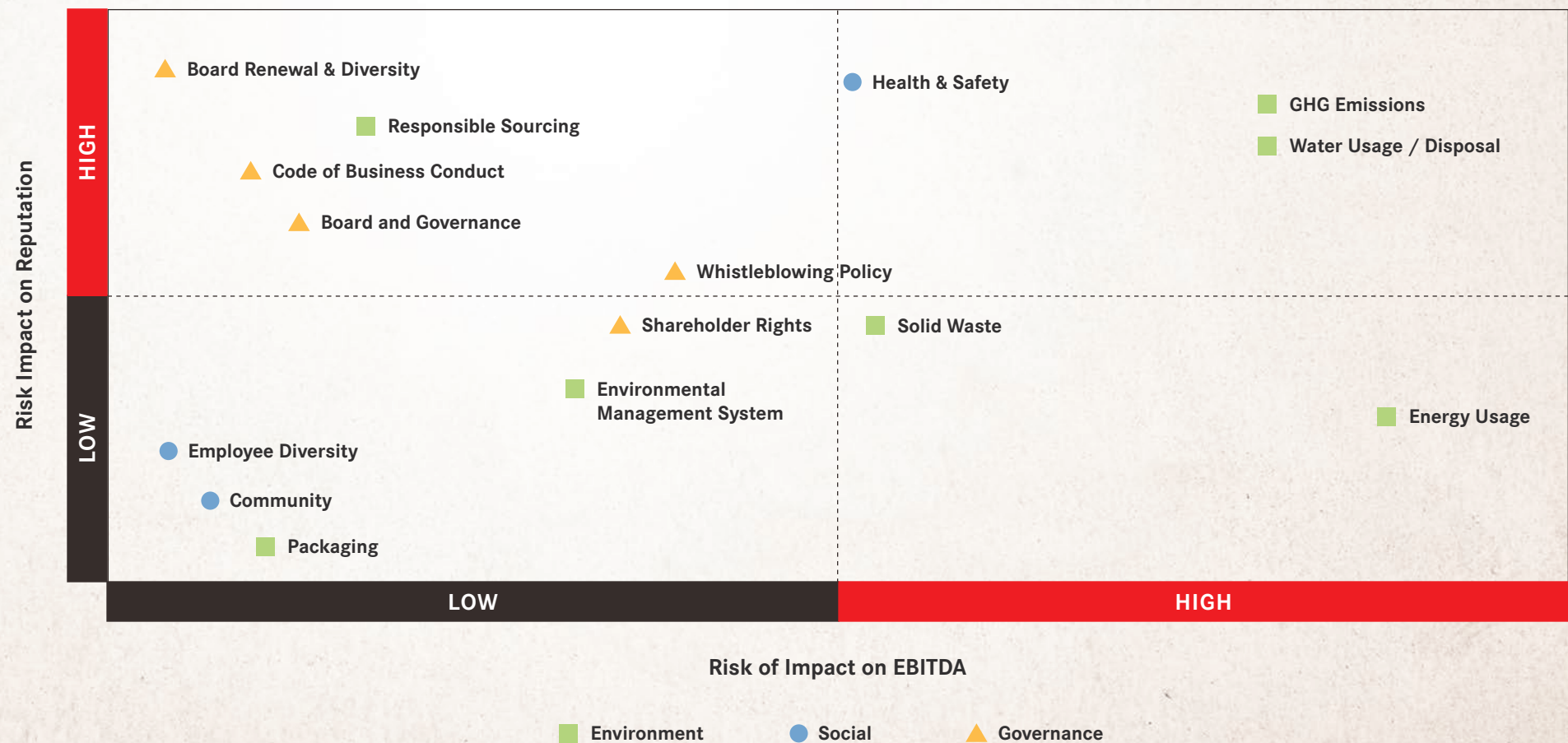
100%

Managers' incentive pay is linked to one or more ESG objectives<sup>(1)</sup>

<sup>(1)</sup> Data for Sugar production facilities only

# MATERIALITY ASSESSMENT PROCESS

In setting the foundation for our ESG process, we referenced our internal risk matrix that assesses the economic and reputational risks associated with the environmental, social and governance topics. Although this is not a true external stakeholder review, we believe, based on our understanding of customer communications and audits, that it fairly reflects their priorities. We conducted our analysis internally based on two major risk criteria namely, the impact on our EBITDA and our reputation. We also considered regulatory issues and the health and safety of our employees. We rated each topic on a scale of importance from low to high.



# Environment



Our governance and business management systems ensure we respect and monitor our compliance with environmental regulatory standards, which not long ago resulted in an \$8 million upgrade to air emission controls at our Taber sugar beet plant. The economic and reputational importance of energy and natural resources in our business is managed with a continuous improvement mindset which leads us to regularly look at new technologies and business practices that minimize our environmental footprint and in parallel, where possible, improve our bottom line. Recently, this focus has led to in excess of \$32 million on investments that leverage new technology and process improvement to reduce energy consumption.

## ENVIRONMENT – KEY INDICATORS

| Indicator                                                                                                                                                     | 2020 Result <sup>(1)</sup> | 2019 Result <sup>(1)</sup> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Facilities</b>                                                                                                                                             |                            |                            |
| Number of facilities in Canada and the U.S. (Sugar and Maple)                                                                                                 | 9                          | 9                          |
| Number of facilities in this reporting cycle (Canada – Sugar) <sup>(2)</sup>                                                                                  | 3                          | 3                          |
| <b>Energy</b>                                                                                                                                                 |                            |                            |
| Electricity intensity (kWh / MT of sugar produced) <sup>(2)</sup>                                                                                             | 93.62                      | 95.67                      |
| Fuel <sup>(3)</sup> intensity (Product) (Total use (GJ) / MT of sugar produced) <sup>(2)</sup>                                                                | 4.59                       | 5.11                       |
| <b>Air Emissions</b>                                                                                                                                          |                            |                            |
| GHG Emission intensity <sup>(4)</sup> (t CO <sub>2</sub> e / MT of sugar produced) <sup>(2)</sup>                                                             | 0.205                      | 0.224                      |
| <b>Water</b>                                                                                                                                                  |                            |                            |
| Potable Water intensity (m <sup>3</sup> / MT of sugar produced) for production and power house, excluding water used in finished products sold <sup>(2)</sup> | 3.16                       | 3.04                       |
| <b>Other</b>                                                                                                                                                  |                            |                            |
| All 9 facilities certified under schemes that are Global Food Safety Initiative (GFSI) compliant                                                              | Yes                        | Yes                        |

<sup>(1)</sup> Data is based on the calendar year

<sup>(2)</sup> Data for Sugar production facilities only

<sup>(3)</sup> Natural gas, diesel, bunker fuel, propane

<sup>(4)</sup> GHG emissions associated with Stationary combustion



RESPONSIBLE SOURCING OF RAW MATERIALS

Rogers’ raw material sourcing is responsible. The Company has built supplier certification requirements into its procurement policies. Its raw sugar and sugar beet grower suppliers are certified on such matters as workers’ working conditions, wages and child labour. Furthermore, sugar beet growers audit themselves against the Sustainable Agriculture Initiative (SAI). In addition, in certain circumstances Rogers also supplements these standards with *Bonsucro* and *Vive* sustainability certifications which provide additional requirements in terms of Chain of Custody (COC) as well as benefits to participating growers.



WATER

Rogers recognizes that water is a scarce resource that needs to be managed responsibly. Water is an important consumable in the refining of sugar and processing of sugar beets. All Rogers’ production sites strive to reduce water use through initiatives that include water recycling, wastewater treatment and water conservation.



PACKAGING

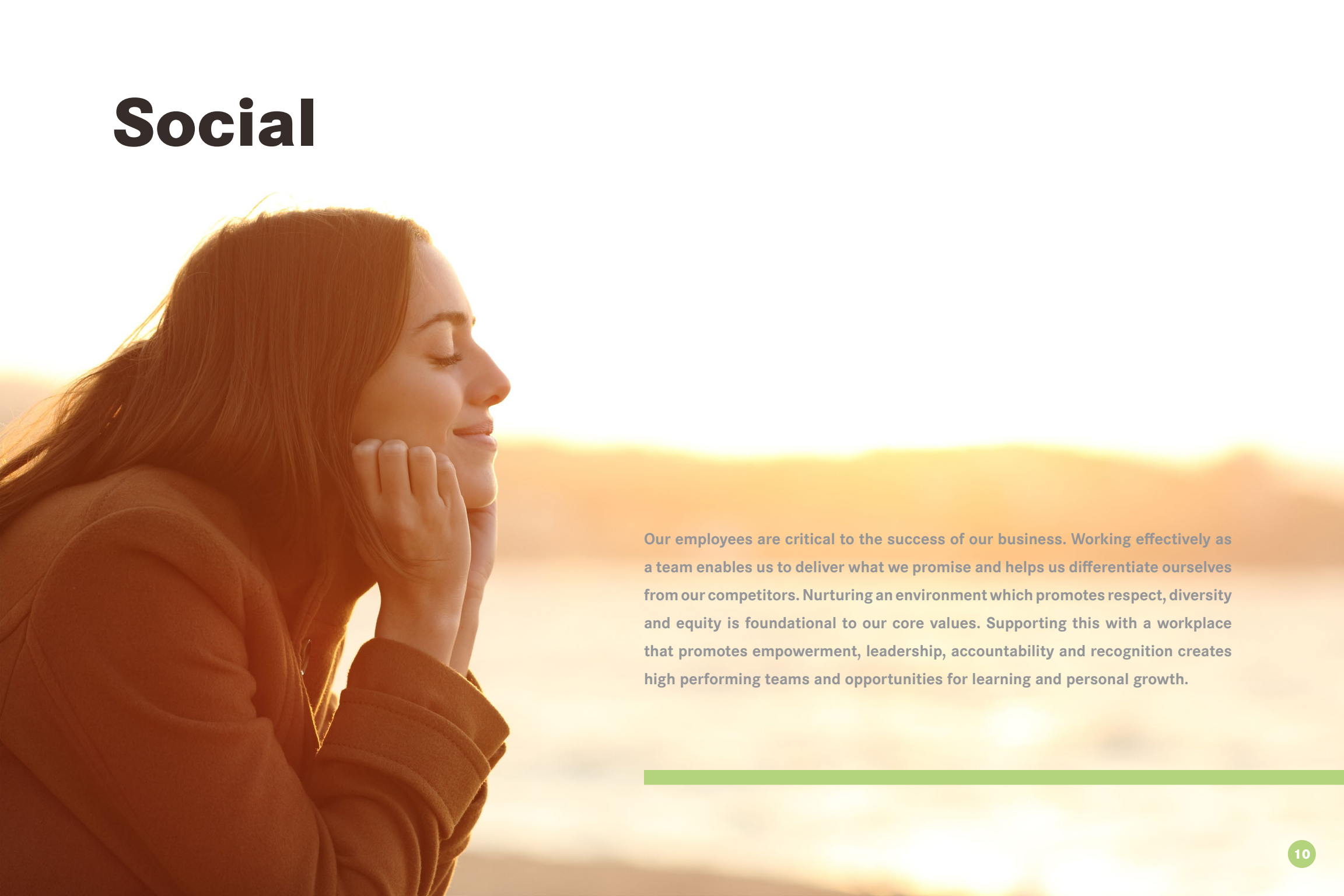
Rogers' products are packaged using glass, paper and plastic materials. Of the total packaging costs, glass, paper and plastic represent 35%, 33% and 32% respectively. The most important packaging material for sugar is paper (79%) while for maple it is glass (54%). About 44% of total packaging is recycled. Rogers complies with the "blue box program" in Ontario and British Columbia and pays about \$50K/year in each province which is based on a fee per pound of packaging material.



ENVIRONMENTAL MANAGEMENT SYSTEMS

Rogers' management systems for environmental issues are reviewed monthly by the leadership team and quarterly by the Board. These reviews often lead to specific improvement goals which drive better business outcomes or reduce risks. A notable result of these types of critical reviews was the development of a service agreement with the Town of Taber, Alberta to operate an onsite wastewater treatment facility which improved technical skills, enhanced operational performance and created a stronger partnership with the town and community.

# Social

A woman with long brown hair is shown in profile, looking out at a sunset over a body of water. She has her hands clasped near her chin, and her expression is peaceful. The background is a warm, golden sunset with a blurred horizon line.

Our employees are critical to the success of our business. Working effectively as a team enables us to deliver what we promise and helps us differentiate ourselves from our competitors. Nurturing an environment which promotes respect, diversity and equity is foundational to our core values. Supporting this with a workplace that promotes empowerment, leadership, accountability and recognition creates high performing teams and opportunities for learning and personal growth.

## SOCIAL – KEY INDICATORS

| Indicator                                                         | 2020 Result | 2019 Result |
|-------------------------------------------------------------------|-------------|-------------|
| <b>Employees</b>                                                  |             |             |
| Number of female employees <sup>(1)</sup>                         | 217         | 206         |
| Number of male employees <sup>(1)</sup>                           | 727         | 698         |
| Number of women in senior executive/director roles <sup>(1)</sup> | 9           | 8           |
| Number of unionized employees <sup>(1)</sup>                      | 564         | 544         |
| Employee turnover rate (excluding retirement) <sup>(1)</sup>      | 9.4%        | 11.5%       |
| <b>Health &amp; Safety</b>                                        |             |             |
| Lost time accident frequency rate <sup>(2)</sup>                  | 1.97        | 2.02        |
| <b>Community</b>                                                  |             |             |
| Charitable donations                                              | \$300,000   | \$180,000   |

<sup>(1)</sup> Data includes the Maple Segment  
<sup>(2)</sup> Data excludes the Maple Segment and COVID-19 cases



### DIVERSITY AND INCLUSION

Rogers is committed to workplace diversity and inclusion. A diverse working population brings with it cultures and ideas that can benefit and strengthen the workforce. The Company aspires to be a workplace that embraces minority groups and ensures that employees are treated equally, with respect, dignity and courtesy at all times. The Company is an equal opportunity employer. It ensures there is no gender or racial discrimination on hiring and has measures in place to ensure pay equity between men and women.



### HEALTH & SAFETY

Rogers is committed to provide a safe work environment for all its employees. The health and safety of employees is its top priority. All facilities follow both local legislation and corporate guidelines to achieve a culture of zero harm. Rogers benchmarks itself against the Occupational Safety and Health Administration (OSHA) standards. Local Health and Safety professionals collaborate with corporate Health and Safety resources and health care professionals to monitor and manage outcomes and build continuous improvement objectives that reduce risks.



### COMMUNITY

Rogers is committed to provide support to the communities in which it operates. The Company has a donation policy that supports various local charities financially, for about \$250,000 per year, and through employee volunteering events. Targeted areas of support include underprivileged families, agricultural education, community welfare, preservation & safety and employee crises. Rogers supports such local charities as “*Le Chic-Resto-Pop*” in Montreal and “*Union Gospel Mission*” in Vancouver.



### COVID-19 RESPONSE

Rogers provides essential services to critical food supply chains. During the COVID-19 pandemic, the Company’s plants continued to operate at usual capacity. It established extensive protection measures and protocols to ensure the health and safety of its employees. To further ensure a safe work environment, with the benefit of health care professionals, Rogers actively monitors employee health and removes at risk individuals until their situation is confirmed, without compromising their income.

# Governance

Our Board of Directors are viewed as an integral part of our business. It brings individuals with diverse backgrounds and relevant experience to help the company operate successfully and uphold its values and reputation. The Board has overall responsibility for monitoring, evaluating and contributing to the strategic and operational direction of the business. This includes helping the business to be managed effectively in accordance with regulatory and legal requirements, and ensuring that it operates in an ethical and socially responsible manner while also maximizing short-term and long-term stakeholder value. The Board is further responsible for defining and overseeing the risk assessment and management process. Our full Board meets quarterly to review results and discuss strategic business issues. The Board is assisted in managing its responsibilities through specialized committees. These committees include: Audit, Human Resources and Compensation, Strategic Initiatives and Nominating and Governance. Oversight of ESG has been delegated by the Board to the Nominating and Governance Committee.

## GOVERNANCE – KEY INDICATORS

| Indicator                                                           | 2020 Result | 2019 Result |
|---------------------------------------------------------------------|-------------|-------------|
| <b>Board and Governance Information</b>                             |             |             |
| Percentage of independent Directors Rogers Sugar Inc ( RSI ) Parent | 100%        | 100%        |
| Percentage of independent Directors Lantic Inc – Operating Company  | 50%         | 50%         |
| Separate Chair and CEO                                              | Yes         | Yes         |
| Independent Chair                                                   | Yes         | Yes         |
| Annual Board evaluation process                                     | Yes         | Yes         |
| Number of Board meetings held                                       | 8           | 5           |
| Average meeting attendance                                          | 100%        | 92%         |
| <b>Board Renewal and Diversity</b>                                  |             |             |
| Annual election of Directors                                        | Yes         | Yes         |
| Majority voting policy                                              | Yes         | Yes         |
| Average age of Directors                                            | 60          | 59          |
| Mandatory retirement age                                            | Yes         | Yes         |
| Average Director tenure                                             | 10          | 9           |
| Number of women on the Board                                        | 1           | 1           |
| Board diversity policy <sup>(1)</sup>                               | No          | No          |
| <b>Shareholder Rights</b>                                           |             |             |
| Say on Pay advisory vote <sup>(2)</sup>                             | No          | No          |

<sup>(1)</sup> Effective May 5, 2021 – Board approved and adopted diversity policy

<sup>(2)</sup> Effective May 5, 2021 – Board approved and adopted say on pay policy



### EXECUTIVE COMPENSATION

Rogers believes a fair and competitive compensation structure helps attract, retain and motivate qualified talent within the organization. The Human Resources and Compensation Committee has the responsibility of evaluating and making recommendations to the Board regarding the compensation of Rogers’ executives which is comprised of a base salary as well as performance-based incentive plans. Non-executive management-level employees are also participants to the company’s incentive plans. For all plan participants, a portion of the incentive payout is based on the achievement of health & safety targets.



### WHISTLEBLOWING POLICY

Rogers has a Whistleblowing Policy which is an important mechanism to detect corrupt, illegal or other undesirable conduct. The Company strongly encourages employees to speak up through a dedicated hotline if they suspect or witness any matters of concern. The Audit sub-committee takes all reports made under this Policy seriously and will fully investigate each complaint.



### CYBERSECURITY

Rogers seeks to be proactive in the area of cybersecurity. The Company faces various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to render data or systems unusable, or otherwise affect the Company’s ability to operate. Rogers mitigates this risk by continually investing in appropriate information technology systems, infrastructure and security and training employees on a regular basis. This risk is monitored by the Audit Committee.



### CODE OF BUSINESS CONDUCT

Rogers has a Code of Business Conduct (Code) to ensure professional integrity. The Company cares both about what results are achieved and how they are achieved. The Company will adhere to the highest ethical standards in all of its activities and all of the Company’s respective directors, officers, and employees are expected to maintain these standards. The Code seeks to ensure that such highest standards and corporate behaviour are maintained across the entire organization. The Code is reviewed by the Board and circulated to all employees on an annual basis.



## CONTACT

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**ROGERS**

