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SUSTAINABILITY REPORT

2022

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# 2022 Highlights

## Our Planet

**96%**  
total waste  
diversion from  
landfill at  
all bakeries



**12%**  
Carbon  
emissions  
reduction in  
2022 from 2019



**8%**  
non-recipe  
water reduction  
from 2021  
to 2022



**7**  
out of 14 bakeries  
achieved zero  
waste to landfill



## Our Food

**100%**  
of our bakeries  
are GFSI certified



**2**  
Safety Heroes  
awarded each  
month at each  
bakery to promote  
Food Safety culture



Continued to  
expand our  
Vegan certified  
portfolio



Kosher, KSA  
and Halal  
certified



## Our People

**47%**  
Recordable Injury  
Rate below  
industry average



**74%**  
Lost Time Injury  
Rate below  
industry average



**13**  
hours minimum  
training for each  
Aspire Bakeries  
employee



**71%**  
of bakeries  
received ABA  
Safety awards



## Our Sourcing

**RSPO**  
member of the  
Roundtable on Sustainable  
Palm Oil in support of  
reducing deforestation



**Annual  
Reporting**  
on cage-free  
eggs transition



**100%**  
of Palm Oil  
covered through  
RSPO Mass  
Balance or  
Book & Claim



**Average  
of 50%**  
recycled content  
used in our  
corrugated  
packaging



## Our Communities

Response to  
COVID initiative  
to keep our  
employees and  
communities safe



**773,000**  
lbs of food  
donated



**60+**  
unique diverters  
and donation  
partners that  
help fight  
hunger in our  
communities



**Earth  
Day**  
Events hosted  
annually at  
our bakeries



# A Word from Our CEO



2022 was another year of challenges, change, and opportunities as we managed through the lingering impact of COVID-19 including staffing issues and supply chain shortages, along with unprecedented inflation. This volatile world and business climate required us to dig even deeper in our sustainability efforts to maximize every unit of energy we consumed, minimize every mile used

to distribute our product, and work hard to run our bakeries efficiently and safely with many new people joining our team. Most importantly, we succeeded in keeping our people safe and meeting our customers' needs.

I am proud to present this year's report, which demonstrates our strides towards embedding a culture of sustainability across all levels of the organization. Scope 1 and 2 Science Based Carbon Emission Reduction Targets are in place and projects are underway that directly reduce our emissions.

Green Champions are active at all 14 of our bakeries across North America, working to reduce our energy, water, and waste footprint daily. In 2022 we launched our first alternative energy generation project, and electricity is now being produced on site at our Van Nuys, California bakery location. Battery storage solutions were installed at our Brantford and Ancaster bakeries in Canada, reducing electricity demand on the Ontario province grid during peak demand hours. With a keen focus on ingredient sustainability, we continue to collaborate and align with our customers around the ingredients we use.

**as·pire** | \ə-ˈspī (-ə)r  
*intransitive verb*

- 1: to seek to attain or accomplish a particular goal.**
- 2: ASCEND. SOAR**

As a tenet of our core values, Aspire Bakeries gives back to the communities in which we work and do business. We partner and support food donation programs with food banks throughout North America and make annual monetary contributions to charities that fight hunger.

In 2023 and beyond, we remain committed to reducing our carbon footprint, addressing the challenges of climate change, protecting human rights, maintaining food safety and quality, sustainably sourcing raw materials, and being an active part of the communities where we operate.

This Sustainability Report highlights our accomplishments in 2022 and reaffirms our future commitments. I am proud of our teams who work daily to advance our sustainability efforts.

Best wishes,  
Tyson Yu



# Our Reason To Aspire



Our sustainability vision is to be recognized internally and externally as a sustainable organization and good corporate citizen.

# Our Core Values



## INTEGRITY

We develop trust with our people and our customers by being honest and respectful in everything we do. We hold ourselves and each other accountable in supporting the company values.



## OWNERSHIP

We empower our colleagues to take ownership in their work while being part of a strong team and collaborating for success. We encourage every employee to set challenging goals that achieve results and elevate the company.



## CUSTOMER FOCUS

We build customer and consumer confidence by proactively identifying their needs and providing them with solutions.



## CREATIVITY

We generate new ideas by challenging the status quo, taking calculated risks and solving problems in innovative ways.



## CARE

We are an organization that cares about our people, our food and our community. We create and support a safe work environment that allows individuals to develop and give back to our communities



# The Added Value Aspire Bakeries Brings to the Table



Established leader in a \$23B market



Brand and category bakery portfolio



Multi-channel go-to-market strategy with strong, long-tenured relationships



Food safety, quality & reliability through supply chain excellence



Optimized sourcing, manufacturing, and distribution footprint



Commitment to sustainable, responsible business practices



Proven innovation



## Rising Together to a sustainable future ... Our tagline.

At Aspire Bakeries, our “extreme focus” means we are intent on being the best bakery company in the categories where we compete. Our focus on core, frozen baked goods includes artisan breads, cookies, muffins, buns, and other sweet baked goods, including donuts and pastries.

We strive to be great in baking and continually aspire to get even better. We are humble while confident. We will continue to grow. “Aspire Bakeries” is the right name to motivate us – the possibilities are endless! What’s even better about our name is that it came from one of our own associates.

Rising Together, a simple phrase that highlights our promise to always put customers first. To work, innovate and grow together because our success can only be measured by theirs.

We are obsessed with finding the right solutions for every unique business demand. This personalized approach allows us to deliver the best-in-class baked goods and brands our customers need to break through and expand their business.

Rising Together isn’t just who we are. It’s the path we will always take together, with our customers and our people.



# Diverse Baked Goods Portfolio

Aspire Bakeries Offers Delicious Choices for Customers and Consumers



# Our Primary Brands



## La Brea Bakery

La Brea Bakery is an industry pioneer and the #1 artisan bread brand. We use simple, high-quality ingredients, a patient, slow process and our original sourdough starter in every bread we bake. This creates a crispy, crunchy crust and soft interior in our retail and foodservice lines of fresh, par-baked, and Take & Bake breads and rolls. La Brea Bakery was created in 1989 by an acclaimed chef in Los Angeles and is credited with establishing the artisan bread movement in the U.S.



## Otis Spunkmeyer

For over 45 years, Otis Spunkmeyer has been a leader in sweet baked goods. We put the #1 beloved cookie and muffin brand into the hands of consumers whether they choose to dine in a restaurant or grab a snack on the run. Otis Spunkmeyer is the sweet baked brand of choice for operators and customers alike, and more innovation is on the way. A rich heritage and winning recipes are what make Otis Spunkmeyer America's favorite.

# Our Extended Brands

Leading Brands and Private Label Deliver on Consumer and Customer Needs

## Primary Brands



The Gold Standard and  
Leading Artisan Bread Brand

*Otis Spunkmeyer*

Leading Cookie and Muffin Brand

## Secondary Brands



Artisan-Style Breads and  
Sweet Baked Goods



A Leader in Authentic English  
Muffins and Crumpets

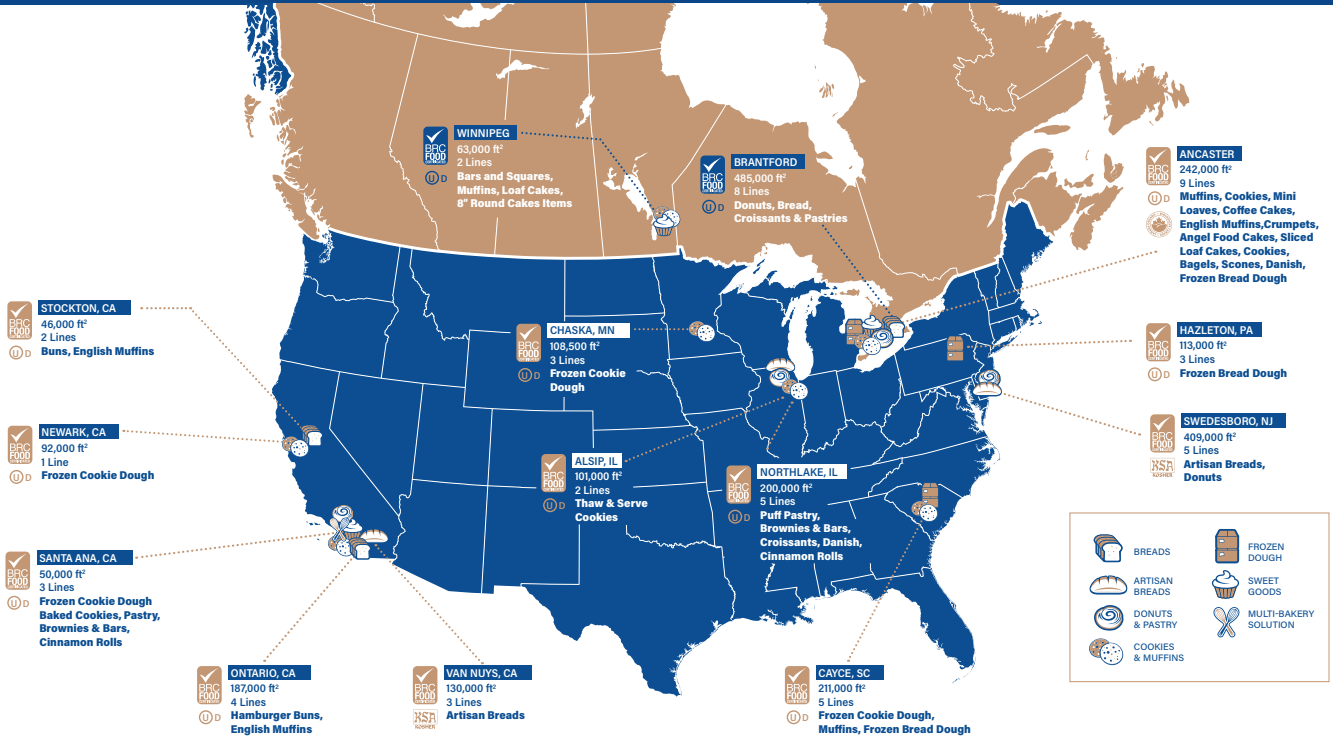


Best-in-Class Puff Pastry

## Unbranded & Private Label



# Aspire Bakeries Locations



Aspire Bakeries has 14 North American bakery locations, strategically located for coast-to-coast coverage; all are GFSI certified, Leadership certified in FSMA/SFCA, Industry-leading proprietary Food Safety & Quality Management system (AIMS), Immediate Traceability with SAP, Suppliers GFSI certified.



# Our Green Champion Program

## ROLE OF A GREEN CHAMPION

- Works with the CSR team to increase sustainability awareness at the bakery
- Provides monthly updates on the bakery's energy, water and waste reduction initiatives
- Provides updates to bakery leadership on sustainability initiatives
- Works with the CSR team to schedule utility audits to identify energy reduction opportunities

## CURRENT FOCUS POINTS:

- Assists with coordinating site energy audits and prioritizing findings
- Assists with execution of LED upgrades
- Ensures the bakery has an equipment start-up and shut-down checklist in place
- Works with waste consultants to maximize resource recovery from bakery waste streams
- Coordinates an Earth Day event annually

The Aspire Bakeries' Green Champion program focuses on creating sustainability awareness at our bakeries. The Green Champions work with the sustainability team to identify energy, water, and waste reduction opportunities within the bakeries. Each Bakery Director appoints a Green Champion from their staff to lead these initiatives. The Green Champion position is not a separate position within the bakery. Rather, it's an additional responsibility, taken on by a team member who is passionate about sustainability.

Thank you to all our Green Champions across the 14 bakeries. Your hard work and dedication make Aspire Bakeries a more sustainable company!



Congratulations to Mark Diaz (Sanitation Supervisor), and Armando Villalpando (Bakery Director) on completing the Green Champion checklist at the Santa Ana Bakery!

# Developing our Strategy

## As we developed our CSR/Sustainability Strategy, we gathered inputs from several sources:

- Internal stakeholders, including senior leadership
- Customer expectations
- Expectations/needs of our brands
- Employee expectations of our organization

## Internationally recognized platforms for setting goals and strategies:

- Carbon Disclosure Project (CDP)
- Ecovadis platform
- Sustainability Accounting Standards Board (SASB)
- Global Reporting Initiative (GRI)
- U.N. Sustainable Development Goals

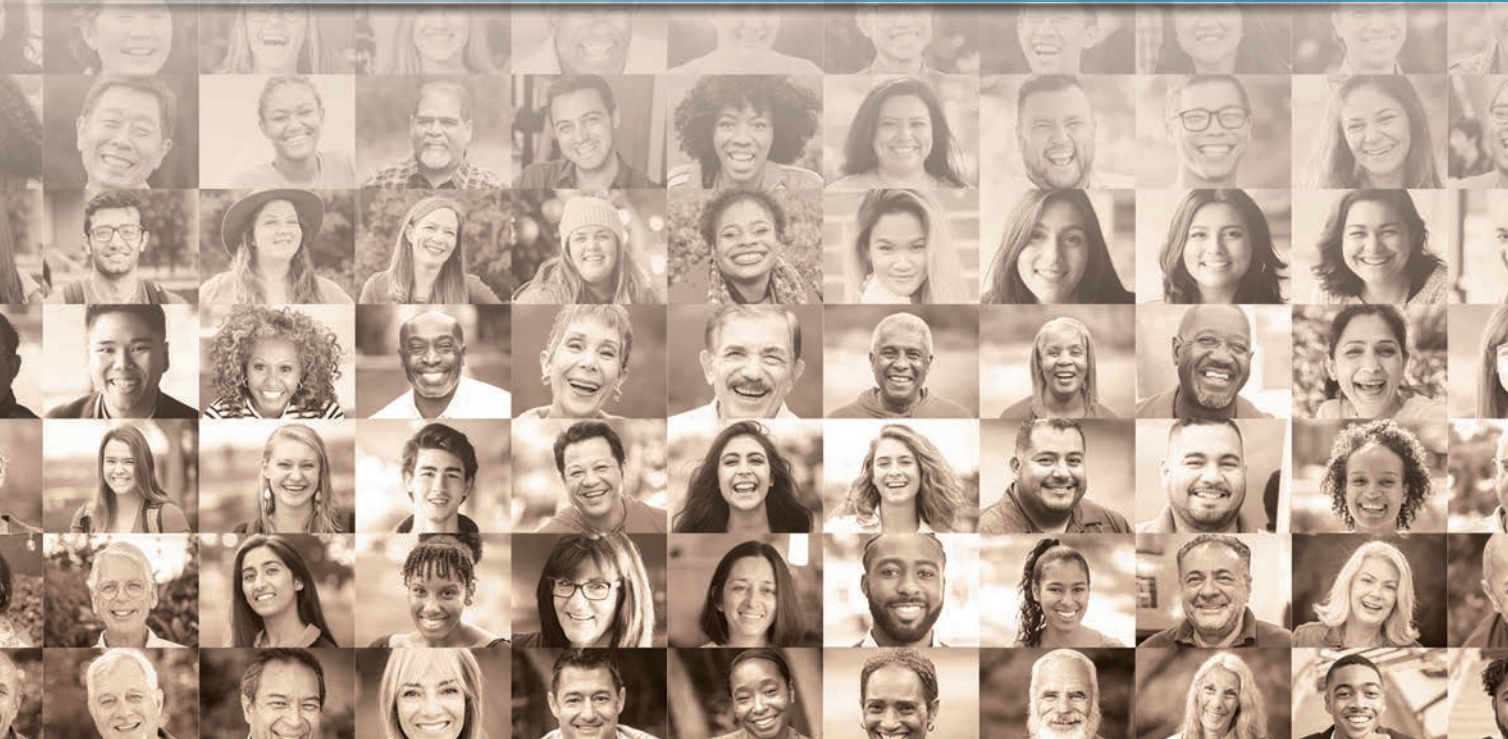
## United Nations SUSTAINABLE DEVELOPMENT GOALS



## From these sources we created the five focus areas below:



# OUR PEOPLE



# Empowering Our People

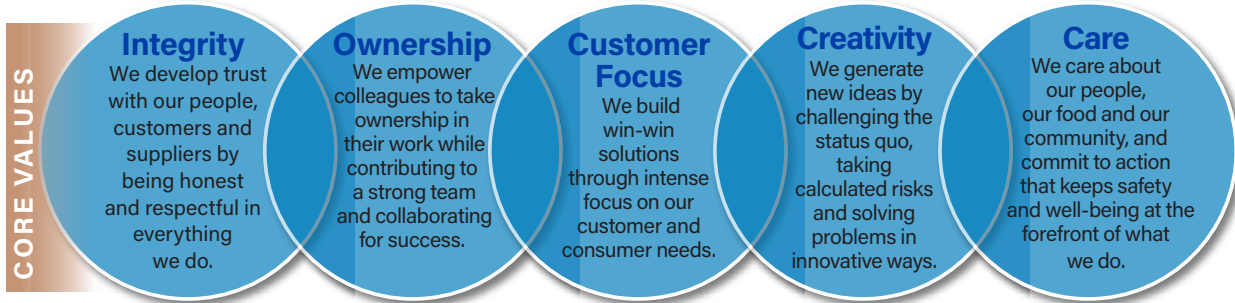


At Aspire Bakeries, we value the success of our people. We know that their everyday health, well-being, job skill performance, and personal commitment to each other, our customers, and our communities are essential to our company's success.

We aspire to create a place where people feel they belong, and provide access to a comprehensive suite of tools, resources, and benefits that effectively attract, develop and retain a talented, caring, and growth-minded workforce.



# Our Company Culture




## Code of Conduct

All associates adhere to an Aspire Bakeries Code of Conduct, which covers important workplace standards that uphold laws and regulations, create an ethical and harassment-free workplace, promote a healthy and safe work environment, maintain food safety and quality, prohibit the use of prison labor, slavery, and human trafficking, protect the environment and promote sustainability, and adhere to policies regarding anti-corruption and bribery.

## Diversity, Equity, Inclusion & Belonging

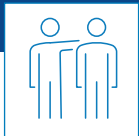
The diversity, equity, inclusion, and belonging (DEI&B) of our people is essential to building a strong and successful company. We are committed to creating a workplace where everyone feels valued, respected, and empowered to succeed.

In 2022, we appointed a full-time DEI&B leader who took early action to expand the recognition and communication of DEI&B related holidays and events within our bakeries and offices. This includes celebrating Black History Month, Women's History Month, and LGBTQ+ Pride Month, among others.



In 2023, the DEI&B Council will begin the planning and integration of associate learning and inclusion experiences including DEI&B training, Affinity Groups (Employee Resource Groups/ERGs), and localized celebrations of diversity and belonging.

# Attracting & Retaining Great Talent



## DEI&B Focused Recruitment

We are committed to creating a workplace culture that values, respects and represents the unique perspectives, experiences and backgrounds of our customers and communities. A diverse workforce leads to better decision-making, innovation and outcomes, which is essential to our success.

Our diversity recruiting strategy includes partnerships with various organizations, diversity job sites, diversity groups and associations, refugee programs, colleges, universities and trade schools. We recruit for diversity in backgrounds,

ages, genders, sexual orientation, disabilities and religions. We welcome all qualified candidates and work to eliminate barriers that may prevent people from applying.

Our outreach efforts have resulted in an organization-wide workforce that is 43% female, and in the U.S., 78% of our associates self-identify as a member of an underrepresented group.

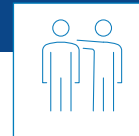
## Retention & Tenure

Aspire Bakeries has great tenure throughout our teams, both in bakeries (production facilities) and our central support functions.

While we take pride in this achievement, we also work to continuously improve on the employee value proposition, including benefits offerings, development opportunities, workplace culture and environment and workplace safety standards. This dedicated investment in our associates' experience at work ensures that we can provide our customers with the highest quality products, delivered by a skilled and experienced team.

Current Years of Service	Workforce %
5+	33.66%
15+	17.14%
30+	1.78%





## New-Hire Onboarding

At Aspire Bakeries, we integrate new associates into our bakeries and corporate teams by providing a comprehensive onboarding program during their first 30

days. The program is designed to help new team members feel welcomed, understand their job accountabilities and performance expectations, and build key relationships that are vital to their success as an Aspire Bakeries associate.

## Associate Training

Associate skills training is an essential part of our workplace culture. Team members have access to a variety of training including professional skills development, job skills development, leadership skills development (such as our Bakery Supervisor Development Program), and life skills development (such as our Vocational English Program).

Furthermore, our commitment to safety means that all associates in all departments across the organization are required to complete an annual series of human & food safety training courses, which include Food Facility Defense; Blood borne Pathogens; and Harassment-Free Workplace.



Training on machine guarding

## Career Development

Aspire Bakeries is a great place to grow a career! Our ongoing commitment to building tenure and supporting associates' career growth has resulted in the launch of a new career development framework in 2023. Internal career expos, manager-led career discussions, and carefully planned career paths are the highlights of this framework.

Most importantly, associates are excited for these growth opportunities!

For roles requiring formal education, we offer tuition reimbursement to ensure that external learning is not a barrier to career growth.

# Taking Care of our People



Aspire Bakeries invests in an industry-competitive and comprehensive compensation and benefits package for associates and their families. Our medical, dental and vision plans are designed to ensure that our people and their loved ones are well taken care of. We take pride in maintaining excellent benefits that offer protection and support to our associates.

To further extend our Care value, we understand that life can present challenges that impact associate health and well-being. As a result, we offer a company-paid Employee Assistance Program (EAP) that provides additional resources and support to our people and their families during difficult times, and challenging changes or life events where extra help and support is of great value.



Medical



Dental



Health Savings Account



Vision



Employee Assistance Program



Paid Time Off (PTO)



Tuition Reimbursement



Disability



Enhanced Benefits



Life and AD&D



Flexible Spending Account



Commuter Benefits



Paid Leave



Retirement Plans



# Response to Covid-19



To keep our employees and communities safe, we created the Conquer COVID initiative. With frequent posters and contests, we kept our most valuable asset – our people – safe, engaged and up to date on the latest COVID-19 numbers and vaccination rates.

We were pleased to receive positive feedback from our teams as they continue to implement new ways to ensure everyone stays safe, inside and outside our facilities.



## COVID-19 Incentives

As we continue to navigate through the challenges of COVID-19, Aspire Bakeries remains committed to ensuring that our associates and communities are safe. We continue to offer resources and education to encourage vaccination. Free test kits, masks and vaccine clinics are available on-site for the convenience of our associates and their families.

## COVID-19 Leaves of Absence

Our paid leaves of absence programs matched up to our COVID-19 safety programs. These programs encouraged associates who were exposed or were experiencing symptoms of COVID-19 to remain home to quarantine before returning to work.



**Social & physical distancing** from the time a team member arrives at work to the moment they leave



**Face coverings** worn by all employees at all times in our bakeries and cafés, consistent with local public health requirements



**Enhanced sanitizing** of common touch areas and tools, multiple times per shift



**Employee wellness checks** prior to starting work, including monitoring for symptoms and temperature checks



**COVID-19 bakery toolkit** containing informational posters, policies, employee risk assessments and resources for use by bakery leadership



**Conquer COVID campaign** consisting of a variety of posters, tools and information sheets on virus prevention measures and vaccination for employees, family members and colleagues



**"I Vaccinated" campaign** including paid leave, incentives and prizes for team members that vaccinate and publication of vaccination newsletters



**Onsite vaccination clinics** for team members and their families



**Supplying masks, sanitizer & tests** We continue to provide masks, sanitizer and tests for employees and family members to use



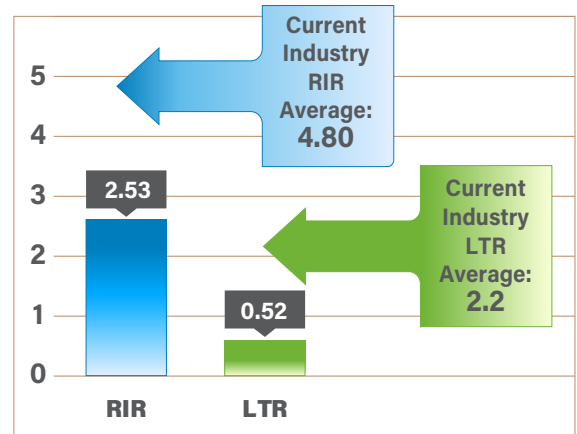
# Our Employee Health and Well-Being

**The health and safety of our people is of paramount importance to Aspire Bakeries.**

Under the guidance of our core values ownership and care, we pursue comprehensive internal safety management procedures including policy manuals, training, verification of regulatory compliance, risk assessments, individual site action plans, safety audits, formal accident investigations and the provision of occupational health services.

**We also maintain a strong focus on the use of leading indicators such as training completion rates and safety calendar completion percentages. The metrics we use are industry measures for employee injuries, lost time injuries, and number of days lost from injuries.**

## Aspire Bakeries 2022 Results



Though we have seen great results in this area, we strongly believe that even one accident is one too many. In 2022, Aspire's Recordable Injury Rate of 2.53 was 47% below the industry average. Aspire's 2022 Lost Time Injury Rate of 0.52 was 74% below the industry average.

# Our Employee Health and Well-Being



## Safety Investments

Investing in the safety of our people is a constant priority for us. We continue to invest in safety measures in our bakeries, including permanent engineering improvements like machine guarding and right-sizing equipment for ease of use, personal protective equipment, and other process and equipment improvements.

## Training

Providing proper training and education on safe working conditions is one way that we prevent injuries. We utilize the Alchemy training platform as our company-wide training standard and mandate the completion of courses by all employees. We also require ongoing coursework to ensure that all Aspire Bakeries' employees know how to prevent accidents and maintain a safe working environment. Our employees communicate near misses and unsafe actions, and if necessary, respond to safety-related incidents in the bakery. All Aspire Bakeries' employees and workers complete at least 13 hours



of formal safety, food safety, and HR training. Additional safety measures include safety topic of the day review and pre-shift stretching.

## Safety Calendars

We have environmental and safety calendars in place at all bakeries which effectively structure reporting, update events and relay other safety and compliance-related requirements. These are updated every month, and any discrepancies are quickly addressed. This ensures completion of safety-related tasks and promotes better visibility into pending items such as trainings, audits, and regulatory reporting throughout the year. There are approximately 650 tasks per bakery per year that must be completed to stay in compliance with local and federal standards as well as Aspire Bakeries' policies and best practices.

## Safety Performance Accountability

In accordance with our value of ownership, we have integrated people safety key performance indicators (KPIs) into managers' performance objectives. The safety of our people is our top priority. We instill that it is everyone's job to keep themselves, and those around them safe - day in and day out. Tying safety metrics to personal success objectives is just another way of ensuring we have a true safety culture within the company.

# Our Employee Health and Well-Being



## Health & Wellness Fairs

To promote the well-being of employees - both in and out of the workplace - we held health and wellness fairs at our bakeries. These fairs were a fun way for our employees to promote safety and obtain valuable information. Not confined to only workplace health and safety, these fairs also focus on health and safety at home; this includes tips and information on healthier eating habits, exercise, smoking cessation, and many other important topics.

## On-site Wellness Specialist Program at 8 of 11 US Bakeries

- Works with employees at the beginning stages of injuries to prevent further injury and minor injuries. Also works with employees on wellness, weight loss, etc.
- Treatment also offered for minor personal injuries.
- 316 employees seen by on-site wellness specialists in 2022.
- This reduced the potential for many more workers' compensation claims for minor workplace incidents, personal injuries leading to work-related incidents and better overall wellness of our team members.

## Safety Programs

Corporate and bakery-specific safety programs for every area (Lock Out Tag Out, Powered Industrial Trucks, etc.). This ensures safe procedures are in place and followed to reduce and eliminate risk.

## Excellent Results in Safety

In 2022, 11 out of 14 locations received the American Bakery Association Safety Recognition Program Award. This award is given to sites who have a total case incident rate, days away, restricted or transfer incident rates below industry average as determined by the Bureau of Labor Statistics. This safety recognition program has increased workplace safety awareness and emphasizes the importance of employee safety in the baking and allied industries.

## Safety Communication

Communication is the strongest tool we have to prevent injuries and build and maintain a safety culture in all bakeries. Keeping safety issues top-of-mind with our employees has paid off in our safety results, and has been formalized in several ways.



## Safety Highlight: Hazleton Bakery Achievement

Our Hazleton bakery reached 1,000 days without a lost-time injury during 2022. This adds up to over 930,000 hours of safe work! This has been the bakery's longest stretch in its 30-year history. The bakery has safely produced over 275 million pounds of frozen dough during this time.

The Hazleton team has done such an incredible job since the beginning of the pandemic by taking their already great safety program to a world-class level. On top of this, the bakery has worked over 250,000 hours over 10 months recordable-injury free. The bakery has reduced its Recordable Injury Rate from 3.00 to 0.00 over the last 4 years!



# Our Employee Health and Well-Being



## Daily Safety Topics:

Each day a 1-to-2-minute topic is emphasized at the start of the shift meeting or during team huddles. Examples of safety topics include lock-out tag-out procedures, proper personal protective equipment usage, preventing slips, trips and falls, first aid procedures, and many more. We tie these safety topics into our core values to further emphasize their importance.



## Accident Briefs & Best Practices:

When an accident occurs at a facility with an injury or near miss, a write-up is put together by the bakery and distributed by our Environmental Health & Safety (EH&S) personnel throughout

the company. This allows a venue for sharing best practices and unsafe practices, equipment issues, and the corrective actions to ensure that accidents do not happen again.

Observation-based coaching, and the use of Alchemy as our learning platform has allowed for a more user-friendly training process. In addition to kiosk and group training platforms, our supervisors, managers and trainers utilize Alchemy Coach. Alchemy Coach is a mobile and tablet-based training that provides these employees access to on-the-floor observations and ensuring that all Aspire Bakeries' employees are following Good Manufacturing Practices (GMPs) and safety procedures.

intertek  
alchemy



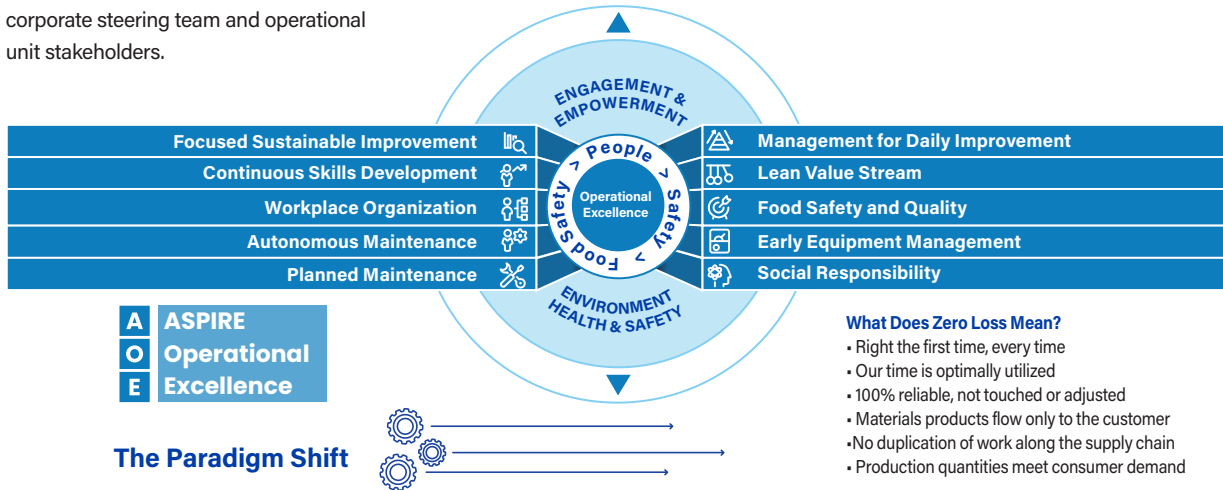
# Aspire Operational Excellence (AOE)



## Excellence Means Thinking Differently

Aspire Operational Excellence (AOE) is a corporate-wide initiative offering a customer-focused continuous improvement approach that is based on “Lean Thinking – the Aspire Bakeries Way”. It provides a set of common practices that allow us to evolve towards a Lean Enterprise. It develops new behaviors, thinking and skills that create value for our employees, consumers, customers, and all stakeholders.

The 11 pillars represent the competences required to optimize the value stream and improve performance, targeting a “zero-loss” mentality, working as 1 team (We Before Me), and leading to full Engagement and Empowerment of our employees. These pillars also provide standardized methods and tools to be introduced in a step-by-step approach. Each bakery’s pillar activation plan will be developed based on a site cultural assessment and loss analysis while aligning fully with our corporate steering team and operational unit stakeholders.



MEASURING AGAINST ZERO LOSS IS THE ONLY WAY TO EVALUATE **TRUE PERFORMANCE**





# OUR FOOD





# Focus on Great Food



## Food Safety

“Our most important ingredient is our skilled and passionate bakery team. In developing and reviewing our food safety program we always need to be open to feedback from our team members at all



levels of the business and continue to fully engage our teammates in any changes to our food safety culture,” said Des Flahive, Senior Vice President, Food Safety and Quality Assurance for Aspire Bakeries. As leaders in our industry, our teams work diligently to ensure high-quality, safe food. We aspire to be a proactive leader in expanding best-in-class food options, particularly those that incorporate nutritional and healthful ingredients. “We share those throughout the business using our Food Safety communications and regular bakery town halls and shift huddles,” Mr. Flahive said.



All bakeries are Global Food Safety Initiative (GFSI) certified: Each bakery completes an annual audit against the BRC standard. The audit evaluates our

compliance and implementation of each requirement of the globally-recognized food safety and quality standard. Our bakeries each ensure compliance through the full implementation of our Aspire Integrated Management System (AIMS), policies and procedures.

Our food safety culture is promoted through continuous engagement and education of our associates on the importance of following established food safety and quality protocols and acting when something doesn't seem right.

We use our food safety ambassador SIFIRI (See It Fix It Report It) to inform our teams and build our food safety culture. Our associates make a personal food safety pledge, which is posted in each bakery.

We recognize team members' food safety contributions using our Food Safety Hero Awards. Each bakery identifies at least two heroes a month and their impact is celebrated and posted on our Food Safety Hero Wall.

**What systems are in place to promote the Food Safety culture at Aspire Bakeries?**

# Focus on Great Food



## Global Food Safety Certification (GFSI):

All of Aspire's bakeries are audited annually by independent third-party auditors and certification is awarded under one of the GFSI schemes of BRC. In addition, all bakery directors and FSQA Managers are trained and certified as a Preventive Control Qualified Individual (PCQI) ensuring food safety regulatory compliance. To further strengthen our food safety programs, we require ingredient suppliers, packaging suppliers and third-party warehouses to achieve GFSI certification with annual independent, third-party audits. This is in addition to our internal vendor assurance audit program.

## Quality and Sensory:

We continue to enhance our quality program with flavor and texture training in all bakeries. We implemented testing to certify sensory acuity of key tasters and assure the highest quality foods. In addition, we are expanding visual aid guides to monitor the critical quality attributes during processing, baking and packaging.



# Focus on Great Food



## Highlights:



- Food safety and quality culture developed around our Aspire Integrated Management System (AIMS)
- Developed innovative menu ideas targeted to customer strategies
- We offer non-GMO food innovations
- Expanded our plant-based and vegan-certified portfolio
- Collaborating with respected state labs on regenerative practices for farm-to-market potential
- Kosher certification through OU and KSA
- Halal certification through IFANCA



# Focus on Great Food



## Governing Body



Non-GMO means a product was produced without genetic engineering and its ingredients are not derived from genetically modified organisms. **From our portfolio, this includes:** all La Brea Bakery breads, except cheese breads.



Certified vegan logo refers to products that do not contain animal products or byproducts and that have not been tested on animals. **From our portfolio, this includes:** all La Brea Bakery breads, except for cheese and honey breads.



A kosher certification agency is an organization or certifying authority that grants a hechsher to ingredients, packaged foods, beverages, and certain materials, as well as food-service providers and facilities in which kosher food is prepared or served. **From our portfolio, this includes:** all La Brea Bakery breads, except cheese breads.

## Marketing Terms



Clean Label refers to food products that have fewer ingredients, and simpler ingredients. In short, ingredients your grandmother would use and could pronounce. **From our portfolio, this includes:** all La Brea Bakery breads.



# OUR PLANET





# Protecting Our Planet



Aspire Bakeries complies with all regulatory and industry environmental standards. We acknowledge that the Earth's ecosystems are fragile and vulnerable, and that protecting the environment is critical to the well-being of the planet and its citizens. We understand the need to minimize our use of natural resources in our operations and logistics and we are constantly working towards reducing our energy and water use, minimizing our carbon footprint, and diverting as much waste as possible from landfill.



## 2022 ACHIEVEMENTS

- CO<sub>2</sub>e reduction of 11.9%, 14,546 metric tonnes reduced in FY2022 vs FY2019 baseline (equivalent to taking 3,346 passenger cars off the road)
- Non-recipe water intensity reduced by 8.0% compared to 2021 resulting in 12.7 million gallons of avoided water consumption. This is equivalent to filling 624 average in-ground swimming pools
- Set waste reduction goals and implemented waste diversion projects. Achieved 95.8% waste diversion from landfill across our 14 bakeries
- Over 50% of our bakeries have upgraded to LED lights, our goal is to upgrade all sites to LED by 2025
- Launched employee energy conservation idea contest and received over 250 submissions



# Scope 1 and 2 Emissions



Our bakery operations generate CO<sub>2</sub> emissions defined as **Scope 1 and Scope 2**. Scope 1 emissions are direct emissions from company-owned and controlled resources. Scope 2 emissions are indirect emissions for our operations generally from purchased electricity from a utility provider.

## In our Bakeries, Scope 1 and 2 Emissions are Created Through:

- Use of natural gas for ovens, heating and boiling
- Use of electricity for operating equipment (mixers, conveyors, air compressors, freezers, etc), building lighting and refrigeration
- Release of refrigerants into the atmosphere
- Any fuel used on site for logistics purposes

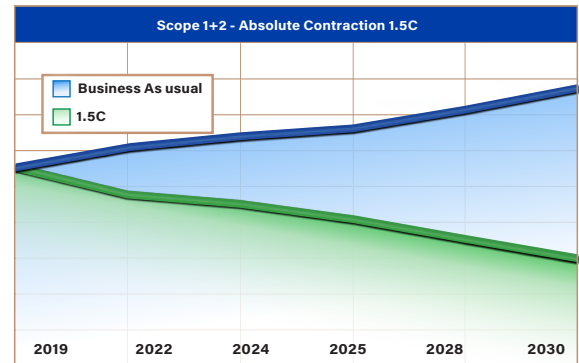
OUR GOAL

Aspire Bakeries commits to reducing scope 1 and 2 emissions 46% by 2030 compared to our 2019 baseline.

## Initiatives to Achieve Scope 1 & 2 Carbon Reduction Targets

These are examples of reduction initiatives we are exploring:

- Energy Efficiency Opportunities
- Purchasing Renewable Energy through our Utilities
- Power Purchase Agreement (PPA and virtual PPA Opportunities)
- Onsite Renewable Energy Opportunities
- Renewable Energy Credits (RECs)
- Carbon Offsets

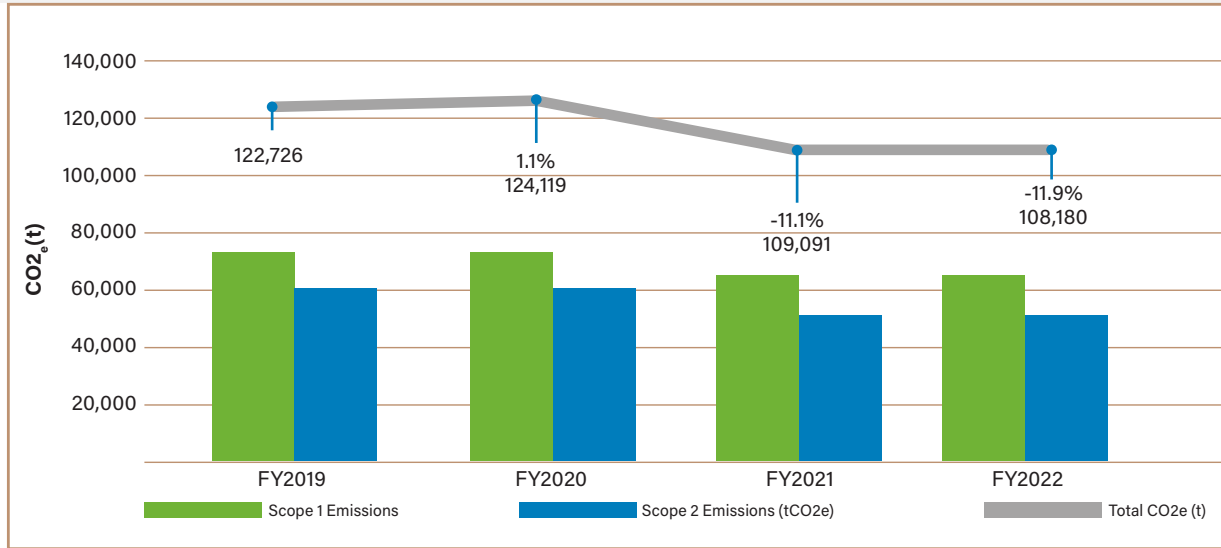




# Scope 1 and 2 Carbon Emissions - Results to Date



## Historical Carbon Emissions



Fiscal Year	Total CO <sub>2</sub> (t)	% Change vs FY19 Baseline
FY19	122,726	-
FY20	124,119	1.1%
FY21	109,091	-11.1%
FY22	108,180	-11.9%



# Scope 3 Carbon Emissions

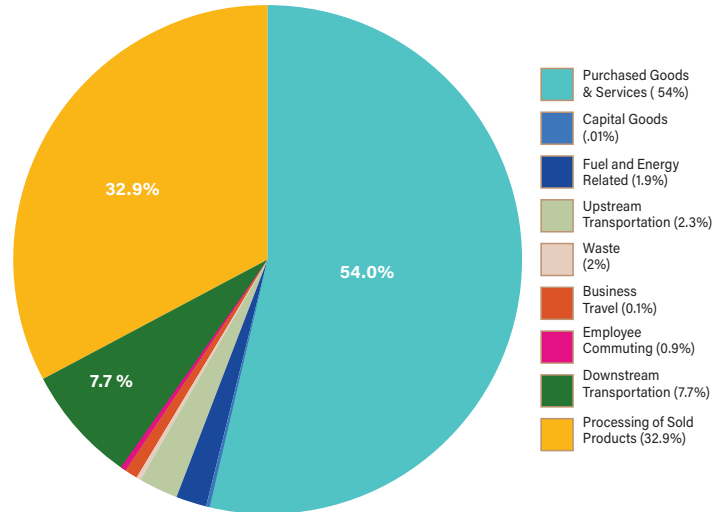
Scope 3 emissions are all indirect emissions not included in scope 2 that typically occur in the value chain of the reporting company. These emissions include:

- Purchased Goods & Services
- Capital Goods
- Upstream & Downstream Transportation
- Waste Disposal
- Business Travel
- Employee Commuting
- Processing of Sold Products

In 2019, Aspire Bakeries worked with a third-party consultant company to evaluate the scope 3 emissions for each of these respective categories.

**We will engage with our raw materials and packaging suppliers as well as logistics providers to understand their carbon reduction strategies.**

**OUR GOAL** Aspire Bakeries commits to engage its key suppliers to reduce scope 3 emissions.





In 2022, Aspire Bakeries partnered with Scope 5 to improve ESG reporting and carbon accounting. Integrating Scope 5's software solution has improved our sustainability reporting through:



## Automatic Data Transfer

This function has allowed Scope 5 to tie directly into our utility portals and transfer consumption automatically into the Scope 5 database on the cloud; this has functioned to make ESG data collection smoother for the Aspire Bakeries team.



## Complete Emissions Libraries

Scope 5's software gives us access to comprehensive updated libraries of emission factors from multiple reputable authorities such as the GHG protocol, the EPA, the IPCC, etc.



## Dual Reporting

This function has allowed us to calculate both location-based and market-based scope 2 emissions to align with ESG reporting structures.





# Bakery Energy Audits

In 2022, Aspire Bakeries initiated comprehensive energy audits at our six largest bakeries. These audits identified ways to reduce electricity, natural gas, and water use. Here are some opportunities that we are actively pursuing:

## Thermal Audits

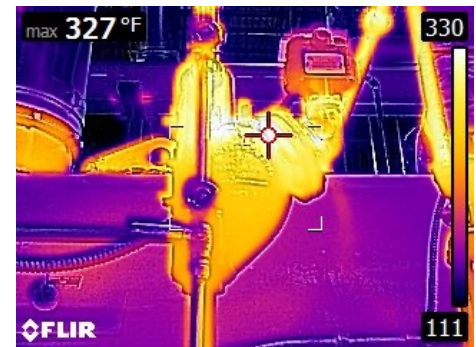
Thermal audits are used to identify opportunities for insulation on our thermal heating systems. By adding insulation, we can reduce the heat lost to the ambient air, which reduces natural gas used by these systems. Reducing natural gas consumption has the added benefit of reducing NOx emissions from combustion.

## Refrigeration Controls

Improved control systems will allow us to optimize the energy used by our refrigeration systems. For example, decreasing condensing pressure in colder weather can allow us to decrease the overall electricity consumption of the system.

## Compressed Air Substitution

Many applications of compressed air, such as electrical panel cooling, can be accomplished more efficiently by substituting a different technology.



Two pictures taken during a thermal audit, revealing opportunities for additional insulation.

# Waste Focus at Aspire Bakeries



At Aspire Bakeries, there is an ongoing focus to divert waste from landfill. We partner with two waste consultants, Northstar Recycling and RPM Environmental. These companies assist with waste contracts and identifying continuous improvement opportunities, such as increasing recycling and reducing costs. With both Northstar and RPM, Aspire Bakeries benefits from services such as recycling of wood pallets, metal, and plastic; silo and railcar cleanouts; packaging or obsolete material cleanouts; and hazardous waste handling.

During FY22, Aspire Bakeries completed major cost reduction projects at the bakeries that delivered a combined annual benefit of \$225,000. These projects involved organic waste and plastic bucket diversion and increased rebates for organic waste and sludge oil.



Plastic buckets diverted at our Santa Ana Bakery.



Newly installed Organic Waste Compactor at our Alsip Bakery.

# 95.8%

Working with our consultants and the bakery teams, we have increased our total waste diversion from landfill to 95.8% and seven of our bakeries have achieved zero waste to landfill!

# Alternative Energy at Aspire Bakeries



**Aspire Bakeries understands the need to explore alternative energy and will look into future renewable energy options!**

In 2022, Aspire Bakeries started operations of three large alternative energy projects. We partnered with Aypa Power to install two battery energy storage solutions at our two largest Canadian bakeries. These battery solutions reduce the electricity demand on the Ontario province, allowing the bakeries to pull power from the batteries during peak conditions.



Aspire Bakeries partnered with Bloom Energy to install fuel cells at our Van Nuys, CA location. This technology utilizes natural gas to generate electricity on-site and reduce load on the electricity grid.

**Bloomenergy**<sup>®</sup>

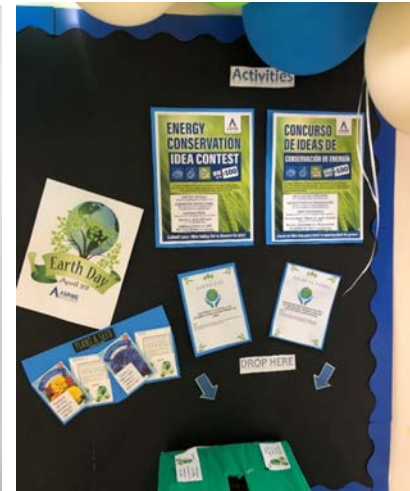
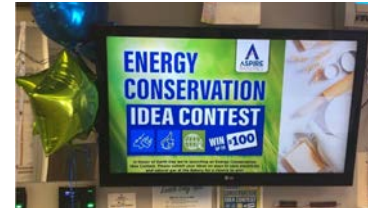
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PORTFOLIO COMPANY



# Energy Conservation Idea Contest



Aspire Bakeries understands the importance of energy conservation and energy efficiency. In 2022, we hosted an energy conservation idea contest where staff submitted their ideas on ways to conserve energy at our bakeries. We had over 250 submissions and we awarded prizes to the top three suggestions at each site! We thank all our associates who participated in this contest, and we congratulate the winners! Your commitment to energy conservation reminds us that we all have a role to play in preserving our environment for generations to come.





# OUR SOURCING



# Focus on Sustainable Raw Materials



Partnering with the best suppliers in the industry drives continuous improvement in our procurement practices. Quality, value, and sustainability of our raw materials is our ongoing focus. Working closely with our suppliers keeps us focused on excellence in our supply chain and ensures that we are partnering with companies that share our values and vision.



Our values of integrity, customer focus and care are the basis of this approach to sustainable procurement of raw materials. Our scorecard for supplier performance includes expectations of sustainable practices and metrics to track progress.

We believe in developing long-term sustainable sources and assured supply of raw materials, making sure we address the social, ethical, economic, safety, quality, and environmental aspects as part of our sourcing strategies. Each year we assess the risks in our supply chains and work with our suppliers to reduce those risks; we agree on which raw materials we will focus on going forward and work together on sustainable solutions.



# Palm Oil & Egg Sourcing



## Eggs

Aspire Bakeries' animal welfare policy includes expectations related to the care and treatment of laying hens. Since 2013, we have only sourced UEP (United Egg Producers) certified eggs for all pasteurized liquid eggs used in our bakeries. UEP requirements address bird cage size, use of antibiotics, beak trimming procedures, and other animal welfare concerns, as well as required third-party audits of farming practices.



Since 2010, we have purchased over one million cage-free eggs each year for our Otis Spunkmeyer branded food. Aspire Bakeries reports annually on its cage-free eggs transition progress. As of December 1, 2022, we are at 24% cage-free eggs in the U.S. and 20% cage-free eggs in Canada.

## Our sustainable sourcing focuses on palm oil and eggs.







## Palm Oil

As a member of the Roundtable on Sustainable Palm Oil (RSPO), Aspire Bakeries supports the growing and processing of sustainable palm oil.



In 2013, Aspire Bakeries committed to purchasing and redeeming Book & Claim certificates for all palm oil sourced in North America. This commitment by Aspire Bakeries actively promotes improved farming practices, environmental impact reduction and increased farm yields.

Beginning in 2015, we implemented utilization of Mass Balance palm oil in support of customers who have made their own commitments to palm oil sustainability. Mass Balance provides an additional level of traceability for sourcing sustainable palm oil. All 14 of our US and Canadian bakeries are Mass Balance certified.

## Vendor Code Of Conduct

Aspire Bakeries has a formal vendor code of conduct in place. We ask our Tier 1 raw material and packaging suppliers, temporary employee agencies, and any on-site service providers or vendors (e.g. security firm) to sign our Vendor Code of Conduct.

Our code of conduct sets vendor behavior expectations around important areas such as: business ethics, adherence to labor laws, environmental practices, people health and safety and other areas relating to our suppliers' facilities. We expect our suppliers to comply with our VCOC.

# Sourcing Sustainably



## Supplier Diversity

Aspire Bakeries is committed to increasing our base of diversity suppliers, including minority, women, veteran and LGBTQ+ owned enterprises.

Developed by our procurement team, our supplier diversity strategy includes long-term goals to partner with diversity NGOs, ensuring access to our spend categories.



We will continue with our focus on raw material sustainability through collaboration with our procurement category leads. In addition to our existing work on palm oil and cage-free eggs, going forward we will review strategies around cocoa and packaging sustainability in partnership with our suppliers.







# OUR COMMUNITY





## Aspire Bakeries Sponsored 2022 Canada Summer Games

Aspire Bakeries was a proud sponsor of the 2022 Canada Summer Games. The Games took place in Canada's Niagara region August 6 – 22, 2022. A multi-sport event for amateur athletes, the Games celebrated Canada's top young athletes and Niagara's art and culture.



- 2,500 athletes were treated to Oakrun Farm Bakery English Muffins for breakfast daily throughout the event
- Otis Spunkmeyer muffins were included in 'grab and go' snack bags for athletes and 4,000+ volunteers
- Aspire Bakeries' team members and volunteers baked and served 2,500 free cookie samples a day at our Otis Spunkmeyer tent

## At Aspire Bakeries, we rise to the occasion!

During the 2022 holiday season, our La Brea Bakery team partnered with the L.A. Regional Food Bank to provide bread to families in need. We are proud to give back to communities throughout the L.A. area! We focus our efforts on food distribution events and partner with agencies that fight hunger throughout North America.



2022 La Brea Bakery Team Partnering with L.A. Regional Food Bank



Our organization has always been generous in supporting key charitable activities and we will continue with these endeavors. We will continue to partake in sustainable solutions to healthfully feed a growing global population and work to improve the lives of children. Under our values of care and customer focus, we are committed to being a responsible member of the communities in which we operate. We encourage our business units to play an active role within the community. As a food company, we focus the majority of our charitable activities on reducing hunger and improving the lives of children. We have supported Feeding America for the past seven years through regular donations from our inventory centers.

During past natural disasters, both Aspire Bakeries and our employees donated to American Red Cross disaster relief. Through our office and bakery teams, we support many local food banks and community organizations.



## Through one of our donation partners Northstar Recycling:

January - December 2022:

- **248 Tons Donated = 413,333 meals** (based on 1.2lbs/meal standard conversion)
- **Shipped from Eight Aspire Bakeries locations**



# Enhancing Our Communities



## Aspire Bakeries 2022 Holiday Donations

At Aspire Bakeries, we understand the importance of contributing to our communities. At the close of 2022, we selected six non-profit organizations focused on ending hunger in the communities we serve. Our charitable donations to these organizations show our continued commitment to giving back to communities in need:

### Feeding America (US)

The nationwide network of 200 food banks that leads the fight against hunger in the United States. Together, they provide food to more than 46 million people through 60,000 food pantries and meal programs in communities across America. Feeding America also supports programs that improve food security among the people they serve, educates the public about the problem of hunger and advocates for legislation that protects people from going hungry.

### Sound Generations (Meals on Wheels)

Offers relief to older adults and caregivers by delivering reliable, nutritious meals on a weekly basis.

### A Just Harvest (Chicago)

Fighting poverty and hunger by providing nutritious meals via a weekly walk-up food pantry, weekly grocery delivery and the Produce Mobile.

### Project Angel Food (Los Angeles)

Prepares and delivers healthy meals to feed people impacted by serious illnesses.

### Food Banks Canada (Canada)

Collects food and raises funds to share with its network and delivers national programs to help food banks distribute food efficiently.

### World Central Kitchen

WCK is first to the frontlines, providing meals in response to humanitarian, climate, and community crises.

**During 2022, we donated over 773,000 pounds of food to support local communities.**

As we move forward in 2023, we'll continue to look for opportunities to give back to our communities and engage our associates. At Aspire Bakeries, we are Rising Together.



# Earth Day Highlights



April 22, 2022, marked the 52nd anniversary of Earth Day, a time to reflect on our contributions to a more sustainable world.

In honor of Earth Day, several of our Aspire Bakeries teams engaged in activities promoting a more sustainable world: a tree seedling and flower distribution event, cleaning up trash in the community and planting trees – just to name a few! We appreciate all our staff contributions on Earth Day and throughout the year!



Our Ancaster bakery



## Earth Day Spotlight

Our Van Nuys, California bakery team members were out bright and early picking up trash and showing our planet some love and care in honor of Earth Day!





# Earth Day Highlights

At Aspire Bakeries, we prioritize environmental stewardship. We encourage our employees to conserve water and energy and reduce waste wherever possible. Each year we publish and post Earth Day posters with ideas on ways to conserve natural resources at work and at home. In 2022, several of our bakeries set up Earth Day booths to collect ideas on ways to reduce energy and water use at our bakeries!



Alsp bakery Earth Day booth.



Brantford bakery Earth Day booth.

# Sharing Our Reporting Results

## Current Reporting:

The Carbon Disclosure Project (CDP) is a non-profit that runs the global disclosure system for investors, companies, cities, states and regions. Over the past 20 years, it has created a system that has resulted in unparalleled engagement on environmental issues worldwide. We have reported to the CDP each year since 2015. In addition to climate, CDP also includes forest (palm oil & packaging) and water reporting. You can find our latest score below:

Name	Response	Year	Status	Score
Aspire Bakeries	Climate Change 2022	2022	Submitted	B
Aspire Bakeries	Forests 2022	2022	Submitted	B- D D
Aspire Bakeries	Water Security 2022	2022	Submitted	C

The Annual Communication of Progress (ACOP) are reports submitted by Roundtable on Sustainable Palm Oil (RSPO) members to gauge their progress towards 100% RSPO-certified sustainable palm oil. These reports are mandatory for ordinary and affiliate members and are submitted each year. Check our progress at <https://rspo.org/members/4-1383-21-000-0/>

## Future Reporting

The Sustainability Accounting Standards Board (SASB) Foundation was established in 2011 as a not-for-profit, independent standards-setting organization. The Foundation's mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors. We have reviewed the standards and identified where we can submit today and where we need to develop data for future submissions.

The Global Reporting Initiative (GRI) is the independent, international organization that helps businesses and other organizations take responsibility for their impacts by providing them with the global common language to report those impacts. It provides the world's most widely used standards for sustainability reporting. We are currently reviewing the GRI reporting standards.



# Conclusion

At Aspire Bakeries, sustainability is a team effort! We rely on the support of our colleagues across the organization. Only by working together can we reduce energy, water, and waste at our sites.

We understand the importance of reducing our carbon footprint and we'll be reporting annually on our progress. We remain committed to increasing our use of sustainable raw materials and engaging with diverse suppliers. We're also proud to support community organizations throughout the US and Canada that are working to end hunger. We remain committed to meeting our customers' expectations while creating delicious and nutritious food.

On behalf of the Aspire Bakeries team, I'd like to thank Barry Edwards for his support and guidance throughout 2022. His dedication to the team and to our sustainability efforts made Aspire Bakeries' sustainability program what it is today. We are proud to build on that legacy. We appreciate our employees, customers, and suppliers who make sustainability a daily priority! In 2023, we will continue to build on that foundation and will collaborate to further reduce our carbon footprint through innovative solutions.

Please reach out if you'd like to connect, we'd love to hear from you!

Thanks,  
Ashley Hoover

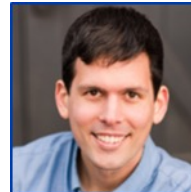
Director, Corporate Responsibility and Sustainability



**Ashley Hoover**  
Director, Corporate  
Responsibility & Sustainability  
Los Angeles, US



**Stefan Lardenoit**  
Director, Finance  
Chicago, US - Part Time Member



**Drew Harper**  
Manager, Sustainability  
St. Paul, US



**Tony Ngo**  
Manager, Sustainability  
Ancaster, Canada

**For our detailed Sustainability Story, visit us at:**  
<https://www.aspirebakeries.com/sustainability>

**For questions and ideas, please contact  
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