

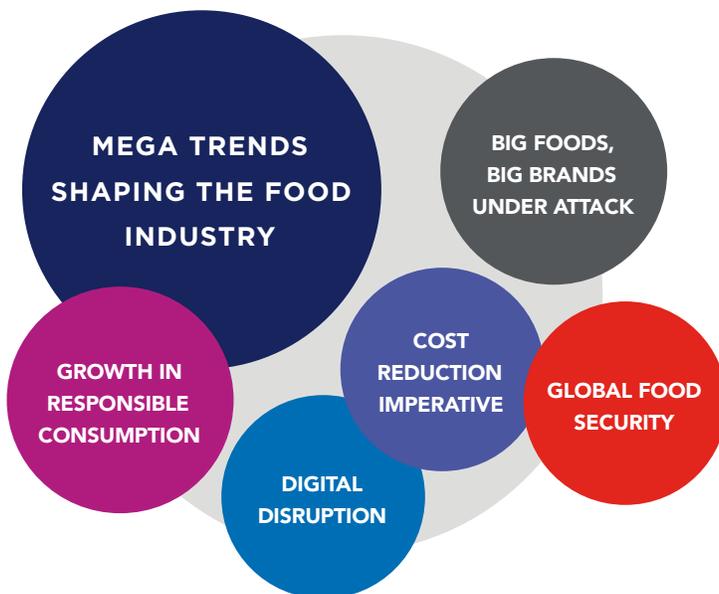
SOCIAL PURPOSE AT MAPLE LEAF FOODS

A CASE STUDY OF HOW MAPLE LEAF FOODS DEVELOPED ITS SOCIAL PURPOSE

Background

Purpose at Maple Leaf Foods evolved through a number of company strategies and in 2017 its leadership elevated it to its core purpose.

In the early years of the journey, the company identified the mega-trends shaping the food industry, summarized below. It saw global food security as a global issue of crisis proportion, with a population exceeding 10 billion by 2050 and a 70% gap in crop calories produced today versus what will be needed in future.



To address these megatrends and develop a growth blueprint for the company, the company invested in its capacity to grow, its skills competencies and a leadership agenda important to its business for five years. Early in 2016 leaders were educated on the power of Purpose to align everyone and prepare them to develop a core purpose for the company.

Maple Leaf Food's purpose was publicly launched in May 2017, twelve months later. This is their story.

“The purpose and vision shape who we are, how we operate and grow. The six strategies bring it to life: how we are going to win.”

Michael McCain, President and CEO,
Maple Leaf Foods.

MAPLE LEAF FOODS SOCIAL PURPOSE JOURNEY

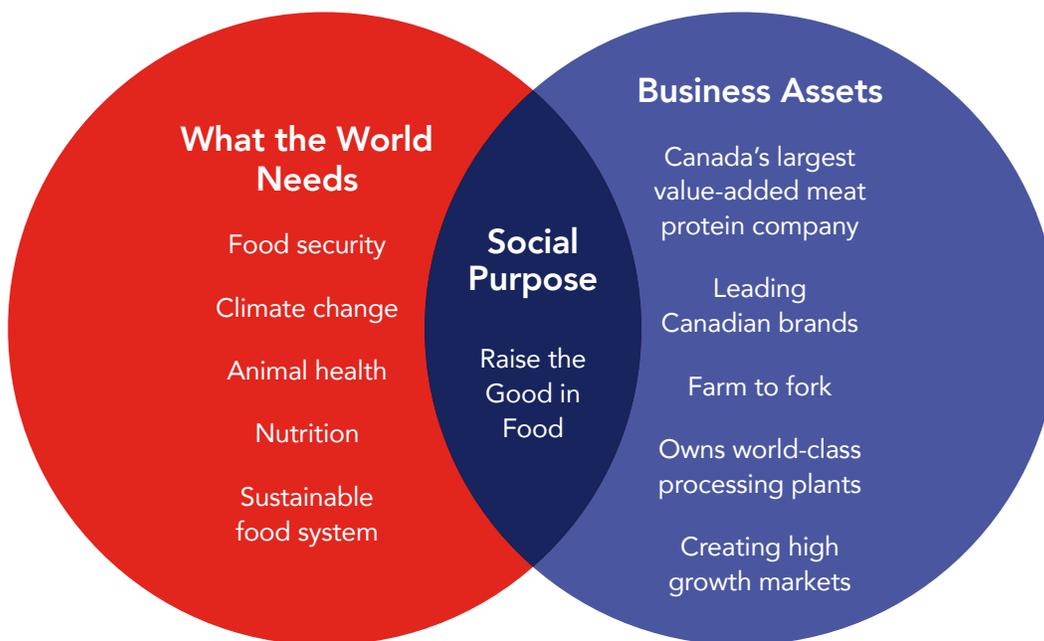
Maple Leaf Foods was founded in 1927. It is a major Canadian consumer packaged meats company based in Mississauga, with about 11,000 employees. It had a pre-existing corporate sustainability strategy, independent of its overall business approach, but not a mission or core purpose.

Maple Leaf started its purpose definition process with a basic approach to understand where it was now (current state), where it wanted to be (purpose and vision) and how it was going to get there (corporate strategy). The CEO kicked off the exercise and established an internal cross-functional advisory group – Purpose Steering Committee – and appointed a Purpose Champion, who was also the SVP of Sustainability and Public Affairs at the time. She reported to the CEO and the Senior Leadership Team on the committee’s progress.

Outside consultants were hired to help develop the social purpose. Internal interviews were conducted with business leaders across the company, including senior managers and business unit leaders, about 100 in total. They were asked about risk and opportunity, core priorities for each business function and financial and non-financial objectives.

External benchmarking of how consumer goods companies approach purpose was conducted with leading companies, including Unilever and Nestle, along with peers and direct competitors in North America. Customer research was conducted with large retail customers including Loblaws, Sobeys-Safeway, Walmart and Kroger, investigating their strategic directions and consumer needs and desires.

This is how the company eventually came to identify its social purpose, by triangulating the needs of the world, with its business opportunities and core assets:



Three social purpose options were presented to the Purpose Steering Committee, and eventually to the Senior Leadership Team for a decision. The Purpose was chosen, and a manifesto was developed, like a narrative or story, to describe the relevance

of the Purpose to the company, shareholders, customers and society. The social purpose was socialized internally for a number of months before it was announced publicly in May 2017.

MAPLE LEAF FOODS ADOPTS A SOCIAL PURPOSE

“Raise the Good in Food”

The company then completed ideation workshops to develop priorities for each business group and function to activate on its purpose, asking: what will be the key projects or priorities that will allow us to Raise the Good in Food?

The social purpose is informing its business strategy and will be the lens it uses to make decisions going forward.



WHY WE EXIST | Raise the good in food

WHERE WE ARE HEADED | To be the most sustainable protein company on earth



WHY WE CAN DO IT | Our values

MAPLE LEAF'S SOCIAL PURPOSE DEFINITION

This is what its social purpose “Raise the Good in Food” means to Maple Leaf Foods:

Our Social Purpose begins with the statement of why – why we exist – to raise the good in food. It is followed by a clear aspirational long-term goal or vision to be the most sustainable protein company on earth.

This is what our social purpose means to us:

Raise: *Raise is an aspirational statement – it means to move forward, to be better, to continuously improve. It acknowledges progress if not perfection.*

Good: *Good refers to everything that is good in our business and what the food industry can deliver to society, from what is in the food all the way through to what it means to the people who consume it.*

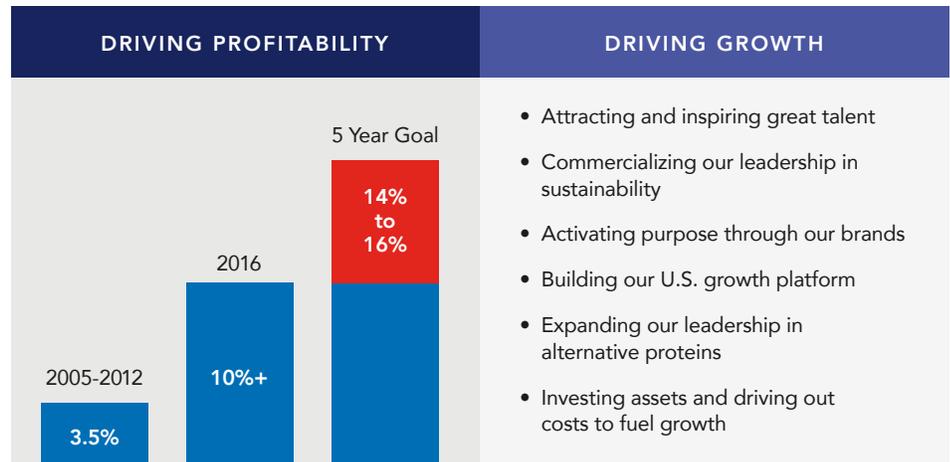
Food: *Food is about goodness, taste and irresistibility and connecting with people in all aspects of that goodness.*

“ This is not another tagline or a corporate program. This is what Maple Leaf Foods is going to be moving forward. This will define us, this is the why our company will exist. It will guide us on all our business decisions. We are putting a stake in the ground and pivoting.”

Lynda Kuhn, Senior Vice President, Purpose and Public Affairs, Maple Leaf Foods.

INVESTOR VALUE PROPOSITION

The company believes its social purpose is the way it will build value and grow. This is how the company's leadership communicates its social purpose to investors:



“ We have created a profitable growth strategy for Maple Leaf Foods. As we collected our thoughts over the last five years we considered questions like who are we, what can we do to find difference in the marketplace, not sameness, sameness will not provide the growth path we need. What does the world need today? Where are consumers at? What can fuel growth? Where do we have competitive advantage? What are the disciplines of strategic thinking that can be brought to bear on that competitive advantage?

We arrived at an intersection between what the world needs and what will enhance profitable growth in our business, closing the gap on the social trust we feel exists in the food industry today. It requires a rethink of many dimensions of our business. Not CSR, it is a place that creates value for society and shareholders. It is authentic to our culture, what we believe in, it gives us difference, it distinguishes us. It is how we shift our thinking about business priorities and opportunities. We are integrating it into our corporate strategy. We have elevated it from business strategy to purpose.”

Lynda Kuhn, Senior Vice President, Purpose and Public Affairs, Maple Leaf Foods.

SOURCES

Investor Day 2017 Webcast: <http://www.webcaster4.com/Player/Index?webcastId=23347&uid=4317437&g=9b3118e8-e884-42d2-a049-8b50e3df4e81&sid=>

Investor Day 2017 Presentation Slides: <http://www.mapleleaffoods.com/investors-information/presentations-webcasts/>

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