

2022

SUSTAINABILITY REPORT UPDATE

GROUPE
MTY
GROUP



COMMANDEZ
ICI

SMOOTHIES ÉNERGÉTIQUES

EAU DU DRAGON	8.75	COUP DE CŒUR BLEU	8.75
VERT ÉCLATANT	8.45	COU FROIS BONITE	8.25
JUGO CAFÉ INFUSE	8.45	L'AMOUR DE LAVANDE	8.75
CHOU-CHOU	8.40	MATCHA À LA VANILLE	8.75

SMOOTHIES D'IMMUNITÉ

BOISSON D'OR	8.75	JUS FRAÎCHEMENT PRESSES	
OR LIQUIDE	8.75	POMME	8.95
TOURBILLON DE SAISON	8.45	TROPLEMENT CHARGE	8.95
		ORANGE	8.25
		BLETTE-BAVIE	8.95
		LIMONADE-CHOU FROIS	8.95
		RON CŒUR	8.95

BOIS-BOUDDHA

SALADE DE SALADES	10.95	WRAPS	
POULET AÏAÏTOU	12.95	PETIT-DEJUNER TOLLANO	7.45
NEUR SAMAN	14.95	PETIT-DEJUNER RUI	7.45
		VEGETARIEN	7.35
		POULET ET AVOCAT	8.25
		DE SAISON	8.25
		POULET THAI	8.25
		SOUPE DU JOUR	4.95

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CREATING A MORE SUSTAINABLE MTY FOR OUR FUTURE

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FORWARD-LOOKING STATEMENT



ABOUT THIS REPORT

Following our inaugural report, released last year, we are proud to be publishing this progress report, outlining the efforts we have made towards accomplishing our sustainability goals throughout our fiscal year ending November 30, 2022. To better understand the status of our efforts, we have associated each of our goals with the following progress icons

EARLY STAGES 	IN PROGRESS / ON TRACK 	GOAL ACCOMPLISHED! 
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Throughout this report, you will also learn about new commitments and initiatives we have made for the upcoming years. Our next full report will be released in 2024, based on our 2023 data.

References to MTY throughout this report may include activities performed by subsidiaries of MTY Food Group Inc. However, this report covers the activities of brands who have been part of MTY for the entire fiscal 2022 year and does not include brands who joined MTY throughout this reporting year, such as BBQ Holdings, or brands who we acquired in fiscal 2023 such as Wetzel's Pretzels and Sauce Pizza and Wine.

We understand sustainability is a work in progress. It is a journey that we take very seriously, and a great deal of thought is put into setting meaningful goals, with an understanding that we will track the progress of our goals and determine Key Performance Indicators (KPIs) that will enable us to measure this progress. We also accept that as our sustainability landscape evolves, adjustments will be made along the way. Therefore, moving forward, we have decided to move our discussions around Animal Welfare from our Planet Pillar to our Food Pillar.

MTY is responsible for the preparation and integrity of the content of this report. All those individuals who contributed to the report, including certain company leadership, reviewed and approved the subject matter, content, and data contained in the report. This report has been formally reviewed and approved by the Board of Directors. This report has not been audited by any third-party.

Thank you for taking the time to read this report. We welcome any questions or feedback about this report. Please contact us via sustainability@mtygroup.com.



A LETTER FROM OUR CEO



Last year, MTY presented its first Environmental, Social and Governance (“ESG”) report which outlined some of our priorities and ambitions for the future. It was a major step forward in communicating many achievements and goals that have always been at the heart of MTY’s family. In this second report, we are presenting the progress we are making towards these objectives, adding some and adjusting others where the learnings of the past year indicate we need to clarify or modify our approach. The information is presented aligning with the United Nations Sustainable Development Goals, which is new this year.

As part of our commitment to be a good corporate citizen, we have developed a framework comprised of three main pillars: the food we serve, the planet we live on and the people we interact with as employees, guests or citizens of the communities in which our restaurants operate. This progress report presents data about our actions to source responsibly, improve the quality of our food, reduce our impact on the environment, and make a positive impact on communities. MTY sells happiness, and that needs to be reflected not only in the guest experience, but also in the result of our actions across all aspect of the business.

I am proud of the progress we’ve made since our initial ESG report. We are in a better position now to assess and understand the work that will need to be done in order to achieve our longer term objectives. We will be systematic in our approach, tackling a small set of priorities at any time so we have a more focused approach to deliver significant improvements across every aspect of our business.

It is only the beginning, and as we build momentum I am confident prioritizing sustainability will help us make a difference for all stakeholders of MTY. Our world class team will continue to work towards creating meaningful changes at scale and expanding the number and scope of our objectives as we mature in the ESG process.

Finally, we have recently added amazing brands to our portfolio with the acquisitions of BBQ Holdings, Wetzel’s Pretzels and Sauce Pizza and Wine. While this report does not include their sustainability achievements and objectives, we plan to include them in future reports as they are integrated into the MTY family.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric Lefebvre'. The signature is stylized and fluid.

Eric Lefebvre, CPA, MBA

Chief Executive Officer

A LETTER FROM OUR VP OF SUSTAINABILITY



In this update report, we consider how this permanent mind-set regarding sustainability applies to MTY's ESG Pillars of Food, Planet and People. We are committed to planning for the future and working towards delivering more positive, long-term outcomes for all. Through this commitment, we understand that the dependable path to achieving positive outcomes is by utilizing/leveraging MTY's accumulated wisdom and diverse perspectives to keep making better decisions.

As such, we have implemented several initiatives to support our Food Pillar at MTY. These include our commitment to delivering great tasting food, accessible to a wide range of customers, with a continued lens towards better and transparent nutrition. We also place a great deal of importance towards animal welfare and acknowledge that the humane treatment of animals for food production is a social and ethical priority. Our guests need to be able to trust the integrity of the food we serve, and we are committed to meeting that expectation.

We recognize our responsibility to help protect the planet. We are thus committed to minimizing the impact we have on the environment and continue to develop goals and strategies around measuring and reducing our carbon footprint. We also support initiatives that strive to improve our global environmental sustainability, such as the United Nations Sustainable Development Goals (SDGs).

As a company, we believe in the importance of supporting the communities in which we operate and the causes important to our network and our own people. Over the years, we have implemented several philanthropic initiatives to support this goal, including charitable giving

and volunteering and within this report, we touch upon these endeavors. We also believe it is critical to nurture our own people, to support diversity, equity and inclusion (DEI) and to provide them with the right environment and resources to thrive. We have therefore set goals to expand on the work culture and will elaborate on our DEI progress in the past year.

We are proud of the progress we have made in these areas, and excited to share our developments. We recognize we have more to do and are committed to taking steps, every day, to deliver progress towards improving the well-being of our food, our planet and our people.

With gratitude,

A handwritten signature in black ink that reads "Katherine Ma".

Katherine Ma

Vice President Procurement & Sustainability

MTY ESG TEAM

The Board of Directors is responsible for the governance of MTY. Its main role is to perform the duties of strategic planning and oversight, remain well-informed and fully engaged with the issues affecting MTY. Although the Board has ultimate oversight and accountability for the successful implementation of the key metrics established as part of MTY's ESG framework, specific corporate governance of our ESG journey and its Pillars falls under the responsibility of the ESG team. The ESG team supports the Board of Directors in the creation of goals, metrics and targets to be included in the long-term sustainability plan, in addition to monitoring the progress towards achieving such goals.

The MTY ESG team is in place to collect, build and report on ESG related information from all stakeholders. The team's responsibilities include:

- Coordinating and monitoring the achievement of the defined ESG targets in relation to the United Nations sustainable development goals (SDGs), the Global Reporting Initiative (GRI) standards and the Sustainability Accounting Standards Board (SASB) pursued;
- Proposing objectives, opportunities and goals in relation to sustainability and climate change issues;
- Preparing annual sustainability reports with updates on the materiality analysis to align reporting standards with the identified relevant issues.

78% of committee members are female

CHAIR OF ESG COMMITTEE



Katherine Ma
Canada



Meagan Austin
Canada



Patricia Briere
Canada



Alexis Diltz
US—Papa Murphy's
International



Clement Forget
Canada



Jennifer Garnatz
US—Kahala



Laura Lashbrook
US—Papa Murphy's
International



Kira Olson
US—Papa Murphy's
International



Jon Silva
US—Kahala

MTY ESG TEAM SUB-COMMITTEES

MTY's ESG team's efforts are divided by sub-committees, each playing specific roles and collectively working towards achieving MTY's sustainability goals:



ENVIRONMENTAL SUB-COMMITTEE

Responsible for overseeing the creation and implementation of our environmental objectives across our operations with the goal of reducing our environment footprint.



SUPPLY CHAIN SUB-COMMITTEE

Provides governance to ensure food safety and product quality standards and our polices are upheld consistently across our operations.

Responsible for aligning our best practices with respect to health and safety.

Oversees efforts and initiatives to ensure supplier compliance with recognized animal care standards or codes or practice, and monitors animal welfare best practices.



DIVERSITY & COMMUNITY SUB-COMMITTEE

Sets initiatives to build on the positive workplace environment, fostering career development and employee retention.

Collects data on employee demographics and sets initiatives to support diversity, equity and inclusion.

Creates channels to support the communities in which we operate.



STRATEGY & GOVERNANCE SUB-COMMITTEE

Oversees the overall strategy of MTY's sustainability journey and monitors the progress for each of its three Pillars.

Oversees the management of our key cybersecurity programs and risks and the measures to protect the confidentiality, integrity and availability of our data.

ALIGNING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



The [United Nations Sustainable Development Goals \(SDGs\)](#) is a global call to action to end poverty, protect the planet and improve the lives and prospects for all. This agenda for sustainable development was developed in 2015 by the UN and contains 17 goals. We support this initiative and aim to align with the goals relating to our impact areas.

We selected the SDGs towards which we currently have the largest

impact and which complement the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI) standards we reported on in our previous report and have set goals within each. In each of the Food, Planet and People sections of this report, we provided a high-level summary on how we plan on contributing to the United Nation's progress to deliver on their goals and targets.





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OUR FOOD IMPACT OVERVIEW

When sourcing food for our restaurants, we strive to find a balance between quality, price, availability and sustainability. Below are a few examples of our contracted products that meet all these criteria.



PURCHASED MORE THAN
1.2 MM LBS
OF RAISED WITHOUT
ANTIBIOTICS DELI-MEATS



ALMOST
800,000 LBS
OF SEAFOOD PURCHASED
RAISED UNDER BEST AGRICULTURAL
PRACTICES (BAP) PROTOCOL

PURCHASED

34.4 MM LBS
OF PROTEIN FROM VENDORS
WITH ANIMAL WELFARE POLICES



NEARLY
18 MM LBS
OF CHICKEN SOURCED WERE LOCAL*



OVER
320,000 LBS
OF FRESH, NEVER FROZEN GROUND BEEF
RAISED WITHOUT ANTIBIOTICS

100%

OF OUR CONTRACTED CANNED TUNA
IS MARINE STEWARDSHIP COUNCIL
CERTIFIED (MSC)







100%
OF OUR CONTRACTED FROZEN TUNA
IS LINE-CAUGHT USING CIRCLE HOOKS,
PREVENTING BY-CATCH



PURCHASED OVER
1 MM LBS
OF PORK RIBS RAISED NATURALLY
WITHOUT HORMONES OR STEROIDS

*Restaurants located in Canada purchased chicken in Canada. Restaurants in the US purchased chicken in US.

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	UNITED NATIONS SDG	UNITED NATIONS TARGETS	MTY'S IMPACT
FOOD PILLAR	 <p>2 ZERO HUNGER</p>	<p><u>2.1, 2.2, 2.C</u></p>	<ul style="list-style-type: none"> • Provide accessible menu items to our customers; • Food safety measures in place; • 85% of our brands make their nutritional values accessible; • Signing vendor contracts to help maintain stable pricing for our restaurants and in turn, to our customers.
	 <p>13 CLIMATE ACTION</p>	<p><u>13.2, 13.3</u></p>	<ul style="list-style-type: none"> • 89% of our brands offer at least one plant-based menu item; • We are committed to partnering with the vendors to help to drive toward continuous improvement of animal welfare outcomes throughout their lives. We therefore request documented Animal Welfare Statements from our vendors on an annual basis; • We improved education and awareness by hosting company-wide town halls, of which one included an information session about sustainability.
	 <p>14 LIFE BELOW WATER</p>	<p><u>14.1, 14.4, 14.6, 14.C</u></p>	<ul style="list-style-type: none"> • Partnered with Ocean Wise for one of our major sushi brands; • 100% of our contracted canned tuna holds the Marine Stewardship Council certification; • 100% of our contracted seafood products are from vendors committed to sustainable sourcing.
	 <p>15 LIFE ON LAND</p>	<p><u>15.2</u></p>	<ul style="list-style-type: none"> • To help counter deforestation, we have committed to using RSPO-certified palm oil in at least 80% of our ingredients containing palm oil.

FOOD PROGRESS UPDATE



1. FOOD SAFETY

PROGRESS UPDATE

Food is the foundation of our business and serving good food, under strict food and safety guidelines, is a priority for us. From our vendors to our restaurants, we have policies in place to ensure food safety is practiced and respected throughout the supply chain. In Canada, food safety at our restaurants is audited through scheduled and non-scheduled visits by the following four channels throughout the year:

1. Municipal health and safety governing boards;
2. Third-party professional food safety and hygiene inspections;
3. MTY Health & Safety team;
4. Third-party pest control contracts.

Despite the measures we have put in place, we know product recalls can occur. In these instances, we quickly apply the stringent product recall protocols to mitigate the impact of the recalls.

A FEW STATISTICS ABOUT OUR FOOD SAFETY MEASURES



A TOTAL OF
7,729 THIRD-PARTY FOOD
SAFETY & HYGIENE AUDITS
WERE PERFORMED AT
OUR RESTAURANTS.



THIRD-PARTY PEST
CONTROL INSPECTIONS
OCCURRED A MINIMUM
OF ONCE A MONTH,
PER RESTAURANT.



WE SUCCESSFULLY
APPLIED OUR PRODUCT
RECALL PROTOCOL FOR
6 RECALLS IN CANADA &
7 IN THE US, ALL OF WHICH
WERE INITIATED BY
OUR VENDORS.

2. RECIPE DEVELOPMENT & NUTRITIONAL CONTENT

PROGRESS UPDATE

When visiting our restaurants, we like to offer our guests a range of menu options to choose from, including plant-based menu options. Our menus and recipes are thus carefully curated to satisfy our visitors' cravings. We also understand the nutritional facts and ingredient list may play a role in our guests' dining choices. We therefore aim to be transparent with our ingredients, which will also result in improved product traceability and improved recall response.



MTY defines a plant-based menu offering as consisting largely or solely of vegetables, grains, or other foods derived from plants, rather than animal products.



GOALS

PROGRESS

01

To publish, or make accessible to guests, the nutritional information, ingredient lists and the allergen cards of our core menu items for our top 50 brands by 2023, and for all brands by 2024.

ON TRACK

86% of our top 50 brands make their nutritional information available to guests and 94% of those same brands post their allergen details.

02

To provide a plant-based menu item option in 85% of our applicable brands by 2023.

GOAL ACCOMPLISHED

Guests can enjoy a plant-based menu option at 89% of our brands as of 2022.

AHEAD OF SCHEDULE!!

3. KIDS' MENUS

PROGRESS UPDATE

Our children are our future, and we have a responsibility towards giving them access to the right menu options to promote their health and nutrition. We have therefore set the following goal:

GOAL

01

Our goal as presented in our 2021 Sustainability Report was to measure, through a third-party service, the percentage of all kids' menus offered by MTY brands that are consistent with Health Canada's Dietary Guidelines or the Dietary Guidelines for Americans by 2023 and aim to have 80% of these children menus meet such dietary guidelines by 2024.

EARLY STAGES

In accordance with Health Canada's Dietary Guidelines and the Dietary Guidelines for Americans, we established MTY's guidelines for healthy eating for children. We have adjusted our goal to have 100% of our brands who have kids' menus offer at least one menu item that adheres to our guideline, by 2024.

PROGRESS

MTY'S FOOD GUIDELINES FOR KIDS' MENUS

EAT TOGETHER

We encourage families to share at least one meal together, every day. This helps to build healthy eating habits and memories together, as a family.

WE OFFER HEALTHY FOOD CHOICES

Our kids' menus will include at least two of the three following categories:

- Vegetables and fruit
- Whole grain foods, such as:
 - Oats;
 - Wild rice;
 - Whole wheat pasta;
- Protein foods such as:
 - Eggs;
 - Nuts and seeds;
 - Fish and shellfish;
 - Beans, peas, and lentils;
 - Lean red meats;
 - Lower fat dairy products such as milk and yogurt;
 - Fortified soy beverages, tofu, soybeans and other soy products.

WE OFFER HEALTHY DRINK CHOICES

We recommend pairing our kids' meals with water or milk.

WE MAKE HEALTHY CHOICES

We limit the amount of highly processed foods we offer.

Our kids' menus have little to no added:

- Sodium;
- Sugars;
- Saturated fat.





4. ANIMAL WELFARE

PROGRESS UPDATE

MTY is committed to engaging with key suppliers who meet the highest standards of animal welfare and who have guidelines for the humane treatment of animals throughout the supply chain. Below is an update on our animal welfare progress:



GOALS

PROGRESS

01

To contract with protein, dairy and egg suppliers who focus their internal priorities and policies on improving animal welfare.

ON TRACK

Over 90% of meats purchased under contract for our Canadian restaurant brands and 100% of our meats purchased under contract in the US are from suppliers who have animal welfare guidelines and who have guidelines for the humane treatment of animals.

02

To work closely with our suppliers to align with the Global Animal Partnership's (GAP)—Better Chicken Project standards by 2025 for 100% of our contracted chicken products.

EARLY STAGES

Knowing the impact the cumulation of our restaurants have on animals, we are committed to doing our part regarding their welfare throughout their life cycle. In addition to this goal, we have decided to add a new animal welfare commitment, which is elaborated upon in our New Food Commitments section of this report.

03


To work with our suppliers to only use eggs from cage-free hens in 2025, where possible.

EARLY STAGES

MTY remains committed to our goal of sourcing 100% cage-free eggs by 2025. We are now in the process of conducting an analysis to determine our current percentage of cage-free eggs systemwide and establish a roadmap with benchmarks for achieving our goal. We will provide another update on the Sustainability section of our corporate website in July 2023 with details on that roadmap.

NEW FOOD COMMITMENTS


Below are a few new commitments we have added to our Food Pillar.



FOOD SAFETY

2023
To continue tracking vendor food safety certifications, through a recognized GFSI certified third-party audit.

2025
All tier 1 vendors have a certified third-party audit verifying food safety programs, including HACCP.



COFFEE

2023
To prioritize coffee from sustainable sources.

2024
Measure % of ethically sourced coffee.

2025
100% of our brands will have a sustainably sourced coffee offering.



ANIMAL WELFARE

2023
Measure the percentage of our current vendors who follow the Five Freedoms of Animal Welfare*.

The Five Freedoms of Animal Welfare:

- Freedom from hunger or thirst** by ready access to fresh water and a diet to maintain full health and vigour;
- Freedom from discomfort** by providing an appropriate environment including shelter and a comfortable resting area;
- Freedom from pain, injury or disease** by prevention or rapid diagnosis and treatment;
- Freedom to express (most) normal behaviour** by providing sufficient space, proper facilities and company of the animal's own kind;
- Freedom from fear and distress** by ensuring conditions and treatment which avoid mental suffering.



PALM OIL

2023
To identify percentage of our ingredients made with RSPO-certified palm oil.

2025
At least 80% of ingredients containing palm oil are RSPO-certified.

PLANET

A red tractor is shown from a rear-quarter perspective, plowing a field. The tractor is moving from left to right, turning over dark, rich soil. To the right of the tractor is a dense field of tall green corn plants. To the left, there is a field of golden-brown, harvested grain. The sky above is bright blue with scattered white clouds. The word "PLANET" is overlaid in large, white, sans-serif capital letters across the middle of the image.

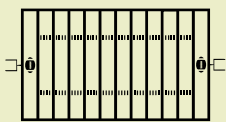
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OUR PLANET IMPACT OVERVIEW



22%

OF OUR CORPORATELY LEASED OR OWNED CLASS 1 & 2 VEHICLES ARE EITHER **ELECTRIC OR HYBRID CARS**



DIVERTED

16 MM+

PLASTIC STRAWS* FROM OUR CANADIAN RESTAURANTS, EQUIVALENT TO 30,485 US FOOTBALL FIELDS

DIVERTED

195,142 LBS

IN PLACEMATS IN OUR CANADIAN RESTAURANTS TO REUSABLE OR DIGITAL MENUS, WHICH IS EQUIVALENT TO SAVING:



4,040,000 GALLONS OF WATER (OR 2,920 LOADS OF LAUNDRY)**



1,880,000 LBS OF CO² (OR EMISSIONS FROM 171 CARS/YEAR)**



WOOD FROM **1220 TREES****



DIVERTED MORE THAN

500,000 LBS

OF HARD TO RECYCLE PLASTIC CONTAINERS



18 MM +

OF PLASTIC UTENSILS






4.5 MM

OF PLASTIC TAKE-OUT BAGS

FROM OUR CANADIAN LANDFILL AND REPLACED WITH 100% RECYCLABLE, COMPOSTABLE OR REUSABLE OPTIONS

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	UNITED NATIONS SDG	UNITED NATIONS TARGETS	MTY'S IMPACT
PLANET PILLAR	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.5, 12.6	<ul style="list-style-type: none"> • MTY is aiming to reduce waste generation by implementing strategies towards the reduction of resources; • Our packaging policy will help bring us closer to circularity through various initiatives, including the mitigation of materials considered to have a negative impact on the environment; • We are committed to report on our ESG initiative on a yearly basis.
	13 CLIMATE ACTION 	13.2, 13.3	<ul style="list-style-type: none"> • Committed to integrate climate change measures into our policies, strategies and planning; • We improved education and awareness by hosting 1 internal webinar and 13 information sessions in 2022 and aim to ramp up our efforts in the years to come.
	15 LIFE ON LAND 	15.2	<ul style="list-style-type: none"> • Ensure all new paper packaging products are certified by a third-party for best forestry practices, and/or offer a % of recycled content to prevent the usage of unnecessary virgin material.

PLANET

PROGRESS UPDATE

1. PACKAGING

PROGRESS UPDATE

To-go packaging is essential for our restaurant operations. MTY therefore seeks to offer the best available packaging option for our guests that meets the environmental criteria without compromising on the dining experience. Packaging is an important aspect of our planet pillar, and we are continuously making efforts to improve our circularity, reduce our environmental impact and our waste generation.

GOALS

01

To evaluate and perform a pilot project in specific markets for reusable packaging solutions to reduce the consumption of single-use and disposable items in 2023.

ON TRACK

During the 2022 fiscal year, market studies were conducted to identify viable options for guests to benefit from a packaging program whereby they will receive their to-go meals in reusable containers. As a result, a pilot project is scheduled for 2023 in one of the markets in which we have a strong presence.

This pilot project will complement the efforts deployed by our brands who currently provide or sell reusable cups, straws, and bags to our guests, or who have a selection of generic, microwavable and dishwasher resistant take-out containers.

PROGRESS

02

To ensure 100% of our contracted paper-based packaging is certified by Forest Stewardship Council (FSC) or contains post-consumer recycled content by 2025, to protect our forests and reduce our environmental impact.

ON TRACK

We identified our contracted suppliers who source certified paper using the best forestry practices, or who offer a percentage of recycled content in their packaging solutions. Our original goal has been expanded by adding SFI certification as an acceptable criteria.

ROADMAP: Starting in 2023, all newly sourced paper packaging will be compliant with our 2025 objective. Each currently listed packaging item will also be subject to review to ensure adherence to this goal.



03

GOAL

To replace hard-to-recycle plastics with alternative packaging such as renewable or recyclable products for use in our Canadian MTY operations by the end of 2023.

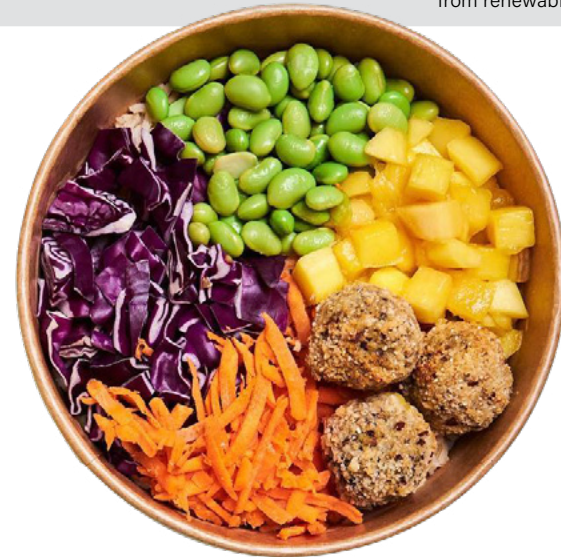
PROGRESS

ON TRACK

We set KPIs and are measuring our progress against our 2021 benchmark to ensure we stay on course towards our 2023 goal.

We made significant headway by replacing hard-to-recycle plastics, such as polystyrene packaging items, take-out bags, black plastic items, straws, and cutlery, by applying the Reduce, Reuse and Recycle strategy:

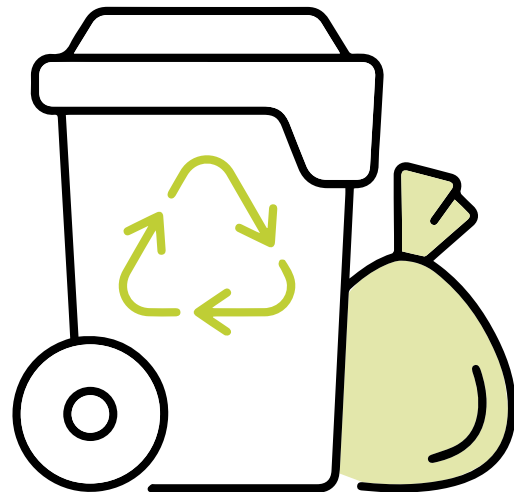
HARD-TO-RECYCLE PLASTICS	REDUCE ↓	REUSE ↻	RECYCLABLE OR RENEWABLE
Plastic Straws	<ul style="list-style-type: none"> Introduced sippy lids as an alternative, when possible Adopted an "Upon Request" strategy 	-	<ul style="list-style-type: none"> Made paper straws available
Plastic Cutlery	<ul style="list-style-type: none"> Consolidation of SKUs from 140+ SKUs to 12 Introduced an "Upon Request" strategy 	<ul style="list-style-type: none"> Made reusable cutlery available, where possible 	<ul style="list-style-type: none"> Made reusable polypropylene (PP), birch wood or bamboo cutlery available
Hot Coffee Lids	<ul style="list-style-type: none"> Rationalized from 30+ SKUs to 4 	-	<ul style="list-style-type: none"> Introduced recyclable PP and renewable fiber lids
Portion Cups	<ul style="list-style-type: none"> Consolidated to 2 vendors 	-	<ul style="list-style-type: none"> Made available portion cups made by PP or renewable material
Take-Out Plastic Bags	<ul style="list-style-type: none"> Banned the usage of plastic take-out bags in our restaurants Implemented an "Upon Request" Strategy 	<ul style="list-style-type: none"> Provided access to reusable options 	<ul style="list-style-type: none"> Contracted vendors to produce paper bags
Black Plastic Containers	-	<ul style="list-style-type: none"> Made available reusable containers 	<ul style="list-style-type: none"> Replaced with clear plastic containers or ones made from renewable materials



2. WASTE MANAGEMENT

PROGRESS UPDATE

We strive to keep our waste out of the landfills and as such, are consistently implementing various diversion strategies around this goal. From product sourcing to post consumption at the restaurant and for take-out, waste management is part of our selection criteria throughout the entire supply chain cycle. A few examples of our progress include selecting pre-cut fruits and vegetables and ready-to-cook solutions for our restaurants when applicable; enforcing an "Upon Request" strategy; reducing our placemat consumption by creating digital solutions; ensuring our new packaging is 100% recyclable or contains recycled content and launching a pilot project for reusable dishes.



GOAL

01

To identify a strategy on waste management in 2022 and in subsequent years, measure our generated waste across our entire organization.

To create a database to quantify materiality and waste.

PROGRESS

EARLY STAGES

Throughout the 2022 fiscal year, we created a prototype database of our contract packaging SKUs and progressed in tracking the relevant data points to obtain a baseline of our generated waste. This will subsequently allow us to define our waste management roadmap.

In 2023, we will take a deeper dive into the various metrics of waste management and understand where we stand as a company to define our approach, starting with our head offices and corporates stores.

Our environmental sub-committee will be evaluating, with the store design and construction teams, the possibility to equip new or newly renovated stores with a waste management system and sorting bins, when possible and applicable.



02

To review and ensure, by the end of 2024, all MTY-branded packaging effectively communicates the proper manner in which such items should be disposed.

ON TRACK

Our goal is to standardize, simplify and clarify the disposal and handling instructions of our packaging for our guests while ensuring compliancy with the various evolving legislations, as well as the recycling and composting facilities' requirements.

03

To reduce the use of menu placemats at our brands' restaurants by 50% by 2024 vs our 2019 usage.

GOAL ACCOMPLISHED

AHEAD OF SCHEDULE!

We reduced our global usage of placemats by replacing them with reusable or digital solutions. These efforts yielded a decline in our placemat usage by 59% compared to our pre-covid baseline.

However, it should be noted that menu placemats are an important marketing tool and can also be essential for our operations. Therefore, for the placemats we are required to keep, a strategy to offset the carbon footprint stemming from these quantities will be adopted for 2023.

PLACEMATS PURCHASED (LBS)

2019	2022
341,777	139,597



3. EMISSIONS

PROGRESS UPDATE

GOAL

01

To understand our own emissions, to identify tools to measure and report, and to set goals and establish our roadmap.

To calculate our Scope 1 and Scope 2 emissions in 2023 and 2024 and to publish our results starting in our 2025 report.

To measure and report our Scope 3 emissions in 2030 and to identify our largest environmental impacts along our value chain as part of our 2023 report.

ON TRACK

An in-depth education on sustainability and our emissions is the foundation needed to draw out our blueprint to reduce our carbon footprint. The necessary efforts are being allocated to this step through research and via the participation to webinars and meetings. Due to the large scope of this initiative, we are also undergoing a thorough selection process for a resource to assist in the measurement of our greenhouse gas emissions, starting in 2023.

PROGRESS



NEW PLANET COMMITMENTS



PACKAGING

2023

- Publish our MTY packaging policy;
- Deplete inventory of hard-to-recycle plastics at our Canadian stores;
- In Canada and where required by law, we will no longer source products containing extruded polystyrene PS (Plastic #6, PS) and will be banning the sale and use of products made from PS by the end of the year.



WASTE MANAGEMENT

2023

- Measure and benchmark the waste generated from our corporately-owned restaurants, office locations and manufacturing plants;
- Evaluate different carbon neutral strategies to offset our placemat consumption.

2025

- Integrate a waste management system in new store construction or renovated stores, when possible and where applicable;
- Establish an MTY guideline to support our creative teams on how to dispose of branded packaging items.



PEOPLE

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OUR PEOPLE IMPACT OVERVIEW



LOGGED

575 HOURS

OF VOLUNTEER WORK FROM
OUR HEAD OFFICE STAFF



PARTICIPATED IN

447

COMMUNITY EVENTS



DONATED MORE THAN

\$1,000,000*

IN SPONSORSHIPS THROUGH
LOCAL COMMUNITY FUNDRAISERS



8,155

USERS ACCESSED
THE LEARNING HUB¹
IN 2022



100

FRANCHISEES
GRADUATED FROM
MTYU² IN 2022



EMPLOYEES COMPLETED

12,909

SECURITY AWARENESS COURSES



HÔPITAL CHINOIS
DE MONTRÉAL
滿地可中華醫院



CONTRIBUTED ALMOST

\$420,000

IN CONTINUED EDUCATION AND
TRAINING FOR OUR EMPLOYEES



DONATED

7,404



MEALS

*Combined, documented fundraising efforts (excluding food donations). Amount reported is in Canadian funds, using an exchange rate calculator of 1 USD = 1.33856 CAD.





¹ The MTY Learning HUB is a one-stop online learning resource center where franchisees can access just-in-time e-learning, videos, and communications. We also have a similar resource center in the US.

² MTY University (MTYU) is a virtual classroom training curriculum that complements in-store practical, hands-on training. MTYU is a 5-day online restaurant management training for new franchisees, restaurant managers and operations teams. We also have a similar training program in the US.

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	UNITED NATIONS SDG	UNITED NATIONS TARGETS	MTY'S IMPACT
PEOPLE PILLAR	3 GOOD HEALTH AND WELL-BEING 	3.8	<ul style="list-style-type: none"> We give new employees access to our health plan from the first day of employment at MTY by removing the 90-day probationary period; For most of our US-based brands, corporate store employees are given the opportunity to enroll in the health plans twice a year as opposed to only once a year as it was in prior years; Another new benefit offered to most of our US-based brands, is the addition of a second "plus" dental plan with greater benefits to give the employees more choices for their dental insurance needs and lower the cost that the employees pay for the first dental plan.
	4 QUALITY EDUCATION 	4.7	<ul style="list-style-type: none"> Increased continuing education from \$1,000 to \$2,000 annually; Promoted education on sustainability to all US and Canadian divisions of MTY through a town hall on the topic; Educated the Canadian operations team on sustainable packaging through 14 webinars and information sessions, given by our Non-Food Purchasing Manager, who is also a member of our ESG team; Our "Bake it up a Notch" Learning and Development discussion series were offered MTY-wide in 2022, and the following sessions focused on DEI-related topics: <ul style="list-style-type: none"> Equitable Hiring Practices (Managers only); Leading in Time of Uncertainty (Managers only); Change Management (Managers only); Developing your Personal Network (all employees); Feedback with Respect and Kindness (all employees); Things that Bring You Joy (all employees); We are proud to have had 100 franchisees graduate from MTYU in 2022; In the US, we had 8,155 users access our learning hub, which represents an increase of 138% vs 2021; We partnered with third-party companies to continue staff training on cybersecurity and diversity, equity and inclusion and the promotion of a positive workplace environment.

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

	UNITED NATIONS SDG	UNITED NATIONS TARGETS	MTY'S IMPACT
PEOPLE PILLAR	5 GENDER EQUALITY 	<u>5.1, 5.5</u>	<ul style="list-style-type: none"> Maintained a 53% female workforce at the end of 2022; Almost 56% of our leaders are female.
	8 DECENT WORK AND ECONOMIC GROWTH 	<u>8.2, 8.5, 8.7, 8.8</u>	<ul style="list-style-type: none"> Our Supplier Code of Conduct upholds our vendors to values that are important to us, including eradicating forced labor, a zero tolerance towards child labor, and promoting a safe and secure working environment for all workers.
	10 REDUCED INEQUALITIES 	<u>10.1, 10.2</u>	<ul style="list-style-type: none"> MTY met or exceeded the government set minimum wages in the regions where we have employees.
	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<u>16.2, 16.5, 16.6, 16.B</u>	<ul style="list-style-type: none"> MTY favors suppliers who are aligned with MTY's Supplier Code of Conduct in regards to Human Rights, Safe workplace environment and Business integrity.

PEOPLE PROGRESS UPDATE



1. MTY SUPPLIER CODE OF CONDUCT

PROGRESS UPDATE

GOAL

01

On an annual basis, we ask our active vendors to review and sign our Supplier Code of Conduct, to confirm they share in our values. By 2025, we aim to ensure that a mutually agreed upon Supplier Code of Conduct is in place for all active tier 1 MTY suppliers, which will be reviewed annually and updated accordingly, if necessary.

PROGRESS

ON TRACK

MTY'S SUPPLIER CODE OF CONDUCT INCLUDES THE FOLLOWING VALUES:

BUSINESS INTEGRITY

- **Compliance with law:** Supplier shall comply with all applicable laws and regulations of all applicable jurisdictions;
- **Anti-bribery:** Supplier shall not engage in any form of bribery, corruption, extortion, or embezzlement. Supplier shall not cause or even attempt to induce MTY to violate any applicable anti-bribery law or regulation;
- **Whistleblower protection:** Supplier shall promptly report actual or suspected violations of law or of this Code by any employee or agent acting on behalf of either the supplier or MTY. Whistleblower confidentiality shall be maintained, and retaliation shall be prohibited;
- **Accurate bookkeeping:** Supplier shall maintain accurate and transparent financial records in compliance to laws and regulations;
- **Confidentiality:** Supplier shall keep confidential all applicable information pertaining to MTY during and beyond supplier's business relationship with MTY;
- **Grievance Management:** Supplier is expected to provide an effective, anonymous system to its employees who raise any grievances, concerns or to elevate any potential violations to management.

HUMAN RIGHTS

- **Freedom of association:** Supplier shall respect the rights of its employees to associate or not to associate with any group, in accordance with all applicable laws and regulations;
- **Freedom from discrimination, harassment, or any other form of abuse:** Supplier shall ensure that its employees are free from any and all types of discrimination, harassment and abuse, including without limitation, physical, sexual, psychological, or verbal harassment or abuse. All employees shall be treated fairly, with dignity and respect;
- **Wages and benefits:** Supplier shall ensure its employees are paid lawful wages and are provided equal benefits, including overtime and equal pay for equal work without discrimination;
- **Employment status:** Supplier shall only employ workers legally authorized to work at the facility/location and are responsible for ensuring employees' work status eligibility through validation of appropriate documentation;
- **Underage labor:** Supplier shall ensure no underage labor has been used in the production or distribution of their goods and services. Underaged is defined as a child under the minimum employment age according to the laws of the applicable jurisdiction;
- **Working hours and rest days:** Supplier's employees shall be entitled to rest at least one day per seven and overtime work shall be on a voluntary basis and in accordance with applicable laws.

WORKPLACE ENVIRONMENT

- **Safe and healthy working conditions:** Supplier shall proactively manage the health and safety risks to allow for an environment without preventable incidents and occupational injuries as defined by applicable safe and healthy working environments. Supplier shall provide access to safe drinking water, sanitation and hygiene stations including adequate restrooms and handwashing facilities, fire exits and fire safety equipment, emergency aid kits, and access to fire and medical services;
- **Reduction of environment impact:** Supplier is expected to manage and minimize the environmental impact of their facilities, including air emissions, waste reduction, recovery and management, water use and disposal, and greenhouse gas emissions.



2. CULTURE & DIVERSITY, EQUITY AND INCLUSION

PROGRESS UPDATE

GOAL

PROGRESS

01

To report on the demographic breakdown of our head office employees by race, by 2022.

GOAL ACCOMPLISHED 

According to Statistics Canada's 2021 Canadian Census, close to 70% of the Canadian population is identified as white. In comparison, we are pleased to report that head office team demographic showed greater diversity at the end of our 2022 fiscal year, with the white demographic representing 62.2%, and 37.8% identifying as other ethnicities. Furthermore, the white demographic represented 52.9% of our new hires in 2022, with 47.1% identifying as another racial group.

In the US, 75.8% of the population identified as white alone. Our US head offices employ within the National average for the white demographic and increased our diversity breakdown by hiring 56.8% of new employees who identify as white alone, throughout the year.

With the target to report on our head office employees by race by 2022 accomplished, we are now committing to include the reporting of our corporate store employees in Canada by 2024.

CANADA

USA

	ETHNICITY	HEAD OFFICE EMPLOYEES (%)	CORPORATE STORES (%)	HEAD OFFICE EMPLOYEES (%)	CORPORATE STORES (%)
ACTIVE	White	62	n/a	75	49
	Asian	13	n/a	3	2
	Middle Eastern	9	n/a	0	0
	Two or More Races	7	n/a	3	4
	Hispanic or Latino	4	n/a	11	34
	Black or African American	4	n/a	4	8
	American Indian or Alaska Native	1	n/a	1	2
	Native Hawaiian or Other Pacific Islander	1	n/a	0	1
	Unspecified	0	n/a	4	2
NEW HIRES	White	53	n/a	57	34
	Asian	13	n/a	4	2
	Middle Eastern	12	n/a	0	0
	Black or African American	9	n/a	7	9
	Two or More Races	7	n/a	6	6
	Hispanic or Latino	3	n/a	15	46
	American Indian or Alaska Native	1	n/a	1	2
	Native Hawaiian or Other Pacific Islander	1	n/a	0	1
	Unspecified	0	n/a	10	0

02

To evaluate our current diversity, equity and inclusion practices and efforts, identify and explore opportunities for improvement and engage with a third-party firm to set a DEI strategy by 2023.

ON TRACK

In 2022, MTY made progress with a third-party firm to assess DEI opportunities to inform the future strategy, including a review of policies and procedures, creation of internal labor maps, and executive interviews.

03

To mandate head office employee training for Diversity, Equity and Inclusion, and Cybersecurity and Data Protection and to report on the average hours of training per year per employee by 2023.

GOAL ACCOMPLISHED

In 2022, we continued our partnership with Traliant to provide an increased understanding on microaggression in the workplace; diversity, inclusion and sensitivity; and unconscious bias, to all Canadian head office employees. Our Cybersecurity training hours totaled 1,897 hours for all MTY head office staff members. Although we have accomplished our goal ahead of time, we plan on continuing our approach towards fostering a positive, inclusive and collaborative workplace for all.



3. COMMITTEE SUPPORT

PROGRESS UPDATE

GOAL

01

Employees will be encouraged to participate in one or more events designed to benefit a charitable organization as of 2023. Employees will be paid for their time and have the ability to request accommodation, if necessary.

PROGRESS

ON TRACK 

Our team is working on formalizing channels to facilitate and encourage our employees to give back to our community. These measures include:

- Setting up a philanthropy program allowing team members to donate to MTY-approved charitable organizations;
- Signing up to participate in local charity events. This year, the MTY Montreal team participated in the Montreal Children's Hospital's Pedal for Kids event, to raise funds for the hospital's projects to help give sick children a better quality of life. Our Papa Murphy's team participated in a competition to help raise funds for No Kid Left Hungry in the US;
- Setting up a means for employees to ask for paid time off for volunteering purposes.



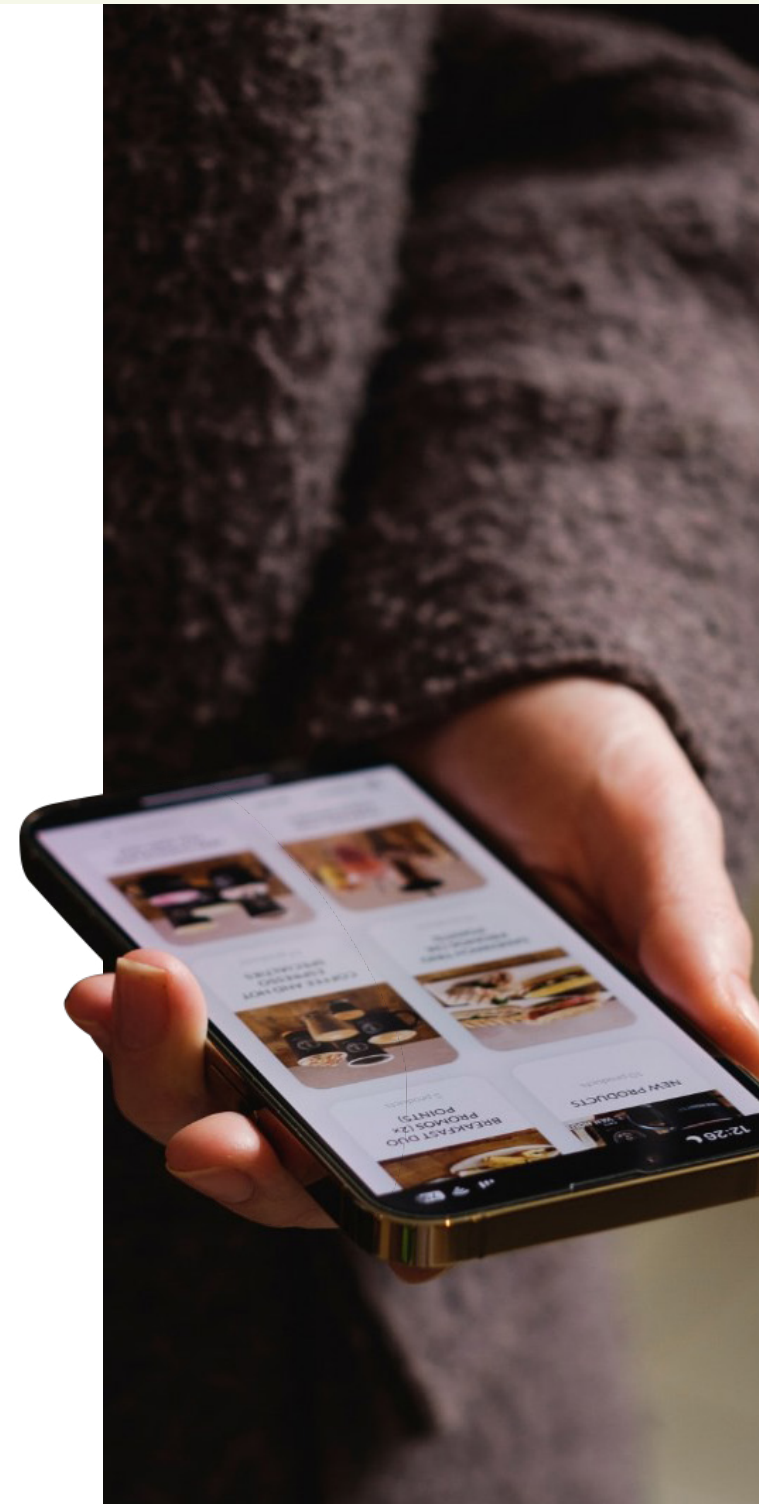
4. CYBERSECURITY & DATA PROTECTION

PROGRESS UPDATE

Cybersecurity and data protection are critical for maintaining customer trust, ensuring regulatory compliance, and enabling reliable business operations. MTY is committed to continuously assessing and advancing its strategy and capabilities in these areas.



- Security Ratings and Industry Benchmarking
 - Achieved BitSight rating in the top 30% of industry peers
- Security Awareness Program
 - Rolled out a multi-faceted security awareness program for corporate users across all divisions
 - Assigned monthly e-learning courses
 - Conducted quarterly phishing simulations
 - Launched October Cybersecurity Awareness Month initiative
- Cyber Risk Management Program
 - Maintained a cyber insurance policy
 - Expanded the role of cyber security in the company's M&A due diligence process
 - Established a Third-Party Risk Management process
- Attack Surface Management
 - Created and maintained an inventory of network-joined assets and assets exposed to the internet
 - Created and maintained an inventory of company websites and mobile applications
 - Implemented a vulnerability management program including scans, reporting, and remediation
 - Created a risk-based prioritization methodology for vulnerability remediation
 - Established baseline metrics to track vulnerability management performance over time
- Security Operations
 - Established threat intelligence capabilities to proactively identify threats against our company and brands
 - Created an internal Security Operations Center to partner with security service providers to monitor and respond to security events
- Incident Response
 - Established a breach response plan
 - Responded to security events with no material or reportable incidents



NEW PEOPLE COMMITMENTS



COMPENSATION COMMITTEE

2023

To form a compensation committee at the Board level to be in charge of determining the compensation plan for senior management.

In a subsequent event after the period of the 2022 Sustainability Report but prior to its publication, in March 2023, MTY's Board of Directors formed the Compensation, Nomination and Governance Committee. The Committee's responsibilities are to determine executive compensation, development and succession, Board structure and corporate governance policies in alignment with MTY's future goals.



CAREER DEVELOPMENT

2023

Introduce a Manager Training Program.

FORWARD-LOOKING STATEMENT

This report contains certain statements relating to our food, planet and people goals, as well as other statements of our expectations and plans, which are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical or current facts, including statements regarding our plans, initiatives, projections, goals, commitments, or expectations are forward-looking. We use words such as “anticipate”, “intend”, “aim”, “believe”, “commit”, “plan”, “estimate”, “strive”, “target”, “seek”, “project”, “expect”, “may”, “will” or similar expressions to identify forward-looking statements. Forward-looking statements reflect management’s current expectations and are based on information available to us at the time the statements were made and we assume no obligation to update these forward-looking statements. These statements inherently involve risks and uncertainties and actual results could differ materially due to various factors, including evolving sustainability strategies, expectations not being realized, evolving government regulations, or other changes in circumstances. The statements and commitments made throughout this report may not be applicable for brand acquisitions made by MTY after this report is published or for brands who were not part of MTY for a minimum of twelve months.

Thank you for reading our 2022 Sustainability Update Report and for accompanying us on this journey. We remain dedicated to sustainability at MTY and welcome any feedback you may have about the efforts we have made and the targets we have set.

Thank you for your continued trust in us and for supporting our goal to create a more sustainable MTY for our future.

- MTY Sustainability Team

“LET’S ROLL”

S. Turbullyer