

RECIPE

EST. 1883



OUR RECIPE FOR SUSTAINABILITY

2020 CORPORATE SOCIAL RESPONSIBILITY REPORT

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“Our CSR vision, goals and \$20 million investment will help further unite our teammates, franchisees and suppliers around the priorities that matter most: sustainably growing the business, taking care of our people and planet, and delivering exceptional dining experiences our guests have come to expect.”

FRANK HENNESSEY
Chief Executive Officer

2020 was a year like no other. The multiple impacts of the COVID-19 pandemic, social unrest witnessed across the globe and the recognition of the critical role played by essential frontline workers have only amplified the importance of Recipe's role in our communities. Taking care of our teammates, franchisees, and guests in a safe environment, while continuing to serve delicious food and advance our environmental sustainability efforts was at the heart of everything we did.

It's these adversities that have pushed us to innovate and become increasingly proactive, leaning into the corporate social responsibility values that make Recipe a dynamic leader in the hospitality industry. We're proud of the progress we've made and have aggregated our efforts for the first time in Recipe's inaugural CSR report with a distinct focus on three pillars: People, Food, and the Planet.

Our focus on People, especially the communities that welcome our restaurants with open arms, was amplified more than ever by the hardships the restaurant industry faced this past year. Recipe extended benefits and \$1,047,000 in Thank You Pay to our frontline teammates. We committed over \$40 million in support* to our franchise partners and donated over \$2.28 million including 158,543 meals to those impacted by COVID-19. We also turned our attention to People development and our RU Leading and RU Game platforms engaged over 19,000 learners. As we look ahead to 2025, 50% of our leadership team (director-level and above) will be from diverse backgrounds, a goal we will enthusiastically meet to ensure that Recipe reflects the local communities and diversity of guests our restaurants serve.

Food is at the heart of everything we do, and in 2020 we were able to donate over \$450,000 of surplus food from COVID-19 related closures. Recipe continued to support and work with the producers and suppliers that meet the highest standards of animal welfare, and we achieved our goal of transitioning to only using cage-free eggs. As we continue on our journey for good, we will ensure our Recipe brands are members of the Canadian Roundtable for Sustainable Beef (CRSB), and by the end of 2022, all of our seafood will be third-party certified helping support a more sustainable food supply chain for generations to come.

Over the last two years we have also focused on being better to our Planet by actively testing and implementing the right technologies that are enabling us to reach our goal of reducing our energy and water consumption by 15% from our 2018 baselines. At the same time, we have been partnering with our brands and suppliers to complete 16 initiatives focused on increasing the sustainability of our guest packaging. Collectively, these initiatives have allowed us to ensure that 99.7% of our packaging is per- and polyfluoroalkyl substances free, 90% of guest packaging is made from renewable, recyclable or recycled sources, and 95% of paper-based packaging is made with fiber from certified sources. We're making great strides but recognize that there is much more to do, including more actively focusing on managing our waste. Our aim by the end of 2022, is to have a better understanding of our waste volumes and diversion baselines as well as the availability of waste infrastructure by region in Canada to better inform our diversion goals.

* The committed support was partially reduced by benefits franchisees received under government assistance programs after Recipe announced its franchisee support programs.



Our goals create a greater vision that helps to further unite our teammates, franchisees, and suppliers around the priorities that matter most: sustainably growing the business, taking care of our People and Planet, and delivering the exceptional dining experiences our guests have come to expect. **Over the next 4 years, Recipe will invest \$5 million each year to achieve our goals across our People, Food and Planet CSR pillars.** The future looks brighter than ever for Recipe as we implement our recipe for sustainability.

Thank you for your continued support,

Frank Hennessey, CEO

Julie Denton, CPO

Ken Grondin, CFO



ABOUT THIS REPORT

This is Recipe Unlimited Corporation's inaugural corporate social responsibility (CSR) report, outlining our CSR journey and highlighting the impact we hope to make across our People, Food, and Planet priorities by 2025.

To determine the topics included in this report, Recipe Unlimited undertook external research, sought input from key stakeholders and executives, and leveraged the expertise of our CSR Steering Committee. The Sustainability Accounting Standards Board's (SASB) Food & Beverage – Restaurants industry disclosure metrics were an important measure of our performance. A summary table of Recipe's performance against these metrics is provided in the appendix. The appendix also holds several supplementary measurements across the People and Planet pillars that we consistently monitor and believe are important to our operations.

The information in this report reflects the CSR performance of Recipe Unlimited in Canada (where 96% of our restaurants are operated) for the financial year ended December 27, 2020*. Our reporting efforts focused on corporate restaurants and franchise locations where data was available. Unless otherwise stated, we have excluded our 46 joint venture locations and any U.S. and international locations from the results. All financial information is presented in Canadian dollars. Going forward, we will continue to publish the CSR report annually in alignment with our fiscal year.

The information in this report has not been externally assured.

We value feedback from all our stakeholders. For questions or comments concerning this report, please contact us at CSR@recipeunlimited.com.

* The Milestones brand, which was part of Recipe throughout 2020, is included in this report. On June 24, 2021, Recipe announced that it entered into an agreement to sell Milestones and that the transaction would close within 60 days.



ABOUT RECIPE

Recipe Unlimited Corporation (TSX: RECP) is Canada's largest full-service restaurant company. Founded in 1883 as The Canada Railway News Company and later renamed CARA Operations, for 137 years, we have nourished Canadians and helped them celebrate life while enjoying delicious food.

Recipe franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Montana's, Kelseys, East Side Mario's, New York Fries, Prime Pubs, Bier Markt, Landing, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, Fresh, Ultimate Kitchens and 1909 Taverne Moderne.

Our 25 iconic brands and 1,341 restaurants* offer a variety of menus and dining styles that appeal to the full spectrum of food preferences and eating habits.

Recipe divides its operations into four business segments: corporate restaurants, franchise restaurants, retail and catering, as well as central operations. We operate our restaurants across 11 countries: Canada, USA, Bahrain, China, India, Macao, Oman, Panama, Qatar, Saudi Arabia, and the UAE.

In Canada, where 96% of our restaurants are operated, we have a strong regional presence with restaurants located coast-to-coast, and head offices in major business centers including Montreal, Toronto, Calgary, and Vancouver.

* Restaurant counts are as at December 27, 2020.

**1,341 RESTAURANTS IN
11 COUNTRIES**

210 CORPORATE

1,085 FRANCHISE

46 JOINT VENTURE

**TOTAL SYSTEM SALES
\$2,424.7 MILLION**

**TOTAL GROSS REVENUE
\$864.6 MILLION**

OUR BRANDS

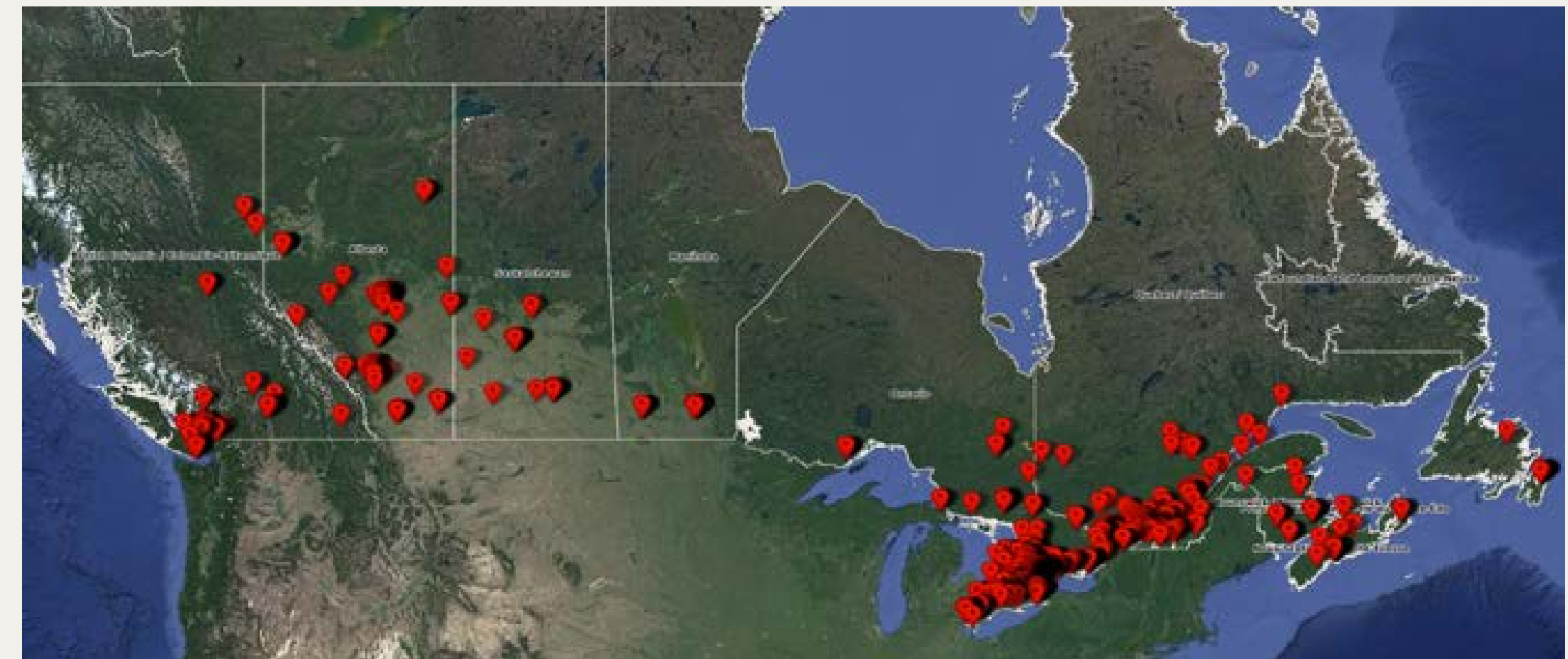
**RESTAURANTS IN CANADA
1,290 (96%)**

**CORPORATE HEADCOUNT
IN CANADA
8,889***

**YEARS IN OPERATION
137**

RECIPE AT-A-GLANCE 2020

ACROSS CANADA





“Our values are at the core of how we deliver our vision and mission. They bind us as one team under Recipe, while supporting the uniqueness of our multiple brands.”

JULIE DENTON
Chief People Officer

OUR VISION, CULTURE & VALUES

As an organization that has grown quickly both organically and through acquisition, with 25 brands and hundreds of restaurant locations, we know that creating a values-driven culture that inspires and connects our People is critical to Recipe’s continued success.

To that end, in 2019, we engaged over **150 head office and restaurant teammates across our brands to help define a set of common cultural values that matter most to Recipe.** Teammates participated in in-person focus groups or completed short surveys to provide their feedback. Input from all participating employees was leveraged to identify Recipe’s five core cultural values and desired behaviours that collectively and individually allow us to do and be our best.

Since then, we have **embedded our core values into key People processes and activities:**

PERFORMANCE MANAGEMENT

Mid-year and year-end reviews include teammates’ performance assessed against the values. In 2021, employees will also be able to invite their peers to provide feedback on their work and how they ‘lived’ the values as part of the performance management process.

EMPLOYEE RECOGNITION & FEEDBACK

Teammates can recognize and celebrate how their peers have ‘lived’ our values by sharing their feedback on ‘Cheers for Peers’ Recognition cards.

RECRUITMENT PROCESS

Recipe’s interview guides include questions specifically related to behaviours aligned to our values.

.....

In 2020, we relied heavily on our values to ground us and guide our decisions as we navigated through the changes and uncertainty brought on by the COVID-19 pandemic.

OUR VISION

TO DELIVER EXCEPTIONAL DINING EXPERIENCES AND BE A FRANCHISOR OF CHOICE IN CANADA AND ABROAD.

OUR VISION, CULTURE & VALUES

OUR VALUES



As global citizens, we act with integrity and we will **DO THE RIGHT THING** for our people, our communities and our planet.



Our work, our attitude, our success or failure, together or individually, whatever we do -- we **OWN IT**.



We are insatiably **CURIOUS** and continually find new ways to evolve and improve the experiences of our team, our guests, our franchisees and our shareholders.



We are a business of and about **PEOPLE**. We support and celebrate our diversity, experience and ideas.



We are **PASSIONATE** and committed to delivering great experiences in our restaurants and offices that support success.

OUR CSR VISION

WE DO THE RIGHT THING FOR OUR PEOPLE, COMMUNITIES AND PLANET BY OPERATING SUSTAINABLY AND DELIVERING EXCEPTIONAL DINING EXPERIENCES.

Our CSR vision will be realized through 5 key CSR pillars:

PEOPLE

- Talent & Employee Engagement
- Diversity, Equity & Inclusion
- Benefits & Compensation
- Employee Wellness
- Community Engagement & Philanthropy

FOOD

- Sustainable Food Sourcing
- Food Safety
- Choice & Nutrition
- Responsible Marketing
- Food Rescue

PLANET

- Green Design & Construction: Energy Management, Water Management, GHG Emission Reduction
- Sustainable Packaging
- Waste Management

GOVERNANCE & ECONOMIC

- Strategy, Policies & Processes
- Sustainable Growth
- Metrics & Transparent Reporting

ETHICS & LEGAL

- Ethics & Human Rights
- Legal & Regulatory Compliance

CSR STRATEGIC FRAMEWORK



CSR GOVERNANCE

Our governance approach to CSR provides a solid foundation for cross-functional decision-making and insight, visibility to and accountability for our CSR performance, and enables the resources to effectively support the multiple People, Food and Planet priorities we are undertaking.

Recipe Unlimited's CSR Task Force is composed of 11 members representing key functional areas and domains of expertise across the company. The CSR Task Force identifies, informs and helps implement key priorities across our People, Food and Planet CSR pillars.

The CSR Task Force typically meets on a weekly basis to assess progress, identify issues and risks, discuss interdependencies and prepare materials to support upcoming quarterly updates and discussions with the CSR Steering Committee (CSR SteerCo) and other senior leaders.

The CSR SteerCo is composed of the CEO and members of Recipe's Executive Leadership Team and Senior Leadership Team representing brands and shared services functions. The CSR SteerCo defines the CSR vision, provides strategic guidance and budget approvals for CSR priorities, and addresses escalated risks and issues. Select CSR SteerCo members also share updates concerning CSR priorities and progress with the Board's Governance, Compensation & Nominating Committee, gathering feedback where appropriate.

Recipe's Board of Directors is kept updated on CSR priorities and progress through the CEO's standing quarterly progress report. The Board is responsible for monitoring the social responsibility, integrity and ethics of Recipe.

Going forward, we will continue to communicate our CSR initiatives and performance on a regular basis through our internal CSR governance structure, annual reporting as well as updates through our social channels and website.



RECIPE BOARD OF DIRECTORS

GOVERNANCE, COMPENSATION & NOMINATING COMMITTEE

Mark Saunders, *Chair*

CSR STEERING COMMITTEE

Frank Hennessey, *Chief Executive Officer*

Julie Denton, *Chief People Officer (CSR Executive Sponsor)*

Peter Vale, *SVP, Strategic Sourcing (CSR Executive Sponsor)*

David Colebrook, *President, Harvey's & New York Fries*

David Blumberger, *General Counsel & VP Legal*

Ken Grondin, *Chief Financial Officer*

Mark Eaton, *Chief Development Officer*

Derek Doke, *President, Franworks*

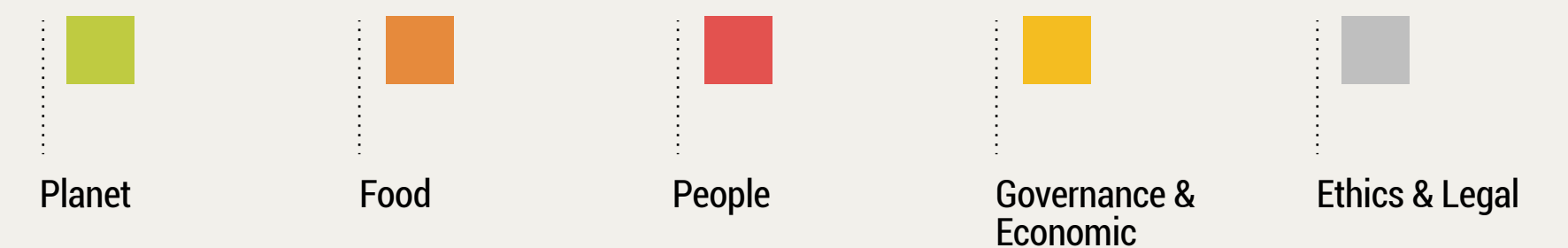
Nick Dean, *President, Keg Restaurants*

Gary Black, *Chief Digital Officer*

CSR TASK FORCE MEMBERS & FOCUS AREAS

| | | |
|---|---|--|
| □ | CSR Task Force Chair | Gina da Costa, <i>Sr Director, Strategic Sourcing</i> |
| ■ | Sustainable Packaging | Jenny Chen, <i>Strategic Sourcing Manager</i> |
| ■ | Green Design & Construction | Paulo Ferreira, <i>VP, Design & Construction</i> Sam Ireland, <i>Director, Vendor Management & Design</i> |
| ■ | Sustainable Food Sourcing; Waste Management | Adam Brown, <i>Strategic Sourcing Manager</i> |
| ■ | Food Safety; Choice & Nutrition | Christine Mulcahy, <i>Sr Director, Food Safety, Quality Assurance & Regulatory Affairs</i> |
| ■ | Talent & Employee Engagement | Rachel Wong, <i>Sr Director, Total Rewards</i> Stephanie Roche, <i>Sr Director, Learning & Development</i> |
| ■ | Community Engagement & Philanthropy | Josée Vaillancourt, <i>Directrice, Communication et Fondation St-Hubert</i> Shalin Shah, <i>Sr Manager, Marketing, Harvey's</i> |
| ■ | Governance & Economic; Ethics & Legal | Winnie Minos, <i>Director, Financial Reporting</i> |

CSR GOVERNANCE





PAUL RIVETT

Chair of the Board of Recipe Unlimited Corporation

Corporate Director since: December 31, 2019



MARK SAUNDERS

Chair of the Governance, Compensation and Nominating Committee of Recipe Unlimited Corporation

Corporate Director since: January 1, 2021



STEPHEN GUNN

Chair of the Audit Committee of Recipe Unlimited Corporation

Corporate Director since: March 26, 2013



DAVID AISENSTAT

Vice Chair of the Board of Recipe Unlimited Corporation

Corporate Director since: May 11, 2018



KIM BAIRD

Corporate Director since: May 7, 2021



CHRISTY CLARK

Corporate Director since: May 11, 2018



CHRISTOPHER D. HODGSON

Corporate Director since: April 10, 2015



SEAN REGAN

Corporate Director since: April 10, 2015

BOARD OF DIRECTORS

The mandate of the Board of Directors is to provide governance and stewardship to Recipe Unlimited and its business. In fulfilling its mandate, the Board has adopted a written charter setting out its responsibility for, among other things, monitoring the social responsibility, integrity and ethics of the company. To support the effective execution of their mandate, Recipe's Board is kept updated on CSR priorities and progress through the CEO's standing quarterly progress report.

Recipe's Board believes that having a diverse panel and senior management team strengthens the diversity of thought and provides broader perspectives in order to enhance Board and senior management performance. The company's Governance, Compensation and Nominating Committee identifies director candidates to the Board and from time to time, candidates for senior management roles. The committee ensures nominees possess the necessary skills and experiences to strengthen the Board and senior management team with a goal to increase diversity within Recipe.

For additional information on Recipe's Corporate Governance practices and guidelines, as well as Board and committee composition, please refer to Recipe's Management Information Circular which can be found on www.sedar.com.

Recipe's Board of Directors is expected to consist of eight directors, the majority (seven) of whom are considered independent under Canadian securities laws.

“ I am delighted to have joined Recipe’s Board of Directors as the company takes this exciting next step in its sustainability journey, and I look forward to championing Recipe’s CSR vision and the important People, Food and Planet commitments the company has set out to achieve by 2025. ~ MARK SAUNDERS ”

Recipe is committed to sound and transparent corporate governance management. Our corporate governance policies and practices are reviewed regularly by Recipe's Board of Directors and updated as necessary or advisable to ensure compliance with all applicable rules.

In keeping with our commitment, we have articulated several key codes and policies that provide clear expectations across stakeholders for how we do business.

GOVERNANCE & ETHICS

RECIPE'S KEY CODES AND POLICIES

Each year, Recipe's directors, officers and corporate employees are asked to review and attest to comply with the following:



RESPECT IN THE WORKPLACE POLICY

which guides the behaviours and actions of our corporate salaried and hourly teammates towards one another, our guests and our partners. Recipe is committed to and believes in a workplace that is inclusive, equitable, celebrates diversity and is free of workplace harassment, discrimination, violence, bullying (including cyber-bullying) or abuse.



INSIDER TRADING POLICY

which reminds Recipe's directors, officers and corporate salaried employees of their responsibility to maintain the confidentiality of internal information relating to Recipe and of the circumstances in which they should not trade in Recipe Securities. An additional purpose of this policy is to alert those individuals that the same principles apply with respect to all publicly traded securities.



WHISTLEBLOWER POLICY

which outlines key examples of when to use the policy as well as the key contacts and process for directors, officers, and corporate salaried and hourly employees to follow should they need to raise serious good-faith concerns of misconduct by others at Recipe.



CODE OF CONDUCT

which sets out the principles to ensure that Recipe's directors, officers and corporate salaried and hourly employees conduct themselves in an honest and ethical manner in all of their dealings with Recipe or when acting as a representative of Recipe.



SOCIAL MEDIA POLICY

which sets out Recipe's expectations and requirements of corporate hourly and salaried teammates when using social media for business or personal purposes.



“Throughout our 137 year history, Recipe’s success has been rooted in the personal and professional integrity of our leaders and teammates. Our corporate codes and policies provide clear expectations for how we do business, while our cultural values, especially ‘do the right thing’ and ‘own it’ continue to remind us to act with integrity and ethics.”

KEN GRONDIN
Chief Financial Officer

ETHICS HOTLINE

Recipe's continued success depends on ethical behaviour at all levels of the organization. Recipe is committed to complying with applicable laws and regulations to which it is subject and to protecting associates, funds, assets and resources as appropriate.

Each year, Recipe's directors, officers and corporate employees are reminded of their responsibility to report any observed behaviour that they believe may be illegal or a violation of the Code of Conduct or company policy. When in doubt about the best course of action in a particular situation they are also encouraged to make a report.

In addition to discussing an issue with their manager or leader in their function, employees can also connect with Recipe's Legal Department and contact the independent, third-party Ethics Hotline for further guidance.

Recipe is a business of and about people: our head office and restaurant teammates, franchisees and guests. If anything, the COVID-19 pandemic has made it exceedingly clear just how critical our people are to the success of our business, especially those teammates who have been on the frontlines since March 2020.

2020 HIGHLIGHTS

- Extended **benefits** (e.g. EAP, paid sick days and personal wellness days) and **\$1,047,000 in Thank You pay** to hourly and part-time corporate restaurant teammates across Canada
- Committed over **\$40 million of direct financial support to 800+ franchise partners***, along with establishing a COVID resource portal to provide guidance on legislation, government support programs and safety protocols
- Launched **Recipe University** engaging more than **19,000 learners** across our **RU Leading** (leadership development) and **RU Game platforms**
- Introduced a **business certification program** focused on training to safely reopen and operate restaurants with enhanced safety protocols
- Donated more than **\$2.28 million** including **158,543 meals, 100,000 burgers and 2000 chicken pies** across our communities

* The committed support was partially reduced by benefits franchisees received under government assistance programs after Recipe announced its franchisee support programs.

PEOPLE





TALENT & EMPLOYEE ENGAGEMENT

I am incredibly proud of the resilience, passion and camaraderie that our teammates, franchisees and leaders have shown this past year. It highlights the importance of attracting the right people, growing and developing them in line with Recipe's values, and remaining committed to our collective success.

JULIE DENTON
Chief People Officer



As in many other parts of the world, the restaurant industry in Canada was significantly impacted by the COVID-19 pandemic. Beginning in March 2020, our business faced multiple challenges and disruptions due to continual lockdowns, closures, and newly legislated health and safety protocols. Not surprisingly, our ways of working and people, from head office employees to frontline restaurant teammates, have been affected by the pandemic.

This year, we have relied extensively on our organizational values to help guide and anchor our actions as we navigated through evolving legislation and periods of uncertainty across Canada.

Moreover, despite the pandemic, we did not want to lose the momentum gained in the previous 18 months as we worked to enhance and/or system-enable several key people processes and programs including recruitment, learning and development, performance and succession management and total rewards. We recognize that it is these supporting mechanisms coupled with our unique culture and values that enable Recipe to attract, grow and empower our people to be and do their best.

TALENT & EMPLOYEE ENGAGEMENT

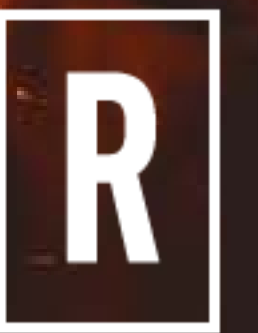
RECRUITMENT

In 2020, we launched Recipe's online internal career portal, the **Career Café**, where teammates can view and apply to open positions at head office and corporate locations before they are posted externally. The Career Café helps our teammates better understand the various career paths and opportunities for development available to them at Recipe. Over the next several months, we will be extending access to the Career Café across our franchisee network.

Our **Recipe Campus Community Program** continues to bring together a cohort of students from multiple post-secondary institutions across Ontario into our head office and shared services functions. Over four months, participating students gain valuable experience working in core operational domains or supporting specific Recipe initiatives.

We recognize the importance of providing a seamless and welcoming onboarding experience. To that end, we are enhancing our onboarding program through **Recipe's Onboarding Lounge** which will serve as a new hire's 'go-to' place for information and links to sources needed throughout their first three months with us. The lounge will also feature welcome videos from our leaders, an overview and celebration of Recipe's values, videos about our brands and a virtual office tour.

Recipe is also developing an internal job rotation program, the **Recipe Rockstar Program**. The program identifies qualified (restaurant) teammates and engages them in head office assignments where they can learn new skills, build cross-functional relationships and expand their potential career paths at Recipe.



LEARNING & DEVELOPMENT (L&D)

L&D at Recipe aims to unlock the potential of our head office leaders and teammates, corporate restaurant employees and franchisees. Our primary goal is to build a blended learning experience that is inclusive, interactive and engaging, with a focus on brand specific and compliance training as well as leadership skills.

Since launching Recipe University (RU) in 2019, we have expanded our L&D offering with a focus on three key programs:

RU GAME (E-LEARNING PLATFORM)

A mobile-friendly platform that provides personalized training using gamification through frequent, short training bursts to build knowledge, improve behaviours and impact business results. Learning combines both compliance and brand specific training for our corporate and franchise restaurant teammates. More than 19,000 learners are engaged in training through RU Game.

Our e-learning platform also provides managers with reporting insights on learners' progress. It reduces the time spent on training administration and follow-up, and allows managers to focus on key areas for development and coaching opportunities.

RU TRANSFORMING (CHANGE MANAGEMENT)

A streamlined learning program focused on organizational change management to support Recipe-driven initiatives including new system rollouts.

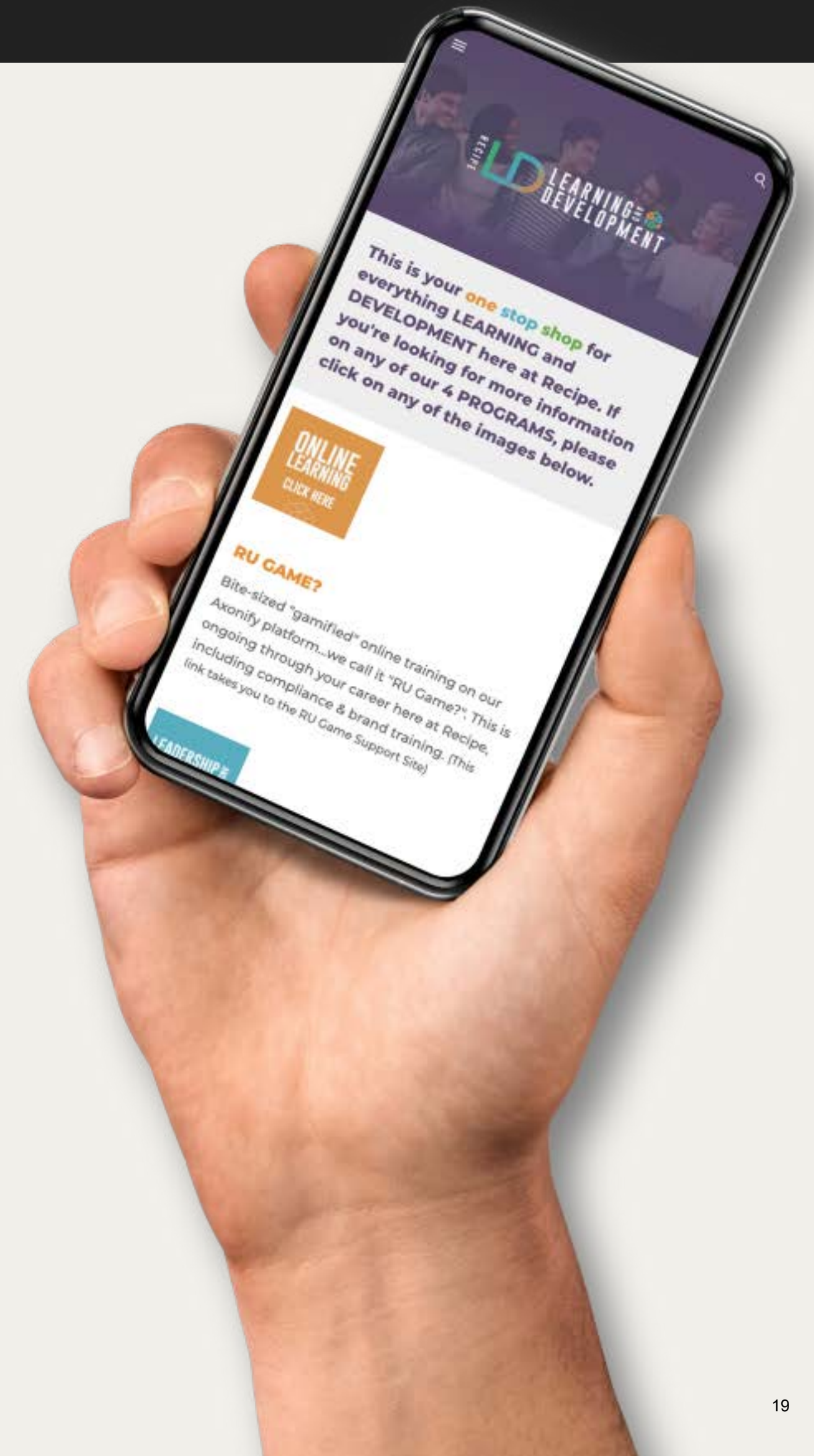
This transformative change management methodology assists in executing highly-effective projects and supports the adoption of new systems with resources, training tools and frameworks to aid our teams in creating a positive change experience for our head office and restaurant teammates.

RU LEADING (PROFESSIONAL DEVELOPMENT)

We offer a variety of different learning experiences including virtual, in-class, Google classroom and independent learning that support a blended learning approach to meet learners' needs.

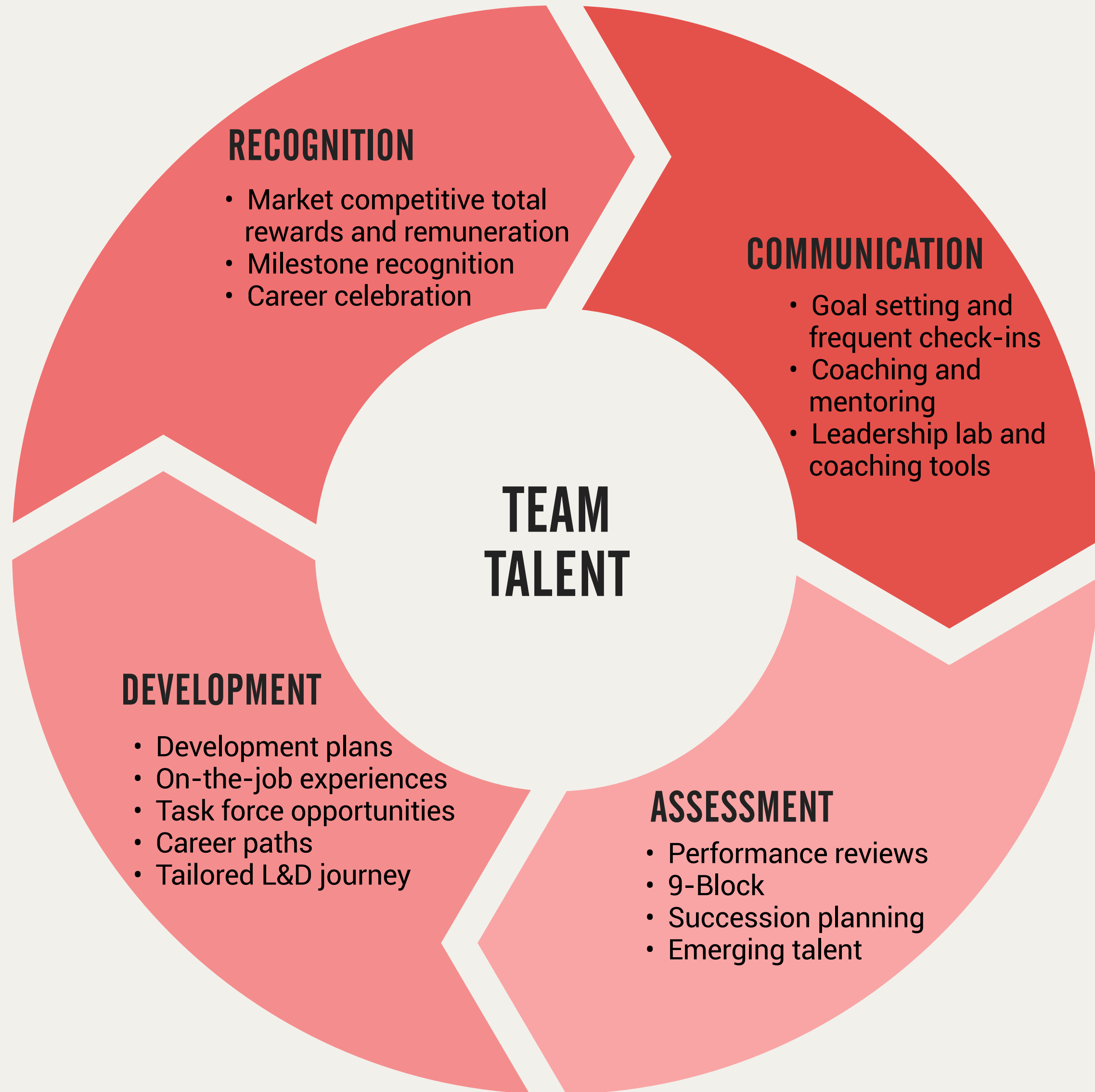
RU Leading, which launched in April 2021, includes over 33 courses that cover five key curricula: People Development, Guest Experience, Business Fundamentals, Technology Platforms & Systems, and Legislative Requirements. All courses include supporting materials to promote ongoing learning, and enhance current brand training leadership programs for head office, corporate General Managers and franchisees.

TALENT & EMPLOYEE ENGAGEMENT



PERFORMANCE MANAGEMENT

In addition to expanding our L&D programming, Recipe Unlimited also recently enhanced its performance and succession management approach and tools. These critical processes were redesigned to enable us to more effectively and efficiently assess, develop and recognize our people.



TALENT & EMPLOYEE ENGAGEMENT

Our refreshed performance management approach was designed to target three employee categories:



LEADERS

Director-level
leaders and above



MANAGERS

including restaurant managers,
business development
managers and people managers



INDIVIDUAL CONTRIBUTORS

teammates who do not
manage others

Employees work with their managers to define short and long-term goals, create development plans and discuss progress through regular one-on-ones. Beyond guidance from their managers, employees can also receive values-based feedback and recognition from their peers. Employee performance is assessed against relevant business and personal goals, Recipe's values, and role-specific competencies.



TALENT & EMPLOYEE ENGAGEMENT

In 2019, we implemented an enhanced succession planning process, **Our Recipe for Success** which is delivered semi-annually, with a focus on further delineating employee performance and potential against our 9-Block framework.

Performance and succession management at Recipe are now system-enabled through Recipe's HRIS, allowing for the data-capture of ongoing performance conversations, ratings and real-time reporting. Recipe's leaders, managers and individual contributors received role-specific training, step-by-step videos and job aids to enable them to effectively transition to our new performance and succession management processes and tools.

In 2020, 100% of Recipe's head office teammates and corporate salaried employees participated in the refreshed performance management process, and we completed succession and development conversations regarding all of our teammates from assistant restaurant managers up to our Executive team.

EMPLOYEE ENGAGEMENT

We know that engaged employees show up to work with passion, a sense of purpose and energy to accomplish their goals. Over the past 18 months, we have enhanced several key people processes and programs, and defined the culture and values that bind us together as one team across brands, guiding how we deliver on Recipe's mission and vision.

In 2019, we engaged over 150 head office and restaurant teammates from across our brands to define a set of common cultural values that matter most to Recipe. Teammates participated in in-person focus groups or completed a short survey to provide their feedback. Thematic and frequency analysis on 500+ behaviours and characteristics shared by employees allowed us to ultimately define the five core cultural values and desired behaviours that our people believe are most important.

Also in 2019, Recipe conducted an employee engagement survey with 325 head office employees to gather preliminary feedback on teamwork, rewards/recognition, L&D, leadership/management, communication as well as key opportunities for improvement. This feedback helped us refine our people and operational priorities for 2019-2020.

We plan to launch our next engagement survey in August 2021 and to participate in the Great Place to Work survey in Canada in the Fall of 2021.

Regular communication with our teammates is a vital part of helping keep our people engaged and abreast of what's happening at Recipe and across the industry. Each month, employees are invited to participate in at least one of these important and informative sessions:

- **Corporate Townhall** where information on Recipe's progress, achievements and industry highlights are shared by the Executive Leadership Team (ELT), and employees are celebrated for their service.
- **Recipe Connects** where employees can learn more about what our brands are doing. Each Recipe Connects session showcases one of our 25 brands.
- **Ask Me Sessions** are regularly scheduled coffee chats where two ELT members meet with small groups of teammates to talk about and get feedback on topics that matter most to employees.

Due to pandemic-related lockdowns that began in March 2020, these sessions have been taking place virtually rather than in person.



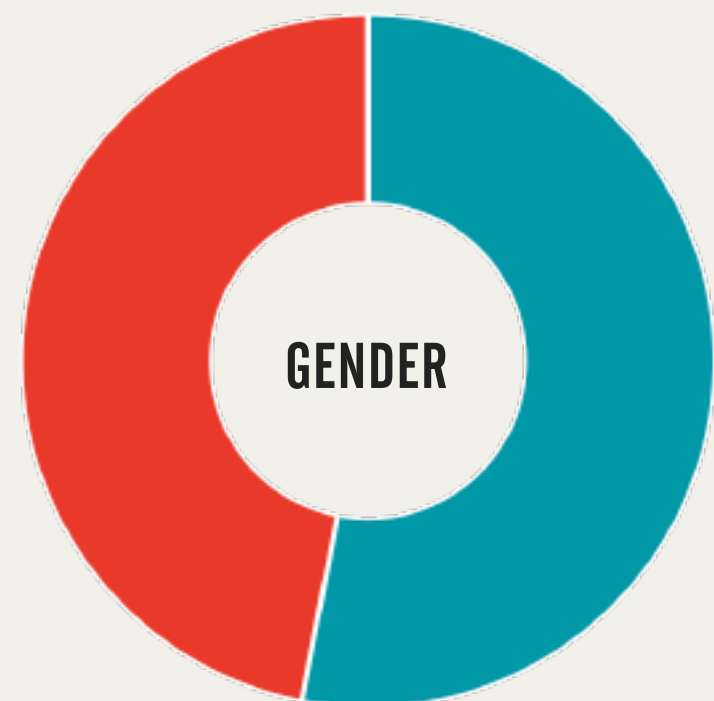
DIVERSITY, EQUITY & INCLUSION (DEI)

The COVID-19 pandemic, social unrest, and systemic inequality witnessed in 2020 have only emphasized the importance of our values **do the right thing** and **celebrate people** including our teammates, franchisees and communities.

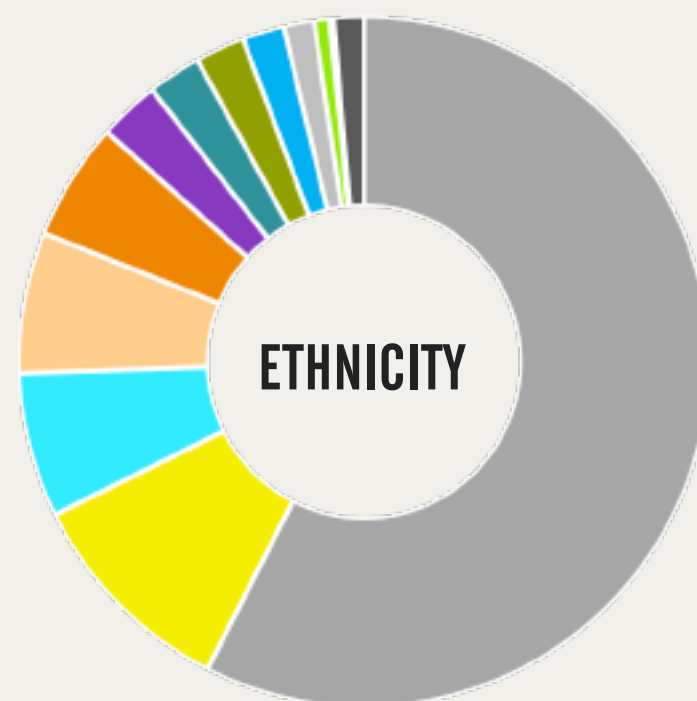
As Canada's largest full-service restaurant company, it is important to us that we reflect the local communities and diversity of guests our restaurants serve, and provide the development and opportunities that will enable our teammates from across all backgrounds to thrive.

An important step in our DEI journey is to better understand the diversity of our head office and corporate restaurant teammates. To that end, we recently invited our corporate employees to complete a voluntary ethnicity self-identification survey. Our preliminary results are presented below.

DIVERSITY OF RECIPE'S CORPORATE EMPLOYEES*



Man 53%
Woman 47%



- White 58%
- Asian - Southeast 10%
- Asian - South 7%
- Asian - East 7%
- Mixed Race 6%
- Black 3%
- Middle Eastern 3%
- Other 2%
- West Indian 2%
- Latinx 1%
- Indigenous <1%
- Pacific Islander <1%
- Prefer not to say 1%

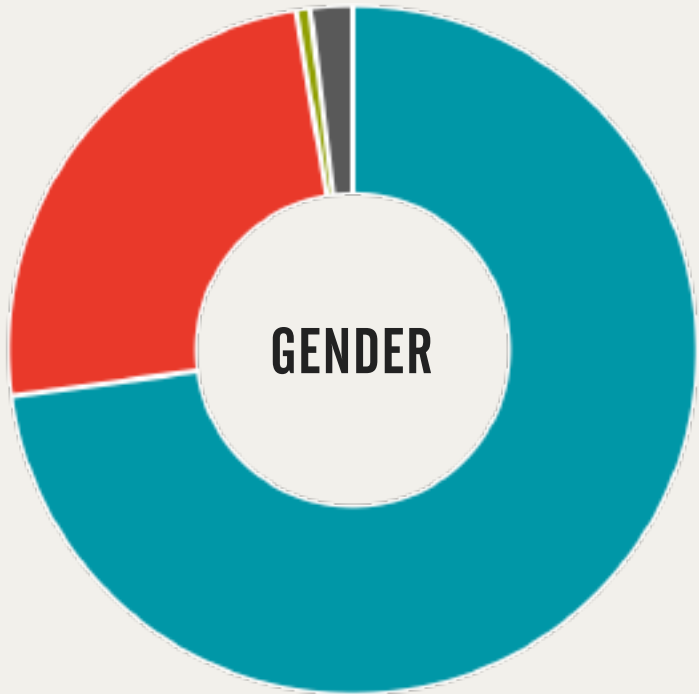
* Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report. Gender results are as of December 2020 and reflect data for 5,556 corporate employees. Preliminary ethnicity self-identification results are as at July 9, 2021 and reflect feedback from 560 corporate employees. Ethnicity results currently do not include The Burger's Priest, Fresh, The Keg and St-Hubert.



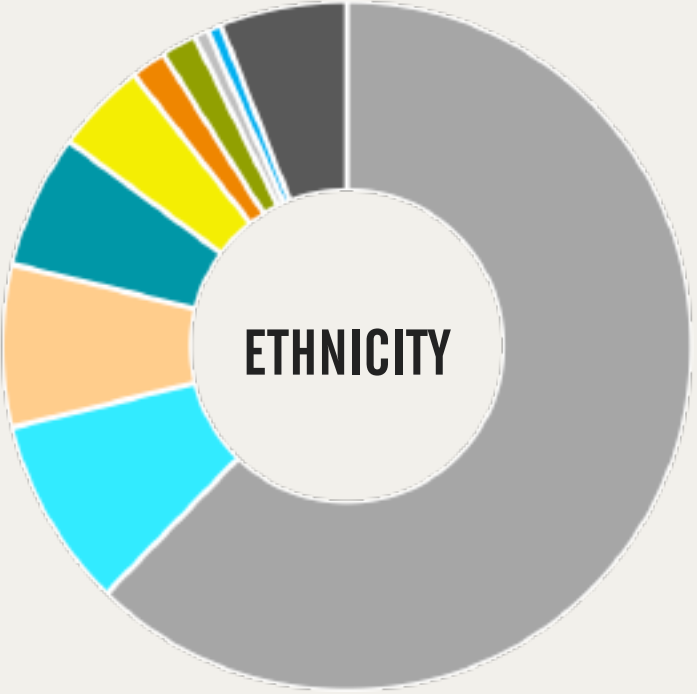
DIVERSITY, EQUITY & INCLUSION (DEI)

We are also partnering with our franchisees to better understand the diversity of our franchisee network in Canada to inform and enhance Recipe's diversity goals and strategy including the development of programs to attract and better support diverse franchisees.

DIVERSITY OF RECIPE'S FRANCHISE PARTNERS*



Man **73%**
 Woman **25%**
 Gender Fluid **<1%**
 Prefer not to say **2%**



White **62%**
 Asian - South **9%**
 Asian - East **8%**
 Middle Eastern **6%**
 Asian - Southeast **4%**
 Mixed Race **2%**
 Other **2%**
 Latinx **<1%**
 West Indian **<1%**
 Prefer not to say **6%**



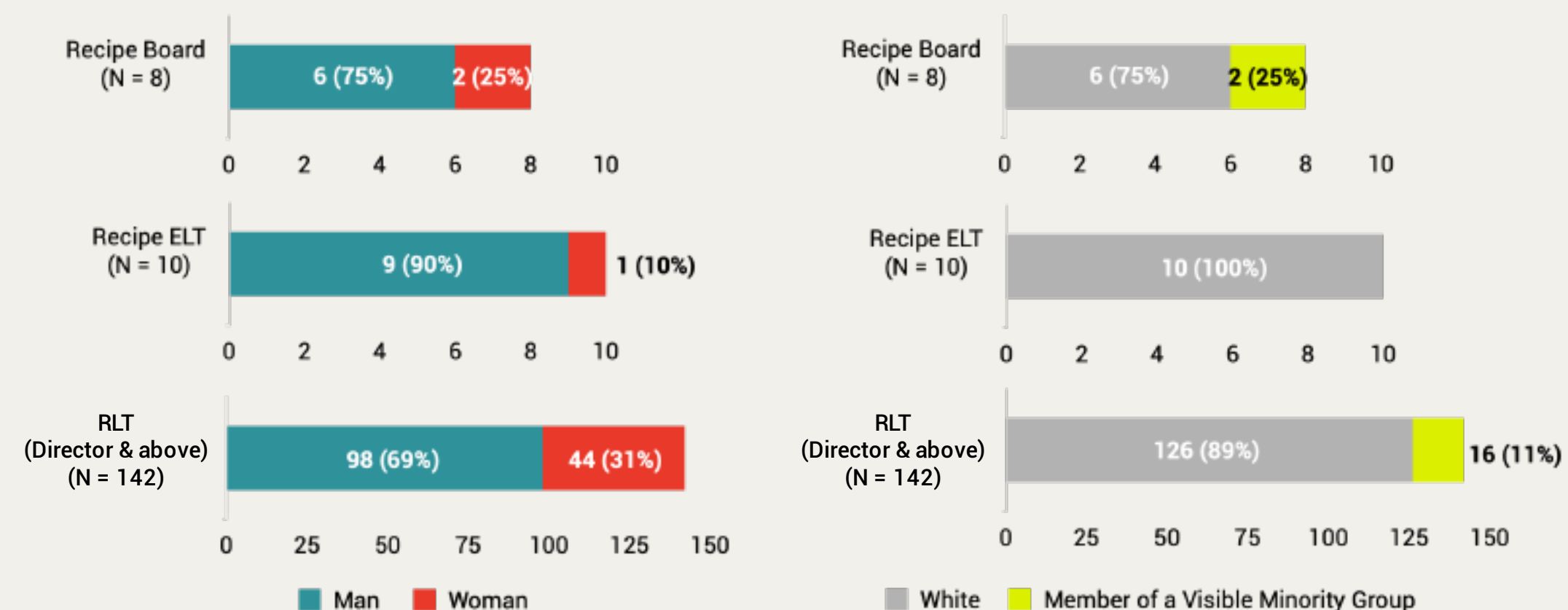
* Based on feedback from 302 franchisees as at June 30, 2021. Does not include The Keg.

DIVERSITY, EQUITY & INCLUSION (DEI)

As we look across the gender and ethnic diversity of our Board, ELT, Recipe Leadership Team (RLT) and corporate teammates, we recognize that we have more work to do to better reflect the diversity of the communities in which we operate in Canada.

We aspire to make a meaningful impact in DEI at Recipe through inclusive hiring practices, DEI training, development of diverse talent through our leadership succession programs and the enablement of employee affinity groups.

DIVERSITY OF RECIPE'S LEADERSHIP*



* Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report. Results are as of May 2021.

** Looking across both dimensions, 37% (3/8) of Recipe's Board Members are from diverse backgrounds.

OUR COMMITMENT

- By the end of **2023**, at least **40% of Recipe's Board Members will be from diverse backgrounds** (e.g. woman, BIPOC, disability, 2SLGBTQ+)
- By the end of **2023**, **40% of our RLT and above** will be from **diverse backgrounds** (e.g. woman, BIPOC, disability, 2SLGBTQ+) and we are committed to further increasing that to **50% by the end of 2025**



DIVERSITY, EQUITY & INCLUSION (DEI)

INCLUSIVE HIRING PRACTICES

As part of our commitment to **Diversity, Equity and Inclusion** and to foster greater diversity of thought at Recipe, we launched **Recipe United**. One key initiative is an enhanced recruitment process where we invite candidates to complete an optional self-identification questionnaire across four dimensions: gender, indigenous identity, race/ethnicity and disability. This important information helps us better understand the demographic make up of our candidate pools and informs where we should post open positions to attract the diversity of candidates we are seeking.

BUILDING CULTURAL AWARENESS & CELEBRATING OUR DIVERSITY

In early 2021, Recipe introduced Cultural Connections on our “WELL and GOOD” (employee wellness) online platform to help build our collective awareness and understanding of the cultural diversity at Recipe and beyond. Through **Cultural Connections**, employees can access a monthly multicultural events calendar and highlights of cultural/religious observances from across the globe.

Moreover, to enable our head office and corporate employees to celebrate the holidays and observances that matter most to them, we modified the ‘time off’ benefit in our Total Rewards program to five personal days. Employees have the flexibility to use their personal days as they see fit, e.g. to celebrate a religious holiday, volunteer, or participate in a social/environmental rally.



DIVERSITY, EQUITY & INCLUSION (DEI)

DEI TRAINING

Building diverse teams across Recipe also entails creating the inclusive environments our teammates desire in order to innovate and more fully contribute to Recipe's success. In 2020, we partnered with Reframe (formerly CANVAS Consulting) to kick off our DEI learning with 'Introduction to DEI' which focused on DEI concepts, definitions, as well as strategies and tools for supporting DEI at Recipe. Reframe is a full-service diversity, equity and inclusion consultancy that supports culture, strategy and CSR.

Over **865 Recipe employees participated in 'Introduction to DEI' training across 55 virtual instructor-led sessions, including Recipe's ELT, RLT, head office teammates, Business Development Managers (BDM) as well as corporate General Managers (GM) and franchisees.** Feedback gathered from participants is helping to inform future DEI initiatives, supplementary training and operational changes.

WE ARE BUILDING ON THIS LEARNING IN 2021 WITH:

- 'Unconscious Bias' training for our ELT
- 'Supporting DEI in the Restaurant' training for corporate GMs, franchisees and BDMs
- 'Respect in the Workplace', 'Bystander Intervention & Conflict De-escalation' training through our RU Game (e-learning platform) for all corporate and franchise teammates and managers
- By the end of 2022, our aim is to make 'Unconscious Bias' training a core training component for all new corporate and franchise employees



DIVERSITY, EQUITY & INCLUSION (DEI)

DEVELOPING DIVERSE TALENT

Identifying, developing and retaining a pipeline of diverse leaders is a critical component in Recipe's long-term DEI strategy. In 2019, we implemented our refreshed succession planning process, **Our Recipe for Success**, that included a robust review of shared services, brand and key operational leader roles. In 2020, we defined specific succession targets and began to identify internal candidates for these roles with a diversity-focused lens.

Beginning in 2021, the individuals who make up our diverse pipeline of successor candidates will be engaged in a focused leadership development program, RU Leading, with robust development plans, mentorship and meaningful opportunities that enhance their skills and empower them to bring their diversity of thought, experience and leadership forward to enable Recipe to continue to deliver exceptional dining experiences and be a franchisor of choice in Canada and abroad.

The identification, development and retention of diverse talent will be of particular focus for Recipe over the next few years as we build a cohort of empowered leaders who can lead by exemplifying diversity of thought and better reflect the diversity of the communities in which we operate.



OUR COMMITMENT

- By the end of **2023**, identify a **pipeline of diverse successor candidates** (across gender and ethnicity) who are **ready to assume shared services leader and brand leader roles**
- By the end of **2023**, achieve a **95% retention rate among our top talent from diverse backgrounds** (e.g. woman, BIPOC, disability, 2SLGBTQ+) for head office and salaried manager roles

DIVERSITY, EQUITY & INCLUSION (DEI)

EMPLOYEE RESOURCE GROUPS

At Recipe, we use employee resource groups (ERG) as a means of engaging teammates, building relationships and supportive interactions, and leveraging ERG feedback to inform Recipe policies and standards.

Currently, there are two core ERGs underway at Recipe:

DEI ADVISORY COUNCIL

- **29 members** representing a cross-section of Recipe locations, domains, and corporate restaurant employees
- Meets on a **biweekly** basis to review **DEI priorities**, provide input to **refresh Recipe policies** (e.g. flexibility of personal days) and **standards** (e.g. washroom configuration and signage) through a DEI lens, inform cultural celebrations, and identify other opportunities for advancing DEI at Recipe
- Partner with Reframe and **act as advocates to deliver Recipe's DEI campaigns and events** such as the "Hear Me, See Me" campaign which aims to build a safe space for Recipe employees to be themselves and inspire the grassroots creation of other ERGs



DIVERSITY, EQUITY & INCLUSION (DEI)

WOMEN@RECIPE

- **50+ members** representing multiple Recipe locations and functions, including restaurant teammates
- Members leverage their cross-functional knowledge, **identify barriers** to success, and act as a **'sounding board' for key policy changes and programming** at Recipe
- Members can access targeted **L&D programming** and supplementary materials that can be used to enhance individualized action and development plans



BENEFITS & COMPENSATION

BENEFITS

As Canada's largest full-service restaurant company, Recipe's ability to attract and reward top talent through competitive benefits and compensation offerings will be a key driver of our future success. **We are proud that Recipe's benefits offering is more generous and has lower eligibility thresholds than what is typically offered in the retail or restaurant industry.** We also extend our benefits offering to hourly employees.

Our benefits are offered to all head office and salaried teammates at no cost (100% employer funded) after three months of service, and to hourly teammates after six months of continuous service. Part-time employees who work 56+ hours over four consecutive pay periods are also eligible to participate in benefits at 50% of cost.

COMPENSATION

In 2020, we created a salary recommendation process that set the foundation for a more thorough review of our internal pay consistency and external competitiveness. Our initial findings allowed Recipe to better align the total rewards offerings (e.g. salary ranges, incentive plans) for two of our brands.

We are continuing this important work in 2021 with an aim to evaluate and benchmark all head office and salaried restaurant positions to refine role bands, grading, and compensation, where appropriate. Once this work is complete, we intend to automate our annual merit/bonus process through our HRIS Compensation Module.

RECIPE'S TOTAL REWARDS

FINANCIAL

- Competitive base salary
- STIP
- RRSP matching up to 3%
- Health Services Spending Account: \$500 annually
- Maternity top up (to 100% for up to 9 weeks) and parental paid time off
- Tuition reimbursement: \$1,500 annually

LIFESTYLE & LEISURE

- On-site gym (Recipe head office)
- Subsidized bistro (Recipe head office)
- Dining discount
- Dining allowance
- Perkopolis: employee discount program with 2000+ savings in products and services in Canada

HEALTH & WELLBEING

- 100% employer paid extended health care & dental coverage
- PocketPill online pharmacy
- STD & LTD (75% salary continuance for 80 days), and life insurance
- Employee Assistance Program (EAP)

TIME OFF

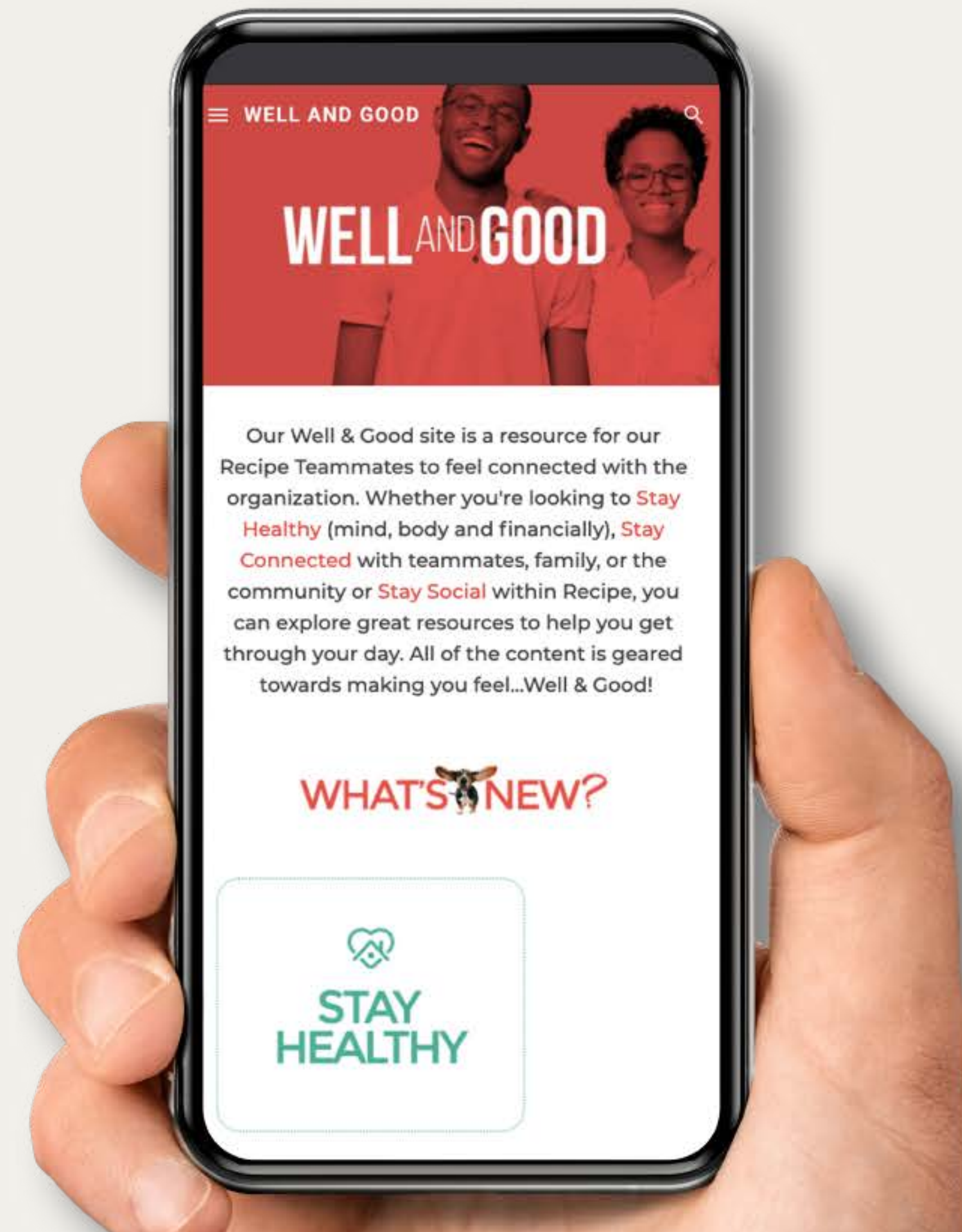
- Competitive paid vacation days policy
- 2 floater days
- 5 personal days
- Flexible work arrangements

OUR COMMITMENT

- We recognize the critical role our leaders play in defining and successfully executing our sustainability targets. With that in mind, **by the end of 2023, remuneration for our RLT and above will be linked to the achievement of our CSR goals**



EMPLOYEE WELLNESS



WELL AND GOOD

In 2019, Recipe launched “WELL and GOOD,” our employee wellness program newsletter. In early 2020, we upgraded the newsletter to an online platform to keep our head office and corporate General Managers connected and to allow employees to access resources and activities related to financial, physical, mental and social wellness as needed.

Financial: Thirty-minute learning sessions with tips and ideas on topics such as investing, retirement, financial planning, and ways to stretch your dollars.

Physical: Videos, tips & tricks, and checklists for effectively exercising at home (including virtual fitness classes), getting better sleep and staying healthy with culinary recipes from our own Brand Chefs. In 2020, a key area of focus included updates on COVID-19 symptoms, self-monitoring and ways to stay healthy.

Mental: In addition to sharing resources related to managing stress and mental health boosting activities, we offered two instructor-led mental wellness sessions in 2020: **Mental Health Workplace Leadership** (open to all managers), and **Building Resilience in Uncertain Times** (open to all Recipe teammates). An on-demand recording of each session was also made available to any teammate who missed the live virtual session. In early 2021, we also launched **Wellness Wednesdays** with a focus on mindfulness and meditation in partnership with Meditation Works.

Given the continued uncertainty, disruption and unprecedented stress caused by COVID-19, we are refreshing our EAP offering with an enhanced focus on mental health for 2021 to ensure we have the right supports to address our teammates' needs.

Social: Like many organizations in 2020, we too needed to pivot from in-person engagement and social activities to virtual channels for collaboration and staying connected. Through “WELL and GOOD” we hosted virtual socials (e.g. Halloween, Holiday Party, St. Patrick’s Day), networking events and games, conducted video interviews with teammates and leaders and provided useful tips and tricks for managers and teams on virtual team building activities.

EMPLOYEE WELLNESS

OCCUPATIONAL HEALTH & SAFETY (OHS)

For 137 years, Recipe has been committed to delivering best-in-class experiences by operating safe and clean restaurants. New restaurant teammates are provided with foundational training related to food safety, restaurant safety and Workplace Hazardous Materials Information System (WHMIS). This training is supplemented with online OHS learning available on Recipe's learning management system, enabling employees to refresh their knowledge as needed on topics such as preventing slips, trips and falls, moving heavy things, and equipment safety.

In 2020, we enhanced our OHS activities and supports to ensure the safety and health of our teammates and guests, and align with legislative changes. In our response to COVID-19, we aimed to exemplify two of our core values **do the right thing** and **be passionate**. Recipe's COVID-19 response included the following:

SUPPORTING OUR TEAMMATES

- Extended **EAP** to hourly and part-time corporate restaurant teammates
- Extended **paid sick days** to corporate restaurant teammates who were unable to work
- Provided an **additional two weeks of wages** to hourly employees
- Provided **\$1,047,000 in Thank You pay** to frontline teammates in our corporate restaurants
- Launched **Recipe's Helping Hand, providing \$92,000 in emergency funding**, groceries or virtual gift cards to employees directly affected by COVID-19
- Implemented **Recipe's Relief Fund**, a salary continuance and dining allowance program, providing **\$1,590,000 of support** to corporate restaurant teammates in Ontario during the extended April to June 2021 province-wide lockdown

ENABLING SAFE RESTAURANT OPERATIONS

- Supported **business recertification training** to enable restaurants to reopen safely
- Secured, funded, and distributed **\$1.15 million in personal protective equipment** including masks, hand sanitizer, eye protection, and thermometers across our restaurant network
- Conducted **health screens** for enhanced safety
- Supported **contact tracing** activities
- Launched our **Social Safety program**, a comprehensive set of enhanced health and safety procedures to keep teammates and guests safe



EMPLOYEE WELLNESS



In response to the COVID-19 pandemic we launched our Social Safety program, a comprehensive set of enhanced health and safety procedures to keep teammates and guests safe. The Social Safety program represents Recipe's promise to help keep our guests and communities dining safely with us across Canada.

A key component of our Social Safety program includes antigen rapid testing which we rolled out to our restaurant teammates across Canada in May 2021. **Recipe is proud to be the first restaurant company in Canada to offer antigen rapid testing.** As of mid-June, over 55,000 antigen rapid tests have been completed by restaurant teammates across Canada. It's another important step in our program and the right thing to do for our employees, guests and communities.



TABLE 6
FEET APART

[LEARN MORE](#)



LIMITED SEATING IN DINING
AREA

[LEARN MORE](#)



MASKS
REQUIRED

[LEARN MORE](#)



FREQUENT
HAND WASHING

[LEARN MORE](#)



EACH TABLE DISINFECTED
AFTER USE

[LEARN MORE](#)



CASHLESS PAYMENTS
AVAILABLE

[LEARN MORE](#)



SAFE FOOD HANDLING
PROCESSES

[LEARN MORE](#)



DIGITAL
CONTACT TRACING

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THIRD PARTY
INSPECTIONS

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RESOURCES

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PROGRAMS

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ADDITIONAL
PPE

[LEARN MORE](#)



RAPID
TESTING

[LEARN MORE](#)



“At Recipe, we have relied on our organizational values, especially ‘do the right thing,’ to guide us as we continue to navigate the COVID-19 pandemic. This value has manifested itself in many ways; in particular, our desire to economically support our franchise partners during the COVID-19 pandemic.”

FRANK HENNESSEY
Chief Executive Officer

OUR FRANCHISE NETWORK

Our franchisee network plays a critical role in Recipe’s overall success and our ability to provide exceptional dining experiences across our 25 brands. In 2020, we partnered with over 1000 franchisees across Canada to deliver safe dining experiences and serve the delicious food our guests have come to expect.

Since March 2020, our franchisees’ operations and finances have been considerably impacted by COVID-19 lockdowns, closures, and safety protocols. In response to the pandemic, Recipe quickly introduced a number of programs and initiatives to support our franchisees. Since the introduction of these programs, we have committed over **\$40 million of direct financial support in 2020 to over 800 franchise partners**, including:

SUPPORTING OUR FRANCHISEES

- Launched the **Recipe Rent Certainty Program (RRCP)** and **Recipe COVID Support Program (RCSP)**, committing direct financial support to 483 eligible franchise partners. The total estimated cost* of the RRCP and RCSP programs is approximately \$36.1 million, of which **\$33.1 million of direct support was committed in fiscal 2020**
- Reduced **franchise royalty fees**, which reduced total royalties by **\$7.5 million for 881 franchise partners**
- Supported **negotiations with landlords to reduce or defer rent payments** for franchise locations during the COVID-19 crisis
- Assisted franchisees with **navigating** and understanding **government wage and rent subsidy programs and related legislation**
- Provided **hands-on training on new procedures**, including OHS protocols, to allow restaurants to open safely
- Supported **business recertification training** to enable restaurants to reopen safely

* The committed support was partially reduced by benefits franchisees received under government assistance programs after Recipe announced its franchisee support programs.



COMMUNITY ENGAGEMENT & PHILANTHROPY

At Recipe, we endeavour to **do the right thing** for our people, communities and planet. We believe in giving back to the communities in which we operate by sharing our time, skills and money.

Although our brands focus their community impact efforts on the issues that matter most to them and that align with their brand identities, youth mentorship and hunger relief are common causes across many brands.

COMMUNITY IMPACT HIGHLIGHTS

Given the COVID-19 pandemic, many brands focused their donations in 2020 on frontline healthcare and essential workers. Altogether, our brands donated more than **\$2.28 million** including **158,543 meals**. Here are a few of the ways several of our brands have given back:



Since the start of the pandemic, **Harvey's** and its franchisees have donated over **\$300,000** towards several community initiatives: 50% off food for frontline (healthcare) workers, **\$50,000 donated to Food Banks Canada** in partnership with **Bauer Hockey**, and over **100,000 free burgers given away** during the **Harvey's RV Tour**. In addition, a community food drive organized in conjunction with the Harvey's RV program raised 3,400 pounds of non-perishable food that was donated to local food banks. The RV program continues to support frontline workers in 2021, and is helping local health departments roll out first and second vaccine doses by incentivizing Canadians with free burgers.



Throughout 2020, **Swiss Chalet** and its franchisees have donated the equivalent of **79,217 meals to frontline healthcare workers** and **first responders**, and provided discounted meals to members of the **Canadian Trucking Alliance**. Swiss Chalet also announced its four-year partnership with **Hockey Canada**. The goal of this partnership is to celebrate teamwork as well as the physical and mental well-being of participants and their families through new programs that support local communities, inclusivity, and teaching kids the fundamentals of what it means to support each other.



Beginning in April 2020, **Pickle Barrel** started a program to feed **frontline workers in long-term care homes** across Ontario. Overall, **10,000 meals** were donated across 50 homes. Pickle Barrel also donated **\$10,000 to the Princess Margaret Hospital Foundation** and **200 meals** to healthcare workers at the **Hospital for Sick Children**.

darearts

DEVELOPING YOUNG LEADERS



COMMUNITY ENGAGEMENT & PHILANTHROPY

BUILDING LEADERSHIP SKILLS THROUGH THE CULINARY ARTS

Recipe Unlimited is partnering with DAREarts to deliver an “All the Arts” culinary program aimed at helping disadvantaged and racialized youth build key leadership skills.

A group of Recipe volunteers, along with donations from our suppliers, organized, prepared and delivered meal kits to 15 participating families.

Given the COVID-19 pandemic, a virtual culinary class was hosted by Tristan D'Souza, Corporate Chef of The Landing Group, with kids between the ages of 7-14 years old doing the bulk of the cooking.

Three additional sessions with 45+ families are scheduled throughout 2021.

COMMUNITY ENGAGEMENT & PHILANTHROPY SPOTLIGHT



StHubertTM
Foundation

The St-Hubert Foundation was established in 2012 to further improve St-Hubert's philanthropic efforts and facilitate the development of close relationships with communities and charitable organizations throughout Quebec, Ontario and New Brunswick. The Foundation's mission is to contribute to the health and well-being of communities, with a focus on families and children.

FUNDRAISING FOR IMPACT

Since its founding, the St-Hubert Foundation has organized multiple annual fundraisers to raise money for worthy causes across our communities. The most successful and longest running fundraising initiatives include the \$2 Scratch Card campaign, and the Annual Golf Classic tournament which has raised over \$1.3 million since 2014.

PARTNERING WITH AUTISTE & MAJEUR FOUNDATION TO SUPPORT YOUNG ADULTS WITH ASD

In October 2020, the St-Hubert Foundation was proud to announce its partnership and commitment of **\$1 million over four years** to the Autiste & Majeur Foundation whose mission is to improve the quality of life of young adults with an autism spectrum disorder (ASD) through education, programming and integration into the workplace. This commitment is a key example of how Recipe and its brands live our values, in particular celebrating people and our diversity.



Since 2012, The St-Hubert Foundation has donated **over \$7 million in Canada*** supporting **450** local and national charitable organizations

GIVING BACK TO OUR COMMUNITIES THROUGHOUT 2020

- Over **\$752,000** donated in support of almost **100** local and national charitable organizations
- St-Hubert Foundation donated **\$100,000** and nearly **2,000** St-Hubert chicken pies to the Food Banks of Quebec
- St-Hubert franchisees donated over **10,000 free meals** across their communities (e.g. volunteers, hospitals), and the St-Hubert Group donated another **10,000 free meals** to families and individuals in need who were nominated by their colleagues, friends or family

* Donations since inception to March, 2021.

COMMUNITY ENGAGEMENT & PHILANTHROPY SPOTLIGHT

THE KEG



THE KEG
SPIRIT FOUNDATION

The Keg Steakhouse + Bar's charitable giving is focused through The Keg Spirit Foundation. Since its inception in 2001, The Keg Spirit Foundation has donated over \$11 million* to charities that focus on the development and mentorship of youth.

Valued long-term partnerships have always played a large role in The Keg's history, and the Foundation is no different. **The Keg Spirit Foundation is celebrating its 20th anniversary supporting Big Brothers Big Sisters (BBBS) at both a local and national level.**

- Since 2001, The Keg Spirit Foundation has proudly granted over **\$2.5 million in Canada** and **\$420,000 in the U.S. to BBBS**
- Since 2013, as a way to support agencies across Canada, The Keg Spirit Foundation has given an **annual capacity building grant to BBBS of Canada** to support the continued evolution and development of their back-end database programs

As part of the charitable giving through the Foundation, Keg locations over the years have supported local charities as part of their opening and re-opening activities. Since 2017, 16 Keg openings/re-openings have generated donations of over **\$168,000 to local charities.**



Since 2001, The Keg Spirit Foundation has donated* **over \$10.3 million in Canada and over \$740,000 in the U.S.** resulting in grants to over **400** local charities across Canada and the U.S.

GIVING BACK TO OUR COMMUNITIES THROUGHOUT 2020

- Over **\$275,000** donated in Canada and the U.S. thanks to funds that were raised through local store initiatives, the sale of Keg branded products, new store openings (in 2019), and restaurant promotions
- Keggers across the company delivered over **1,000 Keg celebration kits** (complete dinner for 2) to frontline workers as a way of recognizing them for all they do in their communities

* Donations since inception to June, 2021.

For 137 years, we have nourished Canadians with delicious food, safely made with high-quality and trusted ingredients. Our 25 brands offer a variety of tasty menu items and dining experiences to suit our guests' evolving preferences. As Canada's largest full-service restaurant company, we recognize the important role we play in supporting a sustainable food supply chain for generations to come.

2020 HIGHLIGHTS

- **Continued commitment** to supporting and working with producers and suppliers that meet the **highest standards of animal welfare**
- Met our goal to fully transition to **cage-free egg products** by end of 2020
- Identified over **\$450,000 of surplus food**, the result of COVID-19 related closures, available for **donation**

FOOD



SUSTAINABLE FOOD SOURCING



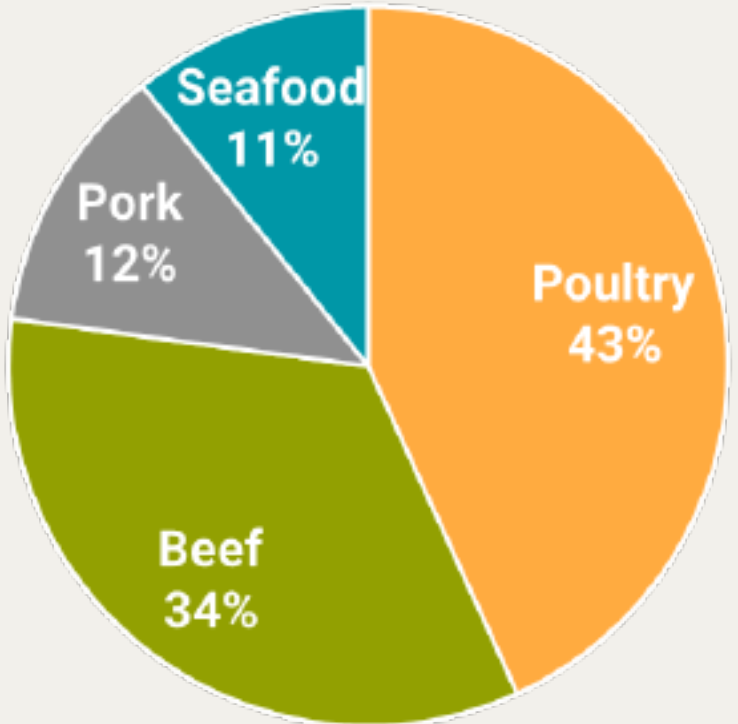
Recipe Unlimited's values, especially **do the right thing** extends beyond our people to include the animals and plants we source. As the largest full-service restaurant group in Canada, we have an important role to play as responsible stewards of the animals and plants that are produced for food throughout our supply chain.

We have developed sustainable sourcing practices in the food categories that represent the largest volume and spend across Recipe's total food purchases. As a result, our sustainable sourcing initiatives and programs focus primarily on animal proteins including poultry and eggs, beef, pork and seafood, which collectively account for 47% of Recipe's overall food sourcing spend*.

Although animal proteins are a key focus, we recognize that consumer dietary trends and a desire for healthier alternatives (e.g. vegetarian, gluten-free) may result in the continued growth for produce (i.e. fruits, vegetables, grains) sourcing at Recipe. As a result, over the next four years, we plan to investigate and develop sustainable sourcing practices related to fresh produce.

More immediately, over the next year, we will enhance Recipe's vendor criteria and food safety requirements to ensure that we continue to partner with producers and suppliers who are at the forefront of environmentally and socially sustainable food production.

FY2020 ANIMAL PROTEIN PURCHASES
(PERCENTAGE BY COST)*



In 2020, animal proteins accounted for 47% of Recipe's overall food sourcing spend*. Not surprisingly, animal welfare is at the centre of our sustainable sourcing practices.

* Does not include The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

SUSTAINABLE FOOD SOURCING

ANIMAL WELFARE

As an industry leader, Recipe is committed to supporting the humane treatment of animals and to working with producers and suppliers that meet the highest standards of animal welfare throughout the life cycle.

In partnership with our suppliers, we endeavour to achieve the globally recognized '**Five Freedoms**' of animal welfare that was adopted by the Farm Animal Welfare Council as a core concept at Humane Canada (The Canadian Federation of Humane Societies):

1. Freedom from Hunger and Thirst by ready access to fresh water and a diet to maintain full health and vigor.
2. Freedom from Discomfort by providing an appropriate environment, including shelter and a comfortable resting area.
3. Freedom from Pain, Injury or Disease by prevention or rapid diagnosis and treatment.
4. Freedom to Express Normal Behaviour by providing sufficient space, proper facilities and company of the animal's own kind.
5. Freedom from Fear and Distress by ensuring conditions and treatment which avoid mental suffering.

PARTNERSHIPS

Recipe works with three key organizations to help advance animal care practices across the industry:

- Chicken Farmers of Canada (CFC)
- National Farm Animal Care Council (NFACC)
- Canadian Roundtable for Sustainable Beef (CRSB)



SUSTAINABLE FOOD SOURCING

POULTRY

Of Recipe's total animal protein purchases in 2020, poultry accounted for 43%*. Looking across our brands, this percentage varies from approximately 20% to over 75% for brands like St-Hubert and Swiss Chalet.

In Canada, under its government controlled supply managed system, several organizations, including the National Farm Animal Care Council (NFACC) and the Chicken Farmers of Canada (CFC), have collaborated to define science-based standards and continuous research and education for poultry care and processing. The CFC's Animal Care Program includes a certification process and auditable standards for all chicken farms in Canada. These important practices have enabled Canada to become a global leader in poultry welfare and processing.

Recipe is proud to work with and help propel poultry standards in Canada through the CFC. Our Senior Director of Strategic Sourcing is serving his third consecutive term as the Chair of the Consumer Relations Committee at the CFC, and represents Restaurants Canada on the CFC's Board of Directors.

All of Recipe's Canadian poultry suppliers have strategies in place to meet their commitments to adopt modular loading and controlled atmosphere stunning by 2025. Both initiatives have been shown to improve animal welfare and food safety during handling and transportation. We continue to support our suppliers in reaching these important animal welfare commitments.



2020, A GREAT YEAR FOR CAGE-FREE EGGS!

In 2016, Recipe announced our commitment to transition to cage-free eggs and egg products for all of our brands by 2020. When we set this goal, the supply of cage-free eggs in the market was quite limited. We have worked closely with our vendors, industry partners and brands over the years to build the demand for cage-free eggs, and we are proud to say that at the end of 2020 we met our commitment not only for shelled eggs but across all our egg products including liquid egg products.

At the end of 2020, 100% of our shell eggs and liquid egg products were transitioned to cage-free sources.**



* Does not include The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

** Does not include The Burger's Priest, Fresh, and The Keg which does not include shell and liquid egg products in its menu.

SUSTAINABLE FOOD SOURCING

BEEF

Of Recipe's total animal protein purchases in 2020, beef accounted for 34%*. Given the importance of beef to several of our brands' menus, we recognize that there are short and long-term opportunities for Recipe to help support a more sustainable beef supply chain in Canada.

As Recipe's quick service restaurant burger brand, Harvey's has kicked off Recipe's journey to more sustainable beef sourcing in Canada through its partnership with the Canadian Roundtable for Sustainable Beef (CRSB). Harvey's, which typically sells over 2.2 million kilograms of beef burgers each year, has been a proud member of the CRSB since 2019.

The CRSB is a network of stakeholders who represent the full beef supply chain from farmers and processors to retail and food services companies, as well as academia and research, environmental and animal welfare organizations, and governments. The CRSB is devoted to advancing sustainability within the Canadian beef industry including helping to deliver high-quality, nutritious beef products that are produced in an environmentally and socially responsible way.

Harvey's membership with the CRSB helps ensure that the beef it sources for its Original Burger comes from farms and ranches certified to CRSB standards. In addition, 100% of beef sourced for Harvey's Angus burger in 2020 was raised without the use of antibiotics, hormones or steroids.

* Does not include The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

** Our achievement of this commitment is dependent on the supply and volumes of CRSB certified products available across Canada.



OUR COMMITMENT**

- We recognize the importance of supporting sustainable beef production in Canada for generations to come. To that end, **100% of Recipe's brands will be members of the CRSB by the end of 2025**
- Recipe will also **increase the proportion of beef purchases that are from CRSB certified sources** as more supply becomes available through expanded farmer and processor CRSB program enrollment





SUSTAINABLE FOOD SOURCING

PORK

The use of gestation crates that restrict the movement of pregnant sows has been a standard practice in pork production in Canada and across the globe for decades. Although much discussion and interest exists around transitioning away from the use of gestation crates, recent reporting by the Canadian Pork Council suggests that approximately 40% of the Canadian pork industry has made this shift.

Recipe is proud to support our Canadian pork processors who are in the process of transitioning away from the use of gestation crates in their operations. Several of our key vendors are making progress against goals to convert their operations to advanced, open sow housing systems. To better understand the use of gestation crates across our entire pork supply chain, Recipe is in the process of gathering additional information from our smaller suppliers about their use of gestation crates and goals for transition. We will share our learnings in the FY2021 CSR Report.

SUSTAINABLE FOOD SOURCING



SEAFOOD

Responsible seafood purchasing continues to be a priority for Recipe. Since 2016, we have steadily increased the proportion of seafood purchases from sustainable sources. In 2020, 73%* of the seafood we purchased was certified by a third-party such as Ocean Wise, Aquaculture Stewardship Council (ASC) or Marine Stewardship Council (MSC).

The global seafood supply chain is complex and fragmented. Fish and seafood products often pass through multiple intermediary processors before ending up on one's plate. To help address these challenges within the seafood supply chain, over the next two years, Recipe will move to purchasing seafood** from only certified sources. Moreover, we will partner with the MSC to become a certified member of the MSC Chain of Custody Standard, ensuring that the seafood we source is from certified sustainable fisheries, auditable and traceable from fishery to plate.

OUR COMMITMENT

- By the end of **2022**, **100% of the seafood** purchased** by Recipe will be **third-party certified** (e.g. ASC, Ocean Wise, MSC) to ensure sustainable practices
- By the end of **2024**, Recipe will be a **certified member of MSC's Chain of Custody Standard**

* Does not include The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

** Excludes squid purchases. Third-party certification standards for squid fishing are widely underdeveloped. We continue to support targeted fishing of giant squid and use this sustainably sourced product across multiple brands.





SUSTAINABLE FOOD SOURCING

COFFEE

The social and environmental impacts related to coffee production have been in the news for a number of years. In the past, Recipe's purchases in this category have been relatively insignificant. However, with the recent acquisition of a number of new brands, our coffee purchases have steadily grown.

Since 2019, Recipe has explored certification standards related to coffee. Although 25%* of the coffee we purchased in 2020 was third-party certified, our aim is to do more in this space.

We are currently in the process of refining our sourcing practices to ensure that all the coffee products we purchase by end of 2022 and beyond meet relevant social and/or environmental standards such as those defined by the Rainforest Alliance or Fairtrade International.

OUR COMMITMENT

- By the end of **2022, 100% of the coffee** purchased by Recipe **will meet social and/or environmental certification standards** (e.g. Rainforest Alliance, Fairtrade International)

* Does not include The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

SUSTAINABLE FOOD SOURCING



PRODUCE

Shifting consumer dietary trends (e.g. vegetarian, gluten-free), a desire for healthier choices and the use of plants as ingredients for meat alternatives have contributed to the increased demand for fruits and vegetables across the restaurant industry in North America.

Although Recipe's sustainable sourcing initiatives and programs have focused primarily on animal proteins which account for the majority of Recipe's overall food sourcing spend, we recognize that produce sourcing is likely to be a category of growth for us in the near future.

As a result, over the next four years, we plan to investigate and develop sustainable sourcing practices related to fresh produce. Our goal is to better understand the social and/or environmental certifications in this category and what our suppliers are doing to support sustainable agriculture (e.g. ensure biodiversity, soil health, water and energy conservation) and human rights. We will share our learnings in future CSR Reports.

R



FOOD SAFETY

Recipe is dedicated to ensuring our restaurants serve delicious meals prepared with high-quality ingredients and follow all applicable Canadian health and food safety standards and regulatory requirements. Our food safety programs help us ensure the safety and well-being of our guests.

Our approved vendors, who supply or manufacture our ingredients, must share this commitment as demonstrated through their certification to a recognized food safety standard such as the Global Food Safety Initiative (GFSI). For our small and local vendors, we provide support and guidance so they can work toward accomplishing certification or meet other acceptable standards.

Recipe's food safety program and associated standards meet, and frequently exceed, regulatory minimum requirements. Our food safety program supporting our restaurants includes exacting standard operating procedures, independent third-party audits and comprehensive training programs for our teammates.

At Recipe, we have an in-house team of technical, food safety, quality assurance and regulatory affairs professionals who support food safety continuous improvement, product development, and vendor selection and approval across our business.

FOOD SAFETY TRAINING & CERTIFICATION

Restaurant teammates participate in our food safety training program designed specifically for our restaurant brands. The training equips our teammates with the learnings of potential food safety risks in the restaurant environment and how to execute the right controls that will prevent risks. Our goal is to ensure every teammate understands their role and responsibilities in supporting and executing Recipe's food safety practices and controls.

All leaders within the restaurant are required to be certified food handlers. The training and subsequent written test covers safe food handling, foodborne illnesses, bacteria, cleaning and sanitizing methods, and food allergies. The course content is approved and endorsed by the applicable regulatory jurisdiction. Supplementary food safety training is also available on-demand through RU Game, our e-learning platform.



FOOD SAFETY

FOOD SAFETY AUDITS

Recipe conducts regular unannounced food safety audits across our brands* in Canada using a third-party organization. Third-party audits are completed twice annually and examine food safety program compliance, adherence to standard operating procedures and risk management at restaurant level. The third-party audit assessment deployed is very comprehensive and includes upwards of 100 points of evaluation. In 2020, 1,337 third-party audits were completed across our restaurants in Canada despite restrictions and interruptions to our operations due to COVID-19.

FOOD SAFETY HYGIENE MANAGEMENT

Recipe partners with global leaders in hygiene management and sanitation technology to assist our restaurants in managing our hygiene and sanitation program, ensuring all program requirements continuously achieve or exceed our expectations.

* Except The Keg which has not been incorporated into this program.

CHOICE, NUTRITION & MARKETING

From coast-to-coast, Recipe's 25 brands offer a variety of delicious menu options and dining experiences. Whether guests are looking for a quick bite or feeling more indulgent, we have something for everyone.

As Canada's largest full-service restaurant company, we are responding to our guests' changing eating habits and desire for more choice and healthier alternatives.

OUR COMMITMENT

- We recognize that our guests want more choice and balanced options especially as it relates to Kids' Menus. As a result, by the end of **2022**, Recipe will ensure **each brand's* Kids' Menu has at least one designed, healthy choice** that aligns with the Canada Food Guide.

* Does not include New York Fries and The Burger's Priest which do not have a Kids' Menu.



CHOICE, NUTRITION & MARKETING

Here are a few key examples of what several of our brands are doing to respond to our guests' desire for more choice and healthier alternatives:



SWISS CHALET

in partnership with WW, a global weight loss and wellness company, launched the "WW Favourites" menu which incorporates guests' favourite meals served with a SmartPoints®-friendly curated list of sides and beverages. Each menu item has a SmartPoints® value for all three myWW+ plans, so guests can order their favourite dinners and stay on track. SmartPoints® is a science-backed system created to empower members to make healthier choices.



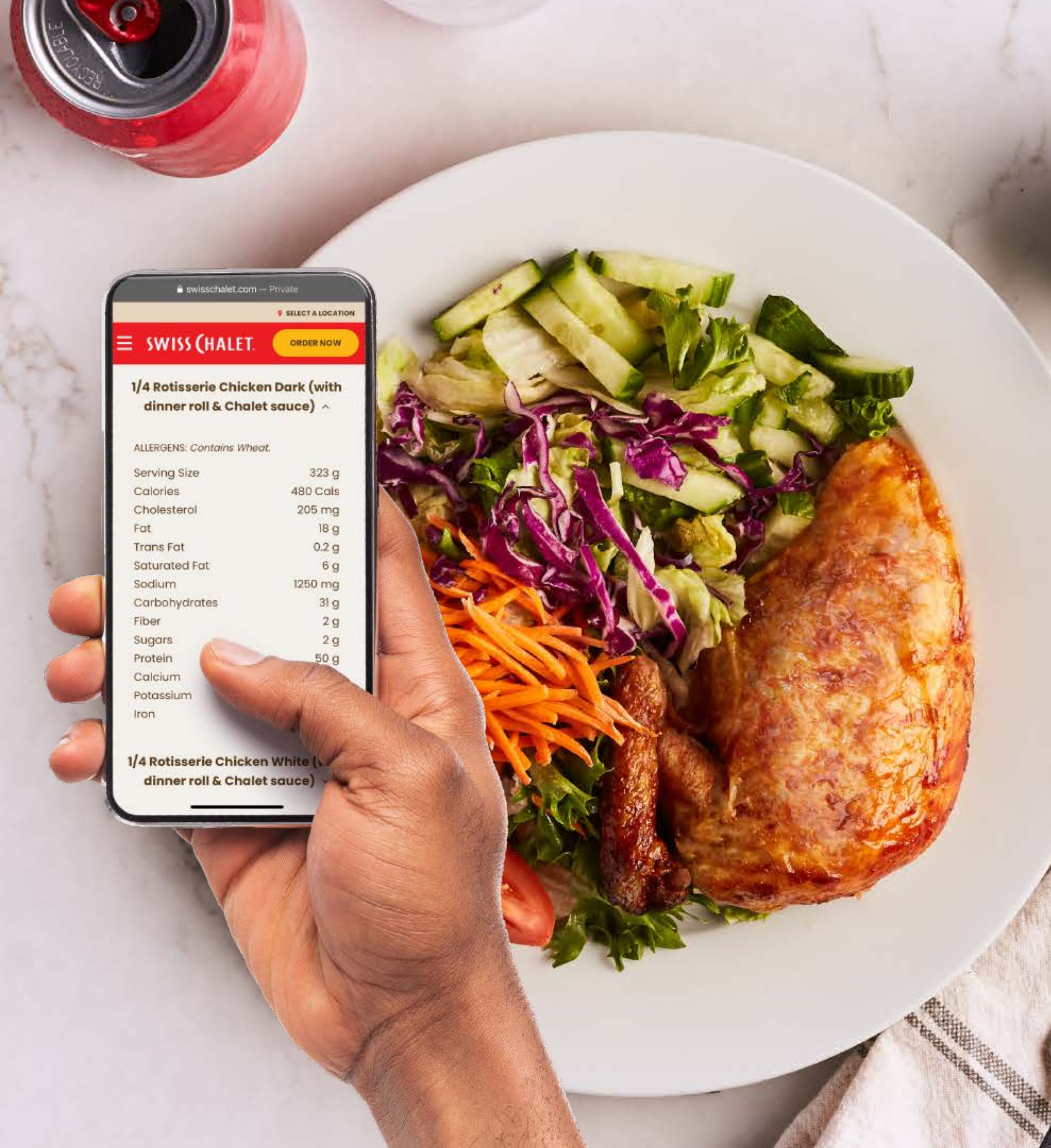
ST-HUBERT

introduced three refrigerated meatless pot pies made with high-quality, natural ingredients. The vegetarian "chicken" pot pie contains soy protein with a taste and texture reminiscent of chicken; whereas the vegetarian "chicken" and broccoli gratin offers a wheat crust enhanced with cauliflower. In the vegetarian chili, pea protein with quinoa and black beans are used. Served without artificial flavours, colours, or preservatives, St-Hubert's meatless pies are a great source of protein.



KELSEYS & HARVEY'S

The Lightlife® Burger is a core menu item at Kelseys and Harvey's. The plant-based burger patty contains 20g of protein and is free of GMOs, gluten and soy.



CHOICE, NUTRITION & MARKETING

When guests dine with us, they are looking for menu choices that fit their lifestyles, eating preferences and dietary requirements (e.g. gluten-friendly, vegetarian). Across Recipe's 25 brands, guests can find great tasting menu options along with the nutritional information they need to choose the meals that work best for them and their families.

Recipe is committed to responsible labeling and advertising practices across our brands. Throughout 2020, we have been working to update and provide more comprehensive nutritional and allergy information across our brands' core menus. We provide our guests with nutritional information in a number of ways including through our menus, menu boards and advertisements. Across our larger brands, we have also made nutritional and allergen information mobile compatible and available online on brands' individual websites, allowing our guests to access the information they need from the comfort of their homes or while dining in one of our restaurants.

Many of our brands offer plant-based vegetarian and vegan offerings, as well as 'gluten-friendly' choices. It is now easier than ever for our guests to understand what's in their food, customize their selections and make conscious choices about what they eat.

RESPONSIBLE MARKETING

At Recipe, we are mindful of our marketing practices especially as they relate to children. We understand and actively follow the standards and guidelines related to advertising to children in Canada.

FOOD RESCUE

Recipe is in the business of feeding people not landfills. Over the years, we have refined our menus, consolidated our operations, and honed our ability to accurately predict the amount of ingredients needed across our restaurants to make our food. A recent food rescue pilot exercise also indicated that our participating corporate and franchise restaurants typically have little surplus food to be donated from their day-to-day operations.

Like others in our industry, our operations in Canada were considerably impacted by COVID-19 lockdowns, closures and restrictions throughout 2020. These conditions initially resulted in a backlog of products across our supply chain. As a result, we worked closely with our restaurant leaders and distribution centre partners across Canada to identify the surplus food that was available and safe for donation.

THROUGHOUT 2020, WE IDENTIFIED OVER \$450,000* OF SURPLUS FOOD, AVAILABLE AS A RESULT OF COVID-19 RELATED CLOSURES AND LOCKDOWNS, THAT WAS SAFE FOR DONATION ACROSS CANADA.

Coming out of 2020, we recognized that there is an opportunity for Recipe to develop a process that allows us to better identify the specific surplus products (and their value) that were donated from our distribution centres to participating charitable organizations. Additional details about the progress we are making in this area will be shared in our FY2021 CSR Report.

* Does not include The Keg, The Burger's Priest and Fresh. Surplus food was offered for donation to various charitable organizations across Canada via our distribution partners.



OUR COMMITMENT

- Our goal is to have as little food waste as possible throughout our entire supply chain. We will continue to improve our processes to accurately predict our food requirements and minimize the amount of surplus food. When surplus food does become available, we will ensure that it does not feed landfills but is donated to the organizations that can make good use of it.
- By the end of **2021**, Recipe will implement a process that will allow us to **better identify and quantify** the specific **surplus food products (and their value)** that are **donated from our distribution centres** to participating charitable organizations

As Canada's largest full-service restaurant company, we want to use our scale for good by growing and operating our business sustainably, measurably reducing our energy and water consumption, evolving and minimizing the guest packaging we use, and actively reducing our operational waste.

2020 HIGHLIGHTS

- **Reducing our energy and water consumption** in line with our Strategic Energy Management Plan (SEMP), and **on track to achieve our 15% reduction targets** by the end of 2021
- Completed **250+ initiatives** between 2019-2020 to reduce energy and water use across **120 corporate locations**
- Continued system-wide focus on **packaging sustainability**:
 - **Eliminated** per- and polyfluoroalkyl substances (**PFAS**) from **99.7% of Recipe's packaging and single-use items (SUIs)**, and we're on track to be PFAS free by end of 2021
 - **90%** of guest **packaging** (excluding SUIs) is made **from renewable, recyclable or recycled sources**
 - **95%** of **paper-based packaging** (excluding SUIs) is made with fiber **from certified sources** committed to the growth and conservation of forests

PLANET



GREEN DESIGN & CONSTRUCTION

Commercial kitchens are energy intensive spaces in our communities, contributing to greenhouse gas emissions and impacts of climate change. With 1,290 restaurant locations in Canada in 2020, we acknowledge our own responsibility in minimizing the environmental impact of our operations.

In 2018, Recipe established a team dedicated to reducing electricity, gas and water use in Canada, with a focus initially on corporate locations. That year, we partnered across our brands to measure our energy (i.e. electricity and gas) and water use baselines to inform Recipe's multi-year Strategic Energy Management Plan (SEMP)* which set out our ambitious goal of **reducing our energy and water consumption by 15% by the end of 2021**.

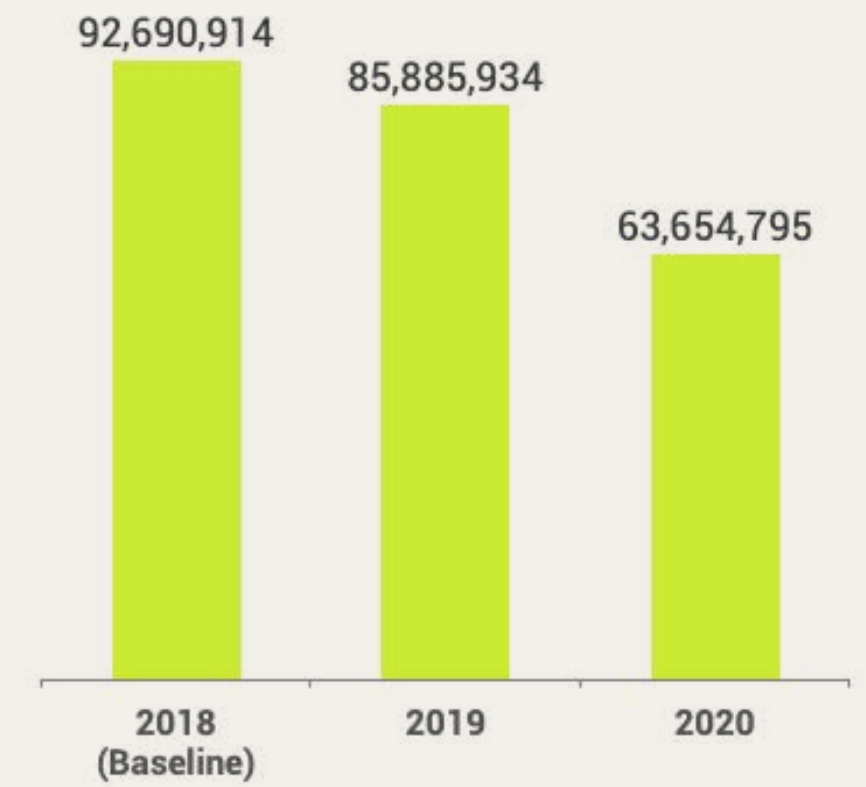
Over the last three years, we have focused our attention on improving the design and construction of our restaurants by deploying the right technologies that enable us to measurably reduce our energy and water consumption in support of our SEMP targets. Since 2019, we have **completed over 250 energy and water saving initiatives across 120 corporate restaurant locations**. Recipe's conservation efforts in 2020 were further bolstered by COVID-19 lockdowns and closures, resulting in considerable reductions in energy and water consumption. Current analysis suggests that despite the impact of COVID-19, Recipe is on track to achieve our 15% reduction targets by the end of 2021, the result of our energy and water saving initiatives.

* Our SEMP baselines and results are based on total energy consumption and total water consumption across like-for-like locations for which we will have 2018, 2019, 2020 and 2021 energy and/or water use data.
 ** The SEMP baselines and results to-date are based on total energy and water consumption across the 80 locations for which we have energy (electricity and gas) use data and the 40 locations for which we have water use data for 2018, 2019 and 2020.

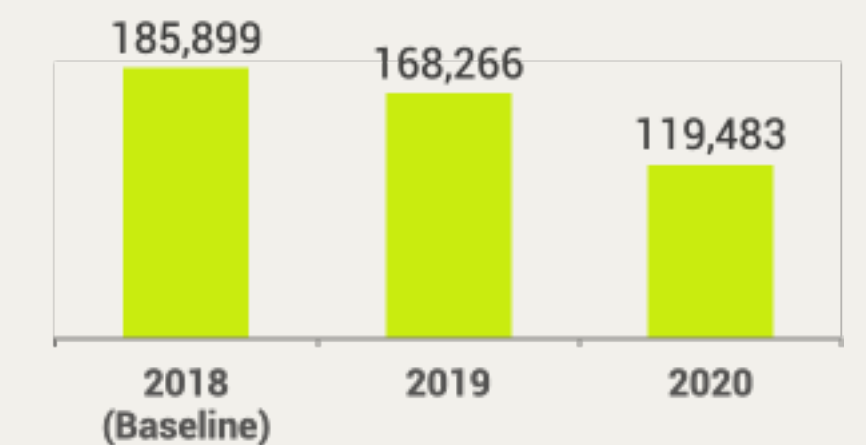


In 2018, Recipe set an ambitious goal to reduce our energy and water consumption by 15% by the end of 2021. We are well on track to achieve this goal by the end of the year.

TOTAL ENERGY CONSUMPTION**
(kWh-e)



TOTAL WATER CONSUMPTION**
(m³)



** Results for 2020 are reflective of reduced operations as a result of COVID-19.

GREEN DESIGN & CONSTRUCTION

Our Design & Construction team truly lives our Recipe value of **be curious**, by continuously monitoring and evaluating new innovations in lighting, HVAC, kitchen technologies and washroom fixtures as they evolve to ensure the right balance between their suitability for our operations and anticipated environmental benefits. The Design & Construction team typically pilots at least two new technologies each year, and in 2020, five pilots were completed across our restaurants to test advanced kitchen hood controls, walk-in freezer upgrades and waterless technologies.

We purposely use our corporate restaurants to test new technologies and refine our practices with the aim of identifying the insights, lessons learned and leading practices that will benefit our full network of corporate and franchise locations.

The Design & Construction team applies a three-step approach to identify and deploy the right technologies:

RESEARCH

- Identify our most energy and/or water consuming equipment and research new technology and innovation available in the market to address these
- Select the technologies to be piloted
- Define goals for the pilot and anticipated benefits (e.g. efficiencies and cost savings)

PILOT

- Incorporate selected technologies into corporate restaurant renovations or retrofits
- Confirm whether goals and benefits have been achieved
- Using pilot outcomes, define the business case and roll-out plan

ROLL-OUT

- Proactively deploy technologies to corporate locations in-year
- Update design and construction standards to incorporate new technologies for future builds and renovation projects
- Promote learnings and leading practices with franchisee network to influence expedited conversion



GREEN DESIGN & CONSTRUCTION

We have made solid progress piloting and deploying impactful technologies, having completed over 250 projects largely across our corporate full-service restaurants that make up the majority of our corporate restaurant portfolio.

In addition to focusing on the restaurants we directly control, we will continue to encourage and influence the adoption of new technologies across our franchise partners by sharing our learnings, explaining the environmental benefits and highlighting the financial paybacks that are within their reach.

Over the next year, we will also be working closely with our quick-service brands, both corporate and franchise partners, to gather additional electricity, gas and water use data across multiple locations to further enhance the robustness of our baselines in order to establish a roadmap for restaurant energy and water efficiency.



OUR COMMITMENT

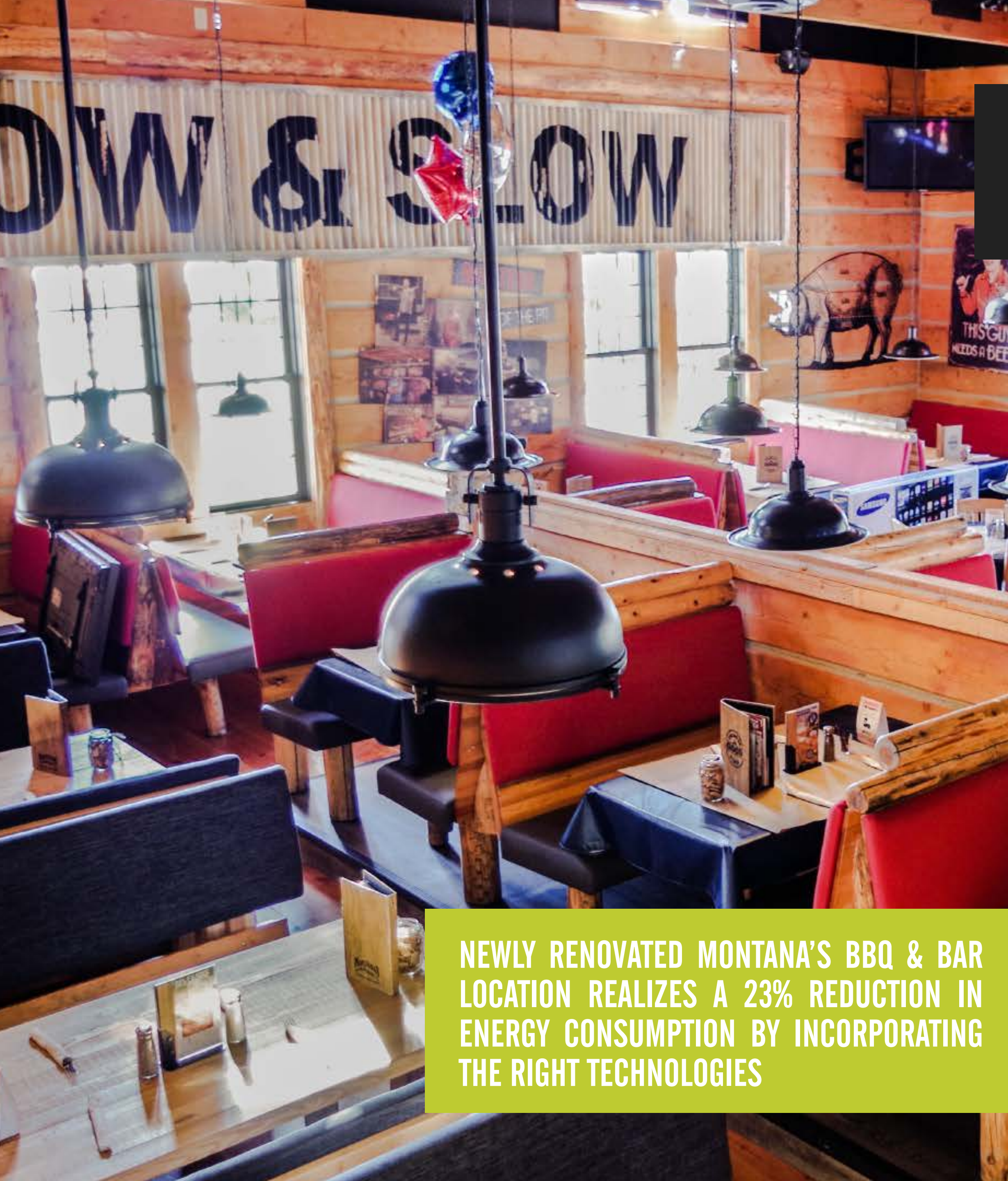
- Partner with our **quick-service brands** and newly **acquired brands to establish energy and water use baselines** by the end of **2022**

- Lessons learned from our technology deployments to-date highlight several opportunities for further reducing our energy and water use across our network of full-service restaurants (relative to our 2018 baselines):

- Beginning January **2023**, **corporate restaurant renovations** will achieve a **25% reduction in energy consumption** and a **20% reduction in water consumption**

- Beginning January **2023**, **franchise restaurant renovations** will achieve a **10% reduction in energy consumption**

- Beginning January **2024**, **new corporate and franchise restaurants built** will achieve a **25% reduction in energy consumption** and a **20% reduction in water consumption**



GREEN DESIGN & CONSTRUCTION

SPOTLIGHT: MONTANA'S BBQ & BAR

Every new restaurant build and renovation is an opportunity for us to incorporate innovative technologies that not only help make our kitchens and dining rooms more energy and water efficient, but also enhance our teammates' comfort and the overall dining experience for our guests.

A recent renovation of our Montana's BBQ & Bar, Brampton location, is a great example of the impact the right technology can have on enabling more efficient operations of our restaurants. This location realized a 23% reduction in energy consumption by incorporating the following technologies:

- **LED lighting** throughout that delivers a brighter kitchen and the ambient lighting desired for the dining rooms
- **Learning thermostats** that adjust heating and cooling to provide the ideal temperature
- **Kitchen hood optimization** including sensors that automatically control fan speed, venting and airflow to deliver a quieter, more comfortable cooking experience for kitchen teammates
- **Walk-in freezer controls** to optimize energy use in both the walk-in cooler and freezer boxes
- **Low-flow pre-rinse spray valves** and **tap aerators** that enable a more water efficient clean up

Given their effectiveness, these technologies are being incorporated into Recipe's design standards for future builds and renovations.

NEWLY RENOVATED MONTANA'S BBQ & BAR LOCATION REALIZES A 23% REDUCTION IN ENERGY CONSUMPTION BY INCORPORATING THE RIGHT TECHNOLOGIES



GREEN DESIGN & CONSTRUCTION

RECIPE UNLIMITED'S HEADQUARTERS — LEED GOING FOR GOLD

At Recipe, our focus on green design and construction extends beyond our restaurants. **We built our high-performance, LEED gold certified headquarters in 2008.**

Throughout the design and build of our 100,000 square foot headquarters our focus was on creating a high-performance, energy efficient building, made with sustainable materials, where possible, that enables a healthier and more productive work environment for our employees and guests. Our head office achieved a gold LEED rating as a result of several key design elements:

- Use of recycled materials, third-party certified wood, and low-emitting, PVC- and VOC-free materials
- HVAC filtering, localized distribution and energy recovery ventilation to bring in lots of fresh air and enable good air quality
- Energy efficiency through LED lighting, light sensors and high-performance HVAC
- Windows and skylights in over 95% of workspaces that bring in natural light
- White reflective roof to minimize heat island effect
- Over 90% of our construction waste was diverted from landfill
- Electric vehicle charging stations, and priority parking for 'green' vehicles
- Water efficiency through low-flow fixtures and water efficient landscaping

RECHARGING AT ST-HUBERT

Since June 2011, Les Rôtisseries St-Hubert has been a founding partner of the Electric Circuit powered by Hydro-Québec, a revolutionary project designed to reduce CO² emissions from transportation.

The Electric Circuit is the first network of public charging stations for electric vehicles in Quebec and Canada. **St-Hubert is proud that all of its rotisseries offer an electric charging station where it is possible to install one: 109 sites have 147 charging stations** and, to date, 15 of them have at least one fast charging station.

GREEN DESIGN & CONSTRUCTION

Since 2018, St-Hubert has been buying only electric or hybrid cars as it upgrades its corporate fleet of delivery vehicles. Currently, 10% of St-Hubert's entire fleet is either electric or hybrid, and this proportion is set to grow over the next several years.



SUSTAINABLE PACKAGING

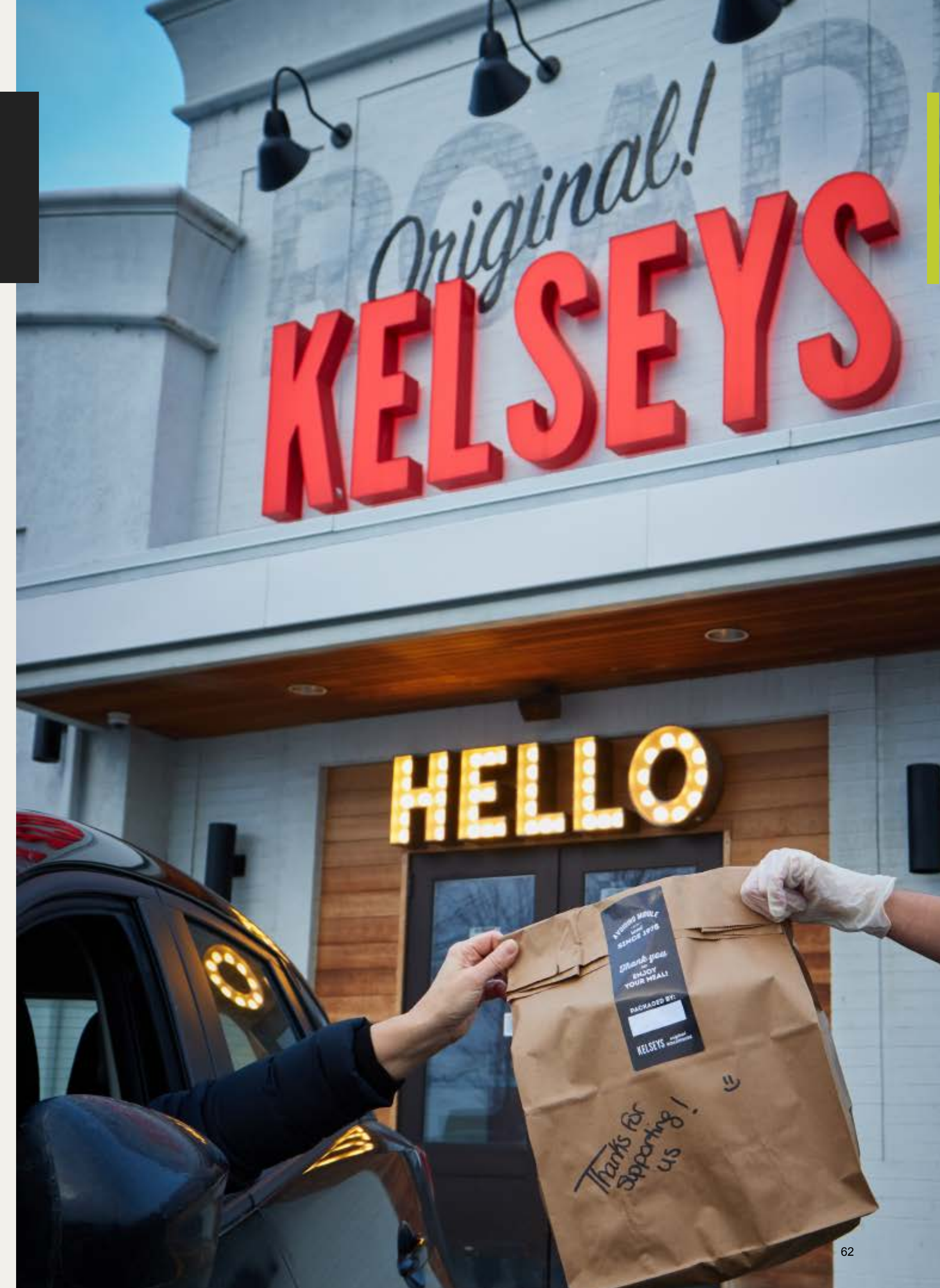
Our goal is to deliver an exceptional dining experience no matter how our guests choose to dine with us. Whether guests are joining us in person in one of our dining rooms, picking up meals to enjoy at home, or having food delivered, packaging plays an integral role in allowing us to provide an excellent dining experience. Throughout the COVID-19 pandemic, guest packaging has been central to our operations, enabling us to effectively and safely transport our delicious food to our guests.

DEFINING OUR STRATEGY AND GUIDING PRINCIPLES

Over the last several years, there has been a steady interest among our customers for take-out and delivery options which has resulted in a corresponding increase in Recipe's packaging volumes. Sustainable packaging and waste reduction are also topics that have become increasingly important for our guests and restaurant teammates. These factors have compelled us to take action to redefine our sustainable packaging strategy and set more aggressive timelines for implementation.

As an organization that operates across Canada, we find ourselves navigating through a complex and often fragmented municipal, provincial and federal legislative landscape as it relates to packaging materials and single-use items (SUIs). Individual municipalities across Canada have been implementing bylaws and services that often do not align with one another. For example, in many municipalities, compostable or biodegradable packaging often ends up in landfills because a robust network of services does not currently exist to process these materials. In addition, provincial governments have their own systems and stewardship requirements, and the federal government is introducing legislation to address SUIs and plastics.

These factors prompted us to define our Guiding Principles for Sustainable Packaging, which we actively use to help us determine the improvements we should make to our packaging.



SUSTAINABLE PACKAGING

RECIPE'S GUIDING PRINCIPLES FOR SUSTAINABLE PACKAGING

- Eliminate or reduce single-use items (SUI), especially plastic, wherever possible
- Replace plastic packaging with more sustainable options wherever possible
- Increase the recyclability of packaging and SUIs to divert packaging from landfill
- Increase recycled content in our packaging to support the circular economy by creating demand for recycled materials
- Seek out packaging products made from materials that we know can be diverted from landfill because the necessary recycling or processing facilities currently exist across Canada
- Work with vendors to improve the quality and affordability of more sustainable packaging products
- Ensure packaging specifications continue to align with evolving municipal, provincial and federal bylaws and legislation
- Advocate across all levels of government for more harmonized approaches to legislation on SUIs



Over the past two years, we have partnered closely with our brands to complete 16 packaging pilots and initiatives to better align our packaging with our guiding principles. Outlined below are several key initiatives that have increased the overall sustainability of our restaurant and guest packaging.

SUSTAINABLE PACKAGING

BY SWITCHING TO:

WE HAVE ELIMINATED:



PAPER STRAWS SYSTEM-WIDE

86 MILLION PLASTIC STRAWS EACH YEAR SINCE 2018



RENEWABLE CONTAINERS SYSTEM-WIDE

8 MILLION STYROFOAM CUPS AND CONTAINERS EACH YEAR SINCE 2019



PAPER BAGS SYSTEM-WIDE

23 MILLION PLASTIC BAGS EACH YEAR SINCE 2019



RECYCLABLE & COMPOSTABLE FRY CONTAINERS MADE FROM 100% RECYCLED FIBERS AT NEW YORK FRIES

10 MILLION NON-RECYCLABLE CONTAINERS AND 1.5 MILLION PLASTIC LIDS EACH YEAR SINCE 2019



RECYCLABLE CLAMSHELLS MADE FROM 100% RECYCLED WATER BOTTLES AT SWISS CHALET, EAST SIDE MARIO'S AND HARVEY'S

6 MILLION NON-RECYCLABLE BLACK PLASTIC CLAMSHELLS EACH YEAR SINCE 2020



In 2020, Recipe had planned to launch a 'Bring-Your-Own' program to encourage guests to bring their own cups, reusable takeout bags and containers for leftovers while maintaining food safety and health standards. Although implementation was paused due to COVID-19 restrictions, this initiative will be an integral step in our sustainability journey. Recipe is also exploring programs for returnable and reusable packaging that can be utilized in our restaurants.

SUSTAINABLE PACKAGING



SPOTLIGHT: ST-HUBERT

St-Hubert has been at the forefront of operationalizing environmentally sustainable practices across its restaurants in Canada. In 2009, St-Hubert redesigned its guest packaging with a focus on three key elements: reducing the volume of materials used by eliminating over-packaging and moving to smaller format containers, sourcing packaging that is recyclable or compostable, and increasing the amount of recycled input materials from which St-Hubert packaging is made. **That year, St-Hubert became the first restaurant chain in Quebec to source 100%* recyclable and compostable packaging.**

Changes that are making an impact:

- In 2009, St-Hubert **eliminates styrofoam** from all containers
- Individual **meal boxes are 6.8% smaller** (without compromising meal quality or portion size)
- **Plastic containers** are made of **100% recyclable** polyethylene terephthalate (PET) plastic
- All **takeout or delivery packaging*** can be included in **curbside recycling** programs
- Since the 1970s, St-Hubert has been using **straps rather than plastic bags** to close its meal boxes and bind multiple boxes together for delivery. In 2015, St-Hubert introduced a strapping machine that uses a recyclable strap
- In 2018, St-Hubert transitions from **plastic to paper straws**
- In 2019, **plastic bags are eliminated** from use across all restaurants

By transitioning to recyclable packaging that contains no styrofoam, St-Hubert estimates that it **helps eliminate 412 tons (the equivalent of 250 garbage trucks) of waste each year** since 2009.

* All restaurant guest packaging is recyclable or compostable except the sauce container lid.

SINCE LAUNCHING ITS RECYCLABLE PACKAGING IN 2009 ST-HUBERT HAS HELPED ELIMINATE 4,500+ TONS OF WASTE!



SUSTAINABLE PACKAGING



SPOTLIGHT: HARVEY'S

Harvey's continues to focus on sustainability and reducing its footprint across its operations to Help Keep Canada A Beautiful Thing. An important area of focus over the last two years has been transitioning to sustainable, eco-friendly packaging across its network of almost 300 restaurants in Canada.

BY MOVING TO ECO-FRIENDLY PACKAGING
HARVEY'S IS HELPING KEEP CANADA A
BEAUTIFUL THING

A strong supporter of the circular economy, Harvey's is continuing to increase the amount of recycled materials in its packaging. **Currently, 100% of Harvey's packaging is made with renewable, recyclable or recycled sources.**

Changes that are making an impact:

- In 2019, Harvey's was one of the **first quick service restaurants to move to paper straws**
- **Poutine containers, fry boxes, pie sleeves, take-out and delivery bags** are made from **100% recycled paper fiber**
- **Condiment cups** are made out of **100% bamboo**
- **Cutlery** is made from **100% recycled materials**
- Harvey's Kids Meals now include a **Plant Kit** instead of a toy made with single-use plastics

By using recycled paper in its packaging, Harvey's estimates that it helps **save more than 5000 trees and prevents 2 million litres of effluent from being generated** each year.

Inspired by its transition to paper-based packaging, and recognizing the importance of forest stewardship for future generations, Harvey's has recently partnered with **TREE Canada**, a national non-profit whose vision, as stated on its website, is to improve the lives of Canadians by planting and nurturing trees while teaching about the value of trees. In 2021, Harvey's is helping **plant at least 25,000 trees across the country.**

SUSTAINABLE PACKAGING

We are proud that collectively the initiatives we have undertaken over the last several years have allowed us to make considerable progress in our sustainability journey, including ensuring that:

99.7%*

of our packaging and SUIs are per- and polyfluoroalkyl substances (PFAS) free

71%*

of our plastic-based guest packaging (excluding SUIs) is recyclable or made from recycled content

90%*

of guest packaging (excluding SUIs) is made from renewable, recyclable or recycled sources

95%*

of our paper-based packaging (excluding SUIs) is made of fiber from certified sources committed to the growth and conservation of forests

Although we have made solid progress over the past two years, we know that additional opportunities for enhancing the sustainability of our packaging exist across our operations.

* The results are based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates sourced throughout FY2020 for use across our full network of corporate and franchise restaurant locations as well as 18 of 46 joint venture locations in Canada. The results reflect data across all brands except The Keg, The Burger's Priest, Fresh and St-Hubert manufacturing/retail; targets will be reviewed and may be modified once data from those brands has been compiled.



OUR COMMITMENT

- By the end of **2021**, we will **eliminate PFAS** from our packaging and SUIs
- By the end of **2022**, **100%** of Recipe's:
 - **Guest packaging** (excluding SUIs) will come from **renewable, recyclable or recycled sources**
 - **Plastic-based packaging** (excluding SUIs) will be **recyclable, and where possible, made of recycled content**
 - **Paper-based packaging** containers (excluding SUIs) will come from **certified sources** committed to the conservation of forests

WASTE MANAGEMENT

As an organization that operates 1,290 corporate, franchise and joint venture restaurant locations in Canada, Recipe knows first-hand the challenges of implementing a comprehensive waste management strategy across disparate provincial and municipal standards and a patchwork of infrastructure for recycling and organic services provided by municipalities across the country. Our restaurant locations are often constrained by the availability of waste collection infrastructure in their region.

With waste management infrastructure often operated by municipalities, private sector service providers for organics and single source recycling are frequently limited to any remaining capacity that exists after municipal (residential) demands are met. The capacity that remains is often uneven to efficiently support the continuous provision of services to commercial waste operations, which can result in material being transported a long distance to be processed properly or redirected to landfill. Moreover, the demand for organics and recycled materials (as sources for new products) is currently far smaller than the amount being generated nationally.

Although Recipe works with several larger waste management partners who provide services across multiple regions, these organizations often subcontract with local haulers in regions where they do not have their own fleets. These arrangements can often contribute to inconsistent data availability regarding Recipe's waste generation and diversion rates.



WASTE MANAGEMENT

Despite these challenges, several of our brands are making concerted efforts to better understand and manage their waste and diversion activities. The Keg and St-Hubert are two key examples.

THE KEG

In its approach to managing waste, The Keg engages its restaurant leaders, teammates and suppliers to help continuously identify opportunities for further reducing waste across its restaurants. Regular waste audits and visual inspections help confirm the effectiveness of waste initiatives and identify any modifications or supplementary training that may be required to enhance efforts.

Over 80% of The Keg's 41 corporate locations in Canada participate in its waste diversion program, with 27 locations receiving both recycling and organics services, and an additional 6 locations that participate in only recycling services.

In 2020, it is estimated that The Keg generated 1,508.64 tons of operational waste across these locations and **diverted approximately 73% of that quantity from landfill**. Moreover, **237.06 tons of grease trap and used cooking oil** was also **diverted from landfill** in Alberta, British Columbia and Ontario, and converted to biofuel or animal feed.

ST-HUBERT

In 2010, St-Hubert launched its **Green Zone program focused on recycling and composting almost all of the waste produced in its restaurants in Quebec**. The program was implemented in all restaurants where it was possible to do so; with almost 80% of all corporate and franchise restaurants participating.

In addition to reducing and recycling restaurant packaging, items such as organic matter and putrescible materials (e.g. placemats, napkins, coffee filters, paper towel) are sent for composting and are diverted from landfill. St-Hubert estimates that through the Green Zone program, **each participating restaurant is able to divert, on average, over 40 tons of organic and putrescible material from landfills per year**.

In 2019, in recognition of its Green Zone program, 110 St-Hubert restaurants achieved the highest performance level of the **ICI on recycle! certificate granted by RECYC-QUÉBEC**, the only certificate in waste management in Quebec.



WASTE MANAGEMENT



Although Recipe does not control the waste collection infrastructure that is available near our restaurants, we know that there is more we can do across the organization to better manage our waste. To start, we need a more comprehensive understanding of our current operational waste volumes and diversion rates as well as better visibility to the waste infrastructure that currently exists across Canada.

With this information in hand, we will be able to set the right waste diversion goals for our operations in Canada, helping ensure that our corporate restaurants participate in the local waste management services available to them. We can also more effectively use our size and scale to negotiate the best possible price for waste management services provision, and encourage and influence waste management program participation among our 1000+ franchise partners by sharing best practices, environmental benefits and a sensible business case for doing so.

We also recognize the importance of serving as an Industry Steward of the Blue Box Program. In 2020, Recipe contributed \$1.95 million in stewardship fees to fund, along with government, the operation of the residential Blue Box Programs. We also acknowledge the ongoing opportunity to partner with our restaurant industry peers to better advocate across legislative bodies and continue to raise awareness and create demand for more comprehensive and consistent waste management services across Canada.

OUR COMMITMENT

- By the end of **2022**, we will conduct **waste audits** to measure and understand our **baseline tonnages for garbage, compost, recycling and diversion rates** across Recipe, and have **visibility to recycling and organics programs and facilities** that exist **near each of our corporate and franchise restaurant locations** in order to inform clear targets for waste diversion across our operations in Canada

FORWARD-LOOKING INFORMATION

All forward-looking statements in this CSR report are made as of June 27, 2021 and are qualified by these cautionary statements.

This CSR report contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information may relate to Recipe's future outlook and anticipated events or results and may include information regarding the financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, plans and objectives of Recipe. Particularly, information regarding future results, performance, achievements, prospects, commitments or opportunities of Recipe is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology, such as "plans", "commits", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved".

Discussions containing forward-looking information may be found throughout this CSR report, including, more particularly, under the "Our Commitment" headings and in the CSR Commitments Summary Table. These statements about forward-looking information include, among other things, statements relating to Recipe's:

- commitment to increase diversity among employees and to retain talent from diverse backgrounds;
- plan to link the remuneration of Recipe's Leadership Team and above to CSR goals;
- commitment to stated sustainable food sourcing goals;
- intention to include healthy choice meal options in Kids' Menus;
- improved processes with respect to food supply and surplus food;
- goals for energy and water consumption reduction;
- elimination of PFAS and increased use of sustainable packaging; and
- waste management processes and goals.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by Recipe in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that Recipe believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct.

Forward-looking information is necessarily based on a number of the opinions, assumptions and estimates that, while considered reasonable by Recipe as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following factors many of which are described in greater detail under the heading "Risk Factors" in Recipe's Annual Information Form dated March 25, 2021 available on SEDAR at www.sedar.com: the development and execution of implementing strategies to meet Recipe's stated goals and commitments; unexpected events during operations; delay or failure to receive any necessary board approvals; Recipe's ability to implement any technology necessary to efficiently and effectively achieve goals and commitments; Recipe's ability to implement requisite operational changes; the commercial viability and scalability of energy and water consumption strategies; Recipe's ability to deploy sufficient capital to fund the necessary expenditures to implement the necessary operational changes to achieve its commitments; development and growth of end market demand for sustainable products and solutions; the performance of third parties; general global economic, market and business conditions; fluctuation of quarterly operating results; the restaurant industry generally; competition with other franchisors; quality control and health concerns; food safety and public safety issues; security breaches of confidential guest information; COVID-19 (Coronavirus); damage to Recipe's reputation; availability and quality of raw materials; reliance on suppliers; growth of Recipe; franchisees; franchise fees and other revenue; franchisee relations; opening new restaurants; integration of acquisitions and brand expansion; achieving expected synergies from acquisitions; retail licensing opportunities; seasonality and weather; regulations governing alcoholic beverages; laws concerning employees; dependence on key personnel; unionization activities that may disrupt Recipe's operations; reliance on information technology; intellectual property; lawsuits; regulation; and Recipe's insurance coverage. These factors and assumptions are not intended to represent a complete list of factors and assumptions that could affect Recipe and its ability to achieve its goals and commitments. These factors and assumptions, however, should be considered carefully.

Although Recipe has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Recipe does not undertake to update any forward-looking information contained herein, except as required by applicable securities laws.

APPENDIX

1. Sustainability Accounting Standards Board (SASB) Disclosure Framework for Restaurants
2. Supplementary Metrics and FY2020 Results
3. Recipe Unlimited CSR Commitments Summary Table



1. SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE FRAMEWORK FOR RESTAURANTS

Recipe Unlimited Corporation is committed to more transparently reporting on our CSR/ESG priorities and performance. To ensure our reporting reflects topics of relevance, we will be reporting against the voluntary Sustainability Accounting Standards Board (SASB) disclosure framework for Restaurants.

SASB is an independent standards-setting organization that establishes and maintains industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability (i.e. ESG) information to investors.

The information outlined over the next several pages reflects the performance of Recipe Unlimited in Canada (where 96% of our restaurants are operated) for the financial year ended December 27, 2020, aligned to the SASB metrics for Restaurants. Our reporting efforts focused on corporate restaurants and franchise locations where data was available. Unless otherwise stated, we have excluded our 46 joint venture locations and any U.S. and international locations from the results. All financial information is presented in Canadian dollars.

This report marks an important step in Recipe's CSR journey and reflects our first collective effort to aggregate and communicate our ESG performance across our 25 brands in a clear and standardized manner. In certain cases, we may not have all the data to be able to fully report against a specific SASB metric, or we were in the process of gathering this data at the time of publishing this report and instead provide a qualitative overview of our approach and performance.

Reporting in alignment with the SASB metrics for FY2020 has been instrumental in helping us identify the areas of opportunity for further strengthening our reporting processes and breadth for FY2021 and beyond.

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (1/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|--|--|--|--|
| Energy Management | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable FB-RN-130a.1 | Gigajoules (GJ), Percentage (%) | (1) 364,501 GJ (101,250,257 kWh-e) (2) 32% of the energy Recipe consumed was from grid electricity (3) 0% as we do not actively control our electricity grid mix. However, we estimate that over 30% of the electricity grid mix supplied to Recipe comes from renewable sources. The results are based on energy (i.e. electricity and/or gas consumption) data available across 182 locations in Canada for which we have at least 1 month of data throughout FY2020: 2 head office locations, 1 catering location and 179 restaurants (of which 11 were joint ventures). The results do not include 1909 Taverne Moderne, Anejo, Blanco, Casey's, The Burger's Priest, Fresh and St-Hubert manufacturing/retail locations. |
| Water Management | (1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress FB-RN-140a.1 | Thousand cubic meters (m³), Percentage (%) | (1) 204,978 m³ (2) This data is not available due to limitations in metering and tracking water discharges from our locations (back to municipal sources). The results are based on water withdrawal data available across 69 locations in Canada for which we have at least 1 month of data throughout FY2020: 2 head office locations, 1 catering location and 66 restaurants (of which 6 were joint ventures). The results do not include 1909 Taverne Moderne, Anejo, Blanco, Casey's, Elephant & Castle, New York Fries, Ultimate Kitchens, The Burger's Priest, Fresh, The Keg and St-Hubert manufacturing/retail locations. (3) As at December 27, 2020, 80 of 1,290 (6%) restaurant locations in Canada operated in areas of high or extremely high baseline water stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct. Of the 69 locations in Canada for which we have data on water withdrawals, 11 (16%) are located in regions (of Alberta and Saskatchewan) with high or extremely high baseline water stress and account for almost 16% (32,462 m³ of 204,978 m³) of Recipe's total water withdrawals in FY2020. |
| Food & Packaging Waste Management | (1) Total amount of waste, (2) percentage food waste, and (3) percentage diverted FB-RN-150a.1 | Metric tons (t), Percentage (%) | Recipe has limited data in this area in FY2020. Our most robust data comes from our brand, The Keg, who estimate (1) 1,508.64 tons of waste, of which (2) 50% is organic waste, and (3) an overall diversion rate of 73% in FY2020. These results are based on 33 (of 41) corporate Keg restaurant locations in Canada, 33 of which have recycling services, and 27 of which have organics services. For Recipe more broadly, our largest waste management partner, who services 204 restaurant locations in Canada, estimates the following: 248.5 tons of total material hauled of which approximately 148 tons is garbage, 2.5 tons is organic waste and 98 tons is recycling. These values are rudimentary estimates based on total billing from FY2020 and do not include The Keg, The Burger's Priest, Fresh and St-Hubert. |
| | (1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable FB-RN-150a.2 | Metric tons (t), Percentage (%) by weight | (1) 8405.71 metric tons (2) 66% (3) 81% The results are based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates as well as single-use items (e.g. napkins, straws, cutlery) sourced throughout FY2020 for use across our full network of corporate and franchise restaurant locations as well as 18 of 46 joint venture locations in Canada. The results reflect data across all brands except The Burger's Priest, Fresh, The Keg and St-Hubert manufacturing/retail. |

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (2/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|--------------------|--|-------------------------|--|
| Food Safety | (1) Percentage of restaurants inspected by a food safety oversight body, (2) percentage receiving critical violations FB-RN-250a.1 | Percentage (%) | (1) 63% (773/1,219) of locations received at least one Public Health inspection (2) 10% (77/773) of restaurants inspected by Public Health received one or more critical violations The results are based on FY2020 data available for Canada across our network of corporate and franchise restaurant locations and brands. We have excluded 46 joint venture locations in Canada as well as our U.S. and international locations. Public health inspection data was not available for Manitoba (where 4 corporate and 21 franchise restaurants are operated). Inspection frequency and location are solely determined by the relevant Public Health inspection authority not by Recipe Unlimited. |
| | (1) Number of recalls issued and (2) total amount of food product recalled FB-RN-250a.2 | Number, Metric tons (t) | (1) One Canadian Food Inspection Agency Class 3 recall was issued for Montana's Salisbury Pot Pie on November 19, 2020. This voluntary recall was the result of incorrect storage of product by our retail partner which caused cold chain breakage and subsequent spoilage and molding of the product. The scope of the recall was for Nova Scotia and Ontario, Canada only. (2) 15.6975 tons were recalled |
| | (1) Number of confirmed foodborne illness outbreaks, (2) percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation FB-RN-250a.3 | Number, Percentage (%) | (1) Zero (2) 0% |

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (3/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|----------------------------|--|---|--|
| Nutritional Content | <p>(1) Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options</p> <p>FB-RN-260a.1</p> | <p>Percentage (%), Reporting currency</p> | <p>(1) Our brands are known by our guests for their exceptional comfort food. For our dietary conscious guest, we currently provide a select number of more healthy options across our brands. We have reviewed our core menus across Swiss Chalet, Harvey's, Montana's, Kelseys, East Side Mario's, New York Fries, Prime Pubs, Milestones, Pickle Barrel, Original Joe's, Landing, Bier Markt, Elephant & Castle, The Keg, State and Main and St-Hubert to identify the specific menu options that we consider to be more healthful as defined by the following Recipe criteria which reflect the Canada's Food Guide: Canada's Dietary Guidelines:</p> <ul style="list-style-type: none"> • Include vegetable and salad items but not any "dressed" item that once prepared has characteristics that render the product closely comparable to an item commonly viewed by the guest as unhealthy (e.g. exclude dressed caesar salad as it's comparable to fries for calories and significantly higher sodium levels) • Include offering that is typically served with a dipping sauce on the side, but is optional for the consumer to eat (e.g. chicken served with Chalet sauce in a ramekin) • Exclude products subject to processing that elevates fat, sugar, sodium content (e.g. deep fat frying, saucing with high sugar/high sodium sauces, candying, etc.) • Exclude intrinsically high fat and/or saturated fat products such as beef, lamb and pork. Include plant-based and lean proteins (e.g. tofu, fish, chicken) <p>Across these brands, we estimate that almost 20% of our meal options (e.g. starters, apps, entree/mains and sides) are more healthful as per the criteria above. Desserts, beverages and kids menu items were not included in this analysis.</p> <p>(2) In 2020, we estimate that we generated approximately \$311.43 million in revenue across our restaurants in Canada from our more healthful menu options. For our Swiss Chalet and Harvey's brands, sales from limited-time offers, offers exclusively sold in 'off premise,' and meal bundles (e.g. meal deals, family packs, 2 can dine) where a more healthful meal option is accompanied by various combinations of less healthy appetizers or sides, were not included in our revenue estimate given the challenges with accurately assigning costs for each component of the meal bundle.</p> |
| | <p>(1) Percentage of children's meal options consistent with national dietary guidelines for children and (2) revenue from these options</p> <p>FB-RN-260a.2</p> | <p>Percentage (%), Reporting currency</p> | <p>(1) We have also reviewed our core kids menus across Swiss Chalet, Harvey's, Montana's, Kelseys, East Side Mario's, Prime Pubs, Milestones, Pickle Barrel, Original Joe's, Landing, Bier Markt, Elephant & Castle, The Keg, State and Main and St-Hubert to identify the specific kids menu options that we consider to be more healthful as defined by the following Recipe criteria which reflect the Canada's Food Guide: Canada's Dietary Guidelines:</p> <ul style="list-style-type: none"> • Include vegetable and salad items but not any "dressed" item that once prepared has characteristics that render the product closely comparable to an item commonly viewed by the guest as unhealthy (e.g. exclude dressed caesar salad as it's comparable to fries for calories and significantly higher sodium levels) • Include offering that is typically served with a dipping sauce on the side, but is optional for the consumer to eat (e.g. chicken served with Chalet sauce in a ramekin) • Exclude products subject to processing that elevates fat, sugar, sodium content (e.g. deep fat frying, saucing with high sugar/high sodium sauces, candying, etc.) • Exclude intrinsically high fat and/or saturated fat products such as beef, lamb and pork. Include plant-based and lean proteins (e.g. tofu, fish, chicken) <p>Across these brands, we estimate that 11% of our kids meal options are more healthful as per the criteria above. Desserts and beverages were not included in this analysis.</p> <p>(2) In 2020, we estimate that we generated approximately \$3.17 million in revenue from these more healthful kids menu options across our restaurants in Canada.</p> |

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (4/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|-------------------------------|--------------------------|---|---------|---------|-----|------------------|---------|-----|----------|---------|-----|---------------|---------|-----|-------------|---------|----|---------|---------|-----|--------|---------|-----|--------------|---------|-----|---------------|----------------|------------|
| Nutritional Content | (1) Number of advertising impressions made on children, (2) percentage promoting products that meet national dietary guidelines for children FB-RN-260a.3 | Number, Percentage (%) | We do not have the level of specificity in our data to effectively outline our performance against this metric in FY2020. Recipe Unlimited understands and actively follows the standards and guidelines related to advertising to children in Canada. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Labor Practices | (1) Voluntary and (2) involuntary turnover rate for restaurant employees FB-RN-310a.1 | Rate | (1) 60% (4,560/7,640) (2) 25% (1,948/7,640) Given the significant fluctuation in employee numbers in FY2020 resulting from COVID-19 restrictions and closures, we have used an average FY2020 corporate (salaried and hourly) restaurant employee headcount of 7,640 to calculate the turnover rates for corporate (salaried and hourly) restaurant employees across all brands in Canada except for The Burger's Priest and Fresh. Franchise and joint venture restaurant employees are not included in this result. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (1) Average hourly wage, by region (2) percentage of restaurant employees earning minimum wage (before tips), by region FB-RN-310a.2 | Reporting currency, Percentage (%) | <table border="1"> <thead> <tr> <th>Corporate Restaurant Location</th> <th>(1) Average Hourly Wage*</th> <th>(2) % Restaurant Employees Earning Minimum Wage</th> </tr> </thead> <tbody> <tr> <td>Alberta</td> <td>\$16.62</td> <td>36%</td> </tr> <tr> <td>British Columbia</td> <td>\$16.77</td> <td>37%</td> </tr> <tr> <td>Manitoba</td> <td>\$13.26</td> <td>36%</td> </tr> <tr> <td>New Brunswick</td> <td>\$12.97</td> <td>59%</td> </tr> <tr> <td>Nova Scotia</td> <td>\$16.58</td> <td>0%</td> </tr> <tr> <td>Ontario</td> <td>\$15.80</td> <td>32%</td> </tr> <tr> <td>Quebec</td> <td>\$13.90</td> <td>41%</td> </tr> <tr> <td>Saskatchewan</td> <td>\$13.31</td> <td>54%</td> </tr> <tr> <td>Canada</td> <td>\$15.90</td> <td>37%</td> </tr> </tbody> </table> <p>In response to the COVID-19 pandemic and to acknowledge the critical role of our frontline restaurant teammates, Recipe provided a 'Thank you' top-up of approximately \$2.00 / hour to our corporate restaurant employees who continued to work in our corporate locations across Canada. The 'Thank you' pay was provided for 2 months to 6 months depending on the brand.</p> <p>The results are based on data as of December 2020 for 3,720 corporate hourly restaurant employees across all brands in Canada except for The Burger's Priest and Fresh. Franchise and joint venture employees are not included in this result.</p> <p>* Data for 1,343 corporate hourly Keg restaurant employees included in metric (1) average hourly wage, does not include tips as these are not tracked by the brand.</p> | Corporate Restaurant Location | (1) Average Hourly Wage* | (2) % Restaurant Employees Earning Minimum Wage | Alberta | \$16.62 | 36% | British Columbia | \$16.77 | 37% | Manitoba | \$13.26 | 36% | New Brunswick | \$12.97 | 59% | Nova Scotia | \$16.58 | 0% | Ontario | \$15.80 | 32% | Quebec | \$13.90 | 41% | Saskatchewan | \$13.31 | 54% | Canada | \$15.90 | 37% |
| | Corporate Restaurant Location | (1) Average Hourly Wage* | (2) % Restaurant Employees Earning Minimum Wage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alberta | \$16.62 | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| British Columbia | \$16.77 | 37% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manitoba | \$13.26 | 36% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New Brunswick | \$12.97 | 59% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nova Scotia | \$16.58 | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ontario | \$15.80 | 32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Quebec | \$13.90 | 41% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Saskatchewan | \$13.31 | 54% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Canada | \$15.90 | 37% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination FB-RN-310a.3 | Reporting currency | Monetary losses as a result of legal proceedings associated with labor law violations and employment discrimination during the reporting period were an immaterial amount. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (5/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|--|---|---|--|
| Supply Chain Management & Food Sourcing | Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards FB-RN-430a.1 | Percentage (%) by cost | <p>We have focused our data gathering efforts on the following important food categories:</p> <ul style="list-style-type: none"> • Beef: 11% of beef purchased was 'raised without antibiotics' certified (\$9.57M of \$85.36M purchased) • Beef: 4% of beef purchased was 'Canadian Roundtable for Sustainable beef' certified (\$3.09M of \$85.36M purchased) • Seafood: 73% of seafood purchased was certified (\$19.78M of \$27.10M purchased) • Coffee: 25% of coffee purchased was third-party certified (\$384K of \$1.54M purchased) <p>In aggregate, 29% of food purchased across these three food categories was certified or met environmental and/or social standards. The results are based on FY2020 purchases of beef, seafood and coffee for all Recipe brands and restaurant locations in Canada except The Burger's Priest, Fresh and St-Hubert manufacturing/retail.</p> |
| | Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates FB-RN-430a.2 | Percentage (%) by number, Percentage (%) by weight | <p>(1) In total, 94% of the eggs we used in FY2020 came from cage-free sources. This result excludes prepared products that include egg and egg products in their manufacturing process. It also excludes liquid egg products. At the end of 2020, Recipe successfully transitioned all its shell eggs and liquid egg products to those that originated from a cage-free environment.</p> <p>The results are based on FY2020 egg purchases for all Recipe brands and restaurant locations in Canada except The Burger's Priest, Fresh, and The Keg which does not include shell and liquid egg products in its menu.</p> <p>(2) Of the 2,946,647 kg of pork purchased in FY2020, 74% was purchased from three key suppliers, with the remaining 26% of pork purchased from smaller producers. Our three biggest pork suppliers have set commitments and targets for transitioning away from gestation crates. Recipe is proud to support them in their efforts. To better understand the use of gestation crates across our entire pork supply chain, Recipe is in the process of gathering additional information from our smaller suppliers about their current use of gestation crates and goals for transition. We will have more information to share in this area in our FY2021 CSR Report.</p> <p>The results are based on FY2020 pork purchases for all Recipe brands and restaurant locations in Canada except The Burger's Priest, Fresh and St-Hubert manufacturing/retail.</p> |
| | Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare FB-RN-430a.3 | N/A | Please refer to the Sustainable Food Sourcing section (page 41-48) of this report for information on Recipe's sourcing priorities relating to identified environmental and social risks, including animal welfare. |

1. SASB DISCLOSURE FRAMEWORK: RESTAURANTS (6/6)

| TOPIC | ACCOUNTING METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|-------------------------|---|-----------------|---|
| Activity Metrics | Number of (1) company-owned and (2) franchise restaurants FB-RN-000.A | Number | <p>Of our 1,341 restaurant locations globally (1) 210 are corporate/company-owned (2) 1,085 are franchise locations and 46 are joint venture locations.</p> <p>In Canada, we have 1,290 locations in total, of which: 195 are corporate/company-owned locations, 1,049 are franchise locations, and 46 are joint venture locations.</p> <p>Restaurant counts are as at December 27, 2020.</p> |
| | Number of employees at (1) company-owned and (2) franchise locations FB-RN-000.B | Number | <p>(1) Our employee headcount varied considerably throughout FY2020 due to COVID-19 related restrictions, lockdowns and closures which began in March 2020. In January 2020, we began the year with 11,908 employees and we ended the year in December 2020 with 5,556 employees. In FY2020, our average headcount was 8,889.</p> <p>The results are based on data available for head office, call centre, retail/plant employees as well as corporate (hourly and salaried) restaurant employees across all brands in Canada except for The Burger's Priest and Fresh. Franchise and joint venture employees are not included in this result.</p> <p>(2) We do not have this data for FY2020. Recipe is putting mechanisms in place to be able to report on estimated numbers of franchise employees for FY2021.</p> |

2. SUPPLEMENTARY METRICS AND FY2020 RESULTS

In addition to reporting our FY2020 performance in alignment with the SASB disclosure framework for Restaurants, Recipe Unlimited Corporation has decided to outline our performance against several supplementary metrics across the People and Planet pillars that we believe are important to our operations and are either monitoring today or planning to regularly monitor in the future.

The information outlined over the next several pages reflects the performance of Recipe Unlimited in Canada (where 96% of our restaurants are operated) for the financial year ended December 27, 2020. Our reporting efforts focused on corporate restaurants and franchise locations where data was available. Unless otherwise stated, we have excluded our 46 joint venture locations and any U.S. and international locations from the results. All financial information is presented in Canadian dollars.

2. SUPPLEMENTARY METRICS AND FY2020 RESULTS (1/4)

PEOPLE PILLAR

| PEOPLE | METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|---|---|-----------------|--|
| Talent & Employee Engagement | (1) Voluntary and (2) involuntary turnover rate for Head Office employees | Rate | (1) 12% (107/874) (2) 22% (189/874) Given the significant fluctuation in employee numbers in FY2020 resulting from COVID-19 restrictions and closures, we have used an average FY2020 salaried head office employee headcount of 874 to calculate the turnover rates. |
| Benefits & Compensation | CEO compensation / average employee compensation | Ratio | 20.1 : 1 The results are based on FY2020 compensation data in Recipe's HRIS for head office employees and corporate restaurant salaried and hourly teammates in Canada across all brands but The Burger's Priest, Fresh, The Keg and St-Hubert. FY2020 total compensation data includes base salary, STIP (if eligible) and LTIP (if eligible). The hourly rates for corporate hourly employees were used to estimate their annualized salary. Given the significant COVID-19 related impacts to Recipe's frontline restaurant employees and operations, Recipe's CEO, Executive team and other senior leaders took reduced salaries in 2020. Reduced salaries for applicable employees were used to calculate this result. |
| Employee Wellness | Lost time incident rate (LTIR), calculated as: (Total number of lost time incidents x 200,000) / Total number of hours worked by all employees (including over-time) | Rate | Our LTIR in 2020 was 2.10. The results are based on data available for head office employees, corporate (salaried and hourly) teammates across all our brands in Canada except for The Burger's Priest and Fresh. Also included are our St-Hubert manufacturing/retail employees. Franchise and joint venture employees are not included in this result. |
| Learning & Development | (1) Average hours of training per employee and (2) Number of participants in training programs | Number | (1) On average, learners spent 7.5 hours completing compliance and brand-specific training through our online learning platforms including RU Game. (2) In total, we engaged more than 19,000 corporate and franchisee learners through our RU Game and RU Leading L&D platforms. |

2. SUPPLEMENTARY METRICS AND FY2020 RESULTS (2/4)

PEOPLE PILLAR

| PEOPLE | METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|--|---|------------------------|---|
| Diversity, Equity & Inclusion (DEI) | Diversity of the Board by (1) gender (2) visible minority | Number | <p>Of 8 Board members there are: (1) 6 men and 2 women, and (2) 2 individuals are members of visible minority groups</p> <p>Given the recent changes to Board composition, we are presenting the results as of May 2021. Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report.</p> |
| | Diversity of Recipe's ELT by (1) gender (2) visible minority | Number | <p>Of 10 ELT members there are: (1) 9 men and 1 woman, and (2) no individuals are members of visible minority groups</p> <p>The results are based on data as of May 2021. Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report.</p> |
| | Diversity of our RLT (i.e. Director level and above) by (1) gender (2) visible minority | Number, Percentage (%) | <p>Of 142 RLT members (Director level and above) (1) 98 (69%) are men and 44 (31%) are women, and (2) 16 (11%) are members of visible minority groups</p> <p>The results are based on data as of May 2021. Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report.</p> |
| | % of Recipe's employees in each of the following diversity categories: (1) gender (2) ethnicity | Percentage (%) | <p>Of Recipe's 5,556 employees (1) 2,949 (53%) are men and 2,607 (47%) are women</p> <p>The results are based on data as of December 2020 for 5,556 head office, call centre, retail/plant employees as well as corporate (hourly and salaried) restaurant employees across all brands in Canada except for The Burger's Priest and Fresh. Franchise and joint venture employees are not included in this result. Recipe is currently refining the diversity dimensions and definitions we use for self-identification. These changes will be reflected in next year's CSR report.</p> <p>Of 560 employees (2) 322 (58%) are white, 57 (10%) are Asian - Southeast, 38 (7%) are Asian - South, 37 (7%) are Asian - East, 31 (6%) are Mixed Race, 16 (3%) are Black, 14 (3%) are Middle Eastern, 13 (2%) are Other, 11 (2%) are West Indian, 8 (1%) are Latinx, 4 (<1%) are Indigenous, 1 (<1%) are Pacific Islander, and 8 (1%) Prefer not to say</p> <p>The results are based on preliminary ethnicity self-identification data as at July 9, 2021 and reflect feedback from 560 corporate employees across all brands in Canada except for The Burger's Priest, Fresh, The Keg and St-Hubert.</p> |
| | DEI training provided (1) average number of hours (2) number of participants | Number | <p>In 2020, we partnered with Reframe (formerly CANVAS Consulting) to kick off our DEI learning with 'Introduction to DEI' which focused on DEI concepts, definitions as well as strategies and tools for supporting DEI at Recipe.</p> <p>(1) Participants completed a four-hour session (2) 865 Recipe employees (including ELT, RLT, head office teammates, Business Development Managers (BDM) as well as corporate General Managers (GM) and franchisees) participated across 55 virtual instructor-led sessions.</p> |

2. SUPPLEMENTARY METRICS AND FY2020 RESULTS (3/4)

PEOPLE PILLAR

| PEOPLE | METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|--|---|----------------------------|---|
| Community Engagement & Philanthropy | Total donations (1) in \$CAD (2) Amount of food | Reporting currency, Number | (1) Over \$2.28 million across brands, including (2) 158,543 meals, 100,000 burgers and 2,000 chicken pies donated The results are based on the philanthropic efforts and donations throughout FY2020 of Recipe Unlimited head office and the following brands: St-Hubert, Swiss Chalet, Harvey's, The Keg, Pickle Barrel, Milestones, Franworks and New York Fries. |

PLANET PILLAR

| PLANET | METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|------------------------------|--|--------------------------|-------------------------------|
| Sustainable Packaging | % of packaging (not including single-use items (SUIs)) made from renewable, recyclable, or recycled sources | Percentage (%) by weight | 90% |
| | % of plastic-based guest packaging (not including SUIs) that is recyclable or made from recycled content | Percentage (%) by weight | 71% |
| | % of paper-based packaging (not including SUIs) made from certified sources committed to the growing and conservation of forests | Percentage (%) by weight | 95% |
| | % of single-use items (not including packaging) made from renewable, recyclable, and/or recycled sources | Percentage (%) by weight | 74% |
| | % of packaging and SUIs that are PFAS free | Percentage (%) by weight | 99.7% |

The results are based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates sourced throughout FY2020 for use across our full network of corporate and franchise restaurant locations as well as 18 of 46 joint venture locations in Canada. The results reflect data across all brands except The Keg, The Burger's Priest, Fresh and St-Hubert manufacturing/retail.

The results are based on single-use items (e.g. napkins, straws, cutlery) sourced throughout FY2020 for use across our full network of corporate and franchise restaurant locations as well as 18 of 46 joint venture locations in Canada. The results reflect data across all brands except The Burger's Priest, Fresh, The Keg and St-Hubert manufacturing/retail.

The results are based on primary (e.g. containers, wrappers, cups, dry box) and secondary packaging (e.g. paper bags, cup carriers) substrates as well as single-use items (e.g. napkins, straws, cutlery) sourced throughout FY2020 for use across our full network of corporate and franchise restaurant locations as well as 18 of 46 joint venture locations in Canada. The results reflect data across all brands except The Burger's Priest, Fresh, The Keg and St-Hubert manufacturing/retail.

2. SUPPLEMENTARY METRICS AND FY2020 RESULTS (4/4)

PLANET PILLAR

| PLANET | METRIC | UNIT OF MEASURE | RECIPE UNLIMITED 2020 RESULTS |
|------------------------------|--|---------------------------------------|--|
| Waste Mgmt: Organics | % of locations with organics services | Percentage (%) of reporting locations | <p>47% (41/88) of reporting corporate locations and 28% (85/305) of reporting franchise locations have organics services.</p> <p>The results are based on reporting restaurant locations in Canada that we know have organics services provision. The values reflect 2020 data except for St-Hubert for whom December 2019 information was leveraged. The reporting locations represent 45% of our 195 corporate locations and 29% of our 1,049 franchise locations in Canada. The results do not include The Burger's Priest, Fresh, St-Hubert manufacturing/retail and head office locations.</p> |
| Waste Mgmt: Recycling | % of locations with recycling services | Percentage (%) of reporting locations | <p>99% (87/88) of reporting corporate locations and 89% (272/305) of reporting franchise locations have recycling services.</p> <p>The results are based on reporting restaurant locations in Canada that we know have recycling services provision. The values reflect 2020 data except for St-Hubert for whom December 2019 information was leveraged. The reporting locations represent 45% of our 195 corporate locations and 29% of our 1,049 franchise locations in Canada. The results do not include The Burger's Priest, Fresh, St-Hubert manufacturing/retail and head office locations.</p> |

3. RECIPE UNLIMITED CSR COMMITMENTS (1/3)

PEOPLE PILLAR

Over the next several pages, we summarize the key CSR commitments across our People, Food and Planet pillars that have been presented throughout this report.

| PEOPLE | OUR COMMITMENTS |
|---|---|
| <p>Talent & Employee Engagement</p> | <ul style="list-style-type: none"> • We plan to launch our next engagement survey in August 2021 and to participate in the Great Place to Work survey in Canada in the Fall of 2021. |
| <p>Diversity, Equity & Inclusion</p> | <ul style="list-style-type: none"> • By the end of 2022, our aim is to make 'Unconscious Bias' training a core training component for all new corporate and franchise employees. • By the end of 2023, at least 40% of Recipe's Board Members will be from diverse backgrounds (e.g. woman, BIPOC, disability, 2SLGBTQ+). • By the end of 2023, identify a pipeline of diverse successor candidates (across gender and ethnicity) who are ready to assume shared services leader and brand leader roles. • By the end of 2023, achieve a 95% retention rate among our top talent from diverse backgrounds (e.g. woman, BIPOC, disability, 2SLGBTQ+) for head office and salaried manager roles. • By the end of 2023, 40% of our RLT and above will be from diverse backgrounds (e.g. woman, BIPOC, disability, 2SLGBTQ+) and we are committed to further increasing that to 50% by the end of 2025. |
| <p>Benefits & Compensation</p> | <ul style="list-style-type: none"> • By the end of 2023, remuneration for our RLT and above will be linked to the achievement of our CSR goals. |

3. RECIPE UNLIMITED CSR COMMITMENTS (2/3)

FOOD PILLAR

| FOOD | OUR COMMITMENTS |
|---|---|
| <p>Sustainable Food Sourcing</p> | <ul style="list-style-type: none"> • To better understand the use of gestation crates across our entire pork supply chain, Recipe is in the process of gathering additional information from our smaller suppliers about their use of gestation crates and goals for transition. We will share our learnings in the FY2021 CSR Report. • By the end of 2022, we will enhance Recipe's vendor criteria and food safety requirements to ensure that we continue to partner with producers and suppliers who are at the forefront of environmentally and socially sustainable food production. • By the end of 2022, 100% of the coffee purchased by Recipe will meet social and/or environmental certification standards (e.g. Rainforest Alliance, Fairtrade International). • By the end of 2022, 100% of the seafood (excluding squid) purchased by Recipe will be third-party certified (e.g. ASC, Ocean Wise, MSC) to ensure sustainable practices. • By the end of 2024, Recipe will be a certified member of MSC's Chain of Custody Standard. • By the end of 2025, 100% of Recipe's brands will be members of the CRSB. Recipe will also increase the proportion of beef purchases that are from CRSB certified sources as more supply becomes available through expanded farmer and processor CRSB program enrollment. • Over the next four years, we plan to investigate and develop sustainable sourcing practices related to fresh produce. Our goal is to better understand the social and/or environmental certifications in this category and what our suppliers are doing to support sustainable agriculture (e.g. ensure biodiversity, soil health, water and energy conservation) and human rights. We will share our learnings in future CSR Reports. |
| <p>Choice & Nutrition</p> | <p>By the end of 2022, Recipe will ensure each brand's* Kids' Menu has at least one designed, healthy choice that aligns with the Canada Food Guide.</p> <p><i>* Does not include New York Fries and The Burger's Priest which do not have a Kids' Menu.</i></p> |
| <p>Food Rescue</p> | <ul style="list-style-type: none"> • Our goal is to have as little food waste as possible throughout our entire supply chain. We will continue to improve our processes to accurately predict our food requirements and minimize the amount of surplus food. When surplus food does become available, we will ensure that it does not feed landfills but is donated to the organizations that can make good use of it. • By the end of 2021, Recipe will implement a process that will allow us to better identify and quantify the specific surplus food products (and their value) that are donated from our distribution centres to participating charitable organizations. |

3. RECIPE UNLIMITED CSR COMMITMENTS (3/3)

PLANET PILLAR

| PLANET | OUR COMMITMENTS |
|---|--|
| <p>Green Design & Construction</p> | <ul style="list-style-type: none"> • Partner with our quick-service and newly acquired brands to establish energy and water use baselines by the end of 2022. • Lessons learned from our technology deployments to-date highlight several opportunities for further reducing our energy and water use across our network of full-service restaurants (relative to our 2018 baselines): <ul style="list-style-type: none"> • Beginning January 2023, corporate restaurant renovations will achieve a 25% reduction in energy consumption and a 20% reduction in water consumption • Beginning January 2023, franchise restaurant renovations will achieve a 10% reduction in energy consumption • Beginning January 2024, new corporate and franchise restaurants built will achieve a 25% reduction in energy consumption and a 20% reduction in water consumption |
| <p>Sustainable Packaging</p> | <ul style="list-style-type: none"> • By the end of 2021, we will eliminate PFAS from our packaging and SUIs. • By the end of 2022, 100% of Recipe's: <ul style="list-style-type: none"> • Guest packaging (excluding SUIs) will come from renewable, recyclable or recycled sources • Plastic-based packaging (excluding SUIs) will be recyclable, and where possible, made of recycled content • Paper-based packaging containers (excluding SUIs) will come from certified sources committed to the conservation of forests <p><i>These targets will be reviewed and may be modified once baseline data from The Keg, The Burger's Priest and Fresh have been compiled.</i></p> |
| <p>Waste Management</p> | <ul style="list-style-type: none"> • By the end of 2022, we will conduct waste audits to measure and understand our baseline tonnages for garbage, compost, recycling and diversion rates across Recipe, and have visibility to recycling and organics programs and facilities that exist near each of our corporate and franchise restaurant locations in order to inform clear targets for waste diversion across our operations in Canada. |