TASK FORCE ON CLIMATE RELATED DISCLOSURE (TCFD) – 2021 DISCLOSURE

Executive Summary

TreeHouse Foods, Inc. (TreeHouse) is a leading manufacturer and distributor of private label packaged foods and beverages in North America. We have approximately 40 production facilities across North America and Italy, and our vision is to be the undisputed solutions leader for custom brands for our customers. Our extensive product portfolio includes snacking, beverages, and meal preparation products, available in shelf stable, refrigerated, frozen, and fresh formats. We have a comprehensive offering of packaging formats and flavor profiles, and we also offer better-for-you, organic, and free from preservative products across almost our entire portfolio. Our purpose is to make high quality food and beverages affordable to all.

We understand that the nature of our business exposes us to climate-related risks, both physically and from the low carbon economy transition. A rise in global mean temperatures at or above 2-degrees Celsius could significantly impact our ability to source ingredients, manufacture high-quality products, and distribute those products to our customers. It is imperative that we identify climate-related risks from this scenario and develop clear plans and targets for mitigating those risks. This TCFD-aligned report highlights our governance structure, strategy, risk management, and metrics and targets for mitigating the climate-related risks to our business and value chain.

Governance

Overview

Our approach to climate change management is overseen at all levels of the organization, from our subject matter experts to our Board of Directors, through clear ESG governance structures and responsibilities. Our Nominating and Governance board committee provides ESG and climate change strategy oversight at the highest level, helping to ensure that our long-term corporate strategy continues to create value. Our ESG Executive Steering Committee reports to the Board of Directors and is a cross departmental governance body that is led by senior leaders across our functional areas and chaired by our Chief Executive Officer. The ESG Executive Steering Committee provides strategic leadership on our enterprise wide ESG strategy, including around climate-related risks and opportunities. The Executive Committee oversees the risk management, business continuity, external reporting, and stakeholder engagement processes needed to ensure full implementation and continuous progress on our ESG goals across the business.

The committee assesses the financial exposure and stakeholder impacts of ESG risk factors across the company's divisions and creates a course of action to manage these risks and capitalize on opportunities created by changing market conditions. The committee is also responsible for facilitating consistent communication about the execution of the ESG strategy, direction setting, and collective accountability for meeting relevant goals. Execution of our ESG strategy is led specifically by our ESG leader, ensuring we have a single individual overseeing our ESG efforts and interfacing with key departments and staff who are developing and deploying ESG initiatives.

ESG Subcommittees

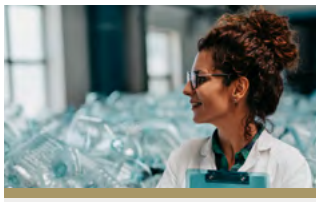
We have created a series of ESG Subcommittees focused on providing specific subject matter leadership in areas of importance to TreeHouse, including climate change management strategy. This structure helps to embed ESG into the TreeHouse corporate culture and our day-to-day business planning and execution. These subcommittees are led by relevant department heads and are responsible for guiding our ESG strategy and goals to completion. These subcommittees and their contributions to our climate change management strategy are listed on the following page.

SUPPLY CHAIN & OPERATIONS

This subcommittee contributes to our climate change management strategy by setting goals, implementing management systems, and working to continuously improve on intensity metrics pertaining to energy and natural resource use across the value chain, from sourcing to production to packaging. Climate change is called out as a specific focus area for this subcommittee in our ESG governance structure.

TRANSPARENCY & DISCLOSURE

This subcommittee contributes to our climate change management strategy by enhancing the frequency, comprehensiveness, and quality of data collection, aggregation, and communication with both internal and external stakeholders. This subcommittee works to communicate climate-related risks, opportunities, progress, and barriers to relevant parties involved and interested stakeholders.



PLASTICS & PACKAGING

This subcommittee contributes to our climate change management strategy by working to lower our carbon footprint from plastics and packaging. Since plastics and packaging release greenhouse gas (GHG) emissions throughout their lifecycle, this group is working to reduce plastic use at every stage of the value chain. A combination of food package light weighting, material substitutions, and substrate innovations are supporting our goal of reducing our plastic footprint, and therefore the associated climate-related risks.

EMPLOYEE ENGAGEMENT & WELFARE

This subcommittee contributes to our climate change management strategy by ensuring that roles at every level of the organization have the skills and resources necessary to contribute to the success of our ESG and climate change management strategies. This group promotes employee engagement, talent development, and continuous improvement at the individual and team levels to support our climate change management efforts and drive long-term business continuity.

The ESG Executive Steering Committee meets quarterly on the company's ESG performance, strategy, initiatives and issues. A quarterly update is provided to the Board that includes progress towards our environmental sustainability goals and going forward in 2021, our overall ESG goals. These goals and performance include our climate change strategy for both our operations and supply chain. The Nominating and Governance Board Committee formally meets and reviews ESG performance and strategy annually. Our four subcommittees meet at least monthly to ensure we are making progress towards our commitments and addressing key ESG issues that arise.

Strategy

Risks and Opportunities

The effects of climate change will impact the food and beverage industry, including food production, in several ways. The key risks we face as a company can be put into two categories:

- *Physical Risks:* Risks associated with physical impacts from climate change that could affect our ingredient sourcing, production facilities, and operational business continuity. These impacts may include acute physical damage from variations in weather patterns (such as severe storms, floods, and drought) and chronic impacts, such as sea-level rise, desertification, drought, and agriculture production and quality fluctuations. Physical risks ultimately include the disruption of operations across the value chain or destruction of property.
- *Transition Risks:* Risks related to the transition to a lower-carbon economy. The risks can be grouped into four categories: policy and legal risk; technological risk; market risk; and reputational risk. Transition risks include policy constraints on emissions, the imposition of carbon taxes, water restrictions, land use restrictions or incentives, and market demand and supply shifts.

We recognize that these types of risks may affect our business for differing amounts of time based on the varying life of our assets and infrastructure, as well as geographic location. We have defined these time horizons as being relevant for our risk assessments:

- Short-term: 0-1 year
- Medium-term: 1-10 years
- Long-term: 10+ years

The tables on the following pages outlines the specific risks identified and being tracked by TreeHouse.

Risks	Description	Strategy
PHYSICAL RISKS	**Escalating Threat of Climate Change:** The International Panel on Climate Change (IPCC) Sixth Assessment Report indicates that we are at "code red" for humanity. The report shows that we are perilously close to the 1.5°C global warming threshold past which acute and chronic physical climate risks are certain. The report highlights the urgent need for massive reduction or cessation of greenhouse gas emissions to stabilize the climate and prevent irreparable damage. Countries, and therefore the companies like us that operate in them, will need to set aggressive goals to reduce our greenhouse gas emissions. **Time Horizon:** Short to long-term	Our 2025 goals are focused on attempting to decrease greenhouse gas emissions throughout our value chain. We have set specific goals to reduce our Scope 1 and 2 emissions intensities, evaluate and plan how to reduce our Scope 3 emissions, and attempt to reduce the methane emissions from our landfill and food loss waste. These goals directly support the identified urgent global need to reduce greenhouse gas emissions.
	Acute Physical Risk: According to the IPCC, a failure by carbon policy to mitigate global average temperature increases would result in even more frequent and intense weather events than experienced today. A major business interruption caused by a disaster such as a tornado, fire, flood, or major system failure at a shared service center, distribution center, or key plant could threaten our capacity to continue operations or significantly impact profitability. These changing conditions could also negatively affect the reliability of our feedstocks. Additionally, our business success is inextricably linked to the welfare of our employees and the stability of local infrastructure. More frequent and intense weather poses a threat to our people and hard assets. **Time Horizon:** Short to long-term	We recognize the potential severity of climate risks to our business and set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This will include specifically identifying and planning for risks from increasing severe weather events at our facilities and across our value chain. In 2020, we began the development of an Enterprise Business Continuity Management (EBCM) System policy and the formalization of a standardized approach to EBCM across departments. Our Enterprise Business Continuity Management System (EBCMS) prepares our business to react to a wide range of manmade and natural events that threaten our own business and the businesses of our suppliers and customers, including those from climate change. Our EBCMS is designed to support quicker and more effective decision making in times of crisis, the mobilization of collective action with relevant stakeholders to mitigate damage, and the reduction of duplication and redundancy in our planning efforts. We grew our crisis playbook to include more scope and to engage with more TreeHouse team members. The four main components of this playbook include triggers for activation, protocols to inform and escalate, the composition and role of the corporate crisis team, and an action plan based on the severity and type of crisis being managed. We grew our critical event repository within Everbridge, our crisis communications platform, to promote access and engagement with the materials. We also plan to build on our crisis playbook by including additional scenarios, especially those related to physical climate risk, and integrating them into Everbridge. We will conduct training and scenario planning exercises and create site-specific playbooks to address different risks at our facilities based on factors like geography. Risk assessments, including a business impact analysis, hazard vulnerability assessments, and risk portfolio are being established to allow comprehension of interconnected risks that climate change could cause across our operations. **1)** To reduce the personnel and labor management risks associated with climate damage to local infrastructure, such as disrupted public transportation and flooded roadways, operational resiliency planning is being implemented to ensure employees can safely operate in multiple roles thereby promoting business continuity. We could therefore maintain critical plant operations with 50% of our personnel. **2)** Our strategy to manage the negative impacts on key natural resource inputs for food production, such as clean water and healthy soil, is incorporated in our existing supply chain management practices. Our strategy will become increasingly focused on climate change management and resilience in 2021 as we roll out our ESG supplier survey. Our goal is to ensure that every supplier has a robust understanding of the ESG risks and opportunities facing their own business so that we can minimize our own risks in doing business with them and collaborate during emergencies. **3)** We will continue to work through sourcing bodies such as the Roundtable on Sustainable Palm Oil, Rain Forest Alliance Certified, and Fair Trade USA. As natural resource scarcity increases, these relationships will only become more vital to our long-term success. These bodies audit and verify the environmental and social practices of key ingredient suppliers. We will look to collaborate with additional third-party responsible sourcing organizations as part of our risk mitigation strategy.

Risks	Description	Strategy
PHYSICAL RISKS	**Chronic Physical Risk:** The long-term changes to climatic conditions, including precipitation levels, mean temperatures, and rising sea levels, are resulting in changes to the stability of growing regions across the globe. These regions rely on agricultural commodities to produce consistent feedstock for our operations. Chronic physical risks will make it difficult to predict the stability of supply and reinforce the need for a more diverse supply chain. Failure to accurately predict and plan production, source, and purchase raw materials could result in distressed inventories or delays in meeting customer requirements. Chronic physical risks could also create volatility in commodity and crop costs, which may lead to lower margins or trading losses. With the majority of our North American Operations in the Midwest and Northeast, we do not have the same immediate physical risks from coastal flooding, hurricanes, and wildfires as the Atlantic, Gulf, and West Coast. However, it is projected that the Midwest could experience the biggest increase in average temperatures as well as toxic algae pollution in the Great Lakes. The Northeast could experience increasingly frequent storms similar to Hurricane Sandy in 2012. The roads and bridges that make up our distribution routes could become unviable, complicating not only TreeHouse's business continuity but also exacerbating local traffic congestion and associated infrastructure challenges. These physical impacts could also threaten the electricity grid and the power generation systems we depend on to operate our production facilities across the country. This could result in operational strain, losses due to unfulfilled deliveries, and employee overtime pay to rectify unforeseen issues. Our operational costs may increase as a result of increasing energy and refrigeration needs to maintain food safety due to rising temperatures as well. **Time Horizon:** Medium to long-term	We recognize the potential severity of climate risks to our business and set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This will include specifically identifying and planning for risks from long-term weather and climate changes at our facilities and across our value chain. Rising temperatures would require greater refrigeration in our facilities, which in turn could present additional costs and burdens on local power and water resources. We have set a goal to reduce our water intensity by 10% by 2025 compared to 2020 levels, which will make our operations more water-efficient and less exposed to risk of water commodity changes. We also are evaluating other ways to reduce our external energy and water reliance, such as procuring renewable energy for our operations and scaling water reclamation systems for our facility refrigeration units. For example, in 2020, our Dixon, IL plant saved a significant amount of water consumption by fixing water and steam leaks throughout the plant that were identified through the Sustainability Treasure Hunt process. In total, the plant saved approximately 7.0 MM gallons of water through the leak correction program. Changing global climate conditions could also affect our ability to package our ingredients. We are working to evaluate and improve our sustainable packaging offerings and set a goal to conduct a Sustainable Packaging Assessment by the end of 2021. By working to improve our sustainable packaging offerings, we aim to make our products more flexible to changing global manufacturing conditions and less impactful on the environment themselves.

Risks	Description	Strategy
TRANSITION RISKS	**Policy and Legal:** Policy driven changes in energy prices and carbon taxes would affect our operating costs. The number of proposed carbon regulations in the U.S. has increased significantly in recent years, with the SEC calling for public input on potential mandatory, regulated climate change disclosures in March of 2021. Changing laws and regulations could impact our competitive position, practices, assets, labor pool, business partners or business model and our capacity to efficiently conduct business. **Time Horizon:** Short-term	Agenda 2025, our ESG Strategy for the next 5 years, is the driving force behind how we manage the transition risks associated with climate change. This includes several goals that will reduce our greenhouse gas and environmental footprints, therefore moving us towards a lower-carbon and more sustainable operating model. By reducing our direct and indirect emissions, we will be less exposed to the financial risk of a carbon tax. We are proactively reporting on our carbon footprint and climate change risks through our annual SASB and TCFD disclosures. By gathering, validating, and reporting this information now, we will be better prepared and positioned for if regulated climate change disclosures become mandatory. We also participate in various trade associations that provide us with regulatory updates at the federal and local levels. This helps us to anticipate and plan for any significant policy changes in the markets we operate in. Our supplier base collaborates with us to share relevant information from a product, geographic, or customer channel standpoint. Our customers also keep us updated with policy changes relevant to TreeHouse.
	Market: Consumer demand for nutritious, sustainably produced food products has grown exponentially in the past decade. Failure to effectively identify and prioritize products and acquisition targets that would expand our portfolio in line with this growing consumer awareness could result in reduced demand for our products. Increased energy and water costs due to changing market conditions would increase our operating costs. **Time Horizon:** Short to long-term	Expanding our product portfolio with more sustainably sourced food ingredients will reduce our market risk from changing consumer demand. As part of our Agenda 2025 we are working to implement a Responsible Sourcing Policy, which will promote supply chain diversity and focus on the ESG issues our customers and other stakeholders care about. This policy will have specific requirements and expectations around environmental sustainability, priority ingredient crop management, human rights, and food safety and quality, among other areas, so that we can continue to provide options for nutritious, sustainably produced, and ethically produced products.
	Reputation: Not acting on climate change in a meaningful and demonstrable way is a reputational risk for our business in terms of customer, investor, and employee attraction and retention. Decline in investor confidence could impair our ability to efficiently raise capital for future acquisitions or sustain share value. Failure to attract, motivate, and retain talent could threaten our ability to execute on our business model and achieve key ESG and financial objectives. **Time Horizon:** Short to long-term	Agenda 2025, our ESG Strategy for the next five years, shows our investors and customers how we plan to act on climate change. We will continue to proactively and consistently report on our progress, successes, and learnings throughout our ESG and climate change management journey, which includes progress towards these goals. This information will be readily available in our annual ESG report and on our dedicated ESG website page.

Opp	Description	Strategy
CLIMATE-RELATED OPPORTUNITIES	**Resource Efficiency:** Improving energy and water use efficiency can not only reduce our risks associated climate change, but also result in direct cost savings to our operations. **Time Horizon:** Medium to long-term	One of our Agenda 2025 goals is to reduce our water intensity by 10% by 2025 compared to 2020 levels. Executing on this goal will reduce the amount of water needed for our operations and overall spend on water. We are also working to improve our power consumption and intensity so that we can reduce our usage costs and greenhouse gas emissions. This increased energy efficiency will allow us to use less energy from the grid, therefore reducing our energy costs. In partnership with our suppliers, we are committing to co-creating solutions across our supply base to reduce the carbon footprint across our products' lifecycle. As part of our Agenda 2025, we will be working with suppliers to complete a Scope 3 Assessment and set a reduction goal by the end of 2025.
	Energy Source: To meet global emission reduction goals, countries, and therefore companies, will need to transition to using low emissions energy sources, like wind and solar. As this decarbonization transition continues, energy costs from those sources will likely drop. By increasing our percentage of energy from renewable sources, we could reduce our annual energy costs. It will also reduce our exposure to future fossil fuel price increases and make our business less sensitive to changes in carbon tax. **Time Horizon:** Short to medium-term	As part of our Agenda 2025, we set a goal to reduce our Scope 1 and 2 emissions by 5% by 2025 compared to 2020 levels. We are evaluating increasing our energy usage from low emissions sources through deploying renewable energy at our own operations and through power purchasing agreements (PPA). This would lower our Scope 2 emissions and reduce our reliance on fossil fuels.
	Products and Services: Consumer preference and demand is shifting towards more nutritious and sustainably produced food products. There is a greater emphasis on a product's carbon footprint across the value chain, including sourcing, production, distribution, marketing, and labeling. By reducing the GHG emissions associated with our products, we will be able to meet the consumer demand and remain competitive in our industry. **Time Horizon:** Short to long-term	Our Agenda 2025 includes five ESG goals targeted directly at reducing our direct and indirect greenhouse emissions. These goals include reducing our operational and energy use emissions, reducing the emissions associated with our food loss waste and landfill waste, and developing a supplier assessment that promotes working with those that align with our climate goals. By executing on and meeting these goals, we will be able to show our climate progress and meet the consumer demand for lower emission food products.
	Markets: New and emerging markets may emerge as the world transitions to the lower carbon economy. New solutions and products may also be needed to combat the short- and long-term effects of climate change, like severe weather disruptions or changing local conditions. By anticipating these needs and developing products that meet them, we will be able to expand our portfolio into new markets and increase our profitability. **Time Horizon:** Short to medium-term	Climate change is already impacting every aspect of the global food system, and its consequences are becoming increasingly visible across the world. These changes will bring new market needs to address and new customers to support. For example, we believe there will be market demand for meal-replacement options with dense nutritional content when climate change disruptions become increasingly regular across the country and the world. When evacuations from flooding, wildfires, and hurricanes occur, or drought causes a drop in the availability of nutritious local food, a range of meal-replacement products will be a necessity to lessen the human strain from climate impacts. Meal replacement solutions for climate change emergencies could be a real market opportunity in the future.
	Resilience: Climate resilience is the adaptive capacity of an organization to respond to the changes, risks, and opportunities from climate change. By increasing the reliability of our supply chain and diversifying our resources, we will be able to maintain our reliable operations and distribution and deliver food to our customers and communities they serve. **Time Horizon:** Long-term	As part of our Agenda 2025, we will be implementing a Responsible Sourcing Policy. This policy is expected to promote diversifying our supply chain and working with suppliers who share our climate and sustainability goals. This will make our supply source more dependable through possible severe weather conditions or natural resource scarcity. We established a goal to integrate climate-related risks into our business continuity planning by 2025 as well. By identifying these risks as part of our overall risk and continuity management, we will be better positioned to mitigate or eliminate those climate-related risks, therefore improving our company's resilience to climate change. We are also evaluating cost-competitive renewable energy and associated tax incentives to further drive down our costs and ensure that our business model and infrastructure are climate resistant. These efforts will reduce our overall environmental footprint and allow us to maintain our competitive advantage in the industry. The combination of energy sources will also support our own climate change resilience by giving us the ability to leverage renewable power when the electrical grid is down or damaged by the physical impacts of climate change.

2°C Scenario Planning

The International Panel on Climate Change (IPCC) Sixth Assessment Report indicates that we are at "code red" for humanity. The report shows that we are perilously close to the 1.5°C global warming threshold past which acute and chronic physical climate risks are certain. It is therefore important that organizations like TreeHouse plan for this scenario to ensure their business continuity and ESG strategies are resilient to climate change. To align with current TCFD recommendations, we are evaluating the impacts of a 2°C global mean temperature increase by 2050. We will continue to monitor TCFD and industry best practices and update that temperature number accordingly.

Since the start of the COVID-19 pandemic, our focus has been on protecting our employees and supporting our customers and the communities they serve. This unprecedented global event has required internal allocation of resources to meet changing customer needs and consumer demands. Because of this, we had to delay our scenario planning efforts. We recognize the importance of scenario planning to evaluate the impacts of climate change to our business and will prioritize it going forward so that we can assess and mitigate risk.

Going forward, we plan to evaluate our Enterprise Risk Model (ERM) for where we can include more climate-related physical, market, and regulatory risks impacting us, the global food supply chain and the food and beverage industry. This includes initial planning for the impacts of a 2-degree Celsius climate by 2050 scenario. We are analyzing specific impacts for our company, business model, and stakeholders. These efforts are a business imperative. We will identify risks and opportunities that could arise from projected climate change scenarios and update our climate-related financial disclosures. We will integrate SASB metrics in enterprise data collection, monitoring, and reporting, and evaluate the long-term potential business impacts and mitigation strategies the 2-degree Celsius scenario poses for each of our divisions, product categories, and geographic locations.

As part of our Agenda 2025, we set a goal to integrate climate change risks into our Business Continuity Plan by 2025. This is expected to include conducting robust scenario analyses that are relevant to our business, including a 2-degree Celsius or below scenario.

Below are examples of our initial scenario planning based on currently available information. As more internal data is collected and relevant external information becomes available, these and other scenarios will inform our strategy development and implementation.

- *Climate Change Meets Aging Infrastructure:* A 2-degree scenario will create more frequent and intense storms, fluctuating temperatures, increased drought, rising sea levels, and coastal erosion. These climate change impacts, and their associated operational challenges are compounded by aging and deteriorating US infrastructure. US infrastructure overall has received a D+ grade from the American Society of Civil Engineers (ASCE). Climate change will likely combine with aging infrastructure to create increasing risks for business continuity, especially in areas prone to the most intense climate change impacts.
- Agriculture and Ingredient Availability: A 2-degree scenario will result in heat waves, freshwater scarcity, heavy rainfall, storms, and volatility in crop yields. Key ingredients for products could become scarce or ultimately unattainable during times of extreme heat and extreme flooding. Climate change also has the potential to destabilize an already precarious global food system, resulting in climate migrations due to drought and hunger, armed conflict over natural resources, and political instability. These impacts could become threats to commodity and ingredient sourcing at the beginning of the supply chain, creating a devastating reverberation across the entire food system.
- *Climate Migration and Unlivable Areas:* The 2-degree scenario will result in climate migration, with people leaving unlivable areas due to extreme climate change impacts. Such mass population migration will impact all economic activity in a given area. In communities with significant climate risk exposure, these risks may threaten our customers as well as the stability of local communities. TreeHouse is dependent on stability of local economic and social conditions of our customer bases. Therefore, climate migration and resulting economic disruption is a significant long-term threat.
- *Regulation on Greenhouse Gas Emissions:* Sudden regulatory changes are serious risks to food and product manufacturers. Like most food production companies, the vast majority of our Scope 1 emissions result from our production process and standard business operations.

We have identified several potential risks and opportunities arising from climate change, including but not limited to hotter weather, rising sea levels, and more frequent extreme weather events. We are actively working to incorporate these risks into our overall ESG strategy.

- *Contingency Planning & Local Climate Change Resiliency:* Climate change impacts and the state of US Infrastructure could result in a wide variety of infrastructure-related threats such as electrical grid breakdowns or drinking water infrastructure contamination. Our business, as well as our customers and employees, depend on water and transportation infrastructure, so any impacts due to climate change could result in operational strain, losses due to unfulfilled deliveries, and employee overtime pay to rectify unforeseen issues. We are taking steps to respond to and reduce these risks by implementing and strengthening our ECBMS, EHS&RM programs, and a Crisis Playbook.
- Focusing on Local Food Systems & Regenerative Agriculture: Climate change impacts will have the most significant disruption for companies' dependent on far-reaching, global supply chains. We are increasing our focus on domestic ingredient sourcing and local food systems to meet consumer expectations, and to manage the potential disruption of climate change impacts on global supply chains. By working at the local level, we are able to directly support our partners in managing these challenges.
- *Promoting Sustainable Products & Services – Customer Education & Trend Anticipation:* Although managing climate migration is outside of TreeHouse influence and scope, we know we can contribute to the sustainability outcomes of local communities. First, we can actively offer sustainable and healthier food products. As more and more consumers demand that all organizations make sustainability a key focus, we can work with our customers to further the adoption of sustainable products through active customer engagement and education. We will also work to identify trends, such as local plastics and waste bans, that may impact our customers and act before they become business continuity risks or operational challenges.
- *Immediate Action & Momentum:* Our long-term focus on the integration of renewables, and deployment of emerging technologies will help us manage the uncertainty surrounding the regulatory environment. Our immediate action entails the standardization of emission reduction strategies across our operational footprint, drawing upon the learning, experience, and best practices developed by facilities at the local level. This includes standardization and implementation of these practices across our operations, generating the enterprise momentum to make serious strides in our emissions reduction aspirations as we prepare for the future.

3-4°C Scenario Planning

In a scenario where global temperatures rise 3-4-degrees Celsius, all of the above challenges identified in the 2-degree Celsius scenario will be present or exacerbated alongside additional large-scale challenges. Climate change could be the polarizing force around the world, disrupting the supply chains and geopolitical relationships crucial to the stability of the global economy. We have identified the following as areas of increased focus in a 3-4-degree Celsius scenario:

- *Supply Chain Disruptions:* The need for countries to invest in domestic climate adaptation could impact economic aid to developing countries, which could also suffer from natural resource conflicts and the human health impacts of rising temperatures and intensified weather. All of these trends could result in disruptions to the ingredient and product availability for commodities native to these countries.
- *Chronic Issues of Heat and Drought:* Experts project that extreme heat and drought will cause mass migrations from cities and towns in the areas that are most affected. This would negatively affect real estate, economic activity, and the viability of our customers in those areas. These extremes will also limit the extent of safe outdoor work, creating both operational and personal challenges for labor-intensive industries such as agriculture. These impacts could significantly impact our business both at the supplier level and at the customer level.
- *Climate-Induced GDP Loss:* The impacts to natural resources, agriculture yield loss, the inhabitability of certain areas and the financial toll of enhancing climate resilient infrastructure around the country will all impact TreeHouse. Experts project that the combination of these impacts will lead to GDP loss. One result could be that people buy less expensive food and or eat lower quantities of food in general. If this projection is accurate, we could suffer significant economic losses along with the rest of the industry.

The 3-4-degree Celsius scenario is very possible given the current rate of environmental and climate change. We have identified the following opportunities for how TreeHouse could respond to the above risks in ways that contribute to the wellbeing of our customers, stakeholders, and business continuity.

- *Supporting Only Regenerative Agriculture Suppliers:* Water, soil, and air quality will be scarce, so regenerative agriculture will be necessary to systemically ensure we have these resources in our supply base. By supporting the development and scaling of regenerative practices across our supply chains, we would be able to maintain our business continuity while protecting the resources required to grow food.
- *Hydroponics, Rooftop Agriculture, & AgTech:* In addition to supporting local regenerative food systems, leveraging advances in agriculture technology and innovative production methods could be crucial to our business continuity. Hydroponics that use minimal water, rooftop agriculture that leverages existing commercial roofs for production facilities, and the ongoing innovation in food technology could help TreeHouse maintain customer bases and procurement orders. We would leverage these approaches and partner with suppliers that have the knowledge, networks, and infrastructure to support our plans. We could also explore the incorporation of more resilient crops as replacement ingredients for crops that are no longer be viable.

Risk Management

Risk management is important to our business continuity and success in the face of climate change impacts. TreeHouse follows our established Enterprise Risk Management (ERM) model for identifying and managing risks. This model includes an enhanced Risk Matrix for identifying risks to our business, ranking those risks, and setting plans and targets to monitor and mitigate them.

The Risk Matrix divides risks into three categories:

- *Business and Operating Risks:* This category includes risks from our direct operations, including environmental, health, and safety and supply chain risks, as well as risks from our internal organization and structure, such as corporate governance and employee talent retention.
- *Market and Other External Risks:* This category includes outside forces that may pose risks to our business, including acute physical risks and regulation risks from climate change and market transition risks.
- *Strategic:* This includes risks to our overall operating model and strategic portfolio and includes risks like portfolio disruption or business model disruption.

Each risk category is further broken down into sub-risks and those sub-risks are assigned a weighting. Each sub-risk also is assigned a risk owner, who is responsible for setting plans and targets to monitor and mitigate the risks. This ERM process ensures that we are evaluating all facets of our business and supply chain to identify risks, including those from climate change, and mitigate or eliminate those risks, therefore enhancing our business continuity.

Our Annual Enterprise Risk Assessment Process involves engaging with top stakeholders across the company through surveys, interviews, and facilitated discussions to collect top internal risk perspectives. These perspectives inform the previously discussed Risk Matrix and are ranked and classified based on impact, likelihood, and opportunity. The results of this assessment are presented to TreeHouse's Board of Directors annually. The ERM model, in combination with our ESG Strategy, guides our overall risk management of climate-related risks.

Metrics & Targets

We measure and monitor our climate-related risks and opportunities across the TreeHouse organization. We publicly report on these metrics annually in our ESG or TCFD report to allow investors and other stakeholders to assess our progress in adapting to climate-related issues.

Agenda 2025

In 2020, we developed and implemented our Agenda 2025, which is our ESG Strategy for the next five years. The goals for Agenda 2025 were guided by our ESG Executive Steering Committee and will be the responsibility of the ESG subcommittees to achieve. These goals include eight key goals and metrics for tracking our progress against climate-related risks and opportunities relating to GHG emissions, water usage, sustainability, and business continuity. The table below calls out which climate-related risks and/or opportunities these targets address, as well as our progress since setting them.

Goal	Risks Addressed	Opportunities Addressed
Reduce greenhouse gas emission intensity (Scope 1 and 2) by **5%** by 2025 from 2020 levels.	• Escalating threat of climate change • Policy and legal risk • Reputation risk	• Energy source • Products and services
Collaborate with suppliers to **assess Scope 3 emissions** and set a Scope 3 reduction goal by 2025.	• Escalating threat of climate change • Policy and legal risk • Reputation risk	• Resource efficiency • Products and services
Reduce water intensity by **10%** by 2025 compared to 2020 levels.	• Chronic physical risk • Reputation risk	• Resource efficiency
Achieve a company-wide landfill diversion rate of **85%** by 2025 from 2020 levels.	• Escalating threat of climate change • Policy and legal risk • Reputation risk	• Products and services
Reduce food loss waste from plant operations by **50%** by 2030 from 2020 levels.	• Escalating threat of climate change • Policy and legal risk • Reputation risk	• Products and services
Conduct a **Sustainable Packaging Assessment** by the end of 2021.	• Chronic physical risk • Reputation risk	• Products and services
Expand the responsible sourcing program to include a **Responsible Sourcing Policy, ESG Screening Tool, and Annual Supplier Survey** prior to 2025.	• Market risk • Reputation risk	• Resilience
Incorporate climate change risks into **Business Continuity Plan** by 2025.	• Acute physical risk • Chronic physical risk • Reputation risk	• Resilience

Greenhouse Gas Emissions

We report our current and historical Scope 1 and 2 emissions on an absolute basis on page 12. We chose to set goals in our Agenda 2025 based on emissions intensities, rather than absolute numbers, so that we can internally identify and compare performance between business segments and across the value chain. It also allows us to track the progress of our reduction efforts year over year, regardless of asset base or business activity fluctuations.

CONCLUSION

TreeHouse understands the urgent importance of identifying, monitoring, and mitigating climate-related risks to our business. Physical and transition risks from climate change can impact our future financial performance and business continuity, and we are committed through our ESG strategy to mitigating those risks. TreeHouse will continue to focus on strong ESG performance and providing high-quality, sustainably-focused products for our customers and the communities they serve.

ABOUT THIS REPORT

This report, which speaks only as of its date, is not comprehensive and should be read in conjunction with our 2020 Annual Report on Form 10-K and our 2021 Proxy Statement, which can be found on our website.

The ESG goals, projects, initiatives, and strategies described in this report are aspirational; as such, no guarantees or promises are made that these goals, projects, initiatives and strategies will be met or successfully executed. Furthermore, data, statistics, and metrics included in this report are non-audited estimates, not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees or subject to future revision. This report uses certain terms, including those that TCFD and SASB or others refer to as "material" or "key" to reflect the issues or priorities of the Company and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting. For purposes of this report, the materiality standard is different than the materiality standard applied under federal securities laws and issues identified as material for purposes of this report may not be considered material for Securities and Exchange Commission (SEC) reporting purposes.

The information covered in this report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our ESG goals, projects, initiatives, and strategies and related business and stakeholder impacts. These statements can be identified by words such as "future," "anticipate," "believe," "estimate," "could," "can," "may," "target," "goal," "commit," "plan," "will," "would," and similar terms and are based on management's current expectations and beliefs concerning future developments and plans and their potential effects on the Company and its subsidiaries. These statements involve risks and uncertainties, many of which are beyond our control and are difficult to predict, are not guarantees for future performance, and actual results may differ materially from any future results expressed or implied by the forward-looking statements. More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in our report are made as of the date first published, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements as a result of new information or to reflect subsequent events or circumstances, except as required by law.

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