



ON EVERY SHELF. IN EVERY HOME. FOR ALL CANADIANS.

Harnessing the power of partnerships to revolutionize the business environment and help our members contribute to a better Canada

FHCP is the leading Canadian voice uniting companies, large and small, that provide access to the food, health, and consumer products Canadians rely on every day.

As a leader in evidence-based, growth-oriented policy, we help our members support the well-being of all Canadians and the security of our food supply, while contributing to the expansion of Canada's economy, and the sustainability of our healthcare system and the environment.

Together, we work to create a favourable business environment that allows our members to grow, innovate, and provide value to Canadians.

IMPACT REPORT 2020

FOOD, HEALTH &
CONSUMER PRODUCTS
OF CANADA

FHCP

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A VISION FOR THE FUTURE OF FOOD, HEALTH AND CONSUMER PRODUCTS

Food, Health & Consumer Products of Canada (FHCP) is the leading Canadian voice representing companies, large and small, that provide access to the food, health, and consumer products Canadians rely on every day.

Our members are proud to make and distribute the products that are an integral part of our daily lives—the food, health, and household goods that are fixtures in kitchens, pantries, and medicine cabinets around the country. We help them by advocating for a business environment that supports the competitiveness of our sector so that Canadians have choice and ready access to safe and innovative products.

The FHCP name is new, but our mandate has a long history. In early 2020, the boards of Food & Consumer Products of Canada and Consumer Health Products Canada agreed that joining forces creating a new association would allow us to speak more effectively with a single voice and a common vision, and ultimately better serve our members as they adapt in an ever-evolving business environment.

Our members need that support now more than ever. The national and international market is changing at a blistering pace. The unprecedented amount of regulatory change our industry is facing, consolidation in the retail sector and the explosive growth in e-commerce have generated intense pressure. At the same time, consumers are more knowledgeable and aware than ever before, and their expectations for innovative, safe, and sustainably made products is increasing. Collectively, we also face some of the most pressing global challenges of our time, from the COVID-19 pandemic and ever-increasing regulatory burden to climate change.

Against this backdrop, FHCP members contribute enormously to the health of Canadians and the Canadian economy. Even amid such challenges, innovation, progress, and new opportunities to better serve Canadians continue to be the guiding principle of our members. The food, health, and consumer products sector employs over 350,000 Canadians across businesses of all sizes that manufacture and distribute the safe, high-quality products that are at the heart of healthy homes, healthy communities, and a healthy Canada.

COVID-19 CHALLENGES & RESPONSE

Since the beginning of the COVID-19 health crisis, FHCP leadership has helped define our industry's role and voice in support of Canadians and the country's economic recovery. Working with both government and our members, we've quickly and efficiently:



1

Advocated to federal and provincial decision-makers on the essential role of our industry and products to Canadians and the economy;

2

Provided timely information and data to government on the pandemic challenges and concerns facing members;



3

Helped shape government programs, legislation and regulations to provide relief to members;

4

Responded to unforeseen challenges by supporting our members with innovative operations and supply chain solutions;



5

Acted as the voice of industry in response to ongoing retail challenges;

6

Provided tactical assistance to members and connected them with government as they pivoted their business imports and manufacturing to support the pandemic response, and;

7

Provided our members with the tools and best practices for their day-to-day work during a global pandemic.

Never has there been a more important time than now to connect with government and ensure that they understand how our industry operates and what we need.

Since the start of the pandemic, FHCP acted quickly to respond to members and report back with critical information. At the same time, we relied on members' input to provide governments with timely and accurate information to help them implement relevant and business-friendly policies.

OUR IMPACT WITH GOVERNMENT

In Ottawa, we stepped up our efforts and built on our extensive network at the highest levels of government, working with both the minority Liberals and opposition parties, MPs, and senior officials across multiple departments. In the provinces, we remain connected with key provinces and ensured coordination with our efforts at the federal level.

Our successes included influencing:

- **the federal and provincial governments' critical infrastructure and essential business designations**, showing appreciation by governments of our products in sustaining Canadians during the pandemic and acknowledgement of our industry as key to economic recovery;
- **a parliamentary study and new working group** established by the federal, provincial and territorial Ministers of agriculture and agri-food to address unfair retail practices;
- **the federal government's Throne Speech in September 2020**, through its commitment to support upskilling and training workers, a key FHCP recommendation;
- **the federal government's new post-pandemic industrial policy**, which calls for action on regulatory modernization, improvement to labour programs, expanded international market access and the recognition of agri-food as a strategic sector to Canada;
- **the federal government's negotiations with India to eliminate the export ban on acetaminophen**, through consultations with members and federal departments;
- **the federal policy changes to improve access to essential self-care products during the pandemic**, recognizing the importance of self-care in supporting Canadians' health, and;
- **the growing political will to invest in and build a "world class" manufacturing sector.**

Beyond our achievements within government, FHCP's impact was also demonstrated by our recognition as a powerhouse by public policy influencers. The Hill Times recognized FHCP as a key influencer on agri-food issues, ranking 9th in engagement with government officials out of all national agri-food lobby organizations, while our SVP of Government Relations, Carla Ventin, ranked as a Top 100 Lobbyist in Canada (out of 5,000 registered lobbyists).

THE POSSIBILITIES OF SELF-CARE

Self-care encompasses everything from making healthy lifestyle choices to treating minor health ailments, managing — or better yet preventing — chronic diseases, and more. That’s precisely why self-care—and the products that support it— is essential to confident, independent, healthy lives. FHCP has been a leader in all things self-care for decades. As the representative of the global self-care movement in Canada, we work with national and international stakeholders to promote self-care practices, advocate for the advancement of self-care with Canadian decision-makers and lead the International Self-Care Day national celebrations every July 24, highlighting our advocacy priorities and bringing together our most prominent self-care partners.

Leading this wave of support for self-care, FHCP launched the Self-Care Blueprint, advocating for a national self-care strategy that: recognizes and respects each person’s capability to manage their health with the right supports, products, and services; provides Canadians with fair and affordable access to self-care products and services; and supports growth and innovation in Canada’s health industries to help people care for themselves. To lead the way towards developing such a strategy, FHCP established guiding principles, highlighted the need for new regulatory and competitiveness measures in Canada, emphasized the importance of supporting Canadians to practice self-care, and identified specific opportunities for federal action that can kick-start Canada’s path to better self-care for all Canadians.



A NEW WORLD OF RETAIL

Retail is a continuously evolving landscape that has been critically impacted by COVID-19. FHCP has been working with retailers to support our members and build relationships founded in trust and cooperation. However, FHCP and its members have also raised questions of fairness and accountability in retail practices which, especially when considered in the context of a pandemic, can hinder our members' operations, harm the retail sector's growth, and ultimately impact Canadian consumers.



The consolidation of the grocery retail sector in Canada has resulted in just five grocery retailers controlling over 80% of what consumers purchase in Canada. These retailers have adopted unfair and unethical business practices not seen or accepted in any other sector and have remained unchecked due to their power over suppliers. These unfair

and unethical practices pose a serious threat to the food, health and consumer products manufacturing sector in Canada, as well as primary (i.e. farmers) and secondary suppliers. The ongoing sustainability and growth of this sector in Canada requires changes to the current business environment. Suppliers, and even some retailers, in the food, health and consumer goods sector are calling for a UK-style code of conduct to be developed and implemented across Canada to address these unfair and unethical practices.

FHCP has been strongly advocating for a code of conduct that protects consumers, supports manufacturers, and promotes fairness and good business practices among retailers. We have been working across industries, engaging stakeholders, and reaching out to decision-makers to create a cross-jurisdictional, industry-wide solution that can be adopted across the country to support our members in providing Canadians with the products they want and need.

Not only has FHCP been leading this fight to move our industry forward and promote fairness in retail, but we have also already been seeing results. A federal, provincial, and territorial working group on retail fees has been established, chaired by Canada's Agriculture and Agri-Food Minister and provincial counterparts, with a mandate to deliver a report by July 2021. This decision was undoubtedly impacted by FHCP's extensive federal and provincial engagement on the issues of retail fairness with decision-makers, which has been anchored by our engagement with the media and our CEO, Michael Graydon's, appearance before the Agriculture and Agri-Food Parliamentary Committee of the House of Commons.



ENSURING ACCESS TO THE PRODUCTS CANADIANS RELY ON

Throughout the global pandemic period, Canada's food, health and consumer product supply chain has faced unique challenges, many of which they were able to overcome with the support and expertise of FHCP.

To get Canadians what they need when they need it, FHCP established:

- supply chain process meetings with members and retailers, promoting unprecedented cross-industry communication and cooperation;
- safety guidance for retail store visits to support Canadians in accessing our members' products, and;
- a pandemic preparedness guide for manufacturers to support our members in preparing for the future and in learning from the industry's collective COVID-19 experiences.

Yet, FHCP is not limited in tackling COVID-19 challenges to the supply chain. Based on our decades-long experience, we have been developing solutions for our members that can support them and for years to come, including:

- preparing a pilot on the availability of on-shelf products across retailers;
- conducting customer and industry surveys to inform our members' operations, and;
- operating a warehouse space marketplace to allow for the efficient use of storage spaces between manufacturers.

Last year, the staff and members of, FCPC and CHP Canada, began envisioning a new powerhouse of policy and advocacy that could drive food, health, and consumer products into the future, and invite our government to be a global leader in promoting progress and innovation for our sector.

This year, despite the tremendous changes resulting from social and political upheaval and a worldwide pandemic, we made that dream a reality. On September 1, 2020, Food, Health & Consumer Products of Canada became Canada's leading manufacturing association setting an ambitious agenda aimed at ensuring a robust food, health and consumer products industry and access to the products Canadians depend on each and every day.

A MESSAGE FROM CEO MICHAEL GRAYDON

We did not take that step lightly. As we planned for our new association, we positioned FHCP to be the ideal representative to decision-makers and consumers when determining how to manage an unprecedented global period of change.

Working with members, we discussed every detail of the crisis facing us with regulators, legislators, Ministers, retailers, and suppliers.

We listened to our members when new issues hindered their work and we operated with both urgency and control of the correct processes and communications channels in order to have those issues not only heard, but addressed.

We monitored for emerging issues, ensuring we were there when members needed us, equipped with information, expertise, and action plans.

Nevertheless, even when facing these challenges, our vision remained squarely on the future.

We issued pandemic-related guidelines to safeguard our members' operations and ensure product supply when it was needed most.

We highlighted important issues like fair retail practices to ensure member voice in how their products reach the consumer. We championed the need for a national self-care strategy that could be a difference maker to millions of Canadians, empowering them to manage their health in a positive and cost-effective way.

We looked for ways to improve current systems to better position industry for life post COVID, including advocating for better labour, supply, and retail policies among stakeholders and with legislators at all levels.

We knew that starting a new organization would not be easy. Simply stated, these are not easy times. But we believed that difficult times are an opportunity to stand out to governments and stakeholders, to build new and trusted relationships, to lead when others follow and to show members and non-members alike that FHCP, as a whole, is better than the sum of its parts. I believe there is no limit to what we will achieve.

Michael Graydon

CHIEF EXECUTIVE OFFICER



ADVOCATING FOR MODERN REGULATIONS

In addition to the dramatic effects of COVID-19, it's important to remember that Canada's food, health, and consumer products sector continues to face regulatory challenges as well. FHCP has been a leader in regulatory discussions for many years, supporting the development of modern and effective regulations that uphold safety and quality without compromising innovation, competition, and progress for Canadian business.

In 2020, we supported our health product members by:

- addressing the impacts of the pandemic on OTC and NHP supply to ensure access for Canadians, including influencing policy on hand sanitizers and mitigating COVID-19 delays in approving NHPs;
- persuading Health Canada to focus its approach to the OTC Plain Language Labelling June 2021 compliance date at the manufacturer level, not retail, thus enabling industry to progress on critical pandemic priorities;
- integrating Canada to the global process of tackling the potential nitrosamine contamination of chemically synthesized drugs by securing an extension for the Canadian industry to perform risk assessments that is aligned with European deadlines;
- collaborating with stakeholders and Health Canada to implement direct-to-consumer sampling of certain OTCs and NHPs—a practice that FHCP advocated to increase consumer awareness of available product options, and;
- successfully advocated for the elimination of duplicative confirmatory testing for OTCs, saving industry millions of dollars per year in compliance costs.

This year, we have also been at the forefront of food, beverage, and consumer product policy initiatives including:

- securing Health Canada confirmation that they will consider amending the nutrition labelling implementation timelines to allow for more efficient and cost-effective label changeovers based on the challenges of meeting multiple label regulatory requirements, including the additional challenges posed by COVID-19;
- working with members and stakeholder associations to develop an industry-wide Food and Beverage Advertising policy proposal which would set a new gold standard for responsible and meaningful advertising to children, and;
- continuing to influence and shape the global policy dialogue on front-of-pack labelling while advocating for fact and evidence-based solutions.

ENVIRONMENTAL SUSTAINABILITY

In 2020, protecting our planet and its valuable resources continues to be a key priority both for our member companies and Canadians alike. As governments of all levels are managing COVID-19 issues and challenges development of environmental policies and programs across the country have continued. Accordingly, our members continue to seek support in developing effective and progressive policies towards environmental sustainability, while promoting progress and innovation in business and the recovery of the Canadian economy.

As the first national trade association to endorse the Ellen MacArthur Foundation's vision for a New Plastics Economy in June 2019, we have been at the forefront of the work moving Canada toward a future of zero plastic waste. The New Plastics Economy is led by the Ellen MacArthur Foundation in collaboration with the UN Environment agency. The Foundation's vision of a circular economy for plastic brings together businesses, governments, and NGOs to ensure plastic never becomes waste. Stemming from this commitment, FHCP is positioned as a leader in facilitating industry alignment and influencing government proposals and policies that will lead to a circular economy.

Focused on plastics and recycling, FHCP works with governments and partners across the country to develop:

- improved alignment across Canada in environmental policy focused on packaging, including enhancements to existing recycling programs and new recycling requirements that will result in industry assuming financial and operational oversight;
- industry-led collaborative initiatives to ensure progress in eliminating plastic waste through innovations in packaging, packaging materials and system design;
- approaches grounded in the feasibility and efficacy of their measures, and;
- productive and positive engagement of manufacturers, regulators, and advocates across environmental issues.

Building on FHCP's leadership in these issues, we are working to allow industry to innovate new materials and systems and work toward a circular economy in Ontario and across Canada.

EVENTS

10



in-person

46



virtual



attendee satisfaction

PARTICIPATION RATE
AMONG MEMBER COMPANIES



92%

event
participation

400%

event
participation
increase

JULY 2019

DECEMBER 2020

EDUCATION FOR NOW AND THE FUTURE

As our industry was battling COVID-19, we continued to support its growing need for education and information on the changing demands of our sector. From the summer of 2019 to the end of 2020, we held 10 in-person events and 46 virtual ones. With an average 4.6/5 in attendee satisfaction, it is no surprise that our participation rate among member companies reached 92% and that, during COVID-19, event participation increased by 400%!

While many associations struggled to maintain member engagement with the constraints of the pandemic, FHCP rose to the challenge and delivered 25 webinars in the first 15 weeks of the pandemic and introduced the “Listen. Learn. Lead.” complimentary continuous online learning series to run throughout the year, with key insights delivered monthly to members. Through this suite of information resources, along with our frequent COVID-19 email updates on every key political and industry development, FHCP made sure that our members were always in the know about the hottest and most urgent issues and challenges.

CONSISTENTLY TRUSTED BY INDUSTRY

From government relations to regulatory support, and from education initiatives to day-to-day digital information, FHCP caters to the evolving needs of our members. With 118 manufacturing members, 54 associate members, and 6 sales/broker agencies, we represent and support leaders across all aspects of our sector.

Even as our members faced huge challenges, our value alongside them has been crystal clear. That's why FHCP welcomed 20 new members in 2020 while also retaining over 96% of its membership in the last fiscal year!

The reason is simple. As one of Canada's leading national associations we consistently:

- add value and increase participation in member programs while introducing new initiatives in response to listening to our members' needs;
- grow by adding member companies that reflect both manufacturers of all size and regions across Canada and innovative problem-solvers from new business sectors;
- increase member engagement with opportunities to participate on committees within functional areas and provide increased touch points with FHCP experts, and;
- enhance associate membership value by working closely with members to identify issues and topics most timely and relevant to manufacturers and finding the best ways to communicate them.



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