



Stepping Up to the Plate

The Kraft Heinz Company 2021 ESG Report

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ABOUT THIS REPORT

This 2021 Environmental Social Governance Report ("Report") is the third Environmental Social Governance (ESG) report issued by The Kraft Heinz Company ("Kraft Heinz" or "Company"). This Report reflects our commitment to transparency and provides details for our stakeholders on progress to date against our ESG goals and objectives, which are based on our most material ESG issues. These issues were reviewed and updated based on our ESG Materiality assessment.

This Report does not include details on our financial performance. Details on our financial performance can be found on our [corporate website](#) and in our public filings available through the U.S. Securities and Exchange Commission (SEC). Materiality and its relevant definition as used in this report, sometimes referenced as "ESG materiality," and our ESG materiality review process, is different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this Report and for purposes of determining our ESG strategies may not be considered material for SEC reporting purposes.

Unless otherwise noted, this Report covers initiatives and performance metrics associated with our global operations from January 1 through December 31, 2020. Kraft Heinz anticipates issuing an annual ESG Report.

We have utilized the [United Nations Sustainable Development Goals](#) (SDGs) as a guiding framework in the development of our ESG initiatives. This Report also serves as our Communication on Progress as a signatory to the [United Nations Global Compact](#) and [CEO Water Mandate](#).

This Report was prepared utilizing the Global Reporting Initiative (GRI) Sustainability Standard. We have also aligned this Report to the general principles of the Sustainability Accounting Standards Board (SASB) for food and beverage companies, as well as the Task Force on Climate-related Financial Disclosure (TCFD). Separate downloads of our GRI, SASB and TCFD disclosures are available on our website at www.kraftheinzcompany.com/esg

Kraft Heinz engaged with Bureau Veritas and SGS to provide limited assurance in relation to specific 2020 environmental data. Details on our assurance activities are available in the appendix of this Report and on our [website](#).

Kraft Heinz supports the SDGs, which represent a universal call to action to end poverty, protect the planet and ensure prosperity for all. As such, we considered the SDGs when developing Kraft Heinz's global ESG strategy and goals. The global ESG strategy of Kraft Heinz supports all 17 SDGs in varying degrees. We have identified the main places in this Report to demonstrate the key ways our initiatives work towards the targets aligned with the SDGs. This is represented by the appropriate icons preceding those correlating sections throughout the report.

We welcome feedback on our ESG strategy and commitments. To share questions or comments, please contact ESG@kraftheinz.com.





A LETTER FROM THE CEO

At The Kraft Heinz Company, we talk often about the power of our scale and agility. When we began 2020, little did we know how our Company's ability to rapidly change course and respond to a new set of realities would impact the lives of so many consumers around the world.

Last year brought us challenges unlike any we have faced in our lifetimes. First came the arrival of COVID-19, creating an unprecedented crisis of health, economic instability, and food insecurity. Months later, this once-in-a-century pandemic was followed by worldwide demands for social justice and racial equality. These crises – not to mention the ongoing threat of climate change to the world's environment – have reshaped all of our lives. And the most vulnerable among us have been hit especially hard by all three.

The state of world events demanded that global companies like ours **step up to the plate**. To help feed the world. To demand justice and equality. To help create a fairer world for all of us. As one of the world's largest food and beverage companies, we have both a responsibility and the ambition to help create a healthier and more sustainable environment.

There has never been a greater need.

Times of great change also represent great opportunity. Our 2021 ESG Report – where we reflect on what we as a Company achieved over the past year, along with the progress we still need to make – serves as a testament to our approximately 38,000 global employees who went above and beyond to support our communities and each other during 2020. If the past year taught us anything, it is that we are all connected. We all feel the impact of each other's actions and inactions – whether as a result of a global pandemic, systemic racial injustice, or environmental change.

Looking ahead, we are committed to holding ourselves to a higher standard, stepping up to the plate to boldly address the challenges that lie ahead. We invite all of our stakeholders to join us on this journey to help transform the future.

Last year, we introduced the cross-functional approach we are taking to Environmental Social Governance (ESG) at Kraft Heinz as we work to deliver on our commitments by the year 2025. Three broad pillars center our ESG commitments and goals: **Healthy Living & Community Support**, **Environmental Stewardship**, and **Responsible Sourcing**. Our ESG strategy also brings to life one of our six Company Values, **We do the right thing**. We are committed to making this real in every aspect of our business. We are focusing on high-priority issues in areas where we can make the greatest impact. Doing the right thing is essential to how we operate – and it is essential to the success of our long-term business strategy.

A Letter from the CEO (cont.)

Although 2020 was a year of challenges, we made significant progress against our ESG goals – including some we are especially excited about:

- In the wake of last year's crises, we provided more than \$40 million in financial and product donations for COVID-19 relief, food insecurity, and social justice causes globally...
 - » Including \$1 million to support food programs and social justice organizations in African American communities most affected by social injustice and the pandemic.
- We are on track to achieve our goal of delivering 1.5 billion meals to people in need around the world by 2025 – and delivered more than 200 million meals in 2020 – as part of our Company commitment to fight global hunger.
- Having achieved our previous nutrition targets, in 2020 we initiated even more ambitious plans to renovate and innovate across our product portfolio.
- We're making great strides toward meeting our aim of using 100% recyclable, reusable, or compostable packaging by 2025. We're proud that through 2020, 83% of our global packaging meets this standard.
- We delivered our goal of achieving 100% free-range eggs in Europe as of Jan. 1, 2021 – meeting our commitment timeframe.
- We evolved our Sustainable Agriculture Practices Manual and launched our journey to delivering Supplier Guiding Principles to further enhance our supply chain sustainability and greatly increase shared value and transparency around human rights, the environment, and our overall ESG practices.

While we believe in celebrating our successes and achievements, we also believe in holding ourselves accountable for the work that still needs to be done. Another one of our Company Values is **We dare to do better every day**. We must be honest and transparent about where we have fallen short. We are committed to identifying and learning from our gaps as we make real, substantial improvement across all aspects of ESG.

In 2020, we amplified our focus on Diversity, Inclusion, and Belonging, which furthers our ability to fully live another two of our Company Values – **We demand diversity** and **We are consumer obsessed**. We expect our employees to look like the consumers we serve. We want the voices within our Company to reflect and

represent our consumers as we innovate our products, create our marketing, and partner with customers and suppliers. We created **Diversity, Inclusion, and Belonging aspirations** to grow our Company's underrepresented talent around the world and foster a more inclusive company culture.

By the year 2025, we aim to achieve gender parity – which means increasing the representation of women in management from 37% to 50%. We also aim to reach demographic parity in the countries where we operate by 2025. In the United States, for example, our aspiration is for people of color to represent 30% of our salaried employees by 2025 – whereas this population stands at 24% today. We also aspire to nurture a culture of inclusion, so all employees from all backgrounds feel that they belong at the Kraft Heinz table.


In addition, last year in the United States, we made 10 specific commitments to demonstrate our solidarity with and provide equity for African Americans at our Company and in the communities we serve. Although the commitments originated in the United States, our actions have expanded across the globe. Open and honest conversations with members of our Black Business Resource Group and Company leadership led to these commitments, which include:

- Launching the **Kraft Heinz Global Inclusion Council**, which I chair, to create true accountability for results and oversight.
- Introducing a **mentoring program** for Black employees.
- Creating the **WeLead Program** to help prepare Black employees for future leadership roles at Kraft Heinz.
- Designating a **Global Day of Service** for our employees in honor of the Juneteenth holiday that marks the end of slavery in the United States, encouraging them to learn, volunteer, and support social justice efforts in communities where we live and do business. Our teams around the world – including those in Canada, the Netherlands, U.K. and Brazil – also have or will hold their own Day of Service activities in honor of Black history and contributions in their countries.
- Launching a new Supplier Diversity Program for businesses that are majority-owned by people of color, women, those in the LGBTQI+ community, people with disabilities, and veterans. The Program will help these businesses gain access to essential skills, tools, and networks – giving them the opportunity to become Kraft Heinz suppliers.

We report annually on our ESG progress, and this Report serves as our Communication on Progress as part of our commitments to the United Nations Global Compact (UNGC) and the UNGC's CEO Water Mandate. I invite you to visit our **ESG website** – which includes videos highlighting our ESG and Diversity, Inclusion, and Belonging achievements, aspirations, and commitments – and read this Report, detailing how we are working hard to bring these goals to life.

We believe in using our size, scale, and agility to drive real and positive change inside and outside the walls of Kraft Heinz – all to achieve our Company Vision "To sustainably grow by delighting more consumers globally."

That's what stepping up to the plate is all about.



Miguel Patricio
Chief Executive Officer
The Kraft Heinz Company





A GLOBAL FOODS POWERHOUSE



One of the largest food
and beverage companies
in the world



40+
countries with
dedicated Kraft Heinz
employees



\$26bn
in net sales (2020)



Unparalleled portfolio
of iconic and new brands
in retail and foodservice
channels



More than
200M
meals donated to
combat food insecurity
globally with partners
(2020)

Formed in 2015 through the merger of Kraft Foods Group, Inc. and H.J. Heinz Holding Corporation, The Kraft Heinz Company is a globally trusted producer of high quality, great tasting and nutritious food and beverages. Kraft Heinz is co-headquartered in Chicago and Pittsburgh. At the end of 2020, Kraft Heinz had 78 company-owned factories, 5,550 ingredient and packaging suppliers, 210 external manufacturers, and approximately 38,000 employees around the world.



OUR PURPOSE, VISION, & VALUES

LET'S MAKE
LIFE
Delicious
KraftHeinz

OUR PURPOSE

Our Purpose is our call to action, our reason to exist – reminding each of us why the work we do each day matters.

**To sustainably
grow by delighting more
consumers globally.**

OUR VISION

Our Vision is an internal declaration of what we aspire to do. It points the way to where we want to go as a Company, and what we plan to achieve in the years ahead. It makes our ambition clear.

**We are
consumer
obsessed.**

**We dare
to do better
every day.**

**We
champion
great
people.**

**We
demand
diversity.**

**We do
the right
thing.**

**We
own it.**

OUR VALUES

Our Values represent our beliefs and define our shared culture. They reflect what we stand for and who we want to be. We walk in our Purpose by living our Values.



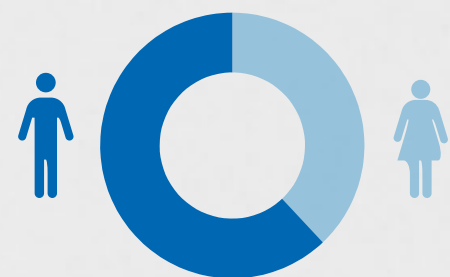
38,000 EMPLOYEES WORLDWIDE

Our Vision and Values invite every employee to play an active role in our Company's journey. We embrace diversity, inclusion, and belonging, and we strive to be the best in everything we do, including corporate citizenship. We strive to make positive impacts in our communities and the environment, improving our collective world and being transparent about our challenges and progress.



Global Employees by Type

Full Time.....	98.6%
Part Time.....	1.4%

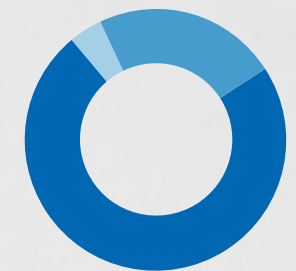


Global Employees by Gender

Women.....	36%
Men.....	63%
Nonbinary.....	< 1%
Not Disclosed.....	< 1%

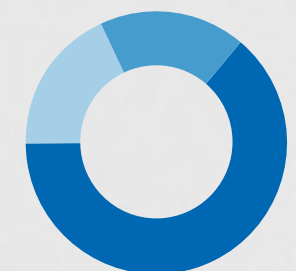
Global Women in Management Roles

Total.....	37%
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U.S. Employees by Race/Ethnicity (White Collar)

People of Color.....	24%
White.....	73%
Not Disclosed.....	3%



Executive Leadership Team

African American or Black.....	18%
Hispanic or Latino.....	64%
White.....	18%
Women.....	27%
Men.....	73%

Corporate Responsibility and Sustainability Governance



Board of Directors

PROVIDES OVERSIGHT

Operations and Strategy Committee reviews all significant ESG policies, processes and commitments, through at minimum an annual update.



Chief Executive Officer

PROVIDES EXECUTIVE SUPPORT

Collaborates with select members of the Executive Leadership Team on oversight and executional leadership on strategies.



Senior Vice President, Global General Counsel and Head of ESG and Government Affairs; Corporate Secretary

Oversees global ESG strategy. Reports to the CEO. Collaborates with ESG Team to establish and lead plan implementation.



MBRs

Monthly Business Review meetings with the Executive Leadership Team.



ESG Steering Group

Cross-functional, upper level management input on ESG practices and policies.



ESG Subcommittees

High-touch engagement, tracking emergent issues, driving collaboration, transparency and continuous improvement towards initiatives.

Monthly workgroups in: Product Health, Responsible Sourcing, Sustainable Agriculture, Sustainable Manufacturing, Sustainable Packaging, Animal Welfare, Communications, Corporate & Government Affairs.

ESG Governance

The Kraft Heinz Company is committed to responsible corporate governance. We have designed our governance structure to enable us to live our Vision and Values.

Board of Directors

Comprised of diverse, experienced and qualified leaders with strong credentials, our Board of Directors establishes corporate policies, sets strategic direction and oversees management, which is responsible for our day-to-day operations. Guided by its Corporate Governance Guidelines, the Board aims to foster the Company's long-term success and provides strategic direction to help us achieve meaningful results worldwide.

The Board of Directors helps establish and oversee our global ESG objectives and framework, including matters related to operations, our supply chain, animal welfare, climate change, the environment, nutrition and well-being, and social issues. In 2020, the Board of Directors moved primary responsibility for overseeing ESG objectives from the Nominating and Corporate Governance Committee to the Operations and Strategy Committee. Members of the committee reviewed all significant ESG policies, processes and commitments, and received regular updates from the ESG team on progress against key performance indicators and other relevant developments.

Executive Leadership Team

Our Executive Leadership Team provides oversight and executional leadership for our global ESG strategy. The Executive Leadership Team is led by Chief Executive Officer, Miguel Patricio, and includes 10 other executives representing a variety of disciplines, including Finance, Sales, Operations, Procurement, Marketing, Research and Development, Human Resources, Legal/Ethics & Compliance and Corporate Affairs. The team receives monthly progress reports from the ESG team.

ESG Team and Steering Group

Accountable to the Board of Directors and in partnership with the Executive Leadership Team, the ESG Team directs the design, development, execution and continuous improvement of our ESG strategy, goals and initiatives. The ESG Team engages with key stakeholders regularly, including consumers, customers, shareholders, employees, NGOs and community leaders, and leads the ESG Steering Group.

The ESG Steering Group is comprised of leaders in various functions around the globe. Team leaders are responsible for mobilizing the organization and collaborating across departments to lead the development, implementation, continuous improvement and measurement of relevant ESG policies, procedures and programs. The ESG Steering Group has subcommittees that meet regularly in the following areas: Product Health; Sustainable Agriculture; Responsible Sourcing; Sustainable Manufacturing; Sustainable Packaging; Animal Welfare; and Communications.

These practices ensure alignment with business strategies and operational objectives. The CEO and key leadership, along with various other team members, hold ESG key performance metrics linked to remuneration associated with all ESG initiatives.

Please visit <http://ir.kraftheinzcompany.com> and/or our [Proxy Statement](#) filed with the U.S. Securities and Exchange Commission on March 26, 2021 to learn more about our Company's corporate governance structure and leadership. Kraft Heinz is proud to integrate our ESG governance practices into our Proxy Statements. Kraft Heinz has also increasingly integrated and disclosed environmental related financial exposure that feeds into various reporting frameworks, such as Sustainalytics, the Dow Jones Sustainability Index*, and CDP (Climate, Water and Forest questionnaires).

Focusing on Material ESG Issues

ESG Materiality and Stakeholder Engagement

To inform and continuously improve upon our ESG strategy, we engage a wide variety of stakeholders for input. Participating in an ongoing, two-way dialogue with our stakeholders strengthens our understanding of important environmental, social and governance issues, which helps us set associated priorities to make respective impacts.

Our global stakeholder network includes both the internal and external people and parties whose support is critical to the long-term success of our business, or who are materially impacted by our business operations. The table below lists these groups and summarizes our engagement activities with them.

STAKEHOLDERS								
Investors	Customers	Employees	NGOs	Industry Associations	Government/Regulatory	Consumers	Suppliers	Philanthropic Partners
TYPE OF ENGAGEMENT								
<ul style="list-style-type: none"> Annual shareholder meeting Quarterly earnings presentations Regular meetings, both in-person and via phone 	<ul style="list-style-type: none"> Customer surveys Regular meetings with customer teams 	<ul style="list-style-type: none"> Global employee engagement survey Global employee ESG survey Senior leadership ESG survey Intranet/KetchApp (internal social communication platform) Business Resource Groups 	<ul style="list-style-type: none"> Ongoing proactive and reactive engagement In-person meetings on select issues 	<ul style="list-style-type: none"> Industry engagement via meetings and conference calls on key issues Board participation 	<ul style="list-style-type: none"> Direct engagement with government officials on public policy issues Indirect advocacy through coalitions and trade groups Support of candidates for public office through The Kraft Heinz Political Action Committee 	<ul style="list-style-type: none"> Consumer call center Corporate and brand social media Consumer insights 	<ul style="list-style-type: none"> Supplier Guiding Principles Supplier surveys Supplier audits Meeting with select suppliers 	<ul style="list-style-type: none"> Donations Partner collaboration
SUBJECT AREAS DISCUSSED								
<ul style="list-style-type: none"> Governance Climate Change Sustainable sourcing Health and wellness Human Rights Operational impact on environment Transparency/external reporting 	<ul style="list-style-type: none"> Animal welfare Sustainable sourcing Operational impact on environment Community impact/food security Nutrition and health 	<ul style="list-style-type: none"> Climate change Sustainable sourcing Operational impact on environment Community impact/food security Nutrition and well-being Workplace health and safety Transparency 	<ul style="list-style-type: none"> Climate change Sustainable sourcing Water stewardship Operational impact on environment Animal welfare Packaging sustainability Human rights Nutrition and well-being Transparency 	<ul style="list-style-type: none"> Nutrition and well-being Animal welfare Food safety 	<ul style="list-style-type: none"> Tax Trade Nutrition and well-being Labeling Regulatory issues related to ESG 	<ul style="list-style-type: none"> Animal welfare Packaging sustainability Sustainable sourcing Operational impact on environment Nutrition and well-being Community impact/food security Transparency 	<ul style="list-style-type: none"> Climate Sustainable sourcing Animal welfare Packaging sustainability Human rights Food safety Food waste 	<ul style="list-style-type: none"> Global hunger alleviation Community impact/food security Bottom pyramid empowerment Sustainable agriculture Food waste

ESG Materiality Assessment

To inform our ESG strategy and goal-setting, Kraft Heinz conducts a comprehensive ESG materiality assessment every three to five years, with respective smaller interim updates as appropriate. This assessment allows us to identify and prioritize the environmental, social and governance issues that are of greatest concern to our stakeholders and which impact the success of our business. We reevaluate these results on an ongoing basis to reflect any changes in standing on these priority issues and allow for the inclusion of new or emerging issues.

We treat our ESG materiality matrix as a living assessment based on participant input. We continue to evaluate material ESG issues to our key stakeholders and the respective impact on our business operations across dynamic global markets.

Our ESG materiality matrix depicts the outcomes of the following assessments:

2016: We developed our first ESG materiality assessment as a new company.

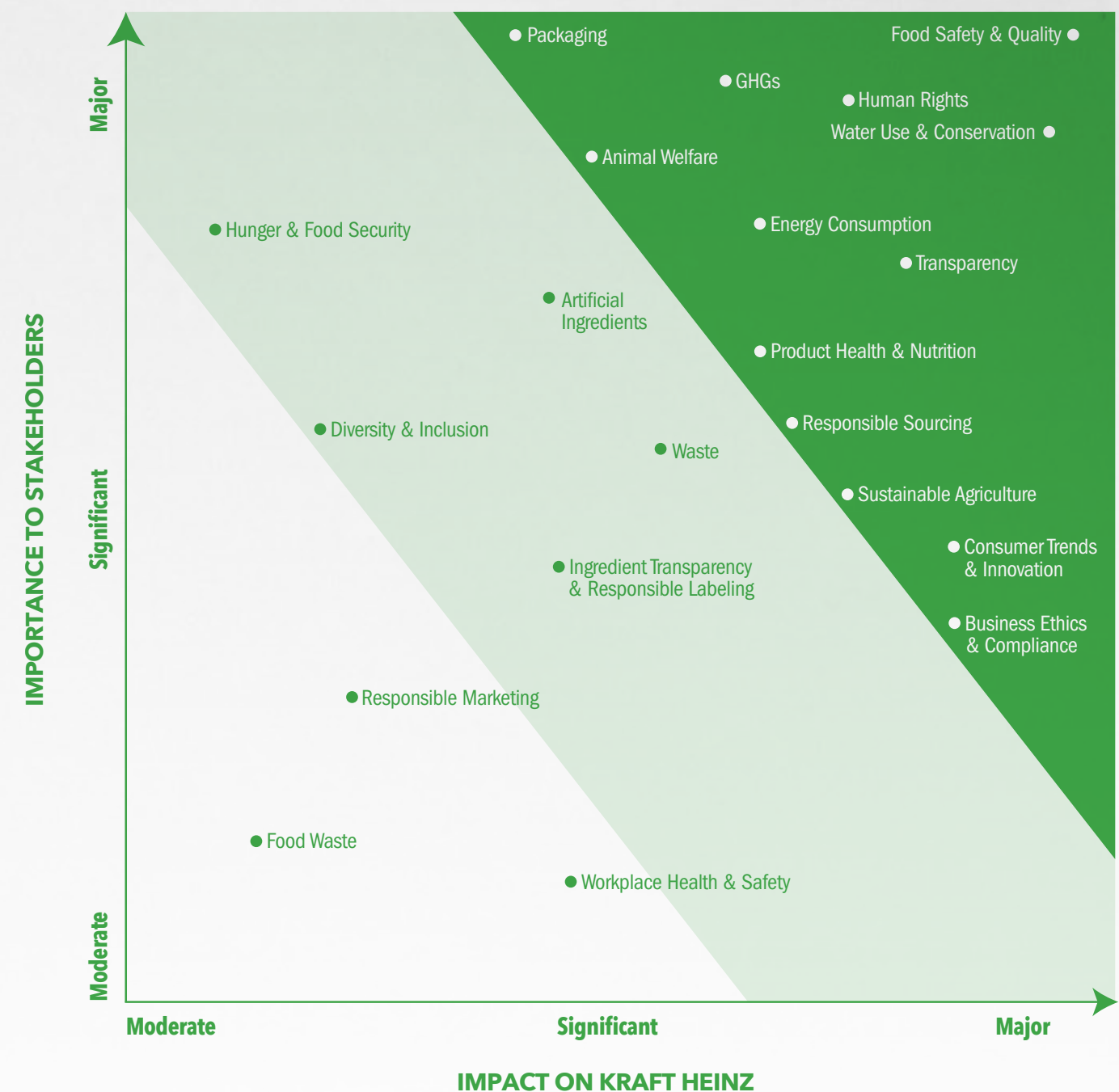
2019: We added several issues to reflect their rising importance to our stakeholders and potential business impacts, including Consumer Trends and Innovation, Food Waste, Diversity and Inclusion, and Ingredient Transparency and Responsible Labeling.

2020: As a result of additional engagement with key business partners and employees, we adjusted the weight of “Human Rights” materiality, as well as separated out “Sustainable Sourcing/Agriculture,” adjusted the nomenclature to more accurately reflect the area of impact for Kraft Heinz, and weighted accordingly, into the two distinct areas of “Responsible Sourcing” and “Sustainable Agriculture.” We also adopted the nomenclature of Environmental Social Governance (ESG) as the overarching framework for the Kraft Heinz sustainability platform.

We remain committed to corporate responsibility and providing value to our stakeholders. We believe our ESG guiding framework further demonstrates our commitment to corporate responsibility, while highlighting the importance of continuous improvement and transparency in these efforts. We continue to work on enhancing our risk-based and financial disclosures on these ESG topics.

Enterprise Risk Management

Kraft Heinz has an established, comprehensive approach to Enterprise Risk Management (ERM). Annually, senior management evaluates changes and required updates to the top enterprise risks. The ERM process covers a broad spectrum of risks across several dimensions: strategic, financial, operational, legal & regulatory, human capital, and hazard/catastrophic. Senior management prioritizes the risks and develops the Kraft Heinz risk profile, which is shared with the Audit Committee of the Board of Directors annually. Each risk owner provides regular updates to the Audit Committee of the Board of Directors.



Ethics & Compliance

Employee Code of Conduct

The Kraft Heinz Company and its employees conduct business in an ethical manner, guided by our Vision, Values and an unwavering commitment to integrity and transparency. All employees, officers and directors are required to abide by the company's [Global Code of Conduct](#), which addresses every aspect of our business including anti-corruption, anti-competitive behavior, data protection and human rights. The Global Code of Conduct sets high standards for conducting business in a legal and ethical manner and serves as the foundation of our corporate policies and procedures. To ensure compliance with the Global Code of Conduct's tenets, Kraft Heinz regularly provides training, communications, and guidance to our employees around the world. Further, employees are required to annually certify that they have read and will follow the Global Code of Conduct. The document is available in 14 languages and can be accessed here: [Kraft Heinz Global Employee Code of Conduct](#).

Reporting a Concern

To help employees report potential misconduct, the Company provides several ways to report this, including through managers, Human Resources, Legal and the Ethics & Compliance team. In addition, we have a confidential Ethics & Compliance Helpline for reporting an ethics or compliance concern. The Helpline has multilingual staff available 24 hours a day. It is accessible globally by a toll-free phone call or online at [KraftHeinzEthics.com](#). We do not tolerate retaliation against an employee who reports potential misconduct in good faith.

Supplier Guiding Principles

Kraft Heinz has developed a set of Global Principles applicable to its supply chain referred to as the [Supplier Guiding Principles](#). In 2020, Kraft Heinz set out on an ambitious path to update these Supplier Guiding Principles in accordance with our commitment

for improved efficacy and due diligence with our valued suppliers around sustainable business practices. The Supplier Guiding Principles will apply to all suppliers and we have plans to include external manufacturers and joint venture partners in the near future. They ensure consistency across operations for upholding fundamental values and all applicable laws. They also require compliance with local labor, human rights and environmental standards. If requested, suppliers must certify their compliance and undergo audits to ensure they meet our Supplier Guiding Principles.

Political Contributions and Lobbying Activity

As part of the Company's ongoing engagement in the communities where our employees live and work, we engage in the political process to help shape public policies that impact our business around the world. Our goal is to ensure issues that impact our value chain, including employees, suppliers, customers, consumers and shareholders are fairly represented at all levels of government. For more information on our political contributions and lobbying activity, please visit <https://www.kraftheinzcompany.com/contributions.html>.

Kraft Heinz engages responsibly in the political process in the communities where our employees live and work. Our goal is to ensure public officials representing our people, products and manufacturing facilities understand the issues that impact our business. We adhere to the local laws and regulations governing interactions with government officials, and participate in the political process through issue advocacy and political contributions. Kraft Heinz has put in place effective compliance procedures for, and oversight of, lobbying activities, corporate contributions and The Kraft Heinz Political Action Committee (Kraft Heinz PAC) expenditures. The [Kraft Heinz Code of Conduct](#) requires all employees to maintain honest, forthright and transparent relationships with government officials.





Public Disclosure

Kraft Heinz believes that an important aspect of engaging in the political process is transparency and disclosure. Kraft Heinz files all information as required by federal and state campaign finance and disclosure laws. The Kraft Heinz PAC reports its contributions to the Federal Election Commission (FEC), the details of which are publicly available on the FEC internet site.

All Kraft Heinz PAC and Company political contributions since 2012 are listed on our [website](#). This includes contributions to ballot initiatives and 501(c)(4) organizations where funds may be utilized for political purposes. This information is updated semi-annually. In addition, Kraft Heinz partners with outside counsel to conduct an annual internal audit of all lobbying practices and reporting.

Lobbying Activity

Kraft Heinz prepares and submits reports with the Secretary of the U.S. Senate and the Clerk of the U.S. House of Representatives quarterly, which detail lobbying activities and expenditures. These reports are available [here](#). The Company also files lobbying reports with many U.S. state and municipal governments as required by law. These reports are publicly available through the websites of the jurisdictions where they are filed.

Trade Association Membership

Kraft Heinz believes that trade association membership and participation provides a number of benefits to our business and employees, including the ability to remain engaged on relevant issues and as a forum for sharing ideas and information.

The Company's involvement with trade associations does not include engaging in political activity. Kraft Heinz instructs trade associations that our dues must only be used on issues of importance to our business and none may be provided to support or oppose political candidates. Find language sent to trade associations [here](#).

Center for Political Accountability

Kraft Heinz has proudly doubled its score since 2015 on the "CPA-Zicklin Index," a rating developed by the Center for Political Accountability in conjunction with the Carol and Lawrence Zicklin Center for Business Ethics Research at The Wharton School, University of Pennsylvania. The full report can be found [here](#).

ESG Strategy

In support of our ***Vision To sustainably grow by delighting more consumers globally***, we are committed to responsible, sustainable practices extending to every facet of our business. The Kraft Heinz ESG strategy prioritizes the issues that matter most to the Company business and stakeholders, focusing on areas that have the greatest impact. It includes three key pillars: Healthy Living & Community Support, Environmental Stewardship and Responsible Sourcing.

Our goal is to build value among our Company's broad set of stakeholders by incorporating socially responsible business practices within our own operations and across every stage of our supply chain. We're setting ambitious environmental goals, sourcing sustainably, improving the products we sell and making impactful advancements in communities – all with a commitment to transparency and two-way dialogue. **This continues to be our way forward.**



Healthy Living & Community Support

A key part of our corporate strategy is a commitment to people, to nutrition and health, and making life delicious all at once. Some of the actions we are taking to support this commitment include ongoing improvements to the nutrition of our product portfolio, transparent and responsible marketing and communications, and alignment with credible science and public health goals.

Through these actions, we aim to contribute to the key priorities and target achievements outlined by the World Health Organization's Global Action Plan for the Prevention and Control of Noncommunicable Diseases, and the United Nation's Sustainable Development Goals.



Environmental Stewardship

Environmental stewardship begins with our operational footprint, where we actively strive to conserve water and energy, reduce emissions, minimize waste and make our packaging sustainable.

Our manufacturing sites can consume substantial amounts of resources, and are controlled by us, so we focus significant efforts around environmental stewardship inside of our walls.



Responsible Sourcing

At Kraft Heinz, we not only believe in striving to be better every day within our own operations, but we aspire to work with our entire value chain to continually improve on social and environmental factors.

We are dedicated to responsible sourcing and related impacts in critical areas to Kraft Heinz and our stakeholders. These include areas of focus such as human rights, deforestation, animal welfare and sustainable agriculture. We are also committed to strengthening our due diligence and management programs, while keeping the needs of our suppliers and our customers a top priority.

2020 Progress on ESG Goals

By leveraging our stakeholder engagement and ESG materiality analysis, we focus on high-priority issues in areas where we can make the greatest impact. The following offers an overview of Kraft Heinz progress on company commitments and material ESG issues.

Healthy Living & Community Support



Improve **product health & nutrition** by achieving **85%** compliance with Kraft Heinz Global Nutrition Targets by 2025.

PROGRESS **ON TRACK: 75%**



Reduce total **sugar** in our products by more than **60 million pounds** across our global portfolio by 2025.

PROGRESS **EARLY STAGE**



Reduce **sodium** by an additional **5%** in our BBQ Sauce and Kraft Salad Dressings in North America by 2025.

PROGRESS **EARLY STAGE**



Improve use and transparency of **simpler ingredients** by 2025.

PROGRESS **ON TRACK**



Increase our **plant-based offerings**.

PROGRESS **ON TRACK**



Deliver **1.5 billion meals** to people in need by 2025 against our 2019 baseline.

PROGRESS **ON TRACK: 23%**

Environmental Stewardship



Reduce **energy use intensity** by **15%** across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS **ON TRACK: - 2.2%**



Procure majority of electricity from **renewable sources** by 2025.

PROGRESS **ON TRACK**



Reduce **water use intensity** by **20% in high-risk watershed areas** by 2025 (per metric ton of product made).

PROGRESS **ON TRACK: - 5.2%**



Reduce **water use intensity** by **15%** across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS **ON TRACK: - 2.8%**



Reduce **waste to landfill intensity** by **20%** across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS **ON TRACK: - 6%**



Aim to make **100% recyclable, reusable or compostable packaging** by 2025.

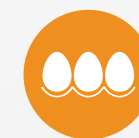
PROGRESS **ON TRACK: 83%**



Create a **fully circular Heinz Tomato Ketchup Bottle** in Europe by 2022.

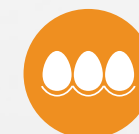
PROGRESS **ON TRACK**

Responsible Sourcing



Source **100%** of eggs globally from **cage-free** or better* hens by 2025.

PROGRESS **ON TRACK: 66%**



Source **100%** of eggs in Europe from **free-range** hens by 2020.

COMPLETE **COMPLETE: 100%**



Improve **broiler chicken welfare** in the U.S. by 2024 and **European chicken commitment** by 2026.

PROGRESS **ON TRACK**



Purchase **100% sustainably-sourced Heinz Ketchup tomatoes** by 2025.

PROGRESS **ON TRACK**



Purchase **100% sustainable palm oil** by 2022.

COMPLETE **COMPLETE: 100%**



Purchase **100% traceable palm oil to the mill** by 2022.

PROGRESS **ON TRACK: 98.5%**



Continue to work with animal welfare experts and suppliers on **best practices to eliminate painful procedures** and promote sustainable practices.

PROGRESS **ON TRACK**

* Kraft Heinz defines "cage-free or better" eggs as sourced from laying hens that come from cage-free, free-range, pasture-raised, or similar natural or open housing settings.

Governance Commitments

Accountability

We will continue to maintain ESG oversight with the Board of Directors. Our CEO, key leadership and respective team members lead and support our ESG goals and have linked key performance metrics embedded.

Communicate Transparently and Authentically

We will continue to publish annual, third-party verified ESG reports, aligned to industry best reporting frameworks. We will report climate, forests and water information on an annual basis to [CDP](#) and engage with stakeholders on material ESG issues.

Market Our Products Responsibly

We will continue to market and advertise our products in a responsible and suitable manner to all audiences.

Promote Workplace Health and Safety

We will continue to provide a healthy, safe and secure workplace. We improved safety Key Performance Indicators (KPIs) over last year, representing some of the best results among our food and beverage industry peers.

Operate Ethically

We will continue to conduct business in an ethical manner and unwavering commitment to integrity and transparency.

Promote Diversity, Inclusion, and Belonging

We will continue to demand and promote diversity, inclusion, and belonging in all aspects of our Company.



Healthy Living & Community Support

Kraft Heinz has a diverse portfolio of products to suit a vast array of eating occasions and lifestyle choices. A key part of our corporate strategy is naturally a commitment to people, to nutrition and health, and to live our purpose *'Let's Make Life Delicious.'* Some of the actions we are taking to support this commitment include ongoing improvements to the nutrition of our product portfolio, transparent and responsible marketing and communications, and alignment with credible science and public health goals. Through these actions, we aim to contribute to the key priorities and target achievements outlined by the World Health Organization's Global Action Plan for the Prevention and Control of Noncommunicable Diseases, as well as several of the United Nation's Sustainable Development Goals (SDGs). We aim to promote responsible production and consumption as well as overall health and well-being. We are specifically targeting achievement of the SDG Zero Hunger through our partnership with organizations such as Rise Against Hunger, Heifer International and Feeding America, and through our operational food donation programs. Our communities are the foundation of our society, and reflect what's best in us as we lean in and support their everyday needs. Moreover, during challenging times, whether from impacts from catastrophic weather events, social inequity unrest, or a devastating pandemic, Kraft Heinz strives to rise to the occasion and provide relief wherever we can.





Our COVID-19 Response

The COVID-19 pandemic has affected the health and financial wellbeing of millions of people around the world. The daily count of global cases and associated deaths are a stark reminder of the vastness and depth of this tragic pandemic. In an effort to contain the virus' spread, the world's largest economies have been deeply impacted, resulting in simultaneous economic crises, with countless citizens around the world experiencing job loss and financial hardship, in addition to illness and even death.

Keeping Food on the Shelves

Kraft Heinz is committed to providing nutritious meals to those in need and eliminating global hunger --- and the need has been unparalleled during the COVID-19 global pandemic.

In the early days of the pandemic, the food value chain experienced unprecedented supply shortages. Across the world, our plants stepped up to meet this moment - from soy sauce in China to baby biscuits in Italy to *Heinz Beans* in the U.K., our employees have responded by making the products people know, love and trust. Faced with all sorts of challenges, our employees have been agile, resourceful and creative. People, working as a team, are doing extraordinary things.

Looking Out for Each Other

In response to the emergence of COVID-19 in early 2020, we immediately launched a global taskforce, provided enhanced benefits and implemented additional robust workplace safety programs and processes in all of our facilities – which became a leading benchmark with many agencies. As the circumstances and impacts of COVID-19 evolved, we continued to adapt our response to protect the health and safety of our employees. Read more about our enhanced wellbeing programs as part of our LiveWell program including benefits, disability and employee assistance initiatives on [page 26](#).



SPOTLIGHT ON MONT ROYAL

Working 24/7 to Keep Kraft Dinner on Grocery Shelves

Our Mont Royal, Quebec plant is responsible for supplying all of Canada's *Kraft Dinner* supply. In the early stages of the COVID-19 pandemic, the manufacturing team worked non-stop to produce 1 million extra boxes to meet an unprecedented demand.

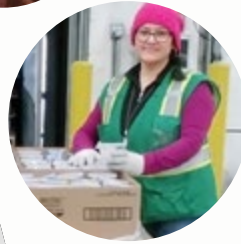
Before the COVID-19 outbreak, the factory produced approximately 3 million boxes of *Kraft Dinner*, five days per week. With our lines running 24/7, we pumped out more than 4 million boxes daily. We continued this increased production schedule from March 2020 to the second quarter of 2021.

During this time, plant manager Danielle Nguyen was also committed to making sure that appropriate safety protocols were followed and that employees received the adequate rest time to avoid burn out. Employees prepared business continuity protocols to ensure continued production in the event anyone tested positive for COVID-19 or began showing symptoms.

"Everyone just feels very, very proud to be feeding 37 million Canadians," Nguyen says. "Our 960 employees show up to work every day. To me, they are true heroes."



Brooke Burk, Human Resource Business Partner, Manufacturing



FEATURE STORY

#WeGotYouAmerica: How One Employee Started a Movement

Brooke Burk, a human resources business partner at our Springfield, Missouri manufacturing facility, felt a calling to step up and support fellow employees during the initial wave of COVID-19. As a member of the local HR team, Brooke was given the flexibility to work from home but decided to remain at the facility, in person, to support COVID-19 mitigation efforts. She oversaw social distancing at the factory – from production lines to the breakroom.

During this time, Brooke saw corporate workers posting pictures of themselves working from home on Kraft Heinz's internal social media platform, KetchApp. She then took photos on the factory floor and posted them with the hashtag “#WeGotYouAmerica.” She wanted to inspire and remind employees that we were all playing an integral role in ensuring that food reached grocery shelves across the country to people that needed it. The tagline inspired many Kraft Heinz employees and quickly spread beyond the Springfield facility to other plants. It began appearing on posters as a call to action to inspire the Kraft Heinz team during this difficult time.

The #WeGotYouAmerica campaign culminated in a video, shot entirely by employees at our Fremont, Ohio and Champaign, Illinois facilities using only their smartphone cameras. The video was then featured as a commercial to show the world that Kraft Heinz was here to stay and that together, we can get through COVID-19. [See the full commercial here.](#)

Supporting Communities During COVID-19

When this unprecedented public health crisis escalated in early 2020, Kraft Heinz jumped into action. In March 2020, we launched a global campaign and committed to donating \$12 million to help ensure people across the globe had access to the food they need during the pandemic. This international commitment included both financial and product donations. The following are highlights of Kraft Heinz initiatives that helped support communities around the world:

Magic Breakfast

In the United Kingdom, *Heinz* partnered with [Magic Breakfast](#), a charity that provides healthy school breakfasts to hungry and malnourished children in disadvantaged areas of the U.K., to secure 12 million free breakfasts for school children who needed them the most. The partnership equated to one breakfast per day, five days per week over eight weeks, for school children in the U.K. who would usually benefit from access to breakfast club programs that were cancelled as a result of schools closing.



On top of this, *Heinz* partnered with U.K. NGO Pro Bono Economics and Magic Breakfast to produce a policy report showing that a government breakfast provision in the U.K. could raise £2.7 billion for the economy, with a benefit-cost ratio of 50:1. This report reached over 425 U.K. Members of Parliament.

The partnership has also featured compelling consumer-facing activations. In September 2020, *Heinz* and Magic Breakfast launched the 'Silence the Rumble' campaign to raise awareness for the child hunger crisis in the U.K. The campaign, which included an animated advertisement, was a huge success both in terms of raising awareness, and stimulating £80,000 in public donations for Magic Breakfast.

Project Pantry and Pantry Day

In response to the global pandemic, Kraft Heinz Canada initiated [Project Pantry](#), where we donated 1 million meals and personal protective equipment supplies (approximately 40,000 masks, 20,000 pairs of gloves and 3,900 1L bottles of cleaning/disinfecting solution) to Food Banks Canada, our long-time food donation partner.



Building off of that initial engagement, Kraft Heinz Pantry Day was established (pictured above). Pantry Day encourages Canadians to join the fight against food insecurity by purchasing a participating Kraft Heinz product at their local grocery store, which is then matched with a similar food donation to Food Banks Canada.

Project Pantry and Pantry Day are part of Kraft Heinz Canada's 5-year, \$20-million product donation commitment that will help bring meals to the tables of the 4.4 million Canadians affected by food insecurity. Kraft Heinz Project Pantry and Pantry Day mark another chapter in Kraft Heinz Canada's long history of supporting food banks across the country.

"We are thankful to have found a great long-term partner in Kraft Heinz Canada," says Chris Hatch, Chief Executive Officer, Food Banks Canada. "The Kraft Heinz Pantry Day commitment makes them our largest consumer packaged goods supporter and this donation will go a long way in helping us to deliver vital food aid to Canadians in need."

Partnership with Babytree

The Kraft Heinz Company partnered with Babytree, one of the largest parenting websites in China, to donate more than 4,000 boxes of *Heinz* infant food to families in need through the Shanghai Fosun Foundation. The Company's products were delivered to 25 hospitals in five Chinese provinces most severely affected by the outbreak including Hubei, Hunan, Zhejiang, Jiangsu and Henan.



Feeding America

Kraft Heinz also pledged \$1.9 million in cash to [Feeding America](#)®, the largest domestic hunger relief organization in the United States, to help support food banks located in and near places where the Company has offices and plants, such as the Greater Chicago Food Depository and the Greater Pittsburgh Community Food Bank. Feeding America's COVID-19 Response Fund helps food banks across the country as they support communities impacted by the pandemic, enabling them to secure the resources they need to efficiently serve some of the most vulnerable people.

Read more about our long-standing partnership with Feeding America on [page 31](#).

Stepping Up to Support Healthcare Facilities

At Kraft Heinz, we pride ourselves on being good neighbors and partners for our communities. During the initial wave of COVID-19, personal protective equipment supplies were in short supply and many healthcare facilities struggled to source these items to keep up with the increased demand. Many of our facilities around the world stepped up to donate existing stock that would have been used during the manufacturing process.

For example, in March 2020, our Kraft Heinz plant in South Carolina donated N95 masks, surgical gowns, lab coats, face shields, fabric hood protective equipment and PDI Sani-Cloth containers to Lexington Medical Center, Newberry County Memorial Hospital, and Self-Regional Healthcare Hospital.

"This was one of my most memorable days of my 20 years with Kraft Heinz."

"This was one of my most memorable days of my 20 years with Kraft Heinz. As we drove into the lot at Newberry County Hospital, the lines of medical workers on both sides of the street – clapping and cheering and crying – it was unexpected and overwhelming. The staff shared that they were so worried

about how they were going to make it through the initial phases of COVID-19 without the proper supplies. The fact that our plant could have this opportunity to directly impact healthcare workers, their families and the community was wonderful. We look forward to doing more," Kat Longerbeam, Human Resources, Newberry Plant.

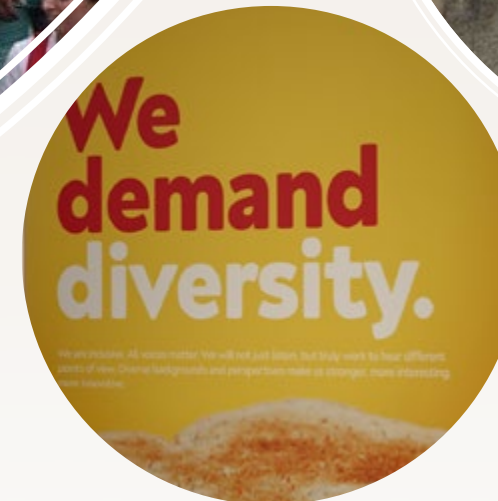
Kraft Heinz also donated \$1.5 million worth of products to impacted people in Australia and New Zealand, and 1 million servings of *Lunchables* and *Capri Sun* products to school children in the Dallas, Texas area. Kraft Heinz brands, including *Heinz* ketchup and *Oscar Mayer*, have responded to the crisis in their own ways, expanding the company's impact. As the COVID-19 situation evolves, we continue to evaluate our response and adapt to ensure the health and safety of our employees, and support for impacted communities.

Read more about our community work through The Kraft Heinz Company Foundation on [page 29](#).



Healthcare workers greeting Kraft Heinz Employees as they arrived with personal protective equipment donations





Diversity, Inclusion, & Belonging

Corporate Highlights

At Kraft Heinz we choose to welcome everyone at our table. We choose to be inclusive because diverse backgrounds and perspectives make us stronger, more thoughtful and more innovative. We believe that our diversity, inclusion, and belonging work helps us to walk in our Company Purpose: *Let's Make Life Delicious*, and this will make a lasting impact for our employees and the marketplace for generations to come. That is why *We demand diversity* and commit to not only listening but to truly working to hear different points of view.

We aggregate these different points of view along with various data points in this space. Hence, data-driven plans continue to be established for our leaders to drive diversity, inclusion, and belonging in their teams. We have established strategies to ensure diverse hiring, retention, development, and advancement. We will continue to build upon our foundation of awareness by delivering programming that advances communication skills and inclusive daily habits. We will also continue to offer training and learning experiences designed to interrupt unconscious bias during moments that matter across the employee experience.

Since 2015, we have established a solid foundation of awareness across the organization and celebrated numerous impactful achievements in the diversity, inclusion, and belonging space. We have been steadfast in educating and training our leaders to be inclusive, creating a nurturing community. We've spotlighted exemplary leaders from all backgrounds and expanded a team of practitioners across our global footprint. We have made significant progress, and we are energized for the long journey ahead of us.

2020 AWARDS & RECOGNITION

100% on the Corporate Equality Index (CEI)
2nd year in a row. CEI rates corporate policies and practices for LGBTQI+ inclusion.

#181 on Forbes World's Best Employers

#17 on Forbes Top Regarded

Kraft Heinz Canada - Great Place to Work-Certified™ by Fortune

#2 on Best COVID-19 Communications from Workplace Benefits Awards Canada

Forbes Canada's Best Employers

Heinz Magic Breakfast - Winner Charity Partnership - Consumer Goods/Food & Beverage - ThirdSector Business Charity Awards



Diversity, Inclusion, & Belonging (cont.)

2020 was a year that amplified our focus on diversity, inclusion, and belonging. We expanded our Company Values to affirm, *We demand diversity*, and launched our Global Inclusion Council, chaired by our CEO, Miguel Patricio. The Council comprises executive leadership from across the Company and members of our Board of Directors. The Council creates strategic accountability for results, and provides governance, oversight, and reporting on diversity efforts and initiatives. The Council is also a critical driver in fostering real organizational change, establishing priorities, managing integrated and cross-functional initiatives, and thoughtfully considering how to fully live our Company Values.

We strengthened our commitment to a diverse workforce by targeting employee representation that reflects the diversity of the communities in which we operate.

We know a truly inclusive culture allows our people to contribute their unique perspectives and ideas, execute with excellence, and grow great careers. Moreover, we have set aspirations that are critical to our diversity, inclusion, and belonging journey while increasing accountability.

Additional demographic aspirations will continue to be developed for countries in which we operate as we collect accurate and complete data across our global footprint. And we will seek to qualify these values and metrics with supplemental external recognition.



Our Aspirations for Kraft Heinz, by 2025:

50%

of our global management positions will be filled by women

30%

of our salaried U.S. employee population will identify as people of color

Our engagement survey results related to diversity, inclusion, and belonging will be in the top quartile



Diversity, Inclusion, & Belonging (cont.)

Impact Across Our Global Footprint

2020 was a year of transformational growth for Kraft Heinz – and in the U.S., we had an opportunity to put our new Value, *We demand diversity*, to the test. As the spotlight intensified on racial and social injustice across the country, here at Kraft Heinz, we felt compelled to take action. In the second quarter, we announced several commitments to positively impact Kraft Heinz and our communities. Our Black Business Resource Group (BRG) was instrumental, partnering with Company leadership to establish our commitments and contributed to bold and honest conversations across the Company. These commitments focused on four areas – recruitment; employee support and development; leadership and representation; and community support. Here are a few highlights from our commitment areas during the year:

Annual Day of Service

June 19, 2020 marked our inaugural Kraft Heinz Day of Service – now a part of our annual calendar. Observed in the U.S. on Juneteenth, the Day of Service commemorated and honored the importance of the day while providing opportunities for employees to participate in virtual and in-person service and educational events. Our colleagues in the Canada and International Zones also hosted Days of Service in solidarity with the U.S.

Community Support

We provided \$1 million in financial support to social justice organizations and food-focused programs that supported communities hardest hit by social inequities in 2020. Those organizations included the United Negro College Fund, My Block My Hood My City, Second Harvest Heartland Food Bank, and 412 Food Rescue, among others.

Employee Development

To further the development of our Black employees, in 2020 we launched a Black BRG Mentoring Program and the WeLead Accelerator Program. WeLead was designed to drive accelerated career growth for our Black employees and those who identify as two or more races at the individual contributor level. During this five-month immersive program, 36 participants in the first cohort learned critical business and communication skills, built connections, and activated our Values through our leadership principles. WeLead is now an ongoing, annual program. Participants in this program now include employees of color from throughout the U.S.

Additionally, we launched The WE Network, a global leadership accelerator for women at the Associate Director level. The first cohort of 30 women graduated in October 2020.



Diversity, Inclusion, & Belonging: Impact Across Our Global Footprint (cont.)

Recruiting

We committed to strengthening our partnerships with Historically Black Colleges and Universities. As just one example, we partnered with Clark Atlanta University, through the CEO Academy, to work with over 100 junior and senior students on networking, LinkedIn best practices, and learning about a day in the life of a marketer. Kraft Heinz employees from across the organization participated in six class sessions throughout the winter 2020 term. We also partnered with Howard University, through its 21 Cap program. In this program, we worked with 25 students on a semester long case study. The winning team was awarded Kraft Heinz branded prizes and the top two students, voted on by their peers, were each awarded a \$1,500 scholarship from Kraft Heinz.

In Canada, we enhanced our inclusive recruitment processes to increase the diversity of our talent pools. We introduced blind resume reviews, bias interruption training, and scanning our job descriptions through a gender bias decoder.

Like our BRGs in the U.S. and International Zones, our Canadian Diversity Committee shifted to a virtual environment which was instrumental in connecting employees throughout 2020. We celebrated cultural diversity through educational opportunities. Various events were held throughout the year including, International Women's Day, Juneteenth, Orange Shirt Day, Day for People with Disabilities, and Pride Month.

Additionally, we focused on the communities in which we operate to make an impact. We joined other top-tier Canadian corporate partners and became a proud signatory of the BlackNorth Pledge. The BlackNorth Initiative is on a mission to end anti-Black systemic racism in Canada by leveraging the strength of corporate Canada to demand and lead change. Kraft Heinz Canada also established a partnership with the Hockey Diversity Alliance (HDA) to further the HDA's mission by creating opportunities for racialized Canadian youth to access and experience the sport of hockey at the grassroots level through various HDA-sponsored programs, events, and initiatives.

2020 was also a year of BRG growth for our International Zone, which includes over 30 countries, as more employees engaged in local chapters and started initiatives in their respective locations across the globe. Within our International BRG, membership rose in 2020 to over 250 employees, setting the foundation for a continued roll-out across the globe in the years to come.

Our BRGs in the International Zone include:

Gender Equality Network (GEN): committed to amplifying gender equality, and its mission is to empower women and fuel their potential at every step of their career.

The 57: passionate about cultural and ethnic diversity, and its mission is to elevate cultural awareness and connect employees to share in the understanding of challenges faced by people from different backgrounds.

Proudz: brings together the company's LGBTQI+ community and its allies, and its mission is to promote a culture of inclusion and respect, where differences in orientation, gender identity, and expression are welcomed and celebrated.

LiveWell: creates a community for physical, emotional, social and financial well-being at Kraft Heinz, and its mission is to foster a culture of care and empathy where we can bring our whole selves to work.

Reconciliation Action Plan: an Australian local BRG dedicated to strengthening relationships between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians. Its mission is threefold: create a workplace that understands, values, and respects the histories, cultures, and contributions of the Aboriginal and Torres Strait Islander community; develop respectful relationships with the Aboriginal & Torres Strait Islander community; create meaningful social change and economic opportunities for Aboriginal and Torres Strait Islander Australians.

Our Value, *We demand diversity*, continues to guide our efforts across our global footprint and our employees are excited for the opportunity to bring this value to life in new ways. The increase in BRG participation is one of many powerful indicators that our employees are engaged in our diversity, inclusion, and belonging efforts. As a global organization, we are looking forward to continuing to create a diverse environment where all employees feel included, recognized, and supported, with a sense of belonging at Kraft Heinz.



Employee Health & Wellness

In May 2018, Kraft Heinz launched its new LiveWell health and wellness platform in the U.S. following a successful Canadian campaign. Today, LiveWell at Kraft Heinz continues to underscore our commitment to helping employees achieve optimal health. This commitment includes physical, emotional, financial and social health and well-being. Kraft Heinz realizes that life does not stop for work. Throughout the year, we utilize LiveWell to address various topics concerning health and well-being through speaker series, global and local events, and targeted initiatives on physical fitness, mental health, family and community, and financial education. We have created a LiveWell hub for employees to easily access relevant external resources and link to programs available in their local countries. We have continued to champion the LiveWell program's holistic approach to well-being in response to COVID-19 with enhanced programs, including healthcare benefits, disability and employee assistance initiatives.

At Kraft Heinz, we've worked to address the stigma attached to discussing and supporting mental health and well-being in the workplace. Recognizing that this stigma is compounded in underrepresented groups, we elevated our plan to support all of our employees. In 2020, we focused on mental well-being around the world with several key initiatives: supporting people managers with specific communications and learning resources; offering several learning opportunities for all employees to hear from experts about building resiliency and taking care of your emotional well-being; and launching our Global LiveWell site which includes a section on Health & Wellbeing. We also provided Calm app subscriptions to our U.S. and U.K. employees as an added benefit.

Our International Zone worked to upskill our Human Resources (HR) Teams with Mental Health First Aid training, resulting in over 60 HR employees across the zone receiving a certification in 2020. Our aim is to have at least one Mental Health First Aider in each of our offices and factories. An integral part of our Mental Health First Aid Training is self-care – you can't assist others without putting your own oxygen mask on first.





Learning & Development

Ownerversity is the Company’s trusted source for learning for all employees, whether they are attending a live or virtual learning experience or accessing digital resources. Through Ownerversity, employees have access to custom Kraft Heinz training, learning and development materials as well as external resources, like LinkedIn Learning and Harvard Business Review.

Our learning and development (L&D) offerings enable employees to live our Value, *We dare to do better every day*, and own their own learning and development. This empowers employees to execute with excellence in their current role, accelerate their learning curve and grow a great career. Ownerversity has learning opportunities for everyone, as represented by our ten academies, which inspire and grow talent within Kraft Heinz while developing employees’ capabilities to help them navigate their career journey. The academy structure aids in nurturing a continuous culture of learning and gives each employee tools to contribute to our Vision, guided by our Purpose, Values, and Leadership Principles.

Our Ownerversity learning experiences include opportunities for employees to learn more about diversity, inclusion, and belonging, and we deliver a multitude of offerings throughout the year aimed at empowering employees, developing inclusive leaders, interrupting bias across the employee experience, and fostering inclusion and belonging. We also collaborate with our Business Resource Groups across the globe to deliver compelling programming that connects employees, increases allyship, and elevates diversity, inclusion, and belonging across Kraft Heinz.

The Leadership and Culture Academy is for all Kraft Heinz employees and focuses on leadership development, manager excellence, and provides opportunities for employees to learn how to live our Purpose and Values every day.

The nine Functional Academies target employees within a specific function, providing a learning home for everyone at Kraft Heinz. Each Functional Academy helps facilitate the development of functional capabilities for employees and their teams to thrive in their roles, which delivers value to Kraft Heinz. The Functional Academies focus on Finance, IT, Legal, Marketing, Operations, People, Procurement, R&D, and Sales.

In September 2019, we launched the #LearnLikeAnOwner Challenge to the entire company and invited employees to join leadership in this movement to encourage a culture of continuous learning, bold creativity, and intellectual curiosity. The movement is truly global as anyone can learn anywhere and at any time.



The Learning & Development Value Proposition

What we expect from you... and what’s in it for you.



Ownership

Learn Like an Owner

Seek out high-impact learning experiences.

Commit to a regular learning practice, even if it’s just a few minutes a day.

Encourage others to do the same. Contribute to a culture of learning.



Performance

Execute with Excellence

Apply what you have learned to achieve your goals and targets.



Meritocracy

Grow Great Careers

Accelerate your learning curve.

Prepare yourself to take advantage of the opportunities that exist at Kraft Heinz to grow a great career.



Learning & Development

Employees not only *#MakeTimeForLearning*, they also share what they learn with other employees through a Kraft Heinz internal communications platform called KetchApp. 500 Kraft Heinz learners made commitments in Q4 2019; these 500 learners completed over 3,000 hours of learning in that quarter. In 2020, the movement grew, and over 1,100 employees made a *#LearnLikeAnOwner* commitment and engaged in over 44,000 learning experiences.

Since Ownerversity's inception in 2016, the global and zone learning teams have expanded the Kraft Heinz library to include custom Kraft Heinz learning experiences and curated playlists to help employees find training more easily. We launched the next evolution of Ownerversity in December 2020. The new Ownerversity experience was designed to motivate employees to learn, inspire belonging, make learning easy to find, and support employees' capability development to support the realization of the enterprise strategy.

In 2020, there were over 479,500 registrations in the Ownerversity platform. The overall Ownerversity usage was 14 average learning hours per employee (both office professionals and production workers). The most attended programs across all Kraft Heinz were our *#LearnLikeAnOwner* Speaker Series followed by Ownerversity Day, our 24-hour event designed to bring the entire Kraft Heinz family together around learning.



Google Analytics has shown an increase in visitors to the Ownerversity platform. For example, December 2018 showed 4,858 visitors; December 2019 showed 5,394 visitors; and December 2020 showed 10,072 visitors. In addition to adoption and increased visitors to the platform, for all content overall in Ownerversity for 2020, the results by key measures were very favorable:

94% RELEVANT

Learning Experience: 94% favorable for "relevant content with examples or activities that helped employees learn how to apply the takeaways to their job"

92% EFFECTIVE

Effectiveness: 92% favorable for 'acquiring new knowledge and skills' and 86% favorable for 'gaining insights that will improve job performance'

90% VALUABLE

Value: 90% favorable for 'this learning experience was a valuable use of my time'



Working to Alleviate Global Hunger

The Kraft Heinz Company Foundation (Kraft Heinz Foundation) pursues its mission through strategic partnerships with organizations that have programs aligned with hunger relief, nutrition support and self-sustaining food sources. Kraft Heinz employees from all corners of the world have passionately joined the Foundation through volunteer efforts towards our goals, highlighting the critical nature and immediacy of our work in alleviating world hunger.

We are proud of the progress we've made upon our original goal to deliver 1 billion nutritious meals to those in need by 2021. At the end of 2020, through a combination of financial support and product donations, we have delivered more than 745 million meals to those in need since 2016. We have put our foot on the accelerator, and in 2020 we provided more than 206 million meals to people in need. **Our current total for 2019-2020 has now broached 345 million meals to those in need toward our new 1.5 billion meal target by 2025 – we're 23 percent of the way there.**



Deliver **1.5 billion meals** to people in need by 2025 against our 2019 baseline.

PROGRESS

ON TRACK: 23%

We have aligned our current key partners towards this goal:

Rise
AGAINST HUNGER

FEEDING
AMERICA

NO KID
HUNGRY

The Lunchbox Fund
Feed a child. Nourish a mind.

CHILD AID
A New Chapter for Education

HEIFER
INTERNATIONAL

American
Red Cross

GREATER
CHICAGO
-FOOD-
DEPOSITORY

Greater Pittsburgh
community
food bank

Food Banks
Canada

magic
breakfast
fuel for learning



The Kraft Heinz Micronutrient Campaign

The Kraft Heinz Micronutrient Campaign, established by the H.J. Heinz Holding Corporation in 2001, aims to use the skills and compassion of our employees to develop a nutritional supplement to promote healthy growth and development of those in hunger in developing regions around the world.

Understanding that nutrition and food are pivotal in the growth and success of a child, and especially significant for malnourished children across the globe, Kraft Heinz created this micronutrient sachet with essential vitamins and minerals, to be mixed in with more readily available food without all these benefits.



Rise Against Hunger

The Kraft Heinz Foundation has been a partner of Rise Against Hunger since its inception. Originating from the desire to provide nutritious and efficient meals to those facing hunger across the world, our partnership with Rise Against Hunger now impacts a wide variety of issues ranging from addressing global hunger from localized, urgent needs to wider systemic, long-term projects. Today, we are Rise Against Hunger's largest partner.

The following are key areas of focus in Kraft Heinz's strategic partnership with Rise Against Hunger:



Empowering communities through sustainable agriculture initiatives



Supporting the Nourishing Lives initiatives, such as school feeding programs, which utilize the organization's rice-soy-vegetable meals fortified with micronutrients developed and donated by Kraft Heinz



Responding to emergencies with these meal kits fortified with Kraft Heinz micronutrients sachets



Providing cash resources to procure food locally in countries all over the world served by Rise Against Hunger



Engaging Kraft Heinz employees in supporting the organization's mission through meal packaging events



"Rise Against Hunger impacts millions of lives each year, and we would not be able to do so without the dedicated support of Kraft Heinz. In 2020, as the world faced the pandemic's unprecedented effects, our top priority was – and always will be – supporting the people we serve, working to alleviate hunger around the world. Rise Against Hunger served over 2.8 million people facing hunger in 41 countries last year. Our continued partnership with Kraft Heinz will allow us to impact more lives and continue the crucial fight to end global hunger."

– Barry Mattson, CEO, Rise Against Hunger

Kraft Heinz & Rise Against Hunger 2020 STATISTICS

2,837,817

Lives Impacted

54.5M

Meals Consumed by
People in Need

80,352

Meals Packaged by Kraft Heinz Employees *

8,390

Households supported through
sustainable agriculture projects

400M+

Meals fortified with Kraft Heinz
micronutrient sachets since
program inception to date

* Meal packaging events were significantly reduced in 2020 due to COVID-19 restrictions and safety protocols.

Supporting Communities in Need

Feeding America

Feeding America® is a nationwide network of 200 foodbanks and 60,000 food pantries with meal programs that serve every county in America. In Feeding America's words, "to end hunger, we have to make hunger unacceptable," and that is why the organization encourages everyone to take action in the fight to end hunger – an issue that impacts one in nine of our neighbors.



Our relationship with Feeding America dates back to Kraft Foods Group, Inc., as one of the original groups to provide the organization with financial support in the 1980s.

Today Kraft Heinz helps Feeding America achieve its mission in a three-pronged approach. First, we help them meet immediate hunger needs through food donations from our corporate operations. In 2020, we donated more than 20 million pounds of food to Feeding America through 33 local food banks aligned with our U.S. manufacturing sites, bringing our total since 2016 to more than 102 million pounds of food donated. Second, through The Kraft Heinz Foundation's philanthropic giving we are able to significantly amplify food donations to families in need on a planned basis. Third, we furthermore partner with Feeding America through cause marketing and volunteerism, all aimed at our shared mission to end hunger.

"Feeding America is thankful to the Kraft Heinz Foundation for its generous support of hunger-relief programs that support children, seniors and local food banks. Their commitment to fighting hunger has helped provide more meals to our neighbors who need it most."

– Casey Marsh, Chief Development Officer at Feeding America

Heifer International

Founded in 1944, Heifer International is a global nonprofit working to eradicate hunger poverty through sustainable, values-based holistic community development. Heifer International provides animals, along with agricultural and values-based training, to families in need around



the world as a means of providing self-sufficiency. These families are able to earn a living income and continuously lift up their communities as they train the next generation of leaders. In 2020, The Kraft Heinz Foundation Board Members recognized Heifer International's long-standing and game-changing model to be a perfect complement towards its mission of self-sustaining hunger relief, and thereby enlisted this new key partnership to great and immediate impacts.

"Strategic partnerships like this one between Heifer International and Kraft Heinz will enable us to connect more people in need with fresh, healthy food, while building food systems to support long term availability and a more equitable future for producers and consumers. Non-profits and for-profits doing the right thing together will provide a greater impact in helping to alleviate hunger and poverty. Together, we will be providing 81.1 million meals (in 2020) to families in rural communities across the world. We are proud of this partnership and the good we are doing together."

– Pierre Ferrari, CEO, Heifer International

Share our Strength: No Kid Hungry Campaign

Share Our Strength is an organization that has created and led innovative ways to help people out of poverty for 35 years. In 2020, Kraft Heinz's Lunchables brand matched a grant made by the Kraft Heinz Foundation to support Share Our Strength's No Kid Hungry Campaign, by helping to provide 5 million meals for children in need in the U.S.



"We are incredibly grateful for our new partnership with The Kraft Heinz Foundation. With the continued support of committed partners like Kraft Heinz, No Kid Hungry is helping children all over the country get the nutritious food they need to succeed."

– Diana Hovey, Senior Vice President of Corporate Partnerships at Share Our Strength, the organization behind the No Kid Hungry campaign.





Volunteers for the Greater Pittsburgh Community Food Bank helping to provide food to those in need during a downtown Pittsburgh Drive-up Distribution



Stepping Up to the Plate: Kraft Heinz 2021 ESG Report

Supporting Communities in Need (cont.)

Red Cross



Vision Statement: The American Red Cross, through its strong network of volunteers, donors and partners, is always there in times of need.

Through a network of about 250 chapters in the U.S., the American Red Cross provides relief to victims of disaster and helps people prevent, prepare for and respond to emergencies. As a member of the organization's Disaster Responder Program, The Kraft Heinz Foundation is part of a select group of forward-thinking organizations that provide the highest level of year-round support to Red Cross disaster relief and preparedness efforts. The advance commitment – before disaster strikes – powers the Red Cross to be ready to help disaster survivors at a moment's notice, while also preparing people and communities for crises yet to come. Furthermore, in 2020, Kraft Heinz employees also donated personal funds to the Red Cross, which the Kraft Heinz Foundation then matched.

"Ongoing pre-investment from members of the Disaster Responder Program like The Kraft Heinz Company Foundation helps create a reliable funding base for disaster relief services, providing food, shelter, emotional support and other essential assistance. Money donated by the public and members of our Disaster Responder Program is essential to our ability to assist disaster survivors and support the first responders and volunteers who work tirelessly at the scene of a disaster."

– Don Herring, Red Cross Chief Development Officer

Greater Pittsburgh Community Food Bank



"During a time when more of our neighbors than ever before were facing so much uncertainty, Kraft Heinz stepped up to meet the need in an incredible way. Through its COVID relief support and Childhood Hunger Initiatives support, we were able to expand our reach in the community and ensure our neighbors have sufficient food to eat until they get back on their feet. On behalf of all our neighbors living with hunger, thank you, Kraft Heinz, for being a great neighbor and helping when our community needed you the most."

– Lisa Scales, president and CEO, Greater Pittsburgh Community Food Bank

Greater Chicago Food Depository



"The Kraft Heinz Company, co-headquartered in Chicago, has proven time and again to be a strong partner in our mission of ending hunger here in Cook County. In the past five years, Kraft Heinz has donated the equivalent of more than 3.7 million meals to families in need. At the Greater Chicago Food Depository, Chicago's food bank, we are so thankful for the company's unwavering support in the ongoing hunger crisis"

– Kate Maehr, Executive Director and CEO, Greater Chicago Food Depository

Food Banks Canada



In 2020 alone, Kraft Heinz Canada contributed more than 2 million pounds in food donations to food banks across Canada in response to the COVID-19 pandemic. As Canada's largest food company, we are committed to reducing food insecurity and, in the long term, eliminating hunger. We contribute to the community primarily through Food Banks Canada, which represents about 650 food banks across the country.

Pantry Day

On October 16, 2020, World Food Day, Kraft Heinz Canada launched **Pantry Day**, encouraging Canadians to join the fight against food insecurity by purchasing a participating Kraft Heinz product at their local grocery store, which was then matched by Kraft Heinz with a donation to Food Banks Canada. Kraft Heinz Pantry Day supports Food Banks Canada with a 5-year, \$20 million product donation that will help bring meals to the tables of the 4.4 million Canadians affected by food insecurity across the country. The scope and donation effort of Kraft Heinz Pantry Day makes it the largest one-day donation matching event for Food Banks Canada.

Supporting Communities in Need (cont.)

The Lunchbox Fund



Founded in 2005, the Lunchbox Fund provides impoverished and food insecure children aged 1 - 18 with nutrient fortified food daily, at school to incentivize attendance, across South Africa. These children would otherwise go hungry. This meal encourages children to attend school and enables them to concentrate and learn while they are there. Children are supported at all stages of their education – from pre-school through to primary and secondary school and after-school programs. In 2020, The Kraft Heinz Foundation supported this organization's laudable efforts at feeding malnourished children in need, made even more dire by COVID-19 impacts.

"In 2020 Kraft Heinz committed funding that is going to support 1,260,000 hot meals to 6,690 children in 27 Schools in South Africa. On average Lunchbox Fund schools see a 30 percent increase in attendance where our meals are provided. For the majority of these children it is their only guaranteed meal of the day."

– Topaz Page-Green, Founder & CEO, Lunchbox Fund

Heinz's Support for U.K. Government Care Packages

At times of such upheaval, our concerns must always turn to those most in need of support. During the early days of the pandemic, our Heinz brand took a leading role with a U.K. Government sponsored program to protect the vulnerable. We helped to shield these individuals from the food shortages many experienced during the initial lockdown, by supplying some of our best loved canned food staples as part of the food packages delivered weekly to those in need. Moreover, we partnered with peer companies, retailers and foodservice wholesalers to plan and activate the initiative. In total, we supplied over 15 million cans of beans, soups and pasta, becoming the largest provider in the initiative.

Child Aid



In 2020, the Kraft Heinz Foundation awarded a \$75,000 grant (approximately 579,600 meals) to support Guatemalan children and their families as part of Child Aid's White Flag Hunger Relief Campaign. The spread of COVID-19 added additional challenges to a country already grappling with inflation and food insecurity issues. In addition, two powerful hurricanes hit the region in quick succession in November 2020, which further crippled a nation under siege. Families who normally teeter on the edge of extreme poverty found themselves, without immediate intervention, facing starvation. Through Child Aid, children and families in need received boxes of emergency food supplies to help them through these difficult times. Each box feeds a family of five or six people for approximately three weeks and contains one pound of beans, one pound of rice, one liter of oil, one pound of noodles, powdered milk, salt, sugar, hand sanitizer, vitamins for children, and one Spanish-language children's storybook.

Wattie's and Plunket working together for New Zealand children

Whānau Āwhina Plunket (Plunket), founded in 1907, is a charity supporting services for the health and well-being of children under the age of 5 in New Zealand.

In 2020, Plunket and Wattie's, celebrated an amazing milestone – a 30-year partnership working together to support Kiwi whānau – the extended family of New Zealanders. In 1990, Wattie's-Plunket Baby Foods was co-launched. Today, Wattie's continues to support Plunket and New Zealand whānau. Along with providing funds to help keep Plunket's services running, Wattie's and Plunket also work together providing helpful information and resources for whānau about infant nutrition and starting solids, in line with the New Zealand Ministry of Health guidelines.

2020 was marked with a special fundraiser to support whānau and tamariki (children) across New Zealand. To celebrate this long-lasting relationship, during our anniversary week in July 2020, Wattie's committed to donating a baby food pouch to Plunket for every Stage 1 and 2 Wattie's baby food pouch sold at Countdown and New World grocery stores in New Zealand. This resulted in approximately 50,000 pouches of baby food being donated to Plunket to help support whānau across New Zealand.

A mother and child receive their emergency food relief box in the community of Mocoloicxot Alto. Photo courtesy of Child Aid.



Standing Up For Social Justice

2020 was an unprecedented year. The world grappled with an ever-changing “new normal” in the wake of the COVID-19 pandemic, with millions of people impacted in the most dire of ways. Across the globe, people came together to demand justice and fight systemic inequality.

In countries where we live and work, Kraft Heinz stood up for social justice in many ways. For example, Kraft Heinz Canada became a signatory to the [BlackNorth Initiative's CEO Pledge](#) against anti-black systemic racism. Canada Zone President, Bruno Keller signed the pledge in 2020 and Kraft Heinz Canada has been working towards actions and commitments across the various pledge components, including bias interruption training, partnering with local organizations like the Canadian Black Chamber of Commerce, and outreach to Black university student organizations.

Another way Kraft Heinz supported social justice in 2020 was through our Kraft Heinz Foundation's philanthropic giving. We committed \$1 million to social justice organizations combating food insecurity in African American communities.

Some of the organizations that received grants as part of this program are:

- 412 Food Rescue
- Greater Chicago Food Depository
- Greater Pittsburgh Community Food Bank
- Second Harvest Heartland
- My Block My Hood My City
- The Brotherhood Sister Sol
- United Negro College Fund

Second Harvest Heartland



Minnesota Central Kitchen (MCK) is an initiative of Second Harvest Heartland, harnessing the power of the food bank to bring nutritious, prepared meals to communities facing the biggest meals gap.

MCK was born in the early days of the pandemic to rescue abandoned food, re-employ furloughed workers, and get urgently needed meals to people facing hunger. Today, through a robust community network of more than 100 partners, they are ensuring ready-to-eat meals are available in communities and to families who need it most.

“Thanks to the support of Kraft Heinz Foundation, MCK partnered with Chef Sean Sherman and his Indigenous Food Lab team to provide meals to those most affected by COVID-19 and the social uprisings following George Floyd's death. In addition, Kraft Heinz Foundation's grant supported meals produced by Appetite for Change for families in North Minneapolis that had urgent food needs.”

– Robin Manthie, Director, Minnesota Central Kitchen, Second Harvest Heartland

The Brotherhood Sister Sol



“Kraft Heinz has been an invaluable partner to The Brotherhood Sister Sol in our work to respond to the disparate impact of the COVID-19 crisis on low-income communities of color. From generous in-kind donations of Kraft Macaroni & Cheese, as well as Thanksgiving food items for our Fall food drive, to critical financial support of our emergency food distribution, Kraft Heinz has been an indispensable friend to BroSis and our youth members. Our work in the past year - including 700,000 meals provided and robust support services to hundreds of young people to achieve change - would not be possible without Kraft Heinz.”

– John Dumey, Director of Development, The Brotherhood Sister Sol

Product Health & Nutrition

Global Nutrition Guidelines

In 2018, we achieved our commitment to expand our nutrition guidelines globally. The Kraft Heinz regional nutrition guidelines for the U.S., Europe, Australia and New Zealand were used as a starting point to set our [Global Nutrition Guidelines](#). The new Global Nutrition Guidelines identify nutrient targets for our products, with a focus on limiting sugar, sodium, saturated fat and calories. In addition, we continue to focus on increasing positive nutrients and offering alternative ingredient choices.

As part of this process, the Kraft Heinz Global Nutrition Group identified upper limits for calories, sodium, sugar and saturated fat across the 49 categories that represent our total global portfolio. Products that meet these nutrition guidelines align with globally – recognized dietary recommendations from the World Health Organization, the National Academies of Sciences, Engineering and Medicine, and the European Food Safety Authority.

For some of the key products in our portfolio that we have developed these guiderails for, we have been assessed by credible third-party professionals or engaged with objective industry consultants.

In 2020, Kraft Heinz announced that we are committed to:

- **Continuing to apply our Global Nutrition Targets** to all of our products*, which include upper limits on calories, sodium, sugar and saturated fat.
- **Publishing our Global Nutrition Targets**, which can now be found on our website [here](#), and targeting changes in our product portfolio.

We're aiming for 85 percent of our products by sales weighted volume to be compliant with our Global Nutrition Targets (GNTs) by 2025. **

Through 2020 we have achieved approximately 75 percent compliance with our Global Nutrition Targets (GNTs). This was due to significant shifts in our products sales mix throughout 2020. However, we continue to innovate and renovate our existing product portfolio favorably toward our GNTs and delivering tasty products, as well as make progress on increased measurable data coverage globally, all while we continue to further standardize and verify our metrics with leading external benchmarks.

We aim to achieve our overall nutrition compliance target by:

- Reducing total sugar in our products by more than 60 million pounds across our global portfolio based off of 2019 volumes by 2025. In 2020, we nominally decreased total sugar in our products by less than one percent of our 2025 commitment, and set initial roadmaps for key projects that we anticipate will enable us to achieve this challenging target in years to come
- Reducing sodium by an additional five percent in our BBQ Sauce and Kraft Salad Dressings in North America by 2025.
- Simplifying ingredients.
- Increasing our offerings of plant-based proteins.

We have set up a cross-functional team to also evaluate how our products can be simplified by using more ingredients that consumers recognize and are likely to use at home in their kitchens. Our teams have initially focused on artificial flavors, preservatives and colors. More information on our progress in this space can be seen on [page 37](#).



Improve **product health & nutrition** by achieving **85% compliance** with Kraft Heinz Global Nutrition Targets by 2025.

PROGRESS

ON TRACK: 75%



Reduce total **sugar** in our products by more than **60 million pounds** across our global portfolio by 2025.

PROGRESS

EARLY STAGE



Reduce **sodium** by an additional **5%** in our BBQ Sauce and Kraft Salad Dressings in North America by 2025.

PROGRESS

EARLY STAGE



Improve use and transparency of **simpler ingredients** by 2025.

PROGRESS

ON TRACK

* These targets are based on daily intake recommendations published by the World Health Organization, the European Food Safety Authority and the National Academies of Sciences, Engineering and Medicine. Foodservice items do not have specific targets; infant/toddler product targets are based on local guidelines.

** In countries with measurable data.





Innovating New Health and Consumer Conscious Products



Increase our **plant-based offerings**.

PROGRESS

ON TRACK

Plant-based Proteins

The *Heinz* brand has been making high quality, plant-based products for over 150 years, and plant proteins like beans have been part of this for decades.

Responding to consumers' increasing gravitation towards 'flexitarian' lifestyles, the *Heinz* and *Wattie's* Plant Proteinz range was launched in March 2020 in the Australian market and followed with a New Zealand launch in June. Each serving contains 15g of plant protein and a mixture of hearty vegetables, legumes and beans, designed to showcase the exciting and delicious flavor potential that *Heinz* is known for.

'Pulse of the Nation,' a consumer study commissioned in 2019 by *Heinz* Australia, found there is increasing interest among consumers in reducing their meat intake. The Plant Proteinz soup range offers these consumers tasty plant protein-based alternatives to meat at an affordable price, so that everyone can make a choice and pick up a convenient plant-protein based meal that doesn't compromise on tastiness and heartiness.

Organic

To offer our consumers choices that help them meet their lifestyle and wellness goals, we have brands with organic offerings that we are constantly looking to expand.

United States: In the United States, our certified organic products adhere to the U.S. Department of Agriculture's National Organic Program standards and regulations. Our organic certified products include *Capri-Sun* organic juices and *Heinz* organic ketchup. All agricultural products meet organic criteria and less than 5 percent of the total product contains allowable non-organic ingredients. Our *Kraft* Macaroni and Cheese Dinner made with organic contains over 70 percent certified organic ingredients.

Canada: In Canada, our organic products comply with the Canadian Organic Standards as required by the Canadian Organic Regime (COR). Examples include our *Kraft Dinner* organic Original Macaroni & Cheese, *Heinz* organic tomato ketchup, *Classico* organic pasta sauces, and *Heinz* organic baby foods and cereals.

Europe: In Europe, we offer *Heinz* tomato ketchup with 100 percent organic tomatoes to meet the needs of our consumers. In the U.K., we also offer our delicious *Heinz* baked beans and cream of tomato soup with organically grown beans and tomatoes.



Innovating New Health and Consumer Conscious Products... (cont.)

At Kraft Heinz, we see challenges as opportunities for innovation and a way to provide better products for our consumers. We aim to create innovations that satisfy consumer demand for new and health conscious brands that they can feel good about. We do that by constantly researching, developing and launching products that reflect modern tastes, leading trends, and consumer preferences. Our focus is on incremental volumes and mix improvement coming from new products.

We are investing into and developing technologies to address several areas, including:

Sweeteners and Reduced Sugar

Developing innovative plant-derived sweetener bundle technologies to achieve up to 50 percent sugar reduction in Kraft Heinz products.

Preservatives

Developing preservatives using plant extracts and fermentation technologies.



INNOVATION IN ACTION

Heinz by Nature: Made from Nature, Close to Homemade

Heinz introduced *Heinz By Nature*™, a new lineup of baby food, including options that are organic, and made with natural ingredients and acerola cherry. Propelling the category forward, it's made with simple processes like washing, chopping, heating and pureeing - it's made from nature, close to homemade. The lineup also includes recyclable glass jar formats for parents looking for more eco-friendly and transparent packaging.



Innovating New Health and Consumer Conscious Products... (cont.)

2020 Success Stories



Continental Europe

In September of 2020, we launched *Honig Pulses Pasta*. This pasta is made with 50 percent pulse powder, durum wheat and egg albumen. The product has the bite and appearance of regular pasta, but is lower in carbohydrates while being a source of protein and is higher in fiber respective to the particular SKU, than regular pasta. It is available in three different shapes with different type of pulses: yellow lentil penne, chickpea fusilli, and yellow pea macaroni.



United Kingdom

In June 2020, we launched *Heinz salad dressings sprays*. We launched a new range of salad dressing sprays designed to eliminate the deluge of dressing that can occur with pours from a standard bottle, the all new smart spray bottle from *Heinz* delivers just one to two calories per serving, without losing out on great taste.



China

Throughout 2020, Kraft Heinz China had a number of product health success stories, including:

- “No added flavor” for full *Heinz* infant portfolio, including cereal, noodle, fruit crush, and biscuits.
- Removal of natural flavor from *Heinz* fruit crush.
- Sugar removal initiatives for all *Heinz* Infant products, achieving sugar reduction from the whole cereal portfolio with an average 15 percent reduction from recipes, estimated to contribute on average approximately 430 tons of sugar reduction annually.

Global Product Improvements

Kraft Heinz has a long-standing commitment to improve the nutrition of its beloved brands and products, and we aim to consistently deliver the quality ingredients and products that our consumers are asking for. Our current priorities across our product categories include: removing artificial colors, flavors and preservatives; reducing sodium and added sugar, and offering more gluten-free and organic choices.

PRODUCT	ACTION	MARKET
<i>Oscar Mayer</i> Natural Salami	Launched <i>Oscar Mayer</i> Natural Salami that meets NNN claim (No Antibiotics Ever, No Artificial Ingredients and Minimally processed)	U.S.
<i>Ethical Bean</i> Coffee	Launched <i>Ethical Bean</i> in the US, which is traceable to the cooperative, seasonally sourced, organic, and Fairtrade	U.S.
<i>Kraft</i> and <i>Velveeta</i> Slices	Added more calcium to maintain <i>Kraft</i> Singles "Excellent Source", <i>Velveeta</i> Slice "Good Source", and Deli Deluxe "Excellent Source"	U.S.
<i>TrueSoups</i> - Foodservice Frozen Soups	Clean label renovation that removed 27 ingredients, such as artificial colors, flavors and preservatives	U.S.
Foodservice Proprietary Dip Cups	Clean label renovation that removed artificial dyes, flavors and preservatives from all shelf-stable proprietary dip cups	U.S.
Kraft Heinz Ingredients - Cheese Powders	Replaced non-halal dairy ingredients and flavor with halal dairy ingredients and flavor	U.S.
<i>Heinz By Nature</i> Infant Jars and Pouches	"All 25 Pouch SKUs moved to organic, as well removed all ascorbic acid and replaced with acerola cherry. Moved half of Jar SKUs to organic"	Canada
<i>Heinz</i> fruit pouches	Removed sugar and flavors from 19 SKUs - 3%	China
<i>Heinz</i> dry cereals	Removed sugar from 13 SKUs - Approximately 16%	China
<i>Orlando</i> Frito	Reduced sugar and salt	Europe
<i>Honig</i> Pulses and Vegetable Pasta	Launched with 50% pulses/veggies - 3 SKUs	Europe
Puff Snack	Added legumes to 2 SKUs	Italy
Meal Pouch	Added Omega 3s to 3 SKUs	Russian Federation
<i>Heinz</i> Infant Custards	Innovated with no added sugar - 2 SKUs	Australia
<i>Golden Circle</i> Fruit Drinks	Innovated with sugar reductions - 3 SKUs	Australia
<i>Golden Circle</i> Cordials	Innovated with sugar reductions 5 SKUs	Australia
<i>Heinz</i> Little Skippers	Launched infant salmon meals - 2 SKUs	Australia
<i>Heinz</i> and <i>Wattie's</i> Plant Protein Soups	Launched plant protein soups - 10 SKUs	Australia/New Zealand
Just Smash Hummus and Dips	Launched hummus and dips made with chickpeas and vegetables - 4 SKUs	Australia
Good Taste Company Goodness Bowl	Launched chilled plant protein meal - 1 SKU	New Zealand
<i>Kraft</i> Macaroni and Cheese	Launched wholemeal pasta as good source of dietary fiber - 1 SKU	Australia/New Zealand

Infant Nutrition

Infant and Young Children Product Improvement

We are committed to providing better products through reformulation and new developments. We aim to provide more natural products, more fruits and vegetables and smaller serving sizes, and are focused on including important nutrients. We make all Kraft Heinz products conform with applicable local laws and codes in the country of manufacture and marketing. If national legislation is not available, Kraft Heinz products adhere to the Codex Alimentarius (Codex), a collection of internationally recognized food standards, codes of practice and guidelines.



Plasmon Nutrimune

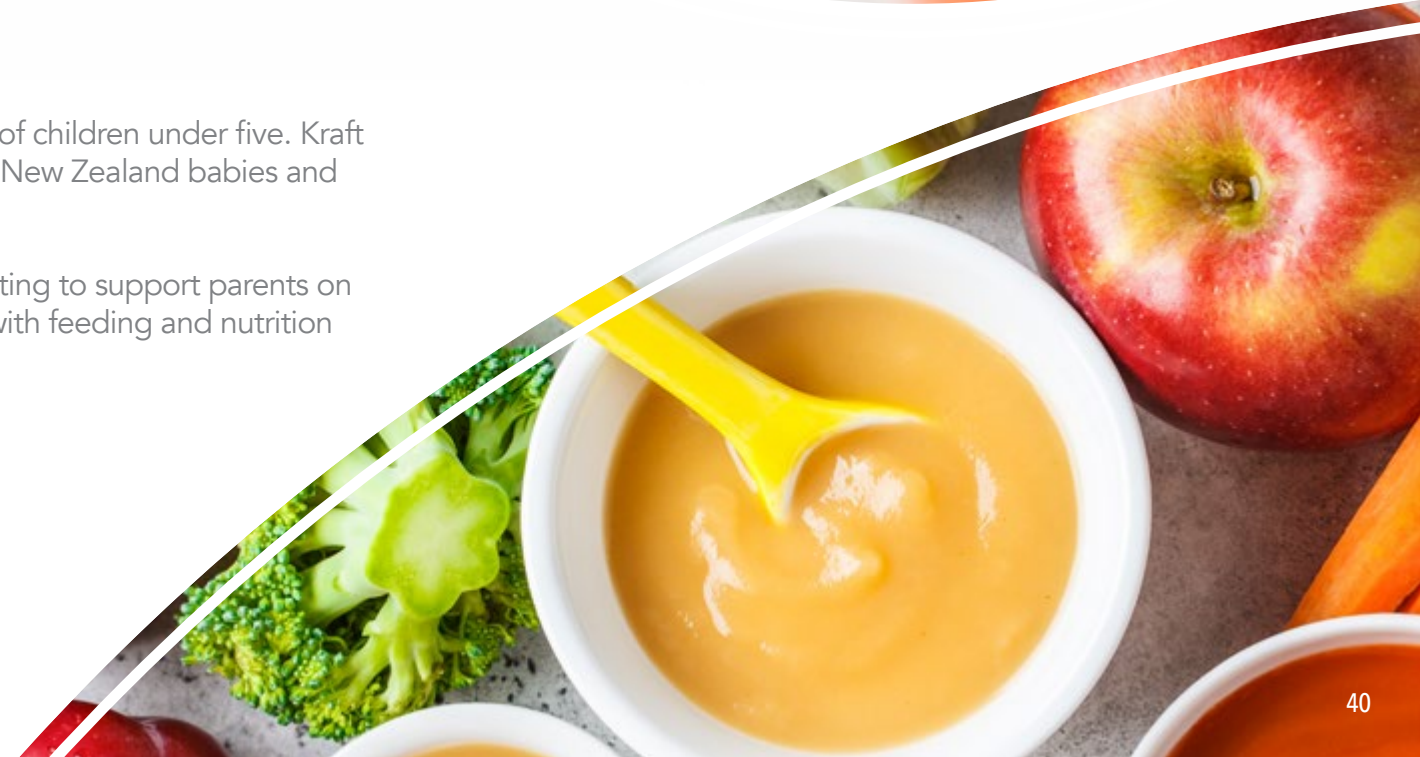
Kraft Heinz continues to leverage innovation through science-support-evidence and clinical trials. Nutrimune, utilized in milk formula in Italy, offers a unique ingredient derived from a proprietary *Lactobacillus paracasei* strain that, pending completion of clinical studies, we believe can help support a healthy immune system in infants and young children.



Plunket Partnership

Plunket is New Zealand's largest provider of support services for the health and well-being of children under five. Kraft Heinz's Wattie's for Baby® and Plunket have an ongoing partnership, which has supported New Zealand babies and new parents for almost 30 years.

Wattie's has a range of baby feeding guides covering topics from starting solids to fussy eating to support parents on their feeding journey. The Wattie's for Baby careline nutritionists are also available to help with feeding and nutrition information for babies.



Food Safety & Quality

Kraft Heinz is a globally trusted producer of delicious foods. We take our responsibility with respect to food safety and quality very seriously, and we will not compromise on it. We all want to have confidence with the food on our plates.

We implement a consistent, comprehensive food safety and product quality management process across our global supply chain. Through this, Kraft Heinz strives to not just meet, but to exceed regulatory compliance with industry standards.

Our food safety and product quality management process has been designed by us for us. We utilize leading methodologies to ensure food is manufactured safely, complies with local regulations and meets or exceeds the quality standards we've set for our products.

Compliance with our own internal food safety and product quality management system ensures our internal factories are also compliant with Global Food Safety Initiative (GFSI) recognized certification (e.g. FSSC 22000). Many of our factories undergo third party audits and achieve third party certification to demonstrate this. In addition to complying with our internal food safety and product quality management system, we also monitor other external metrics including product recall, serious incidents and factory related consumer complaints.



Responsible Marketing

Kraft Heinz is committed to marketing and advertising its products in a responsible and suitable manner, particularly products marketed and advertised to children under the age of 12.

Employees responsible for creating, approving or placing marketing materials for Kraft Heinz have primary responsibility for compliance with Company guidelines, and such marketing team members are formally trained regarding requirements and expectations pursuant to various marketing policies, including a Marketing to Kids Pledge.

In the United States, Kraft Heinz abides by a comprehensive set of marketing to children standards: [Children's Food & Beverage Advertising Initiative](#) (CFBAI), [Children's Online Privacy Protection Act](#) (COPPA) and [Children's Advertising Review Unit](#) (CARU).

As noted in our [Pledge](#) and [CFBAI's Core Principles](#), Kraft Heinz's commitments relating to marketing to children include:

- No advertising directed to children under 6 years of age;
- Only qualified products which meet CFBAI's uniform nutrition criteria may be marketed to children ages 6 to 11;
- Guidelines apply to media (e.g. TV, internet, radio, etc.) that is primarily directed to children; and
- No in-school marketing below the university level.

Similarly, in Canada, Kraft Heinz participates in the [Canadian Children's Food and Beverage Advertising Initiative](#) (CAI), which requires participants to commit that 100 percent of advertising directed primarily to children under the age of 12 promotes only products that represent healthy dietary choices, or to commit to not advertising directly to children under age 12. Our company does not advertise to children under the age of 12 in Canada as set out in the CAI report.

In Europe, we adhere to clear guidelines and requirements, including the [U.K.'s OFCOM](#) and [Advertising Standards Authority](#), as well as the Netherlands [Code of Conduct on Kids Marketing](#). In Australia and New Zealand, we adhere to self-regulatory codes including the [New Zealand Children and Young People's Advertising Code](#) and the [Australian Responsible Children's Marketing Initiative](#).



Representation of the above logos does not necessarily indicate endorsement of Kraft Heinz or any of our statements by their respective organizations.



Guidelines for Marketing Breast Milk Substitutes

Kraft Heinz recognizes the importance of breast-milk in feeding infants. Kraft Heinz also recognizes the breadth of diversity and variety of circumstances globally that can predicate the need to provide formulation nourishment to certain individuals that would otherwise not receive it.

The Company complies with the World Health Organization (WHO) International Code for Marketing of Breast-Milk Substitutes and subsequent relevant World Health Assembly (the decision-making body of WHO) resolutions as implemented by international legislation or codes of practice.

To further demonstrate our positions and approach on the manufacture and marketing of breast-milk substitutes, Kraft Heinz has established and published its Policy on Breast-Milk Substitutes. We will continue to review our internal policy in line with the latest recommendations of the WHO.

Transparency & Labeling

We have a responsibility to communicate information about our products to ensure that consumers can feel good about what they are feeding their families. At Kraft Heinz, we're committed to being transparent and helping consumers make informed food and beverage choices, whether at home or at the grocery store.

Front of Pack Nutrition Labeling

Consumers consistently say they want more information on how their food is made and what it contains. To address this need, we are voluntarily making our nutrition information easier for consumers to find by providing nutrition information on the front of our product packaging.

Facts Up Front: U.S.

We have widely implemented the [Facts Up Front](#) program for key Kraft Heinz products to help consumers plan nutritious meals for their family. This voluntary program was developed in the U.S. in 2011 to increase nutrition transparency and access by displaying calories, saturated fat, sugar and sodium on the front of each package. The visual informs our consumers about the nutrients in each product and how they fit into a balanced and healthy diet as part of the federal daily dietary advice.

Health Star Rating: Australia & New Zealand

Kraft Heinz has participated in [Australia](#) and [New Zealand's](#) voluntary Health Star Rating front-of-pack labeling program since 2014. The Health Star Rating system is a government-backed system developed in collaboration with public health experts, the food industry and consumer groups. The rating system helps consumers compare food options and make more informed food choices. Kraft Heinz continues to support and implement Health Star Ratings on a wide number of our packaged food products. In 2020, the Health Star Rating front of pack label was included on 23 percent of our eligible Kraft Heinz products in Australia and New Zealand.



SmartLabel®

In the U.S. and Canada, we provide product information through the [SmartLabel](#) website. Responding to the information needs of today's consumer, the SmartLabel™ initiative enables Kraft Heinz to provide consumers with the detailed information they seek about our products. More than 3,400 Kraft Heinz products have been listed on [smartlabel.org](#), with plans to add more for both the U.S. and Canada. See [www.smartlabel.org/products](#) to find Kraft Heinz products.

Traffic Light: United Kingdom

Our journey toward more transparency involves listening to our stakeholders. By participating in the [Traffic Light](#) program in the U.K., we hope to provide consistency in labeling to U.K. consumers. Under the traffic-light system, food and drink labels show whether levels of sugar, salt and fat are high, medium or low using red, amber and green traffic light colors – and is based on the amount per 100g.



Healthy Living Recipes

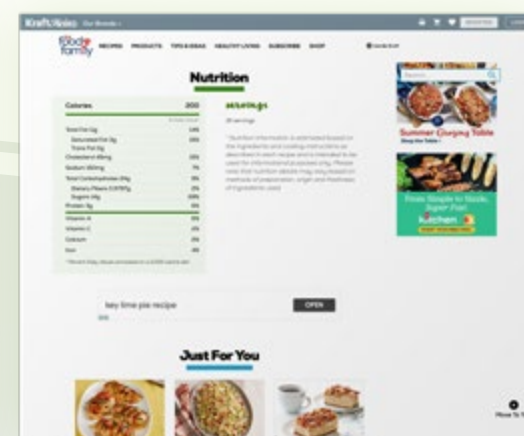
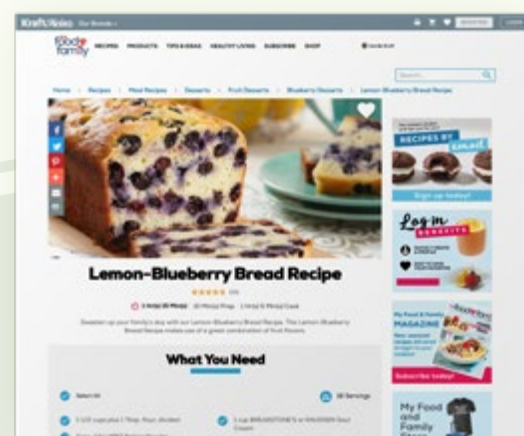
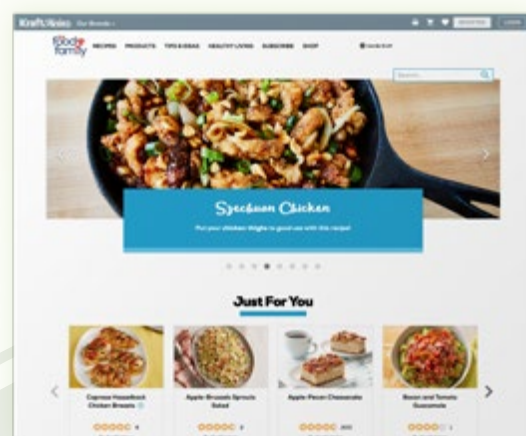
As part of our continuous efforts to support the needs of today's consumers to prepare, serve and enjoy delicious snacks and meals, our culinary teams are developing new and innovative recipes. Our internal dietitians and nutritionists have established criteria to help consumers identify recipes which fit within relevant guidelines for healthy eating.

United States: We relaunched our recipe website My Food and Family, formerly known as Kraft Recipes in March 2019. The new site offers busy consumers shoppable recipes and lifestyle content to take advantage of Kraft Heinz's broad portfolio of brands and products. We plan to continue expanding this library of on-trend recipes, time-saving kitchen tips and tricks, and partnerships with unique voices across the culinary world. Our Healthy Living recipe collection features recipes that meet nutritional guidelines established by our registered dietitians. We have committed to no less than 20 percent of our recipes being Healthy Living, with 24 percent currently meeting these guidelines.

Europe: The Kraft Heinz Nutrition Recipe Guidelines provide guidance in developing nutritious and balanced meals using Kraft Heinz products, while minimizing less desirable ingredients and promoting responsible portion sizes.

Canada: Kraft's What's Cooking website offers a personalized experience, allowing consumers to find recipes tailored to their specific lifestyle, nutrition and dietary needs. With a vast array of over 13,000 recipes, detailed lifestyle articles, how-to videos and healthy living content, Kraft's What's Cooking is committed to keeping Canadians up to date on credible, useful food content aligned with current trends.

New Zealand: Our Wattie's Food in a Minute recipe collection provides consumers with an extensive and growing range of quick meal recipe options and tips across a variety of diet preferences. These recipes and tips span plant-based, vegetarian, vegan and many other lifestyle choices, such as Healthy Pick. Our Healthy Pick recipes meet our guidelines for saturated fat, sugar, sodium and vegetable portions.





Nutrition & Quality

Nutrition Research and Education

Through ongoing research partnerships with Italian researchers, additional research was published in 2020 in the journal *Nature* regarding the emerging field of postbiotics. This study, entitled “Analysis of immune, microbiota and metabolome maturation in infants in a clinical trial of *Lactobacillus paracasei* CBA L74-fermented formula,” demonstrated that a fermented infant formula favors the maturation of the immune system, microbiome and metabolome.

Bioengineering (BE) Position

Providing our consumers and their families with quality, great-tasting, safe products in a transparent and socially responsible way is and will always be our highest priority. Although the safety of genetically modified (GM) ingredients or bioengineering (BE) has been affirmed by virtually every major scientific authority worldwide, we know some consumers may have questions about this technology. We respect their desire to know more about the foods they eat.

We believe BE technology can help increase the food supply, keep costs affordable, and decrease the use of pesticides, water and overall production costs. In fact, several types of bioengineered food such as soy, corn and beet sugar are currently being cultivated and exported worldwide. These crops are used to make a wide variety of food and beverage ingredients and are not typically segregated from food made without BE.

We adhere to the following global principles with respect to bioengineered ingredients:

- We abide by all laws governing the use and/or labeling of bioengineered ingredients.
- In many cases, we offer options without bioengineered ingredients.
- We will partner with external organizations to certify our “non-BE” claims for key ingredients where appropriate.





A Track Record of Safety

Safety in the Workplace

Kraft Heinz is committed to providing a healthy, safe and secure workplace for employees, contractors and all people who visit our facilities. Safety Management is built into our fully integrated Kraft Heinz Management System (KHMS), combining best-practice safety principles with other operational functions in a continuous improvement framework. KHMS states clear expectations and practical steps to manage risk and avoid injuries, and requirements are followed in every Kraft Heinz Facility.

We track and measure implementation through internal audits, with results reflected in Management-by-Objectives KPIs and Factory Championship rankings. Due to robust site-level implementation, Kraft Heinz improved its safety KPIs over the last year, representing some of the best results among our food and beverage industry peers.

Total Recordable Incident Rate

Our compiled worldwide Total Recordable Incident Rate (TRIR) is a medical incident rate based on the U.S. Occupational Safety and Health Administration (OSHA) record-keeping criteria (injuries per 200,000 hours). 2020 was a very successful year in our Worldwide Safety Performance, resulting in a 0.74 TRIR. Kraft Heinz is proud of its safety track record, having delivered year-over-year incident reductions since its inception.

2020 TRIR
0.74

COVID-19 Special Safety Precautions

In response to the emergence of COVID-19 in early 2020, we immediately launched a global taskforce, provided enhanced benefits and implemented additional robust workplace safety programs and processes in all of our facilities. As the circumstances and impacts of COVID-19 evolved, we continued to adapt our response to protect the health and safety of our employees, while supporting consumers and our communities by keeping food on shelves, and through our many food donation programs.





Environmental Stewardship

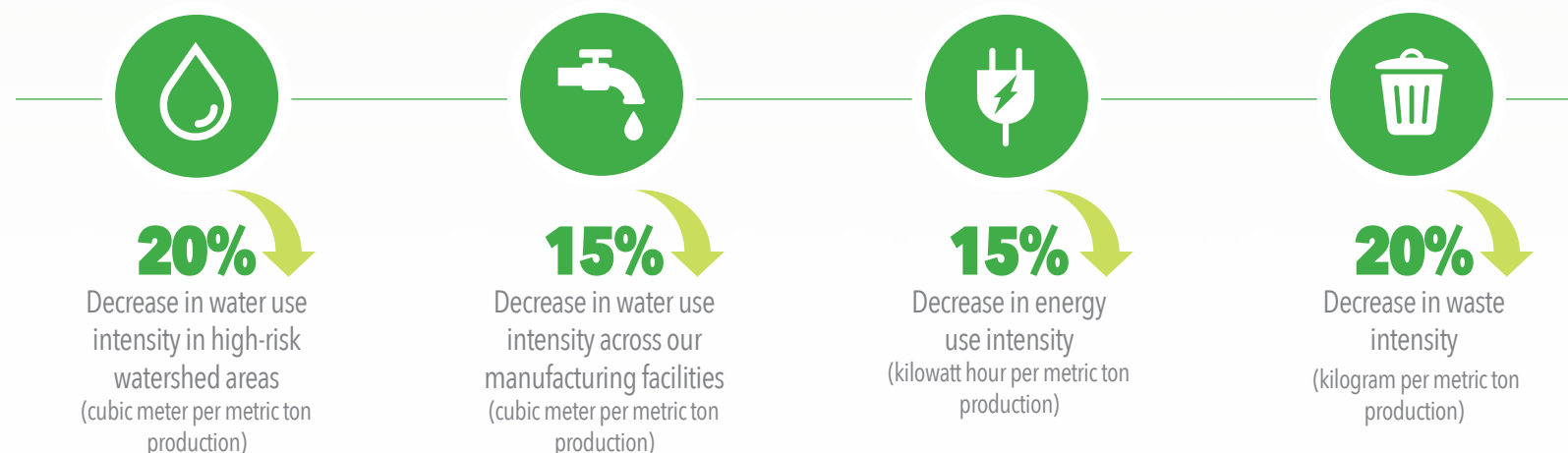
At Kraft Heinz, environmental stewardship begins with our operational footprint, where we actively strive to conserve water and energy, reduce emissions, minimize waste and make our packaging sustainable. From there it extends to initiatives in our supply chain and takes shape as collaborative projects with customers at the other end of the spectrum. Notwithstanding, our manufacturing sites can consume substantial amounts of resources, and are controlled by us, so we focus significant efforts around environmental stewardship inside of our walls.



Sustainability Goals in Manufacturing

Kraft Heinz is committed to reducing its operational environmental footprint. We have prioritized projects across our global manufacturing network in the areas of water conservation, energy use and greenhouse gas emissions (GHGs), waste reduction and packaging.

In 2020, we set new and more ambitious manufacturing targets through 2025 against a 2019 baseline.



We made significant progress towards all of these goals in our first year of the journey. **We reduced water use intensity by 2.8 percent for all sites, and by 5.2 percent in high-risk watershed areas. We also reduced the intensity of energy use by 2.2 percent, GHGs by 3.4 percent, and waste by 6 percent.** We are now confident we have set up the proper management systems (read more about our Kraft Heinz Management system on [page 52](#)) and governance structure, while leveraging appropriate resources to keep us on course toward full achievement of our manufacturing goals by 2025.

We continue to recognize the significant environmental impacts an ever-growing world can have, and we remain steadfast to balance production processes that can meet global food demand with efficient operation. Through thorough assessment and strong management processes and routines, we see opportunities for improvement at various stages of our operations, and we will learn from external perspectives, as well as ourselves by continuously fostering efficiency improvements in an environment of collaboration, ownership, and innovation.

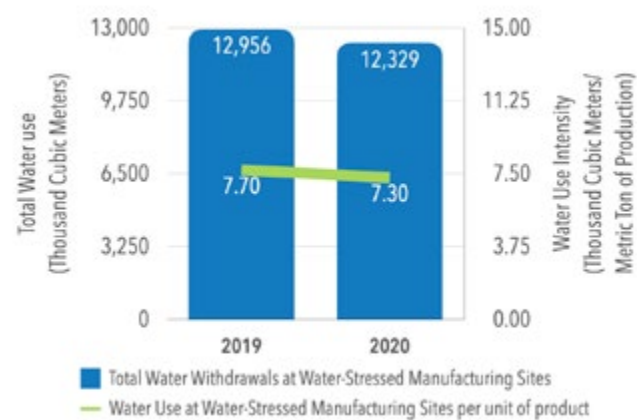
We previously set 2020 intensity targets in water conservation, energy use, greenhouse gas emissions and waste reduction, to reduce by 15 percent per metric ton of product made against a 2015 baseline, that we failed to meet as we contended with former supply chain challenges. Water use decreased by 0.02 percent. Energy use decreased by 2.69 percent, while GHG emissions decreased by 8.56 percent. Our waste increased significantly by 12.42 percent. We recognize the shortcomings in our execution in these areas and we have both identified and learned from the gaps, as well as committed to substantially improve in these areas in part through greater accountability, prioritization and real-time management. Our more comprehensive approach is paying off with our new targets.

Water Use & Conservation

Water is fundamental to all life and business either directly or indirectly. Making high-quality products requires that we begin with high-quality ingredients of which fresh quality water is a key input. Kraft Heinz is committed to water stewardship in every facet of our business, from our quality controls to the relationships we have with our growers and suppliers. As a food and beverage company, having access to sufficient amounts of quality fresh water, both now and in the future, is critical to our business. Water is used in many areas of our value chain. It is a vital input for growing various agricultural ingredients we use in our products. We also use water as a direct ingredient in many of our products and as a key utility in our manufacturing, cleaning and sanitation processes. Access to high-quality water is pivotal for us to achieve our high standards of food safety and quality. High-quality water will continue to be a vital component throughout our value chain.

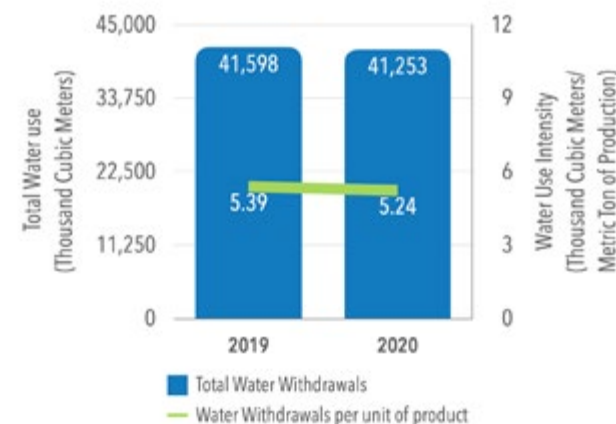


Water Goal Progress (Water Stressed Sites)



We aim to decrease water use intensity by 20 percent by 2025 at our water stressed sites. In 2020, we reduced water use intensity by 5.2 percent as compared to our 2019 baseline.

Water Goal Progress (All Sites)



We aim to decrease water use intensity by 15 percent in all manufacturing facilities by 2025. In 2020, we reduced overall water use intensity by 2.8 percent as compared to our 2019 baseline.



Reduce **water use intensity** by 20% in high-risk watershed areas by 2025 (per metric ton of product made).

PROGRESS

ON-TRACK: -5.2%



Reduce **water use intensity** by 15% across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS

ON TRACK: -2.8%

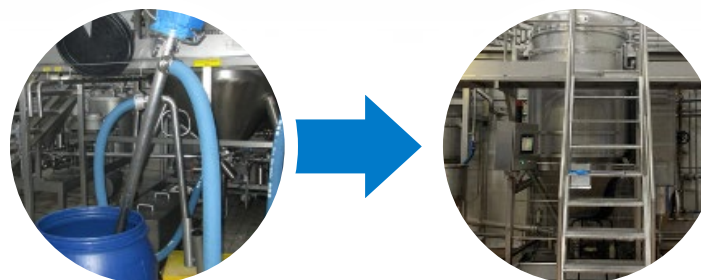


Water Use & Conservation (cont.)

An example of our progress on water stewardship is our Wagga Wagga site in Australia. The Wagga Wagga facility is a producer of canned meat products for domestic and export markets. The site uses retorts; a pressurized machine to sterilize food products commercially. The sterilization process is very water-intensive but is a critical step to ensure food quality and safety. Wagga Wagga initially operated 12 retorts throughout the facility that ranged in age and efficiency. In 2020, the facility removed six less water-efficient retorts and continued production using the remaining six more modern retorts that contained a water recycling function. As a result, the project successfully reduced the site's water intensity (water use per ton production) by 75 percent. As a water-stressed site, Wagga Wagga's lower reliance on water results in diverting less water away from natural sources.



Another great example of progress on water conservation is our Otradnoe facility in Russia. The facility produces many products, including a wide selection of Heinz sauces for the EMEA region. In 2020, the facility completed a process optimization project where site engineers successfully removed two intermediate containers from a key production line, streamlining production and line washing procedures. As a result, each wash cycle saves the equivalent of enough water for approximately two months for the average urban Russian family's use. Coupled with other water-saving initiatives at the facility, we achieved an overall reduction of nine percent at Otradnoe compared to our 2019 baseline year.



Instead of utilizing intermediate containers (pictured left) to hold product in between two stages of the production process, site engineers installed a pump that linked the fed product directly to the next stage, reducing water and cleaning chemical usage.

We also continue to work with partners like Nalco Water (an Ecolab Company), in order to help identify areas of opportunity in our manufacturing processes to optimize water use. For example, we were able to save approximately 5,475,000 gallons of water per year from improvements to our cooling systems at our Massilon, Iowa site. Nalco helped us identify and implement real time monitoring and control which allowed the plant to run the cooling system at significantly increased efficiencies. In 2020, through our partnership with Ecolab, we identified 32 projects across our manufacturing sites with a combined annual water savings of more than 94 million gallons. Once implemented, every year these 32 projects will save the equivalent of approximately enough water to fill 142 Olympic-sized swimming pools (at six feet seven inches deep). Connected end-to-end as one continuous pool, this would stretch over 4.3 miles. Moreover, the water conservation projects ranged from water reuse, leak repair and cleaning efficiency, to various optimization projects, with a total annual cost reduction of approximately \$2.6 million.

NALCO Water
An Ecolab Company



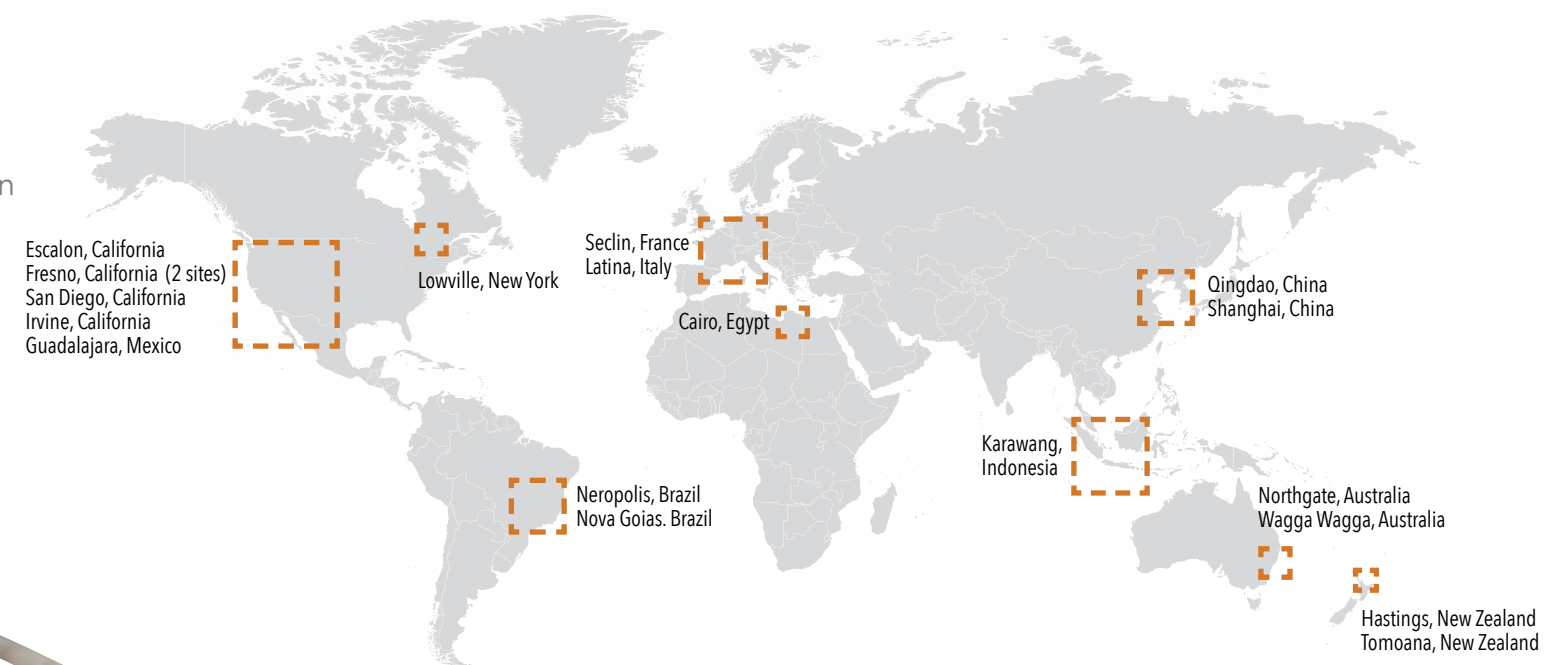
We recognize the significant role we can play as a global food manufacturer in our own operations and through our supply chain in being good water stewards. In 2020, Kraft Heinz became an official and proud signatory to the [CEO Water Mandate](#). As we continue to assess and improve in this critical area to our business, and in collaboration with various stakeholders throughout our value chain, we look forward to continue to report out on our water stewardship initiatives and benchmarks now and in the future.

Water Risk Assessment

In early 2018, we completed a water risk assessment of our global manufacturing operations. This work was completed by Antea Group, a leading global sustainability consulting firm and provider of water resource expertise to the food and beverage sector who is also certified by CDP. The assessment leveraged both WRI's (World Resources Institute) Aqueduct data and methodology along with the subject matter expertise of our consulting partner. We then evaluated our watershed conditions from a business perspective in order to validate 'economic scarcity' factors not fully addressed by the database indicators. The completed assessment resulted in identification of physical, reputational/ social and quality water risks, as well as composite scores for each area associated in our direct manufacturing operations. In 2020, we updated our water risk assessment again led by Antea Group. At the end of 2020, we owned 78 manufacturing sites globally and leased 3 sites. Of the total 81 sites that we operated in, we completed a watershed risk assessment of 79 sites. Water use from these 79 sites derived from 66 percent municipal, 25 percent bore and nine percent surface.

After an internal expert committee evaluation, it was determined that 19 of the 79 sites evaluated had some degree of elevated water stress (see map to the right). In addition to our new water reduction targets, we have also developed a plan that focuses on these high-risk water areas to drive improvements and mitigate risks, and to provide updates into our risk evaluation on an ongoing basis. Moreover, we will evaluate any interim mitigation strategies as needed.

2020 Kraft Heinz Water Stressed Sites



Energy Use & Conservation

Manufacturing our products to finished packaged goods and maintaining our highest standards around safety, quality and sanitation, all while providing a comfortable and secure environment for our employees to work, can consume significant amounts of energy. In this type of interdependent environment, we know many opportunities exist to reduce energy consumption through operational optimization. We are on a journey of continuous improvement to identify our opportunities in this area and capitalize on them.

As a leading global food and beverage company, our scale provides a unique ability to test concepts at various sites, learn from ourselves, prove outcomes and then implement successful energy savings initiatives across our business.

For instance, in 2020, our Alfaro facility in Spain successfully reduced their electricity usage by nine percent compared to 2019 by upgrading their chiller systems. Chillers and other cooling machinery can consume up to 20 percent of a site's overall energy usage. Alfaro produces a variety of sauces and condiments, including *Heinz* ketchup, mayonnaise and tomato frito. These products need to be chilled to the correct temperature before being packaged to ensure food safety guidelines are met. In 2020, the site replaced its existing five-chiller system with two larger, more efficient chillers. These newer chillers save over 658 megawatt hours of energy each year through better regulation and automation during the chilling process. This optimizes energy use and reduces potential manual control inefficiencies. Moving forward, we plan to adopt this initiative across more of our global sites.

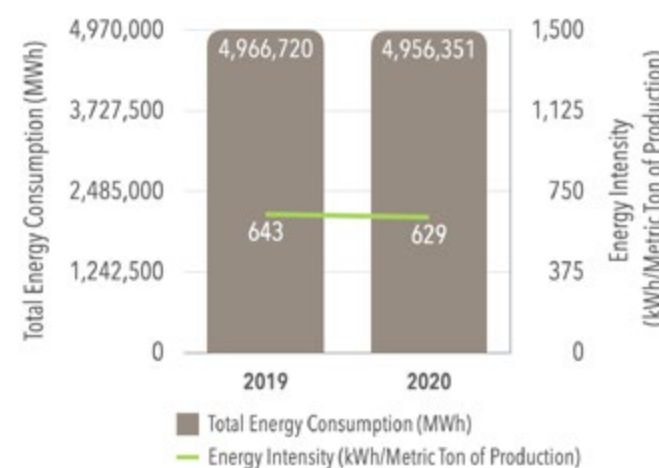
We aim to decrease energy use intensity by 15 percent by 2025. In 2020, we reduced energy use intensity by 2.2 percent as compared to our 2019 baseline.



Reduce **energy use intensity** by **15%** across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS **ON TRACK: -2.2%**

Energy Goal Progress



New Chiller System at our Alfaro, Spain facility.

Kraft Heinz Management System

In 2020, we consolidated the Kraft Heinz Management System (KHMS) program across our global manufacturing operations. These practices are based on our Company's Values and are reflected in our daily routines. Each component of the KHMS framework has a function that drives excellence in different areas of the organization. For example, as part of the 'Employee & Environmental Health' and the 'Maintenance, Reliability & Engineering' pillars, we have developed clear procedures that focus on the management of our utilities and waste practices. These processes establish the program's ownership and accountability matrix, define the functions that need to be engaged in the platform, along with routines, best practices, KPIs and targets. They also include detailed guidance on how to drive improvement in these areas via the implementation of what we call Good Operational Practices (GOPs). This framework is an essential part of driving progress towards our global ESG commitments in real time. Since adopting this framework, we have made significant positive progress toward our ESG commitments.



Our KHMS GOPs include areas such as:

- Boiler efficiency and performance
- Management of air compressor systems
- Efficiency and operation of chillers
- Heat recovery
- LED Lighting
- Replacement of low efficiency equipment
- Assets accessibility, capacity and functional optimization
- Waste and recycling process, byproducts streams and optimization



Renewable Electricity



Procure majority of electricity from **renewable sources** by 2025.

PROGRESS

ON TRACK

Kraft Heinz is committed to operating responsibly and doing its part in the critical global efforts to reduce the harmful impacts of climate change. A big component of that commitment is both reducing how much energy we consume, and thereby reducing the associated emissions where applicable, as well as rethinking our energy sources. That is why in 2020, we committed to buy the majority of our electricity from renewable sources by 2025. During 2020, we also embarked upon several energy optimization initiatives at our global facilities, both combining smart long-term investments in energy efficiency, as well as instituting best practices aimed at controls and real-time operations management towards our energy stewardship goals.

Science-Based Goals and Greenhouse Gas Management

In July 2018, Kraft Heinz announced its commitment to establish Science Based Targets in line with the Science Based Target initiative's (SBTi) 2°C trajectory. Since that announcement, the Intergovernmental Panel on Climate Change (the United Nations body for assessing the science related to climate change), has updated its mitigation recommendation to match the current trajectory of climate change thresholds at 1.5°C.

In 2019, we worked with external consultants to help measure our carbon footprint across our entire global value chain, in accordance with the current 1.5°C mitigation efforts. We are aligning our targets with the SBTi and are working with partners to identify the best solutions to ensure we reduce our emissions accordingly throughout the value chain. In 2020, we underwent a robust assessment related to our total value chain emissions, including [externally verifying our Scope 3 emissions](#). We have also renewed our commitment to set a Science Based Target with SBTi by 2023,

in accordance with the most current, credible and widely accepted climate science standards available. In the meantime, we are not resting.

For example, we are directly targeting significant reductions in our respective emissions through:

- **Scope 1:** Continuing to reduce consumption and transition from fossil-based fuels to renewable options (e.g. solar, biomass)
- **Scope 2:** Continuing to expand procurement of the majority of our electricity from renewable sources for all facilities globally by 2025
- **Scope 3:** Strong partnership in advocacy toward initiatives that reduce emissions across our value chain

A considerable portion of our total carbon footprint is produced from our Scope 3 emissions, and more specifically originate in our supply chain (see graphs to the right for emissions breakdown). Agriculture related emissions are particularly significant and provide the greatest opportunity for reduction through increased collaboration.

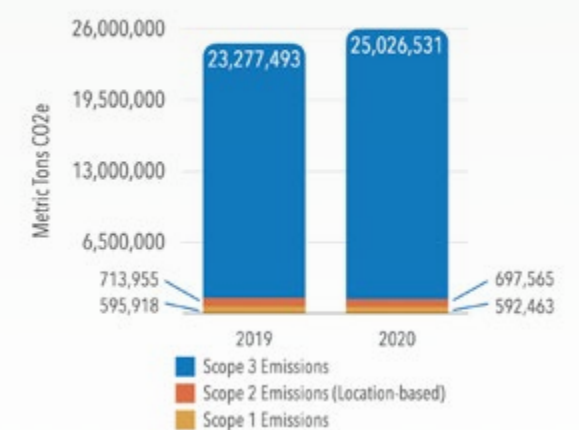
Overall, our highest impact categories in this area, in order of magnitude, are:

- Ingredients
- Packaging
- Upstream and downstream transportation
- Use of sold products
- End-of-life

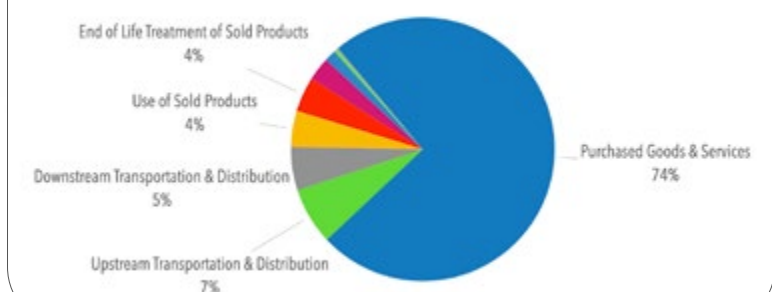
We will remain focused on optimizing our immediate operational footprint to lessen our impact on climate, while we increasingly investigate joint initiatives with our suppliers that ensure the highest quality products are produced, while being good stewards of the environment.



Greenhouse Gas Emissions Progress



2020 Scope 3 Emissions Breakdown



Waste Reduction

At Kraft Heinz, we think about waste holistically. To source, produce and package food and beverage products requires several inputs and outputs related to ingredients and byproducts, material flows and end-of-life package considerations. When we think about materials and food-related flows, detailed waste evaluations help us identify where we can 'reduce, repurpose and recycle.' In fact, our global owned manufacturing sites divert more than 90 percent of our solid waste to recycling or byproducts usage. We look forward to increasing diversion from landfill for the remaining less than 10 percent.

As of December 31, 2020, about 10 percent of Kraft Heinz global manufacturing facilities had achieved zero-waste-to-landfill status. We're working to achieve zero-waste at additional sites by standardizing, replicating and rolling out these best practices as broadly as possible across our network in partnership with third-party service providers.

We are committed to finding creative solutions to reduce waste bound for the landfill. Much of our organic waste or byproducts, for example, can be used as animal feed, fertilizer or processed to generate fuels. Our cardboard and plastic waste can also be repurposed to produce new products. For our most challenging waste categories, we are actively looking into developments around pyrolyses and other innovative ways of recycling.



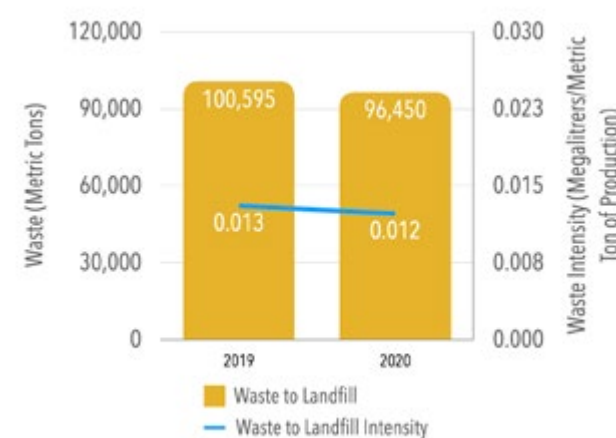
Reduce **waste to landfill intensity** by **20%** across our manufacturing facilities by 2025 (per metric ton of product made).

PROGRESS

ON TRACK: - 6%

For example, our Shanghai manufacturing facility found a novel way to divert waste from the landfill. A common byproduct of the wastewater treatment process at the site is a form of biological sludge. The facility produced approximately 250 – 300 tons of this sludge each year. Unfortunately, the sludge is not easily recyclable and comes with a high cost of disposal. The team then found a local earthworm-breeding company that could turn the biological sludge into organic fertilizer. The organic fertilizer is sold to farmers for usage in fruit and vegetable farms. Through this program, the site significantly reduced their waste to landfill while reducing overall waste costs by up to 40 percent.

Waste Goal Progress



SPOTLIGHT ON MONT ROYAL

Improved Recycling at Mont-Royal

In 2020, our employees at our Mont-Royal manufacturing site in Canada helped to develop and carry out a complete overhaul of our materials sorting system on each of our production lines. We were able to improve the percentage of materials recycled and better segregate them. This led to a reduction of contamination that otherwise can cause recyclables to instead be landfilled. We achieved a 10 percent reduction year over year in the amount of waste sent to the landfill at Mont-Royal. Moreover, we have reached an 83 percent recycle rate.



Reducing Food Waste

Food waste is a global problem. Globally, 1.3 billion tons of food is wasted annually accounting for roughly one third of all food produced globally. That is approximately 2.2 trillion meals that could be feeding the almost 800 million hungry people around the world. Beyond this, food waste is detrimental to our environment, leading to wasted resources like energy, water and land. And as our population grows, the pressure on our water, land and energy to feed all those people will only increase.

Therefore, when we think of food waste at Kraft Heinz, we think of it in terms of our highest priorities. We focus on the entire value chain in terms of where food waste can be reduced. This includes sourcing, production, transportation, shelf life, use and end-of-life. We analyze and test how processes, products and packaging can be optimized. We investigate where unneeded byproducts or unwanted finished products can find other uses versus going to landfill, such as beneficial land application and product donations to those in need.

In 2020 amidst the global pandemic, we recognized our responsibility to respond during this time of need in the world in any way we could. We optimized our donation strategy and response times, and successfully increased our total food donations, accounting for more than 35 million meals around the world in 2020 to those in need. We achieved this through greater focus, discipline and our ownership culture that is pervasive throughout our employee base, which empowered employees to decisively and quickly act as needs arose. Moreover, key components of this program included:

- Incorporating additional accountabilities around updating product code date information to increase donatable life
- More frequently analyzing warehouse data to optimize product that could be diverted to donations

- Increased engagement with our partners to find new outlets and ensure product is in the best form to be received for donation and relabeled or repackaged when necessary
- Working with our retail and food service customers to increase donations, learn best practices, and share in the mission to decrease food waste

Kraft Heinz has joined together with industry peers to eliminate food waste globally. Kraft Heinz Canada and Kraft Heinz United Kingdom both joined national commitments to reduce food waste.

U.K.: In the U.K., Kraft Heinz joined the Food Waste Reduction Roadmap (FWRR) initiative. More than one hundred food-related organizations have committed to supporting this initiative, which aims to reduce food waste in the U.K. by 50 percent by 2030. The initiative is run by IGD (a food research and training organization) and WRAP (a nonprofit focused on sustainability) to verify data and encourage best practices. Kraft Heinz committed to setting a target for food waste reduction across our own operations towards the broader goal, and to also work in partnership with suppliers and consumers to that end. WRAP committed to report results in 2019, 2022, 2026 and issue a final report in 2031 against the 50 percent reduction goal.

Canada: In Canada, Kraft Heinz has joined seven other companies in a pledge to reduce food waste in operations by 50 percent by 2025. Our collective progress towards this aggressive goal will be reported annually to Canada's National Zero Waste Council and the Provision Coalition. Kraft Heinz will use the globally recognized Food Loss and Waste Accounting and Reporting Standard to report our annual progress.

In 2020, Kraft Heinz Canada also partnered with NorthStar Recycling on our recycling and waste diversion efforts. This initiative was launched mid-2020, and in just six months we successfully diverted approximately 3 million pounds of waste from landfill. We were also able to incorporate beneficial alternative uses wherever feasible, such as composting and animal feed.



NOVA GOIAS, BRAZIL

Getting More out of Mayo

Our Nova Goias facility in Brazil is a key producer of *Heinz* and *Quero* mayonnaise for the region. In 2020, the site created a way to capture and divert unsaleable product to a third-party facility for beneficial reuse. At this facility, the mayonnaise is processed to extract the oil from its contents and then turned into biodiesel. Any leftover residue is also used to produce animal feed. As a result, the site successfully reduced waste by approximately nine percent year over year. In the future, we anticipate expanding this program to include different product lines and further divert waste from the landfill.





Sustainable Packaging

Packaging waste can have a significant detrimental impact on the environment and is an industry-wide challenge that we must all do our part to address. That's why Kraft Heinz is committed to taking steps to reduce our operational packaging impacts, as well as to support the move toward a more circular economy and the use of more sustainable materials.



Aim to make **100% recyclable, reusable or compostable packaging** by 2025.*

PROGRESS

ON TRACK: 83%



Create a **fully circular Heinz Tomato Ketchup Bottle** in Europe by 2022.

PROGRESS

ON TRACK

Our Approach to Sustainable Packaging

Our comprehensive approach to packaging seeks to meet extensive packaging regulations, aims to cut waste, conserve natural resources, ensure food safety and quality, and satisfy our consumers. Our team of experts collaborates with suppliers and external packaging specialists to design better packaging that incorporates more recycled and recyclable materials. We furthermore partner with a variety of leading organizations and coalitions to explore technical, end-of-life and infrastructure solutions.

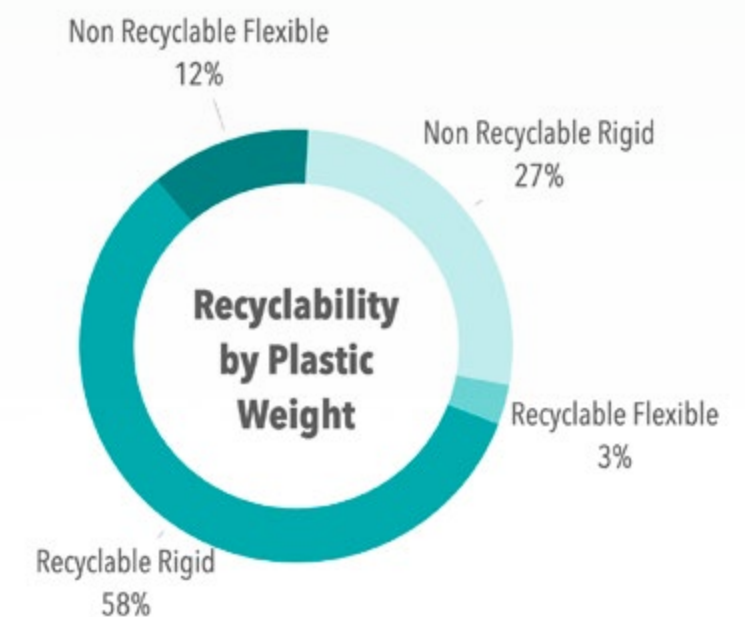
In 2018, Kraft Heinz announced a commitment to aim to make 100 percent of our packaging globally recyclable, reusable or compostable by 2025. We've partnered with environmental

consultancy group, Lorax EPI, to better understand how much of our packaging is recyclable, reusable and compostable. The majority of our packaging is paper-based, glass or metal materials that are recyclable. The other portion of our packaging is mostly made up of flexible plastic films or rigid plastic containers. Through 2020, 83 percent of our global packaging portfolio was recyclable, reusable or compostable. We have made improvements in our accounting methods with our partners as we continue to pursue technical alternatives and more sustainable packaging across key areas of our portfolio.

* Based on weight of consumer and traded packaging materials. Includes materials that are widely recyclable (approximately 80 percent of total) and with 'check local recycling' designation (approximately 3 percent of total). 2020 calculation covers global packaging and select external manufacturing data. Data from *Primal Kitchen* is not included at this time.

Global Packaging Metrics

In 2020 we increased our overall percentage of recyclable plastic (as a percentage of total weight of all plastic packaging) by about four percent year over year, to approximately 60 percent.





Designing Better Packaging

We consider the appearance, functionality, cost and environmental impact of packaging design, focusing on product integrity through production, distribution, shelf life and end-of-life.

In 2020, we launched a *Maxwell House* 100 percent compostable coffee pod in Canada. Made from plant-based materials, all pod components and its inner bag are 100 percent compostable, plus the outer carton is 100 percent recyclable. The compostable coffee pods are made up of 85 percent coffee grounds with a paper lid, a coffee filter made from cornstarch and a plant-based compostable ring made from over 20 percent coffee bean husks. Certified by the Biodegradable Products Institute, this designation verifies that the compostable coffee pod meets global scientific standards for industrial compostability and is formulated to break down in a period of about seven weeks. So it's really Good to the Last Drop.

In New Zealand, we were able to reduce material inputs across a selection of our pouch packaging through downgauging, or thinning of our packaging. This resulted in 28 tons of material savings per year. That's the equivalent of enough compacted trash to be picked up from roughly 2,400 average-sized homes in New Zealand.

In 2020, we began a partnership with Loop, a waste-free online shop, that allows consumers to responsibly buy products in refillable packaging which is collected, cleaned and refilled after use. We launched a special *Heinz* tomato ketchup bottle adorned with the Loop logo to select U.K. customers. *Heinz* sells approximately 650 million bottles of tomato ketchup around the world every year and this partnership marks a significant step forward towards our sustainable packaging commitments. We plan to expand this collaboration to cover more products and regions in the coming years.

International Zone Packaging Improvements 2020

- » Replaced 770 tons of plastic PVC packaging with PET (more readily recyclable)
- » Removed 90 tons of plastic from our bottle packaging

Designing for Recyclability

Kraft Heinz is a member of the Association of Plastic Recyclers (APR), the international trade association representing the plastics recycling industry, leveraging the APR Design® Guide for Plastics Recyclability to help design recyclable plastic packaging. Additionally, Kraft Heinz is a member of the Sustainable Packaging Coalition (SPC), a membership-based collaborative that believes in the power of industry to make packaging more sustainable. The SPC works to make packaging that is good for people and the environment, in support of its mission to “bring packaging sustainability stakeholders together to catalyze actionable improvements to packaging systems and lend an authoritative voice on issues related to packaging sustainability.”

In the UK, Kraft Heinz is a member of the UK Plastics Pact, aiming to create a circular economy for plastics.

Kraft Heinz has been a member of the How2Recycle label program since 2016, using its standardized on-pack recycling guide to inform consumers on packaging recycling. During the reporting period, we expanded our How2Recycle labels to many of our iconic global brands, as well as smaller product launches, including select *Jell-O*, *Jet-Puffed Marshmallows*, and *Kool-Aid Jammers* products, for example.

In the U.K., Kraft Heinz participates in the On-Pack Recycling Label (OPRL) program, which delivers simple recycling messaging on retailer and brand packaging to help consumers recycle more accurately and more often. The OPRL label appears on several Kraft Heinz products in the region, including *Heinz Beanz*, *Heinz Spaghetti* and *Heinz Soup* products.

Flexible Packaging Recycled into Roofing Material

In 2020, Kraft Heinz completed a pilot project to demonstrate the use of roof board made from recycled flexible packaging. The test was made possible by the Company’s participation in [Materials Recovery For the Future](#) (MRFF), a non-profit research collaborative that set out to determine the technical and economic feasibility to collect, sort, bale and recycle flexible plastic packaging.

The project installed roofing material made from post-consumer flexible plastic into two Kraft Heinz manufacturing plants, in Beaver Dam, Wisconsin and in Holland, Michigan. The materials were installed late in the year and comprised of 4’ X 8’ boards, with 94 percent of each board made of post-consumer recycled plastic and fiber.

Final installation of recycled roof at the Kraft Heinz site in Holland, Michigan

“This Kraft Heinz project is a powerful example of environmental stewardship...”

“This Kraft Heinz project is a powerful example of environmental stewardship, reducing use of virgin materials by choosing roofing material made of recycled flexible plastic packaging. Working with recyclers, they’ve provided a model for addressing expectations for full life-cycle management of plastic while using an efficient, low-cost package for consumer product protection.”

– Susan Graff (Vice President, Resource Recycling Systems; MRFF Research Director)

Global Plastics Industry Partnerships and Collaborations

At Kraft Heinz, we believe that collaboration is the backbone of driving ESG progress. Many of our internal subject matter experts within the organization take on leadership roles in global, industry-wide coalitions to drive circularity across the packaging value chain.



Association of Plastic Recyclers (APR) | United States, Canada, Mexico

Member of the following sub-groups:

- APR Film Reclamation Committee
- Nylon/EVOH Design Guide Working Group
- APR PET Tech Committee & PCR Committee
- APR Recycling Demand Champion Program



Sustainable Packaging Coalition | United States and Canada

Member of the following sub-groups:

- Compostable Committee
- Multi-Material Flexible Recovery Collaborative



Material Recovery for the Future | North America

Partner for the first scaled flexible film recycling pilot



The Recycling Partnership | United States

Member of the following sub-groups:

- Steering Team Film & Flexibles Coalition
- Design Guide Subcommittee
- Circular Economy Committee



Canada Plastics Pact | Canada

Founding Signatories, Co-Chair of Advisory Council and participant in multiple working groups working collaboratively to create a circular economy for plastics packaging in Canada.



PAC Packaging Consortium | North America

Founding Member (1950) and Member of Board of Directors



The National Zero Waste Council | Canada

Member of the following sub-groups:

- Food waste working group
- Packaging working group



Circular for Flexible Packaging (CEFLEX) | European Union

Kraft Heinz is an active stakeholder in the CEFLEX initiative.



Petcore Europe | Europe

Member and participant in initiatives to increase the volumes of PET recycling and to develop and promote new solutions around PET circularity.



Holy Grail 2.0 | Europe

Full initiative member of the Digital Watermarks Initiative HolyGrail 2.0



Wrap | United Kingdom

Members of The U.K. Plastics Pact. Since 2018 we have been committed to the four Pact targets and have participated in several collaborative action groups tackling key issues.



Responsible Sourcing

At Kraft Heinz, *We dare to do better every day* within our own operations, but we aspire to work with our entire value chain to continually improve on social and environmental factors. We are dedicated to responsible sourcing and related impacts in critical areas to Kraft Heinz and our stakeholders. These include human rights, deforestation, animal welfare and sustainable agriculture. We are also committed to strengthening our due diligence and management programs, while keeping the needs of our suppliers and our customers a top priority.



Human Rights

Kraft Heinz values all life. We have a zero-tolerance approach to human rights violations across our entire value chain. As we look at our business, we know human rights are an essential part of being a good corporate citizen and doing the right thing.

In 2019, Kraft Heinz released a new [Global Human Rights Policy](#), which is guided by internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the principles set forth in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

As part of the Global Human Rights Policy, Kraft Heinz requires all employees and related entities, suppliers and business partners to strictly adhere to our human rights standards, which, in summary:

- Prohibit child and underage employment
- Prohibit trafficking, forced or involuntary prison labor
- Prohibit all and any forms of abuse, bribery, harassment and discrimination
- Recognize and respect the rights of freedom of association and collective bargaining
- Recognize and respect fair, legal and equitable work timeframes, working conditions (including health and safety) and wages
- Recognize land rights, natural resources and ensure all workers' rights to clean water and adequate sanitation facilities
- Require all labor recruitment and employment procedures to be carried out in a legal and ethical manner

Following the release of the Global Human Rights Policy, Kraft Heinz undertook a global human rights risk assessment with third-party assistance. This exercise highlighted relative risk factors by commodity type overlaid with associated geographical risk. The evaluation also included economic and social criteria to determine points in our value chain where risk is highest, and where we could make the greatest impact. The scope of the assessment was all encompassing – rather than only evaluating specific commodities, we assessed nearly all of our ingredient food purchases. This assessment is influencing our plans to continuously develop and improve our due diligence and management programs. In 2020, we began plans of our two-prong approach, working collaboratively with our value chain toward proactive capacity building, identifying areas where we can collectively make improvements, as well as targeting specific elevated-risk procurement categories, with enforcement actions if necessary and segmentation based on:

- Type of supplier (Strategic, Core or Transactional)
- Risk categories and materiality
- Risk levels based on country pairings across procurement units

Kraft Heinz is committed to addressing any adverse human rights impacts within its supply chain. We require our suppliers, business partners and other relevant stakeholders to likewise adhere to any improvements as necessary. We also continue to take steps to strengthen our third party audit programs to ensure compliance with our [Global Human Rights Policy](#), as well as with other Kraft Heinz ESG policies, such as our [Supplier Guiding Principles](#). We will report the results of our audit program to our Executive Leadership Team on a regular cadence.



Sustainably Sourced Palm Oil

Kraft Heinz recognizes that unsustainable palm oil production is one of the largest drivers of deforestation globally, and as an organization we have taken active steps to address these issues in our supply chain. We (including through legacy Heinz prior to 2015) have been a proud member of the Roundtable on Sustainable Palm Oil (RSPO) since 2007, a multi-stakeholder nonprofit aimed at uniting all aspects of the palm industry to minimize the negative impact of palm oil cultivation. In 2017, Kraft Heinz became a founding member of The North American Sustainable Palm Oil Network (NASPON). NASPON is an independent group of associations, civil society organizations, consumer goods manufacturers, retailers, and palm oil traders and producers, who are committed to increasing the use of certified sustainable palm oil (CSPO) in North America to 100 percent. NASPON works collaboratively to find industry-wide solutions to secure certified sustainable palm oil in our products while adhering to human rights and labor laws, and while respecting local communities and biodiversity throughout the palm oil supply chain.

In 2017, Kraft Heinz in partnership with The Rainforest Alliance carried out an initial deforestation baseline risk assessment of our global (tier 1) direct supply chain and guide the development of our [Global Sustainable Palm Oil Policy](#). The implemented Policy incorporates environmental and social principles and highlights Kraft Heinz's commitment to sourcing palm oil that is 100 percent certified sustainable and traceable to the mill.

The baseline risk assessment of our direct global palm oil supply chain allowed us to identify potential deforestation risks, as well as peatland/biodiversity hotspot encroachment concerns. Direct suppliers were asked to provide information on the country of origin of their palm raw materials, as well as their sustainable/responsible sourcing policies. Details on their sustainable palm

oil objectives were also shared, as well as their progress on those targets. Suppliers were also asked to provide traceability data for all palm oil mills in their supply chain. The mills' geographical location in conjunction with a global satellite mapping tool incorporated potential deforestation and other environmentally related risks in the mill sourcing regions. The information obtained from this exercise allowed us to engage our suppliers to discuss any identified risks and develop action plans to manage them.

2007: H.J. Heinz Holdings Corporation becomes a member of the Roundtable on Sustainable Palm Oil.

2014: Kraft Foods Group, Inc. becomes a member of the Roundtable on Sustainable Palm Oil.

2015: Kraft Heinz becomes a member of the Roundtable on Sustainable Palm Oil.

2018: Kraft Heinz worked with The Rainforest Alliance to expand the scope of our deforestation risk assessment to include global external manufacturing partners.

2019: Kraft Heinz initiates corrective action phase, engaging direct suppliers to address identified risks in their supply chains.

In 2020, we continued to evaluate our supply chain to assess our direct suppliers and evaluate their sustainable palm oil policies, track their progress towards 100 percent traceability to the mill and make sure that they maintain RSPO certification for the products we purchase from them. Moving forward, Kraft Heinz will continue to engage with direct suppliers, external manufacturers, and indirect suppliers to advance our sustainable and traceable palm oil supply. We look forward to educating all of our stakeholders on our policy and expectations, maintaining accountability, and increasing transparency.



Purchase **100% sustainable palm oil** by 2022.

COMPLETE

COMPLETE: 100%



Purchase **100% traceable palm oil to the mill** by 2022.

PROGRESS

ON TRACK: 98.5%



4-0020-07-100-00





Sustainable Soy Sourcing

In partnership with The Rainforest Alliance, in 2019 Kraft Heinz expanded its forest risk commodities supply chain assessment to include soy. The first phase of this work focused on our global direct soy-based ingredient suppliers, with the purpose of carrying out a baseline evaluation to understand their sustainable soy sourcing policies and commitments. As part of that process, we evaluated any existing sustainable product certifications and sourcing risks based on countries of origin. We also established greater visibility to their overall chain of custody.

Based on results obtained from our direct global suppliers that completed the survey, we learned the following about our global soy volume, approximately:

- 47 percent is sourced from low-risk countries of origin in regard to environmental and social risk
- 5 percent sourced from potential medium-risk countries of origin
- 38 percent sourced from potential high-risk countries of origin

Additionally, 49 percent of the suppliers that participated in the exercise reported having a sustainable sourcing policy in place while 33 percent of the suppliers that indicated they do not have a policy in place, communicated they could develop and implement a policy in the future. This initial assessment helped us gain visibility into and increased transparency of a considerable portion of our global soy supply chain. Further engagement is needed in our soy value chain to investigate potential risks. The assessment produced a number of key recommendations that we are in the process of evaluating to help determine next steps.

In 2022, we plan to conduct a broader risk assessment of our ingredients and agricultural commodities with deforestation as a criteria. We expect to provide updates on our findings in future reports.





A Culture of Animal Welfare

Kraft Heinz believes that animals deserve a good quality of life and to be treated humanely. We have an unwavering commitment to the care of animals in our supply chain. Although we neither own nor manage farms, we align with our suppliers in requiring their animals be treated with care, understanding and respect.

Kraft Heinz believes that good animal welfare includes three elements which guide our animal welfare policies and initiatives:

- **Health and Productivity:** healthy animals that are provided with quality shelter, feed, and water
- **Emotional Well-Being:** negative experiences minimized and positive experiences enhanced
- **Naturalness:** animals perform important species-specific behaviors

This concept of animal welfare builds upon the internationally recognized “Five Freedoms” of animal welfare which include the fundamental principles of 1) freedom from hunger and thirst, 2) freedom from physical and thermal discomfort, 3) freedom from pain, injury or disease, 4) freedom to express normal behaviors, and 5) freedom from fear and distress.

We support housing designs that support an animal’s ability to perform species-specific behaviors. Examples include, but are not limited to, cage-free housing with perches and nest boxes for laying hens and group housing for gestating sows.



Source **100%** of eggs globally from **cage-free** or better* hens by 2025.



Source **100%** of eggs in Europe from **free-range** hens by 2020.



Improve **broiler chicken welfare** in the U.S. by 2024 and **European chicken commitment** by 2026.



Continue to work with animal welfare experts and suppliers on **best practices to eliminate painful procedures** and promote sustainable practices.



A Culture of Animal Welfare (cont.)

When painful procedures need to be performed, we encourage pain mitigation, such as the use of anesthetics or analgesics. Kraft Heinz expects its suppliers to implement practices and pursue continuous improvement consistent with the Five Freedoms and good animal welfare.

Kraft Heinz believes animals deserve to be treated humanely. Public interest in farming and animal care is continually increasing and consumers desire farming practices that match their values and expectations. Good animal welfare, environmental sustainability, and healthy people form an interconnected system, and well-managed farms reduce waste and provide a safe, nutritious food supply. Knowing this, we integrate science and societal ethics in our animal welfare decisions. Kraft Heinz is transparent about our supply practices and progress. These are disclosed via our [Global Animal Welfare Policy, website](#) and through our ESG reports.

Our Animal Welfare Policy applies to the entire global company and all its business units that use animals or animal products. A global steering group monitors compliance to this policy and reviews it biennially to ensure it remains consistent with current science, best production practices, and societal values.

Our Expert Committees

In 2019, we established an advisory committee composed of livestock, poultry, aquaculture, and fisheries welfare experts. This committee provides guidance on science and best practices, animal welfare assessment, and emerging topics in animal welfare. In 2020, our advisory committee helped guide Kraft Heinz across these areas for immediate efficacy as well as for future planning. Our animal welfare specialist provides training on farm animal production and welfare to cross-functional team members within the company. Our animal welfare specialist also leads our ESG Steering Group Subcommittee on Animal Welfare, as well as conducts quarterly meetings with an expanded multi-disciplined team. Together, these various committees join into what is a powerful system supporting sound practices and implementation of our animal welfare objectives. For example, in 2020, we laid the groundwork for improvements to our animal welfare policies. Externally, our specialist serves on the animal welfare committees of the North American Meat Institute and the National Turkey Federation.

Our Supply Partners

Our suppliers are our partners in humane animal care and its continuous improvement. We expect suppliers to maintain strict standards of animal care and raise animals in accordance with the laws and ordinances in their locale. We require our suppliers to have a zero-tolerance policy for animal abuse and neglect, and to train all individuals working with or around live animals. In addition to the Global Animal Welfare Policy, animal welfare expectations are delineated in the Kraft Heinz Ingredient Supplier Quality Expectations Manual and product specifications. When evidence of non-compliance exists, Kraft Heinz may suspend the supplier until corrective actions have been implemented. Suppliers who do not align with the requirements or do not make continuous and positive improvements to meet them risk losing Kraft Heinz as a customer.



Animal Health & Management

Laying Hens

The ability to engage in normal behaviors such as walking, nesting, and dust-bathing is important to laying hen welfare, which is why we support housing options such as cage-free housing with perches and nest boxes. In Europe, we achieved our commitment to exclusively purchase free-range eggs by the end of 2020. This represented a significant improvement year over year and was the result of many hard-working Kraft Heinz team members' dedication to good animal welfare, business investment and alignment with our values as a good corporate citizen. Throughout the rest of the world, we are transitioning to purchasing only cage-free eggs or better (e.g., free-range) by 2025. Having achieved our free-range egg commitment in Europe, we have now updated our reporting to grouping cage-free or better farm systems together in one universal metric, which we feel reflects a more comprehensive picture of the level of animal welfare we strive to achieve. Globally, our supply of eggs and products was 66 percent cage-free or better in 2020. For more details on our regional egg data, please see [page 74](#).

Pigs

In accordance with our three elements of animal welfare, we believe that pregnant sows should be safely housed in social groups with enough space to perform normal behaviors. The industry faces challenges to meet the demand, especially for pork that complies with strict regional legislation. Kraft Heinz is working with our pork suppliers to transition pregnant sows from conventional gestation stall housing to alternative gestation housing. In 2020, 19 percent of our global and 100 percent of our European pork supply came from sows housed in alternative gestation systems.

Broiler Chickens

We have committed to improving broiler welfare by 2024. We continue to incorporate leading science into our assessment of broiler welfare, while we engage with the industry at-large as it redefines its guidelines for enhanced broiler welfare. We will incorporate a combination of outcome-based and practice-based metrics that are shown to demonstrably increase animal welfare. Targets include stocking density, litter quality, enrichment provision, and controlled atmosphere stunning and will incorporate supplier verification, such as auditing. We continue to engage with our United States supply partners in meeting enhanced broiler chicken welfare standards.



European Chicken Commitment

In late 2019, Kraft Heinz expanded its animal welfare commitments to improving chicken welfare by 2026 as part of the [European Chicken Commitment](#). Kraft Heinz continues to assess and work to transition its European supply chain accordingly. Though this commitment faces some challenges related to supply for example, we remain steadfast in our commitment to require 100 percent of the fresh, frozen and processed chicken in our European supply chain to meet this standard. We look forward to continued engagement with our suppliers toward this objective.



Dairy Cattle

North America: We require our U.S. suppliers to follow the [National Milk Producers Federation's Farmers Assuring Responsible Management \(FARM\) Animal Care guidelines](#). This program establishes best on-farm animal management practices and includes second-party evaluations and third-party verification. Most of our dairy supply comes from U.S. farms. Our Canadian suppliers follow the National Farm Animal Care Council's Code of Practice for the Care and Handling of Dairy Cattle. Third-party audits are required to ensure that the U.S. and Canadian programs' guidelines are followed.

Eliminate Painful Procedures

We are working with farmers and the industry to develop and adopt practical alternatives that eliminate painful procedures. When painful procedures need to be performed, we encourage pain mitigation, such as the use of anesthetics or analgesics. We expect our suppliers to adhere to industry guidelines, which were developed to provide safe, quality products while keeping both animals and humans safe.

Humane Endings

We believe animals should be provided a respectful and humane death. Compromised animals must be euthanized in a timely manner that aligns with the [American Veterinary Medical Association \(AVMA\)](#) or [World Organisation for Animal Health's \(OIE\)](#) guidelines. Similarly, slaughter should also align with these guidelines. Efficient stunning prior to slaughter is important for animal welfare. One hundred percent of our U.S. Oscar Mayer product suppliers report that they comply with our product specifications which require an annual third-party humane slaughter audit and weekly internal animal welfare audits.

Antimicrobials

Disease prevention strategies such as husbandry, hygiene, and vaccinations must be the primary defenses against animal disease. However, even with excellent care, farm animals sometimes become ill. When this occurs, antimicrobial treatment (including antibiotics) can be an important component of humane animal care. Therapeutic antimicrobials should only be used after careful review by a veterinarian and treatment limited to ill and at-risk animals, treating the fewest animals possible. Alongside good farm management, responsible antimicrobial use can help enhance food quality and safety.

In the United States, where the majority of Kraft Heinz meat ingredients are purchased, we require our suppliers to meet or exceed the [AVMA](#) or [OIE](#) guidelines for the judicious use of antimicrobial agents. Our meat and dairy products meet or exceed government regulations related to the use and administration of antimicrobials, including compliance with bans on antibiotics for growth promotion.

Hormones

While studies conclude hormone supplements in cattle are safe for animals and for humans, we support ongoing research efforts to further demonstrate the safety and usefulness of supplemental hormones. For example, recombinant bovine somatotropin (rbST) is a hormone that can increase milk production in dairy cattle. Globally its usage varies widely in accordance with government regulations. In the United States for example, hormones (including rbST) are not allowed to be used for growth promotion in pigs or poultry for example. In some countries, growth hormones are approved for use in beef and dairy cattle. We do not restrict their use in those instances. However, we support wider, industry initiatives to eliminate rbST from the supply.

Testing of Food Ingredients

Kraft Heinz does not support or condone the use of animals for research that is not essential to food safety, and we do not maintain any testing facilities. When required by governmental agencies, ingredient safety testing is completed by accredited third-party facilities following appropriate animal welfare guidelines. We do not support unnecessary testing and are advocates for replacing animal testing with other validated research methods.

Animal Welfare Risk Assessments

Annually, all U.S.-based Kraft Heinz suppliers of animal and animal-derived products are required to complete an animal welfare risk assessment. The assessment was developed by a cross-functional internal panel that included animal welfare, procurement and quality team members and was reviewed by an external team of animal welfare scientists. The assessments review suppliers’ strengths and weaknesses on animal welfare policies, personnel training, transportation, stunning methods and auditing. Kraft Heinz’s animal welfare team works with lower performing suppliers, which make up a small percentage of our total supply chain. Together, they create action plans to develop policies and procedures that improve animal welfare. Low performing suppliers unwilling or unable to improve animal welfare may jeopardize their status as Kraft Heinz suppliers. In 2020, we expanded assessment requirements to all suppliers globally for the first time.

POULTRY			PORK	CATTLE	
Turkeys	Broiler Chickens	Laying Hens	Pigs	Dairy	Beef
KEY WELFARE ISSUES AND STATUS					
<ul style="list-style-type: none">• 100% of our U.S. supply does not have snoods removed• 100% of our U.S. supply does not have toes clipped• 100% of our U.S. supply has annual animal welfare audits at the plant	<ul style="list-style-type: none">• 100% of our U.S. supply is cage-free• 100% of our U.S. supply has not been beak trimmed• 100% of our U.S. supply has not had wings trimmed	<ul style="list-style-type: none">• 66% of our global supply is cage-free or free-range<ul style="list-style-type: none">• We do not purchase shell eggs• 100% of our U.S. supply is certified by American Humane Certified, Certified Humane, or United Egg Producers	<ul style="list-style-type: none">• 100% of our European supply raises sows in alternative gestation housing• 19% of our global supply raises sows in alternative gestation housing• 100% of our U.S. supply has annual animal welfare audits at the plant	<ul style="list-style-type: none">• Farmers Assuring Responsible Management and Code of Practice for the Care and Handling of Dairy Cattle program and guidelines are required for U.S. and Canadian suppliers, respectively• Tail docking was prohibited in U.S. and Canadian supply in 2017• 100% of our U.S. supply no longer tail docks• 100% of the cattle in our U.S. dairy supply do not have hock injuries• 100% of the cattle in our U.S. dairy supply are free from moderate or severe lameness	<ul style="list-style-type: none">• 100% of our U.S. supply has annual animal welfare audits at the plant
GOALS & INSIGHTS					
<ul style="list-style-type: none">• We have an ongoing project that includes encouraging adoption of decision trees for euthanasia and fitness to transport for poultry	<ul style="list-style-type: none">• We are committed to working with suppliers for science-based improvements in broiler welfare that align with environmentally sustainable practices	<ul style="list-style-type: none">• Goal: 100% free-range egg purchases in Europe by end of 2020• Goal: 100% cage-free egg purchases globally by 2025• We delivered our goal of achieving 100% free-range eggs in Europe as of January 1, 2021 and are on track to meet our cage-free egg target.	<ul style="list-style-type: none">• We will continue to work with animal welfare experts and suppliers on best practices to eliminate painful procedures, such as teeth clipping, castration, and tail docking, where possible and mitigate the pain when necessary	<ul style="list-style-type: none">• We applaud our suppliers and the industry for enhanced pain mitigation protocols at disbudding• We will continue discussions with suppliers and industry partners about incorporating polled genetics• We support Farmers Assuring Responsible Management implementing corrective action/probation plans for farms that don't comply with tail docking regulations	<ul style="list-style-type: none">• We are working with suppliers to better understand transport distances in all stages of production for beef cattle in our supply chain

Please refer to page [74](#) and [75](#) for additional information on the above metrics.



Sustainable Agriculture

As a food and beverage company, we recognize the importance of sustainable agriculture in all of our products. Through the work of our experienced agronomists and procurement teams, we are proud to work with our suppliers to advance sustainable agriculture practices knowing that these commodities are integral to our business and to the well-being of our consumers and communities in which we operate.



Purchase **100% sustainably-sourced Heinz Ketchup tomatoes** by 2025.



At Kraft Heinz, sustainable agriculture has been a history of working with growers to drive rotational crops to promote multigenerational fields, increase yield at the field and in processing, drive next generation breeding through our seed business and find ways to help increase water efficiency.

Through thorough research in our laboratories and with experienced agronomist teams on the ground, we strive to stay at the forefront of sustainable agriculture, applying what we learn to additional parts of our business.

The Kraft Heinz Sustainable Agriculture Practices guides our engagement strategy with our growers through 2025. We aim to dig deep in our roots to use 150 years of forward-looking, responsible agricultural and human rights practices to build on our agricultural legacy with our farmers. We are committed to bringing forward our sustainability heritage, as Henry J. Heinz (founder of the H.J. Heinz Company) famously noted, "Protect the consumer by owning the product all the way from the soil to the table."

We are excited to begin reworking this program and commit to sharing our progress.



Cultivating High-Quality Ingredients

Sustainable farming practices do more than save important natural resources. They also have the potential to considerably increase crop yields and provide growers and their families with greater economic opportunity. Kraft Heinz has taken significant steps to strengthen its supply chain by evolving its [Sustainable Agriculture Practices Manual \(SAP\)](#) and working in partnership with growers to implement those practices.

In 2020, we made progress toward the relaunch of our SAP program. The first step was revising the manual, which is divided into seven sections:

1. Location Selection and Ecosystem Management
2. Seeds, Seedlings and Rootstock Variety Selection
3. Soil Health and Nutrient Management
4. Integrated Pest and Disease Management
5. Water Management
6. Energy and Waste Management
7. Responsible Labor Practices, Ethical Conduct, Occupational Health and Safety

We also became a member of the Sustainable Agricultural Initiative with the objective to get 3rd party validation for our SAP manual. To this end we contracted SureHarvest which will audit the manual against [SAI's Farm Sustainability Assessment](#). Upon successful completion of the assessment in 2021, we will roll out the program to key tomato growers and paste suppliers, navy bean suppliers and our Global Agricultural teams.



FEATURE STORY

Feeding our Soil

The shift towards a sustainable agricultural system is not always easy. While beneficial in the long run, many of these practices present a considerable risk for a farmer as it can take years to reach a return on investment, which is not always guaranteed. At Kraft Heinz, we truly believe in working together with our partners and encouraging the adoption of sustainable practices in a way that’s equally beneficial to both the farmer and the planet.

In 2017, Kraft Heinz’s Agricultural Research Team, including Ruben Garcia, Luis Venegas and Samuel Cardona noticed that yields on our tomato research farm in California were declining, and soil pathogens were on the rise. Standard tomato cultivation works on a three-year cycle, with crops grown and harvested in year one and left fallow with any remaining plant residues for the next two years. Ruben noted that this practice created an impermeable, compacted upper layer of soil that increased erosion and decreased overall soil health, leading to poorer yields and increased susceptibility to disease. His team then devised a strategy to improve soil health by incorporating a forage-mix cover crop (including oats, barley, wheat and other grasses) during fallow years. The cover crops would be planted during the regular growing season and, instead of harvested, plant matter would be incorporated back into the soil. The team also included a practice known as deep ripping, whereby any compacted soil is broken up mechanically to allow for better water infiltration.

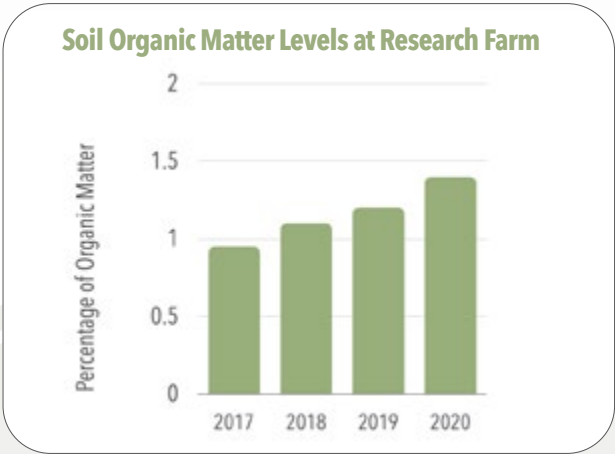
Ruben and his team demonstrated that this strategy protected the soil from erosion, increased soil organic matter by approximately fifty percent (see graph below) and significantly reduced the growth of targeted weeds. In addition, the team was able to show that this practice paid for itself multiple times over from the increase in yields and decrease of agricultural inputs such as fertilizer and herbicides.

Practices like this can be challenging for farmers to adopt as they may not see any return on their investment for many years. However, our growing partners have begun to adopt these practices because of the knowledge shared by the Kraft Heinz team.

“I’m proud of the work that my team has done to demonstrate the value of sustainable initiatives to our suppliers and partners. We all know how important it is to feed ourselves and our animals, but in this case, we’re feeding our soil – and that’s just as important if you ask me.” Samuel Cardona, Kraft Heinz Agricultural Research Team.



Luis Venegas at our Collegeville, California research farm filled with our forage mix cover crop to improve soil health



Over the course of four years, soil organic matter increased approximately 50 percent with the inclusion of sustainable practices such as deep ripping and cover cropping.

Appendix: ESG Metrics



ESG Metrics

Metric	Unit	2019	2020	GRI	SASB	TCFD	Notes
Environmental Stewardship							
Energy							
Total energy consumption*	MWh	4,996,720	4,956,351	302-1	FB-PF-130a.1	Metrics and Targets (a)	
Energy use intensity	kWh per Metric Ton of Product	643	629	302-3		Metrics and Targets (a)	
Total purchased electricity	MWh	1,565,580	1,546,046	302-1	FB-PF-130a.1	Metrics and Targets (a)	
Total consumption of fuel (excluding feedstock)	MWh	3,262,568	3,285,281	302-1	FB-PF-130a.1	Metrics and Targets (a)	
Greenhouse Gas Emissions							
Gross scope 1 emissions*	Metric Tons CO2e	595,918	592,463	305-1	FB-MP-110a.1	Metrics and Targets (b)	
Gross scope 2 emissions (location-based)*	Metric Tons CO2e	713,955	697,565	305-2	FB-MP-110a.1	Metrics and Targets (b)	
Gross scope 2 emissions (market-based)*	Metric Tons CO2e	Not reported	704,689	305-2	FB-MP-110a.1	Metrics and Targets (b)	
Outside of scopes (biogenic emissions)	Metric Tons CO2e	77,186	92,955	305-3	FB-MP-110a.1	Metrics and Targets (b)	Emissions associated with biomass use at select facilities
Scope 1 & 2 intensity	Metric Tons CO2e per Metric ton of product	0.17	0.16	305-4		Metrics and Targets (b)	
Total scope 3 emissions*	Metric Tons CO2e	23,277,493	25,026,531	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 1: Purchased goods and services*	Metric Tons CO2e	18,282,750	18,537,494	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 2: Capital goods*	Metric Tons CO2e	397,604	351,878	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 3: Fuel and energy-related activities*	Metric Tons CO2e	717,229	711,945	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 4: Upstream transportation and distribution*	Metric Tons CO2e	1,366,415	1,748,423	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 5: Waste generated in operations*	Metric Tons CO2e	52,066	55,658	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 6: Business travel*	Metric Tons CO2e	18,988	4,383	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 7: Employee commuting*	Metric Tons CO2e	105,897	93,618	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 9: Downstream transportation and distribution*	Metric Tons CO2e	1,307,392	1,339,067	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 11: Use of sold products*	Metric Tons CO2e	Not Reported	1,102,744	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Category 12: End of life treatment of sold products*	Metric Tons CO2e	1,029,152	1,081,321	305-3		Metrics and Targets (b)	Only 2020 data externally assured
Water							
Total water withdrawals*	Thousand Cubic Meters	41,598	41,253	303-3	FB-PF-140a.1	Metrics and Targets (b)	
Total water withdrawals at water-stressed manufacturing sites	Thousand Cubic Meters	12,956	12,329	303-3	FB-PF-140a.1	Metrics and Targets (b)	
Water use intensity	Cubic Meters Per Metric Tons of Product	5.39	5.24	303-3	FB-PF-140a.1	Metrics and Targets (b)	
Water use intensity at water-stressed manufacturing sites	Cubic Meters Per Metric Tons of Product	7.70	7.30	303-3	FB-PF-140a.1	Metrics and Targets (b)	
Waste							
Waste to landfill*	Metric Tons	100,595	96,450	306-5			
Waste to landfill intensity	Metric Tons Waste per Metric Tons of Product	0.013	0.012	306-5			

* Indicates metrics that have undergone limited level assurance by a third-party associate. Review full assurance statements at <https://www.kraftheinzcompany.com/esg/verifications.html>

ESG Metrics (cont.)

Metric	Unit	2019	2020	GRI	SASB	TCFD	Notes
Responsible Sourcing							
Material							
Total weight of all packaging	Metric Tons	Not reported	1,143,000		FB-PF-410a.1		
Percentage made from recycled and/or renewable materials (as a percentage of total weight of all packaging)	Percentage	Not reported	22%		FB-PF-410a.1		Based on industry average of recycled content
Percentage that is recyclable, reusable, and/or compostable (as a percentage of total weight of all packaging)	Percentage	70%	83%		FB-PF-410a.1		Includes materials that are widely recyclable (approximately 80% of total) and with 'check local recycling' designation (approximately 3% of total). 2020 calculation covers global packaging and select external manufacturing data. Data from <i>Primal Kitchen</i> is not included at this time. 2019 value based on estimate.
Total weight of all plastic packaging	Metric Tons	Not reported	271,000				
Non-renewable materials used to produce or package primary products	Metric Tons	Not reported	679,000	301-1			
Renewable materials used to produce or package primary products	Metric Tons	Not reported	465,000	301-1			
Palm Oil							
Percentage of direct suppliers (tier 1) suppliers with RSPO Certification	Percentage	100%	100%		FB-PF-440a.2		
Percentage of direct supply chain traceable to the mill	Percentage	99.3%	98.5%		FB-PF-440a.2		
Percentage of direct suppliers with sustainable palm oil sourcing policies in place	Percentage	100%	100%		FB-PF-440a.2		A sustainable sourcing policy is defined as either a publicly available Sustainable Palm Oil Policy or RSPO Certification
Percentage of external manufacturers' suppliers with RSPO Certification	Percentage	84%	91%		FB-PF-440a.2		
Percentage of external manufacturers' suppliers traceable to the mill	Percentage	77%	Data not available for 2020		FB-PF-440a.2		We anticipate disclosing this data in future reports.
Percentage of external manufacturers' suppliers with sustainable sourcing policies in place	Percentage	40%	91%		FB-PF-440a.2		A sustainable sourcing policy is defined as either a publicly available Sustainable Palm Oil Policy or RSPO Certification
Tomatoes							
Percentage of sustainability sourced <i>Heinz</i> ketchup tomatoes	Percentage	Commitment made in 2020			FB-PF-440a.2		
Animal Welfare							
Turkeys							
Percentage of U.S. suppliers that do not have snoods removed	Percentage	95%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S. suppliers that do not have toes clipped	Percentage	98%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S. suppliers have annual animal welfare audits at the plant	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.

ESG Metrics (cont.)

Metric	Unit	2019	2020	GRI	SASB	TCFD	Notes
Broiler Chickens							
Percentage of U.S suppliers that are cage-free	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S suppliers that have not been beak trimmed	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S suppliers that have not had wings trimmed	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Laying Hens							
Percentage of global eggs from cage-free+ farms	Percentage	70%	66%		FB-MP-410a.3		Cage free+ farms refer to eggs from cage free farms or better (e.g., free range). Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of U.S eggs from cage-free+ farms	Percentage	69%	75%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of U.S. eggs certified by American Humane Certified, Certified Humane, or United Egg Producers	Percentage	100%	100%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of LATAM eggs from cage-free+ farms	Percentage	Data not available	4%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of European eggs from free-range farms	Percentage	30%	51%		FB-MP-410a.3		As of January 1, 2021, we achieved our European Free Range egg target. Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of EMEA eggs from cage-free+ farms	Percentage	Data not available	77%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of Canada eggs from cage-free+ farms	Percentage	3%	0%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Percentage of APAC eggs from cage-free+ farms	Percentage	Data not available	31%		FB-MP-410a.3		Data does not include Primal Kitchen or external manufacturing purchases (will be included in future reports)
Pigs							
Percentage of global pork supply from sows housed in alternative gesta- tion systems.	Percentage	16%	19%		FB-MP-410a.1		Based on internal tracking systems. Does not include external manufacturing purchases.
Percentage of European pork supply from sows housed in alternative gestation systems.	Percentage	100%	100%		FB-MP-410a.1		Based on internal tracking systems. Does not include external manufacturing purchases.
Percentage of U.S. suppliers with annual animal welfare audits at the plant	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.

ESG Metrics (cont.)

Metric	Unit	2019	2020	GRI	SASB	TCFD	Notes
Dairy							
Percentage of U.S. suppliers that no longer tail docks	Percentage	95%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S. dairy suppliers that do not have hock injuries	Percentage	98%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Percentage of U.S. dairy suppliers that are free from moderate or severe lameness	Percentage	98%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Beef							
Percentage of U.S. suppliers that have annual animal welfare audits at the plant	Percentage	100%	100%		FB-MP-410a.3		Median percentage based on supplier self reporting though Kraft Heinz Animal Welfare Risk Assessment questionnaire.
Healthy Living & Community Support							
Percentage compliance with Kraft Heinz Global Nutrition Targets	Percentage	76.00%	74.70%		FB-PF-260a.2		Based on countries with measurable data. Note that foodservice items do not have specific targets and infant/toddler product targets are based on local guidelines, which we fully abide by. As such, these categories are not included in the overall metric.
Amount of sugar reduced in products	Pounds	Commitment Made in 2020	253,774		FB-PF-260a.2		Only includes sugar reductions from September 2020 (when commitment was publicly announced) to December 2020. In 2020, we set initial roadmaps for key projects that we anticipate will enable us to achieve this target in years to come.
Amount of sodium reduced in BBQ sauce and <i>Kraft</i> salad dressings in North America	Percentage	Commitment Made in 2020	Not Reported in 2020		FB-PF-260a.2		In 2020, we set initial roadmaps for key projects that we anticipate will enable us to achieve this target in years to come.
Meals delivered to people in need	Number	140,000,000	206,162,788				

ESG Metrics (cont.)

Metric	Unit	2019	2020	GRI	SASB	TCFD	Notes
Workplace Metrics							
Global Employees							
Total employees	Number	38,757	38,744	405-1			Total employees include temporary, seasonal and student workers in addition to regular full-time employees. We have approximately 37,000 regular-full time employees.
Full-time employees	Percentage of total employees	98.6%	98.6%	405-1			
Part-time employees	Percentage of total employees	1.4%	1.4%	405-1			
Women	Percentage of total employees	37%	36%	405-1			
Men	Percentage of total employees	63%	63%	405-1			
Nonbinary employees	Percentage of total employees	Not reported	< 1%	405-1			
Not disclosed	Percentage of total employees	Not reported	< 1%	405-1			
Women in management roles	Percentage of employees in management roles	34%	37%	405-1			
People of color (U.S. employees only)	Percentage of total employees	Not Reported	24%	405-1			
White (U.S. employees only)	Percentage of total employees	Not Reported	73%	405-1			
Ethnicity not available (U.S. employees only)	Percentage of total employees	Not Reported	3%	405-1			
Executive Leadership Team							
African American or Black	Percentage of executive leadership team	18%	18%	405-1			
Hispanic or Latino	Percentage of executive leadership team	64%	64%	405-1			
White	Percentage of executive leadership team	18%	18%	405-1			
Women	Percentage of executive leadership team	27%	27%	405-1			
Men	Percentage of executive leadership team	73%	73%	405-1			
Safety Metrics							
Total Recordable Incident Rate (TRIR)	Rate	0.84	0.74	403-9	FB-MP-320a.1		
Learning & Development Metrics							
Average learning hours per employee	Hours	36	14	404-1			From 2019 to 2020, we updated data collection systems for our learning and development metrics.
Employees active in Owniversity (Kraft Heinz learning platform)	Number	46,551	38,817	404-1			



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This report contains certain "forward-looking statements" relating to our business, our investment in various programs, projected results of these investments, environmental efforts and sourcing of raw materials. These statements are based on our management's reasonable expectations and assumptions as of the date the statements are made. Such statements may involve certain risks and uncertainties including, but not limited to, the following: crop yields; consumer demand; global economic conditions; changes in laws and regulations; development of new technology; costs of resources and raw materials; force majeure events; the ability to attract, hire and retain qualified personnel; and future financial and operating performance within and related to the industry. These factors, among others, may cause actual future results to differ materially from the projections contained in this report.

Additional risks and uncertainties are identified and discussed in Kraft Heinz's reports filed with the U.S. Securities and Exchange Commission (SEC) and available at the SEC's website at www.sec.gov. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made; Kraft Heinz expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.