

CREATING SHARED VALUE: OUR PURPOSE IN ACTION 2022/2023



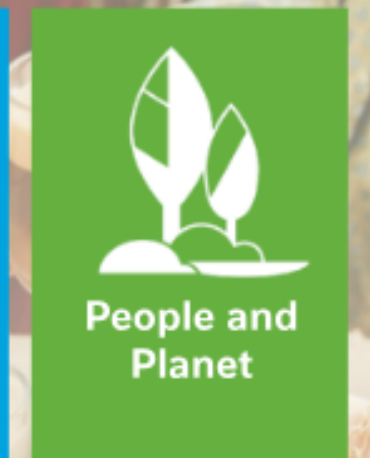
ALL TRADEMARKS ARE OWNED BY SOCIÉTÉ DES
PRODUITS NESTLÉ S.A., VEVEY, SWITZERLAND AND
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People in
Communities



People and
Families



People and
Planet

A MESSAGE FROM OUR PRESIDENT & CEO

2022/2023 Highlights

\$700M
spent with
Canadian suppliers

\$5M
of product donated
to local communities
and to local and
national charities



NESPRESSO



5,900
youth supported through our
Youth Initiative Program

3,700 CHANGEMAKERS
working at Nestlé® Canada

100%
of the cocoa used in our KitKat®,
Aero®, Coffee Crisp®, and
Smarties® bars was sourced
through the Nestlé® Cocoa Plan



John Carmichael
PRESIDENT & CEO

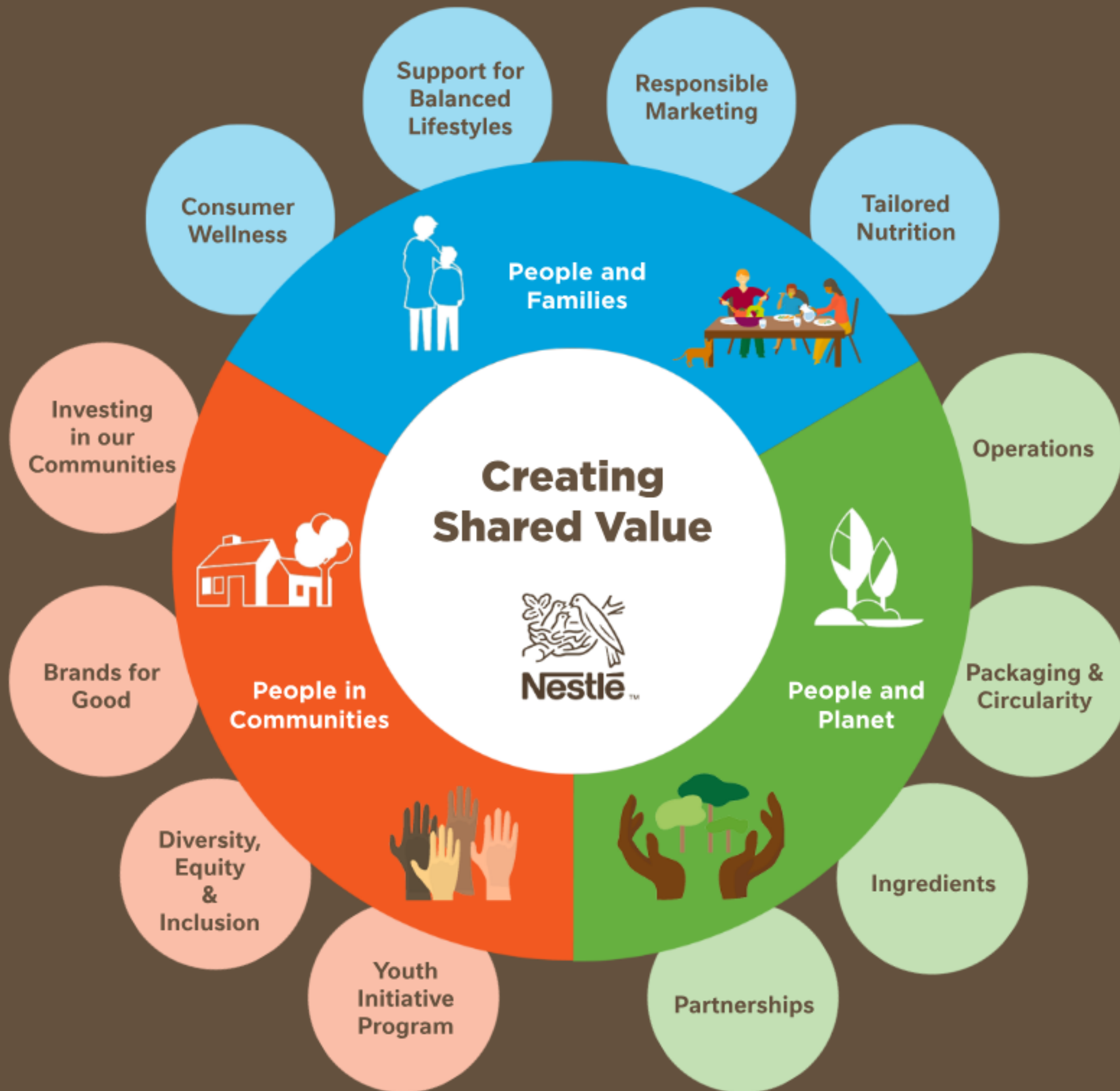
Bringing the highest quality and best tasting foods and beverages to Canadians is what drives each of us at Nestlé Canada. Doing it in a way that protects our planet and the communities in which we operate in is what drives our purpose. With our size and scale, we recognize how important it is to constantly push ourselves to remain focused on delivering value to all stakeholders. Whether it's through the ingredients we use in our beloved products, the packaging that keeps our food safe, how we optimize our supply chain, or how we support local communities – we're always operating under the belief that what is good for our planet and society, is good for all of us.

Our commitment to Creating Shared Value (CSV) comes to life through our incredible people, our *Nestlé Changemakers*, who are seizing opportunities across our business, within our walls and beyond, and making a difference in all aspects of our business. They propel us forward, helping us reach new benchmarks across sustainable business practices, nutrition, and community investment. They are what guides our purpose of unlocking the power of food to enhance quality of life for everyone, today and for generations to come.

We have proudly operated in Canada for the last 100 years, and since our inception we have always embedded Creating Shared Value into the heart of everything we do. Driven by our purpose, we're constantly leading by example in how we push the boundaries of what's possible with our evolving portfolio, influencing positive change in our communities, and making investments into our value chain that helps ensure we're operating in a responsible and sustainable way.

I invite you to read our 2022-2023 CSV Snapshot, that highlights examples of our progress and stories of how we are harnessing the power of food to bring our Purpose to life.





As the world's largest food and beverage company, we want to make a positive impact in the communities where we live and operate. In addition to our charitable support and youth-focused programs, Nestlé® Canada promotes diversity, equity & inclusion through our culture and work in society.



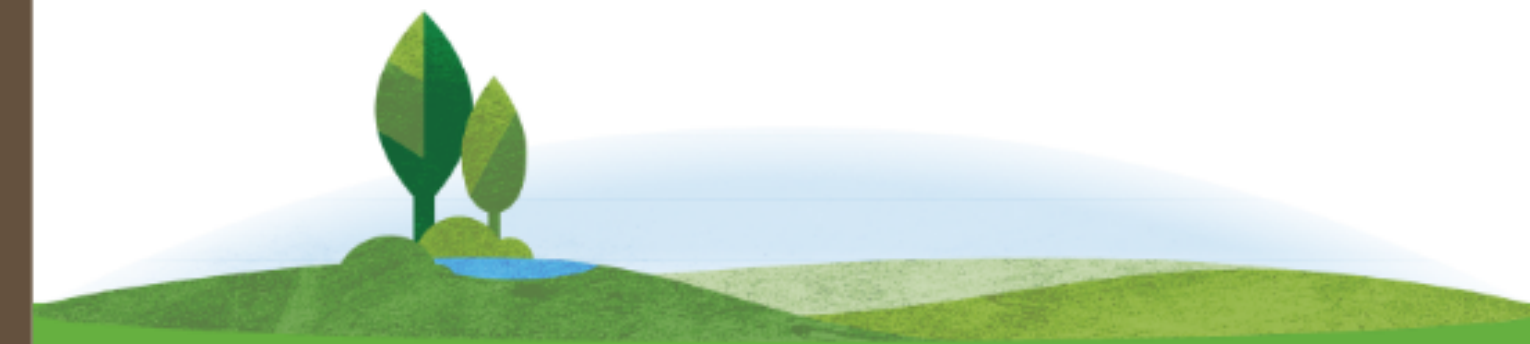
People in Communities

At Nestlé® Canada we believe that moderation and balance in diet doesn't mean sacrificing taste! We have done a lot of work to improve and maintain the nutritional value of products, providing Canadians with high quality choices for their unique dietary needs.



People and Families

Our approach to sustainability is wide-ranging, underpinned by commitment to strive for net-zero emissions globally by 2050 and to advance regenerative agriculture at scale. Alongside, we are committed to developing better packaging with improved circularity.



People and Planet

PEOPLE IN COMMUNITIES



YOUTH INITIATIVE PROGRAM



IN 2022, WE SUPPORTED 5,900 YOUTH IN CANADA through student workshops, internships, and external partnerships. Our ambition is to help **10 million** young people around the world access economic opportunities by 2030 through employment and employability, agripreneurship and entrepreneurship.

INVESTING IN OUR COMMUNITIES

Purina® Canada provides monetary and food donations to shelters, rescue groups and animal welfare focused organizations.



In 2022, we supported over 50 rescues in Canada plus emergency support for displaced pets due to wildfires and floods, and we donated over **\$350,000** in product for pets in need.

Nestlé® Purina PetCare Canada has been a long-standing supporter of the United Way since 2005 and is proud of the success we have had in raising funds for them. To date, we have raised **\$1.3 million** for United Way programs.

NESTLÉ® CARES

Supporting thriving communities starts in our own neighbourhoods.

\$4.1M

Product donated to local communities in 2022



In support of

\$400,000



Canadian
Red Cross

Financial support provided to national and local charities in 2022, through programs like Kids Help Phone Walk so Kids Can Talk, Food Banks Canada After the Bell programs, and many more.



PEOPLE IN COMMUNITIES



BRANDS FOR GOOD

In 1989, recognizing that young people were facing a growing mental health crisis, Nestlé® Canada became a Founding Partner of Kids Help Phone — the country's first and only 24/7 phone line for youth in crisis.



Since then, we've remained committed to building awareness of Kids Help Phone by placing their logo and phone number on many of our beloved confectionery products, including KitKat®, Aero®, Smarties®, and Coffee Crisp®.



At Purina®, we understand that pets and people have a special connection—and this unique bond is celebrated through the *Purina* Animal Hall of Fame, the longest-running Canadian pet recognition program of its kind.

TO DATE, 190 AMAZING ANIMALS WITH OUTSTANDING ACTS OF COURAGE AND HEROISM HAVE BEEN INDUCTED AND HONoured BY PURINA.

KIT KAT® X FRIENDS OF RUBY



SINCE 2022, KITKAT'S TWO-YEAR PARTNERSHIP WITH FRIENDS OF RUBY HAS RAISED ALMOST \$100,000

in support of their mental health services, social services and housing that work towards the progressive well-being of 2SLGBTQIA+ youth (aged 16-29).

DIVERSITY, EQUITY & INCLUSION

At Nestlé® Canada we're committed to embedding Diversity, Equity and Inclusion in all that we do across our business with customers, consumers, and communities.

Our brands have purpose too. A few recent stories:

“ AT NESTLÉ® CANADA, WE BELIEVE IN THE POWER OF OUR BRANDS AND THE IMPORTANT ROLE THEY PLAY IN HELPING US ACHIEVE OUR PURPOSE ”

**TRACEY COOKE,
SENIOR VICE PRESIDENT
OF MARKETING &
COMMERCIALIZATION**



Perrier® supported local fundraising events for The Canadian Cancer Society, The Canadian Foundation for AIDS Research, and Rainbow Railroad which supports LGBTQ1+ youth.



This past spring, KitKat® created its first 30-piece KitKat Iftar Bar to celebrate Ramadan and raise awareness of an important holiday celebrated by many Canadians.

PEOPLE AND FAMILIES

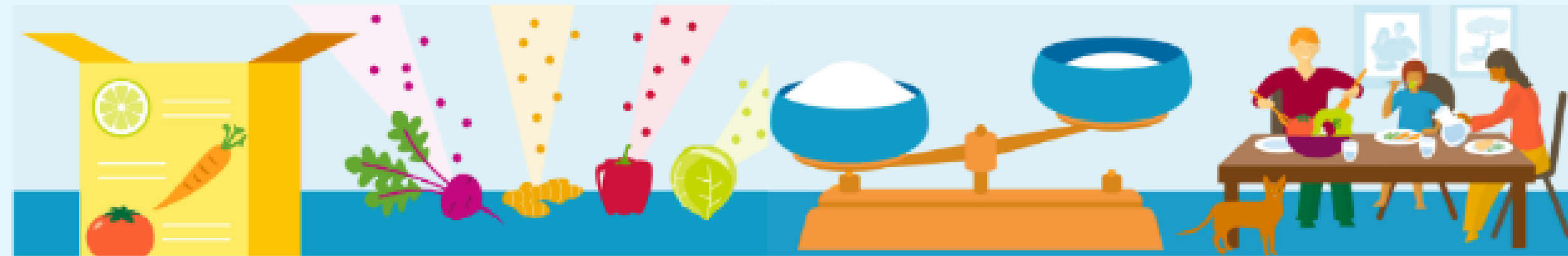


CONSUMER WELLNESS

As part of our continuous mission to bring tasty and balanced diets within reach for Canadians, we have implemented a new nutrient profiling system.

Our new profiling system considers five nutrients recognized by the World Health Organization: sugar, saturated fat, sodium, fiber, and protein.

By leveraging this system, we can maintain the progress we've made in improving the nutritional value of our products, without compromising the quality and taste consumers expect from Nestlé® Canada.



SUPPORT FOR BALANCED LIFESTYLES

To unlock the power of food, we innovate with purpose.

At Nestlé® Canada, we believe our products can play a role in a balanced diet. Our new **BOOST® Simply+** is a balanced blend of protein, energy, vitamins and minerals.

✓ 60% less sugar ✓ No added colours, flavours, or preservatives

PEOPLE AND FAMILIES



MORE THAN 40%



of Canadians are actively trying to add more plant-based foods into their diets.



Gerber®
plant-tastic™

Make baby's world
plant-tastic!



TAILORED NUTRITION

Growing demand for plant-based options has created opportunities for new products across our portfolio.



1. Drumstick® Plant-Based
2. Häagen Dazs® Plant-Based
3. Gerber® Plant-tastic

RESPONSIBLE MARKETING

We remain committed to developing responsible marketing communications that support parents and caregivers in their role in helping children eat balanced diets.

In support of this, Nestlé® Canada was a leading contributor in the development of the updated the Code for Responsible Advertising of Food and Beverage Products to Children that was effective as of July 2023.



PEOPLE AND PLANET



INGREDIENTS

Globally, nearly two-thirds of Nestlé's® emissions come from agriculture. That's why we've launched two sustainable sourcing plans that are driving progress against our Net Zero commitment:

1 The **Nestlé Cocoa Plan** is expanding its reach each year, aiming to cover 100% of our cocoa supply by the end of 2025. As part of our positive ambition to achieve better farming, better lives – and better cocoa, Nestlé globally launched our **Income Accelerator Program** – an innovative approach aiming to help cocoa farming families close the gap to a living income and help tackle child labor risks

IN 2022, WE USED 100% SUSTAINABLY SOURCED COCOA CERTIFIED THROUGH THE RAINFOREST ALLIANCE IN OUR KITKAT, AERO, COFFEE CRISP, AND SMARTIES IN CANADA.

CLIMATE

At the core of our sustainability journey is our Net Zero commitment.

Our Net Zero Roadmap enables us to make progress toward our greenhouse gas (GHG) emissions reduction targets.



In 2022, **100% OF CANADIAN SOURCED DAIRY** from local farmers were used in our Häagen-Dazs®, Drumsticks® and Parlour® products.

2 Globally, in 2022 through our **Nescafé Plan 2030** we've worked towards creating stronger communities and contributing to a sustainable future for the coffee sector by:

- Enabling 125,000 farmer trainings on regenerative agriculture practices, reaching 31,000 women and 12,000 young people
- Planting 1.4 million trees in and around coffee farms that supply coffee to Nescafé to help capture and remove CO2 from the atmosphere
- Distributing 23 million coffee plantlets to help rejuvenate coffee plots

CUP OF RESPECT WE'VE COMMITTED TO 100% SUSTAINABLY PRODUCED COFFEE BY 2025.



2050
at the latest
NET ZERO

PEOPLE AND PLANET



OPERATIONS

Achieving Net Zero emissions globally will involve big changes, including reducing Greenhouse Gas Emissions (GHG) in our operations.

We continue to innovate how we transport and produce our products to reduce emissions within our supply chain.

Our products are loved by millions of Canadians across the country. Year over year, in an effort to get it to them more sustainably, we've continued to transition more shipments from road to rail with over 95% of our cross-country shipments in Canada using rail transportation. This action reduces up to 75% GHG emissions on average compared to road transportation.*

SINCE 2018, OUR CANADIAN FACTORIES...

14%

Reduced **water use**

13%

Reduced **waste**

INNOVATING OUR RAIL TRANSPORTATION IN 2022...

232 tonnes

of **CO2** reduced annually with expanded rail usage

* According to the Railway Association of Canada and Associations of American Railroads, 2023.

PACKAGING & CIRCULARITY

We're on a journey to make all our packaging recyclable or reusable. We aim that above 95% of our plastic packaging will be designed for recycling by 2025, with the aim of getting to 100% recyclable or reusable packaging.

NESPRESSO The capsules are recyclable through Nespresso® recycling programs that recover both aluminum and coffee grounds for use in new applications.



The capsules are recyclable through Nespresso recycling programs and follow the principle of circularity: both aluminum and coffee grounds are being used again. In 2022, Nespresso launched a new partnership with the Beer Store: consumers can drop their used Nespresso and Starbucks by Nespresso capsules at participating locations in Ontario, giving them another alternative to recycle their capsules.

Have you wondered what happens to your coffee capsules once they get sent off to be recycled? Join us at our [Facility Tour](#) and take an insider look at the journey each capsule takes.



Our popular Smarties® brand uses paper packaging that is responsibly sourced and certified by third-party organizations, including the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI).

Through our conversion to paper packaging, in 2022 we diverted 5,233,207 Smarties plastic packs from landfills in Canada.

PEOPLE AND PLANET



PARTNERSHIPS

Stakeholder engagement and partnerships have long been an important part of our strategy.

We collaborate with a wide range of industry leading Canadian organizations – Ocean Wise, Canadian Plastics Pact, Circular Materials, and Tree Canada – to deliver greater sustainability impact and find new, innovative solutions in areas such as biodiversity, reforestation, and packaging & circularity.



NESPRESSO In 2022, Nespresso® Canada participated in Tree Canada's "Partners in Planting" program in Ontario, Quebec, and British Columbia. Nespresso also donated, for a second time, **\$100,000** to support Tree Canada's National Greening Program, which seeks to regreen areas in need of reforestation or afforestation and thereby contributes to cleaner air and waterways for the communities in the regions targeted.

FOR MORE INFORMATION ABOUT THE PARTNERSHIP, VISIT [HERE](#).



Nestlé
CHANGEMAKERS

A MESSAGE FROM OUR SENIOR VICE PRESIDENT, CORPORATE AFFAIRS, REGULATORY, GOVERNMENT RELATIONS AND SUSTAINABILITY

At Nestlé® Canada, we believe that Creating Shared Value across our key pillars will help us enable healthier and happier lives for individuals and families, foster the development of thriving and resilient communities, and lead as a steward for the planet's natural resources for future generations. As one of Canada's largest producers of food and beverage, we recognize our responsibility to take immediate action, and lead with greater transparency.

Creating shared value is a journey, not a destination, and it is not bound to one geographical location. Our progress in Canada has an impact on the rest of the world, and it requires every one of us to remain committed in working towards our goals. Companies play a key role in using their scale and reach to positively impact our communities, people, and planet, but we cannot do it alone.

Industry collaboration is vital in creating systemic change.

OUR APPROACH TO CREATING SHARED VALUE CONTINUES TO EVOLVE THROUGH OUR EMPLOYEES PERFORMING AT THE HIGHEST LEVEL AS NESTLÉ CHANGEMAKERS

And our partnerships with industry leading organizations that share our same vision, such as: Friends of Ruby, Food Banks Canada, Ocean Wise, Canadian Plastics Pact, and Circular Materials.

I am proud of our progress to date, but also recognize there is more work to do. Driven by our shared purpose, I strongly believe we're making incredible progress that will unlock new and innovative solutions to reach our ambitious goals.



Catherine O'Brien

SVP, CORPORATE AFFAIRS, REGULATORY,
GOVERNMENT RELATIONS AND
SUSTAINABILITY

