

A MESSAGE

FROM OUR PRESIDENT & CEO









At Nestlé Canada, we are guided by our Purpose of unlocking the power of food to enhance the quality of life for everyone, today and for generations to come. Our positive impact on society is focused on enabling healthier and happier lives for individuals and families, on helping develop thriving and resilient communities, and stewarding the planet's natural resources for future generations.

This commitment is fundamentally rooted in who we are, and it starts with our incredible people at Nestlé Canada. Their passion, dedication and desire to do more and do better ultimately drives our business forward. And that's always been Nestlé's approach to business - it's Creating Shared Value (CSV) that brings business and society together for a common good.

We're the world's largest producer of food and beverage, and we make and provide tasty, high-quality products that Canadians know and love. We also recognize the role that we can play in having significant positive outcomes. Our work is guided by our desire to contribute to nutritious and sustainable diets, to help protect, renew and restore the environment, to help strengthen communities and to operate responsibly.

I invite you to read through this Creating Shared Value 2021-2022 Snapshot that shares just a few examples of our progress and stories on how we bring our Purpose to life.



John Carmichael

President & CEO Nestlé Canada





President and CEO Message

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ABOUT US



Canadians first saw the Nestlé name in 1887 and since then, we've grown strong roots with brands that consumers know and love.

With a global landscape and a local focus, we are committed to our purpose: unlocking the power of food to enhance the quality of life for everyone, today and for generations to come.

KEY HIGHLIGHTS

\$460M

Spent with Canadian suppliers in 2021

35+

Brands across 8 key business divisions in Canada

3,700+

Nestlé Canada employees



5,541

Canadian youth that were helped through Nestlé's YOUth Initiative in 2021

46

Offices, warehouses and boutiques across Canada

\$44M

Worth of dairy purchased from local Canadian farmers in 2021

OUR FOCUS AREAS AND COMMITMENTS LADDER UP TO NESTLÉ'S GLOBAL PRIORITIES





Strengthening Communities



Helping to Protect, Renew and Restore the Environment



Making our Products Tastier and Better for You



Operating Responsibly



Boosting the well-being of communities and enabling a just transition to regenerative practices.



Minimizing our impact on the world's resources, contributing to a future in which they are available for generations to come.



Contributing to nutritious diets for individuals, families and their pets.



Creating a positive business environment and empowering our employees to make sustainable business decisions.



People are at the heart of everything we do. Our national COVID-19 response initiatives and partnerships with youth-focused organizations have united our employees across the country over the last couple of years to do good in the communities where we live and work. Education programs for kids of all ages make food accessible and fun, while budding talent is cultivated through internship and entrepreneurial opportunities at Nestlé Canada and beyond.



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Brd Wing Charles Co. Section 10 Co.

Giving back to our local partners

Thanks to our Nestlé Cares Program, we know that supporting thriving communities starts in our own homes.

In 2021, we provided more than \$3.6M in product and monetary donations to communities across Canada, and over \$920k of support to local community groups and shelters.

In support of Food Banks Canada, our national partner, over \$190k in monetary support and \$500k in products were donated. Food banks are on the frontlines, doing critical work to ensure that all Canadians can access food, but are facing ongoing funding and volunteer shortages.

Through our programming, we ensure that food and funds are shared with food banks from coast to coast, so they can continue to serve their communities, while keeping their staff, volunteers and clients safe.









COVID-19 response

- In 2021, we donated more than \$230k of product to front line workers across 10 hospitals in Canada to bring joy and thanks.
- Product support was donated to Project FoodChain a small volunteer-run Canadian organization that ensures seven shelters and 41 drop-in centres are funded for the entire Downtown Toronto area.
- We delivered 24 tonnes of food to 20 food banks and meal programs in support of the United Way Hastings & Prince Edward County.
- Over \$20k was donated to the Canadian Red Cross through employee matching and corporate funds, to support the organization during key crises across Canada (in particular, British Columbia).
- We provided more than \$150k worth of hand sanitizer to local partners, including the Middlesex-London Paramedic Services, along with 10 of our transportation vendors.
- An employee-led campaign with United Way raised over \$10k to secure food resources, affordable housing, emergency shelters, skills development programs and created more opportunities to help individuals and families in our community.













Kids Help Phone

As part of our Nestlé Cares Program, Nestlé Canada employees have continued to demonstrate our support for Kids Help Phone. In 2021 and into 2022, Kids Help Phone has seen a tremendous increase in the number of kids and youth calling in for support. In 2021, employees across Nestlé Canada participated in the Kids Help Phone Dance 4 Tomorrow Campaign, held virtually, to raise awareness on important issues and challenges facing Canadian youth today. Over \$40k in employee donations were made in 2021.

In May 2022, Nestlé Canada employees came back together in person for the Walk so Kids can Talk 5km experience – raising funds and walking in support of children and youth.

Kids Help Phone :

As a National Partner for Kids Help Phone, we've been around since the very beginning, more than 30 years ago, and remain committed to supporting the organization in providing all Canadian youth with a safe and trusted place to turn to in any moment of need.



After the Bell Program

More than 34% of food bank clients are children and when the school year is over and most in-school food programs have ended, the summer months can be a difficult time for families facing food insecurity.

That's why we support Food Bank Canada's After the Bell Program, which provides healthy meals and snacks for those children across Canada who would typically access school-centered support programs.

In 2021, our partnership helped to fill a critical gap by providing nutritious food packs to children across the country to fuel their bodies and minds during the summer break. In 2021, 150,000 child-friendly, healthy food packs arrived in over 160 communities within every province and territory across Canada.





Toonies for Tummies Program Support

In 2022, Nestlé Canada and KITKAT participated in the #Toonies4Tummies Campaign, hosted by The Grocery Foundation – a one-of-a-kind industry campaign with collaboration across brands and retailers in Canada.

The campaign raised over \$3.8M in 2021 with 100% of the proceeds directly benefitting student nutrition programs across Canada – helping to feed hungry children and truly make a difference.

Supporting our communities is a critical part of who we are at Nestlé Canada and it's through unique programs and partnerships like this that our Purpose truly comes to life. We're proud to work with partners like the Grocery Foundation and make a profound impact in our communities.











As part of a global initiative, we have a goal of helping 50 million children lead healthier lives by 2030. In Canada, one of the ways that we're supporting this goal is through our partnership with Food Banks Canada, which runs a nutrition education program called Food Explorers Junior Rangers.

The Food Explorers Program is a skills-based, healthy eating curriculum that teaches children (aged 6 to 8 who are already experiencing food insecurity) all about food, cooking and nutrition.

In February 2022, employees raised an additional \$15,000 in support of the Program.



Nestle

International Chefs Day

International Chefs Day is an annual event and partnership between Nestlé Professional and Worldchefs that promotes healthy eating to children and provides nutritious recipe ideas to chefs and parents around the world.

With "Healthy Food for the Future" as the theme in 2021, Nestlé Professional Chefs partnered with two local family organizations, College Montrose Children's Place and West Neighbourhood House, to share nutritious recipe ideas and promote healthy eating.





Centre for Young Black Professionals (CEE)

We partnered with CEE to financially support its Kitchen Masters Program and have introduced the Young Culinary Talents (YOCUTA) initiative to support Black youth in gaining culinary skills to prepare them for the workforce.

The CEE Kitchen Masters Program is a 16-week initiative that equips Black youth, who are currently out-of-school and out-of-work, with relevant skills and training needed to develop a career out of their love for food.

Our YOCUTA program offers youth the chance to compete in cooking challenges, learn about sustainability and nutrition, undergo barista training, and have one-on-one coaching sessions to gain vital experience!

More than 30 students have now completed the program in the GTA and the most recent graduating class developed this cookbook with an assortment of original and delicious recipes – www.ceetoronto.org/recipes/.

"We had a chance to learn in small numbers and since the restaurant was closed for dine-in, it gave us a chance to prepare dishes and learn with lots of time on our side. It's made me want to explore other organizations and prepare for my future in the culinary industry."

- Vimbainashe Zvareva



Launch of the new Canadian Youth Strategy (2021 – 2025)

For the first time in more than 20 years, the unemployment rate of Canada's NEET (Not in Education, Employment or Training) youth has exceeded the OECD (Organization for Economic Co-operation and Development) average. Since the beginning of the pandemic, we have seen a continued upward trend of youth unemployment, which is now two times the Canadian unemployment rate.

In 2021, Nestlé Canada launched our new youth initiative strategy, which considers this external context and focuses on three key areas that connect to our overall Talent Strategy:

Driving Strong Partnerships, Redefining our Portfolio of Youth Programs and Driving Upweighted DE&I Focus Through Youth Recruitment.







Youth Initiative Progress

In the last 18 months we have:

- ✓ Trained 58 people under 30
- ✓ Hired 685 people under 30
- ✓ Supported over 4,798 youth through readiness-for-work activities and digital events



Canadian
Youth
under the
age of 30

participated in key events throughout the week





500+
participants

we partnered with:





jack.org









100 Nestlé Volunteers







Nestlé Spark Case Competition

In 2021, Nestlé Canada partnered

with AIESEC, the world's largest youth-run organization, to provide Canadian students the opportunity to explore creative ideas and solutions for a real-life Nestlé business problem. More than 200 registrants and 47 teams competed to help answer: How can Perrier maintain leadership in premium sparkling beverages as the most iconic and desirable beverage brand?

AIESEC MAN

"The Nestlé Spark Case Competition gave me a great opportunity to explore creative ideas and formulate practical implementation strategies. My team and I had the chance to adapt our personal passions towards solutions and connected with each other based on those passions. It was a great avenue to develop personally and professionally."

Lanxin Jiang, Western University

"The Nestlé Spark Case Competition was a great learning experience – I really enjoyed being able to work with real data for an actual problem that was happening in the real world. Thank you for having us!"

Dorothy Fu, Sauder School of Business





MyStartr partnership

In 2021, Nestlé Canada kicked off our first year of partnership with **MyStartr**, Canada's only national, employer-led coalition dedicated to helping young people overcome barriers to employment and realize their full potential. Through our strong partnership, Nestlé is committed to including youth voices in our overall strategy and initiatives, in order to give every young person a chance to carve their own future.

In 2022, we will be co-creating a design jam to understand how Nestlé can remove barriers in our early talent programs and recruitment process to enable upskilling pathways for young people to enter our workforce. A design jam is a collaborative brainstorming activity, geared towards generating solutions in a fun and creative environment and involves including youth as part of the 'problem solving' and 'ideation' process to integrate their ideas in the evolution of our processes.



Purina Animal Hall of Fame

We celebrate heroes. 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 program in Canada. To date, 189 amazing animals with outstanding acts of courage and heroism have been inducted and honoured by Purina.



Bane





In June 2021, Nestlé Canada announced an investment of \$41.3 million to increase production capabilities at the London Ice Cream factory. The factory, which supplies all of Canada with brands like Häagen-Dazs, Real Dairy and Drumstick, had seen increased growth within the category, resulting in greater production demands.

The investment will create 88 new job opportunities at the factory and will result in the creation of two new production lines to generate more capacity for future growth, resulting in incremental ingredient, packaging, and raw material supplier purchases. We are proud to be one of the largest purchasers of Canadian dairy for its extensive portfolio of market leading products.

A ground-breaking event was held in November 2021 and the project is expected to be completed by 2023.







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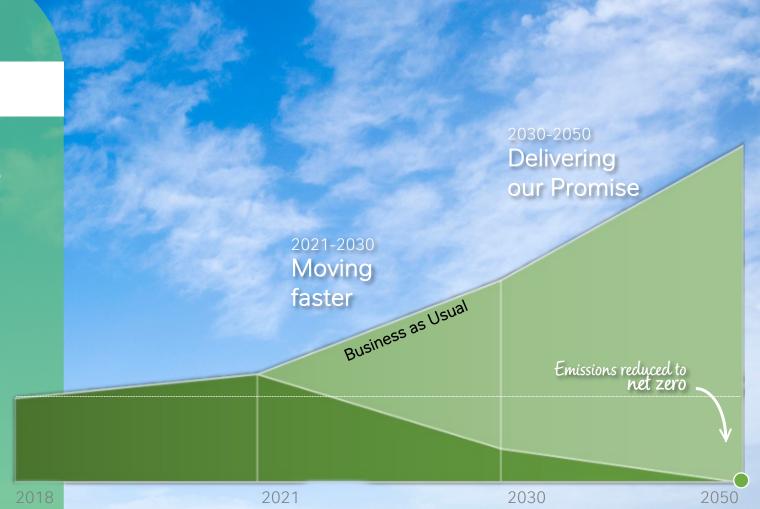




Our net zero roadmap

As the world's biggest food and beverage company, we have the size, scale and reach to influence others and to inspire collective action. Our goals are ambitious. Across Nestlé globally, we have a commitment to reduce our emissions by 20% by 2025, cut them in half by 2030 and achieve net zero emissions by 2050.

We're committed to reaching these goals even as our business continues to grow. And we're making our footprint transparent and will make our progress clear. You can follow our progress <u>here</u>.





Optimizing our operations

At Nestlé Canada, we're fully maximizing Intermodal Rail, exploring electric vehicles both within our facilities and short-haul shipments, and exploring other sources of waste reduction within our distribution centres, such as deploying new shrink wrap technologies.

In 2021, we started our journey of implementing Long Combination Vehicles (LCVs) within our network. LCVs allow one tractor to pull two trailers, eliminating the CO₂ emitted by the traditional second tractor.

Working with partners, we are committed to reducing emissions from our logistics operations.







Optimizing our operations

Emissions

Nestlé Canada reduced factory waste by about 8% and water withdrawal by nearly 13% in 2021 compared to 2020, even though production volumes grew.

Trade assets - eco-friendly cabinets

The Ice Cream Business has committed and secured investment to replace our ice cream freezers across Canada over the coming years with energy efficient ecofreezers. The new models are rapid cooling, high-performing sustainable units made to operate using 50% of the energy normally required.







Sustainable Packaging

At Nestlé, tackling plastic pollution is an urgent priority for us. We are working hard to ensure that none of our product packaging, including plastics, ends up in landfill or as litter, including in our oceans, lakes and waterways. To achieve this, our commitment is that 100% of our packaging is recyclable or reusable by 2025. We've made a number of global commitments to get there, including the elimination of non-recyclable plastics. We are determined to reduce our use of single-use plastics by introducing reusable packaging, new delivery systems and innovative business models everywhere we operate and sell our products. Building on our commitment, we will reduce the use of virgin plastics by one third by 2025.



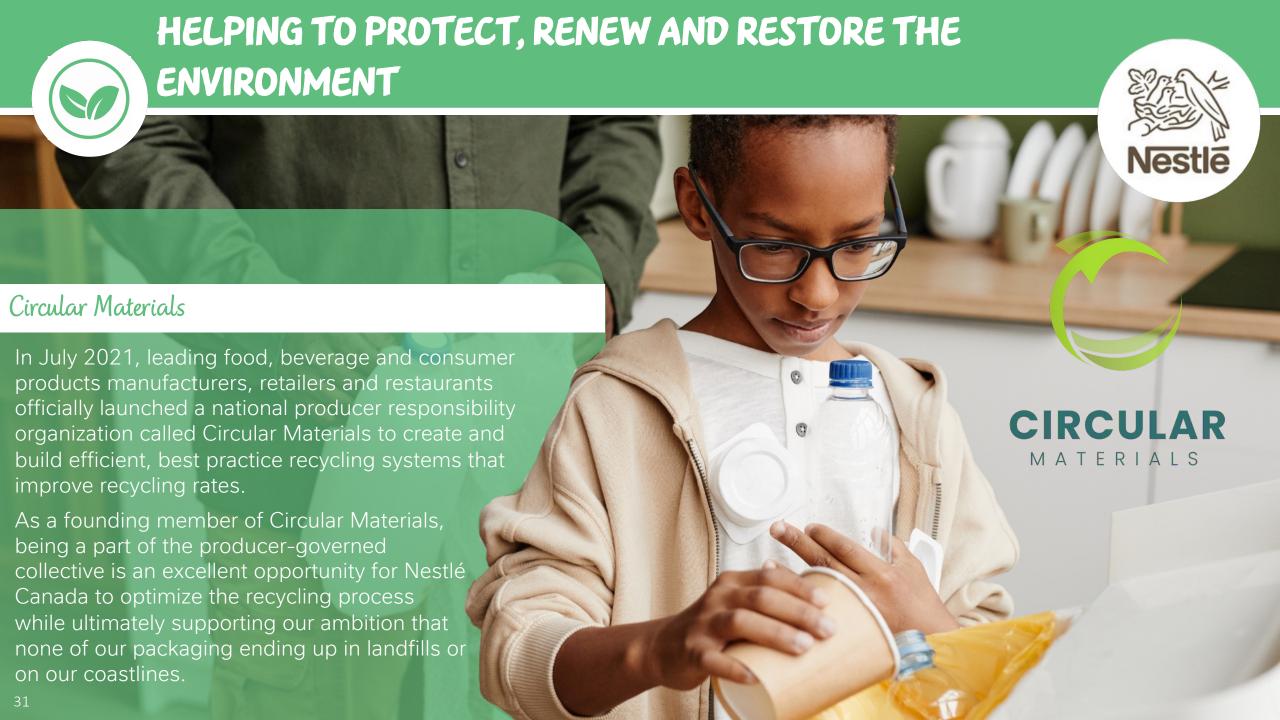




Our packaging evolution

We are one of only 21 Canadian retail and consumer packaged goods companies supporting the Golden Design Rules for Plastics Packaging, the implementation of which is being led by the Canada Plastics Pact (CPP). The rules are intended to drive higher industry standards to improve plastics recycling and reduce landfill and pollution. It provides a clear framework that aims to drive innovation and scalable actions that will result in less plastic packaging overall and easier to recycle plastic packaging by 2025.

As a CPP Partner, we participated in the creation of the Global Design Rules, which acknowledge the importance of plastic packaging for food quality and safety, while encouraging an industry-wide call to make packaging decisions that better support recycling systems.





Commitment from our brands: Nespresso

Nespresso has committed to delivering a fully carbon-neutral cup of coffee by the end of 2022 and is well on its way to achieving this target.

By the end of this year, all Nespresso Original and Vertuo capsules will be made of at least 80% recycled aluminum.

And in April 2022, Nespresso achieved B Corp certification, joining an incredible community of companies committed to doing business in a way that balances purpose with profit. This certification represents 30 years of Nespresso's commitment to sustainability. Nespresso received a certification score of 84 – both an achievement and an inspirational push to do more.



Commitment from our brands: Gerber and Smarties

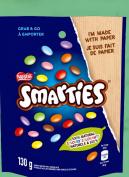
Gerber

In 2021, our Gerber brand launched Gerber® Free Recycling Program with TerraCycle – an easy-to-use program that allows consumers to simply download a free shipping label and ship Gerber® baby food packaging to TerraCycle, where it will be recycled.

Since its launch, over 2,700 pieces of Gerber® packaging have been diverted from landfill.

Smarties

In Canada, our main confectionery product packaging is now made with paper diverting up to 26 tonnes of plastic from Canadian landfills each year. This is a key milestone along our journey to make all our packaging recyclable or reusable by 2025 and to reduce our use of virgin plastics by one third in the same period.







Commitment from our people

As part of our Generation Regeneration vision and promise, we collaborated with the award-winning charity DreamRider Productions in November 2021 to offer employees and their families an opportunity to expand their knowledge and take personal action on important sustainability topics through educational fun and play.

To further raise awareness on areas of environmental change, passionate employees spearheaded an educational campaign called "Healthy Plate, Healthy Planet," focusing on food waste, regenerative agriculture and sustainable diets.

In honour of Earth Month, employees celebrated with monthlong activations, including a panel discussion with expert speakers focused on unlocking the power of food to combat climate change.



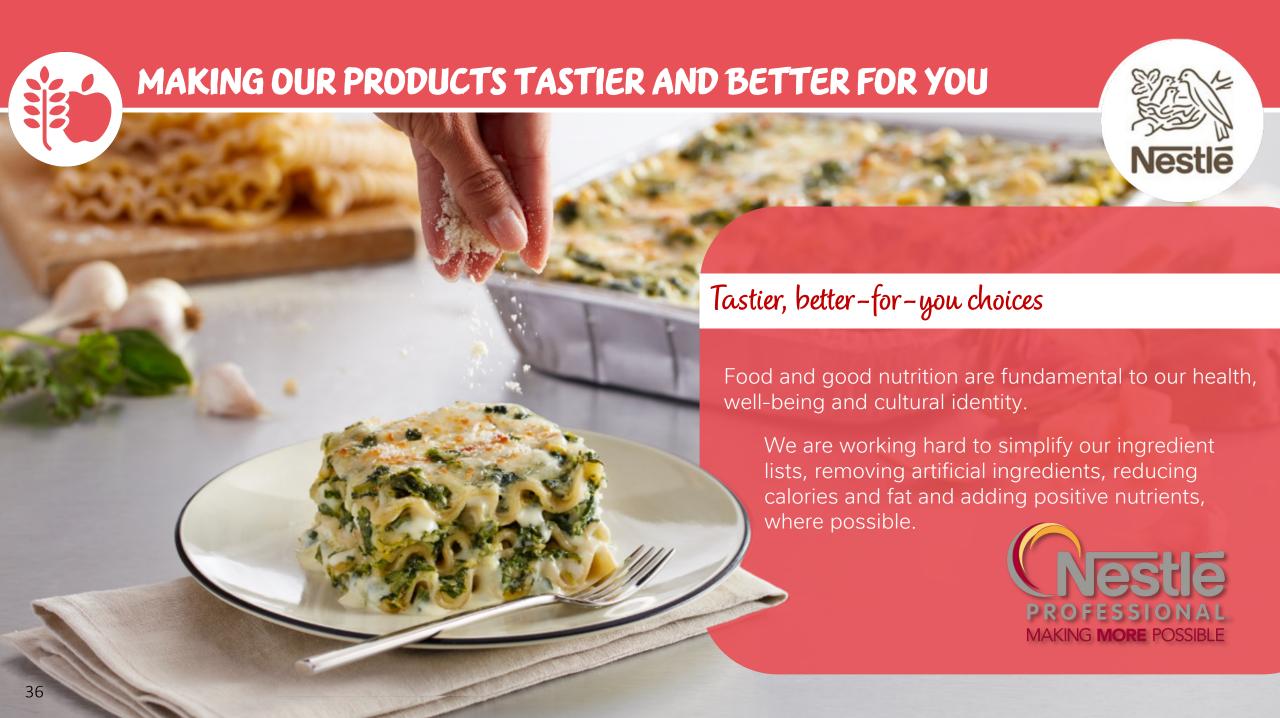


MAKING OUR PRODUCTS
TASTIER AND BETTER FOR
YOU

Enhancing quality of life for Canadians with accessible and nutritious options is our top priority. With an extensive range of food, beverage, confectionery and meal solutions, we aim to offer delicious, safe and affordable products that are good for you.

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MAKING OUR PRODUCTS TASTIER AND BETTER FOR YOU



In Spring 2022, we launched Life Cuisine – the first frozen food product in Canada with an immunity support claim on its packaging.

Each bowl contains vitamins and antioxidants to support your immune system, one cup of vegetables and no artificial colours or flavours.





I'm Non

CARAMEL

Dairy (V)

4 x 120 ml NON-DAIRY FROZEN DESSERT CONES

MAKING OUR PRODUCTS TASTIER AND BETTER FOR YOU



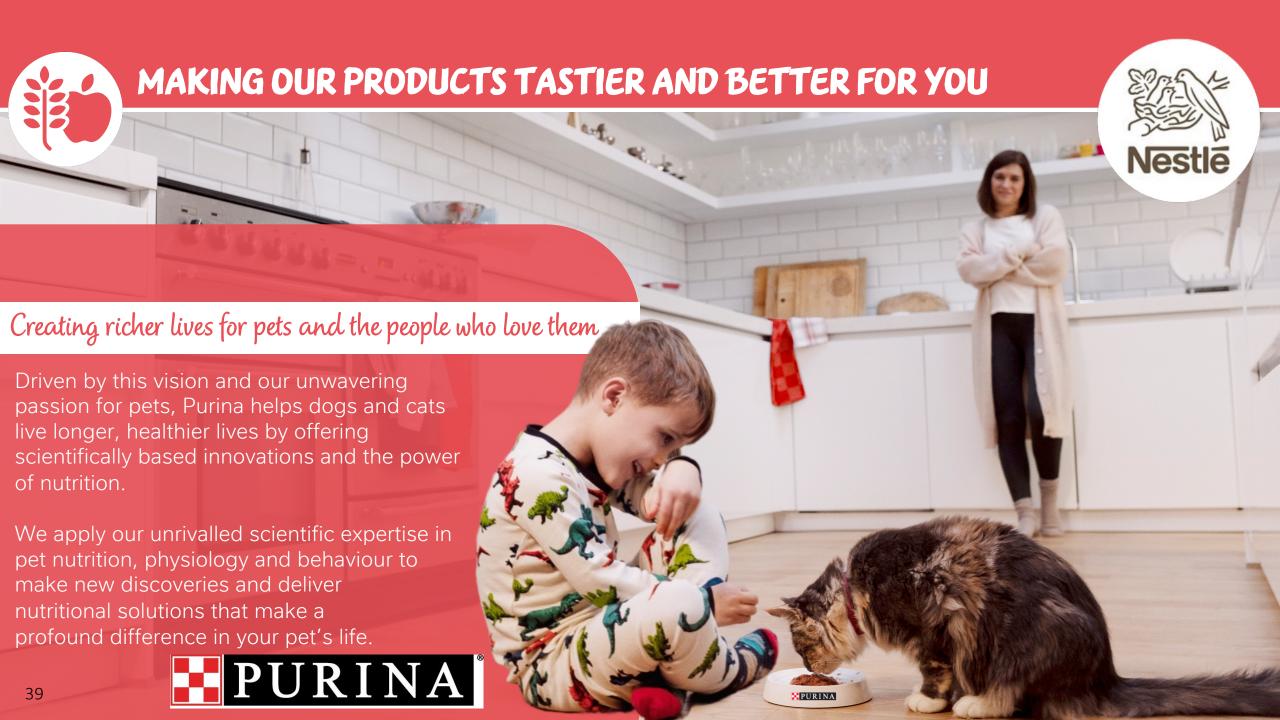


Tasty non-dairy offerings

Some of Canada's favourite brands are now available in non-dairy offerings.

In response to consumer demand, Starbucks and Nestlé introduced two new non-dairy additions to its line-up of already popular Starbucks® Coffee Enhancers to bring the café experience home with a delicious twist.

We also launched two flavours of Drumstick Non-Dairy cones, proudly made in Canada without artificial colours.





MAKING OUR PRODUCTS TASTIER AND BETTER FOR YOU

Continued commitment to responsible communication to children

Globally, Nestlé follows some of the strictest guidelines for how we communicate to children in our marketing practices.

In 2021, we strengthened our Marketing Communication to Children Policy with continued alignment to the International Food and Beverage Alliance, which is responsible for marketing commitments. As part of the Policy, we made changes to ensure that there is no marketing to children below the age of 13.

Also in 2021, Nestlé Canada played a leading role in the development and launch of a new Guide for the Responsible Advertising of Food and Beverage Products to Children. Working with a coalition of the largest advertisers, food and beverage brands and manufacturers, restaurants and retailers in Canada, this is an evolution of the previous Canadian Children's Food and Beverage Advertising Initiative (CAI) industry pledge with now stricter nutrition criteria.









Diversity, Equity & Inclusion (DE&I) Committee

Diversity, Equity and Inclusion have always been key areas of importance for us at Nestlé Canada.

The DE&I Committee now consists of more than 100 employees from across the business. The committee has created a vision for the organization: *To create a Nestlé work environment where every employee in Canada feels that they belong; while championing diversity, equity and inclusion in the CPG industry and communities we serve.*

The DE&I Committee is guided by self-reflection, continuous learning and employee resource groups to drive and promote best-in-class DE&I initiatives across key streams, including Accessibility, Indigenous Communities, Mental Health, LGBTQI2S, Gender, Race & Ethnicity and Marketing.







At Nestlé that means ensuring that we create a work environment where every employee in Canada feels that they belong.

As part of Nestlé Canada's mission to foster open and candid conversations about diverse issues in today's world, the DE&I

Committee incorporated the Courageous Conversations program, including training from leading DE&I experts.

To date, over 300 employees have participated in Courageous Conversations sessions - designed to provide hands-on diversity training, focused on helping individuals have open and honest conversations around issues of discrimination and inequity.













DE&I Survey

In June 2022, Nestlé Canada launched a DE&I Survey to measure and understand perceptions of our organization as an inclusive place to work – a place of fairness and opportunity where every employee feels like they belong.

Nestlé Canada partnered with an independent consulting firm to develop and launch the voluntary and confidential survey, which featured a combination of both quantitative self-identification data and qualitative questions about our DE&I journey.

This is an important step in measuring progress on how we're embedding DE&I across the company, and into policies and practices.





KITKAT Chocolatory x Friends of Ruby partnership

In February 2022, KITKAT Chocolatory announced a two-year partnership with local Toronto 2SLGBTQIA+ organization, Friends of Ruby, in support of the community.

The partnership includes financial support of the Friends of Ruby mental health programs and the release of limited-edition KITKAT bars.

In honour of Chosen Family Day on February 7, the Family We Choose KITKAT Bar was released, which featured special packaging designed by the Friends of Ruby team. All proceeds from every sale were donated to Friends of Ruby.



During Pride month, KITKAT and Friends of Ruby encouraged Canadians to celebrate equality, visibility, and the freedom to be authentic. Throughout June, KITKAT Chocolatory offered limited-edition PRIDE Bars, with all proceeds donated to Friends of Ruby to further fund mental health programming for 2SLGBTQIA+ youth.

