



NIELSEN-MASSEY

FINE VANILLAS & FLAVORS

PARTNERSHIP & PURPOSE



Nielsen-Massey Vanillas
2019 – 2020 Sustainability & Corporate Impact

1 Introduction

- What We've Been Up To

2 Who We Are

- Our Company Values

3 What We're Doing

- Sustainable Development Goals
- Supporting the Nielsen-Massey Team
- Sustainability Initiatives in Sourcing Countries
- Climate Action Plan
- Corporate Giving

4 Conclusion

1 Welcome

What We've Been Up To

As we round the corner following a period of unprecedented challenge, we join our industry and our communities in eagerly looking to the brighter days ahead. This report would not be complete without acknowledging the extraordinary work of the Nielsen-Massey team in protecting the health and safety of our employees and honoring our customer commitments throughout the COVID crisis. To every team member and industry partner, we extend our gratitude and respect.

Today, we stand ready to expand our focus beyond today's success, looking to the future and asking, "how can we do more?" More for the communities where we do business, more for the stakeholders who place their trust in our expertise, and more for the environment upon which our entire industry depends.

Today, more than ever, we know that for any organization, sustainable health and prosperity for all demands a long view, a global perspective and a will to innovate. This report summarizes our accomplishments to date, and lays the groundwork for what's to come. Thank you for your interest in this important work.



Sincerely,
Craig Nielsen
Vice President of Sustainability

2 Who We Are

Our Company Values

Our values statement codifies the ethical stance that informs every aspect of our business practices.

As a company, Nielsen-Massey pledges to remain committed to honesty and integrity, as well as openness and respect for the rights and interests of its employees. We are committed to maintaining working environments where there is mutual trust and respect, and where everyone feels responsible for the performance and reputation of the company. Nielsen-Massey will recruit, employ and promote employees on the basis of merit, qualifications and abilities needed to perform the work duties. Discrimination is forbidden on the grounds of race, color, creed, religion, sex, national origin, disability, age, genetic information, gender identity/expression, sexual orientation, marital and family status, military status or any other characteristic protected by law. We will not use any form of child, forced or compulsory labor. We will provide a safe, healthy and sanitary working environment for our employees. Finally, we will conduct our business in accordance with local, state and federal laws, and will ensure that the environmental impact of our operations is in line with governmental regulations.

Nielsen-Massey will similarly not discriminate against potential or current customers based on any of the characteristics listed above. While we do our very best to remain knowledgeable about our customers, should we find out that any of our customers are engaged in unethical business practices (including, but not limited to, illegal employment discrimination; child, forced, or compulsory labor; unsafe work environments for their employees; or conducting illegal business practices), then we will immediately review the customer relationship and make an appropriate decision.

Our Supplier Pledge

Key to our success is the ability to source high-quality ingredients from trusted suppliers. To ensure that suppliers conduct business with a shared level of integrity, we require them to sign a Supplier Code of Conduct in which they pledge the following:

- ◆ Our company will comply with local government regulations, including but not limited to laws that govern freedom of association and collective bargaining; discrimination; wages and benefits; work hours and overtime; worker health and safety; environment; and fraudulent practices.

- ◆ Our company will not use any form of child, forced, bonded or compulsory labor.
- ◆ Our company will not subject workers to physical, verbal, sexual or psychological abuse or harassment.
- ◆ Our company will not engage in bribery with elected officials.
- ◆ Our company will not knowingly participate in the destruction of protected natural areas and/or wildlife habitats.
- ◆ Our company will not use our operations to shield any kind of illegal activities, including but not limited to the illegal trade of wildlife, plants, lumber, gemstones or other commodities; human trafficking; and the sale of illegal substances.
- ◆ If sourcing from a sub-supplier or contract manufacturer, our company will ensure that the supplier adheres to the above rules.

Requiring suppliers to adhere to best business practices helps Nielsen-Massey produce the world's highest quality vanilla extracts and flavor products. If we were to discover any company in our supply chain engaging in illegal activities, such as the ones outlined above, we would immediately investigate, and if appropriate, terminate that relationship.

Our Commitment: People, Planet, Place

We shape our sustainability commitments around three pillars, each essential to our company's success:



PEOPLE:

The Nielsen-Massey team members whose hard work, talent, commitment and perseverance are the foundation of all we do



PLANET:

Our global neighbors and the environment from which we source our vanilla, and to which we owe our stewardship



PLACE:

The immediate local community that Nielsen-Massey headquarters calls home

3 What We're Doing

Our sustainability commitment is informed by the United Nations Sustainable Development Goals (UN SDG), with a focus on the specific SDGs where we are poised to make the greatest impact.

United Nations Sustainable Development Goals



Sustainable Vanilla Initiative (SVI) Involvement

In 2016, Nielsen-Massey became a founding member of the Sustainable Vanilla Initiative (SVI), an industry-wide effort to support the long-term health of the vanilla industry, chiefly in Madagascar and Uganda. We've been deeply involved in SVI projects since the beginning, and our VP of Sustainability, Craig Nielsen, is a member of its steering committee, the Uganda Group and Traceability Group. Emily Silman, Manager of Sustainability Programs & Market Analysis, is on the committees of Child Labor, Communications, Forests & Climate and Traceability.

Our work with SVI in Madagascar has focused on supporting the vanilla sector's governance and collaborating on a project with the International Labor Organization to prevent the use of child labor. We also work closely with other SVI members to advance traceability, communications, farmer livelihood and environmental protections. For more information on SVI, visit www.sustainablevanilla.org.



Previously Established Goals

In 2018, we established three goals to guide our sustainability initiatives, centering on the life and livelihood of our partners in vanilla-growing regions. In 2019 we added a fourth goal focused on reducing the environmental impact of our operations.

Our four specific goals translate to concrete project areas that align with the six UN Sustainable Development Goals identified as most relevant to our operations.



2019-2020 Report: People

Supporting our Nielsen-Massey Team

As a family-owned business, we extend the spirit of family to every member of the Nielsen-Massey team — and this year that sentiment has meant more than ever.

Like every company, Nielsen-Massey faced unprecedented workplace challenges during the COVID-19 pandemic. In our case, this meant rapidly adjusting our manufacturing and shipping processes and providing PPE to ensure the health and safety of our employees. We also facilitated a swift shift to working at home for our office-based team.

In a year when many companies were forced to make staffing cuts, we're proud to report that no one at Nielsen-Massey was laid off as a result of the pandemic. In fact, we created several new jobs in 2020, officially welcoming six new team members to our warehouse and production facility.

In addition to the special measures outlined above, we've maintained the same commitment to workplace excellence that has always been part of our family-owned

business culture. We're proud to offer quality, good-paying jobs to residents of northern Illinois and southern Wisconsin, and even prouder that team members have stayed with our company for many years. We earn this loyalty every day with benefits ranging from 401K matching to seasonal performance-based bonuses to beloved culture-building activities — like our annual Cubs baseball outing — which we look forward to reinstituting as soon as public health guidelines allow.

IMPACT STARTS AT HOME



Maria Gomez – Warehouse Associate



Jahaziel "Jazi" Mancilla – Gallon Production Lead



Juan Gonzalez– Shipping and Production Expeditor

2019-2020 Report: Planet

Supporting Our Global Neighbors

When it comes to honoring our planet through sustainable business practices, our first priority is supporting our global neighbors in vanilla-growing regions.

In 2019, we committed to three sustainability projects with vanilla suppliers in Madagascar. We have successfully completed two of these projects. Unfortunately, COVID-19 travel restrictions have forced a delay on the third.

VILLAGE OF ANDRANOVATO

Goal: Clean Water Access

How: Build a new well and latrines for the village, which is home to 55 vanilla farmers of the Lavarondra cooperative.

Status: Completed August 2019

- ◆ New covered well replaced a previous open well used by 575 village residents
- ◆ New sanitary latrines provided for primary school students



In August 2019, Nielsen-Massey completed a clean water access project, providing 575 residents in Andranovato with cleaner water and sanitary latrine facilities.

Impact: As a result of cleaner water, Andranovato residents have reported fewer instances of gastrointestinal illness. School children have been using the latrines and a curriculum on hygiene has been incorporated into local school programming.

**STATUS:
ACHIEVED**



**PROVIDED ACCESS
TO CLEAN WATER**

**575
PEOPLE**

VILLAGE OF AMBOHITSARA

Goal: Educational Access for Farmers' Children

How: Fund construction of new primary school for the village of Ambohitsara, which is home to 42 vanilla farmers of the Manampy farmer cooperative

Status: Completed October 2019

A new, solidly built school has replaced the old building which was too small, and had been heavily damaged by cyclones.

Impact: Constructed of concrete and sturdy timber to withstand storms, the new building is large enough for all 82 students in the community. The school construction includes latrines and a rainwater catchment system to encourage proper hygiene and sanitation. Residents, including vanilla farmers, have reported being extremely pleased to have a better learning environment for their children.

**STATUS:
ACHIEVED**



IMPROVED ACCESS
TO EDUCATION

**82
STUDENTS**



Our Educational Access program in the village of Ambohitsara was completed in October 2019. The program updated a school building that had been badly damaged by cyclones. Pictured above, the new building includes more spaces for the students, latrines, and a rainwater catchment system.

VILLAGE OF AMPOHIBE

Goal: Clean Water Access

How: Partially fund construction of a water system in the village of Ampohibe, which is home to 49 vanilla farmers of the Malaza Vanille Ampohibe cooperative. The system will consist of a centrally located, solar-powered main water point that feeds clean water to ten access points throughout the village.

**STATUS:
IN PROGRESS**



**WILL PROVIDE ACCESS
TO CLEAN WATER**

**3,300
PEOPLE**



The final stage of building a new water tower is in progress in the village of Ampohibe. The new water tower will provide clean water access to 3,300 village residents and replaces several unclean wells currently in use.

Status: The main water tower was completed in early 2019, and the project was scheduled to conclude in spring 2020. However, the final construction elements and villager training have been postponed due to the COVID-19 pandemic. We are waiting on solar panel installation and are actively working with our supplier partner to ensure a return to the project as soon as public health safety requirements allow.

Projected Impact: Water will be distributed to villagers via 12 access points, giving them quick access to clean water at the local the school, medical center and other key parts of the village.

CREATING A CLIMATE ACTION PLAN

Climate change is no longer something the world can ignore. As leaders in the vanilla industry, we have an especially clear view to this urgency. Approximately 80% of our key raw inputs (vanilla beans) come from northeast Madagascar, an area that is highly susceptible to climate change-related weather events such as cyclones and intense storms. We know that protecting this environment, as well as the health and safety of the farmers who grow our vanilla, depends on mitigating climate change.

As a first step, we dove deep into our own data to determine the areas where we can make the greatest positive impact. From there, we developed a Climate Action Plan, outlined below.

Emissions Breakdown

2019 marked our first effort to calculate our greenhouse gas emissions, assessing our breakdown by scope.

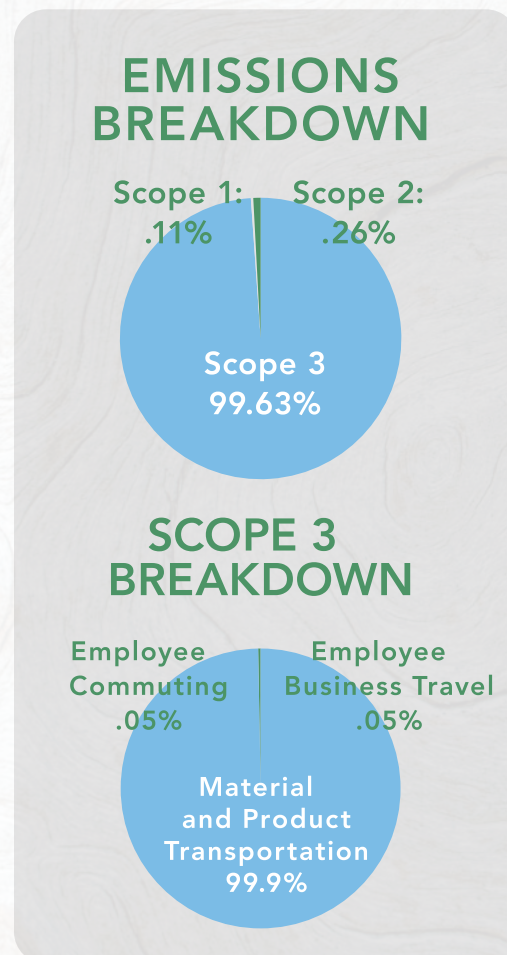
Scope 1: Emissions produced by us directly at our facility

Scope 2: Emissions produced by the production of electricity that we purchase

Scope 3: Emissions produced by company activities, such as importing raw materials, shipping our finished products and employee commuting and travel

A further assessment of Scope 3 specifically provided an even clearer view:

- ◆ Employee business travel: 0.05%
- ◆ Employee commuting: 0.05%
- ◆ Transportation of raw materials and products to/from our facility: 99.9%



The vast majority of our emissions are produced in the transportation of goods – either inbound transportation of ingredients and supplies, or outbound transportation of finished goods to customers.

Since product transportation is an essential part of our business, we know we can't simply cut it out. Instead, we are exploring innovative ways to reduce our emissions; a process that includes learning from peer companies operating in the same space, and collaborating with trusted partners.

OUR 2021 CLIMATE COMMITMENTS

Review Scope 1 and 2 emissions to identify how we can reduce these emissions 20% by 2023

As one example, we will explore options to power our facility with renewable energy. These may include on-site installation of renewable energy infrastructure, or purchasing renewable energy via our utility provider.

Review Scope 3 emissions to identify how we can reduce them 25% by 2024

For instance, we will reassess the feasibility of importing vanilla beans via ocean freight instead of by air. Air freight has been the preferred shipping method for vanilla exporters in recent years due to the soaring cost of vanilla beans, meaning they were deemed too valuable to risk container shipment. However, our calculations illustrate that we may need to consider reassessing this value equation with sustainability as a key variable.

Establish a reforestation and agroforestry program with vanilla farmers.

Vanilla is an agroforestry crop that requires partially forested land to grow, but Madagascar overall is suffering from significant deforestation due to logging and clear-cutting for rice growing. In 2020, we signed our commitment to the Climate Collaborative to partner with vanilla suppliers and local NGOs to promote tree planting within vanilla farms. This initiative carries many potential benefits including providing vanilla farmers with additional crops to sell or consume, and protecting vanilla vines from strong cyclone winds.

This initiative aligns multiple co-benefits that support the environment, vanilla farmers and the vanilla industry as a whole.

- ◆ Increased forestation for carbon capture
- ◆ Increased climate resiliency for vanilla farmers
- ◆ Livelihood improvement for vanilla farmers
- ◆ Supply preservation for the vanilla industry



2019-2020 Report: Place

Nielsen-Massey has always maintained a strong connection to its local community. We care deeply about our Chicagoland neighbors, and consider our local commitments a key pillar of our sustainability strategy.

While we recognize there are many important issues facing our communities today, we've chosen to focus on four areas to concentrate our impact:

- ◆ Education
- ◆ At-Risk Children & Youth
- ◆ Military and Veterans Organizations
- ◆ Environmental Protection

In 2019, we made financial contributions to 16 local organizations aligned with our community focus areas. We also organized many employee volunteer events and were proud to contribute more than 125 volunteer hours, with 60% employee participation.

As public health restrictions ease, we are excited to resume our volunteer activities, with the goal of 100% employee participation in 2021.

2019 LOCAL FINANCIAL CONTRIBUTIONS

Beacon Place 10.95%	Mothers Trust 6.07%	Roberti Community House 16.20%
Boys & Girls Club of Lake County 10.12%	Nicasa 0.21%	Roberti Culinary Pathway 2.43%
Inspiration Corporation 4.05%	Northern IL Food Bank 16.41%	Safe Place 5.06%
Inspiration Cafe 1.36%	Preservation Foundation of the Lake County Forest Preserves 12.15%	Willow House 0.21%
Kenosha Public Library 1.01%	Purple Asparagus 0.21%	Youthbuild USA - Lake County 10.12%
Midwest Veterans Closet 3.44%		



Matt Nielsen, Laura Fisher, Jahaziel "Jazi" Mancilla and Juan Gonzalez serving lunch at the Boys & Girls Club of Lake County, 2019



We worked with local organization Roberti Culinary Pathway to cater traditional Malagasy food in celebration of "Vingt-Six," Madagascar's Independence Day, in 2019

2019 LOCAL VOLUNTEER ACTIVITIES

◆ C-CAP, Careers through Culinary Arts Program:

Provided product donations to all instructors and schools in a program providing culinary arts training to underserved youth

◆ Catholic Charities Giving Tree:

Employees donated gifts for at-risk youth

◆ Midwest Veterans Closet:

Employees participated in a volunteer event, distributing coats and food to veterans and active military personnel

◆ Preservation Foundation of the Lake County Forest Preserves:

Employees volunteered at the Green Belt Forest Preserve, helping to maintain and conserve the land

◆ Safe Place:

Employees volunteered to produce gift bags for a shelter

In 2020, our charitable giving program was dramatically reduced due to budget constraints. However, we were able to continue our C-CAP contributions at the same level as 2019.

For safety, the company did not organize any live volunteer events in 2020. We did coordinate an internal employee initiative to support Catholic Charities with holiday gifts for children.

4

Conclusion

Thank you for your interest in Nielsen-Massey and our company's commitment to sustainability and corporate responsibility. This report sets the stage for a new era of sustainability initiatives supporting the long-term well-being and prosperity of the People, Planet and Place affected by every facet of our business.

We extend our gratitude to all who have contributed to the stability of Nielsen-Massey in the past year, and look forward to reporting on our sustainability achievements in the year to come.