



NIELSEN · MASSEY[®]
FINE VANILLAS & FLAVORS

SUSTAINABILITY & CORPORATE IMPACT REPORT 2021 ~ 2022

1

WELCOME



2

WHO WE ARE

OUR COMPANY VALUES
OUR SUPPLIER PLEDGE
OUR COMMITMENT



3

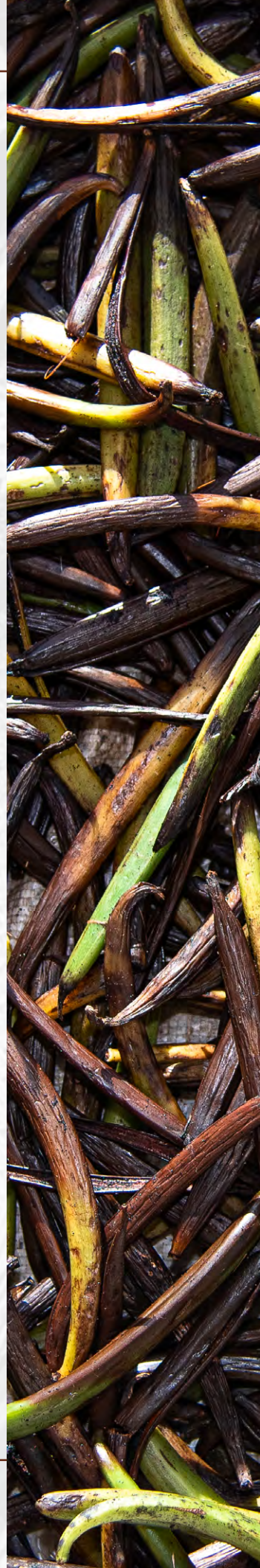
WHAT WE ARE DOING

PEOPLE | PLANET | PLACE



4

CONCLUSION



1

WELCOME



Welcome to our third Sustainability and Corporate Impact report. Whether you're reading this as a customer, a supplier, or just a vanilla enthusiast, we hope you find this report to be useful and inspiring. We're pleased to once again be sharing an update on our commitments and impact as we work to bring positive benefit to our community — both locally and globally — through our operations. You'll note that the cadence of this report has changed and now covers the time period of September 2021 to September 2022. Inspired by the typical vanilla crop cycle calendar, this will be the timetable we'll be following for future reports going forward.

2022 marked the 115-year anniversary of Nielsen-Massey's® founding, and though the company and products may look a bit different than they did back in 1907, our commitment to producing the finest quality vanilla and flavors hasn't changed. During the past few years, the global pandemic brought many changes to the way we do business, and like other companies we've been nimble in adapting our practices in response to the challenge. And, while COVID-19 restrictions began to be lifted during the year, we were faced with new challenges in the form of supply chain disruptions and rising inflation.

During this period, however, we were pleased that our leadership was once again able to resume important sales and marketing activities such as participating at key trade shows and visiting vanilla suppliers. Employees who had been working remotely for many months were finally able to return to the office and reconnect with their colleagues and managers. Although we anticipate the world will continue to face new strains of COVID or other emerging threats, we're incredibly grateful for the scientific advancements that have allowed us to regain something we may have taken for granted before in both life and business: a return to more face-to-face collaboration and human connection.

Sincerely,

Craig Nielsen

Craig Nielsen

VP of Sustainability
sustainability@nielsenmassey.com



2

WHO WE ARE

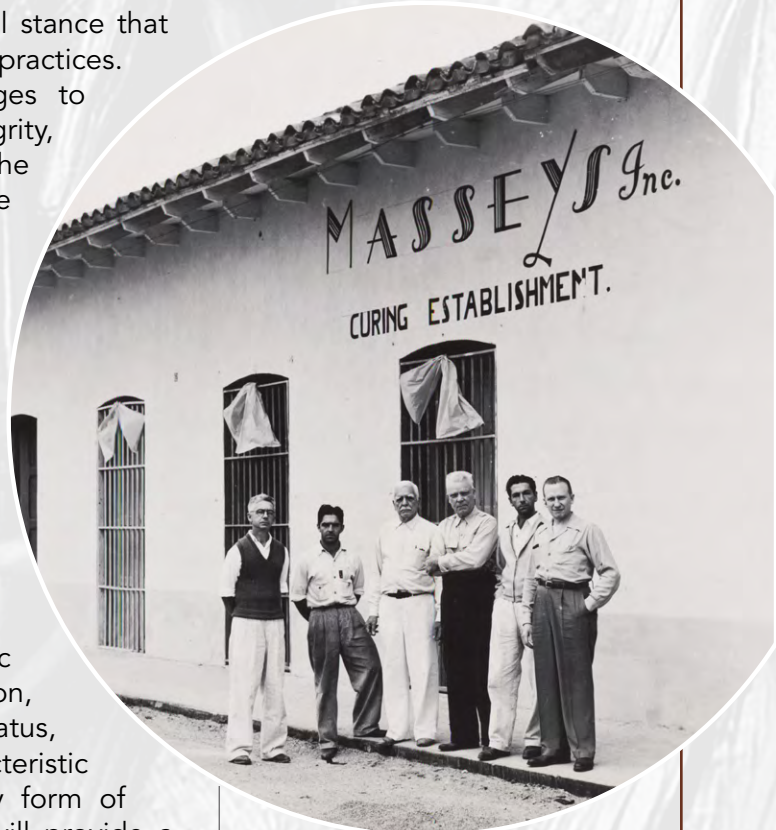


OUR COMPANY VALUES

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 other illegal actions), we will then immediately review the customer relationship and make an appropriate decision.



Curing facility in Mexico circa 1950's – C.J. Nielsen Sr., grandfather of the current Nielsen family owners, is on the far right

WHO WE ARE



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.



2

WHO WE ARE OUR COMMITMENT

We shape our sustainability and impact 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

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Adaptation & Evolution

March 2022 marked the two-year anniversary of our shift to a new hybrid model of work, where front office employees worked remotely in order to minimize contact, and manufacturing employees worked in our facility under careful safety protocols. Whereas we once were a company with 100% of employees working on-site, now all of our front office employees work on either a fully remote or hybrid basis. This wasn't something we anticipated happening when the pandemic first began, but it's an illustration of how we've evolved as a company.

Our return-to-office plans kept shifting throughout 2020-2022 as our leadership followed health data and determined the best course of action, and finally in summer 2022, we polled our remote employees to ask them which working setup they preferred. The majority said they'd like to stay working remotely, so taking this employee feedback into account, we made remote work permanent for those who requested it. Employees who wanted to come back into the office were allowed to do so, and we shifted our previous office setup to accommodate people coming in on an ad-hoc basis. We realized that giving employees flexibility enables them to perform at their best. And to better support team members who keep our manufacturing operations going, we are now providing a free catered lunch every day to on-site employees.

We're proud of how successfully our employees have adapted to this new style of working, and gratified that even despite the changes, our company was recognized for the second year in 2022 as a Great Place To Work®.



3

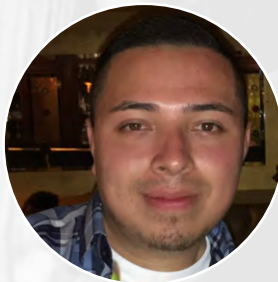
WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Recognition & Advancement

Although shifting to a new style of working as a result of the COVID-19 pandemic brought about challenges, it also gave some of our most talented employees a greater opportunity to shine. We wouldn't be making the products you know and love without our skillful team members, and we're committed to rewarding our employees for the hard work that they do. Over the 2021-2022 period, we were able to offer a number of promotions, with nearly 100% of them going to women and people of color.



Jesus A., Juan G., and Jazi M.
were all promoted to team captain.



Nicole M.
was promoted to Technical
Informational Specialist



Kim T.
was promoted to Global
Director of IT

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

We also inaugurated a new annual awards ceremony, held in January each year, where we recognize employees for their contributions to the company's success. Awards include cash prizes, recognition on our social media, and gift certificates. The award categories are:

Golden Vanilla Bean:

most prestigious award for leadership and biggest impact on the business reaching its goals
Congratulations to Duke, Catherine, and Ted!



Vanilla Harvest:

outstanding performance by a team
Congratulations to Jenny, Catherine, and Carrie!



Vanilla Victory:

demonstrates exceptional effort in initiative and creativity
Congratulations to Juan!



Finally, as previously mentioned, Nielsen-Massey® was recognized for the second consecutive year as a Great Place to Work®. We have been utilizing the feedback from this to help us continue to improve, and we are incredibly pleased to learn from our employees that they value Nielsen-Massey® as an employer.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Benefits & Activities

One of the most difficult aspects of being kept apart from teammates during the pandemic was the inability to gather for employee events. But in 2022, we were thrilled to finally be able to bring employees together! It was inspiring to see the joy on colleagues' faces as they greeted one another after years of strictly virtual interactions, and it made it clear how important it is to see your team members in person, even if just occasionally.



After a three-year hiatus, we joyfully re-started our beloved annual Chicago Cubs baseball game outing on July 1, 2022. Employees and their families enjoyed the game over food and drinks in the Fannie Mae Bleacher Sweet at Wrigley Field.

We organized two teambuilding events for different teams in fall 2022, bringing remote employees to our Waukegan office for creative activities, challenges, and togetherness.



And finally, our very aptly named employee "Fun Committee" organized virtual contests and get-togethers to keep spirits and engagement high for both on-site and remote employees.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Focus Areas

In our sustainability work both at our facility and around the globe, we remain committed to the six United Nations Sustainable Development Goals (SDGs) that we centered on several years ago:



We also remain committed to the four previously established project categories that help guide how we make sustainability investments:



Read on for the progress we've made towards these four focus areas.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Improve Farmer Livelihoods

In 2022, we signed a partnership with Catholic Relief Services (CRS) Madagascar to join their existing SPICES (Securing and Protecting Investments and Capacities for Environmental Sustainability) program, which brings agroforestry support to cash crop farmers in the form of training and access to tree seedlings. We are particularly excited about this partnership since this is our first opportunity to conduct a project that works towards the “Improve Farmer Livelihoods” goal. And, we appreciate having a partner in CRS, which has been a trusted NGO working in Madagascar for many years.

Previously the SPICES program was only in the Diana and Vatovavy-Fitovinany regions, but with Nielsen-Massey’s® support, they are expanding to the Analanjirofo region, where we’ll be working with vanilla farmers from the villages of Imorona and Manambolosy. We have already been buying vanilla from these villages through one of our supplier partners, and we’re pleased to have the opportunity to better support these farmers.

The SPICES project takes a “landscape approach” to growing vanilla and other cash crops like coffee and cinnamon, with the idea that monoculture (i.e., growing just one crop) isn’t as productive as growing multiple crops in an integrated system that’s designed to work in harmony. For example, vanilla needs partial shade to grow, so we’re researching beneficial trees that will provide this necessary shade while also giving farmers other crops to either sell or keep for home consumption. The goal is to help farmers make the best use of their existing plots of land to improve their food and income security.

As of fall 2022, the tree nurseries were in the process of getting set up, and we are looking forward to seeing their progress on our next visit.



The Nielsen-Massey® team in Imorona with local partners and the staff of their curing and processing facility

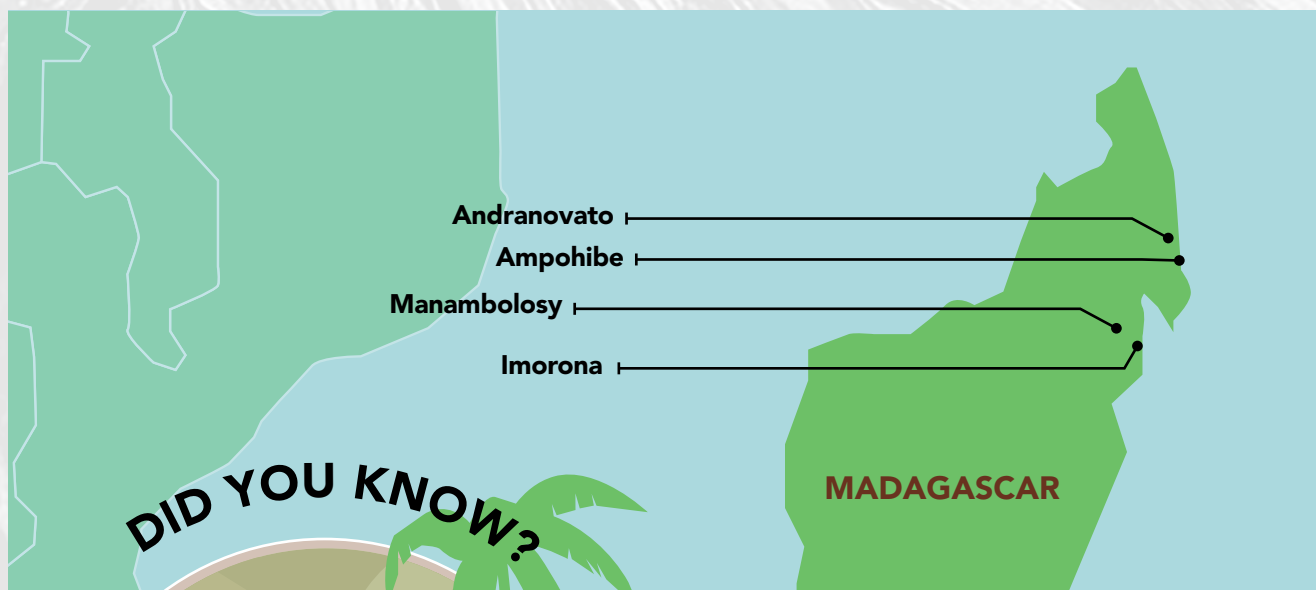
WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Improve Farmer Livelihoods *(continued)*



DID YOU KNOW?

VANILLA IS AN AGROFORESTRY CROP AND REQUIRES PARTIAL SHADE TO GROW.

Therefore, it must be planted amongst trees so it doesn't get scorched by the sun. Additionally, since it's a vine, it requires a tutor tree to grow on for support. This means it's a great plant to incorporate into a landscape farming system where multiple crops are grown at once.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Nielsen-Massey® CEO Jonathan Thompson inspecting vanilla at the Imorona facility

These farmers from Imorona supply vanilla to Nielsen-Massey® through one of our local partners, and as part of our sustainability work, we provided them high quality raincoats to help them weather the rainy season. The farmer cooperative requested these specifically, since they often need to sleep in their fields during rainy season in order to protect their crop from thieves



Ugandan VINES project with SVI

The VINES Project, implemented by CRS Uganda, is a five-year project that will make Uganda the world's next leading supplier of high-quality vanilla. VINES will leverage the expertise of CRS and its partners to enhance the production of safe, pure vanilla and develop sustainable market links with US vanilla companies.

The project is administered by USDA and CRS (Catholic Relief Services). The Sustainable Vanilla Initiative is involved along with VANEX and the Ugandan exporters association and it is designed to strengthen the whole vanilla process from planting to curing to storage and marketing to provide a sustainable market for Ugandan vanilla farmers.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Providing Access to Clean Water in Ampohibe and Andranovato

We are thrilled to announce the completion of a clean water project that we supported in the village of Ampohibe, where we purchase vanilla through one of our supplier partners. Although this project started in 2019, it was delayed for several years due to the pandemic, since it wasn't possible to get the necessary materials and staff to the site. However, in August 2022 the project was finally completed, and now the 3,300 residents of Ampohibe have access to clean water through a network of 11 access points throughout the village. The water is pumped through a central water tower that's powered by on-site solar panels, meaning the villagers never need to worry about a power cut impacting their system. Whereas before the residents only had two wells to use throughout the town, they now have 11 water access points in convenient locations, including specially designed stations for washing laundry. Although the project delay was painful, we're thrilled that the residents of Ampohibe at last have clean, safe, and reliable water access, and we're proud to have been a supporter of the project.



*Vanilla farmers and residents of Ampohibe pose with NMV team members in front of the new water tower
Photo credit: Riccardo Morrelas*



Mr. Jean de Dieu Raveloarison, the mayor of Ampohibe, demonstrating how well the new water access points work

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Additionally, we also supported a second well in the village of Andranovato, where we purchase Fairtrade and Organic vanilla through one of our supplier partners. We had already sponsored the construction of a new well for the town in 2019, but due to the town's spread-out landscape, the well was too far away from the school. Now, the village of 575 people has two wells, including one strategically located right next to the primary school. We previously supported the construction of latrines next to the school, and we're happy that the children now have even better access to hygiene infrastructure that will keep them healthy.



Pictured from left to right (back row) are the Nielsen-Massey® team: Jonathan Thompson, CEO; Craig Nielsen; VP of Sustainability; Branin Lane; VP Innovation, Quality, and Compliance; Emily Silman, Manager of Sustainability Programs. In the front row are Mr. Constant, president of the farmers' association in Andranovato, and Naomi Rasolofonirina, owner of our supplier partner Pure Vanilla



Nielsen-Massey® CEO Jonathan Thompson testing out one of the new wells in Andranovato

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Improve Access to Education for Farmers' Children

Also in Andranovato, we continued to support the local primary school through the furnishing of new school desks, learning materials, and school supplies for the students. The school now has a robust library, the majority of which are in the local indigenous language of Malagasy, and adequate seating for the students. We realize that supporting education means more than just building physical structures, and thanks to our valued relationship with our supplier partner who works here, we're able to continually learn what's most needed through dialogue with farmers and residents.

Mr. Arlin, head teacher of the EPP Andranovato (primary school), with his young son



Some of the school desks and educational materials we've helped provide in partnership with our supplier partner



WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Reduce the Environmental Impact of Our Operations

We recognize that part of being a responsible business is to regularly examine our own operations, and in recent years we have focused on reducing our environmental impact. In our last report we showcased our first-ever greenhouse gas (GHG) emissions calculation and outlined our new climate commitments. Read on for our updated 2021-2022 emissions calculation, and for updates on our progress towards our climate commitments.

	Scope 1:	Scope 2:	Scope 3:
Definition:	Emissions produced by us directly at our facility	Emissions produced by the production of electricity that we purchase	Emissions produced by company activities, such as importing raw materials, shipping our finished products and employee commuting and travel
Emissions Breakdown:	0.1%	0.25%	99.65%

As you can see, the majority of our emissions still come from Scope 3; specifically the transportation of materials and finished goods. See below for how we're trying to address these different emissions types.

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE



Climate Commitments:

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

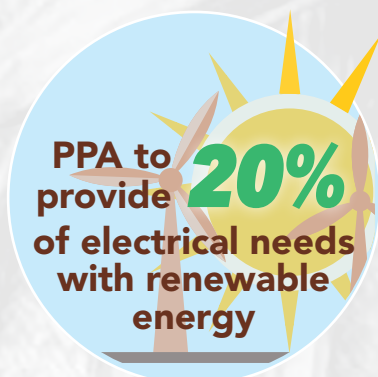
- Progress: starting in 2023, we're signing on to a power purchase agreement (PPA) with our electrical supplier to provide 20% of electrical needs with renewable energy. We have also begun evaluating the feasibility of installing rooftop solar panels at our Waukegan facility, and we're hoping to initiate that in the next few years.

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

- Progress: Scope 3 emissions have been the thorniest emissions source for us to tackle because they are the result of the very nature of our business: shipping out products to our customers and bringing in the raw materials needed to make them. Additionally, since our core products are liquid, they are therefore very heavy to ship. While we've seen a small reduction in employee commuting emissions from many of our employees now working from home, the reality is that those particular emissions have always been a very minimal part of our overall Scope 3 impact. In 2023 we plan to focus on creating a specific Scope 3 product transport plan so that we can meet our commitment.

Establish a reforestation and agroforestry program with vanilla farmers

- Progress: we've begun working with CRS on an agroforestry initiative with vanilla farmers in Madagascar (see previous section for more details). This initiative will bring the dual benefit of helping farmers improve their livelihoods while also establishing additional tree plantings.



WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Sustainable Vanilla Initiative Involvement

During 2021 and 2022 we continued our deep involvement with the Sustainable Vanilla Initiative (SVI) and were pleased to participate in-person at its June 2022 general assembly. Craig Nielsen continues to serve as a member of the steering committee, and our sustainability team remains involved in working groups surrounding Forest & Climate, Prevention of Child Labor, and Living Income & Livelihoods. Sustainability Manager Emily Silman was able to participate in the design of a new SVI member forestry project during her visit to Madagascar, which we are hoping will help magnify the impact of individual company forestry projects like our own.



VP of Sustainability Craig Nielsen
presenting at the SVI general assembly in
June 2022



Manager of Sustainability Programs Emily
Silman in Antananarivo, Madagascar with
Fafah Vonintsoa of SVI

3

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Supplier and Farmer Visits

Following a three-year hiatus due to pandemic-related travel restrictions, our leadership and sustainability team visited two of our sourcing countries in September 2022: Madagascar and Comoros. It was the first visit to Comoros for the entire team, and for our CEO Jonathan Thompson, CFO Scott Mills, and Board Member Philip Block, it was their first visit to a vanilla sourcing region. Although much can be accomplished in the business world over virtual meetings, this trip underscored that there's really no replacement for face-to-face meetings where participants can experience things in real life. It was incredibly valuable for us to be able to visit the sustainability projects mentioned above. We're grateful to our suppliers and partners for welcoming us back after so long.



The NMV team in Antalaha, Madagascar during their September 2022 trip to visit suppliers



Craig Nielsen and Branin Lane inspecting beans in Comoros



Craig Nielsen and Branin Lane with children in the vanilla growing village of Andranofotsy, Madagascar

3

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Our commitment to making an impact on our local Chicagoland and Southeast Wisconsin community has only grown stronger in the years since the pandemic began. During 2021-2022 we continued fulfilling our charitable giving commitments, with donations advised by the employee-run Charitable Contributions Committee. Although health concerns meant that we weren't yet able to restart employee volunteer activities, we're hoping to do so in 2023.

As in previous years, our four chosen focus areas for giving are the following:

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

Within those focus areas, during the years 2021 and 2022 we donated to the following organizations and initiatives:

A Safe Place – Zion, IL

Supported the "MENtoring" Program, for children ages 8-14 who have been impacted by domestic violence

Beacon Place Community Center – Waukegan, IL

Provided support for their educational cooking program and mentorship program for junior high and high school students, and donated food and school supplies

Boys & Girls Club of Lake County – Waukegan, IL

Sponsored their "Youth of the Year" award program; supported field trips and cultural experiences

Catholic Charities of the Archdiocese of Chicago – Chicago, IL

Fulfilled holiday gift wishes for needy children

WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

Inspiration Corporation – Chicago, IL

Supported their foodservice career training program

Midwest Veterans Closet – North Chicago, IL

Donated food for their mobile food pantry and purchased coats for their coat drive

Mother's Trust Foundation – Lake Forest, IL

Supported their mission of assisting low-income children with access to social services, education, and extracurricular activities

Northern Illinois Food Bank – Geneva, IL

Donated to their "My Pantry Express" Program, an online food pantry program serving veterans

Preservation Foundation of the Lake County Forest Preserves – North Chicago, IL

Supported the "Green Youth Farm" which provides work experience and mentorship to high school students as they learn about farming and cooking with healthy foods

Roberti Community House – Waukegan, IL

Provided donations (both financial and in-kind) for their Roberti Culinary Pathway foodservice career training program

United Way of Lake County – Park City, IL

Donated school supplies and backpacks for their "Stuff the Bus" event, as well as supported their literacy and education success programs

YouthBuild Lake County – North Chicago, IL

Supported their mission of providing professional development, job skills training, and mentorship for youth







WHAT WE ARE DOING



PEOPLE | PLANET | PLACE

2021 & 2022 Donations



Organization	% of Total Donated
 A Safe Place	5%
 Beacon Place	8%
 Boys & Girls Club of Lake County	11%
 Catholic Charities of the Archdiocese of Chicago	0.3%
 Inspiration Corporation	7%
 Midwest Veterans Closet	5%

Organization	% of Total Donated
 Mother's Trust Foundation	10%
 Northern Illinois Food Bank	21%
 Preservation Foundation of Lake County Forest Preserves	5%
 Roberti Community House	11%
 United Way of Lake County	6%
 YouthBuild Lake County	6%

4

CONCLUSION



Thank you once again for your interest in Nielsen-Massey's® sustainability and corporate impact work. We recognize that we are the company we are today because of the PEOPLE we work with, the PLANET we source from, and the PLACE we call home, and we appreciate everyone who helps contribute to our success.



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