Our Sustainability Mission

As the trusted leader in nutrition and wellness, Heinz - the original Pure Food Company - is dedicated to the sustainable health of people, the planet and our Company. Heinz has developed and implemented a universal Sustainability Process across businesses and borders in order to achieve our sustainability goals.

Our Goals

Our nine established goals established for achievement by 2015 include:

- Reducing greenhouse gas emissions by 20%
- Reducing energy consumption by 20%
- Reducing water consumption by 20%
- Reducing solid waste sent to landfill by 20%
- Increasing use of renewable energy resources by 15%
- Reducing packaging material by 15%
- Reducing transportation fossil fuel consumption by 10%
- Enhancing sustainable agriculture through a 15% reduction in carbon footprint, 15% reduction in water usage and 5% increase in tomato crop yields
- Increasing employee engagement
Material Issues

Issues of greatest importance to our stakeholders, and key Heinz commitments include:

Reducing Greenhouse Gas Emissions

Since 2005, we have reduced our Greenhouse Gas Emissions by 23.8% per metric ton of production globally. In 2013, we surpassed our goal of reducing Greenhouse Gas Emissions by 20% by 2015.

Sustainable Agriculture

From our corporate governance and quality controls to the relationships that we have nurtured with our growers and processors; Heinz is committed to the health of the land they farm and the safety of the products we produce.

Heinz Micronutrient Campaign

Through our partnerships with governments and NGOs, Heinz's signature global Corporate Social Responsibility program is providing innovative, cost-effective solutions to give children the opportunity to lead healthy, productive lives.

Food Safety

Heinz is committed to food safety and quality assurance for the products we produce. Our commitment is rooted in the vision and values of our founder, Henry John Heinz, and extends to all facets of our business and quality controls.

Innovation

Innovation is a major component of Heinz's growth strategy, reflecting our belief that innovation differentiates Heinz products and enhances the consumer experience, convenience and value.
Heinz Is Getting Greener

As a global food company committed to sustainability, H.J. Heinz Company continued to take action in 2012 and 2013 to reduce our environmental footprint and protect the planet’s natural resources for future generations.

Through April 2013, Heinz had surpassed our Global Sustainability goals of reducing greenhouse gas emissions, solid waste generation and water usage by at least 20% by 2015. Heinz also moved closer to reaching our 20% target for reducing energy consumption.

**Greenhouse Gas Emissions**

Heinz surpassed our 20% reduction target in greenhouse gas (GHG) emissions two years before the original target of 2015. As a global food company, Heinz recognizes that climate change is a significant environmental concern and that reducing GHG emissions can help protect the planet.

**Energy Consumption**

In 2012 and 2013, Heinz moved closer to achieving our goal of reducing energy consumption by at least 20% globally by 2015.

**Solid Landfill Waste**

Heinz has already surpassed our 20% goal for solid waste reduction, using 2005 as the baseline year. Our success in this area has been a direct result of our focus on best practice sharing.
**Water Consumption**

Heinz surpassed our 20% target for water consumption reductions at our manufacturing facilities two years before the target of 2015, using 2005 as the baseline year.

Heinz made progress toward achieving our other six global sustainability goals; which include packaging, agriculture, energy, transportation, renewable energy and employee engagement. You can read more about our progress in each area by clicking on the links above. Since our 2011 CSR Report, Heinz continued to expand the data collection process for our Sustainability metrics. We also engaged our employees and supply chain partners in sustainable concepts and strategies. Our measurement metrics for greenhouse gas (GHG) emissions, energy consumption, water consumption and waste generated have been standardized for all Heinz regions worldwide. We also developed an internal standard for the measurement process for our other areas of focus.

**Our Approach to Environmental Management**

Heinz recognizes that our growers and our manufacturing operations impact the planet and the consumption of water and energy. Reflecting our commitment to environmental stewardship, Heinz has been on a continuous improvement journey to reduce our environmental impacts, streamline processes and formalize the tracking and measurement of sustainability initiatives. We have worked diligently to improve efficiency in growing, processing, packaging and transporting our food products.

Our Environmental and Sustainability Risk Management processes are integrated into our Enterprise Reputation and Risk Management functions. Additionally, Heinz has a global team of cross-functional leaders who contribute to our Global Sustainability Council. This Council allows for the sharing of best practices from facility to facility across regions.

Operations Risk Managers at each Heinz factory are responsible for the safety and environmental impacts of the plant. They monitor compliance with environmental and safety regulations and develop and coordinate programs for energy management, GHG reductions, recycling, packaging waste and waste disposal. In the past reporting cycle, Heinz did not receive any significant fines or sanctions for non-compliance with environmental laws and regulations.

Annually, we perform a bottom-up/top-down risk assessment by functional area, including Environmental and Sustainability, and develop action plans and monitoring for all identified items. The risk assessment process utilizes best practices from Heinz affiliates around the world and primarily focuses on environmental matters that could impact Heinz’s ability to achieve its objectives. This process encompasses all aspects of our business.
Lowering Greenhouse Gas Emissions

Heinz surpassed our 20% reduction target in greenhouse gas (GHG) emissions two years before the target of April 2015. As a global food company, Heinz recognizes that climate change is a significant environmental concern and that reducing GHG emissions can help protect the planet. During the reporting cycle, we continued to evaluate innovative and sensible opportunities at our factories and within our Supply Chain to contribute to further reductions.

Through our Global Utility Optimization Program, Heinz assesses facilities in each of our business units and identifies potential energy-saving projects. In 2012 and 2013, Heinz employees continued to execute utility-focused factory assessments (Kaizen Events) at many of our facilities globally. The objective of these employee-led events was to identify and initiate opportunities to improve energy efficiency, which in turn can directly and indirectly help reduce GHG emissions. These assessments resulted in the following projects to drive improved energy utilization in our manufacturing facilities:

- Boiler/steam optimization
- Compressed air optimization
- Process heat recovery
- Water reclamation
- Waste recycling optimization

An added benefit of these projects included a projected 2% to 4% reduction in energy/utility consumption per year per factory.

Reduction of GHG Emissions

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**GOAL**
Reduce GHG Emissions overall by 20% reduction per metric ton of production by April 2015.

**PROGRESS**
Heinz has reduced GHG emissions by 23.8% per metric ton of production globally since 2005.

★ Exceeding Goals
Global Utility Optimization Program

Global Utility Optimization (GUOP) is an integral process Heinz follows to save on energy, utilities, and costs both for the present and the future. In large plants, such as Muscatine Iowa and Fremont Ohio, our staff of engineers and environmental professionals conduct assessments to determine where additional utility savings can be generated. In most cases, Heinz identifies several projects at each location which range from reusing hot and cold water, heated make up air, compressed air, steam condensate, essentially any form of energy. Once viable projects are identified estimated savings, project costs, and the simple payback are calculated. This information helps prioritize which projects to implement first. An example of a project in Muscatine, Iowa includes revising how the water in the hot well reclaim tank is utilized. Currently, there is some mixing of warm water with the hot water which negates the effectiveness of the energy reclaim. Our analysis indicates that by spending an estimated $50,000 an estimated savings of $62,000 would be realized over 9.6 months. This is just one example of several projects that are leveraged to save energy and optimize utility usage.
Decreasing Energy Consumption

In 2012 and 2013, Heinz moved closer to achieving our goal of reducing energy consumption by at least 20% globally by 2015.

In factory after factory, our Sustainability Process continued to drive decreased energy consumption by installing new technologies and more efficient equipment and optimizing business and manufacturing processes. Our Global Utility Optimization Program, described in the Greenhouse Gas Emissions section, is one of the programs propelling progress in this important area.

Heinz has recognized that using less energy is not only better for the environment, it is smart business because it can help mitigate the financial impacts of rising energy costs. Our processes have also played a key role in reducing Greenhouse Gas Emissions and improving efficiency in our factories.
Increasing Renewable Energy

Heinz continued to evaluate potential opportunities to utilize renewable energy resources such as biofuels, solar power and wind.

In 2013, the Company’s use of alternative energy improved from the baseline year but remained below target.

New technology included the installation of a biomass boiler at our Quero® factory in Nerópolis, Brazil. The boiler, which uses sugar cane bagasse, eucalyptus chips and corn straw for fuel, helped the factory reduce its annual Greenhouse Gas Emissions per unit of production by approximately 60%.

Heinz will continue to explore cost-effective renewable energy opportunities.
Reducing Solid Landfill Waste

At Heinz, every stage of our operations presents an opportunity to eliminate waste. We have been focused on finding many ways to reduce, reuse or recycle to divert solid waste from landfills.

The Company has sought beneficial uses for all waste globally through our Sustainability Process, which taps a comprehensive network of Regional Sustainability Coordinators who share best practices in resource management and recycling with our facilities.

Heinz already has surpassed our 20% goal for solid waste reduction, using 2005 as the baseline year. Our success in this area has been a direct result of our focus on best practice sharing.
Our focus on solid waste reductions has spanned from our North American operations to factories around the world.

For example, our factory in Jacksonville, Florida implemented a recycling project that has diverted approximately 50% of its solid waste to recycling, the equivalent of 3.7 million pounds per year or 185 trips with the average garbage truck.

This was accomplished by separating the trash into plastics, foils and routine trash waste streams.

Heinz has achieved significant solid waste reductions elsewhere since 2005, including at these facilities:

- Dundalk, Ireland: 92%
- Utrecht, Netherlands: 91%
- Kendal, UK: 89%
- Worcester, UK: 89%
- Ft. Myers, USA: 87%
- Christchurch, New Zealand: 77%
- Seclin, France: 74%
- Guadalajara, Mexico: 72%
- Elst, Netherlands: 72%
- Jacksonville, USA: 66%
- Alfaro, Spain: 65%
- King Street, New Zealand: 61%
- Cairo, Egypt: 60%
- Dan Magot, Indonesia: 54%
Every Drop Matters

Water is a vital resource for all Heinz operations worldwide. It is needed to grow tomatoes and other crops, and it is a crucial resource for the manufacturing process. Heinz has implemented water conservation measures and evaluations globally to protect one of our earth’s most precious resources.

Heinz surpassed our 20% target for water consumption reductions at our manufacturing facilities two years before the target of April 2015, using 2005 as the baseline year. Each facility has been required to reduce water consumption by 2% compared with the previous year and has been incentivized to reduce consumption 3% or higher.

Our success in water conservation was achieved through a wide range of actions that extended from recycling water and installing new technologies to upgrading water treatment plants. Heinz has tracked water savings through the measurement of incoming water and we continue to seek additional water conservation opportunities.
Water Conservation in Water-Stressed Regions

In 2013, Heinz initiated a Global Water Risk Screening project to:

- Determine the extent of water-related risks and opportunities across our portfolio of global operations; and
- Identify where our company can most strategically focus our energies to manage the most critical risks and opportunities.

Water risk tools, methodologies, and worldwide datasets have advanced significantly in recent years providing improved insight on watershed level conditions, regulatory, social and reputational risks. Our assessment utilized some of the leading global water risk mapping tools, including:

- WBCSD Global Water Tool
- WRI Aqueduct Water Risk Atlas
- WWF-DEF Water Risk Filter

Our facility in San Joaquin, Venezuela is an example of how Heinz is conserving water in a water stressed region by reducing water usage by 56%.
Social Responsibility Is Core to Our Values

The men and women of Heinz are the Company's greatest resource. We are dedicated to ensuring their dignity, health and safety on the job while providing competitive wages and equal opportunity. Heinz is also committed to the sustainable health of consumers who trust our Company to manufacture safe, high-quality, great tasting, nutritious foods. Finally, we continue to build on our enduring legacy of being a good corporate citizen in the communities where we operate.

H.J. Heinz Company Foundation

The H.J. Heinz Company Foundation strives to make a positive impact in the global community through strategic investments to improve nutrition, foster healthy communities and promote diversity in areas where our employees live and work.

The Heinz Micronutrient Campaign

The Heinz Micronutrient Campaign (HMC) is a groundbreaking non-profit initiative that gives children a fighting chance to live healthier lives by developing and funding nutritious powders and other innovative products that treat and prevent iron-deficiency anemia.

Making an Impact in Our Communities

The Heinz donation and grants programs focus on three priority program areas: Nutrition & Food Security, Education, and Fostering Healthy Communities. While the Pittsburgh region, where Heinz is headquartered, benefits from the H.J. Heinz Company Foundation’s strategic grants dollars, Heinz teams in every region where we operate participate in robust programs that enhance peoples’ lives down to the grassroots community level.
Employee Engagement

The Foundation promotes employee volunteerism through groups like Heinz Employees Lending Public Service (HELPS). HELPS team members have donated their time and talent to a wide variety of community service projects since 2010.

Personal Sustainability

The people of Heinz are the foundation of our success, so our enduring commitment to sustainable health means we want our employees to achieve their own personal health and wellbeing. Our commitment also extends to encouraging our employees to live ‘sustainable’ lives outside the workplace and help protect the planet we all share.
H.J. Heinz Company Foundation

Reflecting our focus on being a socially responsible employer that puts people first, we are making a world of difference in the global community through the H.J. Heinz Company Foundation, the Heinz Micronutrient Campaign and voluntary initiatives where our employees contribute their time, talent and resources to assist people and communities in need.

The Foundation represents a portion of the overall global giving of the H.J. Heinz Company. In addition to the efforts of the Company Foundation, individual business units, some with local Charitable Trusts, also make cash and product donations for local charitable projects and natural disaster relief.

The H.J. Heinz Company Foundation is a legal entity established in 1951 in the United States. The Foundation Board is comprised of the chair and six directors who are executives of the Company. The Foundation receives contributions from the Company to support its strategic initiatives. The Foundation Board meets quarterly to review proposals and budgets.

The H.J. Heinz Company Foundation strives to make a positive impact in the global community through strategic investments to improve nutrition, foster healthy communities, and promote diversity in areas where our employees live and work.

The Company Foundation makes a difference in thousands of lives each year through: the Heinz Micronutrient Campaign, our signature Corporate Social Responsibility program; our strategic grants program; and our support of employee volunteerism.

The Heinz Micronutrient Campaign

The Heinz Micronutrient Campaign (HMC) is a non-profit humanitarian initiative that helps children live healthier lives by developing and funding vitamin and mineral powders and other innovative products that prevent malnutrition, particularly iron-deficiency anemia. The HMC tailors its products to the diverse cultural and nutritional needs of the regions where it operates.

Strategic Grants Program

The Foundation’s grants program focuses on priorities of Company operations in three program areas: Nutrition, Diversity and Fostering Healthy Communities. While the Pittsburgh region, where the Company is headquartered, benefits from a portion of the grant dollars, our factory teams across the United States participate in a robust Community Grants Program that enhances people’s lives in their local areas.
Disaster Relief

The H.J. Heinz Company Foundation recognizes that people turn to us for help when disasters strike the communities in which Heinz operates. Manmade and natural disasters can be devastating for our employees, neighbors, business partners and customers. The Heinz Company Foundation is committed to responding promptly and appropriately so that communities may return to normal as soon as possible. Through cash contributions, product donations, and the help of skilled employee volunteers, the Foundation demonstrates its concern for the community by offering our best resources during times of crisis.
The Heinz Micronutrient Campaign

Iron-deficiency anemia, a “hidden hunger” caused by a lack of essential vitamins and minerals, is limiting the potential of millions of children and cutting lives short. It can impair physical and mental development, weaken the immune system and significantly increase the risk of dying before the age of five.

Making a Healthy Difference in the World

The Heinz Micronutrient Campaign (HMC) is dedicated to addressing this global health threat as the signature Corporate Social Responsibility program of the H.J. Heinz Company and its Foundation.

As a global leader in infant and child nutrition, Heinz created the HMC in 2001 to enhance access to nutritional supplements that promote healthy growth and development, especially in developing countries and regions.

This humanitarian, nonprofit campaign is making a healthy difference in the world, one child at a time, with a focus on innovation and extending its global reach.

For more than a decade, the HMC has sponsored the development and distribution of micronutrient powders that deliver essential vitamins, minerals and iron when stirred or mixed into children’s foods. These nutritious, easy-to-use powders are manufactured by Heinz and have proven to be effective in preventing and treating iron-deficiency anemia and other vitamin and mineral deficiencies.

In 2012, the HMC reached a new three-year agreement to provide micronutrient powders to an additional 500,000 children in China through orphanages after assisting 500,000 Chinese children in a previous campaign.

Through 2012, the HMC had provided nutritional supplements to more than 3.5 million children in 15 developing countries since 2001 through its partnerships with non-governmental organizations and government agencies.

In 2013, the HMC launched an exciting new partnership with Stop Hunger Now, a Raleigh, N.C.-based nonprofit whose mission is to alleviate hunger in developing nations around the world.

The HMC continued to sponsor the development of cost-effective new products to treat anemia, such as reduced-iron NutureMate™, which has proven to be effective in malaria-endemic regions and a new bean-based, nutritionally complete food supplement for children.
Making an Impact in Our Communities

The H.J. Heinz Company has built an enduring legacy as an industry leader when it comes to supporting the health, safety and well-being of the consumers who enjoy our foods, the individuals who work for us and the communities where our offices and manufacturing facilities are located.

Every year, Heinz receives a significant number of requests for support. As a responsible corporate citizen, we’re actively involved with positive community programs and initiatives designed at improving nutrition, education, and fostering healthy communities through food security and disaster relief programs.

NUTRITION & FOOD SECURITY

Greater Pittsburgh Community Food Bank

Heinz continued to support this organization, which is dedicated to feeding the hungry in southwestern Pennsylvania. In addition to donations, Heinz employees volunteered at the Greater Pittsburgh Community Food Bank, which collects and distributes food from its warehouse in Duquesne, PA, to a network of more than 380 member organizations, including soup kitchens, after-school programs, regional food banks, Meals-on-Wheels, special programs and others. Through this network, the Food Bank currently distributes approximately 27 million pounds of food per year.

Heinz Australia Received Foodbank’s Innovation Award for 2012

Heinz Australia was recognised for its contribution to Foodbank Australia. The team at the Company’s Wagga Wagga factory produced and donated 62,000 cans of Hamper corned beef in 2012 despite being hit by devastating floods just days before. Heinz had agreed to participate for the second time in the Collaborative Supply Program by producing the corned beef for FoodBank Australia. “What they didn’t know was that, just days before the scheduled production date, the Heinz Wagga Wagga factory would be hit by floods,” said Enzo Allara, Chairman of Foodbank Australia. “They would have been forgiven for delaying or cancelling the production, but instead the (Heinz) staff showed tenacity and creativity in ensuring that the run went ahead.”
**ProCamps**

Beginning in 2012, the Company Foundation supported scholarships for underprivileged children to attend athletic camps, where they learn the importance of daily exercise and good nutrition. Each ProCamps clinic is hosted by a respected pro athlete or coach. Camps supported by Heinz have been hosted by Pittsburgh Steelers quarterback Ben Roethlisberger; Steelers head coach Mike Tomlin and Andrew McCutcheon, center fielder for the Pittsburgh Pirates. Learn more about how Heinz is helping kids experience ProCamps.

**ABC Dapur Peduli Safari Ramadhan**

ABC Dapur Peduli Safari Ramadhan 2013 visited 15 areas of dhuafa in Jakarta and its surrounding areas, including Nurur Rohman mosque in Duren Sawit, Taufiqurahman Mosque in Penggilingan, Al Amin Mosque in Rawasari, AR-Rahman Mosque in Kemayoran, Jl. Raya Bogor, Cibodas, Lenteng Agung in Jagakarsa, Rawasari, Rawamangun and dhuafa area behind Kemayoran market. The objective of this initiative was to distribute good food to those less fortunate in the community. And we did this by encouraging local mothers to join us in cooking.

Riding in a van specially modified for the Safari Ramadhan, Heinz ABC Indonesia representatives and a celebrity chef cooked with and distributed iftar food packages to mothers in each ABC Dapur Peduli community they visited.

The Safari Ramadhan van resembled a mother’s home kitchen, complete with a gas stove and a refrigerator/freezer. To make it easy for the mothers to follow the chef’s cooking instructions, the van featured two TV sets, CCTV camera, and a sound system.

By the end of this year’s Ramadhan, nearly 8,000 food packages had been distributed to the dhuafa through the ABC Dapur Peduli Safari Ramadhan program. The Safari Ramadhan itself is a part of a holistic campaign of ABC Dapur Peduli Ramadhan 2013 program where in total we distributed 100,000 iftar/breakfast packages.
Nutri Life Clinics in India

Heinz Nutrition Foundation India (HNFI) is a non-profit, non-commercial trust, and for over 15 years has been furthering the knowledge on health and nutrition. Over the last five years, HNFI has also been providing free diet and nutrition counseling for the general public, especially the underprivileged in three cities in India – Chennai, Bengaluru, and New Delhi.

Highly qualified and experienced nutritionists at Nutri Life Clinics, which are sponsored by HNFI, provide free one-to-one counseling to clients to provide much-needed advice on proper diet, nutrition, healthy lifestyle, exercise, and more. So far, about 3,000 people of all ages have benefitted from these clinics.

Manchester Bidwell Corporation

This organization believes that empowerment shapes an individual’s life. Its programs include the Manchester Craftsmen Guild, which brings arts education and mentorship to inner-city youth, and the Bidwell Training Center, which provides adult career training in Pittsburgh.

Tomatosphere Wins Award for Planting the Seeds of Science

Since its first seeds travelled aboard the space shuttle in 2001, the Tomatosphere Project has helped more than two million students in more than 15,000 Canadian and U.S. classrooms from grades two to 10 learn about space and science. Students and teachers compare germination rates of seeds in space and on Earth to learn about life support requirements for space missions. Canadian scientists use the project results to learn about long-term space travel and agriculture.

Tomatosphere is proudly sponsored by the H.J. Heinz Company, HeinzSeed, Stokes Seeds, Canadian Space Agency (CSA), and the University of Guelph, all of whom were thrilled to learn in March 2013 that Tomatosphere was being honoured with the prestigious Natural Sciences and Engineering Research Council of Canada (NSERC) Award for Science Promotion.

The NSERC Awards for Science Promotion honour individuals and groups who make an outstanding contribution to science in Canada through activities that encourage popular interest in science or develop science abilities. The Tomatosphere Project won the award in the group category, valued at $25,000.
Heinz Delegates Attend One Young World Summit

Twelve Heinz delegates participated in the One Young World 2012 Summit in Pittsburgh alongside 1,300 young leaders from 182 countries. The One Young World global summit gathered young leaders from around the world, inspiring dialogue about critical global issues and helping them make lasting connections to create positive change.

“Do Better Challenge” Essay Winner

At the summit, Namrata Poddar, Assistant Product Manager, Marketing, Heinz India, received 1st prize in the “Do Better Challenge” essay competition for her essay on "Female Feticide and Infanticide in India.”

Pudliszki School Children Get Active

Heinz operates a factory in Pudliszki, a very small town in Western Poland. As part of its commitment to the local community, Heinz Poland supported two important and worthy programs. In Szkoła Podstawowa w Pudliszkach, Heinz co-founded a class for disabled children - the only such class within 40 kilometres - and bought all the necessary equipment to support development of the students’ motor skills which are an essential part of their overall cognitive development.

The Heinz team also purchased athletic apparel for Zjednoczeni Pudliszki, the children’s football team from Pudliszki. The Zjednoczeni Pudliszki are having a very successful season in their league.

FOSTERING HEALTHY COMMUNITIES

Wounded Warrior Project

The Heinz Company Foundation continued to support Wounded Warrior Project, which serves veterans and service members who incurred physical or mental injuries during their military service on or after September 11, 2001. Heinz hosted an employee luncheon in Pittsburgh in 2012 to help raise funds and awareness for Wounded Warrior Project and the Company produced limited edition foodservice Ketchup bottles that promoted Wounded Warrior Project with special labels saying “Our Turn to Serve”. The unique bottles featured a mobile application to send a message of thanks to our veteran and active combat troops.
Tsunami Disaster Relief in Japan

In the years following the 2011 tsunami that devastated much of Japan’s eastern coastal region, the rebuilding efforts have been ongoing. And Heinz Japan has been part of it. Heinz is supporting the recovery of East Japan Tsunami Disaster area by donating 1% of net sales of two products which represent our flag-ship brands – Heinz Tomato Ketchup (460g) and Ore-Ida Super Crispy Fries.

Starting in June 2011 and continuing for a period of three years, the donated funds have been used to purchase wooden cube structures that are used by fishermen who lost their facilities for fishing and farming. The cubic house is called Universal Building Cube (UBC) designed by an innovative company named Shelter. UBCs can be customized to meet the needs of fishermen. Easily transported by 4-ton truck, each can be assembled by amateurs and provides comfortable livability due to wood material used. To date, Heinz Japan has donated UBCs for four villages and has plans to donate an additional 20 for fishermen in the fifth village by the end of 2013.

Brother’s Brother Foundation

This international, humanitarian aid organization received continued support from the Heinz Company Foundation. Brother’s Brother Foundation provides medical supplies, school and college textbooks, food, clothing and seeds to those in need around the world.
**Heinz Helps Kids Hit, Run and Catch**

Pittsburgh Pirates All-Star Andrew McCutchen at a ProCamps training camp sponsored by the H.J. Heinz Company Foundation.

Nearly 300 young baseball players recently got to take the baseball field with National League MVP and Pittsburgh Pirates All-Star Andrew McCutchen at a ProCamps training camp sponsored by the H.J. Heinz Company Foundation.

Only hours before taking the field to start a series against the San Diego Padres at PNC Park, McCutchen led drills, offered tips and took the microphone for an extended Q & A session with the kids. He posed for photos and signed autographs for all the athletes, and even showed off his best dance moves.

The Kids to Camp Program works with local Boys & Girls clubs and the Urban League to identify youths from disadvantaged backgrounds and provide them with the opportunity to learn sports fundamentals from professional athletes and to interact with positive adult role models. The scholarships provide full tuition to the camp, transportation and a hot lunch.

Heinz provided scholarships to 57 students at 10 camps across the country, including three in the Pittsburgh area. Also hosting camps this summer were Pittsburgh Steelers quarterback Ben Roethlisberger and Steelers Head Coach Mike Tomlin. ProCamps, founded in 1998, runs camps featuring professional athletes from the MLB, NFL, NBA, NHL and Women’s Professional Soccer.
Employee Engagement & Personal Sustainability

In 2012, Heinz launched an online program that enabled Company employees in the U.S. to log and track the hours they dedicated during the year to a wide variety of community service activities. The program, called Heinz Cares, promotes volunteerism and shares information on community service activities and organizations.

Jefferson Awards Program

In the U.S. and Canada, Heinz has been a Corporate Champion participant in the Jefferson Awards – a prestigious national recognition system honoring community and public service. Heinz nominates and recognizes employees each year who exemplify the spirit of volunteerism and public service and give back to the community.

In 2012, Lisa Taylor, sanitation manager at a Company facility in Chatsworth, California, was named the Jefferson Awards Champion Recipient in recognition of her volunteer work for Youth Esteem Corp., a non-profit organization that helps at-risk children in South Central Los Angeles.

In 2013, Sarah Amyotte and Laurie Benedum, national account managers in Heinz Foodservice sales, received the award for their work on a church mission trip to Haiti through International Child Care, a health development organization. Sarah and Laurie arranged meetings between International Child Care and partners in the Heinz Micronutrient Campaign and distributed Heinz NutureMate™ micronutrient powders to needy families in Haiti.

Employee Volunteerism

The Foundation promotes employee volunteerism through Heinz Cares, an online portal established in 2012. Heinz Cares enables employees to search and register for volunteer opportunities in their communities and track their volunteer activity. In its first year, Heinz employees logged more than 2,400 volunteer hours. Heinz Cares also enables employees to set and track personal sustainability goals.
Grow Pittsburgh

Reflecting the Company’s focus on sustainability, Heinz supported Grow Pittsburgh, which promotes urban agriculture through educational programming, including numerous community gardens and “edible schoolyards.” Heinz employees also volunteered to help prepare raised garden beds at the Riverview Manor senior living facility in the city’s Brighton Heights neighborhood.
Personal Sustainability

My Lifestyle Profile

The My Lifestyle Profile (MLP) is a private and confidential questionnaire that helps employees and their spouses or domestic partners to pinpoint areas where they can improve their health. More than 4,330 eligible U.S.-based employees, spouses and domestic partners, or 62% of the population, completed the MLP in 2012, up from 56% in 2011.

Culture of Health Support Leaders

Also in the United States, Heinz engages a group of employees who are passionate about helping their colleagues to form healthier habits. These Culture of Health Support Leaders create and maintain grassroots enthusiasm for corporate and location-specific health and wellness initiatives. In the last two years, our network of support leaders includes 73 employees from all levels of the organization.

W.E. Can Quit Smoking Cessation

Tobacco use is the number one cause of preventable death. To combat this health threat, Heinz Canada launched an innovative smoking cessation program at its Leamington facility in partnership with the Windsor-Essex Health Unit. This program in November 2010 followed a survey that found almost one in five Leamington employees smoked and that most wanted to quit in six months or less.

Heinz employees and their dependents were offered up to 12 weeks of quit-smoking aids, access to a Smoker’s Helpline, consultations with a pharmacist, self-help materials and invitations to health fairs and other workplace wellness events.

Personal Sustainability Benchmark Survey

Our commitment also extends to encouraging our employees to live ‘sustainable’ lives outside the workplace and help protect the planet we all share. In a 2013 survey of Heinz employees in Canada, we learned that commitment to sustainability is quite high already. Key findings indicate that:

- 99% recycle most of the time when proper bins are available;
- 94% donate to charity;
- 59% volunteer locally; and
- 80% have a budget at home adhere to it consistently or most of the time.
Heinz People & Principles

Heinz has a legacy of providing fair treatment, competitive wages, equal opportunity and safe working conditions for all Heinz employees worldwide. Just as these individuals are dedicated to making only the best Heinz products for consumers worldwide, Heinz is committed to the health and safety of our employees.

It is Heinz’s policy to afford equal employment opportunities to all qualified employees and applicants. We are also committed to employment equity and to recruiting and retaining a diverse group of qualified and dedicated employees. In addition, every Heinz location is expected to adhere to Company policies prohibiting discrimination, including harassment, and an accompanying set of policies that establish procedures for reporting and investigating complaints, prohibiting retaliation and providing for appropriate disciplinary action for violations.

H.J. Heinz Company trains employees in workplace practices and informs them about our policies and principles. Our Global Code of Conduct communicates our expectations about legal and ethical behavior on the job, and our Global Operating Principles. These Principles convey our Company’s commitment to creating a workforce that fosters respect. These beliefs and practices prohibit knowingly hiring underage workers, using forced or involuntary prison labor, and sexual harassment or abuse of employees. Our Global Operating Principles also recognize and respect the rights of labor unions, as well as each employee’s right to associate with any legally sanctioned operation.
Workplace Safety
Heinz believes that occupational health and safety is the most important element of good operational performance from the factory floor to our global offices. Our Company has placed an emphasis on workplace safety and continuous improvement in this crucial area because people are Heinz’s greatest resource.

Employee Health & Wellness
The people of Heinz are the foundation of our success so our enduring commitment to health and wellness extends to our employees around the world.

Labor Relations
Heinz strives to maintain a good working relationship with labor unions across each of our business units. The Company has a history of negotiating fair and competitive contracts that provide family-sustaining jobs and wages.

People Development
Heinz is committed to supporting the professional growth of our employees. Our training and development efforts focus on helping employees develop the skills, competencies and behaviors that are expected at Heinz.

Diversity & Inclusion
Heinz has maintained a strong commitment to being a diverse and inclusive organization, retaining superior talent and leveraging diversity to drive the Company’s business results, image and employee satisfaction.
Workplace Safety

Heinz believes that occupational health and safety is the most important element of good operational performance from the factory floor to our global offices. Our Company has placed an emphasis on workplace safety and continuous improvement in this crucial area because people are Heinz's greatest resource. Heinz has conducted mandatory safety training for all production employees.

Heinz has maintained a comprehensive safety management system and requires each of our production employees to adhere to strict safety guidelines that meet or exceed industry standards in the countries where we manufacture.

Each Heinz facility around the world has been required to implement the Heinz Safety Process, a systematic approach to creating safe work environments that aims to eliminate occupational injuries and illnesses.

Heinz Safety Process

The Heinz Safety Process is based on four key principles:

- Nothing we do is worth getting hurt for;
- Occupational Health & Safety can be managed;
- Every injury/illness could and should have been prevented; and
- Occupational Health & Safety is everyone’s responsibility.

Elements of the Heinz Safety Process:

- Expectations and Involvement
- Goal Setting and Action Planning
- Standards Implementation
- Planning for Safe Conditions
- Site Training Systems
- Safe Practices
- Leading Behavior
- Behavior Observation
- Performance Tracking and Review

Heinz has also employed dedicated and trained safety professionals at each manufacturing site to facilitate the Safety Process and compliance with standards and regulations. Annual Safety Health Accident Reduction Plans are developed and reviewed by site-level Safety Committees and Regional Safety Managers. All Heinz sites strive to continuously improve safety systems and results and address current trends and regulatory compliance.
**Operational Risk Management**

Occupational health and safety is a key foundation of a broader commitment to Operational Risk Management (ORM), a continual global process that utilizes effective risk identification and assessment in the development and implementation of policies, processes, procedures, systems and controls to mitigate, reduce or address risks that could have a negative impact on our people, our businesses, our brands, the environment and the community.

Heinz manages operational risk across five key risk elements:

- Occupational Health & Safety
- Environmental Management
- Asset Conservation
- Facility Security
- Business Continuity Management

Heinz has implemented ORM through our Office of Risk Management along with Sustainability, Enterprise Risk and Reputation Management, and Food Safety & Quality.

Every business unit has been expected to achieve the following for each site:

- Employ dedicated, educated and experienced ORM leaders;
- Assign ORM accountability, resources and responsibility at all levels;
- Implement the Heinz Safety Process;
- Set annual targets and action plans to achieve continuous improvement; and
- Measure performance against the Heinz Global ORM Scorecard.

**North America: Sharing Best Practices**

Heinz North America held an annual Operational Risk Management (ORM) conference for all ORM Managers and Plant Managers from each plant location to:

- Share Best Practices;
- Deploy Key Strategies and Messages;
- Attend Educational Forums;
- Receive Performance Recognition; and
- Network with Colleagues and Peers.
Global Operating Principles

In addition, our Global Operating Principles address health and safety as an integral part of all operational performance. The Heinz Global Operating Principles were developed to incorporate elements of three widely respected documents: The Sullivan Principles, the U.N. Global Compact, and the International Labor Organization’s Human Rights Principles. The Heinz Global Operating Principles apply to all Heinz employees and facilities, and each Heinz affiliate is required to certify compliance and agree to monitoring by internal auditors.

All Heinz facilities have been required to comply with our Global Operating Principles. In addition, they have been expected to comply with Heinz policies and national and local safety laws.

Heinz’s Corporate Social Responsibility Committee has set the tone for safety and annually reviews all global results. During the reporting cycle, the Office of the Chairman provided oversight to ensure that every level of management in every facility was held accountable for implementing the Heinz Safety Process in their respective areas of authority. Annual business plans have been required to incorporate safety objectives and goals. Facility managers have been required to measure performance against those goals, which have been part of our Annual Incentive Plan to reduce incidents.

Results

Our stringent efforts to keep our facilities safe have generated positive results. In 2012, the Company lowered its Total Recordable Incident Rate (TRIR)* to 1.35 from 1.64 in the prior year. Heinz North America reduced its TRIR to 1.44 from 1.49, Heinz Europe, Africa and Middle East reduced its TRIR to 1.51 from 1.64 and Asia Pacific lowered its TRIR to 1.05 from 1.51.

| TOTAL RECORDABLE INCIDENT RATE (TRIR) |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| FY06  | FY07  | FY08  | FY09  | FY10  | FY11  | FY12  |
| 3.24  | 2.19  | 1.80  | 1.74  | 1.75  | 1.64  | 1.35  |

Our long-term goal has been to reach a Company Total Recordable Incident Rate (TRIR) of 1.0 or below at all of our facilities. Our TRIR in 2012 was 1.35 versus 1.64 a year earlier and it improved over the last seven years.
Employee Health & Wellness

Heinz offers a wide range of employee benefits globally that help protect the health, wealth and talent of our Company. Comprehensive healthcare benefits, retirement programs, insurance, flextime, training programs, and life coaching are offered to eligible Heinz employees. Each Heinz facility around the world provides employee benefits unique to their location.

We strive to meet the healthcare needs of an ethnically and geographically diverse global workforce through a wide range of programs and initiatives that emphasize healthy choices, diligent healthcare decision-making and active participation in our wellness programs.

In the United States, for instance, employees can receive flu shots at no charge and access free preventive medical services that include annual check-ups and a wide range of health screenings. In the UK, at our Kitt Green facility 400 employees opted to receive the flu shot on site. Stop Smoking clinics were held on site and an on-site gym facility has been established and made available for a small cost per month.

In Canada, France and Russia, we offer flu shots at no cost every year and access to free preventive medical services that include annual check-ups. In Sweden, gym subscriptions are offered to employees at no cost with access to facilities and group trainings. In Belgium, and the Netherlands, “Heinz Movement” was introduced – an initiative to encourage employees to participate in sports and become more active. In India, we provide annual health check-ups at the facility and maintain an Occupational Health Center.

Around the world, Heinz also offers competitive healthcare benefits in markets where there is established demand for employer-sponsored plans.

Reflecting our commitment to putting people first, Heinz has received recognition and accolades for our focus on employee health and wellness. In New Zealand, Australia Poland, and Russia, our employees participated in GCC 2012 (a global corporate fitness challenge among other employers) and consistently placed in the top 100, with employees’ daily step average over 14,000.

In Brazil, there is a physiotherapist in the facility to assist with health prevention and there are annual health weeks and a running for health day event. In Costa Rica, Mexico and Venezuela there is a physician on site at the facility providing medical services to the employees throughout the work week. They also maintain a cafeteria which is subsidized by the Company.

In the United States, Heinz has been recognized by the National Business Group on Health for four consecutive years as one of the “Best Employers for Healthy Lifestyles – most recently in 2012.
Biometric Screenings

Heinz offers free voluntary health screenings to thousands of employees each year, most often through on-site workplace programs.

- In the United States, over 4,000 eligible U.S.-based employees, spouses and domestic partners, or 69% of the population, completed Company-sponsored biometric screenings in 2012, staying consistent with prior year participation.

- Participants in the health screenings receive a summary of their results, which include a comparison with recommended levels and tips on making healthy changes. The employees are also offered information on other health and wellness programs sponsored by Heinz.

- In India, Heinz offers a yearly Health Check-up as part of an employee health and wellness program that also includes informative programs addressed by physicians that focus on topics such as Healthy Lifestyles and Cardiac Health.
Labor Relations

Heinz strives to maintain a good working relationship with labor unions across each of our business units. The Company has a history of negotiating fair and competitive contracts that provide family-sustaining jobs and wages. As of the end of this reporting period, 60% of Heinz hourly employees in the United States and Canada were covered by collective bargaining agreements.

Health and safety also are addressed in the Company's labor contracts, covering topics such as Health and Welfare Benefits, Wellness, Disability Coverage, Safety Committees and Personal Protective Equipment. Additionally, the unions play an active role on Health and Safety Committees that help Heinz to attain high standards of safety compliance and performance. When labor challenges arise, we work collaboratively with our employees to address those issues.

Our good relationships with labor unions and employees help drive safety in the factory. Every factory has an Employee Health and Safety Committee, comprised of local management and employees, that strives to create and improve safe working conditions and to prevent workplace accidents. Each factory is scored on reducing its total incident rate, which is based on the number of injuries reported to the local safety authority, such as Occupational Safety and Health Administration (OSHA) or the Ministry of Labor in a year. This encourages hourly employees and unions to foster a continuous-improvement mentality.

All of our plants with union-represented employees in the United States and Canada have labor-management committees comprised of local management, union representatives and bargaining unit employees. The groups meet regularly to cooperatively improve plant working conditions and to foster continuous improvement in a non-adversarial manner.

Most of the Heinz North America factories have implemented hourly employee incentive plans to tie more closely to factory performance, and all factories now utilize scorecards to provide employees with metrics used to measure factory success and to identify areas for improvement. Additionally, all factories are engaged in implementing the Heinz Global Performance System, which empowers employees to become more self-directed and to work in teams to improve performance, safety and conditions within their work areas.

In the U.K., labor relations remain positive with collective bargaining arrangements working well and the majority of pay agreements being settled at first ballot, as they provided competitive terms.
People Development

In 2012 and 2013, Heinz continued its commitment to supporting the professional growth of our employees. Our training and development efforts were anchored in the Heinz Leadership Model, which focuses on helping employees develop the skills, competencies and behaviors that are expected at Heinz.

Heinz also utilized the Performance Management and Development (PMD) process, an important tool for people development. Across the globe, salaried employees started each year with clear performance goals and an Individual Development Plan (IDP) for developing specific skills or knowledge areas for that year. That IDP is linked to the employee’s short- and long-term career aspirations and helps employees to focus their development efforts in areas that are critical for their professional development. Mid-year check-in meetings included a review of employees’ performance against goals.

An end-of-year assessment compares results based on previously established goals. Heinz expects all regions to conduct these reviews with all salaried employees routinely. The insights about an employee’s performance, strengths and areas for improvement are then used as input for the next year’s development plan and performance goals.

Heinz expects managers to develop their people by providing coaching and support. The Company has offered a global program called Coaching at Heinz, a skill-based course that focuses on developing managers’ coaching skills. Heinz also launched a new global curriculum called “Managing at Heinz.” This curriculum included participant materials, supporting classroom materials, media and a comprehensive facilitator’s guide in the following areas:

- The Role of the Manager
- Performance Management
- Delegation
- Relationship Building
- Rewarding and Engaging Employees
- Communication
- Talent Management
- Conflict Management

In 2013, the Company launched a new curriculum called “Leading at Heinz”.

The Company provided additional opportunities for employees to develop their skills and leadership abilities in a formal way. Core skill and management development training was ongoing in each market, utilizing an internal train-the-trainer approach. For example, our sales officers in India were able to take advantage of a Talent Development Program that provides future growth opportunities and helps to build the talent pipeline as officers learn higher-level responsibilities.

In North America, the Heinz Academy enabled employees to participate in a wide range of educational courses, including “Making Meetings Work,” “Writing Advantage” and “Developing Extraordinary Leaders.” The Heinz Academy was also offered at many of our business units around the globe.
Employees in those locations could visit the newly designed Global Heinz Academy for access to all things related to people development. This one-stop shop makes it easier for employees and managers to pursue developmental activities. Functional development was offered locally and globally. Functional academies have been developed to create a shared approach to developing functional excellence in the following areas: Marketing, Procurement, Sales, HR’s Heinz Academy and Supply Chain.

Leadership development remained a global initiative at Heinz. These efforts were tightly linked with our annual People and Organizational Planning Process. Each business unit conducted an in-depth assessment of its leaders through the manager level. This information has been reviewed annually by senior Company management. From these discussions, people development activities have been identified for leaders, with a special emphasis on key, high-potential individuals.

The Zone President and Regional President Development Programs were geared to targeting people going into General Management or Regional roles. These programs included in-depth assessments and a behavioral-based interview process that drove personalized development plans.

Heinz also launched a comprehensive change management curriculum in 2013 with materials translated into 15 languages. Managers attended a broad-based program focused on leading employees through change and managing the human element of change and employees attended a similar program geared towards individual contributors.

Two customized curricula were created to inform and assist employees and managers following the announcement on February 14, 2013 that Berkshire Hathaway and 3G Capital had agreed to acquire Heinz. These curricula - “Leading Change” and “Navigating the Transition” - were in-house programs that created opportunities to discuss impending changes and come together to proactively address how to be successful.

Around the world, Heinz offered additional development. In the U.K. and Ireland, Heinz launched the “Game Changing Leadership” program. With 1,000 participants in its second year, this program was the largest of its kind at any Heinz location.

Separately, the Heinz Functional Leader program prepared high-potential employees to lead their functional area. The 18-month program included personal assessments and an emphasis on shared experiences, including self, people and business leadership.

China created an abridged version of the functional leader program to give leaders a flavor of key topical areas covered. The Personal Leadership Program, taught by Functional Leader graduates, served to introduce new and key concepts to emerging leaders in Asia.

Heinz also offered web-based eLearning solution to make training accessible to employees around the world, 24/7. Heinz continued to offer tuition reimbursement benefits to eligible employees.
Diversity and Inclusion

Heinz has maintained a strong commitment to being a diverse and inclusive organization, retaining superior talent and leveraging diversity to drive the Company's business results, image and employee satisfaction. As of April 2013, Heinz employed approximately 30,000 people worldwide on a full-time basis.

Our objectives in pursuing diversity and inclusion initiatives have been to:

• Achieve a skilled, high-performing workforce that is reflective of the diverse global marketplace;
• Cultivate external relationships with professional and civic groups to support business priorities; and
• Foster an inclusive culture that embraces differences and drives innovation to accelerate growth.

Heinz has recognized the need for a dedicated organizational structure to address diversity and inclusion. Our commitment has included a Manager of Diversity & Inclusion and a Group Leader of Global Diversity & Inclusion. These executives report to our Chief People Officer. In conjunction with Human Resources, this Global Diversity & Inclusion team has assured compliance with employment laws, regulations and Company policy. It is also responsible for developing and implementing diversity and inclusion strategic initiatives. The team has utilized the resources of the Company's Inclusion Council to set objectives and monitor progress against our diversity initiatives.

Diversity & Inclusion ROI

Key Accomplishments:

• Developed a corporate statement on diversity to educate employees and external stakeholders on Heinz's diversity and inclusion position;
• Developed an external website on diversity and inclusion to promote Heinz's diversity commitment;
• Established a suite of six diversity awareness training options for employees;
• Trained all new salaried employees in the U.S. on diversity inclusion; and
• Engaged Employee Resource Group members in thes (National Black MBA and National Hispanic MBA) in the U.S.

Supplier Diversity

Heinz remained committed to promoting inclusive opportunities for suppliers through our supplier diversity program. We demonstrated our belief that supplier diversity gives us a competitive advantage by allowing us to increase the variety of our products.

The Company maintained a Heinz North America supplier diversity policy to promote the importance of supplier diversity internally and externally. Heinz also participated in the food and beverage groups of the National Minority Supplier Diversity Council and Women Business Enterprise National Council.
Developing Healthy New Products

As a socially responsible global manufacturer of food products, Heinz recognizes that good nutrition, healthier foods and physical exercise can help reduce the risk of hypertension, heart disease and obesity.

Reflecting the Company's commitment to the health and wellness of consumers, Heinz continued to focus on evaluating the nutrient density of our branded foods, fostering innovation and product reformulation, and informing consumers about smart eating principles.

For the most part, our global portfolio is centered on nutritious foods made with tomatoes, beans, fruits and vegetables.

Heinz also remained a leader in the nutritional/weight management category, with Weight Watchers® Smart Ones® and Weight Watchers® from Heinz® branded products.

Product Nutrition

Heinz is committed to reducing total fat, saturated fat, trans fat, sodium, and total sugar across our product line.

Product Innovation

Heinz continues to develop healthy new products at Heinz's Global Innovation and Quality Center in Pittsburgh, Pa., the Company's Global Center of Excellence in Infant Nutrition in Milan, Italy, and our newly opened European Innovation Center in Nijmegen, the Netherlands.
Health & Wellness Platforms

The four Heinz Health & Wellness platforms include; Better for You, Growth & Development, Weight Management, and Health Management.

Food Safety & Policy

Heinz has implemented consistent global food safety management processes across our supply chain. These are applied to our factories, our co-packers, and our suppliers.
Making Better Nutrition a Global Priority

The keys to improving nutrient density include increasing fiber, protein, vitamins A and C, calcium and iron and reducing total fat, saturated fat, trans fat, sodium and total sugar. During the reporting cycle, Heinz evaluated many of our products to determine their nutrient density scores and identify opportunities for improvement.

The Company initiated this evaluation as a critical step toward aligning our products even more closely with accepted nutrient recommendations and guidelines for the daily consumption of total fat, saturated fat; trans fat, sodium and sugar, based on a recommended total daily diet of 2,000 calories.

Focus on Product Nutrition

During the reporting cycle, Heinz continued our focus on reducing total fat, saturated fat, trans fat, sodium and total sugar across our product lines under the direction of the Vice President of R&D and Quality.

A team of Heinz nutrition professionals was actively engaged with accredited scientific experts and regulatory bodies. Focusing on nutrient density and addressing ingredients of concern (particularly sodium, saturated fat and sugar/calories), they provided scientific data and information to the brand teams to proactively make health and wellness a key element in brand strategy.

The Company continues to operate Centers of Excellence in North America and Europe that are responsible for improving the nutritional profiles of Heinz products.

Heinz has been at the forefront of the U.S. National Salt Reduction Initiative, a public-private partnership aimed at reducing people’s salt intake by 20% by 2014 to help reduce the risk of hypertension and heart disease.

Prior to 2012, Heinz implemented a voluntary 15% sodium reduction across our main U.S. retail and foodservice ketchup lines without compromising the quality, consistency and great taste of our flagship product.
Product Innovation

In 2013, Heinz opened a new European Innovation Center in Nijmegen, the Netherlands. The facility’s mission includes developing new healthy products by leveraging nutritional science and R&D at the site, which employs 160 chefs, food scientists, nutritionists, quality engineers and researchers.

Heinz’s Global Quality and Innovation Center in Pittsburgh continued to develop healthy new products, as did the Company’s Global Center of Excellence in Infant Nutrition in Milan, Italy.

Healthy New Products

In 2012 and 2013, Heinz introduced new products that met the Company’s Health & Wellness guidelines and catered to consumer demand for healthy food options.

United States

Healthy new products in North America ranged from Weight Watchers® Smart Ones® Frozen Oatmeal and new varieties of Classico® pasta sauce to Ore-Ida® Simply, a natural line of skin-on potato cuts made with simple ingredients like Grade A potatoes, olive oil and sea salt.

Canada

In Canada, Heinz manufactured new varieties of Arthur’s® nutritious fruit smoothies with essential vitamins and minerals, and launched Renée’s Gourmet dips made with Greek yogurt.

New Zealand

In New Zealand, Heinz launched new varieties of baby food that were formulated to meet nutrition guidelines and had Infant Nutrition Advisory Group approval. These new products contained no added salt, preservatives, artificial colors or flavours.

India

Heinz India focused on manufacturing two specialized nutrient beverages, Maplan™-P for pregnant women and Maplan™-L for lactating women. These nutritious drinks provide women with important nutrients such as vitamin D, bioavailable calcium, DHA, omega 3 and choline. In Southeast Asia, Heinz launched new varieties of healthy cereals, beverages and baby food.
**United Kingdom**

Heinz UK introduced Heinz Deliciously Gluten Free, three pastas and three smooth tomato sauces that are certified gluten free, with no artificial colors, no artificial flavors, and no artificial preservatives.

**United Kingdom Reformulated Products**

In the UK, Heinz is a signatory to the Department of Health’s Responsibility Deal and supports pledges covering reductions to sodium levels, elimination of trans fats, commitments to offer healthy eating menus, and advice on meeting the Chief Medical Officer’s recommendations on healthy exercise. Over recent years Heinz has continued to progressively and gradually reduce the level of added salt in its products as part of a program of salt reduction that began more than 25 years ago. For example, while still providing all the taste, the salt content of Heinz Tomato Ketchup sold in the UK has been reduced by almost 40%. The salt in Heinz Beanz has been cut by almost 50% in 10 years; and in Heinz Cream of Tomato Soup salt has been cut by almost 45% in line with changes in consumer tastes. We continue to explore the opportunity to further reduce salt in our recipes which is a key criteria in reformulation and new recipe development.

**Benelux and Netherlands**

The Honig brand team in Benelux and Netherlands launched Vezelrijk, a fibre-enriched pasta line which received the annual “Best Introduction for making the easy choice the healthiest choice” award in 2011 by the Dutch Nutrition Centre. Roosvicee branded ready-to-serve beverages and cordials contain 30% less sugar than competitive products in the marketplace.

**The Netherlands**

Chocolate sprinkles are children’s most popular bread topping in the Netherlands. Venz reduced-sugar chocolate sprinkles are the first, mainstream, chocolate sprinkles in the Netherlands with 30% less sugar (and no artificial sweeteners) than regular chocolate sprinkles.

**China**

Currently, the sodium content of most soy sauce products in China is 8,500mg/100ml. It is generally believed that excessive sodium intake may increase the risk of high blood pressure or kidney diseases. Heinz China launched a new soy sauce product “Chunweixian” under our “Master” brand. With a 28% reduction (6,100mg/100ml) of sodium compared with our competitors, the low-salt “Chunweixian” is healthier while the taste is even better.
Health & Wellness Platforms

Globally, Heinz set continuous nutrition improvement as an objective when reformulating products. For example, in 2012, approximately 40% of the products reformulated at Heinz North America resulted in reduced sodium and elimination of trans fats. In the Netherlands, Heinz table sauces, Roosvicee drinks, and Brinta cereals and breads were reformulated to meet nutrition criteria.

Heinz has four Health & Wellness platforms:

**Better for You**

Our Better for You platform includes foods that are the focus of our initiatives to reduce sodium and sugar and eliminate Trans fats, mainly in the categories of Ketchup & Sauces and Meals & Snacks. This platform also includes foods that Heinz has enhanced by adding vegetables and whole grains.

In the last two years, new products under this platform included Smart Ones® Oatmeal with steel cut oats, Ore Ida® Simply Potatoes and Honig Vezelijk Pasta with added fiber. Wattie’s in New Zealand added a new, updated logo to communicate to consumers the total number of servings of fruits and vegetables delivered by products.

**Growth & Development**

Growth & Development includes infant and toddler foods and children’s beverages. In 2012 and 2013 new products under this platform included Heinz Creamy Oat Porridge Sachets, Roosviche Kids drink with 30% less sugar, and Complan® Pista Badam.

**Weight Management**

Weight Management includes the Weight Watchers® Smart Ones® brand of nutritional meals, snacks and desserts in the United States and Canada, as well as the Weight Watchers® from Heinz® product line in Europe.

In the last two years, new products under this platform included Smart Ones® Oatmeal, French Toast with Turkey Sausage, Sweet Mango Chicken and Salmon in Sweet Soy Sauce.
Health Management

Health Management encompasses products that Heinz has developed specifically for consumers with certain medical conditions.

Responding to the consumer’s desire for gluten-free products, Heinz has provided clear labeling of products that are gluten-free, such as Heinz® Tomato Ketchup, Ore Ida® Simply, Heinz Beans and Arthur’s® Smoothies. In Italy, Heinz produces gluten-free products for individuals with celiac disease or sensitivity to gluten. Heinz also offers low-protein products for consumers who must restrict protein consumption, such as people with kidney disease.
Food Safety & Policy

To deliver on our trusted brand status, Heinz has implemented consistent, comprehensive global food safety management processes across our supply chain. This includes the application of our two internally designed risk management tools: our Quality Risk Management Process for controlling residual risk at factories and co-packers; and our Global Supplier Quality Management Program, which highlights and manages potential hazards throughout the supply chain. At the end of 2013, Heinz had approximately 5,500 suppliers that provided packaging and ingredients to Heinz, 68 Company-owned factories and 300 co-packers.

Global Quality Management Programs

Our global Supplier Quality Management program helps mitigate the risk associated with each ingredient that we procure and also allows us to categorize our suppliers based on risks posed. Based on these risk assessments, we determine the level of scrutiny to which each supplier is exposed. We have a trained, calibrated and competent team of supplier auditors based all around the world consistently enforcing Heinz standards. We measure compliance with this process to ensure that all suppliers are approved by quality and that everything we buy is covered by a written specification that is signed, understood and agreed by the supplier. We have been applying absolute rigor to the system and maintaining compliance levels at 100%.

We use our Quality Risk Management Process (QRMP) to drive consistent best practices at our factories and co-packers. This process is a proactive quality management system that focuses and directs activities at our factories and co-packers to control food safety hazards. This process is based on internal and externally recognized quality standards, including ISO 9001, ISO 2200 and Hazard Analysis and Critical Control Points (HACCP), a food safety risk assessment process focused on controlling biological, chemical and physical hazards within the food chain.

As our Company’s key Food Safety & Quality leading measure, this correlates well with our lagging measures of Product Recalls and Consumer Complaints. In order to continually improve the effectiveness and efficiency of our performance, a risk-based prioritized improvement plan is developed every year for each plant. In the past two calendar years, the food industry has seen the instance of public recalls rise. Heinz has improved our performance, experiencing only two recalls in the past four years.

Marketing Self-Regulation on Health & Nutrition

Heinz demonstrated our commitment to food safety by maintaining clear and accurate nutrition labeling on our products. Our focus on factual, transparent labeling included informing consumers about potential allergens as well as gluten-free products.

In the United States, Canada, Italy, Indonesia, New Zealand, China and India, all Heinz products carry the mandatory nutrition information. In the UK, in addition to the nutrition information, Heinz also includes salt equivalent labeling, and
where space permits, Guideline Daily Amounts. In the Netherlands, Heinz committed to the Energy Logo Initiative which indicates the amount of calories per portion of product.

**Charter for Marketing Breast-Milk Substitutes**

The H.J. Heinz Company recognizes the importance and the superiority of breast-milk in feeding infants and young children. As is outlined in Company policy, Heinz has developed a worldwide charter of practice for marketing breast-milk substitutes consistent across Heinz Business Units. The aim is to support breast-feeding and to outline principles and requirements to provide safe and adequate nutrition for infants and young children, when breast-feeding cannot be (or cannot be entirely) provided.

Furthermore, as a member of the International Association of Infant Food Manufacturers [IFM], Heinz is committed to the IFM’s Rules of Responsible Conduct. Developed by the IFM to address stakeholder expectations regarding the Industry’s marketing practices for breast-milk substitutes, and introduced in January 2014, the Rules of Responsible Conduct relate to the marketing of breast-milk substitutes and follow-on formula for infants from birth up to the first twelve months of life (unless local law prescribes a different age), and are consistent with World Health Organization (WHO) guidelines.
Delivering Innovative Solutions

At Heinz, we have been growing our business while reducing our overall environmental impact. We have made sustainable and profitable growth achievable by partnering with our suppliers.

Our suppliers’ products, materials and services are an integral part of our commercial operations, ensuring our sites and factories are capable of manufacturing, marketing and continually improving the thousands of unique items we produce today.

Heinz has formalized goals in the areas where we have the greatest impact. Over the past two years, we have continued to share best practices in these areas to expand our sustainable supplier and sourcing programs.

Together with our global suppliers, we deliver innovative solutions to meet our consumer and customer needs and achieve the commitments set out in this report.

Supplier Guiding Principles

Heinz works to ensure the safety of our products with our domestic and international suppliers, co-packers and joint venture partners. We seek suppliers’ compliance with our Supplier Guiding Principles through contractual provisions, and track their acceptance in proprietary software.

Sustainable Agriculture Practices

Heinz recognizes that sustainable agriculture practices have broad economic, environmental and social impacts. At the cornerstone of our progress against our stated goals are our global agriculture training program, our HeinzSeed natural tomato breeding program, and expanded partnerships in reducing our carbon footprint.
**Packaging**

Our sustainable packaging design policy includes the identification, evaluation and use of environmentally-friendly packaging materials such as plant-based materials; minimizing the overall amount of packaging materials consumed; and optimizing designs for transport efficiency.

**Transportation**

Heinz is focused on continuously improving the efficiency of our transportation network while working closely with our logistics carriers to meet our global goal of a 10% reduction in fossil fuel consumption and GHG emissions per unit of production.

**Sustainable Sourcing Initiatives**

Heinz is committed to environmentally responsible sources for our product ingredients.
Supplier Guiding Principles

One critical strategy to ensure the safety of our products is Heinz’s requirement that our domestic and international suppliers, co-packers and joint venture partners agree to comply with our Supplier Guiding Principles. These principles apply to all our suppliers and include complying with local labor and environmental laws to protect the health and safety of workers as well as the Earth. We seek suppliers’ compliance with these principles through contractual provisions and track their acceptance in proprietary software.

We have not had any instances of non-compliance with our suppliers. However, the Company continues to monitor these relationships. If an action of non-compliance should occur, Heinz is prepared to take appropriate action on a case-by-case basis and work with suppliers to correct deficiencies or, if appropriate, terminate the relationship.
Sustainable Agriculture

The Heinz Global Agriculture Program (GAP) is based on the principle of creating a long-term farm management philosophy that is equally focused on productivity, environmental stewardship and prosperity. When these best practices are properly implemented, growers can expect their farming operations to become economically, environmentally and socially sustainable.

Our team of agriculture experts has travelled the globe as part of an extensive education initiative to share best practices and teach farmers how to grow tomatoes more efficiently and sustainably, providing not only significant health and environmental benefits, but also economic and social advancements.

Progress Against Agricultural Goals

Heinz has made steady and strong progress toward achieving our three key sustainability goals for agriculture.

Goal 1: Water Reduction 15%

Since 2005, the use of drip irrigation in California has grown to nearly 75% of total acreage from 30%. Approximately 60% to 80% of the tomatoes used by our tomato paste co-packers have been grown through the use of drip irrigation.
Our water conservation techniques have included:

- Developing hybrid tomato seeds, through natural selection, that require less water for each ton produced;
- Evaluating pressurized systems that enable more efficient and accurate irrigation, compared to surface flood or furrow systems;
- Analyzing water absorption rates, plant needs at each stage of growth and results of water testing tools, such as tension meters, soil probes and shovels, to observe moisture at plant root systems;
- Designing systems that eliminate water runoff and minimize evaporation;
- Testing irrigation systems for water application uniformity and variations in flow and pressure; and
- Developing procedures to regularly maintain and repair irrigation systems.

Heinz has encouraged the adoption of drip irrigation in tomato growing because it delivers the precise amount of water the crop needs, when it needs it, where it needs it, and thus minimizes irrigation waste.

Drip systems deliver water slowly and evenly to the root zone of each plant, and the grower can adjust rates according to changing crop needs. Alternatives such as overhead sprinkler or flooded furrow applications inevitably require more water be applied than the crops need to allow for losses from evaporation, surface runoff and leaching.

Other advantages of drip irrigation include:

- Less disease (foliage is not wet by the irrigation)
- Less fertilizer needed (can be injected into the irrigation water and thus delivered with maximum efficiency to the plant roots)
- Fewer weeds (buried drip systems don’t wet the soil surface), which minimizes chemical usage and tractor passes in the field)

Government research supported by Heinz Australia found that drip systems used about 50% less water than furrow systems and increased yield by about 30%.
Goal 2: Carbon Footprint Reduction 15%

Heinz teamed up with several global sustainable companies to implement the Cool Farm Tool, a program that will estimate the net GHG emissions generated from the agricultural process of different crops around the world. Developed by the University of Aberdeen, U.K., the Cool Farm Tool is a carbon calculator that farmers utilize to reduce total carbon emissions. This technology allows users to input data into an online, open-source spreadsheet program that will calculate their farm’s current environmental impact contingent on factors specific to each farm. The Cool Farm Tool provides farmers with the power to adjust these numbers to see the potential environmental benefits of applying different practices and new farming techniques.

Heinz agronomists started to educate growers to utilize the Cool Farm Tool in countries such as Canada, Italy, Portugal, United Kingdom, Poland, New Zealand, Spain and the United States.

Goal 3: Increase Yields by 5%

In fields where Heinz tomatoes are grown, the Company achieved its goal to increase tomato field yields 5% above 2005 (absolute) in the following areas:

California yield increases of 18% were driven by:

- Improved natural breeding techniques - HeinzSeed has a market-leading 47% share;
- Increased drip irrigation from 45% to 75%; and
- Strong financial returns, allowing growers to adopt best practices.
Chinese yield increases were driven by:

- Our growers strictly following Heinz Good Agricultural Practices;
- Direct involvement of Heinz agronomists;
- Increased drip irrigation from 40% to 100%; and
- Introduction of HeinzSeed.

Canada was already a high-yield area, further increases limited by:

- Irrigation limited to 50% acreage; dependent on erratic rainfall; and
- Humid climate faces greater disease pressure.

New Zealand’s yield goal was achieved despite a challenging climate and no drip irrigation:

- Heinz agronomists worked closely with growers;
- Implemented HeinzSeed variety trials; match right variety for conditions; and
- Precipitation during growing season is common to region.

Portugal yield goals exceeded due to:

- 80% usage of HeinzSeed;
- Strong Heinz agronomy presence; and
- 100% drip irrigation usage.
Heinz Global Agriculture Program

Launched in 2000, the Heinz Global Agriculture Program is based on the principles of creating a long-term farm management philosophy that is equally focused on productivity, environmental stewardship and prosperity.

This program is for all growers of fruits and vegetables, pulses, grains and oilseeds intended to be supplied either fresh or processed to Heinz, whether directly or via intermediate processors and handlers. Heinz growers introduce Good Agricultural Practices (GAPs) into their operations, retain records of activities and measurements, demonstrate improvement and introduce mitigation measures when deemed necessary.

Heinz has worked with suppliers to facilitate agricultural practices that:

• Satisfy consumer needs for safe food, traceable to origin;
• Satisfy consumer demand for reliable supply of affordable, nutritious foods;
• Promote and protect the health, welfare and economic prosperity of farmers, workers and their communities;
• Minimize adverse effects on the Earth’s natural resources and biodiversity; and
• Strictly comply with all applicable laws and regulations.

Our goal at Heinz has been to establish a stable, long-term program with processors that are committed to meeting our high standards and purchasing products from growers that follow our global agricultural practices.

One-On-One Training Program

One of the hallmarks of our global agriculture program has been our training program, which equips growers with modern farming technologies and knowledge of good agricultural practices.

Our education efforts have included personal visits to growers’ fields, where we review techniques, assess constraints and determine what is working well and where improvements can be made. We have provided seminars, growing manuals and field training to educate farmers about practices such as:

• Water conservation and management
• Soil analysis and restoration
• Chemical application
• Pest management
• Crop rotations
• Food and worker safety
• Crop traceability
• Composting
• Biodiversity
Food Safety

As part of our Global Agricultural Program, Heinz has taken comprehensive steps to help ensure that our food products and key crops are safe for consumers. For example, Heinz is able to track where the tomato seed originates, what was used to help the plant grow, where the seed was planted and how, when and where the tomato was processed into a finished product and then delivered to its final retail distribution.

Heinz has monitored the safety of our tomatoes through audits of the agricultural practices implemented by farmers that have been contracted to grow Heinz tomatoes, both domestically and internationally. Activities include:

- Collecting written field histories;
- Recording GPS positions of fields;
- Geotagging photos of fields, farmers, chemical packaging and application techniques;
- Checking chemical and fertilizer application records for compliance with approved lists;
- Sampling soil and water and testing for appropriate chemical and nutrient levels;
- Documenting that any rectification measures are executed; and
- Submitting reports verifying compliance of established agricultural practices.

The farmers and processors that are Heinz suppliers have been expected to follow standard safety practices, including:

- Following strict industry protocol on the use of approved pesticides for preventative spraying. In fact, our growers are limited to a select list of pesticides more restrictive than those approved by the U.S. Environmental Protection Agency;
- Protecting crops from unsafe water supplies;
- Maintaining records of varieties and seed lots, as well as keeping greenhouse and field records; and
- Transporting tomatoes from field to factory in clean, non-contaminated containers.

Heinz Good Agriculture Practices (GAP) Manual

Our global agriculture experts expanded our initial GAP Manual from 2008 and established a comprehensive policy to standardize and communicate our expectations for agriculture practices worldwide. This Manual shares agricultural practices to minimize the adverse effects of farming on the Earth’s natural resources and biodiversity. The Manual outlines techniques to reduce the use of chemicals in farming, protect the soil, implement effective irrigation, conserve water and energy, reduce waste and pollution, and assure worker safety. It also provides specific tools for pesticide testing and field monitoring to drive alignment of reporting and tracking of data. The GAP Manual Policy is framed within the four principles, shown in the chart below:
Heinz has developed a customized database to capture our global knowledge and experience in the area of food safety in a single, easily accessible site. This platform is helping Heinz to make better decisions when buying raw materials.

Heinz created new field assessment forms and questionnaires to measure compliance with our global Good Agriculture Practices.

We established new business goals to drive compliance to standards and for reporting our progress on improving practices and outcomes.
HeinzSeed Grows Sustainable Tomatoes

Heinz has been developing proprietary tomato varieties since the 1930s. In 1970, the HeinzSeed Company was established to meet the challenge of creating tomato varieties that are adaptable to various global climates and best-suited for processing. HeinzSeed produces non-genetically modified hybrid tomato seeds for sustainable characteristics through traditional breeding techniques that help to ensure high quality, taste and nutrition when the tomato is harvested and processed.

Our renowned team has invested decades of research to develop hundreds of different commercial tomato varieties that:

• Deliver superior taste;
• Produce a higher yield;
• Remain ripe longer;
• Are more resistant to disease; and
• Require less water.

Healthier Crops Benefit the Earth

HeinzSeeds produce firm tomatoes that remain ripe longer when stored in the field. This has enabled Heinz growers to harvest tomatoes at peak ripeness, when they taste best, instead of removing them from the vine when they haven’t fully matured. This lengthened growing period maximizes the flavor of the tomatoes.

Heinz has bred tomatoes to be more disease resistant so tomato crops are less prone to blight, mold, viruses and bacterial diseases. Disease resistance also reduces the amount of pesticides used to help ensure healthy tomato plants, which keeps water supplies safer and production costs lower.

HeinzSeeds have been produced to provide farmers with high-quality seedlings that are uniform and healthy. Using an automated process, seeds are sown in greenhouses to enable the development of several million seedlings at one time. The 30–50 day growing process is closely monitored, using a plan that incorporates irrigation, fertilization and disease protection.

Rather than giving farmers bare-rooted seedlings, growers are provided with healthy plug seedlings that are transplanted to the field using automated equipment, where they will grow, flower, set, ripen and be harvested. This procedure enables Heinz to maintain a strong influence over the entire cultivation process.
HeinzSeed’s Global Footprint

Our agricultural team has travelled the world to identify and educate qualified growers who want to cultivate Heinz tomatoes in a responsible and profitable manner. Heinz has supplied 4.6 billion hybrid tomato seeds each year to our farmers and processing partners in more than 30 countries, including the United States, Canada, China, Southeast Asia, India, Spain, Portugal, the Middle East, Africa, Caribbean nations and Latin America.

More than 30% of the world’s processed tomatoes are grown using Heinz® seeds. In developing nations, HeinzSeed has helped farmers to improve their quality of life while conserving water and reducing over-reliance on chemical pesticides and fertilizers. Thanks to HeinzSeed, farmers have produced higher yields of quality tomatoes without genetic modification. Heinz also has systems in place to trace each tomato that is grown from Heinz seed, from field to fork.
Packaging Sustainability Pillars

Our sustainable packaging design policy outlines four sustainability pillars (below) which are embedded into every packaging and new product initiative at Heinz. Specific considerations include the identification, evaluation and use of environmentally friendly packaging materials such as plant-based materials; minimizing the overall amount of packaging materials consumed; and optimizing designs for transport efficiency.

- Reduce – Optimize designs to minimize use of packaging materials while ensuring product protection throughout the supply chain, and proper performance for our consumers (e.g., eliminate components, light-weighting).
- Reuse – Reuse packaging components where possible throughout the supply chain to minimize material waste and its associated carbon footprint (e.g. reusable totes, pallets, slip sheets).
- Recycle – Utilize recyclable materials, where possible. Incorporate post-consumer recycled content where feasible.
- Renew – Evaluate and utilize packaging materials derived from renewable sources (such as plants) to reduce carbon footprint.

Our facilities worldwide have been seeking ways to manufacture and package products more efficiently, and Heinz has been working with our suppliers to develop packaging solutions that generate less waste.

**Reduction of Packaging**

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**GOAL**
Reduce Packaging by 15% reduction of total packaging material by 2015 through the introduction of alternative packaging materials and reduction of existing packaging.

**PROGRESS**
Heinz has reduced its packaging material weight by approximately 11% per ton.
NORTH AMERICA

Weight Watchers® Smart Ones® Trays

- Use 40% less plastic than the previous tray
- Replacing plastic with a natural mineral thereby reducing GHG emissions by 45% to 55%
- Reduce tray weight by 15%
- Overall 749 metric tons of material diverted from landfill

Classico® Pasta Sauce Jars

- Improved ergonomic glass design
- Redesigned for optimal glass weight reduction with improved strength
- Improved footprint to reduce supply chain damage
- 11% reduction in glass and metal
- 12% reduction in GHG emissions
- 3878 tons of overall packaging material reduction

Heinz® Ketchup – PET Bottles

- Improved Bottle Designs
- 6-10% Bottle weight reduction
- 20-30% Cap weight reduction
- 2500 tons of overall material reduction

Heinz Pouch Pack® – Flexible Packaging

- Launched Ketchup and Mustard in stand up pouch format
- Reduced 25% overall packaging material compared to PET bottles

Corrugate Reduction

- Conversion from corrugate case to Tray & Film as secondary packaging for ketchup bottles
- 2700 tons of material reduction
U.K. & IRELAND

**Heinz Beanz Fridge Pack™ Environmental Impact**
- Reduces food waste through portion control and ability to store in fridge
- Reduces packaging weight
- Reduces CO2 impact from packaging
- Communicates recycling options

CANADA

**Infant Cereal Stand Up Resealable Packaging Innovation**
- 75% less packaging weight
- 18% improved packaging cube
- 25% improved case cube
- 33% improved pallet utilization

**Renée’s® Gourmet and Diana® Sauce – Glass to Plastic Conversion**
- 75% less packaging weight
- 26% improved packaging cube
- 8.5% improved case cube
- 20% improved pallet utilization

THE NETHERLANDS

**Heinz® Ketchup, salad cream and mayonnaise – New Cap Design for Top-Down Bottles:**
- Reduction of approximately 670 tons (34%) of polypropylene per year
- Reduction in transportation costs due to lighter weights
- Reduction of 47 tons of CO2 (34%) per year
Bioplastic Feedstock Alliance

On November 19, 2013, Heinz and seven other leading global brand companies joined with World Wildlife Fund (WWF) to launch the Bioplastic Feedstock Alliance (BFA), which encourages responsible development of plant-based plastics.

The primary focus of BFA will be on guiding the responsible selection and harvesting of feedstocks such as sugar cane, corn, bulrush, and switchgrass used to make plastics from agricultural materials. As the development of these renewable materials has grown, so has the opportunity to address their potential impacts on land use, food security, and biodiversity. BFA intends to bring together leading experts from industry, academia and civil society to develop and support informed science, collaboration, education, and innovation to help guide the evaluation and sustainable development of bioplastic feedstocks.

“This alliance will go a long way in ensuring the responsible management of natural resources used to meet the growing demand for bioplastics,” said Erin Simon, of WWF. “Ensuring that our crops are used responsibly to create bioplastics is a critical conservation goal, especially as the global population is expected to grow rapidly through 2050.”
Transportation

As a global food company, Heinz relies heavily on transportation to move commodities like tomatoes and the products that we manufacture from field to factory to store.

We have found that effective management of our comprehensive transportation network is one of the keys to reducing fossil fuel consumption and greenhouse gas (GHG) emissions in transportation.

Heinz is focused on continuously improving the efficiency of our transportation network while working closely with our logistics carriers to meet our global goal of a 10% reduction in fossil fuel consumption and GHG emissions per unit of production.

Our priority is to maximize fuel efficiency from our facilities to the customer through a variety of initiatives. For example, Heinz partners with our logistics carriers and internal teams to incorporate efficient fuel management practices and increase cube utilization through packaging redesigns (the amount of product per pallet). By increasing the number of items each truck carries, we can move more product with fewer trucks on the road.

As described below, we are also taking advantage of transportation optimization programs such as The Green Order in Continental Europe and the U.S. Environmental Protection Agency’s SmartWay® Transport Partnership and working with carriers that subscribe to these voluntary programs.
Our goal of delivering a 10% reduction in transportation-related fuel and GHG emissions by 2015 is based on an adjusted baseline year of 2009 rather than 2005. This baseline revision was necessary due to previous challenges in collecting and accessing accurate data from our distribution partners. We have addressed this issue and expect accurate measurements as a result. Changing the baseline year to a shorter reporting cycle presents a greater challenge for the Company to meet this specific goal.

Through comprehensive transportation initiatives that include reducing mileage, packaging reductions and alternative modes of transport, Heinz is reporting initial progress against this goal and remains committed to achieving our stated 2015 goal.
Transportation Case Studies

CO2 Emissions Cut by More than 10% from UK & Ireland Logistics Networks

In the UK & Ireland we’ve cut CO2 by more than 10% from our customer delivery networks and by as much as 14% for our iconic Tomato Ketchup. This has been achieved a full two years ahead of target. It’s a saving of over 2,300 tonnes of CO2 a year and equivalent to taking around 1,000 family cars off the road each year. Fewer and friendlier miles will always be our quest.

A “Sea” Change in the Netherlands Reduces Emissions and Truck Traffic

In January 2013, Heinz began using an inland waterway in the Netherlands – rather than trucks – to transport approximately 1 million bottles of Heinz Ketchup by barge each day from its factory in Elst, Netherlands to the port of Rotterdam, where the ketchup is then shipped by sea to customers throughout Europe.

“Switching to the inland waterway shipping is a sustainable solution that removes 10,000 rides from the highway annually. It reduces related carbon dioxide emissions by 15% and helps alleviate traffic congestion,” says Tom Tillemans, head of Logistics Network Development for Heinz Europe.

Every day, a barge loaded with Heinz Ketchup sales from the inland container terminal of Cuijk, which is near the Elst factory.

Heinz switched to inland waterway shipping with the support of the Lean and Green Barge project in the Netherlands, which encourages companies to make greater use of inland waterways as an alternative to highway shipping.

The “sea change” is just one of the sustainable initiatives at Heinz Benelux, which is participating in a new supply chain partnership that is driving distribution efficiency and taking trucks off the road to reduce fossil fuel consumption and greenhouse gas emissions.

Launched in October 2012, the partnership involves three other consumer product companies – FrieslandCampina, SCA Hygiene Products and Hero Benelux – and logistics provider Nabuurs, which is warehousing and transporting products from all four companies for distribution to retail and foodservice channels.

The distribution hub is an additional Nabuurs warehouse close to the city of Nijmegen in the Netherlands. Products from Heinz and the three other companies are centrally warehoused and shipped to customers in combined truckloads.

“Importantly, the trucks are optimally filled, resulting in more sustainable distribution and a reduction in carbon dioxide emissions,” says Tillemans.

Heinz Benelux manufactures and markets foods that are distributed to retail and foodservice channels in Belgium, the Netherlands and Luxembourg. Its leading brands include Heinz, Honig and De Ruijter.
Sustainable Sourcing

Heinz is committed to working together with major stakeholders from industry, government and the public to help achieve a more sustainable approach to sourcing raw ingredients for our products. We are also focused on safety and quality, and we set strict buying specifications in order to meet these requirements. In 2012, Heinz was recognized with a Justmeans Social Innovation Award for Best Incorporation of Ethical Sourcing or Certification.

Sustainably Sourced Cocoa - UTZ Certified

Background: Poor soil fertility management, aging tree stocks, improper use of chemicals, uncontrolled deforestation and poor labor conditions are several of the challenges faced by the cocoa industry. These factors also represent imminent threats to the sustainability of cocoa farming. As consumers grow increasingly aware of these situations specific to the cocoa industry, they demand products that are sourced in a responsible way.

Position: As we announced in our last report, our De Ruijter brand in the Netherlands was the first major chocolate sprinkles manufacturer to announce the switch to UTZ CERTIFIED cocoa that adheres to sustainable agriculture practices for the cocoa supply. We are pleased that all cocoa bought by Heinz as of January 1, 2013 is 100% sustainable – UTZ CERTIFIED. This includes the De Ruijter, Venz and Kwatta brand chocolate sprinkles brands. The move to UTZ CERTIFIED cocoa is an important step that helps to provide a sustainable future for Ivory Coast cocoa growers. By teaching growers safe and more efficient farming practices, the quality and yield of cocoa beans will increase, resulting in a better income for farmers and knowledge shared throughout the supply chain. UTZ CERTIFIED works together with major stakeholders from industry, government and the public to help achieve a more sustainable cocoa sector. The Code is internationally recognized, and the goal is to reach many small farmers and involve them in the global supply for responsible cocoa.

Certified Sustainable Palm Oil

Heinz recognizes that unsustainable cultivation of oil palm contributes to deforestation, climate change and a lack of biodiversity in oil-producing countries.

Background: Heinz has been committed to the sourcing of certified sustainable palm oil and has a solid track record of continual improvement on the company’s journey to achieve 100% certified sustainable palm oil by the end of 2013. In the last report, we announced that Heinz converted our largest global palm oil usage to segregated certified palm oil sources from a new plant in the Netherlands. As a result, Heinz began using segregated certified sustainable palm oil in manufacturing frozen potato products at our Westwick factory. Heinz also reduced our palm oil usage in North America through product reformulation to enhance product health and wellness.

Commitment: Heinz completed its conversion to 100% certified sustainable palm oil in December 2013. Our Global Sustainable Palm Oil Steering Team, which includes our key regional procurement, quality and R&D personnel, assesses and facilitates compliance with this goal globally. This team also works closely with Research & Development to ensure that palm oil is only used in new products when there is no technical or commercial alternative available. We are also reformulating existing recipes to incorporate alternative environmentally responsible sources.
Heinz promotes the use of palm oil from sustainable sources through our membership in the Roundtable on Sustainable Palm Oil (RSPO). This not-for-profit association brings together stakeholders – including palm oil producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation non-government organizations (NGOs), and social or developmental NGOs – to develop and implement global standards for sustainable palm oil.

In its November 2013 Palm Oil Buyers Scorecard, the World Wildlife Fund (WWF) said, “This Scorecard shows that a handful of companies like... Heinz have done exactly what WWF has asked of them. They have put the effort into making sure they’re in a good place to meet their commitments to use Segregated CSPO and to move away from relying on Book and Claim certificates.”

**Farm Animal Welfare**

Heinz recognizes that animal welfare is a growing consumer interest.

Background: Heinz is one of the world’s premier food companies. At Heinz we have always been committed to providing safe, wholesome and nourishing foods that enhance the lives and well-being of people everywhere – a philosophy that extends throughout our supply chain, and in particular in our approach to animal welfare. As with all ingredients, the primary concerns for Heinz are safety and quality, and we set strict buying specifications in order to meet these requirements. At Heinz, the provenance of our ingredients is important to us. We have a long-standing history of ensuring traceability in our agricultural supply chain, and we share best practices across our global business. We keep our meat supply chain as short as we can in order to maintain the best possible levels of ingredient traceability.

Heinz believes that animals should be treated with compassion and we are committed to ensuring that the ingredients we purchase from our suppliers are produced in a sustainable and ethical manner. Heinz does not operate any animal processing facilities and is not a leading buyer of animal-derived ingredients. However, we have several ongoing initiatives and a global position statement to ensure a consistent approach on animal welfare for our animal-derived products.

Cage Free Eggs: Heinz is not a major user of eggs and therefore we have little to no influence on the costs of egg prices either in the U.S. or globally. That said, Heinz has made a commitment to source our eggs from cage-free chickens as suppliers meet our growing request for this ingredient. Specifically, in the U.K., we use free-range eggs in Heinz Mayonnaise. Across all Heinz businesses, we continue to work with our egg suppliers to review and further understand the options and capabilities in cage-free sourcing going forward. We ask stakeholders to work with major egg suppliers and users to bring down the costs of cage-free eggs, which today are significantly higher than those of caged eggs.

Gestation Crates: Heinz applauds and supports industry efforts to move away from using gestation crates for pregnant sows. The Company is currently working with its pork suppliers to understand and document their plans to reduce or end the use of gestational crates. This information is used to inform the Company’s choice of suppliers now and in the future, in an effort to increase the Company’s use of pork from crate-free sources.
Position: Heinz recognizes that many consumers have concerns about animal welfare and we take these concerns seriously. First and foremost, no Heinz products are tested on animals. Secondly, Heinz suppliers are required to have implemented validated Animal Welfare Programs to prevent the abuse of animals. These Animal Welfare Programs are to be compliant to the Humane Methods of Slaughter Act (HMSA), the Federal Meat Inspection Act and the Poultry Products Inspection Act. Heinz requires written confirmation of compliance to these Animal Welfare Programs. Heinz requires formal Animal Welfare Assurance programs at each of our supplier locations validated through audits and a target training program to preserve the health and well-being of the animals and food safety of the finished products.

In addition to compliance with all local legislation in force in the country of origin, Heinz requires that its suppliers adhere to the principle of the Five Freedoms for animal welfare:

- Freedom from hunger and thirst;
- Freedom from discomfort;
- Freedom from pain, injury and disease;
- Freedom to express normal behavior; and
- Freedom from fear and distress.
Heinz Sustainable Approach

Heinz ensures that all levels of the Sustainability Process work efficiently together to maximize results as we strive to achieve our key sustainability goals.

As a global company with approximately 30,000 employees and operations on six continents, Heinz has developed and implemented a universal Sustainability Process across businesses and borders in order to achieve our nine established sustainability goals.

Our Sustainability Process ensures that the concepts of environmental, social and economic sustainability are instilled at every level of our global operations and among our employees.

Heinz Sustainability Process

Our Sustainability Process provides a consistent and coordinated framework for each business unit and facility and makes it possible for us to define and implement a customizable sustainability program at each business and facility under a business model that embodies our values.

Materiality Analysis

Heinz conducted a materiality analysis in conjunction with our ongoing global Corporate Social Responsibility (CSR) strategic planning efforts. Materiality analysis allows us to take a close and considered look at the CSR issues that are of the highest concern to our stakeholders and that could significantly affect our Company’s ability to execute its business strategy.
Enterprise Reputation and Risk Management

Our approach to risk management has enabled the Company to meet two primary reputation-related goals: to do the common thing uncommonly well, and become a trusted packaged food company.

Awards and Recognition

Heinz is proud of our Corporate Social Responsibility awards and recognition for being a company that demonstrates excellence in attention to the management of environmental and social issues.
Global Sustainability Process Model

Heinz developed the Sustainability Process to provide a consistent and coordinated framework for each business unit and facility. This framework makes it possible for us to define and implement a customizable sustainability program at each business and facility under a business model that embodies our values. The model addresses our strategic, operational, collaborative and governance requirements.

Our Sustainability Process emphasizes a set of fixed guidelines and allows for customization to meet the needs of diverse global cultures, stakeholder expectations, and unique business unit strategies and priorities. Our goal is to consistently improve upon this process to enhance implementation and customization for our business units and global partners. Through effective management and communication, Heinz seeks to ensure that all levels of the Sustainability Process work efficiently together to maximize results as we strive to achieve our key sustainability goals.

Venezuela Sustainability Team

Heinz Venezuela implemented the Global Sustainability Program model at its operations in 2011. Thirty-four employees from different functional areas of the factory volunteered to be official members of the Venezuela Sustainability Team.

This team led the development and translation of the Implementation Manual for the Sustainability Program. This manual was used as an integration tool for Costa Rica, Mexico and Venezuela. It facilitates best practices sharing among our facilities in Guadalajara, Mexico; San José, Costa Rica; and Maracay and San Joaquín, Venezuela.

Naturally Heinz

The Heinz Benelux team implemented the guidelines of our Global Sustainability Process through a program called “Naturally Heinz.” The essence of this program is that it applies the three dimensions of CSR (people, profit, planet) to our process, products, employees and our role in society. Our brands are central in the program and each includes a unique Corporate Social Responsibility vision and objectives. This enables the team to further drive the equity of the brand on sustainable principles and initiatives.

The UTZ CERTIFIED cocoa for our De Ruijter brand in the Netherlands is a good example of the Naturally Heinz program, where our team combines sustainable agriculture, fair trading principles and product quality for added brand value and consumer satisfaction.
Understanding Our Material Issues

H.J. Heinz Company conducted a materiality analysis as part of the development of this report and in conjunction with our ongoing global Corporate Social Responsibility (CSR) strategic planning efforts. Materiality analysis allows us to take a close and considered look at the CSR issues that are of the highest concern to our stakeholders and that could significantly affect our Company's ability to execute its business strategy. In effect, the materiality analysis highlights areas both of opportunity and risk to help us refine our overall strategic reporting approach and improve performance.

What is a material issue?

We define material CSR issues as those that would likely have a significant impact on Heinz and are relevant to our key stakeholders.

In conducting the analysis, we began with a comprehensive evaluation of stakeholder concerns. We reviewed both direct stakeholder input (as gathered through a focus group) as well as indirect source materials, including ratings and rankings surveys, investor questionnaires, peer reports, customer requirements, and trade association position statements, among others.

We also conducted an internal survey to determine company perceptions regarding the potential impact and importance of each issue included in the analysis. Issues were assessed and ranked according to several criteria, including, for example, potential impact on revenue, brand and reputation, employee engagement and our ability to deliver our products to customers.

The resulting materiality matrix combines both stakeholder rankings and Company perceptions and depicts the relative reporting priority of our CSR issues (high priority issues are located in the upper right-hand corner of the matrix).

We have structured this report to provide enhanced information and deeper discussion of issues ranked as high priorities for our Company and our stakeholders. We expect to refine the materiality analysis in future years and welcome feedback from all stakeholders regarding the results of the analysis.
Use of the analysis

We have used this analysis to identify issues to cover in our Report. This analysis and the methods for conducting materiality analyses generally are works in progress and do not specifically reflect the views of Heinz management. In fact, Heinz is passionate about addressing all of the issues submitted to the materiality analysis. Sustainability issues are not discrete. Rather, they overlap and interconnect in a complex system that is difficult to capture in a list of issues. Analyzing issues by stakeholder group adds depth to our understanding of who is concerned about which issues and why, but in the process of placing them on a two-dimensional matrix, some of that nuance is lost. Finally, an element of subjectivity is inevitable.
MATERIAL ISSUES

**Food Safety**
Maintaining stringent policies and practices for the safe manufacture of all our products.

**Sustainable Agriculture**
Understanding and addressing (to the extent of our influence) the environmental impacts of agricultural practices, such as sustainable land-use management, pesticide application and biodiversity preservation.

**Greenhouse Gas (GHG) Emissions**
Reducing our GHG emissions through mitigation efforts, including reducing our operational footprint, increasing efficiency and adopting green practices.

**Healthful Products**
Ensuring that we are providing customers with healthful products, including ones that are low-fat, low-sugar, low-salt, no trans-fat, etc.

**Packaging**
Reducing packaging materials and developing more environmentally friendly packaging alternatives to lessen package weight and reduce raw material consumption.

**Innovation**
Continuing to create new and innovative products to better serve our customers across all our global regions.
Enterprise Reputation and Risk Management

Heinz employees globally work more than 62 million safe hours annually and produce tens of billions of defect-free products each year.

Heinz Enterprise Value and Brand Equity efforts focus on the following key areas:

- Company reputation and brand image
- Food safety and quality
- Employee health and safety
- Talent
- Physical assets
- Processes and systems
- Customers and suppliers
- Other intangible assets (e.g., trademarks, consumer and customer relationships)

Heinz incorporates a broader integrated operational approach to the Enterprise Reputation and Risk Management (ER²M) function. The Office of Risk Management was established at World Headquarters and it includes ER²M, Food Safety and Quality, and Operational Risk Management functions. This department reports to the Audit Committee of the Board of Directors as needed. Our approach to risk management has enabled the Company to meet two primary reputation-related goals: Do the common thing uncommonly well, and become the best food company.

Our ER²M priorities to date have been focused upon:

- Establishment of ER²M structure
- Development of Heinz ER²M Methodology
- Conducting top-down and bottom-up risk assessments
- Mitigation of top risks
- Standardization of Operational Risk Areas:
  - Risk assessment approach
  - Common ways of working
  - Key Performance Indicators
  - Scorecards
- Ongoing communication of top risks to Executive Management and the Board of Directors
Through collaboration across functional areas and geographic regions, the Risk Management team:

- Generates awareness and identifies potential risks and opportunities;
- Evaluates and establishes acceptable risk tolerance levels;
-Ensures alignment of Heinz policies, standards, best practices and ways of working; and
- Facilitates development of risk mitigation solutions and measurement.

Leaders at Heinz are risk aware but not risk averse in areas in which risk is consistent with our principles. Effective enterprise-wide risk management has helped the Company to achieve our short- and long-term business objectives while protecting our reputation and brands.
Awards & Recognition

**Dow Jones Sustainability Indexes (DJSI)**

Heinz has been rated Bronze class as a DJSI world member and as a sustainability leader in North America.

**Newsweek Green Rankings**

Heinz was recognized in the Newsweek Green Rankings in the Top 500 companies and a top ten most transparent company.

**Worldstar Packaging Award**

Heinz Australia’s Golden Circle Bottle. A new bottle design was recognized by the World Packaging Organization.

**Lean and Green Award**

Heinz Italia was awarded a “Lean and Green Award” for Excellence in Sustainable Logistics.

**Corporate Responsibility Magazine Ranking**

Heinz was recognized as one of the Top 10 best corporate citizens in the Consumer Staples sector.

**Justmeans Social Innovation Awards**

In 2012, Heinz won the award for the Best Incorporation of Ethical Sourcing/Certification.