# FOOD PRODUCTS GROUP

### 2024 Sustainability Report

### Heartland 2024 Sustainability Report



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### **Message from Ted**



Growth and evolution are central to our heritage. Since its inception in 1991, Heartland has evolved from a small injection and blow molding enterprise into a global company with over 1,200 employees and a product presence in over 50 countries. We are proud to serve as the parent company of well-known brands such as Splenda®, Java House®, and Heartland Agro—US, LLC.

Each year, consumers choose our products over others in the sweetener category. We are also excited about the positive reception of our new products outside the sweetener aisle, including Splenda Diabetic Nutrition Shakes, Splenda Coffee Syrups, Splenda Creamers, Splenda Liquid Water Enhancers, and Splenda Sweetened Condensed Milk. In Mexico, the launches of Splenda Dry Drink Mixes and Splenda Balance Shakes have exceeded our expectations.

Ted Gelov Chairman & CEO

In addition to our work with Splenda, we have made significant investments in the Java House brand and in Peel 'n Pour Single Serve Pods. We have also introduced new brands such as Wrangler, Liquid Science, Chocky's, and Lone Tree to diversify our portfolio. Our investments in distribution and a dedicated direct-to-office sales team have positioned us for future success.

In 2024, we made important improvements to our manufacturing processes, focusing on "Engineering for Success" to enhance automation and supply chain efficiency. We are proud to report that our On-Time In Full (OTIF) delivery metric has maintained an impressive 99.6%. Additionally, we expanded our facilities to include the Syrups and Concentrations building, which has attracted many new customers. We are also excited to announce that Heartland Agro has partnered with its first family farm to cultivate stevia.

We remain committed to investing in our community, as demonstrated by year-over-year increases in employee volunteering for local agencies serving those in need. Whenever possible, we align with organizations that assist individuals suffering from diabetes. Recently, we were honored to receive the 2024 Spirit of Caring Award from the Diabetes Youth Foundation.

As part of our philanthropic efforts, Splenda, America's #1 sweetener brand launched the "25 Families for 25 Years" initiative to celebrate its 25th anniversary. For over two decades, Splenda has empowered individuals to live healthier lives by making it easier to reduce sugar intake. To honor this milestone and in line with our mission, Splenda donated \$2,500 to 25 families living with diabetes to help offset medical expenses, educational needs, or other essential costs.

I am proud of the progress we made in 2024 and I want to express my heartfelt gratitude to the entire Heartland team for making our ongoing success and achievements possible. As we move into 2025, we will continue to invest in our community, expand our manufacturing capabilities, create jobs, and develop our employees.

God Bless

Ted

# **Heatdand** FOOD PRODUCTS GROUP

### Governance

Heartland Food Products Group is a privately owned company led by Ted Gelov, Founder, Chairman, and CEO. Indianapolis, Indiana, is the home of the company, Executive Leadership Team (ELT), and most of our employees. All of whom reflect Heartland's core pillars of being, Fast, Flexible, and Innovative.

Corporate Responsibility (CR) falls under the guidance of Human Resources. However, the leadership and accountability of CR and Sustainability belong to the Executive Leadership Team. Additionally, the ELT crafts the vision, goals, and guidelines for responsible corporate stewardship, community engagement, and philanthropy.

As the Company evolves in its Corporate Responsibility and Sustainability journey, the ELT will continue to sharpen the focus of engagement, investment, and philanthropic initiatives. This strategic approach will enhance, impact, and impart a proud legacy.



Ted Gelov Chairman & CEO Corporate Leadership ELT



Eddie Pellegrino President Corporate Leadership ELT



William O'Connor VP General Counsel Corporate Leadership ELT



Kris Govindadas Chief Financial Officer Corporate Leadership ELT



Rich Doppelfeld VP Human Resources Corporate Leadership ELT



Ricardo Reyes VP Manufacturing, Quality, R&D Corporate Leadership ELT

Message from Ted Governance

About Heartland Mission

Culture Innovation

n Sustainability

Corporate Responsibility

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- 1. Indianapolis, USA Carmel Global HQ Manufacturing Facilities **Innovation Lab Distribution Center** Center of Excellence in Training
- 4. Mexico City, MEX LATAM Corporate Office **Tultitlan Manufacturing Facilities**

**Bentonville**, USA 2. Sales Office

Bogota, COL

Sales Office

5.

3. Splenda Stevia Farms, USA Lake Panasoffkee Farm Facilities, FL - Stevia Processing Facilities Gainesville Archer Farms Facilities, FL

6. Amsterdam, NL EMEA HQ

### **About Heartland**

Heartland Food Products Group is a prominent manufacturer in the Consumer Packaged Goods (CPG) industry. The company was founded in 1991 as a small injection and blow molding company and has since become a leading producer of healthcare products. It is also the parent company for Splenda®, Java House®, and Splenda Stevia Farms.

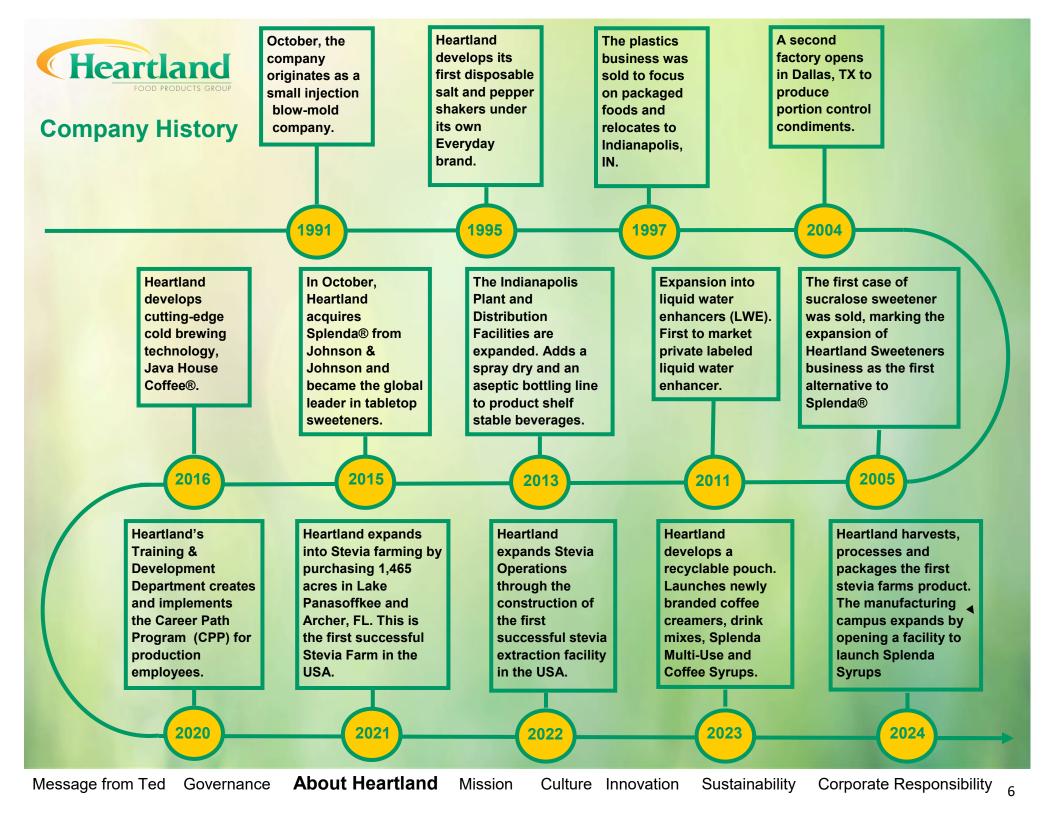
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The corporate headquarters are in Carmel, IN, with regional headquarters in Mexico and the Netherlands. The Indianapolis, IN, manufacturing campus is located in Pike Township, which has the largest minority population of all Indianapolis townships. Heartland has employees from 41 different countries and is the only business in the township that offers English as a second language classes on-site for employees. In 2021, the City of Indianapolis recognized Heartland as a Global Ally at Welcoming Workplaces.

Heartland employs 1,200 individuals worldwide who are engaged in the research, development, manufacturing, and sale of sugar replacement products across 50 countries. The company's global headquarters is located in Carmel, Indiana, with additional offices in Bentonville, Arkansas; Amsterdam, Netherlands; Mexico City, Mexico; and Bogotá, Colombia. Indianapolis, Indiana, is home to Heartland's Center of Excellence in Training, as well as its distribution center and manufacturing facilities. The LATAM manufacturing facility is situated in Tultitlán, Mexico. Heartland's products are distributed throughout North America, Europe, the Middle East, Africa, Latin America, and the Asia-Pacific region.

This report will focus on Heartland's history, mission, culture, innovation, environmental sustainability, and its role as a responsible company and community partner. For additional information, please visit: heartlandfpg.com/corporateresponsibility/.

Corporate Responsibility **About Heartland** Message from Ted Governance Mission Culture Innovation Sustainability





### Featured Business Unit Distribution Center - 2024

The Heartland Distribution Center (DC) opened in 2013. The 460,000 sq ft facility is conveniently located within a mile of the manufacturing campus in Indianapolis, IN. The facility has storage capacity for 37,000 pallets and currently stores 2,200 unique SKUs (Stock Keeping Units). The facility is supported by 200 team members that prepare manufacturing and customer orders 5 days a week.

Daily, 85,000 cases (150 orders) are picked and shipped to customers in North America, Australia, New Zealand, Puerto Rico, and Costa Rica. The DC team supports manufacturing daily by picking and delivering 800 pallets of raw materials, then transferring 1,400 pallets of produced finished goods to the DC for future customer orders. This process is all supported by a corporate fleet with 7 drivers, 5 trucks and 58 trailers.

The team is always working to exceed customer expectations by improving operations and efficiency. They are actively implementing Blue Yonder, a best -in-class warehouse management system. This system will be online in 2025 and provide an ability to easily scale operation and successfully fulfill growing customer demand.

While keeping sustainability in mind, the DC Team has additionally reduced its carbon footprint through the utilization of continuous improvement methods and cutting-edge technology such as:

- Implementing Activity Based Costing (ABC) providing a 26% operating efficiency
- Implementing LED lights leading to a Scope 2 emissions reduction of 322 mt CO2e
- Implementing Blue Yonder inventory software reducing fleet Scope 1 emissions by 17 mt CO2e



### **Distribution Center**





Heartland Latin America (LATAM), established in 2016, is the regional hub for manufacturing, sales, and distribution in Mexico, Central and South America. Operating seamlessly, LATAM has become an integral part of the local business landscape, contributing to the growth and development of our core business in low-calorie sweetener and the expansion of our most recent launch of Splenda Drink Mixes.

The near-term goal at Heartland LATAM is to continue expansion in the region and grow as a megabrand with flawless processes and procedures in alignment with the comprehensive mission of Heartland Food Products Group LLC.

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Growing and evolving, that's a part of the Heartland heritage. Since its inception in 1991, Heartland has evolved from a small injection and blow molding enterprise to a global company with over 1200 employees and product presence in 50 different countries. It is also the parent company of Splenda®, Java House® and Heartland Agro - US, LLC.



Message from Ted Governance About Heartland Mission Culture Innovation Sustainability Corporate Responsibility



### Splenda. CELEBRATING. 25YEARS OF SWEETNESS



In 1976, scientists from Tate & Lyle, along with researchers Leslie Hough and Shashikant Phadnis at Queen Elizabeth College, discovered a new sugar compound called sucralose. When Hough asked Phadnis to "test" the new compound, Phadnis misunderstood and "tasted" it, finding it exceptionally sweet. This led to the creation of a calorie-free sugar substitute.

Fifteen years later, in 1991, Splenda® was launched in Canada. Seven years after that, the United States FDA (Food & Drug Administration) approved Splenda as a nonnutritive sweetener, and as a general-purpose sweetener in 1999, marking the beginning of the sugar reduction revolution.

Splenda launched as a tabletop sweetener in restaurants and coffee shops in 2000, providing consumers with a sugar-free option while dining out. By 2003, Splenda had gained popularity and was named America's #1 Favorite Sweetener.

In 2004, Splenda's Research & Development department developed a custom blend containing 50% Splenda and 50% sugar, making it an ideal baking solution for people who want to reduce their sugar intake. In 2008, the FDA approved the use of stevia as a sweetener, followed by the approval of Monk Fruit in 2010, providing two more plant-based sweetener options for those who prefer no added sugar.

In 2015, Splenda transformed into a mission-driven company dedicated to helping people lead happier, healthier, and longer lives (H2L2) by making it easier to reduce sugar and providing the best-tasting sweetener. In 2016, Splenda launched *Made in America* packets as the Splenda Away From Home team paid tribute to the commitment to making products in the USA.

Splenda gained notoriety in 2018 by being announced as the #1 Low and No Calorie Sweetener recommended by doctors and dietitians, followed a year later by further recognition from Readers Digest Trusted Brands, being named #1 Trusted Sweetener.

During 2020, in line with the H2L2 mission, Splenda launched Diabetes Care Shakes. Also, another milestone was reached in selling 19.9 billion sweetener servings, thus saving 24 trillion calories.

### Splenda. 25 YEARS OF SWEETNESS



Returning to normalcy in 2021 and the next two years brought a series of seven incremental enhancements to the Splenda family. Beginning with Splenda's launch of "Sweet Sayings" on packets to add a sprinkle of morning motivation in delivering a dose of sweetness to kickstart the day, leaving our customers with a smile and a sweet spirit. In the same year, there was a partnership with the American Diabetes Association, providing a focus to "prevent and cure diabetes and improve the lives of all people affected by diabetes."

The magic of Splenda expanded in 2022 with the unveiling of Magic Baker, giving consumers a baking-specific sweetener alternative for sweet treats. In 2023, there were two launches and a new partnership. The first was the launch of the first fully integrated US Stevia Farm in Central Florida to bring stevia production from overseas to the U.S. These fully operational stevia farms utilize sustainable farming techniques and significantly reduce CO2 emissions. Additionally, in 2023, Splenda launched, coffee syrups and creamers, allowing consumers to sip, sprinkle, and swap throughout the day. Lastly, Splenda announced partnerships with the Juvenile Diabetes Research Foundation and Children with Diabetes to help adults and children with diabetes pursue a healthy lifestyle through education and awareness of no added sugar alternatives.

In 2024, Splenda celebrated its 25th birthday by announcing that Splenda Stevia is now 100% U.S. grown at their 1,465-acre Central Florida Splenda Stevia Farms. Additionally, the manufacturing campus expanded with the launch of Splenda Syrups production facility.

It's a golden anniversary of sweetness!

### Heardland FOOD PRODUCTS GROUP







Message from Ted Governance About Heartland Mission Culture Innovation Sustainability Corporate Responsibility





Midtown

Carmel Library

Simon Tower

JAVA HOUSE

### Sionsville Clay Terrace Broad Ripple

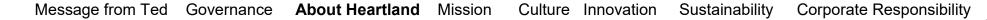
JAVA 🛞 HOUSE

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Java House was founded in 2016 by Ted Gelov, the owner of Heartland. Since the launch of Java House, it has quickly gained recognition from both brickand-mortar and online retailers, establishing JAVA HOUSE® Cold Brew Coffee as a nationwide brand.

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About Us

It's Cold Brew, Not Cold Coffee

We opened the first Java House Coffee Bar in Clay Terrace in Carmel, Indiana in May 2019. Since then, Java House has been busy in the Indianapolis community, opening more shops and having fun at sports and seasonal events. Today, we are proud to have a total of twelve coffee shops with over 180 employees in the greater Indianapolis and West Lafayette areas.

If you've ever visited one of our bars, you've experienced what really makes us different - our coffee. But WHY is it different? WHY is it so smooth? WHY is it SO GOOD? All of our coffee is cold brewed.

Instead of scorching our beans in hot water for a few minutes, we take the time to steep our beans in cold water for 12+ hours. The result is the best tasting coffee, rich & smooth, offered just the way you like it. That's right, you can have cold brew hot, cold brew nitro, cold brew latte and so many more! This variety helps to explain why Java House has a loyal and growing base. One customer stated *"Great coffee, great atmosphere, and strong corporate values. The two existing Java House locations have been my "office" off and on for the past 10 months and they never disappoint. Kudos to a local company growing during times when many are contracting. I've known Michael (Michael Moe, Managing Partner) for many years and although I may be biased, I believe the coffee shop brand and his team are creating an extension of the family and community oriented values and morals that he emulates on a daily basis."1* 

If you are a customer; thank you so much for the love and support you've shown Java House so far! We're at the beginning of this journey and can't wait for you to grow with us as we work to share our coffee with communities around the world.

If you haven't yet, please swing by one of our shops to get to know our Baristas and enjoy a Cold Brew! If you're not from Indy, check us out on Amazon and we hope to have a store near you soon!

1 Indiana Business Journal, "6 thoughts on "Carmel-based Java House opening Broad Ripple coffee bar, brewing big Indy expansion", January 12th, 2021, Colin A.

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### Splenda Stevia, Farms

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In 2024, Splenda Stevia Farms experienced significant growth. More employees were hired such as Production Engineers, Research & Development Scientists, Farmers, Facilities and Maintenance Engineers, Asset Technicians, and Managers. The first crop was harvested and processed, then shipped to the Indianapolis manufacturing plant for production into stevia products. These products were then sent to major U.S. retailers to launch the "From Our Farm to Your Home" marketing campaign.

Several technological investments have been made to support sustainable methods. Some examples are ground moisture monitors used to conserve water by providing optimal irrigation conditions, and a Carbon Robotics Laser Weeder used to control invasive plants, eliminating the need for alternative weed control methods. All tractors are monitored using the John Deere Operations Center management system, improving efficiency and maintenance cycles.

Additionally, all farm combustion powered implements meet or exceed Tier 4 emissions requirements, further contributing to lower emissions in farming.

Another reduction in emissions has been identified in shipping stevia ingredients to Indianapolis from the Florida Splenda Stevia Farms instead of importing them from China, and avoiding the production of an additional 19 metric tons of CO2e.

Continuous improvement methods have accelerated product and process development. Once these techniques are standardized, they will be shared with partnering farmers seeking to become official licensed growers of Splenda Stevia, further reducing demands on overseas suppliers and lowering supply chain emissions. All of these items are part of the initiative brought to you by Heartland Food Products Group -*"From our Farm to Your Home".* 

Splenda

STEVIA



### **OUR MISSION**

We help people live happier, healthier, and longer lives by making it easier to reduce sugar.

### Happier Healthier Longer Lives WE MAKE IT EASIER TO REDUCE SUGAR

Heartland Food Products Group is a global leader in the consumer-packaged goods (CPG) industry, producing lowcalorie sweeteners and liquid water enhancers. Simply put, we make coffee, tea and water taste better. Our sweeteners are also great for baking and sprinkling! From peanut butter cookies to banana bread, low-calorie sweetness starts with Splenda®. Start your day with coffee, fruit, and oatmeal sweetened with delicious, low-calorie products made by Heartland.

Our portfolio includes a variety of branded, licensed and private label products within multiple categories. We also provide strategic co-manufactured partnerships with many category leaders.

On the branded side of business, we manufacture and market Splenda, the #1 brand in the low-calorie sweetener (LCS) category and the most recognizable in the world. Since the acquisition of the Splenda Brand in 2015, Heartland has launched natural sweeteners such as Splenda Stevia Sweeteners, Splenda Liquid Sweeteners, Splenda Coffee Creamers, Splenda Diabetes Care Shakes, Splenda Sweet Teas and part of the brand's portfolio of products. To learn more about Splenda, visit <u>Splenda.com.</u>





### Our Employees Our Culture Our Community













### Culture

*Heartlife* celebrated 5 years as the cultural guide for Heartland employees in 2024. Since its inception and introduction,158 annual awards have been presented to *Heartland* employees who have exemplified Heartlife values and Operational Excellence.

Our employees demonstrate their commitment to the success of Heartland through involvement in process improvements, maintaining safe work practices and maintaining high daily attendance. Additionally, they continue their job skills development by participating in CPP (Career Path Program) learning at an annual increase of 20% in 2024 versus 2023.

The Heartland LATAM Business Unit's annual LOVE Awards (Living Our Values Everyday) Program is in it's 7th year. Since the launch in 2017, 84 employees have been recognized for exceptional demonstration of living Heartland values on a daily basis.

Additional appreciation is provided in July for US employees and their families through the Annual Heartland Picnic at Heartland Indianapolis. Each year, this event continues to grow in popularity. In 2024, we had a record of an estimated 1,200 attendees enjoying, food, drink, door prizes, music, and rides for the children. On September 7th, Heartland Mexico kicked off their second "Family Day" event in Granja las Americas, Mexico. Many employees and their families participated and enjoyed this second annual event.





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### Innovation





The beverage industry is always changing as consumers look for products that meet their refreshment needs while minimizing environmental impact. The Heartland Research and Development team is focused on developing products and packaging to address these needs.

Heartland has already reduced its environmental impact with the cold brewing process for tea and coffee. This effort was furthered with the development and implementation of Polyethylene Terephthalate (PET) pods for coffee, tea, and water enhancement products. By using concentrated liquid products, PET pods, and eco-friendly cardboard packaging, consumers can easily peel, pour, and recycle. Java House is the only product on store shelves that doesn't have messy coffee grounds as compared to other popular coffee pod products. Additionally, the spent coffee grounds from the cold-brewed process are dried, packaged, and sold as animal bedding, making the entire process recyclable.

Through continued innovation and the use of liquid pods, the need for home or office brewing equipment has been eliminated. Consumers can simply select their drink of choice, whether it's coffee, tea, or a water enhancement flavor and preferred temperature. They can then open, pour, dispose of the lid, and recycle the pod. This makes it the most sustainable product on the market.







### **Sweetened Condensed Milk**

#### Fast Facts:

- No added sugar
- 35% fewer calories\*
- Proudly made in the USA
- #1 recommended sweetener brand by doctors and dietitians

\*Versus leading brands, calories reduced from 180 to 130 calories per serving.



### U.S. Grown Stevia Sweetener

#### Fast Facts:

- U.S. grown stevia with plant based ingredients
- Tastes like sugar
- Zero sugar, zero calories
- Great tasting stevia from the #1
  sweetener brand

### New for 2024





### **Diabetes Care Shakes**

- Café Latte & Strawberry Cream
- No added sugar+
- 16g protein
- Delicious nutrition shake formulated with the right nutrient balance to help manage blood sugar
- From the #1 sweetener brand recommended by doctors and dietitians
- Gluten free, soy free
- Suitable for lactose intolerance



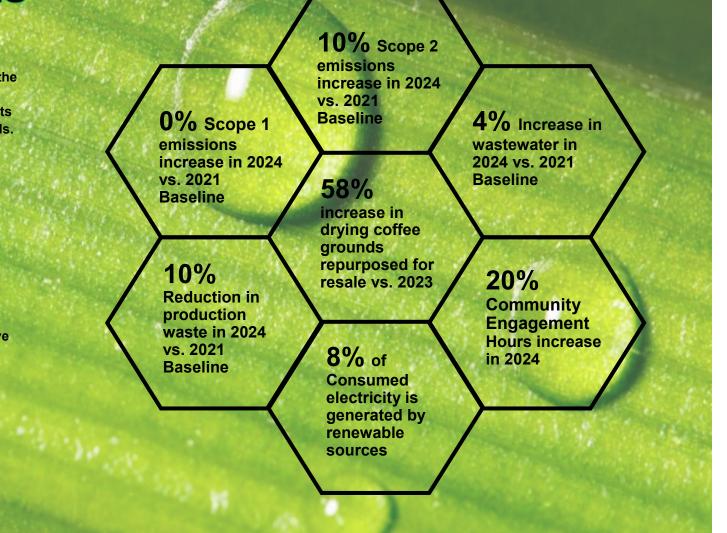
### Splenda Coffee Syrups

- French Vanilla, Salted Caramel, Cinnamon & Hazel Nut
- Zero sugar
- Zero calories
- Great taste
- Perfect for sweetening coffee, tea, and cocktails
- Made with Splenda, the #1 requested sweetener brand at restaurants and coffee shops



Sustainability is an integral part of the way we conduct business at Heartland FPG. Many of our products are made using sustainable methods. This includes using cold water brewing for tea and coffee, drying coffee grounds for animal bedding, utilizing storage silos for blending, employing farm field moisture monitors, laser weeding, and vertically integrating stevia production "From our Farm to your Home". Our team of associates, scientists, engineers, and administration specialists are continuously exploring ways to have a positive impact on our customers and the communities where we live and work.







### **Corporate Responsibility**

At Heartland, helping people live "Happier, Healthier, Longer, Lives" (H2L2) is a part of everything we do. Whether we are conducting research for our next Splenda® product, engaged in manufacturing, shipping to customers, training employees, or volunteering in the communities where we live and work, H2L2 is the motivation which drives us to succeed.

Community volunteering has grown in popularity since the 2021 launch. We have aligned our time and philanthropic investments within our five priority areas of *Environment, Employees, Customers, Sourcing/Suppliers, and Community Viability*. In October of 2022, a dedicated Corporate Responsibility Leader was named to lead the CR initiative. This addition has improved employee volunteering through training, vetting in non-profit selection, and creating impact through community engagement.

Heartland produced its first Sustainability Report in 2022 and is now part of the Corporate website. The report has become a document of record for Heartland history, progress, contributions made by our employees, corporate community engagement and partnerships.

### Social Compliance

#### Statement of Principles

Heartland strives to make our facilities a special place to work, with an atmosphere of mutual respect and professionalism. Heartland and our Partners all have a responsibility to uphold these principles by creating an atmosphere in which each employee knows they are valued as an individual and treated with respect and professionalism. Heartland's Code of Conduct enables us to conduct our business and to source production in a manner that is both profitable and socially responsible.

Implementation of this Code of Conduct enables Heartland and our Partners to continually improve performance on worker's rights, labor standards, and other human rights issues integral to the production process.

Compliance with this Code of Conduct is mandatory for all Heartland partners. Heartland reserves the right to immediately terminate its business relationship and cancel all orders with any partner who does not comply with this Code of Conduct.

#### Work Environment

We are committed to treating all of our employees with dignity and respect and providing our employees with a safe, healthy, clean work environment including appropriate and adequate facilities and protection from hazardous materials or conditions. We expect our Partners to maintain the same standards in their factories. All Heartland entities and Partners must comply with all applicable local laws and regulations governing working conditions.

#### Engage in Fair and Ethical Employment Practices

Fair Wages and Reasonable Working Hours: All Heartland locations and Partners must fairly compensate their employees by providing wages, benefits, and reasonable work hours in compliance with local standards and applicable laws of the countries in which we are doing business. Heartland and our Partners must compensate their employees at a rate equal to, or greater than, the prevailing local minimum wage, including piece rate workers. Heartland and our Partners must not require employees to work more hours than the limits on regular and overtime hours prescribed by applicable law.



<u>Child Labor</u>: We will not accept the use of child labor in our operations under any circumstances and will not purchase product(s) from any Partner that uses child labor. In determining whether a laborer is a "child," we will refer to the local legal minimum age for employment or the age for completing compulsory education in the country of manufacture.

### Social Compliance

<u>Forced or Compulsory Labor</u>: We will not accept forced or compulsory labor in our operations under any circumstances and will not purchase products(s) from any Partner that utilizes forced or compulsory labor. Every employee must be a voluntary worker. Forced prison labor, or work against the will of an employee, including work required as a means of political coercion or punishment for expression or political views is strictly forbidden.

<u>Our Employees:</u> Heartland believes hiring decisions are based on selecting the most qualified candidate following the Equal Employment Opportunity principle that all people should have the right to work and advance on the bases of merit and ability, regardless of their race, sex, color, religion, disability, national origin, or age.

Heartland employees treat each other with dignity and respect across various cultural dimensions guided by the servant leadership model of Friendly, Competent, and Available.

Legal Compliance: Heartland and our Partners shall comply with the legal requirements and standards of their industry and the laws of the countries in which Heartland and/or our Partners are doing business. Heartland and our Partners shall comply with all applicable export and import requirements. Necessary invoices and required documentation must be provided in compliance with applicable law. All merchandise shall be accurately and clearly marked with its country of origin in compliance with applicable law.

#### Environment, Health and Safety

Heartland has maintained a long-standing commitment to protect the environment and safeguard the health and welfare of its employees, neighbors and consumers. We recognize nearly every aspect of a manufacturing business has a potential to impact the environment, human health or safety. It is Heartland's responsibility to minimize those impacts and develop solutions to protect people and the environment and allow Heartland to maintain the product quality and value consumers demand. Heartland's approach is to collaborate with its employees, suppliers, customers and consumers to identify, assess and minimize the environmental, health and safety impacts resulting from our manufacturing operations and the manufacturing operations of our Partners.



#### Monitor Compliance

Heartland conducts regular assessments of its facilities and the facilities of our Partners to ensure compliance with this Code of Conduct.

### **North America Partnerships**



Heartland primarily partners with consumers who use our products. More than half a billion people worldwide are affected by diabetes, with 26% of our Splenda customers in North America being diabetics.

As of 2022, there are approximately 37.3 million people with diabetes and an additional 28.7 million people diagnosed with the disease in the United States, totaling 19.7% of the adult population.

According to a 2023 study by the American Diabetes Association, people with diabetes incur annual medical expenditures of \$19,736, of which approximately \$12,000 is attributable to diabetes. On average, people diagnosed with diabetes have medical expenditures 2.6 times higher than expected without diabetes.\*

In 2024, Heartland invested \$600,000 in partnerships with North American Diabetes organizations. Although progress has been made, there is still much work to be done in the pursuit of managing and curing diabetes. Heartland remains committed to producing products that help improve the quality of life for those needing to reduce their sugar consumption.

Additionally, Splenda marked its 25th anniversary in 2024 and celebrated by donating \$2,500 to each of 25 families living with diabetes to help cover medical expenses, educational pursuits, or other essential needs. The campaign received 2,600 applicants from across the United States and was widely embraced by the public. Eddie Pellegrino, President at Heartland Food Products Group, stated, "When we first had the idea of aiding families affected by diabetes, we sensed a need, but the flood of responses and stories has been remarkable. It is a privilege to support these deserving families, and we hope to alleviate some of the daily challenges associated with diabetes, such as medical expenses, dietary needs, and the rising cost of groceries."

\* Raveendhara R. Bannuru, *Economic Costs of Diabetes in the U.S. in 2022, Page 1* of 46

#### Chicagoland Child Receives Dream Surprise Birthday Party from Splenda

Splenda throws an epic surprise birthday bash for a deserving Chicagoland family.

Tiffany Rhoda, Neighbor

Posted Mon, Aug 5, 2024 at 8:39 pm CT | Updated Mon, Aug 5, 2024 at 8:50 pm CT



Pictured above is Jules Burchuk with her mother, Jaime Burchuk, celebrating her 8th birthday, a first ever for Julianne.













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### **Latin America Partnerships**

### Mexican Diabetes Federation Congress



With Diabetes You Can, I.A.P. Mexican Diabetes Federation Summer Camp



### **Mexican Diabetes Federation**









The estimated population of the South and Central America (SACA) Region is 467.6 million and 64% is in the age range of 20-79 years but the population pyramid and age distribution are changing. The average prevalence of diabetes in the Region is 8.0% and is expected to reach 9.8% by the year 2035.

Heartland

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Currently in Mexico, diabetes is the second leading cause of mortality at 15.4%. Prior studies have estimated that diabetes prevalence will continue to increase. Ageing is the primary driver of this increase, yet dietary risk factors also represent fundamental causes of diabetes. In Mexico, 26% of the total caloric intake is linked to discretionary foods such as sugarsweetened beverages and highly caloric non-essential food.1

In 2024, the LATAM staff focused their partnerships with diabetic organizations providing:

- Nuevo Leon and Jalisco Diabetes Associations, Southeast Diabetes Association, educating adult patients.
- Life for a Child Mexico City Diabetes Association, providing medical supplies to children with Type1 diabetes.
- Mexican Diabetes Federation Summer Camp, providing products to 700 children with diabetes.

In 2025, the LATAM Team will continue to align its partnerships with organizations dedicated to the care and treatment of people suffering from diabetes.

1 Prevalence of diabetes and glycemic control in Mexico: National results from 2018 and 2020. Salud Publica Mex Vol. 63 Cuernavaca Nov./dic. 2021 Epub. 27-Feb-23

### Environment



### Waste Diversion and Recycling:

#### **Reduce wastewater in our production facilities**

 2024: 7% increase in waste water to 2021 baseline

#### Reduction of nonvalue added movement of material

• 2024: Four silos are fully operational with the reduction of 13 metric tons of CO2 annually (carbon footprint)

#### **Reduction of plastic totes**

 Installation of manufacturing plant on-demand blending removed 79% (395) totes from inprocess inventory

#### **Distribution Center CHEP® process pallets**

- Use of CHEP "Block Pallets" in place of "Whitewood Pallets" provides the following annual benefits:
  - Emissions reduction of 2,510 tons
  - Wood use reduced by 183,098 board ft.
  - Waste reduced by 203 tons

#### Repurpose spent raw materials avoiding going to landfill

• 2024: Drying coffee grounds for resale averts an average of 115 tons going to landfill each month. An increase of 58% vs. 2023.

#### Decrease manufacturing waste going to landfill

• 2024: 10% decrease in waste going landfill vs. 2021 baseline

#### Working toward 100% recyclable product packaging

• 2024: 57% of our packaging is recyclable an 8% improvement vs. 2023.





### **Employees**





Heartland is the only organization in the Township offering English as a Learned Language classes on site for employees

- ELL Participation retention rate goal: 75%
  - 2024 ELL Participation retention rate: 90%

#### Heartland Career Path Program (CPP) for all hourly production employees

• 2024 Greater than 50% of positions filled through CPP

#### Heartland Compliance Wire Learning Management System

• 2024 Total hours of training : 37,227 hours

#### Heartland LinkedIn Learning for all salaried professionals

• 2024 Total hours of training: 520 hours



Message from Ted Governance About Heartland Mission Culture Innovation Sustainability Corporate Responsibility

### **Sourcing/Suppliers**





Shown above is the Carbon Robotics Laser Weeder removing weeds without herbicides.





#### Becoming Less Dependent on Overseas Suppliers (Made in America)

- Annual carbon emissions reduction from the import of raw materials -Replacing stevia product grown in the United States will save approximately 19 mt CO2e in shipping product from China to Indianapolis
- 2024: Heartland uses 135 ingredients to make its products 91 domestically sourced

### Sustainable Farming: Invest in sustainable Stevia Farming in the United States of America

- Goal: To be the sole source of Stevia for Heartland provided by the Lake Panasoffkee and Gainesville, Florida, Farms
  - 2024: Elements of sustainable farming in place
    - Stevia in production on 1,465 acres in Florida
    - Stevia crops seasonally harvested and converted to product on-site
    - Use of cold-water extraction process
    - Use of a Carbon Robotics Laser Weeder (removing weeds without herbicides)
    - Use of the John Deere Operations Center to maximize resources and reduce waste (operating hours, fuel, etc.)
    - Use of soil moisture monitoring to minimize the use of irrigation
    - Recycle of 91% of the water for processing
    - Employment grew to 20 associates including 16 Florida residents
    - Developing partnerships with local and regional farmers to raise stevia



#### **Product Quality**

- The Splenda Brand is the #1
  recommended sweetener brand by doctors and
  dietitians
- Safe Quality Food Institute: Global food safety and quality certification program, recognized by the Global Food Safety Initiative (GFSI) 15 consecutive years certified SQF (Safe Quality Food) supplier
- Ecocert ICO: #1 inspection and certification body for sustainable development worldwide
- Multiple dietary certifications

## BY DOCTORS & DIETITIANS

RFCO

#### **Nutrition Reduction of Calories**

• We are committed to supporting health and wellness through consumer awareness and education programs replacing sugar with Splenda® Brand products. In the past 25 years, consumers using Splenda Brand products have reduced 1,000,000,000 (1 trillion) plus calories from their diet and achieved an equivalent weight loss of 300,000,000 plus (300 million) pounds.

Message from Ted Governance About Heartland Mission Culture Innovation Sustainability Corporate Responsibility

STARTS

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### **Community Viability**



### **Employee Volunteering**

2024 marked the third year of employee community engagement through use of the VTO (Voluntary Time Off) Program. The program has gained popularity with our employees verified by a 20% year over year increase in participation during 2024. As the program matures, and employees identify key non-profit partners, volunteering will evolve from a mobilization phase into a more focused approach. In focusing, employee groups will conduct needs analyses to understand gaps and where employee engagement can create impact.

### Non-profit Partners

- Diabetes Youth Foundation of Indiana
- American Diabetes Association
- Junior Diabetes Research Foundation
- Second Helpings
- Pink Ribbon Connection
- Ronald McDonald House
- American Red Cross
- Gleaners Food Banks of Indiana
- Children's TherAplay
- Carmel Clay Parks & Recreation
- Hoosier Burn Camp



Thank you for your help in providing a supportive home away from home for families of children receiving medical care! We loved having your team on-site in our Ronald McDonald First Floor Family Rooms at Riley. Feeding families is essential to our mission, and your participation in our Meals that Heal program has provided families with convenient, nourishing options as they care for their children.

Your team's donation and preparation of a taco and sundae bar resulted in a record breaking 210 lunches served! We are grateful for the support of Heartland Food Products Group and look forward to continuing our partnership to better serve families in need.

With Gratitude,

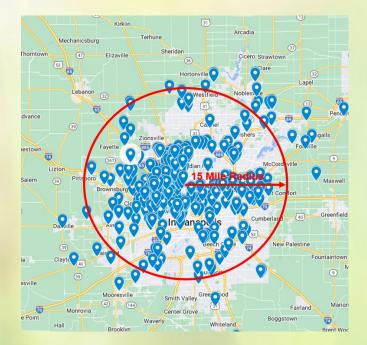
Ronald McDonald House Charities Central Indiana





### **Community Viability**





The Volunteer Time Off (VTO) program is geared towards supporting volunteer activities to enhance and serve the communities in which we live and work

• 2024 volunteer hours: 1,100 hours a 20% YOY improvement

Heartland offers employment opportunities for residents within a township with the lowest family per capita income in the Indianapolis area

- Goal: Hire hourly production operators within a 15-mile radius of the 84<sup>th</sup> street manufacturing campus
  - 2024: 90% of hourly production operators live within a 15-mile radius of the manufacturing campus

#### Heartland purchased our manufacturing facilities to solidify our longterm commitment to the community

- 2024: All United States Heartland manufacturing is performed in Indianapolis, Indiana
- 2024: Expansion of the manufacturing campus with the opening of a new building to produce Splenda syrups and concentrates.

### **Community sport and charity sponsorships**

• 2024: All Heartland philanthropy is aligned to our H2L2 mission statement



