The Kraft Heinz Company Basis of Reporting for Key ESG Environmental Indicators

Updated June 2025

Reporting principles

We utilize the Greenhouse Gas Protocol as a guiding framework in the development of our ESG environmental indicators. Indicators are reported externally via our annual voluntary ESG Report ("Report"). This Report reflects our commitment to transparency and provides details for our stakeholders on progress to date against our ESG goals and objectives, which are based on our most material ESG issues. These issues are reviewed and updated based on our ESG Materiality assessment. Details of this assessment are located in our Report.

Scope and Boundary

Kraft Heinz utilizes an operational boundary approach to determine our reporting scope. Unless otherwise noted, the scope for all environmental metrics includes all manufacturing facilities owned by the Kraft Heinz Company. We exclude data from non-material Kraft Heinz owned assets such as separate warehouses outside of North America, distribution centers, corporate headquarters, and sales office locations. Logistics operations and External manufacturers (or Co-manufacturers) are also not included in our figures.

For our Greenhouse gas emissions, the scope includes, in addition to our factories, the Kraft Heinz owned warehouses in North America.

The environmental indicators cover the 2024 fiscal year, from December 31st, 2023, to December 28th, 2024.

Acquisitions and Divestitures

Baseline data is reviewed annually and will be adjusted if net acquisitions and divestitures are 5%[1] or greater than the total carbon (CO2e) footprint in the reporting year. CO2e emissions are used as the basis to determine baseline recalculation for all environmental metrics. A trigger in baseline recalculation based on CO2e emissions will be applied to other

[1] Threshold aligned to requirement from the Science Based Targets initiative.

environmental metrics (water, waste to landfill, energy) regardless of the metrics hitting the threshold.

Environmental data for years between the base year and reporting year will not be recalculated.

Material updates to the baseline, whether by acquisition or divestiture, will be stated in a footnote in the ESG report.

Divestiture specific guidance:

- The baseline will be readjusted to remove environmental data of material divested entities utilizing historical absolute baseline year data.
- Divestitures will be reported in the same reporting year as the event occurred. Data from divestitures that account for less than 5% of our footprint is subject to review and removal on an ad hoc basis.

Acquisition specific guidance:

- Baseline will be readjusted to include environmental data of acquired entities utilizing historical absolute baseline year data (where available) or closest available data if re-baselining is necessary based on our 5% criteria.
- Kraft Heinz will allow up to one year to onboard new acquisitions into our platforms. New sites will be included from the first full calendar year that they are part of Kraft Heinz Company. For example, a factory acquired in October 2023 will be included in our metrics from January 2024 and disclosed in our subsequent annual ESG report published in 2025.

Data errors and recalculations

If there are material errors found in historical data during the data validation/assurance process, Kraft Heinz will update this information in our subsequent annual ESG report. Revisions of material errors will be clearly stated in the footnotes of any reporting documents. Minor errors may also result in a restatement of information; however, these errors may or may not include footnotes to the error. We assess materiality based on both quantitative and qualitative factors.

Data Governance

Accountability for driving ESG lies with the Kraft Heinz Executive Leadership Team, Global Sustainability, and Zone Leadership teams.

Functions (at global level) are responsible for defining ambitions and targets. The manufacturing facilities are responsible for implementing, delivering, monitoring, and reporting progress on their respective indicators.

Data Input and Review Process

All environmental data reported by our facilities are consolidated, validated, and analyzed by the respective responsible zone functions. We are continuously strengthening processes and controls around our reporting. Where possible, standard or automated calculations and validity checks are built into our systems to minimize errors.

Subject matter experts are involved at various levels to validate and challenge the data and process. Our operating companies are at differing maturity levels in implementing data collection and reporting processes. Where we have concerns, we highlight them in the report.

Data Assurance

Kraft Heinz engages with third-party assurance providers Bureau Veritas to provide limited assurance in relation to specific environmental data including Scopes 1, 2 and 3. Details on our assurance activities are available on the Reporting Verifications page.

Environmental Metric List

Below are detailed reporting guidelines for Kraft Heinz's ESG environmental indicators including definitions, scope, measurement criteria and reporting assumptions applied, if any.

Energy

Metric name and preferred reporting unit	Energy use (kwh) Energy use intensity (kWh per tonne of product)
Commitment	Reduce energy intensity by 15% per metric tonne of production by 2025
Baseline year	2019
Reporting process	Data is entered into our environmental management system by the manufacturing facility on a monthly basis. Production data is reported and documented on a monthly basis. At the end of the reporting year, data is rolled up, internally reviewed, and shared with Bureau Veritas, an external assurance provider who reviews and validates the data for Kraft Heinz ESG reporting.

Key definitions	Energy use refers to direct fuel combustion and electricity consumption aligned with the scope listed below under Production Volume.
Scope	All the energy consumed within the boundaries of owned manufacturing facilities, including that derived from direct fossil fuel combustion and electricity consumption (procured from the grid or self-generated via solar). Exclusions: - Corporate and sales office locations, warehouses, distribution centers. - Fuel utilized for the operation of backup generators or consumed by plant mobile assets, such as forklifts and cars in North America facilities (unless readily available)
Assumptions	-
Commitment progress calculation formula	Aggregated energy consumption (kWh per metric tonne production) in current year *minus* the energy consumption (kWh per metric tonne production) in baseline year *divided* by the energy consumption (kWh per metric tonne production) in baseline year

Greenhouse Gas Emissions (Scope 1 and 2)

Metric name and preferred reporting unit	Greenhouse gas emissions (Metric tonnes CO2e) that include: - Scope 1 emissions - Scope 2 emissions (Location-based) - Scope 2 emissions (Market-based) - Biogenic emissions
Commitment	Achieve Net Zero by 2050 and 50% reduction by 2030
Baseline year	2021
Reporting process	Energy consumption feeds into an external carbon calculation tool that matches the different energy flows to the respective emission factor based on fuel source, and when applicable location and utility supplier, to calculate the associated carbon emissions.
Key definitions	Greenhouse gas emissions are associated with our operations, both from the stationary combustion of fuels on-site and from the electricity and heat we import to our operations. For manufacturing sites, we utilize primary consumption data. For our owned and operated warehouses, we include primary data for the warehouses we own and operate in North America (NA). This covers most of the energy consumption from our warehouses as the majority of our production and operations are in NA. Additionally, while our warehouses outside NA are typically at ambient temperature, those in NA often require cold storage due to the nature of our product portfolio (meats and cheese). Our definition of 'owned and operated' warehouses are those warehouses where we pay the energy bill.
Scope	Kraft Heinz owned and operated manufacturing sites Kraft Heinz owned and operated Warehouses in North America

Assumptions	• Warehouses in NA cover > 95% of the emissions from warehouses globally • Emissions from refrigerant loss are excluded as they are estimated to be immaterial at <5%.

Water

Metric name and preferred reporting unit	Total water withdrawal (m3) Water withdrawal intensity (m3 per tonne of production) Total water withdrawal at water-stressed facilities (m3) Water withdrawal intensity at water-stressed facilities (m3 per tonne of production)
Commitment	1. Reduce water intensity by 15% per metric tonne by 2025. 2. Reduce water intensity by 20% per metric tonne by 2025 for facilities in high-risk watershed areas
Baseline year	2019
Reporting process	Data is entered into our environmental management system by the manufacturing facility on a monthly basis. At the end of the reporting year, data is rolled up, internally reviewed, and shared with Bureau Veritas, an external assurance provider who reviews and validates the data for Kraft Heinz ESG reporting.
Key definitions	Total water withdrawal refers to water taken and utilized on facility from municipal, ground and/or surface water sources aligned with the scope listed below under Production Volume.
Scope	All the water consumed within the boundaries of our KHC manufacturing facilities. Exclusions: - Corporate and sales office locations, warehouses, distribution centers
Assumptions	The election of facilities in water-stressed areas is based on analysis in collaboration with an external subject matter expert featuring methodology and data from the World Resources Institute's Aqueduct tool. These assessments are completed every 2-3 years with interim updates as needed. The high-risk watershed areas that were identified from 2019 are used for the commitment calculation. The team also evaluates our watershed conditions from a business perspective to validate 'economic scarcity' factors not fully addressed by the database indicators. The completed assessment results in identification of physical, reputational/social and quality water risks, as well as composite scores for each area associated with our direct manufacturing operations. Newly acquired facilities are only assessed for water stress during our periodic water risk assessment every 2-3 years. In the interim, data from these facilities is only included in total water metrics. A list of our high-risk water facilities is available in our annual ESG report.

Commitment progress calculation formula	Aggregated water consumption (m3 per metric tonne production) in current year *minus* the water consumption (m3 per metric tonne production) in baseline year *divided* by the water consumption (m3 per metric tonne production) in baseline year

Waste

Metric name and preferred reporting unit	Waste to landfill (metric tonnes) Waste to landfill intensity (metric tonnes per tonne of production)
Commitment	Reduce waste to landfill intensity by 20%
Baseline year	2019
Reporting process	Data is entered into our environmental management system by the manufacturing facility on a monthly basis. At the end of the reporting year, data is rolled up, internally reviewed, and shared with Bureau Veritas, an external assurance provider who reviews and validates the data for Kraft Heinz ESG reporting.
Key definitions	Total waste to landfill refers to food and packaging waste destined for the landfill generated within the boundaries of our KHC manufacturing facilities aligned with the scope listed below under Production Volume. The number includes waste that is sent out for recycling, but that is rejected and sent to landfill as a consequence.
Scope	All waste is generated within the boundaries of our KHC manufacturing facilities. Exclusions: - Hazardous waste, as this is managed by local regulations
Assumption	-
Commitment progress calculation formula	Aggregated waste consumption (metric tonnes waste per metric tonne production) in current year *minus* the waste consumption (metric tonnes waste per metric tonne production) in baseline year *divided* by the waste consumption (metric tonnes waste per metric tonne production) in baseline year

Production Volume

Energy, Water, and Waste	Total production is defined as the sum of goods that leave our individual manufacturing facilities destined for final sale, or to a customer for further processing. For North America facilities only, we include semi-finished goods in our production calculation (i.e., goods that go on to other Kraft Heinz owned facilities for further processing). The inclusion of semi-finished goods accounts for approximately 2.5% of total annual production. All other facilities have a systematic logic in place to exclude semi-finished goods that are shipped internally from total production volume. In 2019, there is an immaterial overestimation of production volumes due to double counting of intercompany transactions, estimated to be <0.5%.

Basis of Reporting for GHG Footprint Scope 3 Emissions

Background

Net Zero is embedded as a key priority within Kraft Heinz's10-Year Enterprise Strategy, and represents a major investment in shaping our business, operations, and products for the future.

At Kraft Heinz, we have pledged to achieve net zero greenhouse gas ("GHG") emissions across our operational footprint (Scope 1 and Scope 2) and entire global value chain (Scope 3) by 2050, establishing our major commitment to contribute to global efforts to reduce the ongoing threat of climate change. As a milestone on our path to achieve net zero emissions, consistent with the Science Based Targets Initiative (SBTi), we have set a Net Zero Goal.

Kraft Heinz reports its emissions footprint according to the Greenhouse Gas Protocol, which provides companies with the equivalent of accounting standards for their GHG emissions. Using the GHG Protocol makes our footprint comparable to what other companies report.

The GHG Protocol classifies emissions across a company's value chain by "Scopes". Within a scope, emissions may be further classified into "Categories". Emissions may also be classified as "Forest, Land and Agriculture (FLAG)" if they are generated from land-based activities.

Scope 3 GHG Emissions

Scope 3 emissions are the result of activities from assets not owned or controlled by Kraft Heinz, but that occur within its value chain. The categories in our scope are listed below.

Categories	
Category 1	Purchased Goods & Services - Product & Packaging Input - External manufacturing - Water Use - Indirect Purchases
Category 2	Capital Goods
Category 3	Fuel and Energy Related Activities
Category 4	Upstream Transport & Distribution - Logistics - Outbound & Instream - Logistics - Inbound

Category 5	Waste Generated in Operations - Solid Waste Generation
Category 6	Business Travel
Category 7	Employee Commuting
Category 8	Upstream Leased Assets - Electricity - Heating Use
Category 9	Downstream Transport & Distribution - Customer Pick Ups - Consumer shopping
Category 11	Use of Sold Products
Category 12	End of Life Treatment of Sold Products

Data Errors

If there are material errors found in historical data during our internal data validation process, Kraft Heinz will restate this information in our annual ESG Report. Restatements of material errors will be clearly stated in the footnotes of any reporting documents. Minor errors may also result in a restatement of information; however, these errors may or may not include footnotes to the error. We assess materiality based on both quantitative and qualitative factors.

Data Governance

Accountability for driving Kraft Heinz's Scope 3 commitment lies with the Kraft Heinz Executive Leadership Team, Global Sustainability, the zones, and Business Unit (BU) leads as well as support functions such as Procurement, R&D, and Logistics.

Data Management

Kraft Heinz has implemented an external carbon calculation platform which is the source of truth for our GHG Footprint. This implementation took place in 2023-2024. Through a collaborative effort between the external carbon team and Kraft Heinz's data-focused teams, relevant data is being ingested into the platform via an API. The data ingestion system and quality assurance procedures enable seamless ingestion of Kraft Heinz's input data from all relevant systems (as listed in the table below) for calculation of our carbon footprint.

Annually, a complete Methodology document will be issued by the external carbon team, detailing the calculations, assumptions and calculation model settings used for carbon accounting (as listed in the table below).

Data input and the review process can vary depending on the specific KPI and the maturity of data storage/ingestion tools. The ESG Digital Transformation and Data Analytics teams are working to automate the process of data ingestion from Kraft Heinz to the external carbon platform, enabling better oversight of data completeness and accuracy.

As part of our ongoing journey, the data ecosystem will continue to improve, with the goal of achieving full automation of actual data used to calculate the KHC Footprint. The Data Ecosystem for 2024 is shown below, highlighting the systems leveraged.

Scope 3 Category	**Methodology**	**Includes Estimations?**	**Main Data Source**
Scope 3.1	Weight-based and spend-based (product & packaging), weight-based (external manufacturing) Activity Based (water use) Spend-based (Indirect Purchases)	Yes	SAP/Sievo/ZBB/Intelex/Manual Files
Scope 3.2	Spend-based	No	4site
Scope 3.3	Activity-based (kWh data)	No	Intelex
Scope 3.4	Distance and Weight-Based	Yes (for APAC and LATAM)	SAP/Sievo
Scope 3.5	Activity-based (kg data)	No	Intelex
Scope 3.6	Activity-based (Air Travel) and Spend-based (Car and Rail Travel)	No	Workday
Scope 3.7	Modelled based on headcount and location	Yes	Workday
Scope 3.8	Estimated based on floor area	Yes	-
Scope 3.9	Distance and Weight-Based (consumer pick-ups) and Modelled (customer shopping trips)	Yes (for consumer pick-ups)	SAP
Scope 3.11	Modelled based on Sales Volumes	Yes	Sales Volume
Scope 3.12	Modelled based on Sales Volumes	Yes	Sales Volume

Methodology & Emission Factor Sources

Below are detailed guidelines on methodology and sources of factors for computing emissions.

Category		Definition & Methodology	Emissions Factor Source
Category 1	Purchased Goods & Services - Product & Packaging Input - Water Use - Indirect Purchases	Product & Packaging Inputs – This activity includes Raw Materials and Packaging inputs purchased • Weight-Based Average Data Method • Spend-Based Method External Manufacturing – This activity includes finished goods purchased from contract manufacturers • Weight-Based Average Data Method Activity Based Method of Water Use – The activity includes all purchased water consumed by Kraft Heinz manufacturing plants. • Metered Method Indirect Purchases - This activity includes all emissions from Zero-Based Budgeting expenses of Kraft Heinz Company, including International and Global. • Spend-Based Method	• BEIS, GBR conversion factors: 2021, 2022, 2023, 2024 • Ecoinvent: v3.8, v3.10 • Exiobase: IPCC 2021 GWP 100 V1.00 • Quantis: 3.5 • WRAP: 1.2
Category 2	Capital Goods	This activity includes all upstream emissions from the production of capital goods purchased by Kraft Heinz Company Globally. • Spend-Based Method	• Exiobase 3 - IPCC 2021 GWP 100 V1.00
Category 3	Fuel and Energy Related Activities	This activity includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2. • Purchased Electricity Method (Location Based Method) • Fuel-Based Method	• BEIS, GBR conversion factors: 2019, 2020, 2021, 2022, 2023, 2024 • EPA, USA: 2018 • IEA: 2022, 2023, 2024

Category		Definition & Methodology	Emissions Factor Source
			• National Renewable Energy Labs (NREL): 2021 • eGRID, USA: 2022
Category 4	Upstream Transport & Distribution - Logistics - Outbound & Instream - Logistics - Inbound	This activity covers emissions from North America zone and West, East and partial Latin America (only Brazil) sub-zones from third-party transportation and distribution services purchased by the reporting company. APAC, ANJ, and remaining LATAM also covered by estimations • Distance & Weight Based Method Exclusions: emissions from transportation and distribution where the start or end location cannot be identified are excluded as they are estimated to be immaterial at <5%	• BEIS, GBR conversion factors: 2021, 2022, 2023, 2024 • EPA, USA Emission Factors: 2023, 2024
Category 5	Waste Generated in Operations - Solid Waste Generation	This activity includes emissions from waste collection and wastewater treatment related to our owned manufacturing facilities. • Waste-Type-Specific • Metered Method Exclusions: Emissions from wastewater generation are excluded as they are estimated to be immaterial at <5%	• BEIS, GBR conversion factors: 2021, 2022, 2023, 2024 • EPA, USA: 2024 • Ecoinvent: v3.8, v3.10
Category 6	Business Travel	This activity includes all emissions from business travel done by Kraft Heinz Global employees. • Spend-Based Method • Distance & Passenger-Based Method	• BEIS, GBR conversion factors: 2021, 2022, 2023 • EPA, USA: 2022, 2023 • Exiobase: IPCC 2021 GWP 100 V1.00
Category 7	Employee Commuting	This activity includes emissions from Global employees commuting to	• Numbeo: 2024

Category		Definition & Methodology	Emissions Factor Source
		plants, distribution centers and offices • Average Data Method	
Category 8	Upstream Leased Assets - Electricity - Heating Use	This activity covers emissions from North America • Purchased Electricity Method • Fuel-based Method	• BEIS, GBR conversion factors: 2019, 2021, 2022, 2023 • IEA: 2022, 2023 • AQ: V1.0
Category 9	Downstream Transport & Distribution - Customer Pick Ups - Consumer shopping	• Distance and weight-based method • Estimated distance and weight-based method	BEIS - Government conversion factors 2021, 2022, 2023, 2024
Category 11	Use of Sold Products	• Product-based Assumptions: a 1 to 1 conversion is assumed to calculate kg to litres for the respective products sold. This assumption aligns with the assumption applied on purchases data, where density information is not available, so it is assumed that 1 kg = 1 l	IEA - Emissions Factors 2024
Category 12	End of Life Treatment of Sold Products	• Weight-Based Average Data Method	Ecoinvent - v3.10