



LET'S MAKE
LIFE
Delicious
KraftHeinz

Pension Summit Presentation

May 2022
Kraft Heinz
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Kraft Heinz Summary

- The Kraft Heinz Company is the **third-largest** food and beverage company in North America and the **fifth-largest** food and beverage company in the world
- 1,800 Canadian employees
- Locations: Ontario, Quebec, British Columbia
- Live Well Program: Financial Pillar



Kraft Heinz's Journey

History

- In 2015, Kraft Food and H.J. Heinz merged.
- At time of merger there were a variety of different programs – mix of DB, DC, EPSP, RRSP, matched, unmatched, mandatory, voluntary

Goal

- To have one plan design across all employees and 100% participation – a Plan that is easier for employees to achieve lifetime financial security through higher retirement income, while improving productivity, competitiveness and financial health outcomes

Challenges:

- Mix of retirement plans as a results of the merger
- Addressing change management at every level of the business – culture, pension, benefits, policies, business model
- Like many employers, Kraft Heinz had a subset of employees who were not participating in the voluntary programs
- Historically high leakage in the plan - employees withdrawing funds

Solution

- In 2016, Kraft Heinz completed a robust review of service providers, plan design and investments
 - Employee experience
 - Productivity
 - Competitiveness
 - Sustainability
- **January 1, 2017, Kraft Heinz' introduced a Defined Contribution Pension Plan (DCPP) with mandatory participation and the full wind-up of all Defined Benefit (DB) Plans. Resulting in Kraft Heinz Canada Retirement Savings Program.**
 - Mandatory, Kraft Heinz contributes 5% of eligible earnings.
 - Mandatory, member contributes 3% of eligible earnings.
 - Voluntary, member contribution 1%–2% accompanied by a Kraft Heinz 150% match (up to 3%)
 - Voluntary, Unmatched Registered Retirement Savings Plan (RRSP)
 - Voluntary, Unmatched Tax-Free Savings Account (TFSA) - **New!**

Strategy & Go Forward

- Stakeholder engagement and buy-in were key to implementing the new program. Senior business leaders, HR partners, legal, IT and our vendor partners were all instrumental to the development and rollout of the solution
- Roll out education:
 - Highly customized material based on the employee
 - Onsite education sessions
 - Online financial webinars
 - Drop in booths
- **Mandatory plan does not mean that education is any less important!**
 - Annual Member Assembly
 - Annual Live Well Month
 - Annual Bonus Campaign
 - Semi-annual Diversification Campaign
 - Semi-annual maximization campaigns (promote maximization of company match and participation in RRSP/TFSA) during RRSP season and Financial Literacy Month
 - Financial Wellness Seminars throughout year
 - Go mobile campaigns and contests
 - Personalized, retirement income roadmap campaigns
 - Personalized nudges by Ella, digital Virtual Coach

Current Results

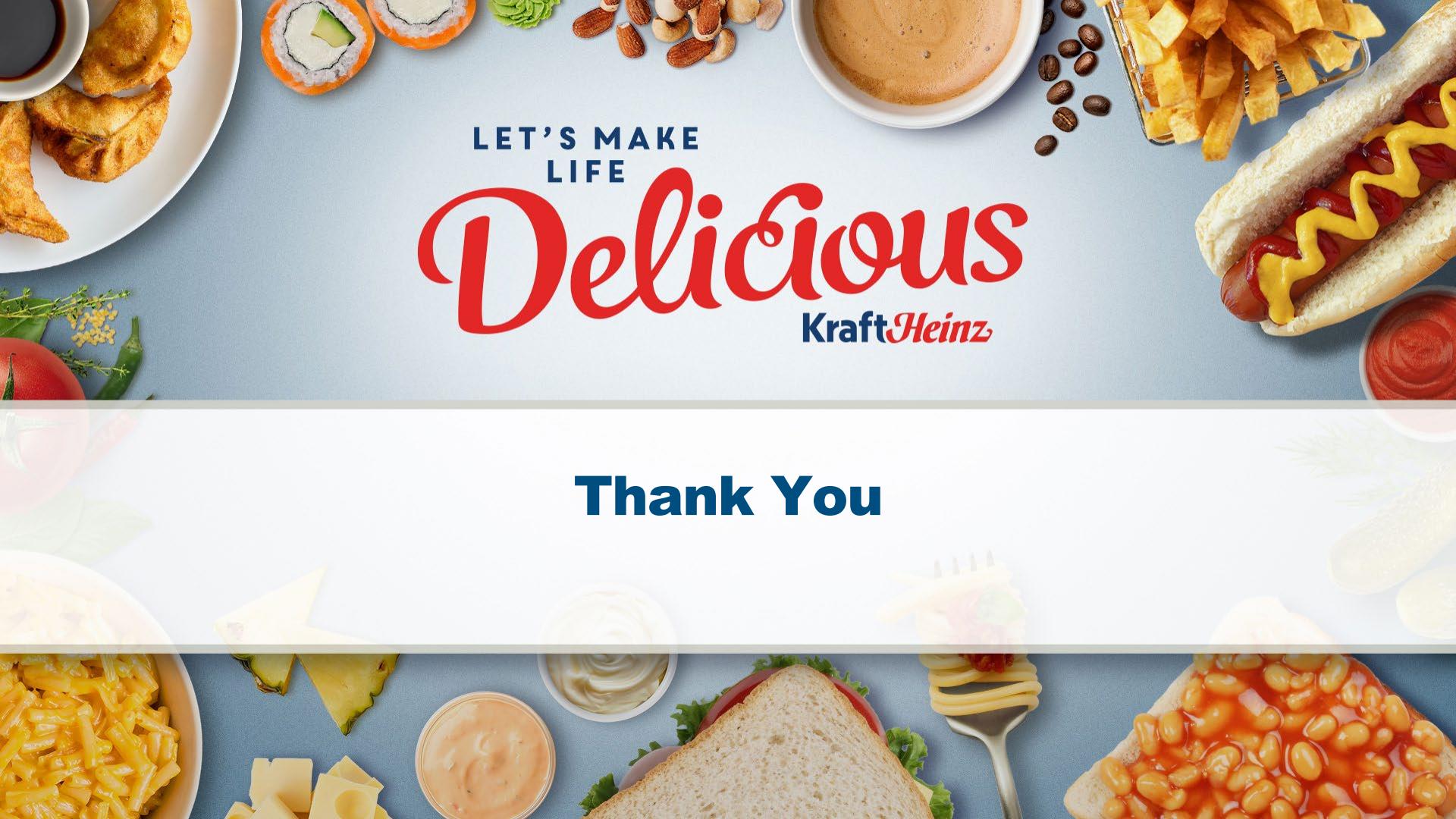
The introduction of mandatory participation is showing a positive result on employees' financial wellness.

Snapshot of Kraft Heinz' Plan Health at December 31, 2021:

- DCPP Participation: 100% (SLF Benchmark*: Nearly half of CAPs are Mandatory. In Voluntary, DCPPs participation rates are 74%)
- No. of members maximizing Company Match: **86%!!!**
- Average Assets per Member: \$93.2K (SLF Benchmark: \$62.0K)
- Average Member Contribution: \$6.4K (SLF Benchmark: \$3.4K)
- Average Company Contribution: \$7.2K (SLF Benchmark: \$3.3K)
- Percentage of plan members that have logged on to the web at least once in the past year: **94%**

What's Next?

- Allocation of residual benefit flex credits allocated to RRSP/TFSA
- Fund investment review
- Promote participation in voluntary unmatched savings programs – TFSA/RRSP
- Introducing a DCPP starter savings rate of 5% for all new hires as a nudge to attract the full employer match of 8%.
 - *Employee's can always change their starter savings rate to 3% (mandatory) at anytime*
- Exploring debt repayment programs
- Continue on our financial health education journey. **Mandatory pension plan doesn't mean that education is any less important!**



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Thank You