	CATEGORY	DATE OF ISSUE	SUPERSEDES ISSUE DATED	
GLOBAL CORPORATE AFFAIRS POLICIES	CORPORATE AFFAI RS	06/08/2018	01/01/2017	
TITLE				
POLICY ON PALM OIL USAGE AND PROCUREMENT				
ISSUED BY				
HEAD OF GLOBAL CORPORATE SOCIAL RESPONSIBILITY				

# <u>Purpose</u>

The Kraft Heinz Company is committed to effective management of the environmental and social impact of its businesses and continuously works on improvements to its operations

It has been recognized that poorly managed oil palm cultivation can have adverse environmental impacts such as contribution to deforestation, loss of biodiversity and can present social issues such as forced and child labor and human trafficking, amongst others. Kraft Heinz seeks to procure palm oil products in an ethical, transparent and sustainable manner, and has thus established this policy to address and manage the environmental and social issues that can be present in palm oil supply chains.

# <u>Position</u>

Kraft Heinz will source 100% certified sustainable palm oil and derivatives per our position below.

Kraft Heinz will actively work with its suppliers and other stakeholders to ensure the palm oil used in its products adheres to the following requirements:

Traceable to crude palm oil mill level No deforestation, including n

# <u>Scope</u>

that procure palm oil and derivatives thereof and all of its products.

We recognize the challenges associated with ensuring sustainably sourced materials at manufacturers not directly under our control, and will work closely with our suppliers and manufacturing partners to identify short- and long-term solutions.

## Verification Mechanisms

To comply with this position, Kraft Heinz will work with our suppliers and stakeholders to further understand our supply chains.

We will establish internal guidelines for accepted methods of verifying supplier compliance with our policy. For example, we will prioritize purchasing of certified palm oil (RSPO or other equivalent third-party certifications) to meet policy safeguards, or other methods of verification as they become available.

We will prioritize physically certified materials, and will only consider book and claim mechanisms in specific instances where materials are not available under physical supply chains. The need for book and claim will be determined as part of the supply chain mapping process, and is expected to decrease over time.

## Administrative and Governance Responsibility

A Global Steering Group monitors compliance to this policy and developments within the industry. The Global Steering Group encompasses Corporate Affairs, Operational Risk Management (ORM), Procurement, R&D, Manufacturing, Quality, and Government Affairs functions.

The Head of Corporate Social Responsibility, in partnership with the Global Steering Group, is responsible for the monitoring, supervising, administration and updating of this policy. The Kraft Heinz Company will share progress against its goals as part of its regular CSR reporting process.

# Suppliers and Mills

Following are our global direct palm oil suppliers and mills as of June 8, 2018. These suppliers cover the vast majority of the palm oil we purchase.

Supplier	Mill List	
ААК	https://aak.com/siteassets/sustainable-growth/aak- public-mill-list-may-2018.pdf	
Sime Darby	http://www.simedarbyplantation.com/sustainability/open- palm-traceability-dashboard	
Stratas Foods	https://assets.adm.com/Sustainability/ADM-Global.pdf	

Office of High Commission on Human Rights

http://www.ohchr.org/Documents/Issues/IPeoples/FreePriorandInformedCons ent.pdf

UN Declaration on the Rights of Indigenous Peoples http://www.un.org/esa/socdev/unpfii/documents/DRIPS\_en.pdf

UN FAO Voluntary Guidelines on the Responsible Governance of Tenure <a href="http://www.fao.org/docrep/016/i2801e/i2801e.pdf">http://www.fao.org/docrep/016/i2801e/i2801e.pdf</a>