

Supplier Guiding Principles

Partnering with Our Suppliers for Continuous Improvement and Responsible Sourcing

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Introduction

At The Kraft Heinz Company we are driven by our Vision ***“To sustainably grow by delighting more consumers globally.”*** As a company, one of our six Values is ***We Do the Right Thing*** – and we take responsibility for contributing to improvements which protect our planet, drive responsible business practices, and support communities where we live and work.

These Supplier Guiding Principles (these “Principles” or this “Policy”) outline our requirements, standards, and expectations for all of our suppliers. This Policy is a global standard and is based upon industry best practices and internationally recognized standards.

It is the responsibility of each supplier to ensure its compliance with this Policy. Suppliers are required to manage their subcontractors and supply chains in a manner consistent with this Policy.

Scope

These Principles are a vital pillar of Kraft Heinz’s Environmental Social Governance (ESG) and Ethics and Compliance programs and are guided by our unwavering commitment to conduct business with integrity and in an ethical manner by defining Kraft Heinz’s expectations for fair, safe, legally compliant, transparent, responsible and healthy working conditions throughout our supply chain. These Principles may be amended from time to time.

These Principles outline the requirements and business practices that suppliers of Kraft Heinz, its subsidiaries and business units on a worldwide basis (hereinafter referred to collectively as “Kraft Heinz”) are expected to observe. As used throughout these Principles, the term “supplier” refers to direct and indirect suppliers of products and/or services to Kraft Heinz, and their subcontractors. The term “supplier” includes contractors, external manufacturers, vendors, service providers, labor providers, distributors, licensees, and joint venture partners. These Principles also extend to any “worker” employed or engaged by a supplier of Kraft Heinz, and to that supplier’s subcontractors and downstream suppliers, including but not limited to permanent, temporary, full-time, part-time, or fixed-term employees, agency workers, migrant workers, legal young workers (minors), trainees, secondees, and work-experience placements.

Acceptance of these Principles and commitment to comply with the requirements contained herein is part of any supplier contractual arrangement or purchase order with Kraft Heinz. Particular supplier contracts may contain more specific provisions addressing some of these issues. Nothing in this Policy is meant to supersede any more specific provisions in any supplier contract.





Our Approach To Supplier Guiding Principles

At Kraft Heinz, we partner with our suppliers to address and continually improve upon social and environmental factors as an important part of our journey. We expect our suppliers to share in our dedication to responsible sourcing.

The **Mandatory Requirements** and **Expected Practices** outlined in this Policy are guided by industry best practices and internationally recognized standards, including without limitation, the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the principles set forth in the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work.

To support our commitment to strive to be better every day, we actively participate in collaboration platforms, benchmark against industry standards, and work closely with internal and external stakeholders (as defined in our ESG Report) through ESG engagement programs. These Principles reflect our current position on responsible sourcing, and we will engage in active ongoing review of this Policy to assess and implement appropriate updates to the requirements and expectations set forth herein.

Requirements & Practices

All suppliers of Kraft Heinz must adhere to the Mandatory Requirements outlined in this Policy, and we encourage suppliers to use the Expected Practices included in this Policy as a guide to further improvement efforts.

- ✔ **Mandatory Requirements** set forth the minimum acceptable conduct to be a supplier of Kraft Heinz
- ✔ **Expected Practices** outline conduct or practices that are not yet required, but which may become a Mandatory Requirement in the future. We strongly encourage all of our suppliers to work towards achieving the Expected Practices by conducting risk assessments, creating management plans, and setting continuous improvement targets. Efforts should be measurable and able to be monitored.

Supplier Guiding Principles

Partnering with Our Suppliers for Continuous Improvement and Responsible Sourcing



We conduct business with integrity.



We respect human rights and ethical labor practices.

We believe workers have the right to a safe and healthy workplace.



We demand supplier diversity.



We are committed to protecting animals and their welfare.



We are stewards of the environment.



We conduct business with integrity.

✔ **Mandatory Requirements:** All of the following are mandatory requirements for our suppliers.

✔ Compliance With Laws and Regulations

Suppliers must comply with all applicable laws and regulations in the countries in which they operate, as well as all laws and regulations applicable to the provision of products and/or services to Kraft Heinz.

✔ Anti-Corruption and Anti-Bribery

Suppliers must not directly or indirectly make any payments, offers, gifts, promises, incentives, or provide anything of value in exchange for an improper business advantage. Suppliers must act in full compliance with the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, Canada Corruption of Foreign Public Officials Act, and/or all other applicable anti-corruption and anti-bribery laws. Suppliers must have a zero-tolerance position on issues relating to embezzlement, extortion, bribery, and corruption (including a prohibition on making facilitating payments). Suppliers must comply with Kraft Heinz's Ethics & Compliance Third Party Due Diligence Process. This process requires suppliers to declare any business or ownership ties to a government official or entity, representatives of a political party, or a Kraft Heinz employee, prior to conducting business with Kraft Heinz.

✔ Gifts and Hospitality

Kraft Heinz employees should not receive or accept gifts from any business partner, except items that are insignificant, incidental, and of nominal value such as logoed promotional items. Any gift or business entertainment provided by a supplier must be for a legitimate business purposes, must not be intended to secure an improper advantage or otherwise influence (or appear to influence a business decision), and must not violate the laws of the country in which the gift or entertainment is given or accepted. Any gifts or entertainment offerings must not be extravagant or frequent, must be reasonable in value, and must serve a legitimate business purpose.

✔ Conflict of Interest

Suppliers must remain free from the influence of actual or potential conflicts of interests as they carry out business affairs with Kraft Heinz. Suppliers must disclose immediately any business relationship in which they become (or plan to become) involved, which could result in an actual or potential conflict of interest or in the appearance of a conflict of interest.

✔ Accuracy of Business Records

Suppliers shall record and maintain all commercial and business transactions completely, transparently, accurately, and in a timely manner. Suppliers must never falsify, omit, misstate or conceal any information on supplier business records. Books and records must be kept in accordance with all applicable laws and regulations, as well as generally accepted accounting principles.

✔ Fair Competition

Suppliers must compete with integrity around the world. Suppliers must not, directly or indirectly, engage in illegal or illicit collaboration with competitors, discuss competition or competitively sensitive information with competitors, or agree to restrain trade or reduce competition. Suppliers must comply with all applicable competition or antitrust laws and regulations.

✔ Data Privacy and Information Protection

Suppliers must comply with all applicable laws and regulations related to the protection, privacy, and/or processing of data and information (including data and information that relates to an identified or identifiable person which is deemed personal data or personal information) and must not cause Kraft Heinz to be in violation of any such laws and regulations. Any supplier processing personal data on behalf of Kraft Heinz agrees to process such personal data pursuant to any data processing requirements that Kraft Heinz provides to supplier in contract provisions or otherwise in writing. Supplier must notify Kraft Heinz as soon as it becomes aware of any unauthorized access, theft, loss, misuse, or damage, or any other breach of security, in relation to any Kraft Heinz data or information in the possession of (or processed by or at the direction of) supplier, its agents, or subcontractors.

✔ Confidentiality

Suppliers must appropriately manage and protect any confidential information, trade secrets, and/or intellectual property belonging to Kraft Heinz or a Kraft Heinz business partner which is shared with them to ensure that confidentiality is maintained and that such information is not disclosed (even in the event the supplier has entered into a non-disclosure agreement with Kraft Heinz). Suppliers must notify Kraft Heinz as soon as practicable if there has been any authorized disclosure, loss, or compromise of any such confidential information belonging to Kraft Heinz or a Kraft Heinz business partner and use best efforts to mitigate any potential risks relating to the breach. Confidential or proprietary information about Kraft Heinz must not be used to engage in or support insider trading or in any other activity that is unrelated to the supply of goods and/or services to Kraft Heinz and its contractors.

✔ International Trade Compliance

Suppliers must comply with all applicable economic sanctions, export control and anti-boycott laws, regulations, orders, designations, licenses and relevant directives. Suppliers must implement effective internal controls in order to minimize the risk of breaching these laws and of causing Kraft Heinz to violate such laws.

We respect human rights and ethical labor practices.

Kraft Heinz is committed to upholding responsible business practices and treating people with dignity and respecting their human rights.

✔ **Mandatory Requirements:** All of the following are mandatory requirements for our suppliers.

✔ **Child Labor**

Suppliers will not directly, or indirectly through its contractors or subcontractors, use child labor, and must have policies in place that prohibit the use of child labor. Supplier will comply with the minimum employment age limit defined by applicable law or by ILO Convention 138, whichever is more restrictive. The ILO Convention 138 minimum employment age is the local mandatory schooling age, but not less than 15 years of age (14 years in certain developing countries), subject to exceptions allowed by the ILO and applicable law (i.e., for light work on family farms that does not interfere with necessary legal education). Children above the minimum age of employment should not be exposed to undue physical risks that can harm physical, mental, or emotional development. No person under the age of 18 shall be employed at night or in hazardous conditions (e.g., through operating heavy machinery or handling hazardous chemicals).

✔ **Responsible Recruitment**

Suppliers shall uphold professional, ethical, safe, secure, and responsible recruitment practices with the intention of preventing unnecessary risk exposure, exploitation, and unreasonable financial bonds being imposed on recruits. Kraft Heinz abides by the “The Employer Pays Principle.” As such, suppliers must ensure that individual workers and job seekers are not charged for their jobs and that the cost of recruitment should be borne, not by the worker, but by the employer.

✔ Migrant Workers

Additional consideration should be given to protect migrant workers – people working outside their country of origin – against additional vulnerabilities towards human right abuses and exploitation. Suppliers are required to implement or strengthen relevant human resources management systems and policies to address risks to migrant workers. Migrant workers shall not be threatened with denunciation to authorities or withholding of official documents with the intention of coercing them into employment terms or impacting their ability to leave.

✔ Forced or Involuntary Labor

Kraft Heinz prohibits the use of all forms of forced, bonded, indentured, or compulsory labor, including prison labor, indentured labor, bonded labor, military labor, slave labor or any form of human trafficking. All workers must work under voluntary conditions and with the freedom to terminate their employment at any time.

✔ Work Hours, Work Week and Payment of Wages

Suppliers must comply with all applicable laws and regulations regarding wages, overtime pay, benefits, leave, and maximum working hours. Workers should receive fair and equitable pay. Suppliers will also respect laws with respect to limiting regular and overtime working hours and ensure that overtime work remains voluntary and compensated fairly.

When not otherwise dictated by law, suppliers should provide at least one consecutive 24-hour period of rest in each 7-day period. Workers are entitled to reasonable rest periods, annual leave, and holidays with pay.

✔ Non-Discrimination

Suppliers shall not discriminate in hiring, contracting, or employment practices including, without limitation, compensation, promotion, discipline, termination, and retirement. Suppliers will not discriminate based on race, age, role, gender, gender identity, color, ethnicity, religion, country of origin, sexual orientation, marital status, pregnancy, dependents, disability, social class, union membership, and/or political views. Nor will suppliers discriminate based on any other condition or characteristic that is protected by applicable law or regulation.

✔ Freedom of Association & Collective Bargaining

Suppliers shall recognize and respect each worker's freedom of association and rights to engage in collective bargaining. Suppliers must respect these rights by maintaining a professional environment free from fear of reprisal, intimidation, or harassment.

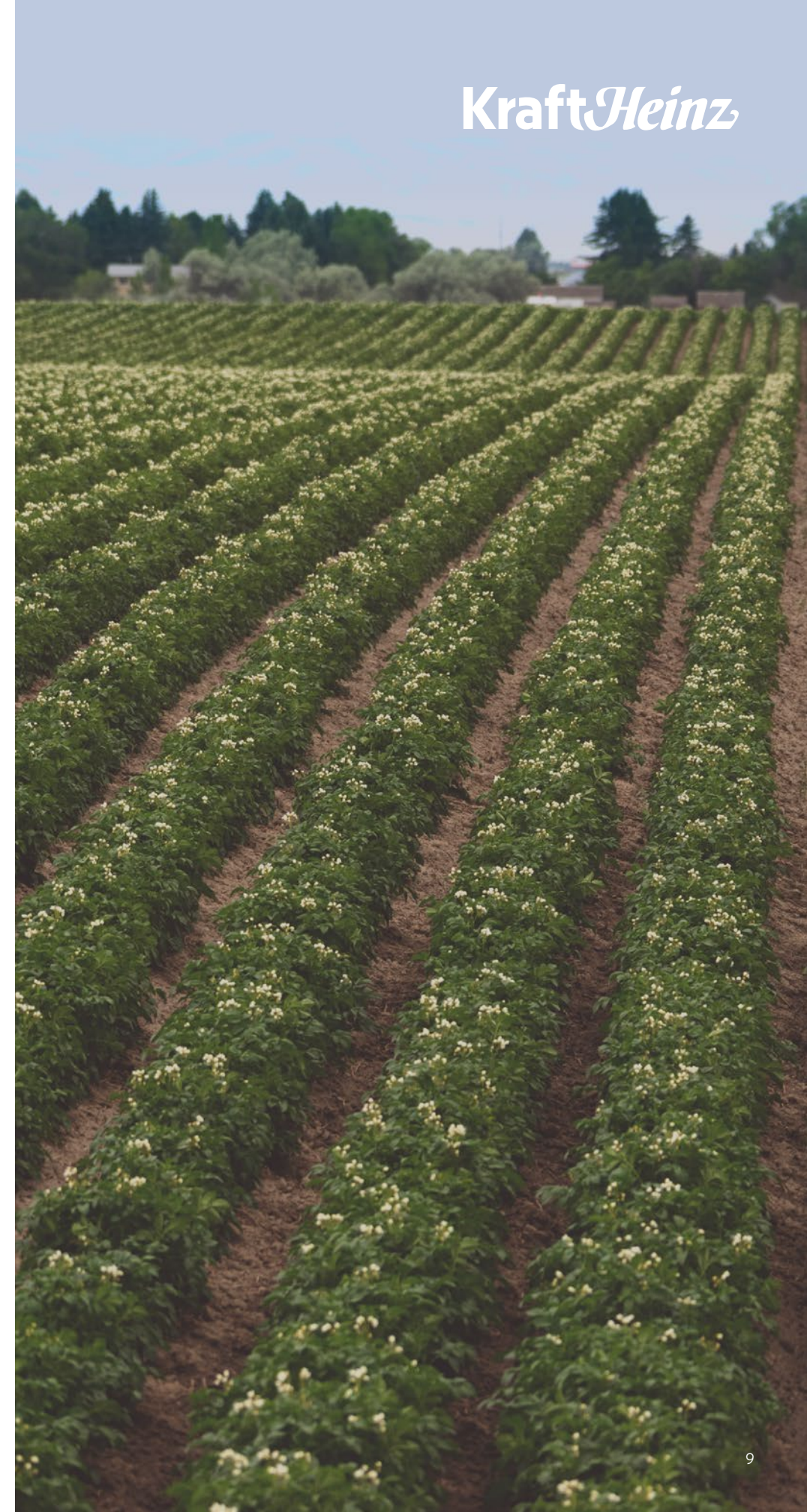
✔ Land Rights

Kraft Heinz is against all forms of land acquisitions that are illegal. Suppliers must respect the land rights of women, indigenous people, and local communities impacted by their operations, and suppliers must adhere to the Food and Agriculture Organization of the United Nations' principle of Free, Prior, and Informed Consent in their sourcing practices. Suppliers shall not engage in any form of land grabbing. Kraft Heinz expects all suppliers to adhere to laws and regulations relating to land use rights, including without limitation, having proper land use permits in place (e.g., for farming, manufacturing or any other industrial use) and having permission for the use of ground water or other water sources, such as nearby rivers or lakes.

✔ Linguistic Considerations

Core documentation for employee rights, employment terms, and safety considerations should be available in the host country/region's language.

- ✔ **Mandatory Requirement:** In addition to complying with this Policy, all suppliers are required to uphold the related standards and responsible business practices contained in [Kraft Heinz's Global Human Rights Policy](#).





We believe workers have the right to a safe and healthy workplace.

The Kraft Heinz Company is committed to providing a healthy, safe and secure workplace for employees, subcontractors and all people who visit our facilities. We believe all employers – regardless of industry – are responsible for upholding a high standard in their workplace health and safety programs to ensure the protection of their workers.

✔ **Mandatory Requirements:** All of the following are mandatory requirements for our suppliers.

☑ Health and Safety

Suppliers shall comply with all applicable laws and regulations regarding worker health and safety and assign responsibility for health and safety conditions to a senior management representative. In addition, Kraft Heinz requires suppliers to maintain the following health and safety standards at a minimum:

- The workplace should not be harmful to health and safety and should be free of recognized hazards;
- Personal protective equipment that complies with local laws, standards (where applicable OSHA), and World Health Organization recommendations (as they relate to global health crises) will be made available for workers;
- Chemicals should be stored and handled safely and a list of all chemicals used is expected and should be made available if requested;
- Training on health and safety is provided for workers in the language of the country/region, with translations posted and available where 30 percent of the worker population speaks an alternate language, as applicable to the scope of their work (including with respect to chemicals) and suppliers must maintain records for all training provided;
 - › Workers must have access to emergency medical care; and
 - › All places of work must have clearly identified emergency exits. When appropriate, safety signs should have posted translations.

☑ Accommodations

Supplier shall provide workers with access to potable water, clean toilet and handwashing facilities, adequate heat and ventilation, sanitary facilities for food storage and hygienic accommodations. Facilities must have clearly marked and unrestricted exits in the event of emergency. When living accommodations are provided for workers, either by the supplier, or a labor provider or other subcontractor, the supplier must ensure the facilities are clean, safe, and structurally maintained.

☑ Harassment, Abuse, and Disciplinary Practices

Every worker has the right to be treated with respect and dignity. Suppliers must have policies and practices which prohibit the use of corporal punishment and ensure workers are not subject to any other forms of physical, sexual, psychological, or verbal harassment and/or abuse. Disciplinary practices must be conducted only when appropriate, in a professional and ethical manner and will not include monetary penalties. Supplier shall provide all workers with access to confidential grievance mechanisms.





We demand supplier diversity.

Supplier diversity at Kraft Heinz is rooted in one of our core values which states that “We Demand Diversity.” We believe that our success depends on our business practices becoming more diverse and inclusive every day. We are committed to driving improvement for underrepresented communities by ensuring that our supply base represents our employees. Supplier diversity is one of the many ways in which Kraft Heinz is working to integrate our values into our future business vision.

We are committed to the fair inclusion of diverse suppliers in our procurement activities. We seek to make the connection between suppliers and our value chain more accessible and inclusive to businesses owned by women, ethnic minorities, lesbian, gay, bisexual, and transgender persons, persons with disabilities, and veterans, and SBA- HUBZone. We are actively seeking opportunities to build business partnerships and increase spending with these diverse business types and take a continuous improvement approach to reviewing our business practices and removing known barriers.

- ✓ **Expected Practice:** Kraft Heinz invites our suppliers to join us in our pursuit of more diverse and inclusive business practices by incorporating supplier diversity into their own sourcing practices, policies, and management plans. We invite diverse suppliers to participate in future business opportunities with KHC.



We are committed to protecting animals and their welfare.

Kraft Heinz is committed to the humane treatment of animals and continuous improvement in animal welfare. We do not tolerate any kind of animal abuse from our suppliers. Kraft Heinz requires its suppliers to support and continuously work towards the 'Five Freedoms' (internationally recognized for animal welfare):

- Freedom from hunger and thirst
- Freedom from physical and thermal discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behaviors
- Freedom from fear and distress

✓ **Mandatory Requirement:** In addition to this Policy, all direct suppliers of Kraft Heinz must comply with the [Policy on Animal Welfare](#) and Animal Welfare Policy Implementation Guide. All suppliers from which Kraft Heinz purchases animal products are expected to participate in the Global Animal Welfare Risk Assessment, which is provided by Kraft Heinz on an annual basis.



We are stewards of the environment.

At Kraft Heinz, environmental stewardship begins with our own operational footprint. Kraft Heinz is actively striving to conserve water and energy, reduce emissions, minimize waste, and make our packaging sustainable. Our environmental stewardship extends to activities within our supply chain where our suppliers also have a responsibility to minimize the environmental impact of their materials, products and operations.

The increasing threat of climate change and damage to the environment is more evident than ever. Kraft Heinz is committed to taking a holistic approach to climate action and environmental conservation under our strategic pillar of “Responsible Sourcing”. We commit to working with our suppliers to address risks and develop sustainable solutions and management practices with the aim of protecting and preserving the environment.

- ✓ **Mandatory Requirement:** Supplier must, at a minimum, comply with all applicable environmental laws and regulations in their operations. Where applicable, additional mandatory requirements have been highlighted in this section.
- ✓ **Expected Practices:** All suppliers must be aware of and understand the environmental risks and impacts within their operations and supply chains. Our suppliers should begin working towards environmental best practices as highlighted throughout this section:

Water Stewardship

Kraft Heinz is dedicated to the best practices of water management within its own operations and expects all its suppliers to employ effective water management practices to minimize our collective environmental impact.

✔ **Mandatory Requirement:** Suppliers with operations in known high water-stressed regions (as defined by the United Nations Water Program and assessed through tools from the United Nations CEO Water Mandate) must employ the following practices:

- › Implement water management plans with the objective of reducing water consumption; and,
- › Where possible, recycle or reuse water within own operations.

✔ **Expected Practices:** As part of Kraft Heinz's pledge to the United Nations Global Compact CEO Water Mandate, we expect all suppliers to work to improve water management practices in the following ways:

- Analyze and respond to watershed risk;
- Conduct water use and impact assessments, including the evaluation of methods to conserve water;
- Report and disclose water management;
- Adopt efficient irrigation practices within agricultural operations and seek to mitigate runoff risks;
- Act to preserve the quality and supply of natural water sources (e.g., groundwater, oceans, rivers or lakes); and
- Share water conservation best practices among supply chain partners.

Waste Management

At Kraft Heinz we think about waste holistically. In our own operations, we employ detailed waste evaluations that help us determine where we can reduce, repurpose and recycle. Kraft Heinz diverts more than 90 percent of its solid waste to recycling or byproducts usage at its manufacturing sites on a global basis.

✔ **Mandatory Requirement:** Suppliers must comply with all applicable waste disposal and treatment laws and regulations and have valid and current permits for the use and disposal of waste and water.

✔ **Expected Practices:** All suppliers should work to promote waste reduction and the responsible use of resources. Waste diversion, from landfills, through reduce, repurpose, and recycle efforts and improved efficiencies, have become a standard practice which all suppliers are expected to consider within their operations. In addition to employing a comprehensive waste management and diversion program, the following best practices should be considered by all suppliers:

- Employ environmental precautions when handling and disposing of waste, chemicals, and other dangerous material;
- Not dump waste into any bodies of water, i.e. rivers, lakes, ground water or ocean - except for treated waste, as per applicable laws and regulations and any applicable permit;
- Untreated sewage and wash water should not be dumped into ground or underground bodies of water; and
- Implement measures for the responsible disposal of bio waste.

Greenhouse Gas Emissions

Addressing climate change means rethinking business practices and their impact on greenhouse gas emissions. Kraft Heinz has committed to transitioning the majority of our purchased electricity from conventional sources to renewable sources by 2025.

✔ **Mandatory Requirement:** Suppliers must effectively measure and report on their SCOPE 1 and SCOPE 2 emissions as required and as defined by the Greenhouse Gas Protocol.

✔ **Expected Practices:** With up to 80% of our environmental footprint coming from our upstream supply chain, we expect our suppliers to join us in reducing their energy consumption and give preference to alternative renewable sources of energy. Suppliers should also take action to advance their understanding of their SCOPE 3 emissions.





Agricultural Practices

Kraft Heinz has a long-standing legacy of responsible agricultural practices and a renewed commitment to Sustainable Agriculture embodied by our Sustainable Agriculture Program. The Kraft Heinz Sustainable Agriculture Practices will guide our engagement strategy as Kraft Heinz works toward sustainably sourcing 100 percent of Heinz ketchup tomatoes by 2025.

We work hard to advance practices which improve soil health within our supply chain because of its important role in sustaining crop productivity, environmental sustainability, and human health. We believe appropriate steps should be taken to minimize the impact on soil quality for the long-term health and conservation of soil. Proper soil management supports the long-term livelihood of farmers and their crop yields.

✓ **Mandatory Requirement:** Suppliers must not:

- Use pesticides or herbicides deemed illegal in the country of operation; and
- Use chemicals and pesticides on the World Health Organization Section 1a & 1b and Rotterdam PIC list

✓ **Expected Practices:** Suppliers should:

- Strive to implement the Kraft Heinz Sustainable Agriculture Practices (Add Hyperlink when available);
- Not use land burning as a means of preparing the land (unless an environmental assessment deems it otherwise beneficial) or for the disposal of harvest waste;
- Measure inputs such as water, fertilizers, and other items used and present documented inputs to Kraft Heinz, on request; and
- Take soil samples to verify which nutrients are necessary for their soil, to allow for efficient management of soil health without overusing resources.

Biodiversity

Preserving biodiversity is a critical component of maintaining balanced ecosystems. Biodiversity acts as an ecological life support for our planet and is critical in sustainably supporting the growth of our global food systems. Kraft Heinz believes bioengineered (“BE”) technology can help increase the food supply, keep costs affordable, and decrease the use of pesticides, water and overall production costs. As such, we abide by all laws governing the use and/or labeling of bioengineered ingredients and are partnering with external organization to certify our “non-BE” claims.

✓ **Mandatory Requirement:** Suppliers shall comply with all laws and regulations governing the use and/or labeling of BE ingredients. The following practices are mandatory for all suppliers:

- Prohibiting hunting, fishing or gathering of rare and/or endangered species without explicit legal permission; and,
- The harvesting of wild species listed on the International Union for Conservation of Nature’s Red List of Threatened Species (IUCN red list) is not permitted.

✓ **Expected Practices:** Suppliers should take demonstrable steps to understand and mitigate risks to biodiversity within their operations. Expected practice is not to operate on High Conservation Value lands and to continue protecting such lands. The following practices should be considered by all suppliers – with special attention to those with an agricultural footprint:

- Establish buffer zones which are not treated by fertilizers and cannot be accessed by livestock;
- Ensure wild harvesting practices are managed to ensure the regrowth of wild species; and
- Strive to employ practices that protect and restore biodiversity.

Protein Sources

As a food company, we have the responsibility to recognize that foods differ in terms of impact to the environment, namely the quantity of water and land needed, nutrient management, and greenhouse gases emitted to produce. Protein sources have been identified as a high-risk category, and Kraft Heinz is actively seeking to diversify protein sources.

The sourcing of proteins such as eggs, soy, dairy and meat requires respect and care for animals, people and the environment throughout global supply chains.

- ✓ **Expected Practices:** Suppliers should build their awareness of risk areas associated with protein sourcing and should seek to employ best practices as appropriate. To that end, suppliers should:
 - Work towards slowing deforestation and reducing emissions and eutrophication through meat and dairy production;
 - Develop awareness of feed stock related risks to deforestation;
 - Prohibit the use of antibiotics unless necessary for the welfare of the animal; and
 - Ensure that proteins are responsibly sourced and free of links to deforestation-related activities – paying attention to the extended risks in animal feed supply chains.

Sustainable Packaging

The continuous improvement of packaging is vital in combating waste and climate change. Minimizing the environmental impact of packaging should be a priority for all. Working towards such practices, it is important that we remove unnecessary packaging from our supply chain, and continuously work towards recycling, reusing, and composting, and using recycled materials whenever possible whilst reducing the quantity of non-recyclable and virgin packaging.

- ✓ **Expected Practices:** Kraft Heinz works with suppliers to use more sustainable means of packaging in our manufacturing, storage, transportation, distribution, and sales network. We encourage all suppliers to leverage their partnership with Kraft Heinz to drive improvements in sustainable packaging – whether in our supply chain or in consumer packaging. Suppliers are expected to innovate and continuously improve in support of sustainable packaging initiatives.

Mitigating Environmental Impact of Chemicals Use

Chemical spills can have a disastrous – if not irreversible – impact on our environment. Businesses have a responsibility to current and future generations to take all actions necessary to prevent the harmful impacts of chemicals on our environment.

- ✓ **Mandatory Requirements:** Kraft Heinz requires transparency on the chemicals used in supplier operations or farms.
- ✓ **Expected Practices:** All suppliers should be working towards the following:
 - researching new ways of working to reduce the amount of chemicals required;
 - modifying production techniques to avoid certain processes that require the use of polluting chemicals; and
 - instituting processes for the prevention of leaks or spills of chemical or other hazardous materials and demonstrate efforts to rectify any environmental impact.

Deforestation

Each year millions of hectares of forest are being lost, advancing the loss of biodiversity, animal habitats and accelerating the effects of climate change. Kraft Heinz acknowledges that forests are vital for life and we are all responsible not to contribute to their further destruction.

The sourcing of leading ingredients and raw materials, such as soy, sugar, cocoa, dairy, beef, and fibers, requires careful consideration in slowing global deforestation.

Palm oil is one of the main contributors to deforestation and, because of this, Kraft Heinz has made a commitment to only source responsibly sourced palm oil. In turn, we expect all our suppliers to responsibly source palm oil. It is important that we know the source of all palm oil used in our products and that the source can be traced.

- ✓ **Mandatory Requirement:** All suppliers must comply with the [Kraft Heinz Palm Oil Policy](#).





Kraft Heinz's Responsibilities to Its Suppliers

Kraft Heinz understands that its suppliers are key partners in enabling us to do better every day. Kraft Heinz will abide by the following principles when dealing with our suppliers.

- Kraft Heinz seeks to always treat all of its suppliers honestly, ethically, and fairly. Kraft Heinz will not intentionally mislead suppliers.
- Kraft Heinz will not take advantage of honest supplier errors.
- Kraft Heinz will work to resolve any issues or disputes on a fair and factual basis.

Implementation & Training

Supplier Implementation

Suppliers shall maintain a culture of integrity and compliance and have in place appropriate policies, management systems, procedures and staffing that address the requirements of these Supplier Guiding Principles and relevant laws. This includes designating an individual or individual(s) of sufficient authority to ensure communication of, and compliance with, these requirements within the Supplier's operations and throughout the Supplier's associated supply chains. Kraft Heinz recognizes existing supplier policies, processes, governance structures, and associated communications to the extent supplier certifies compliance with the requirements of these Principles in writing.

Suppliers must enter into contracts, execute purchase orders and otherwise conduct business relationships with integrity and in a manner that mandates compliance with the requirements in these Principles. Suppliers shall meet the specifications and requirements set out in relevant contractual documents with Kraft Heinz when delivering products and/or services.

Training

Kraft Heinz will provide training materials to suppliers on these Principles and other relevant standards. Kraft Heinz requires that all supplier representatives or account managers working on Kraft Heinz business review these training materials.

To support supplier's compliance with this Policy, it is the supplier's responsibility to address Mandatory Requirements and Expected Practices as appropriate. Where a supplier's existing policies and practices meet or exceed the Mandatory Requirements in this Policy, the supplier's training and communications to its workers with respect to its policies and practices may satisfy this requirement.



Monitoring & Compliance

Suppliers are expected to take a proactive management approach in maintaining compliance with this Policy. Suppliers must promptly report any known issues of non-compliance with any **Mandatory Requirements** in this Policy.

Monitoring

Kraft Heinz reserves the right to monitor a supplier's compliance with this Policy using supplier self-declarations (i.e., SEDEX for direct suppliers and EcoVadis for indirect suppliers) and certifications, questionnaires, or online assessments, and/or verification through external audits as described in the Audits section below.

Supplier authorizes Kraft Heinz and its designated agents (including designated third parties) to engage in monitoring activities per supplier site on an annual basis, including on-site audits with reasonable notice. Kraft Heinz reserves the right to conduct additional audits in order to further investigate potential noncompliance with these Principles, review the implementation of corrective action, or to comply with regulator or other third party inquires.

External Audits

The type of supplier audit conducted will be dictated by the type of product or service provided to Kraft Heinz by the supplier:

- **Direct Suppliers** (suppliers of raw materials, packaging, and products to be utilized in finished goods, as well as external manufacturers):
 - › A SEDEX SMETA audit or a Kraft Heinz-approved alternative third-party audit.
- **Indirect Suppliers** (suppliers of services or any goods that are not direct materials):
 - › An EcoVadis Corporate Social Responsibility assessment or a Kraft Heinz-approved alternative third-party audit.

Addressing Non-Compliance

In the event Kraft Heinz becomes aware of supplier conduct that is not in accordance with the requirements of this Policy, Kraft Heinz will take appropriate action to investigate any reported non-compliance and discuss the findings with the supplier. The supplier shall assist with the investigation and provide access to information requested. Where Kraft Heinz determines remediation is required, the supplier will implement a corrective action plan to promptly correct the non-compliance.

In the event of serious or persistent conduct in violation of this Policy, the conduct of the Supplier will be evaluated on a case-by-case basis. Kraft Heinz reserves the right to terminate any agreement or business relationship with a supplier that fails to meet any of the Mandatory Requirements contained in this Policy.

Reporting Concerns

Suppliers must provide a confidential mechanism for its workers to communicate any workplace grievances, misconduct, or violations of these Principles, or legal or ethical concerns. Issues reported must be addressed in a timely and respectful manner, and any corrective actions arising from such investigation must be documented. Suppliers must ensure that retaliation against workers reporting violations in good faith or cooperating in any investigations is prohibited.

Suppliers and/or any of the suppliers' employees, contractors, or agents are also encouraged to report:

1. Any potential non-compliance with these Principles, or
2. Any violation or misconduct by any employee, representative or other agent of Kraft Heinz to the Kraft Heinz's Ethics & Compliance Hotline.

The Kraft Heinz Ethics & Compliance Hotline is hosted by an independent third party and is confidential, multi-lingual, and available 24 hours a day. Reports can be made via country-specific, toll-free phone numbers or online via www.KraftHeinzEthics.com. Kraft Heinz encourages suppliers to communicate the availability of the Ethics and Compliance hotline to their workers. Kraft Heinz will not tolerate retaliation against any person or supplier reporting potential misconduct in good faith.



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Visit www.KraftHeinzEthics.com to access country-specific, toll-free phone numbers for the Kraft Heinz's Ethics & Compliance Hotline or to report any potential non-compliance with these Principles online.