

Kraft Heinz	CATEGORY	DATE OF ISSUE	SUPERSEDES
GLOBAL	ENVIRONMENTAL		POLICY ON PALM OIL
ENVIRONMENTAL	SOCIAL	05/27/2023	USAGE AND
SOCIAL GOVERNANCE	GOVERNANCE,		PROCUREMENT
POLICIES	PROCUREMENT	OWNER: Chief	
		Sustainability Officer	

Scope of this Policy

This Policy applies to all Kraft Heinz operations worldwide, as well as to our suppliers and business partners.

Deforestation and Conversion-Free Principles

Kraft Heinz adheres to the following principles¹ and expects the same from its suppliers and business partners:

Environmental Stewardship

- **Biodiversity:** The operations should result in the conservation and protection of biodiversity. If the operations have caused loss or degradation of biodiversity, recovery is required.
- **High Carbon Stock (HCS) Approach:** HCS areas should be identified, protected and monitored.
- **High Conservation Value (HCV):** HCV areas should be identified, protected, managed and monitored.
- **Natural ecosystem:** The operations should result in the conservation and protection of natural ecosystems. If the operations have caused loss or degradation of natural ecosystems, recovery is required.
- **Peat:** The operations should result in the conservation and protection of peatlands of any depth.
- **Protected areas:** The operations should result in the conservation and protection of IUCN protected areas 1, I – IV, UNESCO World Heritage Sites, UNESCO World Heritage Sites and wetlands on the Ramsar list.
- **Water:** The operations should ensure the protection and the conservation of above and below ground water resources and water bodies in terms of quality and quantity, as well as their associated habitats. If the operations have caused negative impact to water resources or water bodies, recovery is required.

Climate Action

- **Fire:** Burning methodologies should not be used in any production practices (this includes land preparation, harvesting, waste management, etc.), except where they are an endorsed method of application for the specific area to protect or rehabilitate the ecosystem by accredited independent natural resource scientists.
- **Greenhouse Gases (GHG):** Companies should manage their operations in such a way as to limit GHG emissions to the greatest extent possible. If complete elimination of GHG emissions is not possible, then monitoring, mitigation and remediation is required.
- **Renewable Energy:** Suppliers must ensure renewable power and fuels, including bio-energy, must be supplied from sustainably managed sources. Generation and processing facilities should not negatively impact protected areas.

Social Responsibility

- **Free Prior and Informed Consent:** The right of local communities and indigenous people to give or withhold their Free Prior and Informed Consent on the use of their lands and/or other resources should be respected.

¹ These principles are further explained in the section of the Appendix entitled "Definitions".

- **Inclusion of Smallholders** Smallholders should be effectively engaged in a mutually beneficial manner to provide appropriate benefits and positive incentives for these smallholders.
- **Legality** Kraft Heinz requires compliance with all applicable laws and regulations, including proper land title documentation and other legal requirements.

Implementation Mechanism

To implement and demonstrate progress toward our goals in this area, Kraft Heinz further commits to:

1. Develop a roadmap and a time-bound plan for each priority raw material with Key Performance Indicators (KPIs)

¹ These principles are further explained in the section of the Appendix entitled “Definitions”

Administration, Governance and Management

This Policy and all statements herein have been, and any future changes and updates must be, approved by the relevant members of the Kraft Heinz Executive Management team who are responsible for oversight of the development, adoption, and implementation of this Policy.

A Global Subcommittee – including the Kraft Heinz Head of Environmental, Social, Governance – monitors compliance with this Policy and developments within the industry. The Global Subcommittee members are also responsible for day-to-day monitoring, supervising, administration and updating of this Policy. The senior leaders within this Global Subcommittee have performance incentives linked to successful implementation and governance of this Policy.

If non-compliance with this Policy is identified, Kraft Heinz commits to engage with the supplier or business partner to work together in identifying the cause and developing a time-bound action plan for correcting and addressing the issue. In cases of lack of adequate responsiveness by a supplier or business partner, Kraft Heinz may consider terminating its commercial relationship in alignment with

APPENDIX

Raw Material Specific Requirements of the Deforestation- and Conversion-Free Policy

These requirements provide more context on how Kraft Heinz will apply these Policy commitments to the following raw materials, endorsed cut-off dates, endorsed target dates, endorsed certification schemes, and scope of supply chain coverage. The risk assessments carried out for each of the below-referenced raw materials will help us prioritize our actions and define the approach or tools to be used based on levels of risk. This prioritization will be reviewed on a regular basis; accordingly, this Appendix is subject to change from time to time.

Palm Oil DCF Requirements

Kraft Heinz seeks to procure palm oil products in an ethical, transparent, and sustainable manner. As such, palm oil is one of the priority raw materials which falls under the scope of this Policy. It covers all sources of palm, directly or indirectly sourced.

Deforestation and conversion across all sourcing areas for palm will be covered by this Policy. Kraft Heinz is working towards ensuring 100% of the palm oil it sources is Deforestation- and Conversion-Free no later than 2025 and are specified in the respective roadmap. Kraft Heinz recognizes the unique challenge posed by derivatives. Therefore, we intend to work in a phased approach starting with our palm oil; derivatives will be assessed at a later time.

Kraft Heinz will endorse certification or verification programmes that meet or exceed the expectations outlined in this Policy. Where properly certified or verified palm volumes are not used in our sourcing, Kraft Heinz will work with our supply chain partners to address the gaps.

Soy DC Requirements

Kraft Heinz acknowledges the deforestation and conversion risks associated with the production of soy in its supply chain and, therefore, it falls under the scope of this Policy. It covers all sources of soy: beans, derivatives and embedded soy, directly or indirectly sourced.

Deforestation and conversion caused by soy production will be covered by this Policy. Kraft Heinz is working towards ensuring 100% of the soy it sources is Deforestation- and Conversion-Free no later than 2025 and are specified in the respective roadmap. Kraft Heinz recognizes the unique challenge posed by derivatives. Therefore, we intend to work in a phased approach starting with our soy; derivatives will be assessed at a later time.

Cocoa and Coffee DCF Requirements

Consistent with the commitments laid out in this Policy, Kraft Heinz is committed to working towards

- Deforestation and ConversionFree:

- HCV 6: Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples. Identified through engagement with these local communities or indigenous peoples.
- **Natural ecosystem**An ecosystem that substantially resembles – in terms of species composition, structure, and ecological function – one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present.
- **Peat** Peat or histosols (organic soils) are soils with cumulative organic layer(s) comprising more than half of the upper 80cm or 100cm of the soil surface containing 35% or more of organic matter (35% or more Loss on Ignition) or 18% or more organic carbon (FAO 1998, 2006/7; USDA 2014; IUSS 1930).
- **Protected areas**IUCN protected areas 1, I – IV, UNESCO World Heritage Sites, wetlands on the Ramsar list, protected areas that are gazetted under national or state laws, and all areas designated under regional agreements and international conventions such as CITES treaty.
- **Recovery**also referred to as compensation, remediation, or restoration, is the action of compensating for and/or rehabilitating land that was destroyed or degraded by land clearing for the expansion of plantation land banks after the industry’s cut-off date.
- **Jurisdictional landscape approaches**Landscape and jurisdictional approaches bring together diverse stakeholders to develop and pursue common environmental, social, and economic goals in specific geographic areas. Through collaboration with government, civil society, and local communities, these initiatives help address risks and impacts of commodity production that are beyond the full control of individual companies.
- **Remediation**:process of providing redress for a negative impact or the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, h ay

- **Third-party verification:** refers to verification conducted by an independent entity that does not provide other services to the company. Third-party verification may be conducted either through or outside of a certification programme.