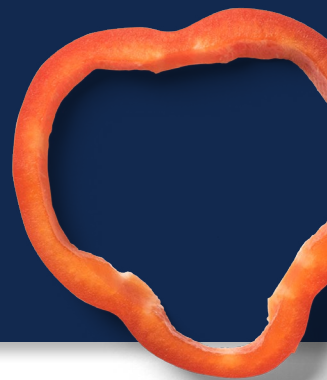




FORCED LABOUR IN CANADIAN SUPPLY CHAINS

2023 REPORT



Kraft*Heinz*

INTRODUCTION

Dear Reader,

Here at Kraft Heinz, *We Do The Right Thing* and *We Dare To Do Better Every Day*. Leading with honesty and integrity, we will always do right by our customers, partners, suppliers and the communities we serve.

The Kraft Heinz Company and our affiliates are committed to excellence in environment, social compliance and governance, continuous improvement, and responsible corporate practices throughout our entire value chain.

Our publicly available [Global Human Rights Policy](#) ("Policy") is guided by internationally recognized standards, including:

- The United Nations Guiding Principles on Business and Human Rights
- The International Bill of Human Rights
- The International Labor Organization's Declaration on Fundamental Principles and Rights at Work

We believe the protection of human rights is the right thing to do, is fundamental to good business, and that we have both the ability and the responsibility to drive positive change through our global work.

In support of this vision, we are committed to respecting human rights throughout our global value chain. Kraft Heinz demands all business partners demonstrate a clear commitment to protecting the rights of workers worldwide and does not tolerate the use of forced labour and child labour.

Kraft Heinz continues to partner with thousands of suppliers globally that are all committed to ensuring there is no forced labour or child labour within the Kraft Heinz supply chain. From standard contractual clauses requiring compliance to the completion of audits and due diligence processes, Kraft Heinz continually evaluates the suppliers it uses to ensure that we are operating in compliance with all of our ethics and compliance codes and policies, including our rigorous [Supplier Guiding Principles](#). Operating with integrity is one of the Company's core principles.

At Kraft Heinz, we are committed to updating our policies and procedures applicable to our supply chain as we, our brands, and our supply chain evolves.

SCOPE AND STRUCTURE

This report has been prepared by Kraft Heinz Canada ULC, an unlimited liability corporation incorporated under the laws of British Columbia, in accordance with Bill S-211, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff*.

ACTIVITIES

As a large food and beverage company, Kraft Heinz's operations are predominantly directed towards manufacturing and supplying food and beverage products to consumers, retailers and commercial customers.

Kraft Heinz employs approximately 1,500 people in Canada. Globally, The Kraft Heinz Company employs approximately 37,000 people across its offices and factories.

SUPPLY CHAIN

The Kraft Heinz global supply chain is primarily focused on the sourcing, warehousing and transportation of raw materials, ingredients and packaging required for the manufacture of our food and beverage products globally and procuring other indirect goods and services that are necessary for the day-to-day operation of the business. Kraft Heinz also works with external companies to manufacture products on its behalf, which are sold by Kraft Heinz under its own brands. At the end of the Reporting Period, Kraft Heinz had over 3,000 suppliers involved in the manufacturing of its products globally, including ingredients suppliers, packaging suppliers and external manufacturers, as well as over 16,000 suppliers of 'indirect' goods and services.

With a diverse portfolio of iconic and emerging brands, Kraft Heinz aims to engage with its suppliers in a long term and stable relationship, and therefore seeks to do business with suppliers that share ethics and sustainability practices similar to its own. All business partners, including but not limited to suppliers of raw

This report describes actions taken by Kraft Heinz to prevent and reduce risks of forced labour and child labour for the period from January 1, 2023 to December 31, 2023 (the "Reporting Period").

The following map shows the locations where The Kraft Heinz Company's employees are based:



materials, ingredients, and packaging, are required to demonstrate a clear commitment to protecting the rights of workers worldwide. Specifically, suppliers are required to adhere to our Supplier Guiding Principles. Kraft Heinz monitors suppliers' compliance with our Supplier Guiding Principles by using supplier self-declarations, certifications, questionnaires, or online assessments, and/or verification through external audits (SMETA and EcoVadis).

Kraft Heinz also reserves the right to complete due diligence and audits of its suppliers, through its supplier selection and contracting procedures, in order to ensure compliance with local laws and the requirements and business practices that Kraft Heinz expects its suppliers to follow. Moreover, Kraft Heinz continuously evaluates the suppliers it uses throughout its own operations to ensure its global value chain is operating in an ethical manner; one of the company's core principles.

STEPS TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

In 2023, we worked with LRQA (formerly known as Elevate), a 3rd party audit company, to conduct country/ commodity level risk mapping to help analyze potential sourcing risks (taking into account country of origin and the type of product and service sourced) and to help determine which segments of the company's supply chain provide the greatest opportunity to influence change, manage risk and create impact. According to the risk analysis, we have developed our audit program to prioritize auditing supply chain partners providing commodities from countries with high human rights risk.



All Kraft Heinz suppliers are required to accept, as part of their contract with Kraft Heinz, our Supplier Guiding Principles (SGPs), which outline the company's requirements, standards and expectations for all its suppliers. This policy covers areas including business ethics, human rights, ethical labour practices, occupational health and safety, supplier diversity, animal welfare and environmental stewardship. Suppliers are required to manage their sub-contractors and supply chains in a manner consistent with the SGPs.

Kraft Heinz has several policies in place that relate to its environmental, social and governance (ESG) initiatives and to its broader organizational Responsible Business Conduct (RBC) strategy.

Kraft Heinz requires its employees to complete trainings on various topics, including its Employee Code of Conduct and the SGPs.

Kraft Heinz provides several ways for employees, suppliers, business partners and other stakeholders to raise concerns or complaints. This includes the reporting of potential misconduct to managers, Human Resource professionals, the Legal Department and the Ethics & Compliance team, and our confidential Ethics & Compliance Hotline.

POLICIES AND DUE DILIGENCE PROCESSES

Kraft Heinz has several policies in place that relate to its environmental, social and governance (ESG) initiatives and to its broader organizational Responsible Business Conduct (RBC) strategy. Our efforts to reduce the risks of forced labour and child labour within our supply chain are embedded within the below Kraft Heinz policies:

Global Human Rights Policy	<p>Kraft Heinz’s commitment to responsible business practices, continuous improvement and respect for human rights is engrained within its Global Human Rights Policy.</p> <p>The policy is guided by internationally-recognized standards, including the United Nations (UN) 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.</p> <p>Kraft Heinz’s Global Human Rights Policy was renewed and re-launched in 2019 and requires all Kraft Heinz employees and related entities, suppliers and business partners to strictly adhere to these human rights standards.</p>
Supplier Guiding Principles (“SGPs”)	<p>In 2021, Kraft Heinz launched updated SGPs which outline the company’s requirements, standards and expectations for all its suppliers. This policy covers areas including business ethics, human rights, ethical labour practices, occupational health and safety, supplier diversity, animal welfare and environmental stewardship. Suppliers are required to manage their sub-contractors and supply chains in a manner consistent with the SGPs.</p>
Sustainable Agricultural Practices Manual	<p>In 2021, Kraft Heinz updated its Sustainable Agricultural Practices Manual to provide suppliers with guidance based on the principle of creating a long-term farm management philosophy that is focused on productivity, prosperity and reducing environmental harm, whilst reinforcing responsible labour practices, ethical conduct and occupational health and safety principles.</p>
Global Code of Conduct	<p>All employees, officers and directors are required to abide by the company’s Global Code of Conduct which addresses every aspect of the business, including topics such as anti-corruption, anti-competitive behaviour, data protection and human rights. To ensure compliance with the global code’s tenets, Kraft Heinz regularly provides training, communications and guidance to its employees around the world.</p>
Speak Up and Investigation Policy	<p>All Kraft Heinz employees have an obligation to speak up if they become aware of conduct by a company employee or business partner that they believe, in good faith, may violate any law, regulation or policy, including the Global Code of Conduct. Kraft Heinz will not tolerate any retaliation against an employee who makes a good faith report of misconduct</p>

Kraft Heinz continually reviews and develops its policies with input from internal experts, suppliers and external stakeholders.

POLICIES AND DUE DILIGENCE PROCESSES

Kraft Heinz believes a critical aspect of the ability to identify and respond to real and potential adverse impacts of activities throughout the supply chain sits within the due diligence process. We undertake both internal and external practices to assess real and potential adverse impacts in our business operations and global supply chain.

- **Assessment** - Kraft Heinz conducts risk assessments to identify potential and actual negative human rights impacts. This includes evaluation based on ingredient or commodity, geography and industry-specific risk obtained from third-party audit companies from audits conducted in the industry to determine points in our value chain where risk is highest, and where and how we can best enhance efficacy.
- **Management** - We utilize the information obtained in the risk assessment process and stakeholder feedback to further inform our efforts to prevent, mitigate and manage human rights risk. Kraft Heinz is committed to addressing any adverse impacts of activities throughout the supply chain which we have caused or to which we have contributed, and expects our suppliers, business partners and other relevant stakeholders to do the same. Reports from any party received through our Grievance Mechanism or any other medium are reviewed within 24 hours by the Chief Ethics & Compliance Officer during a preliminary assessment, and further addressed by executive leadership as appropriate. We do not tolerate retaliation and anonymity is guaranteed.

- **Tracking** - Kraft Heinz tracks the effectiveness of its management of real and potential adverse impacts through the monitoring of and engagement with our suppliers, business partners and other relevant stakeholders. The Kraft Heinz Company provides annual public disclosure on its effectiveness through reporting instruments such as the Dow Jones Sustainability Index, Sustainalytics, United Nations Global Compact (of which The Kraft Heinz Company is a signatory) and our annual ESG Reports.
- **Communications** - Kraft Heinz actively communicates the human rights guiding principles and expectations set out in our Global Human Rights Policy to employees, suppliers, business partners and other stakeholders via both disclosure and engagement. The Global Human Rights Policy is public via the Kraft Heinz Corporate Website and internally. When needed, local translation is provided.
- **Grievance Mechanisms** - Kraft Heinz provides several ways for employees, suppliers, business partners and other stakeholders to raise concerns or complaints. This includes the reporting of potential misconduct to managers, Human Resource professionals, the Legal Department and the Ethics & Compliance team, and our confidential Ethics & Compliance Hotline. The Hotline is open to all stakeholders, including rightsholders, is maintained by a third-party provider and has multilingual staff available 24 hours a day. Reports can be made via country-specific toll-free phone numbers, or online.

FORCED LABOUR AND CHILD LABOUR RISKS

Kraft Heinz acknowledges that there is a potential risk of forced labour and child labour instances in the food system. In carrying out the supply chain risk assessment, potential geographic and commodity risks were determined through a blend of public domain datasets (e.g., United Nations, World Bank, Global Slavery Index, ILO) and ELEVATE/LRQA's country risk scores based on annual audit data to reflect working conditions and human rights considerations. This covers an evaluation of Kraft Heinz's spend, spend trends and length of the relationship with its suppliers. Each supplier was then assigned a risk and leverage rating based on the methodology described. These ratings determined the supplier 'category' or 'segment' for prioritized actions. Ingredients and commodities identified in the global food system, which may involve potential risk exposure, include:



SUGAR



SOYA BEAN



PALM OIL



TOMATOES



SEAFOOD



COCOA



BEANS



COFFEE



CHICKEN & POULTRY

Per risk assessment conducted, we are prioritizing conducting social compliance audits (SEDEX (SMETA)) in commodities that present highest risk in forced labour and child labour. We are leveraging environment related certification (e.g., SAI platform Farm Sustainability Assessment FSA) to provide additional due diligence.



TRAINING

Employee Code of Conduct Training: The most recent version of the Kraft Heinz Employee Code of Conduct is accessible to all employees globally. Kraft Heinz requires its employees to complete mandatory annual trainings on various topics. The company utilizes a modular training programme for the various components of the Employee Code of Conduct, meaning the focus of the trainings is established in accordance with the employee's function within the company.

Kraft Heinz has further enhanced the rigour and extent of training being provided to its employees, specifically with regard to those in roles that are more readily exposed to scenarios where forced labour and child labour may arise. This targeted and pro-active practice furthers Kraft Heinz's commitment to protecting the rights of workers worldwide, meaning the company is better poised than ever to identify actual or potential human rights violations in its supply chain. The increased levels of training provided by Kraft Heinz help manage human rights protection in its business.

Supplier Guiding Principles Training: Specific Supply Guiding Principles trainings have been made available to all Kraft Heinz Procurement buyers worldwide as well as other cross-functional teams. These trainings have been made mandatory since 2022.

A link has also been shared with the suppliers, providing them with free access to an online training on the SGPs in order to make sure they understand the mandatory requirements and expected practices.

ASSESSING EFFECTIVENESS

Kraft Heinz leverages social compliance audits to assess its effectiveness in ensuring that forced labour and child labor are not being used in its activities and supply chains. Depending on the effectiveness of the audits, we explore additional measures such as unannounced audits and spot-check visits. At the end of 2023, we onboarded Sayari (external database for risk assessment), that will help identify compliance risks prior to vendor onboarding and influence sourcing decisions.

Suppliers meeting certain spend or risk thresholds were expected to join third-party platforms in order to fill in a self-assessment questionnaire. This enables Kraft Heinz to identify potential gaps and implement remediation plans. Directs suppliers and external manufactures are required to join the 'Sedex' platform, whereas indirect and logistics suppliers are required to join the 'EcoVadis' platform.

Kraft Heinz reserves the right, either through itself or a designated third party, to verify a supplier's compliance with the tenets contained in the Supplier Guiding Principles.

In the event Kraft Heinz becomes aware of supplier conduct that is not in accordance with the requirements outlined in the SGPs and supporting policies, Kraft Heinz will take appropriate action to investigate any reported non-compliance and discuss the findings with the supplier.

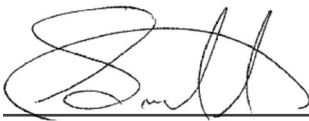
Where Kraft Heinz determines remediation is required, the supplier will implement a corrective action plan to promptly correct the non-compliance. Kraft Heinz will monitor this activity, finding ways to engage and support suppliers within its capabilities, including but not limited to access to the Kraft Heinz network of experts.

In the event of serious or persistent conduct in violation of supplier policies, 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 minimum mandatory requirements.

APPROVAL AND ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Approved and signed by:



Simon Laroche

Title: President - Canada and North America Coffee
Kraft Heinz Canada ULC

Date: May 31, 2024

