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KRAFT HEINZ ADOPTS HUMAN RIGHTS POLICY

Shareholders say policy is an important first step in company’s recognition of its responsibility to respect human rights throughout its operations and global value chain.

NEW YORK, NY, WEDNESDAY, JUNE 26TH, 2019 - Investors who have been engaging Kraft Heinz for several years to promote increased human rights commend the company for the development of a Global Human Rights Policy which it published on its public website.

The policy responds to a 2019 shareholder resolution filed by members of the Seventh Generation Interfaith Coalition for Responsible Investment and the Interfaith Center on Corporate Responsibility requesting a report on Kraft Heinz’s process for identifying and analyzing potential and actual human rights risks in its operations and supply chain. Shareholders withdrew the resolution in exchange for the company’s commitment to publish a human rights policy and implement a due diligence process.

In filing the resolution, the shareholders argued that Kraft Heinz was exposed to serious human rights and labor risks, particularly via employment of migrant workers by its suppliers. Recruiters in the agricultural sector in the U.S. and abroad often charge migrant workers exorbitant fees making them vulnerable to conditions of bonded and forced labor.

“We are pleased that Kraft Heinz understood the need for a formal human rights policy to set standards for recruitment, worker health and safety, wages and collective bargaining in order to mitigate the risks of human rights abuses,” said Brother Robert Wotypka, OFM, Cap. of the Province of St. Joseph of the Capuchin Order. “Kraft Heinz has a global footprint that requires a rigorous human rights due diligence process to ensure supplier compliance with international labor standards regardless of local laws. The traditional approach of having a supplier code of conduct and audit system is no longer sufficient.”

The Kraft Heinz Global Human Rights Policy is guided by internationally recognized standards, including the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the principles set forth in the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work.
Said David Schilling of ICCR, “Those companies making real progress on respecting human rights in their operations and value chains have embedded human rights due diligence into the business itself. They continuously engage stakeholders in the process, especially workers and communities impacted by corporate actions. We look forward to working with Kraft Heinz as it identifies and remediates its negative impacts.”

Investors were encouraged to learn that the company established a Global Steering Group which includes the head of Corporate Social Responsibility, the Chief Procurement Officer and the Chief Ethics and Compliance Officer to oversee the implementation of the policy, showing evidence that the policy will be taken seriously by both the board and management. Another positive sign is the fact that Kraft Heinz has linked executive performance incentives to the successful implementation of the policy.

In its Global Human Rights Policy the company states, “We believe a critical aspect of a resilient, effective human rights approach sits within the due diligence process. We undertake both internal and external practices to assess potential negative human rights impacts in our business operations and global supply chain.”

“The strength of any policy is the implementation plan behind it, and we are glad to see Kraft Heinz commit to an ongoing human rights due diligence process in implementing its new policy,” said Brother Robert. “This process is key to helping the company identify the salient human rights risks it faces, assess its human rights impacts and integrate these findings into policies and practices that will prevent or mitigate these risks.”

The investor group is committed to working with the company’s Global Steering Group and other key stakeholders during the implementation of the policy.

About the Interfaith Center on Corporate Responsibility (ICCR)
Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over $400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. www.iccr.org