

 GLOBAL CORPORATE AFFAIRS POLICIES	CATEGORY CORPORATE AFFAIRS	DATE OF ISSUE 10/27/2017	SUPERSEDES ISSUE DATED 01/01/2017
TITLE POLICY ON ANIMAL WELFARE, SUPPORT AND PROCUREMENT STANDARDS			
ISSUED BY HEAD OF GLOBAL CORPORATE SOCIAL RESPONSIBILITY			

Our commitment

The Kraft Heinz Company is committed to the humane treatment of animals, and we prioritize continuous improvement in animal welfare¹. Although we do not own and operate farms, we expect our suppliers to adhere to certain standards and treat animals with care, understanding and respect.

Animal science plays a central role in guiding our animal policies, but does not always provide clear direction. We make animal welfare decisions through a combination of science and societal ethics. There is growing public interest in the way production animals are raised, with consumers inquiring whether current production practices match their values and expectations. To help consumers, we will be transparent about practices within our supply chain and report on progress made toward our commitments.

Animals should have a good quality of life, thus, our animal welfare policy is guided by the Five Freedoms² of animal welfare. We expect all suppliers to implement practices and pursue continuous improvement consistent with these Five Freedoms:

- ❖ Freedom from Hunger and Thirst
- ❖ Freedom from Discomfort Due to the Environment
- ❖ Freedom from Pain, Injury or Disease
- ❖ Freedom to Express Normal Behavior for the Species
- ❖ Freedom from Fear and Distress

In support of the Five Freedoms of animal welfare, we require our suppliers to have a zero tolerance³ policy for willful acts of animal abuse and neglect, which must include a definition of what constitutes abuse and neglect, and potential consequences should abuse or neglect occur. This policy must be relayed to all individuals who work with or around live animals. To encourage the reporting of suspected incidents, we require an accompanying policy that urges team members to report any suspected incidents of abuse, neglect or improper animal handling practices. Abuse of animals is illegal and we expect our suppliers to treat it as such, reporting it to the appropriate authorities.

Continuous improvement and transparency on our progress

The Head of Global Corporate Social Responsibility at Kraft Heinz, in partnership with the Global Steering Group, is responsible for the monitoring, supervising, administering and updating of this policy.

We are committed to continually assessing and expanding our animal welfare efforts, and identifying opportunities to improve. We will report our progress toward priorities via a biannual CSR report.

Legal compliance and global focus

We will ensure animals are raised in accordance with animal welfare laws and ordinances in the locale where they are raised. Additionally, we will ensure any animal products manufactured in a region come from animals raised to the expectations of that region, even when they are above and beyond those of the jurisdiction where the animals were raised. In addition to regulatory standards, Kraft Heinz is focused on the following expectations.

Focused priorities

Production Practices

Hen housing (Cage-free, enriched colonies and free-range)

We believe an important aspect of animal welfare is space to allow walking, nesting and other natural behaviors, and believe this can be done while still ensuring the aspects of animal well-being that 'traditional' housing offers. Globally, The Kraft Heinz Company (the "Company") is transitioning to using only eggs from hens that live in cage-free environments. The company defines cage-free eggs as those laid by hens allowed to walk, nest and engage in other behaviors in an open area. In all North American operations, we are on track to achieve this goal by 2025. In Europe, our supply is already 100 percent enriched housing or free-range.

Sow housing

We believe it is important that pregnant sows be allowed enough space to perform natural behaviors like walking, while still working to ensure other aspects of animal well-being. Kraft Heinz is working with our pork suppliers to transition from traditional gestation stall housing to pregnant sow housing alternatives. Our goal is to source all pork globally from suppliers who can provide pregnant sow housing that safely allows for greater movement for the animals while ensuring their comfort. In North America, we have been working with our suppliers and, starting in 2017, will give preference to suppliers that are able to help us achieve our goal of being 100% free of traditional gestation stall housing by 2025. In Europe, our supply has already met this goal.

Painful procedures (including tail docking, castration and dehorning)

We are working with industry and farm families to develop and adopt practical alternatives that mitigate or eliminate painful procedures, and we encourage the use of pain mitigation, such as administering anesthetic or analgesic. We expect our suppliers to adhere to industry guidelines, which were developed to provide safe, quality products while keeping both animals and humans safe.

Tail docking in dairy

We support industry initiatives which will eliminate cow tail docking in our milk supply chain.

The majority of our milk and milk products come from the United States and Canada. In the United States, we require our suppliers and their farmers to follow the National Dairy FARM Animal Care guideline, which will phase-out routine tail docking starting January 2017. Similarly, we require our suppliers in Canada to follow the Code of Practice of the Care and Handling of Dairy Cattle, which also phases-out routine tail docking in 2017. Third-party audits with are conducted to ensure these guidelines are followed and to monitor progress.

For the small volume of milk products coming from other parts of the world, we will work with other supplier partners to end this practice within our supply.

Animal health

Antibiotics: The judicious use of medically important antibiotics is needed to maintain animal health and can help enhance food quality and safety. For the farm animal that gets sick, antibiotics can be a critical aspect of humane care. Along with the thorough application of good farming practices, the responsible use of antibiotics can help enhance food quality and safety.

Our meat and dairy products meet or exceed government regulations and are tested to ensure harmful antibiotic residues are not present. Likewise, we meet or exceed all local government regulations related to the use and administration of antibiotics, including the ban on antibiotics for growth promotion.

In the United States, where the vast majority of our meat is purchased, we require our suppliers to meet or exceed judicious use guidelines developed by scientific experts such as the American Veterinary Medical Association in conjunction with the United States Center for Disease Control and Prevention (CDC) or the World Organization for Animal Health (OIE).

Growth hormones: No growth hormones are ever used in dairy cattle, veal calves, pigs or poultry. In some countries, growth hormones are approved for use in beef cattle. We do not restrict its use in those instances.

Production hormones: rbST (recombinant bovine growth hormone) usage varies widely based on government regulations in different parts of the world. In some countries, rbST is approved for use in dairy cows to increase milk production and we do not restrict its use in those instances.

Broiler Welfare

At Kraft Heinz, we are committed to improving the welfare of broiler chickens, and are working to transition our supply to meet even higher welfare standards. By 2024, we commit to work with our suppliers and the industry at-large to achieve the following:

- Source 100 percent of our chicken via breeds approved by the [Royal Society for the Prevention of Cruelty to Animals](#) (RSPCA) or [Global Animal Partnership](#) (GAP) for measurably improved welfare and quality of life
- Provide birds with more space to perform natural behaviors, including a stocking density no greater than 6 pounds per square foot
- Provide birds with better, enriched environments including litter, lighting and other enrichments that align with GAP's environmental standards
- Implement a multi-step controlled-atmosphere processing system that avoids live-shackling
- Demonstrate compliance via supplier verification or third-party auditing, and communicate progress as part of regular sustainability reporting

Extensive changes such as these require significant investment of time and resources, industry-wide. We recognize the complexity of this undertaking and look forward to collaborating with our suppliers, the food industry and other stakeholders to advance these ambitious goals in a way that is sustainable for our collective businesses.

Animal testing

Kraft Heinz does not support or condone the use of animals for research that is not essential to food safety and quality. We do not maintain any testing facilities. Where governmental agencies require animal testing to demonstrate ingredient safety, studies are completed by accredited third-party facilities that follow proper animal welfare guidelines. We do not support unnecessary testing and are advocates for replacing animal testing with other validated methods to support the safety of new food ingredients.

Scope

This policy applies to The Kraft Heinz Company (the "Company") and all of its business units that utilize animals in any manner, including purchase of products derived from any animal or derivatives thereof. The policy covers all products The Kraft Heinz Company produces at its internal manufacturing plants, including on behalf of other clients (i.e. Kraft Heinz as a co-manufacturer). This policy directly applies to first-tier suppliers, including all co-manufacturers of Kraft Heinz branded products and ingredient providers.

Requirements

This policy establishes requirements that must be adhered to by all functions within the company. Regionally, additional requirements may be adopted with prior approval of the Head of Global Corporate Social Responsibility.

A Global Steering Group monitors compliance to this policy and developments within the industry. The Global Steering Group encompasses Corporate Affairs, Animal Welfare, Procurement, R&D, and Government Affairs functions.

This policy, along with the associated supporting documents that provide definition and guidance to Kraft Heinz Business Units, factories and other stakeholders for compliance, will be housed in the Kraft Heinz policy center. Guidance and Procedures outlined in the Animal Welfare Technical and Implementation Guidance Document are to be utilized to assist with compliance to this policy.

This policy will be reviewed biannually to ensure continued best practices and to assess corporate reputation risk.

To fulfil our commitment, we will have sufficient knowledge of our supply chains so that we can identify all first-tier suppliers of wholly animal or components that are derived from animals.

Starting in 2018, for all new suppliers of wholly animal or animal derivative products or ingredients, an Animal Welfare Risk Assessment must be completed and submitted by the supplier. The risk assessment must be reviewed by a Company Animal Welfare specialist and approval granted for all new suppliers.

Term	Definition
¹ Animal Welfare	Refers to how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare if it is healthy, comfortable, well nourished, safe, able to express innate behaviors and not suffering from unpleasant states such as pain, fear and distress Adopted from the OIE (World Organization for Animal Health) Terrestrial Animal Health Code 2016. Glossary available at: http://www.oie.int/en/international-standard-setting/terrestrial-code/access-online/ . Site accessed December 2016. KHC strives for continuous improvement in this area.
² Five Freedoms	For additional information and definition, refer to the OIE’s Terrestrial Animal Health Code Chapter 7. Available at: http://www.oie.int/index.php?id=169&L=0&htmfile=titre_1.7.htm . Site accessed December 2016.
³ Zero tolerance	Substantiated claims must have acceptable corrective actions, which must focus on the welfare of the animals. Failure to comply may or may not result in elimination of a supplier from our supply chain.
