

KERRY GROUP PLC

Human Rights Statement

INTRODUCTION

Kerry Group's mission clearly calls out our commitment to the highest standards of business and ethical behaviour, to fulfilling our responsibilities to the communities which we serve and to the creation of long-term value for all stakeholders on a socially and environmentally sustainable basis.

We understand the fundamental importance of upholding human rights in achieving this stated goal and we strive to implement responsible business practices across our operations and within our supply chain. We seek to safeguard the rights of all Kerry employees and those involved in the production and processing of the goods that we use.

This document sets out Kerry's position with regard to human rights and the actions which we take to uphold these. We continue to evolve our approach in this area and as we do so, we will update this information as appropriate to reflect the challenges we encounter and progress that we make.

Respect for Human Rights

Policy Commitments

We understand that companies have a duty to respect human rights and to ensure their activities do not infringe on the rights of others. At Kerry, we are committed to upholding internationally recognised human rights and our approach reflects a number of guidance documents, treaties and the work of relevant organisations, including the UN Guiding Principles on Business and Human Rights and the recommendations within the OECD Guidelines for Multinational Enterprises.

The Group's human rights policy and supporting policy documents clearly set out our expectations and are informed by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the Children's Rights and Business Principles, the UN Women's Empowerment Principles and the approach laid out within the UN Global Compact.

Our human rights policy forms an integral part of the Group's Code of Conduct, and both documents reinforce our position that we will not tolerate or condone any abuse of human rights within our business or supply chains. Individual policies throughout our Group Code of Conduct are explicit on our commitments in critical areas like health and safety, child and forced labour, harassment and freedom of association and collective bargaining, helping to set clear parameters around acceptable behaviour and guide decision making across the organisation.

Within our supply chain we translate these requirements to business partners and all those who seek to do business with Kerry through our Supplier Code of Conduct. This document establishes minimum social and environmental criteria for suppliers and their counterparts and applies right across our business.

We take any allegations of human rights infringement seriously and are continuously building knowledge and awareness of human rights impacts with key stakeholders, encouraging those we engage with to report concerns and speak up without fear of retribution.

Governance

We have established clear roles and responsibilities for human rights within our business.

Kerry Group's board of directors are fully engaged in efforts to progress the organisation's human rights commitments and have been updated on the approach in February 2020.

The Board is ultimately responsible for the management of risk and has delegated responsibility to the Audit Committee for providing structured and systematic oversight of the Group's risk management and internal control systems. The Group has a strong culture of risk management, with a coordinated bottom-up and top-down groupwide annual approach to risk assessment that facilitates the identification and evaluation of risks, as well as assessing how the risks are monitored, managed and mitigated. This process is facilitated by Internal Audit and overseen by the Risk Oversight Committee. Ongoing and emerging risks are evaluated through bottom-up input from management across all divisional and functional areas who, through a programme of one-on-one interviews and a survey, perform a detailed review exercise to update the Group Risk Register.

It is during this detailed process that risks linked to human rights are highlighted and considered within the wider risk assessment process. While human rights as a whole have not been identified as a principal risk for the group to date, one of our key salient issues, health and safety, has been included within the Group's Risk section on its Annual Report, in 2019.

Our CEO, Edmond Scanlon, chairs the Group's Sustainability Council. Operating under delegation from the Board, the Sustainability Council is made up of executive directors and senior management and is tasked with addressing the broader social and environmental impacts of Kerry, including those relating to human rights.

To support the work of the Sustainability Council, we have established a human rights steering group, made up of key cross functional personnel. Established in 2020, as part of the Group's revised sustainability commitments, this working group includes senior personnel from the Human Resource, Procurement, Supply Quality and Sustainability functions who have day to day responsibility for delivering on the Group's human rights commitments across our operations and broader value chain.

The role of the working group is to continually develop, articulate and integrate our overall approach to human rights, building on the work to date and driving greater awareness and engagement with key stakeholders to ensure our commitments are upheld.

Embedding Respect for Human Rights

In Our Business

With a community of over 26,000 colleagues worldwide, we know we have a primary responsibility to uphold the human rights of all employees, particularly with regard to their rights at work. Differences in legal frameworks and social norms can pose a challenge for global organisations such as ours, however, we believe that adherence to the fundamental principles of respect and dignity provide the basis for a successful approach.

Through the newly established human rights working group, we are focused on engaging key parts of our business to further strengthen the integration of human rights considerations into our policy and governance frameworks. Building on strong oversight and due diligence foundations in place at local level, this group is responsible for establishing and maintaining a globally connected approach and ensuring that best practice and potential learnings are shared across the organisation.

Our policies in respect of human rights form a key part of the requirements within the Group's Code of Conduct. All of our colleagues are made aware of these requirements on commencement of their role with Kerry and regular mandatory training is scheduled that helps to reinforce their importance for how we conduct our business. This training details specific elements related to human rights risks and we continue to develop more targeted programmes for colleagues in specific functions where potential risks may be greater, for example within procurement.

On a day-to-day basis, the Group's Chief Human Resource Officer and our Human Resource function has a key role in ensuring rights are upheld internally and all functions and management have a part to play. Policies are available to colleagues via our intranet platform 'mykerry', through our HR teams or alternatively through employees' direct line managers. These policies are reviewed and updated annually, a process that allows for stakeholder input into their design and integration of any feedback that may be required.

Across Our Supply Chain

With a raw material spend of almost €4 billion, we have a significant opportunity to positively impact on the communities from which we source. We make an important contribution through the provision of employment and support for economic activity, but we know that there can be challenges with the protection of human rights and labour standards associated with certain commodities and geographies. To help ensure our procurement activities create a positive impact, we have set out minimum ethical and environmental standards, to which we expect our suppliers to adhere. These standards are contained within the Supplier Code of Conduct and apply across our entire business.

Kerry's Supplier Code of Conduct is informed by the ILO's core conventions and a number of other guidance documents and clearly sets out what is required of our direct suppliers to ensure they meet the standards we deem acceptable. This code has been updated in 2016 and again in 2020, to reflect the evolution of our efforts on human rights and the protection of workers within our supply chain.

It is the responsibility of each supplier to achieve compliance with these requirements and to apply the same standards to relevant parts of their supply chain producing goods for Kerry Group (e.g. raw material suppliers, processors, etc.). While compliance is the minimum requirement, we expect our suppliers to work towards continuous improvement of both their social and environmental performance.

Our Chief Procurement Officer, the procurement function and supply quality team have the key day-to-day responsibility for ensuring that appropriate processes and controls are in place to ensure our human rights requirements are observed by suppliers. Supporting policies, procedures, and tools are also available to help our suppliers meet our requirements and uphold labour standards. These include specific policies on child labour and forced labour, working hours, equal opportunity, harassment, as well as access to the Group's confidential reporting mechanism. In addition, we are exploring how we can integrate training for suppliers through our existing supplier development programmes, helping to build capacity and enabling them to cascade the approach.

This builds on existing training programmes incorporating human rights, which are undertaken where we have a direct relationship with suppliers either via contractual relationships (e.g. dairy) or through dedicated responsible sourcing programmes at farm level (e.g. palm oil, vanilla). Through these programmes we work with supply partners and aim to address multiple sustainability risks by tackling some of the key underlying issues.

Stakeholder Engagement and Working with Others

The scale and complexity involved in addressing many human rights issues is such that no one entity can make sufficient progress acting alone. We understand that it takes a concerted and collaborative effort involving business, Government, NGO's and civil society to make the kind of impact that is required. We know the importance of engaging with these stakeholders to inform our own approach and we use a variety of channels to support the engagement process.

We have well defined engagements that help us to incorporate the views of rights holders into our business activities. In recognising our need to build on our knowledge in this evolving area, we are working to further engage with experts. In 2020, we have held discussions with both organisations and individuals with significant expertise as we seek to build on our work to date and will continue to do so as we evolve our approach.

Kerry is a member of numerous trade organisations and multi-stakeholder platforms, through which we regularly engage with stakeholders and interest groups. These include organisations with dedicated workstreams and others who incorporate human rights into a broader approach to sustainable practices. These include the Consumer Goods Forum (CGF), the Food Network for Ethical Trade, SAI Platform, the Roundtable on Sustainable Palm Oil (RSPO), amongst others. A recent example of an engagement is with the UK Roundtable on Responsible Soy, through which we have expressed our concern to the Brazilian Congress in respect of proposed legislation that would legalise the private occupation of public lands, mostly concentrated in the Amazon, jeopardising the achievement of targets under the Paris Climate Accord and undermining the rights of indigenous and traditional communities.

We are also committed to engaging directly with key stakeholders including our employees, contractors, suppliers, primary producers and local communities. We engage with these groups directly and through their representatives where they have chosen to organise collectively. We employ a range of techniques for engagement with stakeholders that gives us regular feedback and helps to support an ongoing dialogue.

With our employees there are multiple engagement opportunities including frequent interactions with their managers (underpinned by a global People Leader effectiveness training programme), a full annual engagement survey (facilitated by an external partner, and followed up with listening programmes/focus groups at sites, as well as local engagement plans) and additional structured and interim sessions to prompt and capture feedback e.g. interim pulse surveys across locations.

Across our supply chain, the engagement process will often vary by commodity. For example, with our milk suppliers we have regular direct engagement through our agri-advisors, we hold workshops and training days in addition to annual supplier meetings involving suppliers' representatives. For some commodities, engagement is more likely to come through direct supplier engagement, workshops delivered within farm level projects supported by Kerry and our engagement through multi-stakeholder platforms, for example RSPO.

We also have regular engagement with community groups and track and report on any community complaints as part of monthly reporting. In addition to these ongoing interactions, we engage directly where potential human rights impacts have been highlighted and seek to understand the causes and remedy required in any given situation.

While much of our approach to stakeholder identification and engagement has been in place for some time, the integration of human rights considerations is evolving. Our goal is to make this an iterative process that continues to improve over time and fosters an open and inclusive stakeholder dialogue on areas for action.

Communication

We are open and transparent in the information we make available to stakeholders. We provide this information through multiple channels including our website, reports, individual stakeholder meetings and collaborative engagement. When it comes to human rights, we publish information on our approach through these various channels and while the detail provided to date has met our stakeholder requirements, we continue to share more detail to better illustrate our efforts and progress in this key area.

We will always seek to protect the rights of those who have raised concerns and will not disclose any information that may infringe on these rights or harm their wellbeing. We will continue to review our reporting in this area and look at ways in which we can make relevant information more accessible.

Defining Our Focus

Statement of Salient Issues

As part of our continued risk assessment approach, we have initiated an assessment of salient human rights issues across our business. These are issues that stand out because of their significant potential impact through our activities across our operations and supply chain. Through a preliminary assessment we have identified the following salient issues for our business.

- > Health and safety
- > Freedom of association and collective bargaining
- > Discrimination
- > Working hours
- > Forced labour
- > Child labour
- > Fair wages

As we continue to refine and explore this approach, we anticipate that through increased stakeholder input additional issues may be included in this list.

Determination of Salient Issues

Our salient issues have been determined by examining key areas of impact and influence across our value chain and with reference to stakeholder and expert groups. We have drawn on knowledge and expertise in human resource management, responsible sourcing and from a range of sources including expert stakeholder views and desktop research. This preliminary determination marks the beginning of our process rather than an end point and as we continue to develop our approach, we will build on this initial assessment with increasing involvement of rights holders and their representatives

These salient issues apply to the Group as whole, across all locations, however, based on objective criteria, the risk of human rights infringement is greater within particular regions. Risks can vary by country and agricultural product and we map human rights risks across our commodities and geographies. Across key raw material categories, we have regular engagement with suppliers as part of our responsible sourcing programme. Through this process, we highlight and address concerns around these issues within lower tiers of our supply chain.

Management of Salient Human Rights Issues

We have defined policies associated with each of our salient issues as outlined below:

- > **Health and Safety:** The Health and Safety policy outlines how to integrate health and safety practices into every role and every business decision made within Kerry Group.
- > **Freedom of Association:** This policy outlines the right of our employees to choose to join or not join a trade union, or to have recognised employee representation in accordance with local law.
- > **Discrimination:** The Non-Discrimination policy outlines our commitment to treating everyone with respect regardless of their background.
- > **Harassment:** This policy outlines the shared responsibility to treat each other with respect and create a working environment free from harassment.
- > **Working Hours:** This policy seeks to apply consistent and fair working time practices to all employees in accordance with relevant laws and regulations.
- > **Forced Labour:** This policy makes clear that Kerry only hires employees on a voluntary basis and does not tolerate any form of unacceptable treatment of workers.
- > **Child labour:** Kerry takes a zero-tolerance approach to child labour and respects all applicable laws establishing a minimum age for employment in order to support the effective abolition of child labour worldwide.
- > **Fair Wages:** Kerry employs thousands of people around the world and seeks to apply consistent and fair wage practices to everyone. Kerry abides by all laws and regulations regarding pay practices and the classification of employment according to job level.

Assessing Risks and Impacts

Given the nature and remote location of some agricultural production the potential risk of human rights infringement is greater within this area of our supply chain. We are committed to responsible sourcing practices at all stages however, with our global footprint and associated supply chain, we simply cannot monitor the working environments of all those who contribute to the production of our raw materials.

To ensure we address the most critical points, we adopt a risk-based approach to monitoring that ensures that we take an end to end view, focusing on commodities and/or geographies where there is a greater potential for infringement.

Within our supply chain, we have mapped key human rights risks using a range of external data and benchmark tools as part of the broader responsible sourcing criteria. We undertake a thorough country and commodity risk assessment and through this risk mapping process, we assess both the risks associated with the sites of production and the agricultural origin of key commodities, where these are different. In 2020, we are further integrating the use of independent risk assessment tools, to enhance the existing risk assessment process.

Where we have identified higher risk suppliers, we communicate with them directly regarding Kerry's requirements that support mitigation. We have an approval process in place for new suppliers and all are subject to Kerry's Supplier Requirements Manual, which includes our Supplier Code of Conduct. Kerry's supply quality team has an audit presence in 50 countries across 6 continents and has conducted in excess of 5,000 supplier audits in the past five years. These audits integrate high level human rights considerations as part of the broader supplier assessment and act as one element of our monitoring process.

We also use the Supplier Ethical Data Exchange (SEDEX) system to help monitor our suppliers' progress towards these requirements. In 2019, for our global contracts, over 95% of vendors were SEDEX registered. In addition, 71% of direct suppliers classified as high risk were registered with SEDEX and 18% of those had independent SMETA (SEDEX Members Ethical Trade Audit) audits in place.

We are in the process of extending our requirements to a wider set of suppliers, based on an expanded risk assessment process being introduced this year. We are also strengthening the monitoring and assurance process associated with these assessments to ensure a greater level of compliance.

While the key area of risk is within our supply chain, we are also cognisant of the need to monitor our own manufacturing facilities. All Kerry sites are members of SEDEX and we use this platform to help ensure compliance with our own policies and evidence our performance to key stakeholders. In addition to self-assessment across all sites, more than 90% of our sites undergo independent social compliance audits which support our internal risk monitoring process and help to identify areas where further action may be required.

We summarise the monitoring process in our annual sustainability review and as we go forward, we are committed to disclosing additional information on our approach and the findings from our assurance processes.

Integrating findings

To date the review of assessments and integration of findings from the process outlined above has been managed at local and regional level through existing structures. Internal assessments and audit findings are reviewed by site management and regional teams and required actions are completed with the support of relevant functions. Where close out is not possible at local level, these items are escalated within the business as appropriate.

Where we become aware of an issue within our supply chain through our own due diligence processes or via third party communication, we engage with our suppliers directly. Where concerns are confirmed, we look for a clear roadmap for positive resolution including implementation of a corrective action plan within a defined period and verification of completion. Where suppliers fail to adequately engage or take the necessary steps to remedy the issues identified, we will take action up to and including termination of the business relationship.

Following the establishment of the human rights working group this year, this team has begun to assess how the current process of monitoring, assessment and communication can be enhanced. In particular, we are seeking to ensure the effectiveness of our actions through supporting a globally integrated approach, where risks and opportunities in different locations can be communicated more widely within the organisation and across our supply chain to promote shared learnings and ongoing improvements.

Grievance Mechanisms and Remediation

We are committed to creating effective grievance mechanisms and addressing and remedying adverse human rights impacts. As part of our commitment to continuous improvements in this area we are working with our stakeholders, interest Groups and other third parties to improve our processes.

We will not obstruct access to remedy and are open to collaborate on initiatives that provide such access. We will not retaliate against individuals or their representatives that highlight human rights concerns and we encourage colleagues and others to speak up without fear of retribution. We have a clear commitment to no-retaliation within our Group Code of Conduct and are committed to safeguarding the rights and wellbeing of any person who has lodged a grievance in good faith.

For example, we provide an easily accessible channel to those who may wish to raise their concerns anonymously. In all situations the complainant's information is treated in the strictest confidence.

In many instances, issues can best be addressed at local level where an understanding of the local context can help expedite a solution. However, it is important that rights holders and/or their representatives have recourse to alternative mechanisms where local intervention has not proved satisfactory.

We provide both internal and external channels to support anybody wishing to raise a concern and have a clear process around the handling and investigation of such matters.

Where possible and appropriate we use existing processes and channels as outlined below.

Employees Grievance Approach

- > Level 1: Concerns can be raised in the first instance with local management (verbally/in writing)
- > Level 2: Where a person feels unable to raise the matter with someone in their immediate management they can inform relevant Human Resource Partner and/or next level Manager
- > Level 3: If a person feels unable to raise the matter with someone in their business area for whatever reason, they can bring the issue to the attention of the Head of Internal Audit.
- > Level 4: Express a Concern Ethics Hotline: Where a person feels unable to raise the matter through any of these routes, they can use the Express a Concern Ethics Hotline, which is a confidential reporting system.

Once we receive a concern, we will assess what action should be taken, initiating the appropriate enquiries. An initial assessment on how to proceed will be undertaken as quickly as possible, usually within five working days. This may lead to a formal investigation which, depending on its findings, will determine the action to be taken and timescales involved.

Investigations to establish all relevant facts will be conducted as sensitively and quickly as possible. Wherever possible, investigations will not be carried out by any person who has had previous involvement in the matter concerned.

The complainant will be kept up-to-date on the outcome of any enquiries and investigations carried out and any actions taken, at all times respecting Kerry's duty of confidentiality to others.

Where colleagues wish to appeal response received, employees can raise their concerns to other levels within a defined process. Kerry is committed to ensuring all such issues are handled fairly and properly.

Whistleblowing

The Express a Concern Ethics Hotline can be accessed in more than 100 languages and is available 24 hours a day, 7 days a week. Users can report a concern anonymously, and their report will be logged with a unique ID, which they can use to check on the status of the concern raised without providing personal contact information.

All concerns raised in this manner will be assessed, fully investigated and appropriate action taken. All whistleblowing incidents are reviewed by the Head of Internal Audit and formally investigated by the relevant functional heads depending on the nature of the concern raised.

In 2019, the Audit Committee reviewed whistleblowing incidents and outcomes and provided updates to the Board which enabled the Board to assess the adequacy of the whistleblowing arrangements and to review the reports arising from its operation. The Board is satisfied that the Group's whistleblowing arrangements are operating effectively.

Suppliers

All our suppliers are covered by Kerry's Supplier Code of Conduct within the Supplier Requirements Manual. This code requires them to have their own grievance mechanisms in place and to prohibit retaliation against workers or others who may raise a concern.

While we also make our Express a Concern Ethics Hotline mechanism available to suppliers and draw their attention to this facility within the Supplier Code of Conduct, the number of reports from suppliers to date has been low. This may be due, in part, to worker awareness around the facility and we are exploring how we can do more to raise the visibility of this mechanism with suppliers.

Other Individuals and Communities

In most instances, concerns will be received at local level. For many of these issues, we track and report on issues associated with our operations through existing monthly reporting processes.

In addition, we have contact points across our websites for anyone who wishes to communicate with our corporate office. Concerns raised in this way will be routed to the appropriate function and dealt with in accordance with the procedures outlined above.

Finally, for those who feel unable to raise the matter through any of these routes, they too can use the Express a Concern Ethics Hotline.

Through these and other channels, we encourage individuals or communities to raise a concern with us directly. Should they feel unable to do so, we will not impede access to state-based judicial or non-judicial mechanisms for these individuals or communities who believe their human rights have been impacted.

We continue to focus on improving our approach to receipt of and response to grievances throughout our extended supply chain. We have structural channels in place and are committed to continuing to promote and highlight these channels through which individuals and communities can raise complaints or bring any matters of concern to our attention for review and resolution.

Conclusion

Over the last 10 years, Kerry has reinforced both policies and procedures to uphold its human rights commitments. While we are proud of the progress made to date, we understand that we can continue to build on these foundations and ensure that all those who contribute to our business enjoy the rights and freedoms that we expect.

As we grow our business, we will continue to engage with key rights holders, expert groups and other stakeholders on the introduction and adoption of best practice and as we deliver on our purpose to Inspire Food, Nourish Life, we will ensure that respect for human rights remain an integral part of our day to day activities.