RESOLVED: Shareholders request that The Kraft Heinz Company ("Kraft Heinz") publish Human Rights Impact Assessment(s) ("HRIAs"), at reasonable cost and omitting proprietary/confidential information, examining the actual and potential impacts of one or more high-risk[1] products sold by Kraft Heinz. An HRIA should evaluate human rights impacts throughout the supply chain.

Supporting Statement:

As shareholders, we look to companies to manage human rights risks and impacts in order to demonstrate sound corporate governance and risk oversight. This is an effective means for management to mitigate against significant operational, financial, and reputational risks associated with negative human rights impacts throughout its supply chain. Additionally, company efforts to align policies and practices with authoritative human rights standards, like the United Nations Guiding Principles on Business and Human Rights,[2] facilitate sustainable business planning and improve relations with customers, workers, and business partners.

Companies that cause, contribute to, or are directly linked to human rights abuses face material risks, including reputational damage, project disruptions, and litigation, which can undermine shareholder value. Public scrutiny is intensifying reputational risks for food products companies: The New York Times detailed slave labor in Southeast Asia's shrimp industry;[3] The Wall Street Journal revealed migrant labor abuses in Malaysia's palm oil sector;[4] and CNN chronicled rampant labor abuse among tomato producers.[5]

Kraft Heinz is exposed to significant human rights risks. In its 2020 ESG materiality assessment, Kraft Heinz ranks human rights as among the issues with the greatest impact on the company and of most importance to shareholders.[6] Know the Chain has identified tomatoes, cattle, and coffee as products used by Kraft Heinz that have a high risk of human rights abuses,[7] and The Wall Street Journal has reported that Kraft Heinz sources tomatoes from a region of China where forced Uighur labor is used.[8]

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[1] High-risk products may be selected by: (1) identifying products that pose the most salient human rights risk, which refers to those that could have the most severe negative impacts; and then (2) prioritizing which products to conduct the HRIA on, based upon the actual or potential severity of adverse impact on human rights.

[2] https://www.ohchr.org/documents/publications/GuidingprinciplesBusinesshr_eN.pdf

[3] https://www.nytimes.com/2014/06/22/opinion/sunday/thai-seafood-is-contaminated-by-human-trafficking.html

[4] https://www.wsj.com/articles/palm-oil-migrant-workers-tell-of-abuses-on-malaysian-plantations-1437933321

[5] https://www.cnn.com/2017/05/30/world/ciw-fair-food-program-freedom-project/index.html

[6] https://www.kraftheinzcompany.com/esg/pdf/KraftHeinz-ESG-Report-2020.pdf

[7] https://knowthechain.org/wp-content/uploads/2020_KTC_FB_Scorecard_Kraft-Heinz.pdf

[8] https://www.wsj.com/articles/western-companies-get-tangled-in-chinas-muslim-clampdown-11558017472

Kraft Heinz claims to have completed a global human rights risk assessment[9]. However, Corporate Human Rights Benchmark's 2020 Scoresheet gives Kraft Heinz one point out of 12 for human rights due diligence, noting among other things, that Kraft Heinz does not identify salient risks in its own operations or supply chain or describe actions taken in response to risk assessment.[10] Leading companies like Coca-Cola and Nestlé have published HRIAs on high-risk food products in their supply chains.

While Kraft Heinz has discretion in designing its HRIAs, proponents recommend they include the following information:

- Human rights standards and principles used to frame the assessment;
- Actual and potential adverse impacts associated with the high-risk product(s); and
- Overview of how the findings will be acted upon in order to prevent, mitigate and/or remedy impacts.

[9] https://www.kraftheinzcompany.com/esg/pdf/KraftHeinz-ESG-Report-2020.pdf
[10] https://www.worldbenchmarkingalliance.org/publication/chrb/companies/kraft-heinz-2/