

California Transparency in Supply Chains Act

On January 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 657) (the "Act") took effect in the State of California. The Act seeks to eliminate human trafficking and child labour from product supply chains by requiring certain large companies to disclose to the public the extent of their efforts to ensure that goods they sell are not produced by workers who are enslaved, coerced, or otherwise forced into service or who have been the victims of human trafficking.

Child labour and human trafficking are unacceptable practices that exploit some of the most vulnerable people around the world. Kerry supports all efforts to eradicate these and other human rights abuses from international business and global supply chains.

Kerry adopts a zero tolerance approach towards the use of child or forced labour in our own operations or in any activities connected with the Group. The Kerry Group [mission statement](#) guides our business activities and sets out our commitment to acting responsibly and in the interest of all our stakeholders.

Pursuant to the requirements of the Act, Kerry Inc., and its parent organisation, Kerry Group plc, including Kerry's subsidiaries and affiliates throughout the world, are proud to provide the following information regarding its business practices.

Overview

To ensure clarity on the issue of labour standards, there are a number of key policies that set out the requirements of those within the organisation and those whom Kerry seek to do business with. These include the following:

- The **Group Code of Conduct** sets out the high ethical standards which are demanded from all colleagues in carrying out Kerry's day to day operations.
- Kerry Group's **Human Rights Policy** is informed by the UN declaration on human rights and affirms its commitment to upholding internationally recognised human rights.

- Kerry's **No Child or Forced Labour Policy** explicitly prohibits the use of child or forced labour within its operations or those of anyone connected with Kerry Group.
- Kerry's **Supplier Code of Conduct** informs our supplier community of the ethical standards which Kerry demands from those who seek to do business with the Group and embeds the requirements of many of its policies within the business relationship.

Verification

Kerry is committed to the responsible sourcing of goods and services and at minimum expects its suppliers to comply with all applicable laws in the countries in which they operate. The Group's [Supplier Code of Conduct](#) (the "Code") sets out further expectations of those we seek to do business with. This Code is communicated to all direct suppliers and details the required standards Kerry expect will be met. The Code explicitly prohibits the use of child or forced labour in any activities connected with the Group.

Kerry's Supplier Code of Conduct is informed by a number of international standards and guidance documents, including the UN Guiding Principles on Business and Human Rights, the Ethical Trading Initiative's (ETI) Base Code and the Core Conventions of the International Labour Organisation (ILO).

Kerry has established a risk-based program to review its suppliers' compliance with this Code. When necessary, Kerry works with third parties to further evaluate particular suppliers and review compliance. For example, Kerry is a member of the Supplier Ethical Data Exchange (SEDEX), a member-based organisation whose goal is to drive improvements in ethical and responsible business practices in global supply chains. Kerry uses this platform to help us assess supplier performance and to review compliance with our Code. More details about SEDEX can be found at www.sedexglobal.com/about-sedex/.

Audits

Kerry's Supplier Code of Conduct forms an integral part of our [Supplier Requirements Manual](#). To help ensure the requirements set out in this document are met, Kerry already requires suppliers to have a third party Food Safety and Quality audit based on assessed risk. As part of these announced audits, Kerry employees are mindful of the Code of Conduct and are obligated to report any suspicious activity that may be in violation of our Code.

In addition, as part of our supplier assessments through SEDEX, where Kerry identifies issues with supplier performance, the Group will employ appropriate means to address these concerns, which may include the use of a third party audits where necessary.

Certification

By requiring compliance with Kerry's Supplier Requirements Manual, including the Supplier Code of Conduct, all direct suppliers are required to comply with legal requirements at a minimum and to adhere to Kerry's standards, including those relating to child labour and human trafficking.

Accountability

Any supplier reported to be in violation of applicable laws, or our Supplier Code of Conduct, is subject to investigation and appropriate action, up to and including the termination of any existing business relationship.

Failure of a Kerry employee, or a consultant working on behalf of Kerry, to abide by all applicable laws and Kerry's Code of Conduct will result in corrective action, up to and including termination of employment. Compliance is obligatory for all employees, without exceptions.

Training

All Kerry employees receive training on Kerry's Code of Conduct, including its policies on child labour and human trafficking, at the time of hire. In addition, Kerry has annual training on this topic for employees which includes all aspects of the Code of Conduct and assessments to verify understanding. Kerry's Code is available to all employees through the Group's internal communications platform so that it can be easily accessed and referenced. Compliance with the Code of Conduct is a condition of employment.

Kerry is proud to maintain high standards of behaviour and looks forward to having a positive impact on the global community, including the elimination of child labour and human trafficking. More information about Kerry can be found at www.kerrygroup.com.