

KERRY GROUP PLC

Herbs and Spices Position Statement

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The value of spices has been recognised for thousands of years and at Kerry they continue to play a crucial part in the delivery of our Taste & Nutrition solutions. As part of Kerry Group's responsible sourcing programme, we have identified Spices as a strategically important raw material and are focused on improving the sustainability of the products we source.

We recognise that there are issues associated with Spice production which can cause concern, for example issues around adulteration, environmental impacts and poor working conditions. We understand that our customers need to have confidence in how our products are produced and so we are working with suppliers to address these concerns.

One of the industry challenges is that many producers are smallholders and there can often be numerous links in the supply chain between the farmer and the end user. This makes it more difficult to identify where aggregated volumes have come from and how they have been produced.

In order to overcome this and achieve a greater level of transparency, we have established a programme that aims to source only from primary processors. These supply partners are chosen for their consistent high quality and reliability, their proximity to farming communities and their commitment to working in close collaboration with these farmers.

Sustainable production of spices is important to us and forms part of our supplier selection process. Kerry has a clear preference for working with supply partners who are committed to making continuous improvement and our strict quality and ethical requirements are clearly communicated through our Supplier Requirements Manual. Kerry conducts risk assessments and quality audits to ensure compliance. Additionally, Kerry uses the SEDEX (Supplier Ethical Data Exchange) platform to help monitor performance and identify suppliers where further engagement may be required. All of our strategic supply partners for Herbs and Spices are SEDEX members.

However, as a single actor our potential impact in this area is limited. Sustainably certified spices are not widely available and certification programmes are in their infancy relative to other commodities. Consequently, we have teamed up with industry partners and key stakeholders through the Sustainable Spices Initiative (SSI) to find more collaborative ways to accelerate and scale sustainability within the category.

The Sustainable Spices Initiative (SSI) is a public private consortium founded and steered by leading players in the spices sector. The SSI aims to transform the mainstream spice industry into a more sustainable sector, securing future sourcing, tackling food safety issues and boosting economic growth in producing countries. Through this initiative we aim to support the promotion of programmes that benefit farmers and their families, help protect the local environment and deliver a higher quality product for our industry.

At Kerry we fully support the goals outlined by SSI and will continue to work in partnership with others to help realise this ambition. In doing so we will also respond to our customers' requirements for safety, security and transparency within the supply chain.