

KERRY GROUP PLC

Paper Based Packaging Policy

At Kerry, we source a range of paper based materials that are used predominantly for packaging. This material plays an important role in ensuring the delivery of safe, high quality products to our customers.

We recognise that the production of paper packaging can contribute to the loss of natural forests and we are committed to ensuring that the fibre based material used in our paper comes from sustainably managed sources. To help deliver on this commitment, we have developed this policy to guide our purchasing decisions.

Our Commitment

Our goal is to achieve a minimum of 90% responsible sourcing of our global fibre based packaging by 2020. To be considered responsibly sourced this packaging must meet the following criteria.

- > Sourced from certified¹, verified² or recycled sources³.
- > Wood is harvested in compliance with all applicable laws.
- > No deforestation of primary forest or areas of high conservation value.
- > Compliance with the criteria set out in Group's Supplier Requirements Manual, including Kerry's Supplier Code of Conduct which outlines our expectations with regard to child labour, the protection of human rights, health and safety, fair working conditions and ethical and environmentally responsible business practice.

Our Approach

At Kerry, we seek to promote long-term solutions to forest conservation and this policy is guided by the Group's overarching statement on deforestation. It is our aim to drive improvements through our global supply chains and we work in collaboration with industry partners across a number of multi-stakeholder platforms.

We believe that forests should be protected as part of an integrated, landscape approach to agricultural development and we are committed to working with suppliers who share our vision for good forest management.

We expect suppliers to demonstrate compliance with this policy and may suspend or terminate the relationship with any supplier found to be consistently in violation of its requirements.

Our initial focus will be on the assessment of fibre based packaging originating from High Priority Countries⁴. We favour the use of certified materials with chain of custody certification under Forest Stewardship Council (FSC) and/or product certified under national schemes approved by the Programme for the Endorsement of Forest Certification (PEFC). Where third party certification is not available or where vendors are transitioning towards certifiable products, we will look for proof of a credible independent mechanism to verify that fibres used are compliant with the above requirements. We will also seek to include recycled content where product specification and quality requirements allow. In this way we can contribute to reducing the need for virgin material and help promote a more circular flow of paper based products.

Scope

This policy applies to corrugated cardboard, paper bags, cartons, and labels originating from wood fibre irrespective of size and shape. The policy applies to all packaging suppliers with an annual category spend exceeding €3,000. In 2016, these suppliers accounted for 99% of our total global purchases⁵.

This policy does not apply to customer supplied or pre-defined packaging formats. Where we acquire a new business, it will be subject to the requirements of this policy within 24 months of the acquisition being publicly announced.

Implementation and Monitoring

Responsibility for the execution of this policy rests with category teams supported by relevant functional personnel and the Group's Sustainability Council.

Kerry will evaluate performance on a regular basis and will provide updates on our progress at least annually on our website and/or in our Annual Report.

1 FSC/PEFC Certification

2 Credible independent mechanisms to demonstrate that fibres used are not linked to controversial sources

3 Total fibre composition is provided and broken down into recycled / certified virgin / virgin material

4 As per the latest CGF public list

5 This represents category spend from existing Kerry sites