

Kraft Heinz Company 2019 Recruitment and Forced Labor Proposal

WHEREAS, recent Global Estimates found that 16 million people¹ are trapped in conditions of forced labor in extended private sector supply chains, generating over \$150 billion in profits for illegal labor recruiters and employers through underpayment of wages². Over 70% of these workers are in debt bondage and forced to work in industries such as agriculture and food processing³.

In the United States (U.S.) it is estimated that over half of workers in the food and agriculture industries are migrant workers⁴. Studies by the Center for North American Studies indicate that 62 percent of milk in the U.S. was produced by farms employing immigrant labor. To secure employment in the U.S. food industry and overseas in commodities like palm oil, unethical recruiters often charge migrant workers⁵ the equivalent of thousands of dollars in fees.

Migrant workers globally are prime targets for exploitation,⁶ including discrimination, retaliation, debt bondage, illegal deductions from wages and confiscated or restricted access to personal documents, limiting workers' freedom of movement leading to forced labor and human trafficking.

According to the [UN Guiding Principles on Business and Human Rights](#), companies have the corporate responsibility to respect human rights within their operations and supply chains. Any company directly or indirectly employing migrant workers must have a policy that assesses if workers are being recruited into debt bondage, forced labor and, ultimately, slavery.

The [State of California](#) and the [United Kingdom](#) have passed laws requiring companies to report on their actions to eradicate human trafficking and slavery.

Kraft Heinz's Supplier Guiding Principles prohibit the use of forced labor in the company's supply chains. However, Kraft Heinz does not have a policy addressing recruitment of workers and does not disclose the company's risk assessment process.

In addition, [Know The Chain's Benchmark Finding Report](#) (October, 2018) gives Kraft Heinz an overall score of 23 out of 100 and a score of 0 on the company's approach to reducing the risk of exploitation of supply chain workers by recruitment agencies, eliminating workers' payment of fees during recruitment processes throughout its supply chains, and protecting the rights of migrant workers.

¹ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf

² http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_243391.pdf

³ http://www.alliance87.org/global_estimates_of_modern_slavery-forced_labour_and_forced_marriage.pdf

⁴ <https://www.usatoday.com/story/news/politics/2017/04/04/study-undocumented-farm-workers-put-food-system-risk/100036382/>

⁵ <http://www.reuters.com/investigates/special-report/workers-brokers/>

⁶ <https://www.ilo.org/global/topics/fair-recruitment/lang--en/index.htm>

Given the company's lack of risk mitigation and disclosure, investors have insufficient information to gauge how well the company is addressing this serious risk to the company and to workers.

RESOLVED, that shareholders request the Board of Directors of Kraft Heinz to report, at reasonable cost and omitting proprietary information, on the Company's process for identifying and analyzing potential and actual human rights risks of operations and its supply chain by November 20, 2019, addressing the following:

- Human rights principles used to frame the assessment;
- Frequency of assessment;
- Methodology used to track and measure performance on forced labor risks; and
- How the results of the assessment are incorporated into company policies and decision making.