

## Dairy Crest Group Plc

### Modern Slavery Act Transparency Statement for the Financial Year 2015/2016

We are committed to preventing modern slavery and human trafficking in our supply chain and in our business.

As a responsible company, we always aim to do the right thing and we have had robust practices and policies in place for many years to help us meet this objective. Following the implementation of the Modern Slavery Act in October 2015, we have undertaken a thorough review of our business and supply chain and we have outlined our approach to tackling this important issue below.

#### OUR BUSINESS

We are a leading British dairy company, manufacturing and selling branded products including Cathedral City cheese, Clover dairy spread, Country Life butter and Frylight one calorie cooking spray. We have also recently invested to enter the infant formula market.

Dairy Crest Group Plc is the parent company of the Dairy Crest group of companies ("**Group**"), which includes the manufacturing subsidiaries Dairy Crest Limited (producing cheese, spreads, whey and galacto-oligosaccharide), and MH Foods Limited (producing cooking oils).

The Group has an annual turnover of £422m; it has approximately 1100 employees and operates from seven sites across the UK (our head office, five manufacturing sites and our recently built innovation centre).

#### *Vision and values*

Our business strategies, practices, policies and ways of working are governed by our vision and values:

**Our vision:** *"Our success has been built on our links to the countryside, our dairy heritage and the people in our business. From this, we will grow through a shared passion to create exceptional food, loved by every generation."*

**Our values:** *We Learn – we take time to listen, understand and learn*

*We Respect – we value people we work with and are stronger together*

*We Care – we act responsibly with a passion to do the right thing*

*We Create – we seek new ideas to grow our business*

*We Lead – we drive for success and deliver at pace*

#### *Our sites*

Dairy Crest Limited's manufacturing sites are regularly audited by an independent third party called Sedex (the Supplier Ethical Data Exchange) in line with internationally recognised codes of labour practice. The MH Foods factory is a small manufacturing facility with just 50 employees, and is closely monitored at a high level with its Managing Director based on site.

#### *Managing risk within the business*

Overall responsibility for risk within the Group is managed by the Group Board, supported by the Audit Committee which reviews the effectiveness of the Group's risk management processes and

internal controls. The Board has delegated management of day-to-day operational risks to the Executive Committee which normally meets on a weekly basis. The Corporate Responsibility Committee, a committee of the Group Board, also normally meets four times a year on behalf of the Group Board to ensure that corporate responsibility and sustainability remain integral to the Group's business, operations and culture.

#### *Training and policies*

In 2015 we rolled out our Ethics Toolkit to all office based staff to train them to recognise and deal with various ethical considerations including issues such as exploitation and forced labour. All new joiners in office roles are required to complete this course. We also have a clear Whistleblowing Policy which encourages the reporting and exposure of unethical and illegal behaviour.

Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships. Policies such as Respect at Work, Business Conduct and Ethical Trading protect our employees and raise awareness of the risk of key issues such as forced labour and intimidation within the business and also in our supply chain.

### **OUR SUPPLY CHAIN**

We are committed to implementing and enforcing effective systems and controls to prevent slavery and human trafficking in our supply chain.

#### *General procurement*

Through our supply chain we source ingredients, packaging and services. Whilst the majority of our direct suppliers are based in the UK, we recognise that our extended supply chain may originate from around the world.

We have a Supplier Corporate Responsibility Policy in place which extends the Group's vision and values across our entire supplier base. This policy sets out the minimum standards expected by the Group of its suppliers and their supply chains in order to manage the impacts of our operations in a responsible manner. The policy includes a specific section prohibiting slavery and forced labour. We have incorporated compliance with this policy into our standard purchasing terms and conditions and all suppliers are required to comply with it. In addition, all MH Food suppliers are required to complete Sedex audit questionnaires, which include sections dealing with forced labour and wider human rights.

In 2013 Dairy Crest Limited implemented the EcoVadis Corporate Social Responsibility ("CSR") monitoring platform to identify, assess and mitigate potential risk areas (including slavery and human trafficking) in our supply chain. This platform combines CSR assessment expertise and data management tools, which allow us to monitor the ethical, social and environmental performance of key direct and indirect suppliers. The platform also provides a methodology for following up on and dealing with suppliers where risk is identified and measuring compliance with our Supplier Corporate Responsibility Policy.

#### *Milk procurement*

We have approximately 400 dedicated milk producers based in the South West of England, all of whom must meet the minimum labour standards set out in our Milk Producer Corporate Responsibility Policy. The majority of these farms are family owned and run, and our farm business managers keep in close contact with all of our milk producers on a regular basis. This includes frequent farm visits to check and monitor conditions.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Dairy Crest Group's slavery and human trafficking statement for the financial year ending 31 March 2016.

A handwritten signature in black ink, appearing to read 'Mark Allen', with a stylized flourish at the end.

Mark Allen, Director  
On behalf of Dairy Crest Group Plc  
Date: 27 September 2016