

Modern Slavery Statement 2016/2017

In order to address the requirements of the Modern Slavery Act 2015, MM (UK) Limited has produced this statement to detail the controls in place and actions taken to identify and eradicate Modern Slavery and Human Trafficking within its operations and supply chains.

At MM (UK) Limited we believe that everyone should be treated with respect and dignity and that a workplace should be safe and fair. These principles are rights that should also be respected throughout our supply chains. We are constantly seeking to work with suppliers and customers that share our principles.

Our Business

We supply leading supermarkets with a range of citrus and grape products into retail stores. In addition, our innovation businesses SNFL (Grapes) and Citrus Genesis are at the cutting edge of varietal developments that facilitate strategic relationships with our supply base.

Supply Chain

Our raw materials are sourced from around the world, predominantly Europe, Africa and The Americas. Raw material sourcing strategies are based upon supplier risk, within which ethical standards are fundamental, along with quality and service.

Across our supply base we procure from three broad sources. These are:

1. Fellow Muñoz Group Companies;
2. Joint ventures;
3. Other known sources.

Fellow Muñoz Group Companies: Supply comes from farms which are directly owned by Muñoz Group Companies. We have a very close working relationship with the management teams and an increased understanding of the way in which people are managed. In many of these cases these businesses have their own directly employed harvest teams minimising risks associated with temporary or transient labour sourcing.

Joint Ventures: Our SNFL (Grapes) and Citrus Genesis breeding programmes have facilitated joint ventures with several large agribusinesses around the world. One benefit of these joint ventures is a better understanding of the **grower's** business and a collaborative approach to mitigating risk.



Other Known Sources: The remainder of raw materials come from other known sources and suppliers with whom we have chosen to develop strong, long lasting relationships.

Our sourcing models and close commercial relationships ensure that we maintain a strong knowledge of how our suppliers operate their businesses. Our directly employed technologists and commercial teams visit our growers throughout the year. During these visits they not only check on quality but take a proactive approach in identifying indicators of potential labour issues. We are then able to advise growers on best practice and help them make positive changes to their labour management practices.

Due Diligence & Monitoring

Our UK sites undergo independent third party Supplier Ethical Data Exchange (Sedex) Members Ethical Trade Audits (SMETA) every two years. We have a close and long term relationship with our sole agency labour provider who is Gangmasters Licensing Authority (GLA) licensed and is audited every six months by our Human Resources Team.

Despite strong and long standing relationships with the majority of our suppliers, we remain alert to the risk of Modern Slavery within our supply chain. We encourage suppliers to identify risk within their own business. Should there be instances of Modern Slavery within our supply chain which we ought to know about, we have the following controls in place identify it:

- Sedex: we ensure that as a minimum all supplying sites are registered on Sedex and have completed the Self-Assessment Questionnaire (SAQ). We monitor responses to key questions within this which are indicators of risk.
- Supplier Due Diligence Packs: these set out the standards that we require of our suppliers. We detail in these pack what we require of our suppliers to ensure that any cases of Modern Slavery are identified and reported to us to help resolve.
- Sedex Members Ethical Trade Audits (SMETA): We carry out supplier risk assessments to identify SMETA audit requirements. Should non-compliances be raised during audits our team work closely with the supplier to take action. We share best practices to resolve issues as quickly and effectively as possible.

These methods of highlighting and resolving issues have proven to be effective and strengthen our relationship with our supply base. In many instances we will gain **better understanding of our supplier's issues and help to develop their management system.**

We conduct annual risk assessments for all supplying sites. This determines where SMETA audits are required and at what frequency. This risk assessment focuses on 5 key areas:

1. Management systems
 - Any accreditations & knowledge from historic site visits
2. Length of relationship
3. Country
 - Based on independently identified high, medium and low risk countries
4. Labour
 - Provision of worker accommodation
 - Use of agencies/labour providers
 - Existence of worker committees and/or unions
 - Any previous issues raised related to worker welfare
5. Previous ethical history
 - Audits already visible on Sedex

To ensure accuracy, this risk assessment is carried out by a member of the Sustainability & Technical teams. This is to ensure that there is knowledge from an ethical perspective coupled with the knowledge of a colleague who has visited the site and worked with the management teams at the sites.

Policies and practices

Our approach on ethical issues is aligned with that of our customers and their policies and codes of practice. More specifically, issues of modern slavery and trafficking are addressed through our implementation of the Ethical Trade Initiative (ETI) Base Code and requirements of Sedex or Sustainability Initiative South Africa (SIZA).

MM (UK) Limited internal policies include Terms and Conditions of Supply. In these suppliers are required to comply with all applicable laws and policies as a minimum. If any suppliers do not meet these terms they would be delisted and supply terminated.

Our policies and practices include:

- Ethical Requirements which state suppliers must comply with the ETI Base Code. Suppliers are required to declare conformance and ability to provide evidence of compliance to this requirement
- Ethical Sourcing Principles
- Whistleblowing Policy for our UK employees
- Employee Assistance Program
- Partnership with Migrant Help
- A pro-active approach to Ethical audit non-conformances
- Use of a single agency within our UK businesses
- Use of GLA registered agency labour provider in the UK
- Bi-annual audit of UK labour providers using Complyer audit tool

Training

Key members of MM (UK) Limited HR and Sustainability teams have attended the Stronger Together UK Modern Slavery workshop. Further to this in September 2016 Muñoz Group hosted a bespoke Stronger Together workshop on tackling modern slavery in the supply chain. Colleagues, including Board members from UK and international parent and fellow businesses came together to further understand the issue of Modern Slavery and discuss current and future plans to address these issues.

Within our UK businesses each **employee's** induction includes a section on understanding Modern Slavery and Human Trafficking issues.

Assessment of Modern Slavery risk within our supply chain

We have not identified areas of significant risk or instances of Modern Slavery within our supply chain. However, we recognise the possibility of risks developing due to the impact of external factors such as armed conflict, migration and climate change impacts on people.

The use of labour providers throughout our supply chain is an area we have increased our focus on, given the potential risk of modern slavery, labour exploitation and the impact of Brexit.

To maintain knowledge of current and developing global issues the Sustainability Team conduct horizon scanning. This includes inputs from several professional **bodies, charities and NGO's. Notably these include:**

- ETI
- Human Rights watch
- SIZA
- Sedex
- Stronger Together
- UN SDG News
- GLA
- Ethical Corp
- Fairtrade

Where sourcing takes place from countries with identified risks, we have collaborated **with others suppliers, customers, growers, NGO's and local government** to help identify and support new ways of working.

Future plans

Given the complex nature of Human Rights issues, we see the following actions as key to our ongoing commitment to eradicating Modern Slavery from our supply chain.

- Work with Stronger Together to develop guidance focused on recognising indicators of Modern Slavery during supplier visits.
- **Work to further understand our supplier's** ability to detect and act on instances of Modern Slavery, sharing best practice and developing knowledge.

- Formalise specific Human Rights training requirements for key roles within the business
- Developing Muñoz Group Global Sourcing Principles taking account of Modern Slavery and Human Trafficking issues.

The Board of MM (UK) Limited are committed to the identification and eradication of Modern Slavery and Human Trafficking in our operations and supply chains. David Haresign, Muñoz Group Managing Director is named as the Board Level Director responsible for compliance with the Modern Slavery Act 2015.

Yours Sincerely,

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

David Haresign
Group Managing Director
Muñoz Group