



Modern Slavery and Human Trafficking Statement

Introduction

Müller is committed to ensuring that there is no modern slavery or human trafficking in our business or our supply chains, and imposes the same high standards on our suppliers. This statement sets out the steps taken by Müller during the financial year ended 31 December 2016 to ensure that no such modern slavery or human trafficking is taking place.

Organisation's structure

Müller is comprised of Muller UK & Ireland Group LLP, Muller Service Limited, TM Telford Dairy Limited and Philpot Dairy Products Limited; Muller UK & Ireland Group LLP comprises of three distinct business units: Müller Milk & Ingredients, Müller Yogurt & Desserts and milk&more. Müller, which has approximately 80 sites in the UK and employs around 8,800 people in the UK & ROI, is part of the international dairy business owned by the Unternehmensgruppe Theo Müller.

Our business

Based in Market Drayton, Müller Yogurt & Desserts is the UK's leading yogurt manufacturer, responsible for major brands such as Müller Corner, Müllerlight and Müller Rice. It also produces chilled desserts under licence from Mondelez International at production facilities in Minsterley near Shrewsbury.

TM Telford Dairy Limited, which forms part of the Müller Yogurt & Desserts business unit, supplies Müller branded and private label yogurt from a state of the art yogurt facility in Telford, Shropshire.

Müller Milk & Ingredients aims to be the UK's biggest and best fresh milk and ingredients business with a network of dairies and depots supplying retail customers throughout the country, producing fresh liquid milk, potted cream, packet butter and flavoured milk under both private label and brands such as FRijj and Müller Milk. It also supplies bulk cream, butter and milk powder for domestic and international markets.

Philpot Dairy Products Limited, which forms part of the Müller Milk & Ingredients business unit, is a broker for buying and selling dairy products.

milk&more is our doorstep delivery service and currently delivers to approximately 500,000 homes across the UK.

Our supply chains

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

Our policies

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains and this is reflected in our policies. Our policies are unpinned by our six core values which give us a clear sense of purpose and direction: *Win* - the will to win; *Together* – stronger together; *Better* – striving to improve; *We do as we say* – delivering our promises; *Dynamic* – passion to accomplish; and *Pride* – leading with pride.

Whistleblowing Policy - We encourage all of our colleagues, workers, customers and other business partners to report any concerns related to the activities of our business or supply chain. This includes any circumstances that may give rise to a risk of modern slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for disclosures to be made, without fear of retaliation. Employees, customers or others can use our confidential integrity helpline to report their concerns.

Anti-Bribery and Corruption Policy – We condemn any form of bribery or corruption. Engaging in corrupt behaviour is not compatible with how we conduct business and it is against our global business compliance policy. This policy defines the framework and provides guidance on how to act accordingly. It is binding for all entities and employees within the Müller group.



Supplier Code of Practice - The Code incorporates the Müller Supplier Codex which defines certain minimum standards that we ask our suppliers, copackers, licence holders, their employees and their subsidiaries to unconditionally respect and adhere to. In particular, they must respect human rights, provide their employees with safe and healthy working conditions, ensure that they comply with all applicable laws regarding wages and working hours and under no circumstances use or in any other way benefit from forced or compulsory labour or child labour.

Anti-Slavery and Human Trafficking Policy – We are finalising our Anti-Slavery and Human Trafficking Policy which will be introduced by the end of July. This policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our own business or in any of our supply chains. The policy will apply to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, contractors, external consultants, third-party representatives and business partners.

Due diligence processes for slavery and human trafficking

As part of our initiatives to identify and mitigate risk:

- We regularly benchmark against the Ethical Trading Initiative (ETI) base code to ensure that we are acting in accordance with an internationally recognised code of practice.
- Where appropriate, we are a member of SEDEX, an online worldwide collaborative platform for sharing responsible sourcing data on supply chains. We use this platform to share our ethical practices with our suppliers and customers.
- All of our direct suppliers of ingredients and packaging are required to sign up to our Supplier Code of Practice. To ensure suppliers are compliant with this Code, the quality team complete regular supplier audits at the supplier/production sites of the supplier. If the supplier/production sites of the supplier do not hold certification (e.g. SEDEX, SMETA etc), the quality team would require evidence of the measures taken to ensure compliance with our Code and relevant legal requirements.
- We validate the identity of all our permanent employees and ensure that they have the legal right to work in the UK.
- We audit our agency labour providers twice a year against the ETI base code to ensure ethical standards. We also complete occasional spot checks on our temporary labour agencies. We ensure that any non-conformances or concerns are followed up in a timely manner.
- Employees in our HR Talent Supply team completed an e-learning course in 2016 on tackling modern slavery.
- Our Standard Terms and Conditions for the Purchase of Goods and/or Services require our suppliers to comply with all applicable laws and regulations including, without limitation, those relating to anti-slavery and human trafficking including the Modern Slavery Act 2015 and those relating to anti-bribery and anti-corruption including the Bribery Act 2010, and our relevant policies.

In addition to the above, we have a dedicated compliance team which consists of representatives from the following departments: Legal, Human Resources, Procurement and Quality. The compliance team meets regularly to review our due diligence processes for modern slavery and human trafficking.

Further steps

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no modern slavery or human trafficking in any part of our business or our supply chains we intend to take the following further steps:

- Finalise our Anti-Slavery and Human Trafficking Policy and roll out across the business.
- Develop training for the business to ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, including guidance for recruiters.
- Undertake supply chain risk mapping to identify risk areas in our business and supply chains (for example, country risks, sector risks and transaction risks).



- Develop key performance indicators (KPIs) to measure our performance of the anti-slavery and human trafficking actions undertaken to address the issues found in our supply chain risk mapping exercise.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2016.

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Authorised by a Designated Member

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