



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 2017 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 8,500 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.

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 and spreadable 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.

Milk & More is our consumer doorstep delivery service and currently delivers to approximately 500,000 homes across the UK. Milk & More offers a wide selection of artisanal and local products which are available to customers either online via its website or as a traditional 'offline' offering. Milk & More has its head office in Aldershot, and has approximately 55 fulfilment centres to coordinate customer deliveries.

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.

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

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, co-packers, 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 committed 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. Our policy applies 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 as a business:

- We launched the Müller Anti-Slavery and Human Trafficking Policy in December 2017. This was communicated and cascaded to all employees across the Müller business, and is accessible to all employees via our intranet. The Policy sets out our commitment to ensuring that modern slavery and human trafficking is not taking place anywhere in our own business or supply chains, and sets out our expectation of the same high standards from all our contractors, suppliers and other business partners. Further education and training on the Policy is available to employees throughout the business.
- The dedicated Müller compliance team meets biannually to review our due diligence processes for modern slavery, human trafficking and ethical issues as part of ongoing compliance as a business. This team consists of representatives from the following departments: Legal, Human Resources, Procurement and Quality.
- The compliance team also meets to review supply chain process, address issues and monitors compliance and performance against key performance indicators to measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains.
- 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.
- 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.



Further steps

As a business, we will:

- continue to follow our due diligence processes during the next financial year to monitor our compliance against modern slavery and human trafficking;
- monitor, report on and address any issues identified by our compliance team by taking the appropriate steps to meet our own high standards of compliance and our statutory obligations; and
- continue to educate all employees across the Müller business of our commitment to eradicating modern slavery and human trafficking in our supply chains by providing ongoing support and training where appropriate.

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 2017.

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Bergen Merey

MD, Müller Yoghurts and Desserts

Authorised by a Designated Member

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Patrick Müller

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