



Müller UK & Ireland Modern Slavery and Human Trafficking Statement

Financial Year 2022



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 is made in accordance with section 54(1) of the Modern Slavery Act 2015 and sets out the steps taken by Müller during the financial year ended 31 December 2022.

Organisation's structure

Müller's main trading entities comprise Müller UK & Ireland Group LLP, Müller Service Limited, TM Telford Dairy Limited and Philpot Dairy Products Limited. Müller UK & Ireland Group LLP comprises of three distinct business units: Müller Milk & Ingredients, Müller Yogurt & Desserts, and Milk & More. Müller, which has 36 sites in the UK and employs around 7,650 people in the UK & ROI, is part of Unternehmensgruppe Theo Müller (UTM), which is a private owned dairy, deli and services business that was founded in 1896. The Müller brand first appeared on UK supermarket shelves in 1987.

Our business

Müller Milk & Ingredients aims to be Britain's private label dairy leader and produces branded and private label fresh milk, cream, butter and ingredients products. It boasts a network of dairies and depots servicing customers throughout the country.

Müller Yogurt & Desserts is the UK's leading yogurt manufacturer responsible for major brands like Müllerlight, Müller Corner and Müller Rice.

Milk & More delivers daily essentials to approximately 310,000 homes in England, via a network of 44 local fulfilment centres. The milkman is arguably the original home delivery service, and Milk & More is ensuring that this great British tradition continues to flourish. Milk & More has its head office in Camberley.

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 specialised dairy ingredients business, specialising in the supply of high-end dairy ingredients.

Our business and supply chains



In the UK, we work with approximately 1300 British farmers and are committed to a sustainable, successful, British dairy industry. All supplying farms are encouraged to engage with our assessment programme which provides both governance for Muller and improvement advice for our agricultural partners. Our Muller Advantage programme, incentivises supplying dairy farmers to proactively address a range of important issues for consumers and customers, such as animal welfare and environmental impact.

Due diligence questions for our dairy farms are included within our annual Muller Advantage assessment, enabling us to identify where temporary labour may be being utilised. Our annual assessment highlighted that 4% of our Muller Direct farmers were using temporary workers during 2022, to provide support with milking or general farm management. All farmers indicated that where labour providers were being used they were licensed with the Gangmasters and Labour Abuse Authority (GLAA).

All of our farms are subject to the Red Tractor standards and are third party assessed, standards around labour providers are included. This section of the Red Tractor standard covers appropriate licensing of labour providers, service level agreements and right to work checks.

In the manufacture of our products we are aware of the social, ethical and ecological responsibility throughout the entire supply chain and work with many thousands of suppliers around the world to procure products, goods and services. In 2022, we completed a review of our procurement policies and made amends to include specific requirements relating to human rights and labour rights, along with strengthening our Supplier Code of Practice. We have further rolled out CSR assessment across our direct supply base in 2022 supported by Ecovadis which allows us to highlight ESG risk within our supply chains and take corrective actions as required.

The Supplier Code of Practice outlines our minimum requirements related to social, ethical and ecological issues, which we ask our suppliers to comply with, and is based on the following international standards:

- Universal Declaration of Human Rights
- United Nations Conventions on the Rights of the Child
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Core Labour Standards of the International Labour Organization (“ILO”)
- Ten Principles of the UN Global Compact

Our procurement team have responsibility for the Supplier Code of Practice and the minimum requirements are reviewed at least once a year, along with our Procurement Policy. The continuous improvement of these policies and requirements are key to our approach to supplier management. We are employing a number of tools to review and assess suppliers and drive continuous improvement, such as the Balanced Supplier Score Card (BSSC), risk-based supplier audits, and corporate social responsibility (CSR) assessments.



Our approach within our own business is to align with our commitment to Stronger Together, a multi-stakeholder initiative aimed at tackling modern slavery in supply chains. The majority of our colleagues are permanently employed by Muller. However, the nature of our business means that in order to respond to peaks in production some temporary staff are required. In such cases we work with GLAA registered providers. We have long standing relationships with our providers, and they have robust onboarding and induction processes. In addition, our HR Team regularly audit our providers to assess risk of exploitation, with occasional spot checks performed and any non-conformances or concerns followed up in a timely manner.

Our policies

Muller is committed to ensuring there is no modern slavery or human trafficking in any part of our business or supply chains and this is reflected within company policies. The following policies / codes are in place and approved by the appropriate business unit's leadership, who are ultimately responsible for our HR strategy and policies:

- Whistleblowing
- Anti-slavery and human trafficking
- Anti-bribery and corruption
- Grievance
- Dignity at Work

Due diligence processes for modern slavery and human trafficking in our operations and supply chain

As part of our processes to identify and mitigate risk as a business:

- The Muller Anti-Slavery and Human Trafficking Policy is communicated to all employees across the Muller business, and is accessible to all employees via our intranet. The policy sets out commitments to ensuring that modern slavery and human trafficking is not taking place anywhere in the business or our supply chains and sets out an expectation of the same high standards from all contractors, suppliers and other business partners.
- Benchmarking is regularly performed against the Ethical Trading Initiative (ETI) base code to ensure that the business is acting in accordance with an internationally recognised code of practice.
- All Muller dairies are members of Supplier Ethical Data Exchange (SEDEX) and completes the enhanced SAQ and ethical risk assessment available on the system.
- Muller is an AB member of SEDEX, giving better access to risk assessment results and information, through their RADAR tool.
- We take a risk-based approach to third party ethical audit and where required any of our sites could be audited in line with the Sedex Member Ethical Trade Audit (SMETA) process. The results are published on the SEDEX system, along with being shared internally and with our customers.



- The standard terms and conditions for the purchase of goods and/or services require 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 relevant policies.
- All direct suppliers of ingredients and packaging are required to sign up to a Supplier Code of Practice. To ensure suppliers are compliant with this code, the quality team complete regular supplier audits at supplier/production sites. If the supplier/production sites do not hold certification (e.g. SMETA or similar), the quality team require evidence of the measures taken to ensure compliance with our code and relevant legal requirements.
- Our supplier due diligence process requires suppliers to register on EcoVadis and share their ethical management information. This enables us to have a proactive conversation with our suppliers on how they are mitigating any high risk areas identified.
- We continually validate the identity of all permanent employees and ensure that they have the legal right to work in the UK.

Training and awareness

The company Learning Management System (LMS) provides access to both mandatory and voluntary training courses on a variety of topics such as legal, operational, financial and ethical training. In particular, our sustainability introduction, ethical trade and ETI base code courses are mandatory for all new employees. In addition, our HR Managers have attended Stronger Together 'Modern Slavery in Businesses' workshops and events.

Collaborative Working

We recognise that the issues associated with modern slavery and human rights abuses are global in nature and cannot be tackled in isolation or by one individual business. We therefore work closely with our suppliers, customers, and peers to identify and address any issues. In demonstrating our commitment to this important topic, we are members of the Food Network for Ethical Trade (FNET). A UK based initiative made up of primarily UK based suppliers and retailers whose mission is to improve human rights in global food supply chains through a common approach. We continue to strengthen our relationship with this network and actively participate in relevant workgroups, such as raw material risk assessment and climate change impacts on human rights.

Continuous Improvement Measures

During the next financial year Muller will:

- Continue to build upon and maintain our due diligence processes to identify, prioritise, act and monitor modern slavery and human trafficking risks within our businesses and supply chain.



- Monitor key KPI measures to ensure high standards of compliance are achieved and continuous improvement is delivered.
- Continue to educate leadership and employees across the Muller business on commitments to eradicating modern slavery and human trafficking in supply chains by providing ongoing support and training.
- Continue to review our third-party ethical audit processes to ensure it is appropriate to the risk and governance required, with the aim of becoming outcome focused.
- Maintain support for our suppliers to develop and implement effective human rights due diligence processes, through engaging initially with EcoVadis and Sedex.

We are pleased to approve this statement for Muller UK&I Group LLP, as the executive leadership team and will ensure that it is reviewed annually.

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Justin Cook
CEO, Muller Yogurt & Desserts

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Rob Hutchison
CEO Muller Milk & Ingredients
CEO, Milk & More

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Patrick Muller