



Saputo Dairy UK Group

Modern Slavery Act Transparency Statement

Financial Year 2021/22

Slavery and human trafficking is a far reaching and important issue. 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 2015, we are even more committed to ensuring our systems and controls safeguard against any form of modern slavery taking place within the business or our supply chain and we have outlined our approach to tackling this important issue below.

OUR BUSINESS

We are a leading British dairy and dairy alternative company, manufacturing and selling branded products including Cathedral City cheese and dairy free cheese, Clover dairy spread, Country Life butter, Vitalite dairy free spread and cheese, Frylight one calorie cooking spray, Sheese dairy free cheese and spreads and Yorkshire Wensleydale cheese. We also produce de-mineralised whey powder and galacto-oligosaccharides (“GOS”) for the infant formula market.

Our branded products are sold to retail customers for consumer consumption and our whey and GOS ingredients are sold predominantly to our distribution partners, for onward sale to infant formula manufacturers.

Saputo Dairy UK Ltd is the parent company of Dairy Crest Group Limited, Dairy Crest Limited (trading as Saputo Dairy UK and Wensleydale Creamery), and Bute Island Foods Ltd. (trading as Bute Island Foods) (“Group”). Dairy Crest Limited manufactures cheese, spreads, spray cooking oils, whey and GOS. Bute Island Foods manufactures non-dairy food products including cheese alternatives, ice cream alternatives and spreads.

The Group has an annual turnover of £527m (to the nearest million). The Group employs around 1,500 employees and operates from seven well-invested manufacturing sites across the UK, a distribution centre in Nuneaton a head office in Surrey and an innovation centre in Shropshire.

Saputo Dairy UK Ltd acquired Bute Island Foods Ltd. in May 2021 and Dairy Crest Limited acquired the trade and assets of Wensleydale Dairy Products Limited in July 2021.

Saputo Promise and Values

Our promise: we have a responsibility to demonstrate good corporate citizenship in everything we do.

Our values form the foundation of our business and shine through in everything that we do. Throughout our evolution, we have maintained our culture by staying focused on the values which we all share and promote.



Saputo
Dairy UK



Our values:

- Efficiency through simplicity
- A family-oriented approach
- Ownership and commitment
- A hands-on approach
- Passion

Our sites

Since the implementation of the Modern Slavery Act, Saputo Dairy UK has welcomed the increased scrutiny our customers have placed on our business, as we recognise we are an important part of their supply chain. The Group's manufacturing sites are regularly audited by Sedex (the Supplier Ethical Data Exchange), an independent third party, in line with internationally recognised codes of labour practice.

Managing risk within the business

Overall responsibility for risk within the Group is managed by the Executive Committee which reviews the effectiveness of the Group's risk management processes and internal controls. The Executive Committee's management of day-to-day operational risks is conducted at its weekly meetings.

Bute Island Foods manages risk at site level, via a team of executives. The Bute Island executive team report regularly to the Executive Committee.

Training and policies

To ensure the Group delivers on the commitment to collectively do the right thing and maintain a high level of business integrity, there is the Saputo Code of Ethics that guides the conduct of employees.

The purpose of the Code of Ethics is to provide a standard of behaviour for all our directors, officers and employees to safeguard the Group's reputation for integrity, quality and behaving ethically.

Employees of Dairy Crest Limited are required to read and sign the Code of Ethics, to understand how the Code affects their role and responsibilities. Employees are also required to complete an online ethics training course to reinforce the principles. The Code contains the backbone of what has always been, and continues to be, important to our business while addressing timely issues our employees may encounter in their everyday life at work.

The Group is planning to roll out the Code of Ethics to Bute Island Foods employees in due course.

Our internal policies reflect our commitment to acting ethically and with integrity in all our business relationships. Policies such as Respect at Work 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.



We also have a Whistleblowing Policy which encourages the reporting and exposure of unethical or illegal behaviour which will be made available to Bute Island Foods and Wensleydale Creamery in 2022/2023.

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 many of our direct suppliers are based in the UK, we recognise elements of our extended supply chain originate from around the world.

The Saputo Supplier Code of Conduct (“**SCC**”) extends the Group’s values across our supplier base. This code 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 code includes a general prohibition on slavery, forced labour and other human rights breaches, and a specific prohibition on Modern Slavery, requiring our suppliers to identify, understand and manage Modern Slavery risks within their businesses and supply chains. The SCC is incorporated into both our standard purchasing terms and conditions and bespoke contracts.

Our standard terms and conditions (both for Purchase of Goods and Supply of Services) and our long form procurement contracts also include a specific prohibition on Modern Slavery and impose requirements for suppliers to monitor and manage risk.

The Group is in the process of rolling the standard terms and conditions and associated SCC out to suppliers of Bute Island Foods and Wensleydale Creamery.

We have continued to work with EcoVadis on our Corporate Responsibility (“**CR**”) monitoring platform. This platform helps us to identify, assess and mitigate potential risk areas, including slavery and human trafficking, in our supply chain. This platform combines CR 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 SCC.

Recruitment

All providers of labour to the Group which fall under the remit of the Gangmasters (Licensing) Act 2004 (as amended) are required to hold Gangmasters and Labour Abuse Authority (“**GLAA**”) licences.

Milk procurement

Saputo Dairy UK has approximately 330 dedicated milk producers based in the South West of England, all of whom must meet the labour standards set out in our SCC. The SCC also includes a specific prohibition on Modern Slavery and includes a requirement for producers to identify and manage risks. In addition, all our milk producers are required to maintain



membership to the Red Tractor Assurance scheme which includes a specific standard that all labour providers utilised by our farmers must hold a GLAA licence.

The majority of our supplying farms are family owned and run, and due to our commitment to work in close partnership with our producers, our farm business managers and auditors keep in close contact with all of our milk producers on a regular basis.

Wensleydale Creamery has approximately 40 dedicated milk producers based in Yorkshire, all of whom are subject to contractual obligations to comply with applicable laws. The relationship with these farmer suppliers and its alignment to Group policies is being reviewed.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Group's slavery and human trafficking statement for the financial year ended 31 March 2022.

Tom Atherton, President & Chief Operating Officer

Saputo Dairy UK and Wensleydale Creamery

Adam Braithwaite, Senior Vice President, Commercial

Bute Island Foods

September 2022