



Modern Slavery Statement

Dunhills (Pontefract) PLC welcomes the requirements of Section 54 of the UK Modern Slavery Act to understand all potential modern slavery risks related to its business and to review and increase our preventative measures to ensure that there is no slavery or human trafficking in its own organisation and its supply chains.

As part of the Sugar Confectionery Manufacturing supply chain, Haribo UK recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

The organisation is absolutely committed to preventing any form of slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

We measure our performance through key performance indicators (KPIs) and the goals that we have set ourselves for 2017 are:

- Requiring all staff to complete training on Stronger Together during their induction.
- To successfully complete a full SMETA Audit at our UK sites during 2017.
- 3rd party audits to be conducted on any catering or hygiene organisation providing outsourced labour to our UK sites.
- We are committed to ensuring that all our first level suppliers are linked to us on SEDEX and have a valid audit when required.

This statement relates to actions and activities during the financial year 1 January 2016 to 31 December 2016.

1.0 Organisational Structure and Supply Chains

This statement covers the activities of Dunhills (Pontefract) PLC, part of Haribo Holding GmbH & Co. KG and is the largest sugar confectionery manufacturer with the brands Haribo and MAOAM. We supply to all the major UK retailers, discounters and foodservice customers. We have 2 manufacturing sites in the UK with 750 employees and at most 30 additional temporary workers at peak holiday times.

2.0 High Risk Activities

The following activities are considered to be at high risk of slavery or human trafficking:

1. As a food manufacturer, the industry is known to have a heavy reliance on temporary agency labour. Whilst we have a minimal number of colleagues on this form of contract and therefore our risk is greatly reduced, we appreciate that this will be a common issue to other organisations within our supply chain.
2. Raw Materials and packaging where farming or mining exists (Gelatine, Sugar, Glucose, Palm Oil as examples) are known to be at risk from the use of slavery. Our Group Procurement team ensure that suppliers are selected based on their suitability and historical performance. All suppliers are encouraged to register with SEDEX and are required to sign up to the group managed Supplier Code of Conduct.
3. Reports show that Modern Slavery within the construction industry is high risk. Haribo UK only uses reputable contractors all of whom go through an approval process managed by the Facilities team
4. Any supplier, especially further down the supply chain where we do not have direct management control.

3.0 Risk Assessment

The risk of slavery and human trafficking 'within' our organisation we believe is mitigated as a result of strict policies and good practices within our operations and the knowledge and skills of our colleagues.

Good Practices already embedded within Haribo UK's sites:

- **Stronger Together**
 - Stronger Together training carried out by all HR colleagues
 - Procurement colleagues' attendance at Stronger Together workshops
 - Posters displayed on all sites in multiple languages
 - Payroll checks on addresses and bank accounts
 - Every colleague joining the business attends an induction where Modern Slavery is discussed and what someone should do if they feel it affects them
- **Agency**
 - All agencies that supply to us hold the appropriate GLA licence
 - All workers via agency are paid at the correct rate of pay for the role that they are contracted to carry out
- **SEDEX**
 - Haribo Holding GmbH & Co. KG has made a commitment that all its manufacturing sites will have an ethical audit.
 - The UK sites will have their first audit in November 2017
 - That we have a pro-active response to this audit and put in place plans that will address any recommendations that are raised

- **Employees**
 - We have a recognition agreement with the GMB and we proactively work together on the issues of Modern Slavery and human trafficking.
 - We have attended workshops together hosted by Wakefield Police on the matters of this statement
 - Dignity at Work – all employees and workers are expected to work with integrity and respect for each other. Colleagues receive training in Dignity at Work and are free to raise any issues of concern direct to their management team on site or through their Trade Union Rep
 - We have a communication forum which is to encourage all our colleagues to feel that they have a voice and can be heard
 - We undertake Employee Engagement surveys and develop actions plans to implement changes as a result of these.

The standards set out above are under the responsibility of the Head of HR.

We consider the greatest risk of slavery and human trafficking is in our supply chain where we undertake procurement activities and where operations and managerial oversight are out of our direct control.

Through our Supplier Code of conduct, Haribo UK is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour. We work with suppliers to ensure that they meet the standards of the agreement and improve their worker's working conditions. However, serious violations of our Supplier Code of conduct may lead to the termination of the business relationship.

Suppliers, where possible, are expected to be members of SEDEX and show full visibility of any ethical audits.

4.0 Due Diligence

Our Procurement team undertake a due diligence exercise when considering taking on new suppliers, and regularly reviews its existing suppliers. These include:

- mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping;
- conducting supplier audits or assessments through SEDEX, which have a greater degree of focus on slavery and human trafficking where general risks are identified;
- creating an annual risk profile for each supplier;
- taking steps to improve substandard suppliers' practices, including providing advice to suppliers through SEDEX and requiring them to implement action plans;

- participating in collaborative initiatives focused on human rights in general, and slavery and human trafficking in particular such as participation in "Stronger together";
- using SEDEX website, where suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular; and
- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

5.0 Training and Awareness

- Full training on all aspects of Ethical and Sustainable Sourcing, including Stronger Together to be developed and rollout to Factory Supervision, HR and Procurement.
- Continue to ensure all colleagues receive training on Stronger Together during induction
- We will continue to support measures at preventing slavery and human trafficking in both our own UK sites and our supply chain. We will review and report on our progress on this.
- We will continue to raise awareness on our sites by displaying posters in multiple languages relevant to our workforce about modern slavery and what external help is available, for example through the Modern Slavery Helpline.

7.0 Board Member Approval

This statement has been approved by the Company's board of directors, who will review and update it annually.

Director's Signature:

A handwritten signature in blue ink, appearing to be 'H. Vennekens', written over a faint grid background.

Director's Name:

Herwig Vennekens

Date: 26 June 2017