

Modern Slavery Act 2015

# **Prinova Europe Limited**

## **Slavery and human trafficking statement 2021-2022**

This statement is published in September 2022 in accordance with our obligations under the Modern Slavery Act 2015 and relates to actions and activities during the financial year 1 April 2021 to 31 March 2022.

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## INTRODUCTION

Modern Slavery is a serious and often hidden crime in which people are exploited for criminal gain. Modern slavery takes various forms: slavery, servitude, forced and compulsory labour and human trafficking. There is an estimated 24.9 million of people in forced labour around the world (64% of which in the private sector) and more than 136,000 people are living in modern slavery in the UK (2016 data).

Prinova is part of a global distribution industry, and we recognise our responsibility to take a robust approach to slavery and human trafficking. Prinova has a zero-tolerance approach to modern slavery. This statement sets out our actions to understand potential modern slavery risks related to our business and to put in place steps to ensure that there is no slavery or human trafficking in our own business and our supply chains.

## ABOUT PRINOVA

[Prinova Europe](#) is one of the world's largest distributors of functional ingredients and a provider of integrated solutions such as nutrient premixes and particle management services. The products we supply are used for the food, feed, personal care, pharmaceuticals, health supplements and other related industries globally. This statement covers all our business activities: brokering, import, export, cross-trade, storage, blending, packing, processing, and distribution of ingredients to our customers.

This statement encompasses activities conducted by the following branches of our Prinova Europe business:

- Prinova Europe Limited
- Prinova Benelux & France N.V
- Prinova Spain S.L.U
- Prinova Gida Ve Kimya Ticaret Limited Sirketi (Turkey)
- Prinova Australia & New Zealand
- Prinova Germany GmbH
- Prinova Mexico S. de R.L. de C.V.
- Prinova Solutions Europe Limited
- Prinova Italy SRL

Our Head office is based in London (UK), and we have a number of sales offices around the globe (Belgium, Spain, Turkey, Mexico, Australia) as well as a manufacturing facility in Kent (UK). From those entities we trade globally: within the EU/UK, in the Southeast Pacific region, Turkey, Russia, Middle east, Mexico and North Africa.

The company, is a subsidiary of the Prinova Group, based in the USA. Prinova group belongs to the Nagase Group since August 2019.

The manufacturers for the ingredients we source and supply, are based across the globe. The majority of those are located in China and India. However, we also source a significant number of products from within the UK/EU zone, Southeast Asia, and the USA.

Prinova Europe relies on several 3<sup>rd</sup> party logistic suppliers (hauliers and warehouses) based in the respective regions in which we trade.

## OUR RESPONSIBILITIES

### Our commitments

Prinova vision is to “make a bigger global impact by helping our customers grow their business, by improving consumers’ quality of life, and by advancing the highest principles of quality, safety and sustainability” and is guided by 7 core values:



### Our Core Values

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Customer Focus

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Accountability

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Long-Term Relationships

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Integrity

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Commitment to Quality

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Safe Positive & Engaging Work Environment

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Charitable Involvement

Out of those core values, three are particularly relevant to Prinova’s commitments to prevent modern slavery within its business:

- **Accountability** - Accountability is being responsible for the things you say you will do and doing them. We and our customers have high expectations for performance. Commit to quality work and meeting commitments, while maintaining high ethical standards.
- **Integrity** - With transparency, honesty, and open communication, we are committed to doing the right thing — simply because it is the right thing to do.
- **Safe Positive & Engaging Work Environment** - We promote a respectful team environment that inspires us to be our best, and a workplace that is safe, positive, and engaging.

On an annual basis, the Senior Leadership Team (SLT) reviews the Modern slavery and human trafficking statement content and agrees a plan of action to ensure it is updated and implemented

to ensure that a robust risk management process is in place to remove the risk of the prevalence of slavery within the business supply chain. A number of departments participate in the support of all activities related to the agreed plan of action, both internally and with our suppliers.

## Our policies

Prinova Europe has developed a number of processes to describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations

- Our Global Code of Conduct (POLGLOBAL017) sets forward the rules of conduct required of our people as representatives of the Company when dealing with other employees, governmental authorities, suppliers, consumers, competitive commercial bodies, and the community within which Prinova conducts its business. This Code of Conduct is also applicable to our suppliers, manufacturers, affiliates, co-manufacturers, distributors, and agents conducting business on behalf of Prinova. It defines the ethical principles the company will uphold about its own workers and workers in its supply chain. The core clauses of our code of conducts are based on the ETI base code, supporting ethical labour practices.
- Our recruitment policy (SOPHR001) sets out the requirement to be aware of modern slavery in recruiting staff, and that the company will not employ slaves or bonded labour.
- Our Quality T&C for Prinova ingredients suppliers and manufacturers (SOP-GLOBAL-04) sets out Slavery and Labour standards to be upheld by direct and indirect suppliers in our supply chain:

### Corporate Social Responsibilities and Ethical practices

Suppliers must conform to the regulation of their country of manufacture for all matters related to employees' rights, health & safety and environmental practices. Breach of local regulation will result in the disapproval of the supplier.

Supplier should also comply at minimum with the ETI Base Code regarding the treatment of their workers. <https://www.ethicaltrade.org/eti-base-code>

Prinova operates a strict policy regarding child labour. All workers employed by the supplier must be over the minimum legal working age for their country. Supplier must be able to demonstrate compliance to this requirement during any Prinova visit / audit if requested.

Prinova has a zero-tolerance approach to modern slavery. Our suppliers must ensure there is no forced, bonded or involuntary prison labour in their facilities and supply chains. They must have measures in place to assess and control those risks.

Bribery will not be tolerated by Prinova. Prinova and its employees do not give or take, directly or indirectly, any bribery or inappropriate presents or financial benefits. Our suppliers are expected to comply with this as well.

All manufacturers are required to participate to Sedex program (<http://www.sedexglobal.com>) and connect to Prinova site on the platform (site ref ZC1079015) to gather and share their ethical practices with Prinova in a more effective manner. This is expected to be completed within 12 months of the start of any commercial relationship. Additional guidance on how to connect and use the system can be provided by Prinova.

Please refer to Prinova Code of Conduct for more details on Prinova business practices. Breach of the Prinova Code of Conduct will result in termination of the business relationship with the supplier/manufacture.

- Whistleblowing Policy & hotline - Prinova Europe encourages all its workers, customers, and other business partners to report internally any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. This whistleblowing process is designed to make it easy for workers to make disclosures, through a hotline supported by WhistleB (Navex). Employees who have concerns can complete our confidential disclosure form and are protected from any retaliation as per policies in place.

In all the above, Prinova Europe has focused on a proportionate and targeted response to slavery risks, which can be incorporated within an organisational approach to other issues such as Labour Standards, Right to work and Immigration.

### Investigations & Due Diligence:

The following individuals and their reporting teams are responsible for the investigations and due diligence in relation to known or suspected instances of slavery and human trafficking within our business or supply chain:

- Executive Management – Group Managing Director, Director of Operations

To ensure that any known or suspected instances of slavery and human trafficking are dealt with quickly and effectively, that all relevant stakeholders are made aware of the matter in question and that corrective action plan executed

- Operations Departments – Director of Operations, Head of Compliance, Quality Manager, Regulatory affair manager, Logistics Manager

To manage our supply chain mapping and risk assessment risk of modern slavery

To collaborate with any auditors on the ground to investigate areas of concerns for supplier rated as high risks to investigate actual practices.

To escalate concerns over slavery practices within supply chain to SLT.

To conduct an efficient and robust investigation and collate all relevant data in the event of known instances of slavery within our supply chain.

- Human Resources – Director of People and Culture & HR manager

To ensure compliance with all policies in relation to employees' rights

To review any external advice as required to ensure any suspected instance of slavery or human trafficking is dealt with appropriately

To coordinate matters brought to our attention via our whistleblowing policy

To conduct an efficient and robust investigation and collate all relevant data in the event of known instances of slavery within our supply chain.

## OUR FOCUS IN 2021-2022

### Covid-19

Our commitments stated in our previous modern slavery act statement remain valid with regards to Prinova's handling of the Coronavirus pandemic. Our first priority during the pandemic was to safeguard our employees. Where possible, all our employees worked from home when lockdowns were imposed in our various locations. We maintained the working from home well past the lockdown restrictions where possible, to continue to protect our employees and their families from risk of infection. Prinova worked hard to arrange for flexible working and support (financial and material) to accommodate the impact working from home had.

For our factory-based teams, where working from home was not an option, we implemented social distancing measures and additional hygiene controls (such as restrictions on visitors, additional cleaning regimen etc.) to ensure the safety of our staff.

All employees classified as vulnerable, or with a vulnerable family member, were identified early on and specific measures put in place to shield them.

With the introduction of covid-19 vaccines across the regions we operate, the relaxation of quarantine rules from local governments and the review of shielding recommendations from various health organisation, Prinova practices were able to slowly "return to normal". A number of hygiene measures still remain in place today to continue to protect our workforce and site users.

With regards to our business partners, our commercial teams worked very closely with our manufacturers & customers to ensure minimal disruption to our supply chain. Prinova honoured all contract placed with suppliers and did not implement any sort of penalties for the delays caused by the pandemic, as per best supply chain practices. Prinova managed stock and inventory in view to honour customer contracts, prevent shortages from panic buying which could have led to significant issues in the most vulnerable downstream applications, such as infant formulae and medical/meal replacements applications.

Prinova promoted and supported the use of virtual audits to continue the assessment of our supply base throughout the pandemic where suitable. Where possible, we reverting to on-site audits since the lifting of restrictions in regions of operations.

### Leveraging the use of Sedex

One of our key objectives for 2021-2022 as identified in our previous statement, was to increase our suppliers and manufacturers' engagement in Sedex. Prinova committed to increasing the utilization of the Sedex system better to assist with the mapping of our supply chain and the risk assessment of modern slavery risks.

- Target 75% of manufacturers on boarded into the system by end June 2022 – This objective was achieved. In March 2022, only 35% of Prinova's suppliers were participating to Sedex. By end of June 2022, the original target was achieved.
- Complete risk assessment on manufacturers by end August 2022 – This process has been pushed to end Q3 2022 to allow for the engagement initiative to be completed with more



suppliers linked to Prinova globally and in-depth training on the risk assessment tool to be finalised.

- High risk manufacturers identified at the start of 2022 were required to conduct 3<sup>rd</sup> party SMETA-4 pillar audits. This was completed as planned or on target for end of 2022 as agreed.

In addition to this, at group level, Prinova has put in place further initiatives to increase utilisation of the Sedex platform:

- Upgrade our Sedex membership to Supplier/Buyer profile to allow more effective use of the tool to risk assess our manufacturers
- Align Sedex membership at group level into one global Prinova account
- Training across Prinova's quality & CSR teams globally

### Awareness and training

Every year, as part of our modern slavery awareness programme, an article is published on our employee's newsletter and rolled out to all following the publication of our MSA statement. This is aimed at all employees cover topics such as what modern slavery is, the basic principles of the Modern Slavery Act 2015, and how Prinova works to risk assess risks of modern slavery within its supply chain.

The ETI Base code as well as Prinova Code of Conduct and expectation from our employees and business practices has been built in the induction plan for all employees and rolled out throughout 2022.

We also rolled-out of training across Prinova's quality & CSR teams globally as to the use of Sedex and functionality of the system to assist in our detection and prevention efforts.

Lastly a number of modern slavery act training courses were evaluated by our compliance team in view to roll out to all employees by end Q4 2022 as committed in this new statement.

### 2022-2023 OBJECTIVES

- Continue to expand our systematic modern slavery risk assessment via Sedex platform for all raw materials suppliers and manufacturers:
  - Increase supplier engagement in the platform to 90% for manufacturers
  - Increase Self-Audit Questionnaire completion to full data (100% complete) & up to date (<12 months old) for at least 75% of suppliers
  - Perform risk assessment in Q4 2022 and initiate SMETA 4-pillar audit plan for top tier risks in 2023
  - Introduce quarterly KPI reporting on supplier's performance with regards to ESG practices including Sedex/Ecovadis scoring
- Engage 3<sup>rd</sup> party warehousing partners in our Sedex approach through SAQ and SMETA audits globally.



- Increase frequency of ad-hoc controls of labour agencies used by our manufacturing facilities.
- Introduce compulsory training on Modern Slavery to all employees.
- Continue to improve awareness on the whistleblowing practices in the company in line with group strategy.

## DIRECTOR APPROVAL

This statement was approved on 23/09/2022 by the following company Directors:

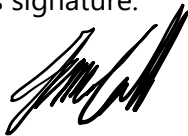
Nic Dam - Managing Director for Prinova Europe.

Director's signature:



Thomas Gill - Director of People and Culture for Prinova Europe.

Director's signature:



Louise James, Director of Operations for Prinova Europe.

Director's signature:

