

VALEO CONFECTIONERY LIMITED'S

MODERN SLAVERY STATEMENT

covering the period 1st April 2021 to 31st March 2022

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1 Message from Ashley Hicks, Managing Director



This is Valeo Confectionery Limited's Modern Slavery Statement covering the period 1 April 2021 to 31 March 2022 published in accordance with the requirements of the Modern Slavery Act 2015. It sets out the steps we have taken as a business to combat modern slavery and human trafficking, measuring our progress against identifiable KPI's. We are committed to improvement and will continue to develop our strategies to tackle this serious issue and prevent slavery or trafficking from occurring in our operations and supply chains.

It has been another challenging year in the food manufacturing sector with the impacts of the pandemic still being felt as well as severe difficulties in the supply of raw materials compounded by the conflict in Ukraine. Slavery and human trafficking are global issues with conflicts around the world increasing the risk that people are displaced and forced into desperate situations with the potential for exploitation.

This year Valeo Confectionery Limited has reinforced its commitment to eradicating modern slavery and human trafficking from its business and its dealings with suppliers including (but not limited to) the following actions:

1. ensuring tier 1 suppliers are SEDEX approved;
2. ensuring relevant contracts contain a modern slavery clause; and
3. our Modern Slavery Policy has been updated.

However, we recognise there is always room for improvement and we have set out in this statement some of the projects that will be undertaken in the forthcoming financial year. We will continue to measure our success against KPI's, implement any advice or recommendations received and seek out further improvements. Some of the new measures planned are:

1. a full SEDEX audit will be conducted;
2. evaluation of current onboarding process and implement any changes required;
3. roll out modern slavery refresher training to all employees;
4. identify areas of greatest risk and the members of the Modern Slavery Steering Committee will devise an appropriate response; and
5. ensure our suppliers are complying with our Modern Slavery Policy.

Our commitment is clear, we will treat people within our business and supply chains with respect and fairness. As a business we adopt the conventions of the

International Labour Organization and its internationally recognised code of labour practice as set out in paragraph 6.4 of this statement.

Despite the progress we have made, we cannot rest on our laurels. It is my clear intention that this issue is given the attention it requires so that we can deliver sustainable solutions by working with our supply chain so that together we can build on the solid foundations we have laid.



Ashley Hicks, Managing Director

2 Introduction

Valeo Confectionery Limited is opposed to modern slavery at any level and recognises the responsibility that we share with our suppliers to tackle hidden labour exploitation.

We are committed to understanding modern slavery and human trafficking risks and ensuring that such activities are not taking place in our supply chain or any part of our business. We have a zero-tolerance approach to modern slavery and have taken steps to ensure a high degree of ethics is incorporated into our commercial dealings including all business relationships and supply chains. As a result, we expect and maintain the highest standards from our entire staff, contractors, suppliers and anyone with whom we do business.

One of the key principles of our company ethics is to treat everyone fairly, with dignity and respect. We are committed to continuous improvement in our practices to combat slavery and human trafficking.

This statement is made pursuant to Modern Slavery Act 2015 by Valeo Confectionery Limited ("Valeo Confectionery" "we" "our" "us"). It outlines the measures Valeo Confectionery has taken to access and reduce the risk of slavery and human trafficking occurring in our business or supply chains in the financial year 1st April 2021 to 31st March 2022. It also outlines our commitments to continue to reduce risk in the Valeo Confectionery financial year commencing 1st April 2022.

3 Valeo Confectionery Mission Statement

Valeo Confectionery is committed to continuously improving its practices to identify and eliminate any slavery and human trafficking in its business and

supply chains whilst always acting ethically and with integrity in all its business relationships.

Each of Valeo Confectionery' departments adopt this mission statement when dealing with its suppliers in addition to the following departmental commitments thus ensuring that the issue of modern slavery is uppermost in the minds of its employees when forming new business relationships and making sure high standards are maintained in its business connections:

HR

To support the company's Modern Slavery Statement and the eradication of modern slavery and human trafficking within its supply chains and ensuring that our employees, future employees and agency workers are treated fairly with dignity and respect.

Procurement & Operations

To support delivery of the company objectives by providing a supply chain that minimises risk and total cost to the business. To provide a supply base that will help the business maintain competitive advantage through technical competence, efficiency, agility and quality of goods or services.

Technical

To help protect the integrity of our business, our brands and our products via robust and detailed technical supply chain assurance. To maintain our business commitment to always act ethically and with integrity whilst also ensuring that everyone within our supply chains takes the same approach.

4 Organisation's structure

Valeo Confectionery is a private limited company registered in England and Wales; company number 02025064

During the period covered by this statement Valeo Confectionery was owned by the Valeo Foods. Valeo Confectionery operates from six sites across the UK (Pontefract, York, Cleckheaton, Liverpool, Blackburn and Blackpool), is an international supplier and a leading UK independent manufacturer of sugar confectionery employing on average 1200 people in the UK.

5 Our Supply Chains

Valeo Confectionery operates a supplier policy and maintains a preferred supplier list. We conduct due diligence on suppliers before allowing them to become a preferred supplier and request that they are SEDEX registered and as such conform to all elements of the ETI (Ethical Trading Initiative) requirements

set out in paragraph 6.4, below. On site supplier audits are also carried out where deemed necessary.

At the date of this Statement, Valeo Confectionery has no issues with any of its suppliers or other bodies representing workers that should be disclosed in the context of the Modern Slavery Act 2015.

6 Our policies on slavery and human trafficking

Valeo Confectionery has several policies and/or procedures in place to help it combat modern slavery:

6.1 Anti-Slavery Policy

As contracts between Valeo Confectionery and its suppliers are updated, renewed or new suppliers are engaged, we shall ensure that modern slavery is addressed as part of the supplier's contractual obligations. All new contracts issued will contain a clause whereby such suppliers are required to comply with our Anti-Slavery Policy as part of the contract. All suppliers are required to comply with our Anti-Slavery Policy as part of their contract. Our Anti-Slavery Policy sets out the minimum standards for working conditions that Valeo Confectionery expects its suppliers to adhere to in the production of raw materials required to make our products.

The Policy is subject to ongoing review and an updated version was made available during the period covered by this statement in February 2022. Some of the principles included in the Policy are:

- Suppliers shall comply with all applicable local legal and regulatory requirements of the country where the factory is located;
- Suppliers shall put in place appropriate due diligence procedures;
- Suppliers shall maintain records and implement audits;
- Suppliers shall not to purchase a resource or raw materials from producers using forced labour in their operations; and
- Suppliers shall notify Valeo Confectionery of any actual or suspected modern slavery or human trafficking in its supply chains.

Valeo Confectionery will not tolerate modern slavery, forced labour or human trafficking within our business dealings or supply chains. Where any non-compliance issue is identified, we expect and require our suppliers to address it. If this does not occur within a reasonable timeframe, we reserve the right to terminate our relationship with the supplier/third party in question.

6.2 Code of Conduct Policy (Employees)

This policy sets out Valeo Confectionery' internal standards, expectations and accountability.

It incorporates an understanding of the risks of modern slavery and human trafficking within our business and supply chains.

The Code of Conduct is available to employees via our intranet and any updates are communicated to employees as appropriate. Employees who breach our Code of Conduct and any related policies may be subject to disciplinary proceedings.

6.3 Whistleblowing Policy

The Whistleblowing Policy allows all employees, agency workers and contractors a route for anonymous reporting of any concerns that they have in relation to a number of issues and it can be used to report suspected incidents of modern slavery. The Policy is reviewed and updated as necessary and then communicated to employees. The main options for reporting are:

- Line management;
- Contact the external whistleblowing provider SeeHearSpeakUp via email, telephone or online, details of which are provided to employees through internal communications. service.

The Policy also includes our zero tolerance of retaliation.

6.4 Hidden Labour and Exploitation Policy

The Hidden Labour and Exploitation Policy confirms that Valeo Confectionery is an active member of SEDEX (Supplier Ethical Data Exchange). As part of its membership, Valeo Confectionery is required to undertake regular, semi-announced audits based on the ETI (Ethical Trade Initiative) Base Code which is founded on the conventions of the International Labour Organisation and its internationally recognised code of labour practice covering 9 provisions:

- Employment is freely chosen;
- Freedom of association;
- Working conditions are safe and hygienic;
- Child labour shall not be used;
- Living wages are paid;
- Working hours are not excessive;
- No discrimination is practiced;
- Regular employment is provided; and

- No harsh or inhumane treatment is allowed.

The Procurement, HR and Technical teams each provide a copy of their departmental policies and procedures and any updates to the legal department to hold on a central register.

6.5 Governance

Responsibility for the preparation of our Modern Slavery Statement sits with our legal team and is approved by our board of directors. The following departments are responsible for carrying out the implementation of policies, codes and procedures: Legal, Procurement, Technical, Operations & HR.

7 Due diligence processes for slavery and human trafficking

Valeo Confectionery is an active member of SEDEX a not for profit membership organisation that offers members a simple and effective way of managing ethical and responsible practices in supply chains.

Our direct supply chains include the sourcing of raw materials related to the manufacture of our products, as well as finished goods from our co-manufacturing partners.

To ensure that Modern Slavery is not present in these supply chains, we have communicated our commitment to the Modern Slavery Act 2015 and expressed a requirement that our suppliers and any new supplier that we contract with make the same commitment.

Risk assessment is currently managed via an annual questionnaire (as set out in section 6.4) to suppliers with a thorough investigation of responses or procedures conducted where necessary.

7.1 Procurement Process

Our existing first tier suppliers are subject to an annual review of supply chain risk in terms of ethical, quality and supply capabilities. This enables us to monitor changes and highlight any areas of concern for further investigation and follow up with the individual supplier.

As our portfolio of raw materials and co-manufacturing changes, we endeavour to only source from countries that have a low ethical and sustainability risk.

7.2 Risk Assessment and Management

The following groups of workers have been identified as vulnerable to the risks of modern slavery and Valeo Confectionery' Human Resources (HR) Team is mindful of this and experienced when dealing with workers who fall into one of the following categories:-

- Migrant workers;
- Minority groups; and
- Contract, agency and temporary workers.

In addition to the above, the following have been identified as potential indicators of modern slavery and our HR team is experienced in maintaining awareness of these and following up in an appropriate manner:-

- Someone who does not have their own passport, ID or travel documents;
- Someone who always allows others to speak for them or talks as though being instructed or coached by someone else;
- Someone who may be withdrawn or appear frightened and may have injuries;
- A person who has limited social interaction and may always be dropped off and collected from work (they may not be able to contact their friends and family easily);
- A person with very few possessions or who lives in a very poorly maintained, overcrowded place (and is often overcharged for this);
- A person who has little control over their finances or who has no access to a bank account;
- Recruitment fees and labour agents;
- Cash in hand payments;
- No unions; and/or
- No access to grievance mechanisms.

This is not an exhaustive list and other factors may also be considered relevant, but the key consideration is awareness. The above is not conclusive evidence of modern slavery but should be taken as warning signs. If a concern is raised to our HR team, the matter would be immediately referred to the relevant Valeo Confectionery Senior Business Partner. Depending on the severity of the issue and warning signs, they may contact the police in the first instance.

In consideration of the indicators above, Valeo Confectionery has several pre-emptive measures in place including:

- We do not accept any communication through a third party on behalf of an employee;
- We do not pay an employee's salary into a third-party bank account;

- We will not raise a cheque in another person's name even if requested by the employee;
- We will not process any application for employment or issue a contract of employment unless the employee has an address;
- We do not prevent membership of a union or representative body; and
- We have in place easily accessible grievance procedures available to all employee, agency and contract workers.

Other high risk areas identified are raw materials sourced internationally via agents. Risks are controlled by ensuring that all agents evidence that their suppliers are compliant with the ETI requirements.

7.3 Supplier relationships

Valeo Confectionery's Head of Procurement is responsible for supplier relationships. If there are concerns related to a Supplier's conformance to our policies and requirements the Head of Procurement will evaluate the situation and take any further appropriate action which may include (but is not limited to) the following:

- Reporting concerns to the appropriate authorities;
- More frequent audits; and/or
- Termination of the supplier relationship.

7.4 Audit Programme

Audits are conducted by Valeo Confectionery's Technical Team. Also, our HR team conducts regular audits of our recruitment agencies where temporary staff are supplied to our sites in the UK which includes a verification that the agency provider has developed and implemented a "tracking modern slavery policy" detailing the processes it will take to prevent forced labour.

As part of our SEDEX membership, and our conditions of supply with a number of our key customers, we are required to undertake regular semi-announced SEDEX Members Ethical Trade Audits (SMETA).

All suppliers are required to complete the Valeo Confectionery Supplier Questionnaire and Risk Assessment every 12 or 18 months depending on risk. If a supplier is not SEDEX registered such supplier will automatically be considered high risk and must provide documentation to Valeo Confectionery to demonstrate it has conducted due diligence with its suppliers.

8 Key Performance Indicators

To monitor the effectiveness of the steps that we have taken to combat modern slavery and human trafficking in our business and its supply chains, we use the following key performance indicators ("KPI's") for each financial year:

No.	KPI	Period covered	Percentage achieved or narrative on compliance
1	Risk assessments of tier 1 suppliers	1 April 2021 to 31 March 2022	100% achieved
2	Modern Slavery Policy	1 April 2021 to 31 March 2022	Achieved, policy updated February 2022
3	All raw material suppliers must be SEDEX approved	1 April 2021 to 31 March 2022	100% achieved
4	Due diligence is completed before engaging a new supplier	1 April 2021 to 31 March 2022	100% achieved
5	Audit of HR agencies to ensure each has developed & implemented a tracking modern slavery policy	1 April 2021 to 31 March 2022	75% audits achieved
6	Regular semi-announced SEDEX members ethical trade audits (SMETA)	1 April 2021 to 31 March 2022	0% audits achieved due to Covid-19 restrictions
7	All suppliers complete a questionnaire & risk assessment every 12 to 18 months	1 April 2021 to 31 March 2022	100% questionnaires and assessments completed
8	All employees receive modern slavery training during induction	1 April 2021 to 31 March 2022	100% compliance
9	Each Modern Slavery Statement communicated to all employees via intranet	1 April 2021 to 31 March 2022	100% achieved
10	Continue to review our modern slavery contract clause	1 April 2021 to 31 March 2022	Confirmed, such clauses are regularly reviewed by the legal dept
11	Modern Slavery Steering Committee meets quarterly to consider how best to assess risk, carry out	1 April 2021 to 31 March 2022	Steering Committee met 3 times during the relevant period

	due diligence and review KPI's		
12	Establish which suppliers are considered to be high risk and ensure our zero-tolerance approach to modern slavery is communicated and require such suppliers to confirm adherence to our Modern Slavery Policy	1 April 2021 to 31 March 2022	0 suppliers identified as high risk
13	The procurement, Technical & HR departments conduct an annual review of their departmental policies and procedures.	1 April 2021 to 31 March 2022	100% completed

There is still more work to do and to reflect our commitment to attaining the best possible results, the KPI's numbered [enter numbers where 100% hasn't been achieved] will be further worked on during the next financial year together with the KPI's set out in section 10 below.

9 Training

Valeo Confectionery conducts training and assessment as part of the induction into the organisation for all new employees via e-learning with a test to demonstrate understanding of the concepts taken at the conclusion of the session with employees expected to gain 80% and above. There are plans to roll out annual refresher training for all staff in the next financial year.

10 Going Forward

Valeo Confectionery shall continue its commitment to ensuring that modern slavery and human trafficking do not take place in our supply chains. We will continue to work with our suppliers to identify and tackle hidden labour exploitation. However, we recognise that there is still much to do. During the next financial year we will:

No.	KPI	How KPI will be measured
1	Ensure that our suppliers are working in compliance with our Modern Slavery Policy;	Percentage of suppliers working in compliance with our Modern Slavery Policy
2	Evaluate our current due diligence and onboarding process including its effectiveness to ensure it remains fit for purpose. Implementing any changes if required;	Review conducted and changes implemented if required
3	Roll out annual Modern Slavery refresher training to all employees to ensure that identifying any risk of modern slavery is at the forefront of mind when dealing with the supply chain or colleagues/individuals that may be vulnerable;	Percentage of employees who undergo refresher training
4	A full on-site SEDEX audit will be conducted in the next financial year. During the Covid-19 pandemic such audits took place remotely, we therefore welcome the opportunity to engage with the full process and will act on any recommendation and rectify any non-conformances;	Percentage of recommendations implemented and non-conformances rectified following the SEDEX audit
5	All heads of department will ensure all their staff make a copy of the company's Modern Slavery Policy available to all suppliers;	Percentage of suppliers who have received a copy of the Modern Slavery Policy
6	We will identify areas of the supply chain that are at greatest risk to modern slavery abuses and the Steering Committee shall devise an appropriate response;	Number of areas identified with a corresponding recommendation from the Steering Committee
7	All heads of department will ensure that their employees are reminded of the relevant departmental mission statement and ensure compliance with its content;	Number of employees reminded about their department's mission statement and how each department ensures compliance with it
8	All departments to review its policies and procedures, updating where necessary, providing copies to the Legal Department in order to maintain the central record	Percentage of policies and procedures reviewed and updated (if required) and thereafter provided to the legal department

9	Our Modern Slavery Policy will be included in the Risk Assessment of all new supplier and such suppliers will be asked to agree to comply with its provisions.	Percentage of new suppliers provided with a copy of our Modern Slavery Policy as part of the Risk Assessment process

11 Finding Help

If you or someone you know is being or has been exploited or you are unsure if someone needs help, assistance and advice is available:

- for life-threatening emergencies, call 999, or for non-emergencies, call 101 for the police;
- [Modern Slavery Helpline](#) can be called on 08000 121 700 or contacted via an [online form](#);
- [Victim Support](#) can be called on 0808 16 89 111 or contacted via an [online form](#);
- [Crimestoppers](#) can be called on 0800 555 111 or contacted via an [online form](#);
- [Migrant Help](#) can be called on 0808 8010 503;
- [The Salvation Army](#) have a 24/7 confidential referral helpline, which can be called on 0800 808 3733.

12 Publication

Valeo Confectionery's Modern Slavery Statements (current and previous Statements) are published on:

- 1) Valeo Confectionery's website at <https://valeoconfectionery.com/>;
- 2) TISC (Transparency In Supply Chains) – open platform reporting tool which meets the requirements of section 54 of the Modern Slavery Act 2015 at <https://tiscreport.org/>; and
- 3) The UK government's Modern Statement Registry at: <https://modern-slavery-statement-registry.service.gov.uk/>.

13 Conclusion

At the date of this statement, Valeo Confectionery has no issues with any of its suppliers or other bodies representing workers that should be disclosed in the context of the Modern Slavery Act 2015.

Valeo Confectionery is constantly striving for improvement to tackle modern slavery head on. During the period 1st April 2021 to 31st March 2022, Valeo

Confectionery continued to work to increase awareness of risks and reporting channels. We will continue to develop our commitment to combat modern slavery and will update our company policies, contracts and employee training as 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 31st March 2022. It was adopted by the board on 27 September 2022.

Ashley Hicks, Managing Director of Valeo Confectionery Ltd

Signature 

Date: 27th September 2022