

Modern Slavery and Human Trafficking Statement

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 sets out the steps taken by Müller during the financial year ended 31 December 2019 to ensure that no such modern slavery or human trafficking is taking place.

Organisation's structure

Müller is comprised of: Muller UK & Ireland Group LLP, Muller Service Limited, TM Telford Dairy Limited and Philpot Dairy Products Limited. Muller UK & Ireland Group LLP comprises of three distinct business units: Müller Milk & Ingredients, Müller Yogurt & Desserts and Milk & More. Müller, which has approximately 80 sites in the UK and employs around 7,500 people in the UK & ROI, is part of the international dairy business owned by the Unternehmensgruppe Theo Müller.

Our business

Müller is a dairy business.

Müller Milk & Ingredients is Britain's largest producer of branded and private label fresh milk, cream, butter and ingredients products, under brands such as Frijj and Müller Milk. It has 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. It produces chilled desserts under licence from Mondelez International and supplies the UK private label yogurt market from a dedicated, state of the art yogurt facility in Telford.

Milk & More delivers daily essentials to approximately 500,000 homes in England, via a network of 53 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 Aldershot.

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 broker for buying and selling dairy products.

Our supply chains

Through our supply chain we source ingredients, packaging and services predominantly in Europe, but we recognise that our extended supply chain may originate from around the world. In the UK we work with over 1600 farmers and are committed to a sustainable British dairy industry. We encourage all our farms to engage with our audit program which provides both governance for Müller and improvement advice for our agricultural partners.

In 2019 we performed a full end to end risk assessment of the UK dairy supply chain including all logistics activities, processing and agriculture. This identified several areas where further investigation is required to further understand the potential risks and improve controls. These will be further investigated in conjunction with customers in the first half of 2020 where we will perform

direct assessments with several hundred farms to understand the potential risks and if controls are effective and in place.

Muller UK&I Sustainability Plan

Throughout 2019 the business has worked with internal and external stakeholders to develop a sustainability strategy, including commitments to addressing modern slavery and ethical trade. In early 2020 the plan will be subject to review by a selection of retail experts and launched in the first half of 2020.

Employee Training

In 2019 Müller launched a digital Learning Management System (LMS) across the business. The system has the ability to offer mandatory and optional training courses across the business, including legal, operational, financial and ethical training .

In 2020 an update will be made to the employee induction program for all employees on the LMS to include ethical trade and the ETI base code, as well as wider environmental and sustainability aspects.

Our policies

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains and this is reflected in our policies. Our policies are unpinned by our six core values which give us a clear sense of purpose and direction:

- Win - the will to win;
- Together – stronger together;
- Better – striving to improve;
- We do as we say – delivering our promises;
- Dynamic – passion to accomplish;
- Pride – leading with pride.

Whistleblowing Policy

We encourage all our colleagues, workers, customers and other business partners to report any concerns related to the activities of our business or supply chain. This includes any circumstances that may give rise to a risk of modern slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for disclosures to be made, without fear of retaliation. Employees, customers or others can use our confidential integrity helpline to report their concerns.

Anti-Bribery and Corruption Policy

We condemn any form of bribery or corruption. Engaging in corrupt behaviour is not compatible with how we conduct business and it is against our global business compliance policy. This policy defines the framework and provides guidance on how to act accordingly. It is binding for all entities and employees within the Müller group.

Supplier Code of Practice

This Code incorporates the Müller Supplier Codex which defines the minimum standards that we require of our suppliers, co-packers, licence holders, their employees and their subsidiaries to unconditionally respect and adhere to. In particular, they must respect human rights, provide their employees with safe and healthy working conditions, ensure that they comply with all applicable

laws regarding wages and working hours and under no circumstances use or in any other way benefit from forced or compulsory labour or child labour.

Anti-Slavery and Human Trafficking Policy

We are committed to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our own business or in any of our supply chains. Our policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, contractors, external consultants, third-party representatives and business partners.

Due diligence processes for slavery and human trafficking

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

- We launched the Müller Anti-Slavery and Human Trafficking Policy in December 2017. This was communicated and cascaded to all employees across the Müller business, and is accessible to all employees via our intranet. The policy sets out our commitment to ensuring that modern slavery and human trafficking is not taking place anywhere in our own business or supply chains and sets out our expectation of the same high standards from all our contractors, suppliers and other business partners.
- We regularly benchmark against the Ethical Trading Initiative (ETI) base code to ensure that we are acting in accordance with an internationally recognised code of practice.
- 100% of our dairies are members of SEDEX and complete the ethical risk assessment on the system. We use this platform to share our ethical practices with our suppliers and customers.
- Each year several of our sites are subject to third party ethical audit in line with the SMETA process, and the results published on the SEDEX system.
- Our Standard Terms and Conditions for the Purchase of Goods and/or Services require our 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 our relevant policies.
- All our direct suppliers of ingredients and packaging are required to sign up to our 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.
- We validate the identity of all our permanent employees and ensure that they have the legal right to work in the UK.
- We audit our agency labour providers twice a year against the ETI base code to ensure ethical standards. We also complete occasional spot checks on our temporary labour agencies. We ensure that any non-conformances or concerns are followed up in a timely manner.

Further steps

As a business, we will:

- continue to follow our due diligence processes during the next financial year to monitor our compliance against modern slavery and human trafficking;
- monitor, report on and address any issues identified by the business by taking the appropriate steps to meet our own high standards of compliance and our statutory obligations;
- continue to educate all employees across the Müller business of our commitment to eradicating modern slavery and human trafficking in our supply chains by providing ongoing support and training where appropriate;
- review the period between our third-party ethical audits to ensure it is appropriate to the risk and governance required;
- revise and update our internal ethical training and re launch this to the business to refresh knowledge and engagement in ethical trade and modern slavery;
- investigate the use of our internal ethical training to support our supplier's education in this area; and
- In 2020 we will begin monthly internal reporting on Ethical Audits, Non Conformances and Stronger Together compliance in line with our Sustainability Plan.

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 31 December 2019.

This statement was approved by the following directors on 30 June 2020:

Bergen Merrey
MD, Müller Yoghurts and Desserts

Jon Jenkins
MD, Müller Milk and Ingredients

Patrick Müller
MD, Milk & More