



Dunbia Modern Slavery and Human Trafficking Statement 2017

1.0 Introduction

1. This statement is made by Dunbia in accordance with section 54 of the Modern Slavery Act 2015 and sets out the actions Dunbia has undertaken to manage out the risk of slavery and human trafficking from occurring in the Dunbia business or any part of its supply chain.
2. The Company recognises that the risks of such abhorrent abusive practices are real, and are perpetrated in a way that make them difficult to detect and that require continued and ongoing effort to ensure that people working within the Company and its supply chains are safeguarded and protected from such abuse.
3. This report sets out the progress the Company has made in the reporting period 1st April 2016 through to 31st December 2017, which brings the report into line with the Company's new financial reporting period.

2.0 About Dunbia

4. Dunbia is one of the leading red meat processors in the UK and as a family business has been operating since 1976. In 2017 the business entered a new and exciting phase in its development as it merged with Dawn Meats (UK), a subsidiary of Dawn Meats – another large and highly reputable family business that has been in operation since 1980 and, like Dunbia, prides itself on its strong, board-driven focus on effective Corporate Social Responsibility.
5. The new merged UK business is now a division of Dawn Meats and operates under the retained Dunbia brand. With 15 factories, a new shareholder structure, and a new executive management team it is a new, bigger, and better Dunbia that retains the combined values and best practices of both originating businesses and which will operate with a renewed energy and determination to ensure Dunbia exceeds the expectations of its customers, suppliers and employees as a business that focuses on the delivery of ethical trading in its supply chain.

3.0 Our policies and practices

6. Dunbia operates its supply chain in compliance to its code of conduct for ethical trade, which in essence is the Ethical Trading Initiative (ETI) basecode, which derives from the core conventions of the International Labour Organisation, and from the United Nations Universal Declaration of Human Rights.
7. Dunbia is an AB registered member of SEDEX and uses this platform to manage its supply chain relations with customers and suppliers.
8. Dunbia's standard group purchasing agreement places a contractual obligation on suppliers to subscribe to the ETI basecode, and to register and link via SEDEX and conduct Self Assessment



Questionnaires. The Company also now requires its core suppliers to undertake Dunbia-led and thirty party led ethical compliance audits.

9. Dunbia has established an ethical trading committee sponsored by two Company Directors, which is responsible for developing the company's ethical trading strategy and annual ethical trading objectives. The committee works closely with key customers and suppliers to develop action plans that help develop and improve Dunbia's governance processes to support ethical trading.
10. The company currently has two whistleblowing hotlines in operation, along with a corporate chaplaincy service which is responsible for the provision of pastoral care and confidential one to one consultation and engagement of employees to discuss any matters that impact their wellbeing and self-esteem. These are key mechanisms for monitoring the workforce for any modern day slavery, bullying, or harassment issues.

4.0 Our Supply Chains

11. The mainstay of Dunbia's supply chain is rooted in UK agriculture through its sourcing of beef and lamb livestock from over 15,000 farm quality assured farms across Great Britain and Northern Ireland. Unlike other agricultural sectors, this element of the UK farming sector carries a low labour demand and consists largely of family owned and managed farms.
12. Dunbia sources the majority of its packaging and production consumables from key suppliers whose supply chains are mainly UK and European based.
13. A growing part of Dunbia's business is the production of added value, ready to cook, and part cooked meat products and meal solutions, which introduces a much more complex global supply chain through the sourcing of other food ingredients.
14. A key element of the Dunbia supply chain is the supply of labour to Dunbia itself. Employing colleagues either directly, or through agency based labour providers, the company is extremely proud of its workforce and the role they play in making Dunbia the success it is today.

5.0 Assessing and managing risk

15. As outlined above, Dunbia considers its supply chain in four key constituent elements of agriculture, material supplies, ingredients, and labour provision. The company has risk assessed each element of its supply chain and has initiated strategies that it considers are proportionate to the risks that lie within each element.

Agriculture

16. UK livestock production is a low labour intensity industry consisting mainly of SME / family farms and as such Dunbia assess it as a lower supply chain risk in respect of modern day slavery. That said, in 2017 Dunbia has engaged its farmers by incorporating training material into its supplier briefings and workshops that focuses on how to recognise modern day slavery



and that sets out the key principles of the ETI basecode. In this way Dunbia is encouraging vigilance and risk management within its farming base.

Material supplies

17. Material supplies represent a significant proportion of annual spend at Dunbia and several key suppliers play a critical role in supplying packaging products that carry product to customers, the retail shelves, and ultimately to the end consumer. Dunbia has assessed these key suppliers as being of critical importance to Dunbia's supply chain and brand, and in 2017 the company engaged its supply base in a new ethical trading agenda.
18. A first step achieved in 2017 was to rationalise the approved supplier list by 22% and to integrate SEDEX registration into Dunbia's supplier setup and approval process.
19. All new suppliers are required to be registered members of SEDEX and as a minimum must link with Dunbia and complete the Self Assessment Questionnaire (SAQ). Dunbia reviews the outcome of the SAQs as part of its risk management process and follows up on any supplier SAQ areas that are reported as underperforming.
20. In 2017, Dunbia also modified its standard purchasing agreements to include a contractual obligation on suppliers to register with SEDEX, complete the SAQ, to comply with Dunbia's code of conduct for ethical trade, and to be subject to compliance audits.
21. In a more focused initiative, in 2017 Dunbia has engaged its top packaging suppliers in a detailed agenda on modern day slavery. This included attendance at a supply chain training event led by Stronger Together, followed by a Dunbia-led supply chain collaboration workshop that defined a number of core strategic actions for 2018 that commit these key suppliers to:
 - a. engage in SMETA audits at each of their supplying locations;
 - b. map out their core supply chains to root base material and ingredient sourcing level and conduct a risk assessment; and
 - c. requires the suppliers to engage their next tier priority suppliers in Sedex registration and SAQ completion.
22. Based on supplier feedback, Dunbia understands it is the first UK red meat manufacturer to pursue these objectives within the UK packaging supply chain. This work will be progressed in 2018.

Ingredients

23. Dunbia's use of food ingredients is relatively small in comparison to other companies in the UK food sector, and its immediate supply base consists of UK and Ireland based ingredient manufacturers. However, Dunbia recognises that given the nature of the supply chain in the upstream sourcing of commodity ingredient components that this supply chain is both complex and truly global, involving countries where modern day slavery is a higher risk than it is in the UK. Dunbia has taken initial steps to form a cross functional team to map and risk assess its ingredient supply, and this will be progressed as a key focus area in 2018.



Labour provision

24. Dunbia currently has over 5,200 employees, and like many food businesses in the UK is required to respond to significant seasonal changes in production demand which calls for a flexible and responsive labour supply chain. Dunbia recognise this is a critical area to manage and has made a commitment to roll out electronic identity checking of all existing and new employees in 2018. Identity fraud is common in human trafficking and introducing this control mechanism is designed to both detect and safeguard against the risk of human trafficking.
25. In 2017, Dunbia has started to rationalise the number of agency labour providers it uses and has established a group register of approved labour providers as part of its improved governance process. Labour providers are assessed on a number of criteria including the financial standing of the company as a key indicator of the health and stability of the business. In 2018, Dunbia plans to further develop its engagement of agency labour providers through the rollout of standardised Service Level Agreements.

6.0 Training and capability

26. In 2017 Dunbia developed a suite of training materials on modern day slavery and human trafficking, which will be rolled out to all its managers in 2018. All Dunbia HR managers have been trained in the materials and have also been trained on ethical trading audits.

7.0 Measuring effectiveness

27. Dunbia measures the effectiveness of its ethical trading initiative through KPIs relating to incidents reported through its whistleblowing hotlines, its employee pastoral care chaplaincy, and its incident management escalation process via its ethical trading committee. The board will continue to develop and refine its success measures in line with its CSR strategy and remains committed to ensuring modern day slavery issues do not occur within the business and its supply chain. This will continue to be a key focus for the business in 2018.

8.0 Statement Approval

28. This statement has been formally approved by the Dunbia Executive and its Shareholders on 26th January 2018
29. Signed:

Jim Dobson, CEO