

Dunbia Modern Slavery and Human Trafficking Statement 2019

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 January 2018 through to 31st December 2018 and the actions proposed for the coming period.

2.0 About Dunbia – Company Structure

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 12 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.

This statement covers the following legal entities: Dunbia (England), Dunbia (Preston) Limited, Dunbia (Wales), Dunbia (Northern Ireland) & Dunbia (UK) formerly Dawn Meats (UK).

Dunbia's values are captured in the graphic below. All five values will support Dunbia's goal of eliminating modern slavery out of their supply chain.



Dunbia's customers want a supply chain that enhances their reputation. Having a sustainable supply base means not exploiting any part of it. Respecting, empowering and engaging their people, means developing a culture where poor behaviour and bad practices have nowhere to hide. Seeking continuous improvement means never being satisfied with being good enough or even the best – it means always wanting to get better. And acting responsibly can only be achieved by treating all stakeholders with respect and demanding this respect from the supply chain.

3.0 Supply Chain Structure

6. The mainstay of Dunbia's supply chain is rooted in UK agriculture through its sourcing of beef and lamb livestock from over 15,000 quality assured farms across Great Britain and Northern Ireland. Unlike other agricultural sectors, this element of the UK farming sector has a low bought-in labour demand and consists largely of family owned and managed farms.
7. Dunbia buys the majority of its retail packaging and production consumables from key suppliers based in the UK and Europe. Dunbia has identified production consumables as having a diverse supply chain. In 2019 Dunbia will undertake a process as to how these supply chains can practically be mapped and monitored.
8. 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.
9. Sourcing labour for Dunbia's operation is key part of the supply chain. 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.

4.0 Policies and Practices

10. Dunbia operates its supply chain in compliance to its code of conduct for ethical trade, its sustainable procurement policy, and its pre-qualification document. All policies are reviewed and updated as appropriate.
11. Dunbia is an AB registered member of SEDEX and uses this platform to support its management of its supply chain relations with customers and suppliers.
12. Dunbia's standard group purchasing agreement places a contractual obligation on all qualifying new group suppliers to register and link via SEDEX and conduct Self-Assessments Questionnaires. The Company also now requires its core suppliers to undertake Dunbia-led and thirty party led ethical compliance audits.
13. Dunbia has established an ethical trading committee sponsored by the HR and Procurement Directors, which is responsible for developing the company's ethical trading strategy and annual ethical trading objectives.
14. The company currently has a whistleblowing hotline in operation, a grievance procedure and an open-door culture. These are key mechanisms for monitoring the workforce for any modern-day slavery, bullying, or harassment issues.

15. Dunbia has since the merger undertaken significant work to develop a culture that will reduce the risk of modern slavery. Over a 6-month period in 2018, all sites were visited where written culture surveys were anonymously completed as well as focused groups convened. Resulting from this teams were reformed and strengthened and managerial and leadership development programmes were created.
16. Dunbia has significantly strengthened its HR team over the course of 2018. The core team comprises an HR Director, 2 Regional Managers and a Group Ethical Compliance Manager. This team is supported by HR teams at site level.

5.0 Risk Assessment and Due Diligence

17. 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. In 2019 the ethical sourcing committee will again reassess the key supply chain risks.

5.1 Agriculture

18. Within Dunbia's Agriculture supply chain the Head of Livestock Procurement is responsible for modern slavery ethics.
19. UK livestock production is a low bought-in 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.
20. Dunbia have developed an integrated system to drive livestock productivity improvements. As part of that system they review the approach to labour.
21. Working with customers
 - a. Dunbia have developed a number of farmer supplier groups. With one customer, Dunbia has developed a group of farmers with a focus on farm ethics. This includes examining farm training records and ensuring all farms have a transparent commitment to ethical labour practices operating on farm.
 - b. For another customer Dunbia undertake 2,500 on farm audits. Within these audits there is a section on ethical labour and a requirement that all staff have a contract.
 - c. With another customer, Dunbia have undertaken sample human rights audit on farms in Ireland and the UK.
22. The Procurement team in Dunbia has set themselves a target to visit all farms they directly procure from once a year.

5.2 Material supplies

23. A cross functional team, comprising of group purchasing and auditory compliance, is responsible for assessing and mitigating the risks of modern slavery in the procurement of non-livestock products.
24. 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.

25. 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. Dunbia have now brought all their suppliers under the one Sedex platform, increasing transparency across the company.
26. To accelerate change Dunbia has taken a pareto approach to de-risking its supply chain, by focusing on companies of a certain size and who undertake a certain amount of business with them. All qualifying new group suppliers are required to be registered members of SEDEX and as a minimum must link with Dunbia and complete the Self-Assessment Questionnaire (SAQ).
27. In 2017, Dunbia also modified its standard purchasing agreements to include a contractual obligation on group suppliers to register with SEDEX, complete the contractual and compliance documentation SAQ, to comply with Dunbia's code of conduct for ethical trade, and to be subject to compliance audits.
28. 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 or equivalent 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.
29. Dunbia has identified that having longer term supply contracts increases supplier trust and transparency. Dunbia is looking at developing longer term packaging contracts to provide the assurance required to tier 1 relationships and improve transparency across the supply chain.
30. The majority of the paper packaging is certified to FSC or PEFC which include supply chain audits.

5.3 Ingredients

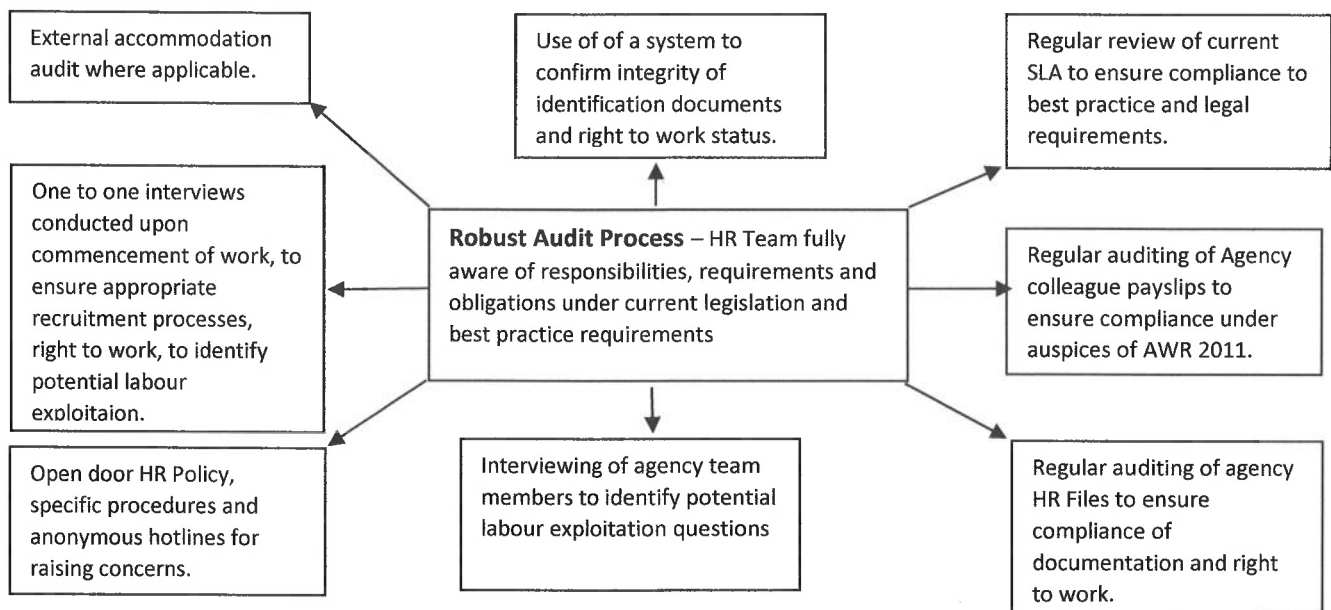
31. Dunbia's use of food ingredients is very small as a percentage of products manufactured, and its tier one supply base consists of UK and Ireland based ingredient manufacturers. However, Dunbia recognises that given the nature of the supply chain in the upstream sourcing of commodity ingredient components 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, the mapping and risk assessment of its *ingredient supply and this will be progressed as a key focus area in 2019.*

5.4 Labour provision

32. Responsibility for managing the risk of modern slavery in the labour supply chain is led by the HR Director, supported by the two regional HR Managers, cascade to site HR and supported by the Group Ethical Compliance Manager.

33. 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 will continue electronic identity checking of employees in 2019. 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. A reliable automated solution for authenticating the integrity of passports, ID cards, visas and residence permits. This facility allows us to inspect and scan all national and international passports and ID documents currently in circulation. Support is available from the expert helpdesk.

Diagram Outlining Labour Provider Audit and Monitoring Process for 2019



34. In 2017, Dunbia 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 further developed its engagement of agency labour providers through the rollout of standardised Service Level Agreements.

35. A cultural inclusion forum has been established at head office. This forum includes representatives from each nationality. This group has been trained on stronger together and charged with identifying any issues across the site.

36. On the weekly HR call the Group Ethical Compliance Manager updates the regional and site HR managers on appropriate issues arising.

6.0 Training and capability

37. In 2017 Dunbia developed a suite of training materials on modern day slavery and human trafficking as part of its internal awareness raising to combat potential abuse and exploitation of workers, which was rolled out to its managers in 2018. All Dunbia HR managers have been trained in the materials.

38. An HR e-learning induction module has recently been developed and will be delivered to all new staff hires.

39. For 2019, it is programmed that all livestock procurement staff undergo stronger together training, to make them aware of the signs and indications of modern slavery. Once training is undertaken, it is proposed that refresher training would be undertaken at least every second year.

7.0 Measuring effectiveness

40. Dunbia measures the effectiveness of its ethical trading initiative through KPIs relating to incidents reported through its whistleblowing hotlines, and its incident management escalation process via its ethical trading committee. Dunbia 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 2019.

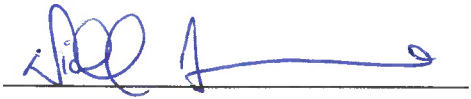
In order to monitor the effectiveness of the steps taken by the business to stop slavery and trafficking taking place in our business and supply chain, we intend to use the following performance indicators: -

- Detailed monitoring /recording of all complaints received via our whistleblowing lines.
- Tracking of ongoing training of existing and new people to ensure full understanding of the commitments of the Modern Slavery Act and ethical trading initiatives. Delivery of in house and external ethical training awareness to key people.
- At least an annual audit of all Labour providers.
- At least an annual review of key supply chain risk assessments
- Increased registration of suppliers on SEDEX platform.
- Commitment to continuous improvement and thus an annual review of our recruitment and induction practices.
- Translation of relevant policies into most commonly spoken languages.
- Tracking number of longer term supply contracts

8.0 Statement Approval

41. This statement has been formally approved by the Dunbia Executive and its Shareholders on 9th April 2019.

Signed:



Niall Browne, CEO