



Group Modern Slavery Statement

Background

Section 54(1) of the Modern Slavery Act 2015 legalises the responsibilities of businesses with sales exceeding £36m per annum in tackling slavery and human trafficking which sadly still exists in the world in which we live. These are abhorrent practises that should not be accepted by businesses of any size - all staff have a responsibility to report any concerns and all management are expected to act upon them.

Company Structure

Zertus UK comprises of Kinnerton Confectionery Limited, Humdinger Foods and Lir Chocolates trading together as a Snacking and Chocolate Market Unit ('The Companies'). Our parent company Zertus GmbH dates back to 1826 and is one of the oldest family firms in Germany. The conglomerate, headquartered in Hamburg, operates on an international basis with eight independent subsidiaries that produce and sell high-quality foods.

Zertus UK – Snacking & Chocolate Market Unit

Kinnerton Confectionery is the fourth largest chocolate producer in the UK with sales of c£85m. Kinnerton Confectionery has its headquarters in London, was founded more than 30 years ago and now employs approximately 1,000 people. Every year the company produces more than 10 million Advent calendars in top quality and more than 20 million Easter eggs and, thanks to its broad range, is Britain's most important producer of seasonal goods.

Humdinger Foods is an ambient food packing and distribution business focussed predominantly on dried fruit, nuts, seeds, pulses and beans. The Company turnover exceeds c£80m and sales cover all of the UK major grocery multiple retailers and a number of independent wholesalers. Approximately 97% of the business is conducted within the UK with the remaining share within the EU. Humdinger has a Head Office in the UK

The Irish chocolate maker Lir Chocolates is the specialist for premium chocolates with sales of c€30m, filled chocolate and creative forms of chocolate. Its successful and award-winning cooperation with brands such as Baileys, Guinness and Marks & Spencer makes Lir on the experts in premium chocolates.

The Companies Aims and Responsibilities

- Group board level responsibility for ensuring suitable policies are in place to identify and prevent slavery and human trafficking
- Building social responsibility into the way we do business
- Applying ETI base codes in our own business as well as in our supply chains
- To drive out poor labour practice, encourage continuous improvement and protect possible victims throughout the supply chain
- Continue to work with our suppliers to address risks
- Cease our relationship with the suppliers where we have identified weaknesses and they are unwilling to improve
- Commitment to acting ethically and with integrity in all of our business relationships and to implementing effective systems and controls
- Continue to be Stronger2gether Business Partners for 2020

Supply Chains

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The Companies are broad based commodity businesses, sourcing raw materials from all five continents. Significant progress continues to be made within our global supply chain in communicating and applying our own Ethical Sourcing Frameworks, Anti-Slavery Policies and Corporate Social Responsibility Policies. We continue to use SEDEX as our benchmark and will proactively investigate any suppliers or contractors who are identified as possessing possible indicators of forced labour. We will cease relationships where suppliers are unwilling to comply or are unable to improve. Controls will be implemented to prevent slavery and human trafficking.

Due Diligence Processes

As part of our initiatives to ensure The Companies are not connected to or supporting these practices, we promote the following:

- Where possible, The Companies pack their own products in factories that it controls on a day to day basis and distributes from a warehouse network that it manages.
- The Companies strongly adhere to and support the Ethical Trading Initiative Base Code and Stronger2gether
- The Companies have individually conducted risk assessments of their total business and have identified the key areas for management focus.
- Regular newsletters are circulated to all employees with reports and updates on modern day slavery, human trafficking, employment law (including benefits/ pay/ conditions), SMETA audit results and worker survey responses
- Worker representative committees and meetings are be supported by senior management
- All suppliers must sign up to SEDEX or QADEX
- All supplier audits include ethical alongside food safety and environmental matters
- We work closely with suppliers of the chocolate we buy to ensure that all the cocoa comes from sustainable sources, a key goal of which is to enhance the safety and wellbeing of children and families in cocoa farming areas
- We wholly recognise our responsibility to ensure the sustainability & traceability of sourced items through all stages of production, processing & distribution. This is why we favour suppliers who consider the economic, social and environmental impact of their business along the entire supply chain
- Commitment to ensure that all appropriate managers and supervisors receive Stronger2gether training

Whistleblowing

Employees are empowered to bring information about any wrongdoing to our attention, as documented within the individual company policies or handbooks and via retailer whistleblowing hotlines documented and displayed at each site. No employee will face adverse treatment or reprisal through the act of whistleblowing.

Key Performance Indicators

The following key performance indicators are used within The Companies to measure how effective we are in ensuring that slavery and human trafficking is not taking place in any part of the business or supply chain.

- SEDEX/QADEX membership
- SMETA audit results
- SEDEX forced labour risk assessment tool
- Annual third-party ethical audits v risk assessment
- Annual staff surveys top concerns

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- Temporary worker and contractor interviews
- Agency labour provider and contractor audits
- Whistleblowing
- Key staff trained to understand the signs of potential modern slavery and/ or human trafficking

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