



HUMAN RIGHTS AND MODERN SLAVERY STATEMENT

JUNE 2019

1. INTRODUCTION AND ORGANISATION STRUCTURE

KP Snacks Limited (“we”, “our”) is the UK’s number one manufacturer of nuts and popcorn, and number two manufacturer of bagged snacks. We are part of the Intersnack group of companies and our ultimate parent company is headquartered in Germany. We have over 2,000 employees in the UK.

We make some of Britain’s most iconic snack brands including McCoy’s, Hula Hoops, KP Nuts, Butterkist, Tyrrells, Popchips and POM-BEAR. We also produce many fantastic products for the UK’s leading retailers. We are proud that millions of people enjoy our snacks, every day. We take great care in operating our business and in selecting our business partners and suppliers.

We had an annual turnover of £377,073,000 in 2018.

2. OUR BUSINESS

Our business has its headquarters at Slough and operates 8 manufacturing sites as set out at <http://www.kpsnacks.com/about-us/locations/>

3. OUR SUPPLY CHAINS

The products we sell are sourced from a broad range of suppliers and supply chains. However, as our operations are based in the UK the majority of our suppliers (goods and services excluding raw materials) are also predominately based in the UK. The suppliers of our raw materials are based nationally and internationally. For example, the potatoes for Tyrrells are grown exclusively in the UK, within a short distance of the Herefordshire factory whereas our dehydrated raw materials are sourced from Europe and the United States. As part of the Intersnack Group, we work with Intersnack Procurement to continually improve the transparency and traceability of the supply chain for all our products. Such suppliers are subject to our audit and transparency requirements as noted below as part of our Policies.

This international sourcing via a large, diverse system of local and international supply chains, enables us to offer a wide range of tasty products to the consumer. We aim to source as directly as possible, wherever and whenever possible. This creates greater transparency and enables us to build long-term partnerships with our suppliers and stakeholders in the supply chain.

In general, our supply chain consists of the following stages:

- A. Agricultural/raw material production: by us and our group both locally and internationally.
- B. Suppliers: we source raw materials, from as far upstream in the supply chain as possible.
- C. Our Operations: Processing Raw materials into finished goods and packing materials at our sites.



- D. Distribution to Business Customers: finished goods are collected by our business customers and we engage a third party to deliver finished goods to our business customers' locations.

4. OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, including slavery, forced labour and human trafficking. We adopt a zero-tolerance approach to modern slavery, and we continue to be committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our own business or in our supply chains (our "MSA Commitment").

4.1. Our Steering Committee

Our steering committee made up of a senior group of leaders of our business continues to advance our MSA Commitment. The committee is attended by representatives from HR, Legal, Commercial, Supply Chain, Procurement and Corporate Affairs and has grown this year to include representatives from each of our business and manufacturing sites. The committee meets quarterly to review and monitor progress in preventing labour exploitation in our sites and within our supply chain. Most recently, the committee met to hear the reports from each of the sites who had undertaken site awareness questionnaires to address workers' and employees' awareness of our Modern Slavery Policy and processes. Actions to address any of the site's concerns on awareness were taken and agreed to be progressed from head office and by the site HR teams. This committee has met formally four times in the period July 2018 to June 2019.

4.2. Our Policies

We have continued to develop our policies and processes throughout the year since our last statement. Our policy on Preventing Modern Slavery is continually reviewed and shared with all KP colleagues through our intranet site and site briefings and compliance is a contractual requirement. We continue to operate in accordance with the Intersnack Code of Conduct (available at <https://www.intersnackgroup.com/about-us/codeofconduct/>). We are currently working with our parent company to update this policy. Recognising the high proportion of suppliers that supply raw materials to us and mindful of the risk associated with Modern Slavery and Human Trafficking within similar national and international supply chains, on 15 April 2019 we initiated a new Responsible Sourcing Policy which codifies the processes and requirements we demand from our suppliers to increase the transparency in our supply chain and identify social compliance risks, including modern slavery and human trafficking. All suppliers of raw materials are required to sign and comply with this policy.

Under our overall sustainability programme, which we call 'Our Taste for Good,' people are our number one priority. This programme can be found at <http://www.kpsnacks.com/responsible-business/>. We pride ourselves on being a great place to work and connecting positively with communities and our programme is an important element of this. This programme has been presented by our senior team members as part of our updates to employees at each of our sites within the last year.

5. DUE DILIGENCE PROCESS FOR SLAVERY AND HUMAN TRAFFICKING

5.1. Due Diligence in our Business



We have continued to train our employees on our MSA Commitment so that they can recognise when they are involved in matters where there is a risk of modern slavery. We use training provided by Stronger Together; a multi-stakeholder business-led initiative which aims to reduce modern slavery. Employees are required to participate in training so they can identify signs of modern slavery and human trafficking. All line managers must complete an e-learning module from Stronger Together on modern slavery. This has a test at the end to confirm they have understood the key messages. We maintain a register of all employees who complete the module and require all employees have complied with this requirement. We have recently reviewed our records and now ensure that employees refresh this training annually. Key individuals are also required to undertake enhanced training in the form of a full-day course run by Stronger Together, in particular those involved in recruitment at our sites, where their role exposes them to situations where modern slavery may be more prevalent. This training is tracked and recorded by our in-house Learning and Development team.

We use the Stronger Together tools and annually complete the Employer Progress Questionnaire at each of our sites. Further detail on these tools can be found at <https://www.stronger2gether.org/prt/>. The results of the questionnaires aid in our ongoing review of modern slavery and trafficking and help to identify areas of risk and improvement. We have continued to raise awareness across all sites, to encourage colleagues and agency workers to report any causes of concern regarding labour exploitation they may observe or experience by contacting their local human resources team or calling our confidential Whistleblowing hotline.

5.2. Whistleblowing Policy

Our Whistleblowing Policy is available through our intranet and at all our sites, to all employees, contractors and other service providers who operate within our business. The policy provides a clear reporting structure for an individual to report any suspected wrongdoing. An anonymous hotline provided by a third party (SpeakUp hotline provided by InTouch) is also available to ensure confidentiality to a reporting party.

5.3. Due Diligence with our Suppliers

We request our suppliers to be assessed against the Ethical Trading Initiative (ETI) code of conduct or equivalent social standards. Based on the ETI code of conduct we engage in dialogue with our suppliers to identify and mitigate risk related to human rights, including modern slavery. This enables us to further identify and focus on the risk areas and risk categories in our supply chain.

Through the Supplier Ethical Data Exchange (SEDEX) we monitor the progress on social compliance of our supplier base. Sedex has developed a series of specific questions that are designed to identify suppliers to us where their operations may give rise to the risk of modern slavery and/or human trafficking. Where an indicator of risk is highlighted, such suppliers will be investigated to understand the reason for such a result. For example if there are more workers than usual used by a supplier it would be investigated as to whether there was a genuine reason for this, such as increased orders to that supplier. Within this framework we use the SEDEX Forced Labour indicators to review the registered suppliers. Any supplier identified as high risk is reviewed in more detail including the use of unannounced audits.

As expressed in Our Taste for Good programme, social responsibility involves focussing on sustainable sourcing, supplier development and improving conditions in our supplier regions. We promote sustainable sourcing by building awareness among suppliers, implementing social compliance standards, monitoring performance (including through training of that supplier,



contractual requirements and unannounced audits) and undertaking pro-active partnerships with our suppliers as well as NGO's and government bodies.

We continue to engage on modern slavery prevention with our principle agency labour provider Single Resource, which continues to demonstrate good policies and practices in this area.

Within the last year we have attended meetings with the Gang Masters Associations in the West Midlands to maintain diligence on modern slavery and trafficking in the employment sector in this area, which has been identified as an area of risk.

6. SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

Our supply chain compliance programme, as outlined above, ensures:

- our suppliers maintain our high standards of a zero-tolerance policy to modern slavery and human trafficking through our policies and procedures;
- we are afforded the rights to audit that these standards are maintained by our suppliers and may do so on an unannounced basis;
- the tools we use and training we undertake is appropriate to highlight any areas of risk of modern slavery or human trafficking; and
- all issues can be brought to the attention of senior members of our business so that they can be addressed appropriately.

7. TRAINING FOR STAFF AND SUPPLIERS

Using the tools and methods noted above, we will continue with targeted risk assessments of our suppliers during 2019/20 to identify suppliers that we perceive potentially to have a higher risk of exposure to modern slavery and decide what, if any, action we need to take. Where issues are identified we will work with our suppliers to remove risks as far as possible. We continue to train suppliers on our policies particularly our Responsible Supplier Policy.

We continue to organise training for employees and contractors and enhanced training for any new managers and key colleagues which is reported to our committee. Sites have taken training to front line team leaders during the last 12 months and we have seen greater engagement from those team members as a result.

8. MEASURING EFFECTIVENESS

Through the SEDEX tool we continue to monitor supplier risk and require suppliers to respond regularly to Sedex questionnaires. Through the continued implementation of our policies and through the actions of the committee we expect to see further reduction in areas of risk highlighted through SEDEX. Our new Responsible Sourcing Policy continues to be formally rolled out to suppliers.

We will include modern slavery as an agenda item at meetings with unions at all our sites and aim to increase the scope of the Gangmasters Association meetings to include additional areas of the UK where modern slavery risks are identified.

Our committee will continually monitor effectiveness through its quarterly meetings including identifying and maintaining the areas of progress that are being carried out, to completion.



This Statement will be updated and published on our website each year, to highlight progress made and upcoming focus areas.

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.

A handwritten signature in black ink, appearing to read 'Mark Thorpe', is written over a horizontal line.

Mark Thorpe

Chief Executive Officer and Managing Director, Operations
KP Snacks Limited

Signed on behalf of the Board of Directors of KP Snacks Ltd, who have read and authorised publication of this statement.