



## **MODERN SLAVERY STATEMENT 2016**

### **Introduction**

Volac is a UK family owned business whose principal business activity is the development, manufacture and supply of performance products through three strategically linked business areas serving the Animal Nutrition and Human Nutrition markets both domestically and internationally.

Volac aims to fulfil its Purpose of providing "Dairy Nutrition for a Healthier World" by:

- Producing and marketing the best Dairy Nutrition products, bringing proven nutritional benefits to farmers and consumers
- Being recognised for leadership in creating a healthy sustainable future for people, animals and planet
- Optimising the use of precious resources and working collaboratively with others
- Nurturing an open, collaborative and creative work environment.

We recognize that modern slavery is a global problem and that businesses can be inadvertently implicated in modern slavery in their own operations, their local and global supply chains and through their business partners.

Volac is committed to working to prevent modern slavery in our supply chain and this statement explains the steps we are taking to understand and mitigate those risks.

This is our first statement under the Modern Slavery Act 2015 and covers our financial year 1<sup>st</sup> January to 31<sup>st</sup> December 2016.

### **Our organisation and scope**

Volac is a family-owned group of businesses directly employing 330 people in the UK over four wholly owned manufacturing sites (Felinfach (Ceredigion), Port Talbot, Liverpool and Sleaford) and our Head Office in Orwell, Cambridgeshire. Whereas our usual policy is to manage any seasonal production peaks with flat staff numbers, occasionally we do require temporary labour in our manufacturing sites and use recruitment agencies. We also outsource a number of requirements:

- Warehousing
- Contract manufacturing
- Partnerships with third party suppliers for forage wrap products
- Logistics for both inbound and outbound freight

In addition, Volac has sales based subsidiaries operating in Ireland, Italy and Czech Republic.

Volac has a number of joint ventures:

- Volac Wilmar Feed Ingredients – a joint venture with Wilmar who are a leading agribusiness group in Asia, and a firm advocate of sustainable growth, with an integrated "No Deforestation, No Peat, No Exploitation Policy" that aims to advance an environmentally and socially responsible palm oil industry.

- DOC-Volac Nutrition in Netherlands – a partnership with DMK (formerly DOC Kaas) to operate a whey processing facility at Hoogetveen, The Netherlands.
- MVI – a joint venture with Arla (formerly Milk Link), operating a whey processing facility in Devon.

This 2016 Modern Slavery Statement covers only our wholly owned UK operations. We plan to report on steps being taken to engage our Joint Venture Partners in 2017 and collaborative Action Plans planned for 2018 onwards.

## **Our Policy**

We are in the process of developing our existing internal Business Code of Conduct and our existing Ethical Trade Policy into an overarching Ethical and Human Rights Policy. We will map and review all of our existing policies during 2017 to identify and fill in any gaps in terms of human rights, ethics, business conduct and supplier engagement. Our current Ethical Trade Policy can be accessed on the Volac website.

## **Our Supply Chains**

Our Group's supply chains are diverse and vary in terms of categories, geographies and supplier engagement. Our aim is to identify the manufacturing source of all that we buy into the business and we have a target to achieve 100% by the end of 2018.

Although we recognize that our level of influence varies across our supply chain we are committed to understanding and mitigating modern slavery across all categories using a risk assessment based approach.

An analysis of our strategic raw materials has identified two supply chains of high risk – palm oil and soya which are widely recognized by the food industry as having problems of traceability and transparency. We are working with our strategic suppliers to better understand these supply chains and will be developing collaborative Responsible Sourcing Plans in 2017. We have been members of the Round Table on Sustainable Palm Oil (RSPO) since 2011 and completed progress returns annually. We have risk assessment processes and will continue to implement action plans where we identify areas of high risk.

In our wholly owned UK operations Volac only sources whey direct from cheese manufacturers where traceability enables all the farms to be identified. We will be collaborating with our whey suppliers to better understand conditions within the dairy sector.

## **Modern Slavery due diligence processes**

All ingredients, packaging and services are sourced through a central procurement function, all of whom have received awareness training of the requirements of the Modern Slavery Act 2015.

All suppliers undergo a risk assessment process taking into account factors such as country of origin, visibility within the supply chain, and complexity of supply chain. The inherent risks are identified using the information gathered to include widely recognized product and industry characteristics, and social and political contexts to provide a risk category.

We will be engaging in 2017 with our key strategic suppliers to better understand the supply chains and develop collaborative Responsible Sourcing Plans.

A supplier pre-qualification questionnaire is also completed by every new supplier and the responses risk assessed. We have introduced a Modern Slavery Act 2015 Supplier Compliance Form which is now part of the supplier approval process. This form will be circulated to all our existing suppliers over 2017 and 2018 for them to complete and return.

**Training and Our People**

Our Procurement Team are all introduced to our Ethical Trade Policy, Supplier Risk Assessment framework and processes when they join. The executive board and the procurement department have been through an awareness raising session on the Modern Slavery Act 2015.

We will train other key internal roles to raise awareness and understanding of the issues surrounding modern slavery and human rights during 2017.

**Our Next Steps**

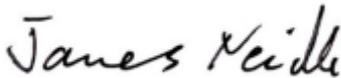
Our priorities for the year, to focused on strengthen our approach to identifying and mitigating modern slavery, are as follows:-

- **Policy** - mapping and reviewing all of our existing policies during 2017 to identify and fill in any gaps in terms of human rights, ethics and business conduct as well as supplier engagement
- **Process** – strengthening our existing approach to risk assessment
- **Supplier engagement** – collaborating with our strategic suppliers to better understand our higher risk supply chains
- **Responsible Sourcing Plans** will be developed for all of our strategic raw materials, addressing modern slavery and human rights issues
- **Capacity Building** – training internally for key roles to raise awareness of the Modern Slavery Act 2015, who it affects and why it matters to Volac and its supply chain processes
- **Joint Ventures** – we will engage with our partners and developing plans together to identify and address modern slavery.

We are committed to being open, learning and building in more rigour to our practices over time and reporting on plans, progress and challenges in each year’s subsequent statement.

This statement was approved by the Executive Board of Directors and signed by James Neville, CEO, on 28<sup>th</sup> June 2017.

Signed



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James Neville  
CEO