

Ornua Co-operative Limited

# Modern Slavery & Human Trafficking Statement

30 December 2023

# About Ornua

## Our Commitment

Ornua's co-operative ethos is at the heart of who we are and how we do business. Our co-operative structure requires that our business is founded on the principles of sustainable growth and shared equity for our members. Our governance model is built on values of co-operation and solidarity. The fundamentals of responsibility, sustainability, and equality define Ornua's co-operative structure and identity.

A fundamental part of our ethos is to protect human rights, including combatting modern slavery and human trafficking, in all aspects of our international business operations. Modern slavery refers to situations of exploitation that a person cannot refuse or leave because of threats, violence, deception, coercion, or abuses of power. Human trafficking is the recruitment, transportation, transfer, harbouring or receipt of people through force, fraud or deception, with the aim of exploiting them for profit. Ornua recognises the need to implement effective practices and policies to mitigate against all modern slavery and human trafficking risks within our business and supply chain.

This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 (the "Act") and constitutes the Modern Slavery and Human Trafficking Statement of Ornua Co-operative Limited and its subsidiaries ("Ornua") for the financial period ended 30 December 2023.

We welcome the transparency encouraged by the Act and the opportunity to share our actions to identify and prevent modern slavery risks affiliated with our business operations.



## Our Business

Ornua is an Irish dairy co-operative that markets and sells dairy products on behalf of its member co-operatives, Ireland's dairy processors and, in turn, Irish dairy farmers. Ornua is Ireland's largest exporter of Irish dairy products and has annualised sales of over €3.4 billion. Headquartered in Dublin, Ornua has a global team of approximately 3,000 employees, operating from 10 business units worldwide, including 14 production facilities. Ornua's core purpose is to build profitable routes to market for Irish dairy products.

The Group is structured across two divisions: Ornua Foods and Ornua Ingredients. Ornua Foods is responsible for the marketing and sales of Ornua's consumer brands including Ireland's most successful food export: Kerrygold, as well as Kerrygold Dubliner, Pilgrims Choice, Forto and BEO milk powders. Markets are served by production facilities in Ireland, Germany and the UK and by in-market Sales & Marketing Teams in Asia, Germany, Ireland, MEA, Poland, Spain, rest of Europe and North and Latin America.

Ornua Ingredients is responsible for the procurement of Irish and non-Irish dairy products, for the sale of dairy ingredients to food manufacturing and foodservice customers across the world, and for managing volatility through de-risking and trading strategies. The business is supported by production facilities in the UK, Spain, the US, Saudi Arabia, and by in-market teams in Africa and the Middle East.

## Our Values

Ornua's ambition is to be a truly diverse organisation where every individual feels empowered to bring their true selves to work every day; to be a leading, accredited employer of choice, allowing us to maximise our impact in the communities in which we operate.

*Our values - Achieve great things together; Be our true selves; Make it happen; Seek and embrace new ideas; and Show you care* - represent what we stand for and what is important to us and empower each employee to never look the other way when something isn't right and to make decisions based on what is the right thing to do.

## Path to Prosper 2027

Path to Prosper is Ornua's five-year corporate strategy, focused on delivering three core missions:

- We will sustainably maximise the profitability of our brands by focusing on a consumer first strategy that will deliver scale, premiumisation and increased returns for Irish dairy farming families.
- We will leverage our customer-led core competencies in specific geographic markets with a clear focus on sustainable, profitable operations to generate additional value.
- We will protect and support the sustainable growth and profitability of our member co-operatives and commodities business by leveraging our global scale, positive relationships and expertise in international markets.

In turn, our customers, our people, and the communities we serve, can continue to grow and prosper.

## Environment, Social & Governance (ESG)

We have been making progress in reducing our environmental impact, strengthening the sustainability of our supply chain and making a positive difference in the communities which we represent and operate in. To accelerate our actions, we have redeveloped our ESG strategy, with a concentrated focus on four core areas: Environment, Social, Governance, and Responsible Supply Chain.

## Protecting People

### Policies and Initiatives

As a co-operative, our partnerships and our people are key to us delivering our business strategy and creating value for our member co-operatives. Our business is powered by our team of over 3,000 people, representing 65 nationalities worldwide, working as one team to ensure the principles of our co-operative ethos are to the fore in all that we do. Ornua has a number of policies and initiatives to underpin our strategy and values, and provide clarity on how together we act ethically and with integrity to protect every one of our employees and prevent forced labour and human trafficking in our business, as follows:

**Code of Business Conduct & Ethics** setting out the key principles that constitute our way of doing business ethically. All employees are responsible for ensuring adherence to this Code.

**Dignity at Work Policy** ensuring fair employment practices and equality of opportunity for all current and potential employees, by promoting a work environment free from discrimination, intimidation, or harassment.

**Ethical Trading Policy** is based on the principles in the Ethical Trading Initiative and sets the ethical standards that Ornua's UK subsidiaries adhere to in tackling modern slavery.

**Our Employee Assistance Programme** is available to all our employees and their families to provide independent and informed support to safeguard their wellbeing and address work or personal concerns.

**Our Health and Safety Management System** commits to creating a culture with heightened focus on health and safety to provide a safe place to work on all our sites.

**The Diversity & Belonging** team are responsible for fostering a culture where everybody can bring their whole selves to work and maximises inclusion in our workplace.

Ornua's **'Spring Wellbeing'** initiative ensures employees feel supported and can thrive in the workplace. A dedicated Spring Wellbeing team run employee-focussed wellbeing initiatives across all our key locations.

### Recruitment Process

Our HR Teams across the globe conduct rigorous 'right to work' checks when hiring, to ensure only individuals entitled to take up employment are hired in a particular country. If we sponsor visas/work permits, we follow due immigration process in each jurisdiction and ensure salaries for such roles are at fair market rate.

## External Accreditations

Ornua received the following accreditations for our activities implemented in Ireland to protect our employees and pursue ethical business practices.

### Business Working Responsibly Mark

Ornua was awarded the Business Working Responsibly Mark, in partnership with Business in the Community and third party verified by the National Standards Authority of Ireland (NSAI). This is a leading business sustainability certificate and supports the integration of environmental and social imperatives into core business practices. This standard assesses the effectiveness of our management systems in addressing the social responsibilities that are relevant to their purpose and vision and how this impacts our stakeholders, customers, employees, communities and the environment.

The standard was awarded following a six-month assessment in five core pillars: Ornua's Corporate Social Responsibility Governance, Workplace, Marketplace, Community and Environment. The Business Working Responsibly Mark is a testimony to Ornua's excellence in ethical, environmental and social governance.

### IBEC KeepWell Mark

Ornua was recognised as a leading employer in wellbeing through the IBEC Keepwell Mark, an Irish accreditation designed to acknowledge and celebrate companies at the forefront in promoting corporate wellness within company policy.

# Managing Our Supply Chain

## Our Supply Chain

Our extensive supply chain encompasses more than 2,500 suppliers across various sectors, including dairy and non-dairy ingredients, as well as freight forwarders and facility management companies.

We acknowledge that the wide range of products, sourcing locations, markets, and regulations associated with our purchases and distribution can pose potential risks.

Consequently, we are proactively enhancing our strategies and frameworks to assess risk within our supply chain. We have already established and improved several policies (as detailed below) in response to identified risks, and we remain committed to further refining and advancing our approach to ensure responsible and ethical conduct by our supply base.

## Policies

Ornua's business philosophy, rooted in our co-operative ethos, requires that we aim to work only with business partners who can consistently meet with our standards and specifications and are committed to values of conduct that are compatible with our own.

We have implemented the following policies to ensure our suppliers meet these standards:

**Our Business Partner Code of Conduct ("Code")** reflects Ornua's commitment to operate responsibly and uphold human rights. The Code contains fundamental standards in relation to no child or forced labour, provision of safe places of work and decent working conditions, protection of the environment, and ethical business conduct (anti-bribery and corruption). The purpose of this code is to ensure these standards are upheld by suppliers of goods and services to Ornua. Since 2022, Ornua's standard contracting terms require all suppliers to adhere to this code.

**Ornua's Counter-Party Approval Process** ensures all business partners (customers, consignees, and suppliers) are screened prior to doing business with Ornua to ensure they have a clean record and have not been convicted of any criminal activity, including modern slavery and human trafficking. The majority of Ornua's business partners/counterparties are also rescreened periodically.

**Ornua's Procurement Category Management Strategy Policy** ensures we source the right suppliers who accept and comply with Ornua's policies.

Ornua continues to develop its **Group Responsible Sourcing Framework**. The framework will include relevant policies, processes and metrics for responsible sourcing of priority raw materials including dairy, soya, palm oil and fibre-based packaging. Environmental and social risks including deforestation, climate change and human rights will be considered as part of the framework.

## Independent Platforms

To support our internal policies, Ornua is a member of organisations that provide independent support and verification of our actions to mitigate the possibility of modern slavery risks in our supply chain.

A number of our manufacturing facilities in Ireland, the UK and US are members of SEDEX, a platform for businesses to collaborate on ethical and responsible practices in their business and supply chain. Member sites are audited against ethical and human rights standards, usually in the form of SEDEX Member Ethical Trade Audit (SMETA). The SMETA audit is based on the Ethical Trading Initiative base code and UK laws. Ornua also uses the SEDEX platform to help assess and verify the ethical standards of our suppliers.

Ornua is in the process of transitioning to a shared group wide supplier management system called 'Foods Connected'. This process is now live across our sites in the UK, Ireland, Spain and Germany and we are continuing the process of adding our other sites to the Foods Connected system. This will complement the onboarding process for suppliers of raw materials to Ornua, which includes the requirements to share a supplier SEDEX membership number or where a SEDEX supplier membership number is not available, a detailed assessment is completed which covers all aspects of potential business risks, including modern slavery risks. The completed detailed assessment is then added to the Foods Connected system.

Ornua is a Sustainable Agriculture Initiative (SAI) Partnership Member. This is one of the primary global food and drink value chain initiatives for sustainable agriculture. The SAI envisions a sustainable, thriving, and resilient agricultural sector that protects the earth's resources, human rights and animal welfare.

Ornua's business in Germany is accredited by the ZNU-Standard for Sustainable Management. This standard supports companies in becoming more sustainable, demands continuous improvement and integrates all three dimensions of environmental, economic and social issues, with a strong focus on protecting human rights.



## Reporting

### Reporting Channels

Ornua has an open-door policy that gives employees the freedom to approach any member of management with ethical questions or concerns relating to our business. To support this approach, our **Whistleblowing Policy** provides a framework for our employees and suppliers to report concerns about illegal, dangerous or unethical conduct within our business, without fear of reprisal.

An independent global reporting service is available for employees to raise concerns, on an anonymous basis if necessary. All whistleblowing incidents are reviewed by our audit committee, fully investigated, and appropriately actioned. In 2023, there were no reports received relating to modern slavery risks or human trafficking.



# Due Diligence and Risk Assessment

## Organisational Risk Governance in Ornua

Ornua values lead our ethos around organisational risk management; building a positive risk culture supported by a formal risk management policy and processes. Ornua's risk management framework has been designed using the Three Lines of Defence Model (Institute of Internal Auditors, 2020), which sets out how responsibilities are divided in relation to managing and monitoring risk across the Group.

Ornua's Risk Management Policy requires Ornua to implement a framework for identifying, assessing, and managing risk, at all levels of the business, to ensure it remains alert to the ever-changing environment in which it operates. This framework underpins a common language and approach to risk management and facilitates the early identification and assessment of risk, such as modern slavery and human rights risks.

By focusing on the proactive identification of our modern slavery and human rights risks, the framework enables Ornua to consider the appropriate mitigation steps or management actions.

We recognise our profile of modern slavery and human rights risks are not static and we endeavour to evolve in line with changes in operations, supply chain and the macro environment.

The updated enterprise risk management framework both aligns and enhances the already established human resource policies and procedures, property management and health and safety programmes which ensure an appropriate working environment for direct/indirect employees and contractors.

## Operational Risk Management

In 2023, Ornua conducted an assessment to better understand our potential operational modern slavery and human rights risks across production and supply chain. This assessment drew on several NGO and government reports, to develop individual modern slavery risk profiles per production location across North America, Europe, Africa, and Middle East. Subsequently, collaborative cross-functional workshops were held for each production site to understand the residual risk profiles and areas for improvement. The outcomes of this assessment, alongside the implementation of Ornua's redeveloped ESG strategy, will drive and prioritise the actions to prevent modern slavery and human trafficking at a production site level.

## Independent Review

In 2023, Ornua engaged a specialist consultancy firm to benchmark Ornua's governance, reporting and management of modern slavery risk across its operations and supply chains against best practice standards, such as the OECD Due Diligence Guidance for Responsible Business Conduct, and the UN Guiding Principles for Business and Human Rights. The outcomes of this initiative will help us effectively prioritise our activities in 2024.

## Our Progress in 2023

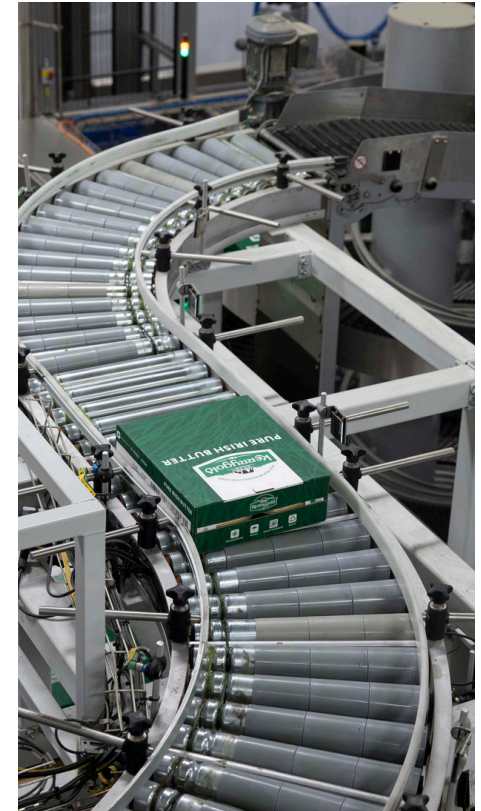
Focus Areas	KPIs Achieved
<b>Training</b> – Deliver training to Ornua employees who manage our employees or our business partners.	> Dedicated training was rolled out to HR, production and supply chain employees in Africa, Middle East and North America Foods.
<b>Awareness</b> - Raise awareness amongst employees on the topic of modern slavery and human trafficking.	> To mark World Anti-Slavery Day on October 18, we ran a global week-long awareness campaign to create a greater understanding of our organisational commitment and our individual roles in combatting modern slavery and human trafficking.
Environmental Social and Governance Strategy (ESG strategy)	> In 2023, Ornua redeveloped its ESG strategy, focussing on the impact we have across environmental and social topics as well as Ornua's commitment to a responsible and ethical supply chain.
<b>Increased Risk Assessment</b> - To better understand the risk areas within our business.	> Ornua relaunched its enterprise risk management and completed the operational risk assessment for Ornua's production and supply chain operations in North America, Europe, Africa and the Middle East to identify Ornua's modern slavery risks.
<b>Independent Expertise</b> – Engage external expertise to identify how to improve our modern slavery policies and procedures.	> Worked with an independent consultant to benchmark our practices against best practice standards and create a roadmap to improve these practices.

## Focus Areas for 2024

> Continuing training and awareness by building on the success of last year's campaign, including launching a dedicated modern slavery section on our intranet, to ensure that all our anti-modern slavery resources, training and information are easily accessible to our people and business partners.

> Integrating the management of modern slavery risk into the implementation of our ESG strategy, responsible sourcing framework and enterprise risk management programme. These strategic and organisational initiatives will improve our governance and policies relating to modern slavery as highlighted by the independent review undertaken in 2023

> Implement risk mitigations to address any potentially higher risk activities as identified in the modern slavery operational risk assessment.



# Approval

The statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and has been approved on 23<sup>rd</sup> July 2024 by the Board of Directors of Ornua Co-operative Limited. It constitutes the modern slavery and human trafficking statement of Ornua's Irish and UK legal entities – Ornua Co-operative Limited, Ornua Foods (UK) Limited, Ornua Ingredients Europe (UK) Limited, The Irish Dairy Board (UK) Limited and Ornua Nutrition Ingredients UK Limited, in respect of the financial year ended 30 December 2023 and is signed by Aidan O'Driscoll a Director of Ornua Co-operative Limited.



Aidan O'Driscoll

Chair  
Ornua Co-operative Limited