


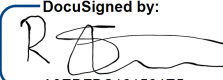
## Global Policy

### Modern Slavery Mitigation in Supply Chain

<b>Policy No.:</b>	1.14 (Version 1.0)
<b>Issue Date:</b>	16.08.2023
<b>Last Update:</b>	--
<b>Applies to (Region):</b>	All
<b>Applies to (Department):</b>	Product Supply, Commercial Operations, and all Functions managing supplier relationships
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## 1. Policy Statement

Envu is committed to acting ethically and with integrity in all its business dealings and relationships.

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain.

Envu follows the Principles of the United Nations Global Compact as well as the International Labour Organization (ILO) Forced Labour Standards. Envu strictly prohibits the use of Modern Slavery and human trafficking in its supply chains. Envu operates in an ethical way to mitigate and eradicate the risk of violating human rights. Envu is fully committed to improving its systems and controls to ensure that Modern Slavery and human rights violations do not occur in any of its operations or supply chains. Suppliers of Envu must commit to doing the same within their own supply chains as stipulated in the [Envu Supplier Code of Conduct # 1.08](#).

Envu expects all its suppliers to have ethical processes and policies in place within their own businesses and throughout their supply chain. Envu will monitor supplier compliance with this Policy with a focus on suppliers with a higher risk, through the use of the Supplier Sustainability Assessment process. This will enable appropriate risk management and continuous improvement of suppliers and will require them to provide evidence of their business practices and controls in relation to Modern Slavery.

## 2. Introduction

Numerous Modern Slavery laws came into force around the world over the last decade with the objective to require mid-large businesses to publicise how they monitor, protect and remedy risks of Modern Slavery of any kind in their supply chain or operations.

As a global business operating in many countries with Modern Slavery legislations and regulations, Envu is required to comply with these laws (e.g. Modern Slavery Act in the UK). This Policy outlines Envu's approach to preventing and mitigating Modern Slavery in its supply chain and the obligations on staff and suppliers.

## 3. What Is Modern Slavery

**Modern Slavery** is the term used to encompass the act of taking away someone's freedom and depriving them of their liberty in order to exploit them for personal or commercial gain. It covers the following terms:

**Forced labour** is where the person is made to work against their own free will, whereby they cannot leave without penalty or the threat of penalty. The threat is not always related to violence and can be in the form of loss of rights or privileges, withholding passports or identity papers, or the threat of denunciation to the immigration authorities.

## Human Trafficking <sup>1</sup>

Trafficking in persons, or human trafficking, can lead to forced labour or slavery. This is the act of “recruitment, transportation, transfer, harbouring, or receipt of persons by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.”

When trafficking leads to forced labour, people are tricked, deceived or coerced into travelling to a job that either never existed or, if it did, the terms and conditions were not as stated. It is important to note that:

- The victim may consent to the travel, for example in cases where they are deceived by the promise of a better life or job, or where a child is influenced to travel by an adult
- Travel does not need to be cross border but may be within country
- The exploitation of the potential victim does not need to have taken place – simply that the movement of the individual was with a view to exploiting them.

## Bonded labour

Bonded labour is also known as debt-induced forced labour and debt bondage. This involves the taking of a loan or an advance of wages by a worker from an employer or labour recruiter in return for which the worker pledges his or her labour and sometimes that of family members to pay back the loan. Debts may be passed onto the next generation.<sup>2</sup>

## Child Labour

Child labour is defined by international standards as children below 12 years old working in an economic activity, those aged 12-14 engaged in more than light work, and all children engaged in the worst forms of child labour (ILO).

‘Child Labour’ is often referred to as work that deprives children of their childhood, their potential and their dignity and that is harmful to physical and mental wellbeing and development. The type of ‘work’, the child’s age, hours of work, conditions that they work in and the objectives and laws of the country it is carried out in determine if it can be classed as ‘child labour’.

## Identifying behaviours constituting Modern Slavery

Identifying victims of Modern Slavery can be challenging due to the different ways that the crime can manifest itself. There is a spectrum of abuse and therefore it can be hard to tell when poor working practices and conditions, lack of health and safety awareness fall into Modern Slavery. Therefore,

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<sup>1</sup> Defined in the United Nations Convention against Transnational Organized Crime Protocol to Prevent, Suppress and Punish Trafficking in Persons Article 3, paragraph (a).

<sup>2</sup> International Labour Organisation, *Combating Forced Labour, A Handbook for Employers and Business*, 2015 [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_101171.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_101171.pdf)

whilst some actions might not be clearly identified as Modern Slavery under the law, businesses have a responsibility to ensure that the workers in their supply chain are not exploited, that they are safe and that their employment (hours and wage), health and safety and human rights laws and international standards are adhered to.

#### **4. Who Does This Policy Affect?**

This Policy applies to all persons working for, or on behalf of Envu in any capacity. This includes employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors, sub-contractors, and suppliers.

Any country variation to this Policy must be approved by the Envu Chief Procurement Officer and the Envu Head of ESG and New Business Models.

#### **5. Envu Employee Obligations And Compliance With This Policy**

**All employees who manage supplier relationships on behalf of Envu must:**

- Read, understand and comply with this Modern Slavery Mitigation in the Supply Chain Policy # 1.14
- Comply fully with this Modern Slavery Mitigation in the Supply Chain Policy # 1.14
- Undertake all relevant trainings on Modern Slavery where requested
- Adhere to the whistleblowing guidance, which explains that every Envu colleague has a responsibility to ensure that they uphold Envu core values, adhere to the law and deliver against the important commitments set out in the [Envu Internal Code of Conduct # 1.02](#), the [Envu Supplier Code of Conduct # 1.08](#) and relevant Human Resources policies to look out for and report any suspected cases of Modern Slavery in the supply chain, as detailed in the Compliance Process in this Policy. Envu whistleblowing guidance is described in our [Envu Compliance Management Policy #1.09](#).
- Supplier contract owners and managers should ensure that all suppliers must sign up to the [Envu Supplier Code of Conduct # 1.08](#). and that suppliers identified as a potentially higher risk of Modern Slavery complete the Supplier Sustainability Assessment, provide the required information, and undertake the required remedies. Contract owners and managers may be required to carry out on-site audits of suppliers

**If a risk or incident is identified:**

Employees are encouraged to raise concerns about any issue or suspicion of Modern Slavery in any parts of the business or supply chains (of any supplier tier) at the earliest possible stage. If an employee believes or suspects a breach of this Policy has occurred or that it may occur, they must notify their manager, HR or report it in accordance with the [Envu Compliance Management Policy # 1.09](#) as soon as possible.

In addition, any suspicion of Modern Slavery in Envu supply chains should also be sent to Procurement to be investigated as appropriate.

If Modern Slavery is confirmed in the supply chains then this will immediately be escalated to the Head of ESG and New Business Models, the Chief Procurement Officer and the General Counsel or Regional Legal Counsel.

Consideration must be given as to whether Envu should terminate or give the supplier the opportunity to remedy the situation. In either situation you will need to discuss with Procurement and Legal to agree the best way forward.

## **6. Compliance Process**

The compliance process will focus on any suppliers determined to be of higher risk in relation to Modern Slavery. There are three key dimensions that will determine whether a supplier is considered with a higher risk:

1. **Category:** there are certain industries where Modern Slavery is more prevalent, particularly unskilled, and irregular work or seasonal work that requires a large intake of staff. These sectors include cleaning, catering, hospitality, clothing and uniforms, temporary recruitment (blue collar work), and manufacturing (for full details of categories please see Appendix 1).
2. **Country:** the country in which the service is provided or that the product is produced can increase the risk of Modern Slavery. Exposure may be greater in global supply chains in countries where protection against breaches of human rights is limited, particularly with regards to rights of foreign contract workers to retain their own ID and papers, and / or where work arrangements by agents is common, etc. Reference will be made to the Modern Slavery Index. However the country alone should not be used to determine the risk factor.
3. **Annual spend with the supplier:** spend will help us to prioritise which suppliers to assess first. There should be greater focus on suppliers that Envu places a significant amount of business with.

The business must work with Procurement to ensure that all suppliers are given a risk categorisation based on the three key dimensions above.

Business owners and contract managers within all countries and business areas should be aware of the level of risk within their own supply chains, and ensure they contact Procurement if they believe any of their suppliers carry a high risk of Modern Slavery.

All suppliers must sign up to the [Envu Supplier Code of Conduct # 1.08](#)

Suppliers categorised as being with a higher risk must be assessed via Envu's Supplier Sustainability Assessment Platform. This is an evidence-based assessment which assesses the supplier across a range of sustainability themes and provides an overall score. The four main sustainability themes include Environment, Ethics, Labor & Human Rights and Sustainable Procurement. The supplier must be willing to pay for their own audit, but Envu reserves the option to order and pay for any assessment when deemed appropriate. Envu expects suppliers to show that they are improving upon their ethical standards and activities each year.

**Process for new contracts:**

Before entering into a new contract or arrangement with a supplier, or renewing a contract, the category of spend must be assessed against the three key dimensions to determine the potential risk. Procurement can support this process. Contact the relevant Procurement Category Management for guidance.

During the tender or contract renewal process, all suppliers must sign up to the agreed contractual terms as defined in the Supplier Obligations section 7 in this Policy.

Suppliers categorised as potentially being with a higher risk will be instructed to complete a Supplier Sustainability Assessment, or a similar platform as requested by Envu. The supplier must pay for this audit. This should ideally be done before the supplier contract is signed, but as a minimum in all cases within six (6) months of contract start.

If the supplier does not agree to complete a Supplier Sustainability Assessment, they will be added as a risk by Procurement and escalated to the Chief Procurement Officer and the Regional Head of Commercial Operations in charge of the area using that supplier for approval on how to proceed.

If the supplier's score from the Supplier Sustainability Assessment is below the required Envu minimum level, then the supplier must submit and complete a Corrective Action Plan within a mutually agreed time frame. This will also be logged on the Modern Slavery Risk Register by Procurement, and the Corrective Action Plan should be followed up by Procurement and the business owner or contract manager. The required Envu minimum level will, in the first instance, be agreed between Procurement and the business owner or contract manager. Envu may, at a future point, set a minimum score that all suppliers must achieve.

If the supplier is unwilling and / or unable to implement suitable remedies, a decision must be made as to whether to enter a contract, or renew or terminate it. Sign off from the Chief Procurement Officer, the Regional Head of Commercial Operations and the General Counsel or Regional Legal Counsel will be required if a decision is taken to accept the identified issues / risks.

**Process for existing contracts:**

Business areas are required to support Procurement in reviewing the existing supply chain to categorise all suppliers for Modern Slavery risk.

This will take place on an annual basis and be led by the Head of Category Procurement. Suppliers categorised as potentially being with a higher risk will be instructed to sign up to the Supplier Sustainability Assessment Platform, or a similar platform as requested by Envu.

The risk level and the supplier's audit score will jointly determine the frequency in which the supplier will need to complete the assessment.

High risk suppliers may be subject to an audit by Envu's internal audit team, or an external team appointed by Envu.

Once suppliers have undertaken the assessment, their score and any Corrective Action Plan is logged on the Modern Slavery Risk Register by Procurement. Any next steps will be agreed between Procurement and the business owner or contract manager.

If the supplier does not agree to sign up to Envu terms or the Supplier Sustainability Assessment Platform, this will be flagged as a risk on the Modern Slavery Risk Register. Next steps, if any, will be agreed between Procurement and the business owner or contract manager.

If the supplier's score from the Supplier Sustainability Assessment Platform is below an acceptable minimum level, the supplier must submit and action a remediation plan within a mutually agreed time frame. This will also be logged on the Modern Slavery Risk Register and a Corrective Action Plan should be followed up by Procurement and the business owner or contract manager. The required Envu minimum level will, in the first instance, be agreed between Procurement and the business owner or contract manager.

If the supplier is unwilling and / or unable to implement suitable remedies, a decision must be made as to whether to terminate the supplier contract. The Chief Procurement Officer, the Regional Head of Commercial Operations of that business area and the General Counsel or Regional Legal Counsel sign off will be required if a decision is taken not to terminate, and to accept the identified issues / risks.

## **7. Suppliers' Obligations**

All suppliers are expected to operate in accordance with the [Envu Supplier Code of Conduct # 1.08](#). Suppliers must:

- Sign up to and uphold the principles in the [Envu Supplier Code of Conduct # 1.08](#), and provide evidence of such where necessary
- Agree to sign up to an audit platform that Envu decides to use, and to cover the cost of such membership if Envu deem them to be a supplier with a higher risk in terms of Modern Slavery
- Allow Envu to audit their sites (including external third-party audits) where requested and be transparent and honest during all site visits
- Carry out their own audits of sites on a frequent basis and report any important findings to Envu
- Ensure they manage their own supply chain in line with Envu and legislative guidelines
- Report to Envu, as soon as reasonably possible, any cases of Modern Slavery in their own businesses or supply chains

## **8. Breaches Of This Policy**

Every effort should be made by employees to read and understand this Policy. If any aspect is not clear, then please contact the Envu Procurement GPO. Your support is critical to the success of this important programme.

Any employee who deliberately breaches this Policy may face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

Envu may terminate our relationship with other individuals and organisations working on our behalf if they breach this Policy.



## 9. Who Is Responsible For This Policy?

The Chief Procurement Officer owns this Policy. Procurement will review the Policy and processes periodically to ensure they are effective in meeting legislative and ethical standards.

Procurement will support the business with the implementation of the processes, communications with suppliers, and the monitoring of its use and effectiveness. It will also be in charge of the relevant trainings.

It is the responsibility of the Commercial Operations function to ensure that they comply with this Policy. Whilst Procurement and other support functions will provide support and guidance, business owners and contract managers must ensure that they and their suppliers comply with this Policy, and that they maintain a zero-tolerance approach to Modern Slavery within their supply chains.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this Policy and undertake any required training.

Ongoing monitoring of this Policy and process will be part of annual reviews by Envu Leadership and Global Risk Management & Internal Audit.

### Responsibility Matrix:

It is ultimately the accountability of each business segment management to ensure that they comply with this Policy across their supply chains. Please see the matrix below for key responsibilities:

Role/Activity	Procurement Manager	Supply Chain Vetting Controller	Chief Procurement Officer	Business Area	Regional/Country MD	Group Ethics Committee	Head of ESG	General Counsel or Regional Legal Counsel
Owner of Envu Modern Slavery Mitigation in the Supply Chain Policy and Process			X					
Approval of Policy and that it meets Envu legal and ethical obligations						X		X
Periodic review and update to Policy and Processes		X	X				X	
Annual mapping of suppliers against Modern Slavery Risk	X	X		X				

Model								
Ad hoc identification of suppliers carrying high risk of Modern Slavery	X			X				
Management and operation of Supplier Sustainability Assessment Platform		X						
Monitoring of supplier remediation plans and reassessment	X	X		X				
Approval to continue using any supplier unwilling to undertake audit via the Supplier Sustainability Assessment Platform			X		X			X
Approval to continue using any supplier that does not meet agreed minimum levels and / or that is unwilling or unable to remedy material issues			X		X			X
Annual review of Modern Slavery Risk Register including approved exceptions to Policy			X		X	X	X	
Overall responsibility to ensure compliance with this Policy				X	X			

## 10. References

- [Envu Compliance Management Policy # 1.09](#)
- [Envu Internal Code of Conduct # 1.02](#)
- [Envu Supplier Code of Conduct # 1.08](#)

## Appendix 1: High Risk Categories

Category risks may change from time to time:

Commodity description	Category description
Labour (Blue collar)	Human Resources
Temporary Labour	Human Resources
Active Ingredients	Product Ingredients
Vehicle washing and cleaning	Fleet
Third Party Tolling Services	Finished Goods
Sea freight	Logistics & Mail
Stationery	Office Equipment & Services
Office furniture	Office Equipment & Services
Waste disposal & recycling Services	Facilities Management
Housekeeping services	Facilities Management
Office cleaning	Facilities Management
Third party trials	R&D
Hospitality	Food Services
Catering services	Food Services

Corporate work wear	Uniform
Removals & relocation services	Office Equipment & Services
Application Devices	Packaging
Emulsifiers & Emulsions	Product Ingredients
Warehouses	Logistics & Mail
Labelling & Plastics Containers	Packaging