

Anti-Slavery and Human Trafficking Statement



INTRODUCTION FROM THE CEO

LHEO Holding Co. Ltd and its subsidiary companies are committed to preventing slavery and human trafficking occurring in any of its corporate activities, as well as seeking to ensure that our supply chains are also free from such practices. The Directors are responsible for ensuring compliance in their respective departments and also for their supplier relationships. Staff are expected to report concerns and management are expected to act upon them.

This statement has been published in accordance with the Modern Slavery Act (2015) and provides an update on our activities and commitments to prevent modern slavery in our operations and supply chains and sets out the steps we have taken during the financial year 2017/18 which ended on 30th September 2018.

OUR ORGANISATIONAL STRUCTURE

LHEO Holding Co. Ltd is an independent UK company founded in February 2016, with subsidiary companies supplying flavour ingredients to the food and beverage industries since 1965. Subsidiary companies include; Lionel Hitchen Ltd, Lionel Hitchen USA Ltd, Allos Enterprises Ltd, Laughland Ltd and Kingsgate Ltd.

Lionel Hitchen Ltd is the main operating company and has employees based at two UK sites, in Barton Stacey and Andover. Lionel Hitchen USA Ltd. has an office in Florida.

OUR SUPPLY CHAINS

We have zero tolerance towards slavery and human trafficking, and therefore expect all those in our supply chains and contractors to comply with our values.

Our supply chains are global and include the sourcing of a wide range of raw materials principally related to the provision of flavour ingredients for food and drink, including items such as botanicals, essential oils, oleoresins and flavouring substances.

Other suppliers provide us with services such as laundry and pest control.

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POLICIES RELATING TO SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our Business Ethics Policy reflects our commitment to acting ethically and with integrity in all our business relationships together with implementing and enforcing effective systems and controls.

LHEO Holding Co. Ltd and its subsidiaries are committed to treating their employees in a respectful and equitable manner, providing fair rewards and benefits for the jobs they carry out. This is set out in our Equal Opportunities Policy. We have a Grievance Procedure in place to encourage the reporting of concerns as well as a Whistleblowing Policy to provide protection for Whistle-blowers.

Lionel Hitchen Ltd are members of Sedex and undertake the 4 pillar SMETA audit providing our customers with assurance that we are operating in a responsible and ethical manner.

RISK ASSESSMENT

Our food ingredient supply chains are being evaluated and include reviews of geographical risks and supplier's ethical principles. These are then assessed against pre-determined criteria in order to identify areas of highest risk with regard to modern slavery. We acknowledge that certain countries will provide an increased risk of modern slavery.

Guidance is taken from The Global Slavery Index www.globalsslaveryindex.org and their modern slavery prevalence index rank is used for reviewing the geographical risks.

We have identified heightened risks where raw materials are sourced from countries which have a higher prevalence of modern slavery and suppliers are not members of Sedex. In these instances, further evaluation is conducted in order to confirm suitability of supply.

We will continue to assess the segments of our supply chain then put in place measures to mitigate identified risks. Identified actions will be put in place detailing the tasks to be carried out together with appropriate timescales and responsibilities.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

Supplier assessment is taken seriously as part of our due diligence with new suppliers being fully assessed prior to use & existing suppliers subject to regular review.

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In order to monitor and mitigate the risks of slavery and human trafficking occurring within our supply chains we have been undertaking the following due diligence processes in relation to all new suppliers:

- Suppliers are required to complete self assessment questionnaires and provide product information on each raw material they supply to us. This information is reviewed and then decisions made with regards to approval for our raw material supply.
- All suppliers are requested to sign an Ethical and Social Accountability Declaration and to complete a detailed Ethical Trading Questionnaire.
- As part of our supplier approval process, we monitor which suppliers are members of Sedex & which have their own ethical declarations. These aspects are then evaluated which go towards the supplier's overall approval.
- Higher risk suppliers are visited on an annual basis by senior managers from Lionel Hitchen Ltd and if we identify cases of unethical working practices, we will undertake a review with the supplier and any suppliers deemed to be high risk will undergo further discussion or investigation and could lead to them being de-listed and not approved for the purchase of raw materials, goods or services.

STAFF TRAINING

We provide training to all key staff, particularly those involved in making purchasing decisions, to ensure that they understand the risks of modern slavery and human trafficking infiltrating our business or supply chains and effectively operate our policies and procedures aimed at mitigating this risk. Key staff attended the Sedex Conference in 2018 in order to raise further awareness of the risks and their role in mitigating them. Our next steps will be to form a Sustainability Working Group to assess activity to date and objectives for the future on sustainability and ethical standards.

MONITORING OF OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

We measure how effective we have been to ensure that slavery and human trafficking is not taking place in any part of our business or supply chains.

- We monitor internal labour and payroll;
- We assess our material and packaging suppliers against pre-determined criteria;
- We make our staff aware of human rights.

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This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Company's Slavery and Human Trafficking Statement for the current financial year.

I, Eva Agnew, hereby certify that the information contained in the above Statement is factual and has been approved by Lionel Hitchen Ltd's Board of Directors.



Eva Agnew

Chief Executive

Lionel Hitchen Ltd

March 2019