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Issued & Approved By: Peter Tindal

All

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

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

Castelli UK Ltd and all its employees are committed to improving our practices to combat slavery and human trafficking.

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 December 2018.

Organisational structure

Castelli UK Ltd, based in Sevenoaks, Kent is the UK operation of Nuova Castelli SpA in Italy, which was founded in 1892 and is based in Reggio Emilia. Today, with a turnover of more than 500 million euros, including £ 50 million from the UK operation, Nuova Castelli Group is the leading maker and distributor of Italy's famous PDO and non PDO cheeses. In 2014 it was acquired by Charterhouse Capital Partners, a move which has allowed the company to grow still further.

Over the years, Nuova Castelli has entered into important agreements with local dairies to promote and enhance the product understanding. Consequently, all the milk for PDO cheeses comes from breeders and dairy farmers in the area in which they are produced as stipulated by the regulatory standards. Each plant and its respective management have been meeting the most stringent industry standards through rigorous daily monitoring and external audits.

Nuova Castelli products are sold both under its own brand and its customer private labels which is evidence of the strong reputation for reliability that the group has attained among major distribution chains in Italy and abroad.

Castelli UK also has exclusive export agreements with a number of specially selected producers enabling us to offer an extensive range of Italian Cheese with other European cheeses in the UK.

Castelli's excellent range of products being sold through leading retail, industrial and wholesale sectors around the UK and internationally, the UK operation offers support to all customers based in the UK only. Our UK office team includes 9 people and covers all aspects of Commercial, Marketing, Logistics, Technical Services, and Accounting.

Our supply chains

Our supply chains are predominantly based in Europe and we aim at ensuring that all our suppliers and partners are compliant with our Ethical policy.

Our supply chain includes Industrial Cheese packers and Cheese producers based in Europe, and particularly in Italy, Switzerland, Spain, Poland and France; but also, storage warehouses based in the UK and transport companies to ensure delivery of our products into the UK and distribution to our customers.

Our policies on slavery and human trafficking

Castelli UK Ltd is committed to ensuring that all colleagues and workers in our supply chain are treated with respect, work in a safe environment and that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We are a member of Sedex and we have registered with the Stronger Together Initiative.

Considering the obligation to report on measures to ensure that all parts of our business and supply chain are free from modern slavery, we have developed and reviewed our Ethical policy and procedures (Supplier Approval and Service provider Approval) to assess their effectiveness in identifying and tackling modern slavery issues.

Castelli UK Ltd policies and procedures demonstrate our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our supply chains.



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Castelli UK recognizes and promotes, in the implementation of its day to day business activities, the fundamental values of human rights, included in the Universal Declaration of Human Rights, and is committed to comply with all relevant legislation, including UK Modern Slavery Act (2015), and with ILO (International Labour Organization) conventions.

Due diligence processes for slavery and human trafficking

As part of our initiative to identify and mitigate risk, we have developed an Ethical policy for the business and reviewed our suppliers and service provided approval procedure to increase focus on ethical policy compliance, and include verification of the procedures in place to tackle modern slavery.

In order to identify potential risks of modern slavery in our supply chain, Castelli UK Ltd has initiated a risk assessment, which highlighted areas of improvement and generated a prioritised action plan for the team. We assess the potential human rights and modern slavery risks in our Supply chain by considering the country of origin, the industry sector and the type of workforce found.

At Castelli UK, the risk of modern slavery within our employees is low as they are skilled employees working in a controlled environment with established procedures. Our most significant risk is through our supply chain, and more particularly in manufacturing sites.

Supplier adherence to our values

We have zero tolerance to modern slavery and human trafficking, and to ensure all those in our supply chain comply with our values, we intend to review our suppliers' Ethical policies and procedure to ensure compliance with anti-slavery measures.

Castelli UK Ltd requires all suppliers in its Supply Chain to have suitable Ethical Policies, and promotes the use of Sedex through its supply chain. We are committed to work together with all our Stakeholders in identifying and share best practices in the Industry.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we are registered with the Stronger Together Initiative and our Technical Manager attended their event in 2018 to increase awareness. Sedex training modules are also used internally to better understand how to identify and tackle modern slavery.

'Stronger2gether' toolkits and Sedex e-learning are used as a training tool, and a training brief will be communicated to all persons involved in suppliers or partners visits in order to increase awareness and be able to better identify potential concerns in our Supply Chain.

Castelli UK Ltd is committed to continue to raise awareness amongst relevant partners, both internally and externally, on good ethical practices and modern slavery, and to constantly evaluate and identify risks in our supply chain.

Our effectiveness in combatting modern slavery

Our effectiveness in combating slavery and human trafficking will be measured using the following KPIs (Key Performance Indicators):

- All employees involved in suppliers or service providers visit have gone through the Modern Slavery Brief,
- Number of reported suspected and confirmed incidents of modern slavery practices in our Supply Chain,
- Supply chain risk assessment completed for all direct supplier and service providers,
- Suppliers and Third-Party Service providers registered on Sedex,
- Suppliers and Third-Party Service providers having an Ethical policy covering Modern Slavery.



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This statement has been approved by a Director, Peter Tindal, and will be reviewed minimum annually to reflects our progresses towards tackling modern slavery.

PETER TINDAL

DIRECTOR

CASTELLI UK LTD

Date:

6/2/19