

INTRODUCTION FROM THE CEO

ALLOS Holdings 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 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 our last financial year.

OUR ORGANISATIONAL STRUCTURE

ALLOS Holdings Ltd is an independent UK company founded in 2016 with subsidiary companies Lionel Hitchen Ltd and Lionel Hitchen USA Ltd. supplying flavour ingredients to the food and beverage industries since 1965.

Until March 2019 ALLOS Holdings Ltd was known as LHEO Holding Co Ltd, with subsidiary companies of Lionel Hitchen Ltd and Lionel Hitchen USA Ltd, and additional subsidiary companies of Allos Enterprises Ltd, Laughland Ltd and Kingsgate Ltd which have since been dissolved.

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 worldwide and cover every continent except Antarctica. A wide range of raw materials are sourced principally related to the provision of flavour ingredients for food and drink, including items such as botanicals, essential oils, oleoresins, and flavouring substances. A range of other suppliers provide us with services such as laundry, pest control, waste removal and site contractors.

We actively encourage our key suppliers on their social responsibility journey and the continuous improvements they are making.

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.

ALLOS Holdings 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. We have policies in place to demonstrate our determination and commitment to tackling slavery and human trafficking that are regularly reviewed and approved by senior management:

- ✓ Anti-Corruption & Bribery Policy
- ✓ Anti-Harassment & Bullying Policy
- ✓ Business Ethics Policy
- ✓ Equal Opportunities Policy
- ✓ Grievance Procedure
- ✓ Whistleblowing Policy

Lionel Hitchen Ltd are AB members of Sedex, which provides the opportunity to review supplier SMETA audit non-conformances which can then be discussed to focus on best practice & opportunities for improvement. The last SMETA audit was conducted at Lionel Hitchen in September 2020; one non-conformance was raised which was actioned & closed out promptly. The next SMETA audit is scheduled for September 2023.

Lionel Hitchen Ltd is a signatory of the IFRA-IOFI Sustainability Charter in 2020 which is a voluntary framework showing our industries' sense of responsibility and commitment to making a difference.

In 2020 a Sustainability Policy was developed which encompasses all key aspects of governance regarding Social Responsibility. In 2021/22, we developed a Supplier Code of Conduct and a Supply Chain goal was for 20 key suppliers to agree to the Code of Conduct by the end of 2022. We were able to meet this target. We will continue to roll this Code out to further suppliers in 2022/23. The Code documents our expectations regarding compliance to legislation and upholding the principles of the Ethical Trading Initiative.

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In 2021 and 2022, we received an EcoVadis Silver Sustainability Rating, which gives an evaluation of how well a company has integrated the principles of Sustainability/CSR in their business and management system. We have an ongoing action plan for improvement with the aim of improving our sustainability rating.

RISK ASSESSMENT

Our food ingredient supply chains are regularly evaluated and include reviews of geographical risks and suppliers' 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 Sedex Radar platform which explores labour, human rights, governance and environmental risks within specific countries or regions. We have identified heightened risks where raw materials are sourced from countries which have a higher social responsibility risk and suppliers are not members of Sedex, EcoVadis or another ethical platform. We will continue to assess the segments of our supply chain then put in place measures to mitigate identified risks.

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.

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 Supplier Questionnaire. This requirement has now been extended to more of our key service providers.
- ✓ As part of our supplier approval process, we monitor which suppliers are members of Sedex & which have their own ethical declarations.
- ✓ 85% of our raw material suppliers are now Sedex members and 22% of our raw material suppliers are EcoVadis members. 100% of our raw material suppliers have confirmed they comply with the Ethical Trading Initiative code.

In 2022, implementation of the Qadex Supplier & Raw Material Approval system began in earnest with the first stage of the implementation being supplier approval and risk assessment. The supplier risk assessment has a specific social responsibility section, and this will be further strengthened when raw material implementation is rolled out in 2023. This system enables us to more easily track compliance and identify opportunities for improvements across our supply base. Approximately 80% of our spend on raw materials comes from 13 suppliers, most of whom we have been sourcing from for over 20 years.

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.

For example, the Whistleblowing Policy is made clear to staff during site inductions, routine refresher training & via the staff newsletter available on our intranet system. Hard copies of our staff handbook (which includes the Whistleblowing Policy) are available to operational staff at key locations at both sites.

In 2022, using web-based training platforms we have carried out numerous training programmes across the business. We have also rolled out a programme of HR training to team leaders and line managers and training on Competition Law and Anti-Bribery and Corruption to our Directors, Sales and Purchasing teams.

In 2023, an e-learning course on Modern Slavery is being rolled out to all staff, to raise awareness of the types of modern slavery, the key signs to look out for and how to prevent it, tackle it and report it. Courses on Whistleblowing and Anti-Bribery are also being rolled out and all staff will be required to take the courses which include a test of their knowledge.

EMPLOYEE SUPPORT

Lionel Hitchen offers all its employees a confidential helpline and an employee assistance programme which they can ring free of charge 24 hours a day for support and advice. This enables any employee to raise any issue, including reporting modern slavery.

MONITORING OF OUR EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

We measure and control 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.

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- ✓ We make our staff aware of human rights.

In 2020, we introduced the following Key Performance Indicators to monitor our performance and to report to external interested parties how we are doing against our policy and standards:

- ✓ All new employees complete modern slavery training and regular refresher training will take place.
- ✓ We undertake ethical audits of the recruitment agencies that we use.
- ✓ We will continue to monitor the percentage of suppliers with formal commitments on modern slavery.

These KPIs will ensure that we focus on improving modern slavery risk awareness and understanding across our business and through our supply chain.

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

20th March 2023

Statement for financial year ending 30th September 2022

This statement was posted on the Lionel Hitchen Limited website and the Modern Slavery Registry on 31st March 2023