

## **Re.: Statement in accordance with the UK Modern Slavery Act 2016/17**

### Structure of KMC

KMC is a corporate company established in 1933 with headquarter in Brande, Denmark and with a number of production sites in Denmark.

We supply potato-based ingredients - of the highest quality and with documented provenance - to food industry clients throughout the world. About 95% of the total production is exported to more than 80 countries worldwide.

KMC is 100%-owned by Danish potato growers and operate special sales companies in Denmark, Germany, the UK, Russia, China, Thailand, Hong Kong and UAE.

Being grower-owned means, that we have very high control over the supply chain of our growers and a guaranteed supply of quality-controlled potatoes with rigorously documented origin.

We do not have to source our potatoes in unstable, anonymized world commodity markets, where we do not know the company policies regarding respect for human rights. This ensures consistent, traceable supplies of potatoes to your production set-up needs. Written grower contracts ensures that our farmers are fully aware of their responsibility to act according to valid legislation and human rights.

### Mitigating risks - high ethical requirements

At KMC, we do not just buy raw materials from our rigorously vetted suppliers. We also invest in their capabilities, to help them in all kinds of practical ways and share our accumulated know-how with them. It is a responsible investment in our shared future, and provides direct, practical benefits for everybody to the advantage of our customers throughout the world.

In the food industry, trust and mitigating risks is crucial for long-term commercial success.

We impose high ethical requirements to everyone involved with KMC – including everybody in our entire supply chain, i.e. delivering a service like transport or a product like wrapping material, machinery or chemicals. Through social engagement, regular meetings and on-spot visits, we aim at raising awareness about full respect for human rights in general, and preventing any kind of modern slavery or unfair treatment in particular.

### Business ethics, social responsibility and honest communication

Based on more than 80 years of commercial successful history, KMC has a distinctive way of conducting business, featuring a professional integrity that we want to make sure our customers feel they can rely on.

If you want further information about the way we do business, please find our written statement for CSR [http://www.kmc.dk/media/96054/acting-responsibly\\_7317.pdf](http://www.kmc.dk/media/96054/acting-responsibly_7317.pdf)

KMC is a rather small organisation with a distinctive personal way of conducting business, featuring a high degree of individual responsibility, delegation and empowerment. We take great care in making sure that our current day-to-day business practices in no way compromise our invaluable professional reputation.

This makes it particularly important for us to follow a clear, consistent codex of business ethics. For example, we do not tolerate or accept any form of bribery or illegal, undocumented payments, favours or services in conjunction with soliciting business or with the carrying out of KMC business transactions.

#### Respect for human rights

KMC has high demands on all its suppliers and their sub-suppliers to i.e. the respect for social rights and labour rights at the production facilities.

We demand full respect for all human rights, child labour, homeworking and migrant workers.

We do not accept any kind of forced labour or human trafficking and embrace our responsibility in all our operations.

The same requirements counts for our suppliers and contractors as already mentioned.

So far, we have not been able to identify any issues related to human rights among our suppliers, employers, partners or other business relations. Should any incident of disrespect for human rights, forced labour or human trafficking be identified, we trust all our business partners will react and inform KMC immediately and appropriate actions will be taken!

#### Risks of forced labour and child labour - prevention

KMC recognise that prevention of modern slavery is an important and complex area.

In general, we therefore only engage with well-respected partners and sup-suppliers with high ethical standards and well-known policies about their CSR-policy.

As an example in our contracts with our carriers the requirements about official reporting to the public tax authorities about tax, working hours and salary is being stated – being in Denmark or abroad. The same responsibility is effective for their partners and sub-suppliers.

We have regular dialogs and meetings with our business partners in general and when we renegotiate our contracts. Based on a risk assessment and randomisation we make audits at our suppliers that include ethical checks. This year we audited i.e. two of our large suppliers of wrapping material – and we plan to do more audits for the future.

KMC aim at keeping a high credibility and integrity in all operations. Via our open and transparent culture, we believe that any incident related to modern slavery will be reviled.

Actions to prevent modern slavery in our business supply chain:

- Open and transparent communication about our strategy and ethics
- Routine with written contracts containing agreed standards
- Written public CSR-policy with ethical elements
- Sharing best practice in the supply chain
- Keep close contact with our suppliers
- Selection of preferred suppliers

Knowledge sharing in practice

All KMC growing and processing operations take place in relatively small towns or agricultural areas of Denmark. This means, our behaviour regarding commercial activities and policies on how we conduct our business is important for local communities with regard to employment, social development and prosperity in general and with respect for all individuals in particular.

Furthermore, the core of the KMC business model lies in our focus on helping customers improve and/or get more out of their products. This involves an increasing degree of active knowledge sharing, which can only be productive and successful in a working atmosphere characterised by openness, integrity and honesty. Therefore, KMC always undertakes to communicate openly and fairly about our policies, practices, products and activities.

KMC is committed to making sure its staff, suppliers and working partners comply with the highest social and ethical standards – both written and unwritten – when doing business. That involves full respect of all human rights.

We believe that our responsibility is our foundation.

This statement is approved and signed by Mr. Nicolai Hansen, CEO of KMC.

Date 27.11.2017

Signature 