

Modern Slavery Statement 2021

**Associated
British Foods
plc**

This statement is made on behalf of Associated British Foods plc and all relevant entities within the Group, pursuant to section 54(1) of the UK Modern Slavery Act 2015, and sets out the steps taken to mitigate the risk of modern slavery occurring within our operations or our supply chains.¹

Overview and structure

Associated British Foods is a diversified international food, ingredients, and retail group with revenue of £13,900m, 128,000 employees and operations in 53 countries across Europe, Africa, the Americas, Asia and Australia. We are a decentralised business split into five business segments: Grocery; Sugar; Agriculture; Ingredients; and Retail.

Modern slavery is a global issue that requires global action. It can occur in many different forms, including, but not limited to, forced labour, child labour and human trafficking. As a group with international businesses with far-reaching and complex supply chains, we have a role to play in ensuring that our businesses make sure rigorous due diligence is carried out; identifying risks and where required, conducting any necessary remediation as well as reporting transparently. We are wholly committed to respecting human rights across our own operations, supply chains and products including but not limited to issues of Modern Slavery.

We value our ongoing engagement and collaboration with a broad range of interested and concerned stakeholder groups to tackle some of these issues. Furthermore, we align our approach to the UN Guiding Principles on Business and Human Rights (UNGPs) that require businesses to have a rigorous approach to due diligence.

The steps that we take to try to eliminate modern slavery, in any of its forms, from our operations and our supply chains are detailed in this statement.

¹ This includes, but is not limited to: AB Agri Limited; AB World Foods Limited; ABF Grain Products Limited; British Sugar plc; Cereform Limited; Primark Limited; Primark Stores Limited; and R. Twining and Company Limited. For a full list of Associated British Foods plc subsidiary undertakings, please see Note 29 of the notes to our financial statements in our 2021 annual report and accounts <https://www.abf.co.uk/ar>

² https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_813449/lang-en/index.htm

Covid-19 and Modern Slavery

The impacts of the COVID-19 pandemic on people's lives continue to be felt across our global supply chains.

We are committed to continuing our efforts to support decent work and strengthening supply chain resilience in the face of the lasting impact of the pandemic. In particular vulnerabilities and inequalities have been exacerbated by the pandemic, with many workers left to bear the emotional and economic scars caused by a variety of outcomes from temporary to total loss of work, short or long-term illness and losing family members in countries with little or no public health care and social security. This is particularly true for women who continue to be disproportionately impacted by the pandemic². In addition to family hardship, their responsibilities for caring for family members affected by COVID-19 in the home disproportionately rest with women globally and has grown over the pandemic.

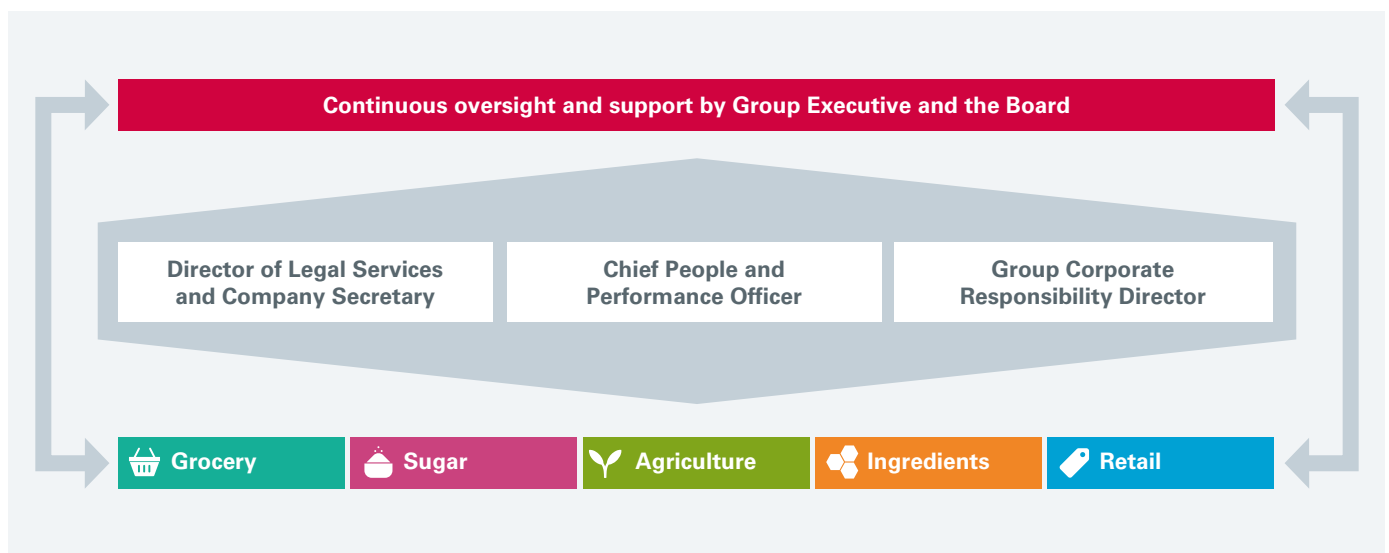
Primark's Ethical Trade and Environmental Sustainability (ETES) team has worked to support the welfare of workers and farmers in its supply chain. All garment orders that were cancelled at the outbreak of the pandemic were either reinstated in full; superseded with new orders; or where this was not possible, the fabric liabilities were paid for, meaning that all garments both finished and in production, as well as any fabric costs incurred for Primark prior to the stores closing were paid for in full. While this situation was unfolding, we established a "wages fund" to support suppliers' ability to pay workers based on the labour component of orders that had been cancelled in the short term. We also pivoted existing activities and partnerships, and established new ones to provide support, alongside our work to uphold our ethical standards in line with our Supplier Code of Conduct and international guidance and best practice. This has evolved to look different in each country, dependent on differing needs, the nature of the pandemic across different countries and the availability of opportunities for partnerships and collaborations. We currently deliver such activities across several of our sourcing countries, with the majority of the activities locally designed and delivered through our ETES team.

Worker awareness and access to a vaccine has grown in many of our sourcing countries as a result of our activities. Vaccine accessibility will be part of the future challenges for workers globally and we are committed to continuing to do all that we can through existing and new partnerships.

Governance and accountability

All our businesses have the opportunity to make a positive difference by identifying, reducing and, where possible, removing risks. Our businesses have risk management systems, processes and resources – all of which we are continuously reviewing and looking to improve. Within individual businesses, responsibility and accountability for risk management sits with their chief executive. They produce risk mitigation plans for all types of business risk, including safety, environment and other material responsibility issues that are reviewed annually by our Board. You can read more about our approach to risk management at the managing risks section (from page 89) of the 2021 Annual Report [here](#).

We are a founding member of the Business Against Slavery Forum, a coalition of business and government that aims to accelerate progress to end modern slavery. As a group, we discuss areas of potential collaboration to address supply chain risks, raise awareness and support those who have been affected. In the feedback we provide to the Modern Slavery Unit of the UK Government Home Office we aim to open a window on the reality of supply chains within responsible businesses. In June 2021, the Business Against Slavery Forum coalition hosted a Ministerial Forum at which the chief executives of member companies discussed relevant issues with ministers. Our Chief Executive, George Weston, attended this event and contributed to discussions on several themes, including the UK Government's forthcoming Modern Slavery Strategy Review, the challenges involved in modern slavery due diligence and how to approach transparency and other levers for positive change.



Standards and policy

As a Group with international businesses that have suppliers and representatives the world over, we have a responsibility to act in accordance with the recommendations laid out in the OECD guidelines. Our businesses expect that their suppliers and representatives uphold the values and standards that we have established as a Group and share that responsibility.

Our comprehensive group-wide Supplier Code of Conduct sets out the values and standards we expect. It is based on the eight core labour conventions (which cover collective bargaining, forced labour, child labour and discrimination) of the ILO and the Ethical Trade Initiative (ETI) Base Code. We engaged with stakeholders in the creation of this Code and periodically update it to ensure its relevance. It clearly outlines our zero tolerance of forced or bonded labour.

Accordingly, we expect suppliers and representatives to our businesses to comply with, and to seek to develop relationships with their own supply chains consistent with, the principles set out below. They must also be compliant with all local laws and the following principles as a minimum.

Our Supplier Code of Conduct principles are:

- 1 Employment is freely chosen
- 2 Freedom of association and the right to collective bargaining are respected
- 3 Working conditions are safe and hygienic
- 4 Child labour shall not be used
- 5 Land acquisition
- 6 Living wages are paid
- 7 Working hours are not excessive
- 8 No discrimination is practised
- 9 Regular employment is provided
- 10 No harsh or inhumane treatment is allowed
- 11 Confidentiality
- 12 No bribery or corruption will be tolerated
- 13 Environmental management
- 14 Quality
- 15 Audit and termination of agreements



Businesses are required to get their suppliers to sign and ensure adherence to this Code. Read the Code in full [here](#)

Each of our businesses has the responsibility for implementing the Code and monitoring compliance against it. A number of businesses have created tailored approaches to tackling modern slavery and human rights that go beyond the application of a Code on its own.

- Primark's Code of Conduct has been translated into 44 languages. Primark recently reviewed and updated its Code to strengthen its clause guarding against forced labour and include a clause requiring its suppliers to have a grievance procedure for workers and will aim to publish its supply chain human rights policy in 2021.
- Our Agriculture division has a Human Rights Policy setting out its commitment to respect human rights.
- In our Grocery division, Twinings has a Human Rights Position Statement which it was updated in 2021.
- Our UK Grocery businesses are following the Stronger Together guidance to develop and enhance policy.
- AB Sugar has developed their modern slavery policy and created their "We Listen, We Act, We Remedy" toolkit.
- A cross-divisional working group has been established to focus on what steps can be taken in response to emerging forms of state-sponsored forced labour.

Training and awareness-raising

One of the major areas of focus for our businesses over the last six years has been for them to train their people and raise their awareness of modern slavery issues. Last year, we developed a new online training module designed to raise awareness of modern slavery. The course seeks to educate on modern slavery and forced labour, providing real-life examples and highlighting the importance of managing known risks. The course also outlines how those operating in our supply chain can help to address the risk of modern slavery and human trafficking. A number of our businesses have created tailored training to raise awareness with different stakeholder groups.

AB Agri

AB Agri trained nearly 200 transport managers, commercial teams and delivery drivers (who visit more than 1,000 farms across the UK every year) to recognise the signs of modern slavery and forced labour.

Westmill

All newly appointed individuals with recruitment responsibility completed the Stronger2gether e-learning training within their first three months in role.

AB Sugar

AB Sugar's training explains the different types of modern slavery; develops an understanding of who could be vulnerable to slavery practices and provides practical examples from its supply chain; focusing on areas such as growers in Africa or the buying from third party suppliers in Europe.

- AB Sugar created online training to raise awareness of the potential for modern slavery in its supply chain and to provide staff with advice on how to act on concerns, such as contacting independent whistleblowing hotlines. It is currently exploring how the online training can be shared with its suppliers. So far, more than 75% of those employees invited have completed the online training.
- In 2021, the company continued to roll out training to all staff alongside communicating with its growers and suppliers on the importance of identifying risks and tackling the causes of modern slavery risk in its supply chains.

Primark

Primark has been running its Ethical Trade and Environmental Sustainability programme for over 10 years and this includes a range of programmes that seek to help workers in its supply chain understand their rights at work. A dedicated team manages these programmes, working closely with local teams, NGOs and other organisations to design and deliver them. Examples of Primark's work include the following programmes:

- The My Life programme in southern India, developed by Primark in partnership with international NGO Women Win, supports factories to train workers on basic life skills, including health and safety in the workplace, rights and responsibilities, communication and teamwork. The training is particularly targeted at female and migrant workers and is delivered through a 'play-based' approach, which uses interactive activities to help workers engage and learn. The programme is implemented by Women Win and local NGOs Naz Foundation. To date, the project has reached more than 8,000 workers in twelve factories.
- In Bangladesh, Primark partners with the ETI on a social dialogue programme. The programme strengthens the capacity of worker participation committees and helps workers and management understand their rights and responsibilities. The project has reached more than 25,000 workers and managers in fifteen factories.

Jordans Dorset Ryvita

- All Jordans Dorset Ryvita (JDR) buyers are trained on modern slavery.
- This year, JDR completed its face to face supplier training on modern slavery, which focused on traders for its commodities sourced from Turkey.
- This year JDR have rolled out an online e-learning module in Modern Slavery beyond the buying team to over 50 colleagues in sales and marketing.

Risk identification

Some of our businesses have undertaken a risk assessment process to understand which supply chains may be at higher risk of modern slavery. This may be due to the country of origin, the product or industry characteristics (such as seasonal cycles) or workforce characteristics (such as migrant workers). They continue to develop action plans for supply chains that may be at higher risk of forced labour. For example, Twinings undertook a human rights assessment of its whole operations and mapped the value chain against human rights risks, considering how each group could be negatively impacted.

For the non-Retail businesses, the current risk assessment is supplemented with access to the Supplier Ethical Data Exchange (Sedex) and Maplecroft's risk assessment tool, which provides insight into some of our supply chains and suppliers with the highest risk. The risk of modern slavery is not confined to our supply chains, so we also pay particular attention to our own hiring practices.

Remedy

In aligning our approach with the UNGPs, our human rights due diligence includes working with suppliers towards the provision of remedy for those workers whose rights have been negatively impacted.

Some examples from specific businesses include:

- Although Westmill has not identified any forced labour within its supply chains, it recognises the risk of it occurring, therefore the Grocery division employed a full time specialist to operate in Turkey on behalf of the division to help risk assess its suppliers and manage any remediation required.
- AB World Foods and JDR have joined Phase 2 of the Fair Labour Association's 'Harvesting the Future' project. AB World Foods is joining JDR, who have been actively involved in this project since its beginning in 2019. For this project, the FLA is partnering with multiple stakeholders to improve recruitment and employment practices among seasonal migrant agriculture workers in Turkey.
- Twinings has specific partnerships in place in various regions (UNICEF in Assam and CARE International in Sri Lanka), which help it to identify and remediate potential issues as part of specific programmes. More information on current partnerships and programmes can be found online.

AB Agri

Addressing risks in ingredient supply chains AB Agri continues to build a deep knowledge of the 2,977 different ingredients, from more than 1,400 suppliers, who in turn source from 82 countries. AB Agri are now using this new insight to more accurately risk assess the ethical, social and environmental risks associated with their ingredients in sourcing locations around the world. AB Agri has mapped out 94% of its ingredient/supplier/source country combinations, providing a baseline for ethical risk assessments and management. Following a clear process, new products are added to the Authenticate system, and suppliers confirm country of origin for all products. By default, overall risk level is based on the highest individual product risk.

Each AB Agri manufacturing business, excluding China that is planned to be assessed next year, now has a high-risk supplier mitigation plan that will be initiated in the coming year. All high-risk suppliers have been contacted requesting that they register with Sedex and complete the Self-Assessment Questionnaire to allow us to review the additional insight offered and plan any further actions needed. To date 29% of our suppliers have completed this information.



Read our Speak Up Policy online [here](#)

We encourage an open culture in all our dealings between employees and people with whom we come into contact. Honest communication is essential if malpractice and wrongdoing are to be dealt with effectively. Our Speak Up Policy sets out guidelines for the employees of ABF and its businesses who wish to raise issues in confidence; these could include forced labour concerns. We provide an external advisory service for all staff, including casual or agency staff, and make every effort to protect the confidentiality of those who raise concerns.

Primark

Spotlight on grievance mechanisms Primark is taking steps to make it easier for workers in the supply chain to raise grievances directly with the company. A new clause in the Primark Supplier Code of Conduct states:

- there should be a procedure that allows workers to raise and address workplace grievances, without fear of reprisal;
- the procedure must be clearly communicated to workers at the time of their recruitment and be easily accessible to all workers and their representatives;
- the grievance procedure must involve an appropriate level of management;
- the management must address workers' concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned; and
- the grievance procedure must not be used to undermine the role of trade unions and collective bargaining processes and must not impede access to other existing judicial, arbitration or administrative procedures.

Primark is looking at ways it can support its suppliers to implement good grievance procedures. Primark is starting to scale up the China CompanyIQ worker app programme with MicroBenefits, following a successful Phase 1 pilot in 2018.

The Phase 1 pilot, which engaged with 6,000 workers across ten factories, indicated improved transparency of human resources practice, better communication between management and workers, and enhanced worker awareness of rights. The app also provides a function for workers to raise grievances. Six of the ten factories that participated in the pilot have continued with the app and are now self-funding. One factory has also implemented the app in a second factory.

While tools like smartphone apps may provide an effective method for raising grievances, they only work if they are in turn supported by proper management systems and processes for handling and resolving grievances, and we are supporting factories to build their capacity to do this. In 2020, we started to roll out the programme to 10 new factories. Two of the original pilot factories have continued with the app as part of the management systems, and one supplier has extended the app to another non-Primark factory. Since 2020, Phase 2 of the project has now engaged with more than 2,000 workers across eleven factories.

Measuring progress

Across the Group we expect the businesses to develop the right measurements for both their supply chains and the people they employ directly. A number of our businesses have key performance indicators (KPIs) in place in relation to labour standards and they report on these on a regular basis.

The work carried out by some of our businesses in this area includes:

- internal staff and supplier training, and awareness of forced and trafficked labour issues;
- actions taken as part of collaborative initiatives to address modern slavery;
- our policies relating to forced and trafficked labour, and advocacy efforts we have undertaken to draw awareness to or address these risks;
- Code of Conduct non-compliances relating to employment being freely chosen;
- registered grievances in our supply chain relating to any form of forced labour; and
- investigative and remedial actions taken in response to any perceived instance of forced labour in our supply chain.

Transparency

Twinings website includes a [sourcing map](#) that details where their tea and ingredients are sourced.

Likewise, Primark publishes its [global sourcing map](#) which shows information about the factories that manufacture products for Primark. Details include factory names, addresses, the number of workers and gender split of the workforce. The map is reviewed and updated twice a year although, if a factory is no longer being used, it may be removed between formal updates.

Additionally, AB Sugar's [global sourcing map](#) for sugar products was a first for the sugar industry. This interactive map shows where the business grows and sources sugar beet or sugar cane, and also speciality sugar products.

This statement was approved by the board of Associated British Foods plc on the 4th of November 2021.



Paul Lister Director of Legal Services and Company Secretary

This statement is published in accordance with the UK Modern Slavery Act 2015 and covers Associated British Foods plc and its group companies.

You can review our previous statements on the [here](#).

In addition, several businesses within the Group have produced statements that provide further relevant detail in respect of their own operations, these are also available on the [here](#).

You can also learn more about our activities and performance in our 2021 [Responsibility Update](#)