

# MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2020

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

It has been five years since the UK Modern Slavery Act came into force. In those five years, Associated British Foods is proud to have completed the following:



## Created global sourcing maps to improve transparency

- Primark's [Global Sourcing Map](#), which shows its suppliers' production sites representing more than 95% of products for sale in Primark stores, is updated twice a year;
- Twinings has developed an [interactive sourcing map](#); and
- AB Sugar has produced an [interactive sourcing map](#) that outlines where AB Sugar grows, sources and exports sugar. It was the first in their industry.



## Conducted risk assessment and human rights due diligence

- Twinings conducted a human rights assessment to strengthen its due diligence processes;
- Allied Bakeries conducted a risk assessment of its supply base; and
- Primark strengthened its policies relating to human rights and modern slavery, which included reviewing and updating its Supplier Code of Conduct to include a clause on grievance mechanisms.



## Developed training to raise awareness

- ABF has developed a company-wide online training module about modern slavery to help accelerate awareness-raising and give businesses the tools to train people; and
- Westmill, Primark, Twinings and AB Sugar have all created additional stakeholder-specific training.



You can review our previous statements and the individual statements produced by some of our businesses on our [Responsibility site](#).

You can also learn more about our activities and performance in our [2020 Responsibility Report](#) and [ESG Appendix](#).

This statement is published in accordance with the UK Modern Slavery Act 2015 and covers Associated British Foods plc and its group companies<sup>1</sup>. In addition, several businesses within the group have also produced statements that provide further detail. These are available [online](#).

<sup>1</sup> 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 pages 189 to 194 of our [2020 Annual Report and Accounts](#).

## Overview and structure

Associated British Foods is a diversified international food, ingredients and retail group with revenue of £13,900m, 133,425 employees and operations in 53 countries across Europe, southern 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 an international business with far-reaching and complex supply chains, we have a role to play in eliminating these practices. We are wholly committed to respecting human rights across our own operations, supply chains and products.

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 recognise that the UN Guiding Principles on Business and Human Rights (UNGPs) require businesses to address actual and potential adverse human rights impacts, prioritising those that are most severe or where a delayed response would make them irremediable.

Forced and trafficked labour are among the most adverse human rights impacts, and this has been reflected in the increase in and revision of regulation that attempts to address these issues<sup>2</sup>. Even in light of the global disruption caused by COVID-19, Australia is seeking to tighten its modern slavery legislation of 2018, and Canada has introduced its Modern Slavery Bill into parliament.

## COVID-19 AND MODERN SLAVERY

Every year, we have sought to deepen our efforts to tackle modern slavery and are proud of the work that has gone on within and across our businesses.

However, 2020 has seen the unprecedented human impact as a result of COVID-19. This impact has touched the lives of our employees, customers and workers in the supply chain. We know that in a time of crisis, the most vulnerable are the ones impacted the most. Therefore, the people who are at greatest risk of modern slavery need us, and the business community at large, to make progress to eradicate modern slavery. We continue to work to ensure we have effective policy, due diligence and remediation but know that moving forward, our focus remains on the health and safety of workers and doing all we can to support our suppliers.

### Primark

#### Tackling vulnerabilities created by COVID-19

Primark stores in every country in which it has operations had to close over the course of just 12 days in March, representing an existential threat to the business. As a bricks-and-mortar only retailer, with no visibility of how long stores would be closed and with some £1.5bn of stock already in stores, depots and in transit, the company had to act quickly to ensure it was able to withstand the crisis. This included cancelling orders, one of the toughest decisions it has ever had to make.

Since initially cancelling orders, Primark has worked hard at every stage to find cost mitigations, diverting as much of these savings as possible back to the supply chain. In April, Primark established a 'wages fund' to make sure workers were paid as soon as possible for product in production – paying out more than £23m in total. When the stores reopened and trading resumed, Primark was able to make a further substantial commitment: pledging to pay suppliers in full for all outstanding finished garments, and to utilise and pay for any outstanding finished fabric liabilities.

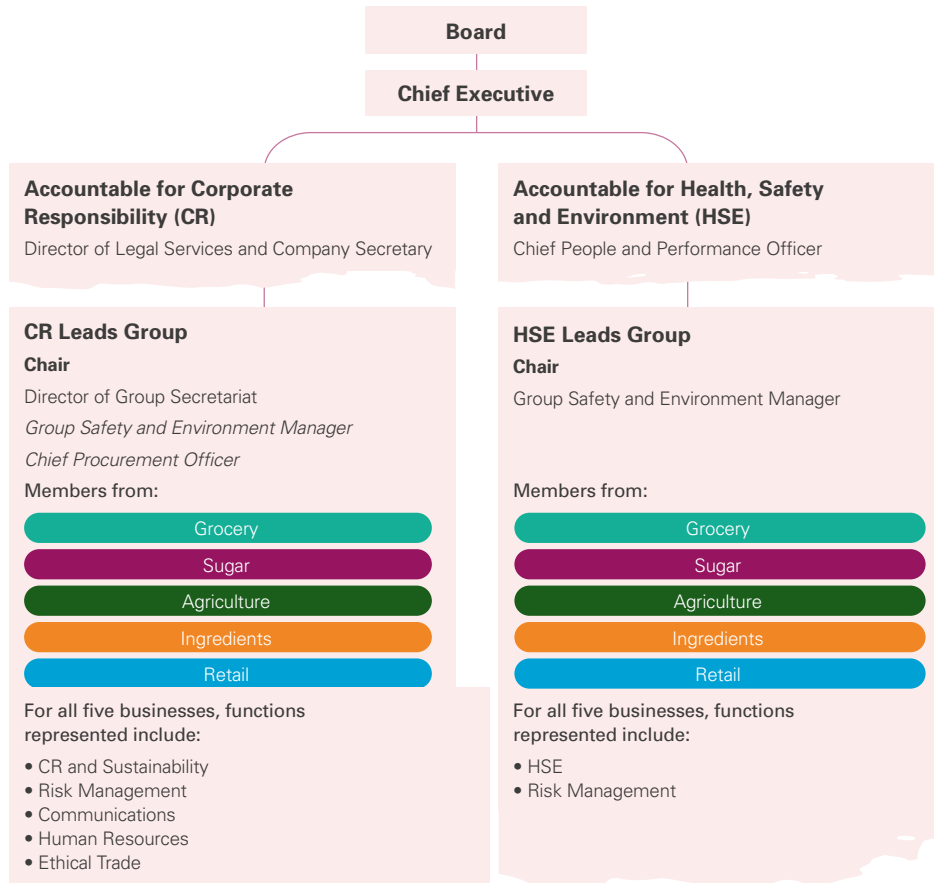
<sup>2</sup> Legislation includes: the California Transparency in Supply Chains Act, EU regulations on reporting, the UK Modern Slavery Act 2015, the International Labour Organization (ILO) Protocol on Forced Labour and, more recently, the Australian Modern Slavery Act 2018 and the Dutch Child Labour Due Diligence Law 2019.

# Accountability and governance

Oversight of the risk of modern slavery sits with the board of Associated British Foods PLC.

We continue to be supportive of efforts to strengthen the UK Modern Slavery Act. Senior executives including Paul Lister met with expert advisors for the UK Government's Independent Review 2019 to provide feedback and share our insights.

We are a 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 focus on collaboration to address supply chain risks, raising awareness and supporting survivors on a pathway to paid employment. We aim to be the voice of responsible business and use our collective leverage to influence international governments and businesses.



# Policy

Our comprehensive groupwide Supplier Code of Conduct sets out the values and standards we expect of our suppliers, representatives and the other people we deal with.

It is based on the eight core 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 NGOs in the creation of this Code and periodically update it to ensure its relevance. It clearly outlines our intolerance of forced or bonded labour.

*Employment is freely chosen: There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour. Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice."*

Suppliers are expected to sign and abide by this Code. [Read the Code in full.](#)

In addition to our groupwide Code, a number of individual businesses have created tailored approaches to tackling modern slavery and human rights that go beyond this Code.

- 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.
- Our Agriculture division has a Human Rights Policy setting out its commitment to respect fundamental human rights as stated in the Universal Declaration of Human Rights.
- In our Grocery division, Twinings has produced a Human Rights Policy and other businesses are following the StrongerTogether guidance to develop and enhance policy.

- AB Sugar has decided to embark on a process to design modern slavery policies, practices and interventions to help protect and support those who are most vulnerable, by conducting deep assessments of actual and potential risks.

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 Whistleblowing Policy sets out guidelines for individuals 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.

Read our [Whistleblowing Policy online.](#)

## Training and awareness-raising

One of the major areas of focus over the last five years has been to train our people and raise awareness of modern slavery.

Last year, we developed a new online training module designed to raise awareness of modern slavery. The course seeks to educate our people about 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. This course was made available to all our businesses and to date, it has been completed by 972 employees.

Where risks of modern slavery are high, we ask our suppliers to conduct their own modern slavery training. For instance, some of the agencies that provide us with temporary labour have conducted internal training at our request.

In addition to this centralised training, a number of our businesses have created tailored training to raise awareness with different stakeholder groups.

### AB Agri

AB Agri trained its 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

Westmill provided modern slavery training to 91% of those employees whose role involves recruitment or procurement.

### 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 a video 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 video can be shared with its suppliers. So far, more than 75% of those employees invited have completed the training.
- In 2020, 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 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.

- 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 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 and SWASTI. To date, the project has reached more than 8,000 workers.
- 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 engaged with more than 24,000 workers and managers in seven factories.

### Jordans Dorset Ryvita

- All Jordans Dorset Ryvita (JDR) buyers are trained on modern slavery. The training includes what it is, how to spot it and why it is important in day-to-day activities.
- This year, JDR completed its face-to-face supplier training on modern slavery, which focused on traders for its Turkish commodities. They have also worked with ABF to develop e-learning on modern slavery, to be rolled out to suppliers this year.

## Due diligence

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). Our businesses are continuing to develop action plans for supply chains that may be at higher risk of forced labour.

Our current risk assessment is supplemented with access to the Supplier Ethical Data Exchange (Sedex) and Maplecroft's risk assessment tool, which gives us an 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 scrutinise our own hiring practices. We undertake a verification of current employees' addresses and bank accounts. When hiring a new employee, we always check identification documents and references.

Temporary workers are at particular risk and we have made special provisions to assess the main agencies that provide us with temporary staff. As part of this, we check whether they are members of relevant professional bodies, as well as their understanding of modern slavery.

Twinings produced a [sourcing map](#) that details where products are sourced. Likewise, Primark published 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. Further details and a downloadable PDF are available to view online.

Additionally, AB Sugar's [global sourcing map](#) for sugar products is a first for the sugar industry. This interactive map conveys where the business grows sugar beet or sugar cane, where it sources sugar and where it exports its sugar products.

## Identifying gaps and tackling key risks

**Associated British Foods recognises the UNGPs, which state that business enterprises should respect human rights. We therefore seek to avoid infringing on the human rights of others and aim to address adverse human rights impacts when we encounter them.**

Some examples from specific businesses include:

- 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.
- Although Westmill has no current examples of bonded labour within its supply chains,

it recognises the risk of it occurring, particularly in areas affected by mass migration from conflict. The Grocery division employed a full-time specialist to operate in Turkey on behalf of the Group to help risk assess its suppliers and manage any remediation required.

- JDR is part of a public-private partnership seeking to eradicate child labour from the hazelnut supply chain in Turkey, working in collaboration with the ILO, the Turkish Government and confectionery companies Ferrero, Nestlé and Mars. It has also recently joined a second cross-industry partnership in Turkey, administered through the Fair Labor Association, which looks at mapping and addressing labour risks in the vine fruit supply chain.
- Twinings has specific partnerships in place in various regions (UNICEF in Assam; 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 its 1,200 ingredient suppliers. This is no small task, but essential for a detailed understanding of ethical, social and environmental risks in sourcing locations around the world.

So far, the company has mapped out 94% of its ingredient/supplier/source country combinations, providing a baseline for ethical risk assessments and management. The mapping of China is due to be completed during 2020.

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.

Building on this global insight, AB Agri is now working with some higher-risk suppliers to better understand the specific local issues they face, and take steps to mitigate them.

## Improvement

**We believe that real change can only come through collaboration with our suppliers and wider stakeholder groups.**

We assess high-priority suppliers either using approved external auditors or our own internal team. We audit against our Supplier Code of Conduct, which provides insight into the working conditions and labour standards of the factories that supply our products. If there are any cases where our suppliers are found not to be meeting the expectations and standards laid out in our Code, we work with them, offering training and support, to help them improve.

We only terminate commercial relationships with suppliers if no improvements are made over an agreed timeframe or there is no commitment to make them. If we uncover situations of modern slavery or any other serious violations, we seek to verify and investigate immediately.

In addition, we collaborate with other buyers using Sedex and AIM-PROGRESS to share audits and reduce audit fatigue for suppliers.

These networks provide an opportunity to collaborate with other businesses on human rights issues. For example, AIM-PROGRESS's Human Rights Work Stream facilitates shared learning on topics such as risk assessments, supplier training and grievance mechanisms. However, it is important to strike the right balance between reducing the administrative burden and tackling root causes.

## 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 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 pilot in 2018.

The 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. We are supporting factories to build their capacity to do this. Our programme with SAVE in India also demonstrates the value of education and community-based systems as supportive and effective methods for raising and addressing workplace grievances.

## Measuring progress

Across the business, we are working to develop the right measurements for both our supply chain and the people we directly employ. 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.

We know that how we measure progress is dictated by the type of progress and change we are seeking to generate.

Some of our businesses are currently tracking:

- 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;
- Supplier 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.

This statement was approved by the board on 28 October 2020.



**Paul Lister**  
Director of Legal Services and Company Secretary