

Associated British Foods plc

Modern Slavery and Human Trafficking

Statement 2019



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 in this document.

Key developments for 2019

- We have developed a company-wide online training module about modern slavery to help accelerate awareness-raising and give businesses the tools to train people.
- In addition to Primark and Twinings, **AB Sugar has produced an interactive sourcing map** that outlines where AB Sugar grows, sources and exports sugar.
- Twinings Ovaltine has published a revised **Supplier Code of Conduct**, available in 11 languages, which contains a clause obliging suppliers to cover the cost of recruitment fees and expenses. Eradicating recruitment fees is crucial for tackling modern slavery.
- Primark is trialling a mobile phone app in China, giving more than 6,000 workers across ten supplier factories access to digital wage slips, a confidential grievance mechanism and 'micro-training' modules (see [page 6](#)).



In the last 12 months, we have built on the progress made in previous years. 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 [2019 Responsibility Report](#) and [ESG Appendix](#).



Living our values

Our efforts to eliminate modern slavery from our operations and supply chain are guided by four values:

ACTING WITH INTEGRITY

We are committed to tackling the issue of modern slavery and know that a continuous effort is needed if we are to play our part in eradicating it from our business and supply chain. This Modern Slavery and Human Trafficking Statement is intended as an honest account of the efforts we are making to address and mitigate this risk to our business and our supply chain.

RESPECTING EVERYONE'S DIGNITY

We believe every worker deserves to be treated with dignity and respect. People are at the very heart of our business and whether they work directly for us, or within our supply chain, we take care to treat people well.

PROGRESSING THROUGH COLLABORATION

We know that, even with a diverse business that spans multiple sectors, we cannot solve or effectively tackle the issue of modern slavery alone. We know that the best solutions will be generated by working in partnership with suppliers and NGOs and by participating in other multi-stakeholder initiatives.

PURSUIING WITH RIGOUR

We must take great care to thoroughly identify the potential and actual risks of modern slavery connected to our business if we are to play an effective role in tackling the issue. With this in mind, we intentionally work to pursue the projects with the greatest positive impact and reach.

Overview and structure

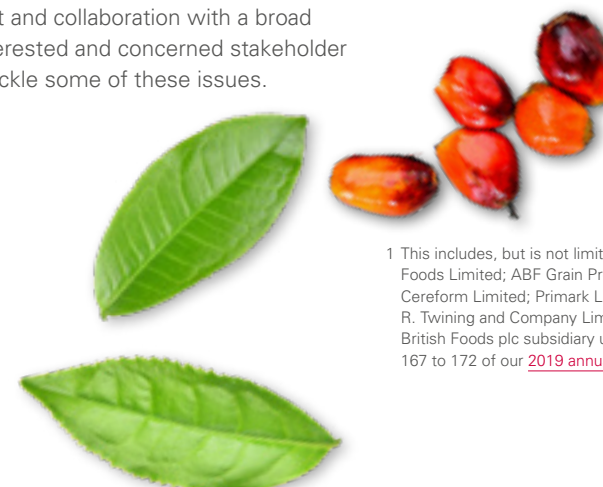
Associated British Foods is a diversified international food, ingredients and retail group with sales of £15.8bn, 138,000 employees and operations in 52 countries across Europe, southern Africa, the Americas, Asia and Australia. We are a decentralised business split into five business segments: Grocery; Sugar; Agriculture; Ingredients; and Retail.

Such diversity means that our operations are widespread, and our supply chains are far-reaching and complex. In spite of this, we are wholly committed to respecting human rights across our own operations, supply chains and products.

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, we have a role to play in eliminating these practices as well as respecting human rights across our operations and supply chains. 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 the issue, including 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, most recently, the Australian Modern Slavery Act 2018 and the Dutch Child Labour Due Diligence Law 2019.

This statement is published in accordance with the UK Modern Slavery Act 2015 and covers Associated British Foods plc and its group companies¹. In addition, several businesses within the group have also produced statements that provide further detail. These are available [online](#).



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 pages 167 to 172 of our [2019 annual report and accounts](#).



Policy

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

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 that go beyond this Code. For example, as a retailer that contributes to the employment of more than a million people in countries around

the world, it is appropriate that Primark has created its own Code of Conduct, which has been translated into 42 languages. Twinings Ovaltine has published a revised [Supplier Code of Conduct](#), available in 11 languages, which contains a clause obliging suppliers to cover the cost of recruitment fees and expenses. Eradicating recruitment fees is crucial for tackling modern slavery.

Our Agriculture division has a Human Rights Policy that sets out its commitment to respect and protect fundamental human rights as stated in the Universal Declaration of Human Rights. Similarly, within our Grocery division, many of our businesses are following the StrongerTogether guidance to develop and enhance policy.

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

Our main focus continues to be on training our people and raising awareness of modern slavery. Over the last 12 months, we have introduced a combination of more wide-reaching as well as bespoke solutions.

This 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 keep it free from modern slavery and human trafficking. This course was made available to all our businesses and, in the six months since it was launched, has been completed by more than 750 employees.

Where risk factors associated with 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. For instance:

- Westmill provided modern slavery training to 91% of those employees whose role involves recruitment or procurement (see [page 4](#));

- AB Agri trained its transport managers, commercial teams and delivery drivers (who visit more than a thousand farms across the UK every year) to recognise the signs of modern slavery and forced labour;
- 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; and
- Primark has a range of programmes that help people to 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. Primark continues to roll out its training course on forced labour and modern slavery for suppliers. The course is designed to provide suppliers with:
 - an understanding of the definitions of forced labour;
 - information on the risks to their business, including imprisonment and fines, commercial and trading risks, and reputational damage;

- guidance on Primark's Code of Conduct for suppliers and its expectations of them; and
- resources for further guidance and support.

The course was developed with content derived from the ILO, including its publication *Combating Forced Labour: A Handbook for Employers and Business*. Primark began this training with a focus on suppliers within the Goods for Sale supply chain and key suppliers within the Goods Not for Retail supply chain (e.g. logistics and operations).



Westmill's tailored approach to training

At Westmill, we recognise that our suppliers and workforce have a significant role to play in tackling modern slavery. We continue to work to ensure that they are equipped with the right knowledge and skills to do so.

For senior management, procurement and relevant technical colleagues

Ethical Awareness Training is provided, as well as specific training on the objectives of the Modern Slavery Act and the prevention of slavery and human trafficking in supply chains. In particular, training covers how to spot the signs of forced labour when visiting suppliers. The Procurement team has been further trained on the ETI Base Code, Sedex and the social auditing process.

For sustainability leads

In addition to the Ethical Awareness Training (for senior managers), sustainability leads completed the SA 8000 training course and the ETI's Human Rights training course.

For line managers and colleagues in recruiting positions

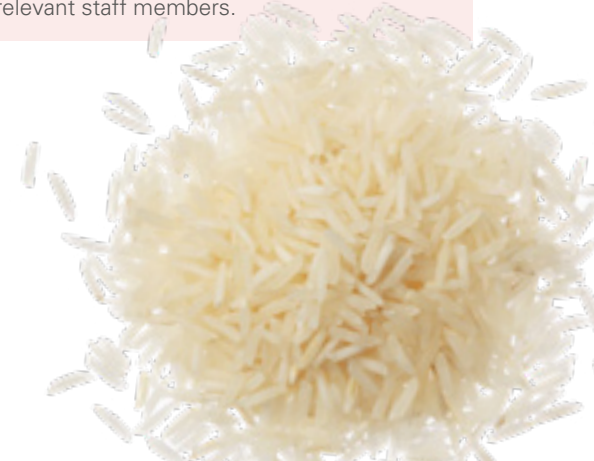
More than 90% of employees in management and recruitment roles have now completed the StrongerTogether e-learning programme, equipping them with essential awareness.

For all other colleagues

Key elements of the StrongerTogether programme are integrated into employee inductions at all sites. As well as internal poster campaigns and presentations at team briefings, internal sustainability sessions are held across all business functions. These cover a range of topics including ethical risk and modern slavery.

For suppliers

Modern Slavery Awareness packs have been disseminated to those suppliers with identified potential risks. Suppliers of cleaners and agency labour have also rolled out StrongerTogether training to relevant staff members.



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.

Last year, Twinings produced a [sourcing map](#) that details where products are sourced.

Likewise, Primark published its Global Sourcing Map, which shows information about Primark suppliers' production sites, which represent more than 95% of Primark products in Primark stores. Details include factory names, addresses, the number of workers and the 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 has published a global sourcing map for sugar products, which 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.

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 verify 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.

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.

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.

Some examples from specific businesses include the following:

- 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. Last year, 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.

- Jordans Dorset Ryvita 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 a number of confectionery companies. 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.



Improvement

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

We assess high-priority suppliers using either 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 Supplier Code of Conduct, 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' 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.

Measuring progress

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

We are in the process of advancing our non-financial Key Performance Indicators (KPIs). A number of our businesses have KPIs in place in relation to labour standards, and they report on these on a regular basis.

Primark: driving dignity digitally

Primark wants everyone in its supply chain to understand their rights and responsibilities at work. To help educate workers, it sometimes uses technology to encourage a culture of trust, fairness and accountability.

In April 2018, the company began trialling a mobile phone application in China, reaching more than 6,000 workers across ten supplier factories. Developed by social enterprise MicroBenefits, the Company IQ app gives workers access to digital wage slips, a confidential grievance mechanism and 'micro-training' modules on topics including the Primark Code of Conduct, health and safety, and personal development.

Through the app, factories have also promoted two fire safety training courses, addressing an important development area. Primark pays particular attention to factory management's understanding and use of the grievance mechanism.

To date, workers have spent a total of 2,804 hours on the app, and one factory delivered 78 online courses. More than 60% of users are female and many are migrant workers. As a result of the trial's success, Primark plans to extend the app's reach to 20 more factories and will continue to review the project's impact.

In April 2019, KnowtheChain published its report [Three Sectors, Three Years Later](#), citing this initiative as an example of promoting workers' rights using technology.

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

The following items are currently tracked in some of our businesses:

- 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-compliance 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 30 October 2019.



Paul Lister

Director of Legal Services
and Company Secretary

