



Bakkavor Modern Slavery Statement

CEO's Statement

Bakkavor published its first Modern Slavery statement in June 2017 and retains the highest standards of employee welfare, safety and human rights within both its own business and across its supply chain.

As the leading provider of fresh prepared food in the UK, with an international presence in the US and China, we are clear in our own responsibilities and in the example we must set to the wider industry.

Working closely and collaboratively with a diverse and far-reaching supply chain is a key part of our success. Our scale, expertise, and our people are what makes us the market leader, and this allows us to react quickly to the ever-changing demands of consumers.

In supplying millions of households with fresh prepared food each day, we are clear that the wellbeing of our colleagues and those in our wider supply chain should never be compromised. People are essential to making the Group the success it is today, and we are committed to ensuring that their welfare and safety remains our top priority.

Human rights are therefore at the very heart of Bakkavor and they are entrenched within our company values of customer care and teamwork. We are absolutely committed to the highest standards of ethics and integrity and have a zero tolerance approach to slavery, forced or trafficked labour – whether that be within our business or across our supply chain.

We are committed to communicating openly and transparently with all stakeholders to ensure that our zero tolerance stance is shared by everyone we work with; risk assessing our own operations and supply chain and using this information to target our efforts to tackle any issues in collaboration with our customers and suppliers.

We are not complacent about this issue and will not compromise in ensuring that the highest ethical standards are met for our customers, suppliers and employees.

Signed

A handwritten signature in black ink, appearing to read "Agust Gudmundsson".

Agust Gudmundsson
CEO, Bakkavor Group plc
June 2019

Modern Slavery Statement 2019

This is Bakkavor Group's third Modern Slavery Statement for the year ending 31st December 2018. We produce one Modern Slavery Statement for the Group, which covers the following key trading entities:

- Bakkavor Group PLC
- Bakkavor Foods Limited
- Bakkavor Fresh Cook Limited
- Haydens Bakery Limited
- Bakkavor Finance Limited
- Bakkavor Central Finance Limited

We have continued to build on the work we outlined in our first two Modern Slavery Statements. Human Rights underpins our Responsible Sourcing Model, which is at the heart of Bakkavor's core values.

In this Statement we set out the activities we have undertaken in 2018 to tackle the issue of Modern Slavery within our own business and down our supply chain. This includes carrying out a full gap analysis to assist us in setting out our agenda for the next phase.

Our business and supply chains

Bakkavor is the UK's leading provider of fresh prepared foods with a growing presence in the US and China. We supply the widest variety of fresh prepared foods on an international scale, manufacturing around 3000 different products. We have 25 sites and three distribution centres in the UK, nine sites in China and five sites in the US. We employ over 19,000 people and have a worldwide turnover of £1.85 billion.

We directly source over 5,000 ingredients from over 740 suppliers in 50 countries – from small farmers to multi-national operators. They, in turn, work with thousands of their own suppliers who grow and move hundreds of raw materials across global supply chains. Underpinning the safety of our products ensures the integrity of this supply chain, all the way from an initial risk assessment through to supply chain mapping.

Our values

We are proud to be a values-led business. Our vision and purpose are underpinned by a strong set of values that describe what we stand for and how we behave with our customers, suppliers and investors, in the communities in which we operate and with each other. Our values are:

Customer care - we are committed to supplying outstanding service, quality and value, never forgetting that our relationship with our customers is key to our success.

Can-do attitude - we encourage personal initiative and empower our people to make things happen. Our motivation comes from a determination to succeed in all we do.

Teamwork - we believe everyone has a valuable part to play in the success of our business. We aim to communicate effectively and are committed to the highest standards of ethics and integrity.

Innovation - we thrive on new challenges, looking for innovative ways to grow and improve our business further.

Getting it right, keeping it right - we strive to deliver the right results every time in the most effective way, providing value for our customers and stakeholders alike.

Our commitment to help end modern slavery reflects our values. In particular, we are proud that our trade with our supply chain, both upstream and downstream, should have a positive impact, creating opportunities for people all over the world.

Our Modern Slavery policy

It continues to be an integral part of our commitment to human rights, to work with our business, partners and associated supply chain to ensure adherence to the highest standards of behaviour and care and to identify and tackle all forms of slavery and human trafficking.

We have a consistent approach within our own operations and our supply chain. In our last statement we outlined the structure we had established to enable us to meet our commitments.

The Management Board continues to have overall responsibility in this area and recognise the need for continued focus. The Responsible Sourcing Working Group was established in 2017 with wider involvement from senior managers in technical, procurement and HR. The Bakkavor Responsible Sourcing Model is now a fundamental part of the way the business manages risks including Human Rights and People:

Bakkavor Responsible Sourcing Model



Risk Assessments and Audits within our own operations

As an active AB member of Sedex, we support the work of the Sedex Stakeholder Forum to develop best practice guidance for Sedex members and auditors. We will also continue to play a leadership role in Sedex.

In the last 12 months, we have led the major review of the SAQ (Self-Assessment Questionnaire) with Sedex and a working group of suppliers and retailers. This project will fundamentally change the way the SAQ and the risk assessment process within Sedex works. The aim is to develop an SAQ which is an added value tool that helps suppliers to understand what good labour practices are and drives changes in their own operations and down their supply chains to reduce issues of modern slavery without it becoming an overly burdensome activity.

Our approach remains unchanged and we are constantly assessing our own operations including for potential risks. In 2018 we have taken the opportunity to take stock of where we are and to review and update our processes to reflect our progress and to agree our future action plans.

Bakkavor has been involved with [Stronger Together](#) from the start and we have supported the development of the training workshops as well as the guidance and toolkits that are now available. This multi-stakeholder initiative aims to reduce modern slavery, particularly hidden forced labour, labour trafficking and other third-party exploitation of workers.

In 2018, we piloted the new Stronger Together Progress Monitoring Tool. This is a pioneering online self-assessment which supports companies to measure progress being made and to highlight their next steps in addressing modern slavery risks within their businesses and supply chains. This helped us to identify a number of focus areas including refresher training needs, response and remediation plans and labour provider management.

In addition, we were given the opportunity to be part of the pilot for the Stronger Together Organisational Performance Assessment in October 2018. This is an independent verification of the company's progress in tackling modern slavery, carried out by a Stronger Together trained and approved business and human rights expert consultant. The assessment was carried out over two days and the output was a detailed report with progress scores across all our policies and practices in place to tackle modern slavery and expert recommendations to support our step by step change and ongoing continuous improvement.

Both of these have helped us understand the journey we are on, the standards that we are working towards and that there is still a way to go. We have used the detailed gap analysis of our policies and practices to shape our plans and actions going forward.

In terms of our own operations, we completed the following activities in 2018:

- The Group HR Forum reviewed the human rights and ethical priorities. This was completed in September 2018 and highlighted the next steps. The independent assessment identified similar priorities.
- We reviewed our Modern Slavery Risk Assessment process and included some new areas coming out of the assessment report e.g. refresher training, stakeholder mapping, labour provider due diligence checks, raising issues and access to remedy
- All UK sites completed the updated risk assessment process to identify areas of focus and developed action plans to address potential areas of risk
- All UK sites were asked to complete the [Stronger Together Tackling Modern Slavery in Business Employer Implementation Checklist](#) at the same time as the updated risk assessment process. This will increase awareness at site level of the best practice in tackling modern slavery, as well as provide a detailed record of all the activities taking place across the Group.
- We continue to ensure that every business has completed an ethical audit at least every four years and, in many cases, this is done more frequently in line with customer requirements. We have a zero tolerance to non-compliances and close any out as soon as possible.
- We continue to audit our agency labour providers at least twice per year. We have been involved in the development of the Clearview Global Labour Provider Certification Scheme and we are also supporting the Responsible Recruitment Toolkit which we see will help build capability within our own business, labour providers and supply chain. We are keen to drive improvement in standards in this area.

Bakkavor sites tackling the issues of modern slavery

Here are some examples of the activity that has taken place at site level during 2018:

Bakkavor Pizza & Bread, Harrow – Modern Slavery Champions have been appointed, modern slavery awareness is now part of the onboarding process and the Site Employee Forum representatives have also received awareness training.

Bakkavor Desserts, Highbridge – have introduced a monthly modern slavery check with their labour provider on shared addresses and bank accounts. They also provided supplier training on modern slavery which included their labour provider.

Our focus has been on building awareness of modern slavery at all levels and across functions. Here is an example of how that has had an impact in practice:

Case study – Bakkavor Pizza & Bread, Holbeach – this was a case about how a potential victim of modern slavery was identified and what the site did to support the victim:

- Following a health-related accident at work, concerns were raised by the first aider in attendance, that the worker was not able to confirm their address. This was raised with a senior section manager, who contacted HR.
- HR met with the worker and gently probed to find out what their circumstances were. A translator was brought into help and encourage the worker to speak freely. They found out that the worker had no money and had not eaten since the previous day.
- An ambulance was called, but at first the worker refused to go to the hospital. The paramedics were also concerned about some of worker's comments, who had not been in the UK for very long. The worker did finally agree to go to the hospital in the ambulance. The paramedics informed the site that they would need to highlight their concerns through their internal process when they arrived at hospital.
- The site contacted the GLAA to discuss the matter and seek advice. The GLAA informed the site they would be visiting the worker at the address they had finally supplied and would also be contacting the labour provider to investigate the allegations. The site was advised that the GLAA would not be giving any feedback on their contact with the labour provider.
- The worker did not return to work for the site and they also left the labour provider. The site was concerned about this but had no further details to be able to provide further support to the worker.
- The site re-briefed the warnings signs to colleagues and will be carrying out awareness training for additional managers.

This is a good example where the awareness training enabled the first aider who was the first contact with the worker, to recognise there was an indicator of modern slavery and to raise the concern to the right level of management.

Assessment of Modern Slavery risk within our supply chain

As was outlined in the 2017 Modern Slavery statement Bakkavor is one of the founder members of the Food Network for Ethical Trade (FNET), a collaboration between suppliers and retailers. One of the aims of FNET is to deliver a consistent approach to the process of risk assessment. For the risk assessment tool, which Bakkavor uses to assess the risk profile all ingredients, to remain credible there must be a process of review and updating.

Bakkavor was part of the working group along with several other FNET members and an external consultancy tasked with delivering a robust update of the current tool. The scope of the review was to finalise and agree the indices used to update the country risk ratings, the source data for the known human rights risks and their categorisation and importantly to horizon scan to identify any additional robust data sources which could be used to further enhance the risk assessment and its data output. The updated risk assessment tool is scheduled to be reviewed by members before the approved final version is issued in the first quarter of 2019.

As the understanding of the risk profile of the Bakkavor supply chain builds and internal supporting processes and procedures are developed there follows a requirement to communicate the Bakkavor approach to our suppliers. To facilitate this during 2018

Bakkavor held its first UK supplier conference which was designed to explain, inform and build knowledge of the attending suppliers about Bakkavor's approach to Responsible Sourcing, specifically; human rights, food fraud and the environment, the collective risk in the supply chain from field to fork and how to approach the management of these risks.

Over 420 supplier representatives attended the event with presentations from the Bakkavor Chief Executive Officer, UK Chief Operating Officer and the Responsible Sourcing Steering Group. The Bakkavor responsible sourcing model was introduced to the attendees with human rights a key focus linked to the risks and drivers of modern slavery within global supply chains. The expectations for the suppliers were clear; to review their operations and the effectiveness of their human rights strategy to identify the potential risks of forced labour. Suppliers were encouraged to recognise the risks, to resource appropriately and plan, joining Bakkavor on the journey to understand and risk assess our combined supply chains, to identify and target hotspots adding value by proactively managing risk and designing mitigations which are sustainable. This emphasised the value of collaboration across and within supply chains.

Example: Supply Chain Collaboration

Analysis of risk has highlighted that from a human rights perspective the Thai poultry supply chain is high risk, this determination is further supported by credible media and NGO reports of labour abuses, the presence of low paid migrant workers from Myanmar, Laos, Vietnam and Cambodia, coupled with the lack of visibility of some parts of the supply chain.

Bakkavor in collaboration with one of its key customers and several of their other suppliers who use the same supply chains commissioned an experienced consultancy to review and articulate the human rights risks within the various tiers and geographic locations within Thailand of the poultry supply chain, with a specific focus on the grievance and worker voice mechanisms which the various businesses have implemented.

Additionally, we wanted to understand how accessible to migrant workers and effective these programmes are and if necessary, understand the options for further developing their effectiveness. We want to ensure that workers are empowered and can voice their concerns which where appropriate can be used to further develop the strategic approach to managing human rights in this area. There is an ongoing process of discussion and engagement with our suppliers and appropriate non-governmental organisations.

Example: Italian Produce Supply Chain

Italy is not defined as a high-risk country however certain economic sectors, notably agriculture, represent a high risk in terms of the potential for human rights abuses resulting from the reliance on seasonal, temporary, often migrant labour which when linked to the system of labour provision results in an elevated risk profile.

As Italy is an important supplier of fresh produce Bakkavor undertook to understand this supply chain in greater detail working with our direct supplier, their farms and contracted growers. The obvious starting point was to establish a baseline level of understanding, to deliver this Bakkavor commissioned several risk assessments carried out by an independent consultant. These were narrow in focus targeting the drivers of labour exploitation and reviewed approaches to labour management, policies, human resource practices and included worker interviews. We targeted farms in the north, middle and south of Italy, of varying sizes, ownership structures and crops grown to give a representative sample. We additionally involved local trade unions to obtain their input regarding the local context.

The risk assessments identified several issues however when we looked to establish a route cause this typically reflected how workers were recruited, supervised and paid, it was therefore evident that the focus within this supply chain should, rather than focussing on individual issues, target the implementation of a holistic systemised approach to worker management. Cause analysis and action planning identified four workstreams:

- Improve farm owner awareness and communication with workers;
- Define a clear traceability system for all records and documents;
- Verify workers contracts and payslips ensuring the minimum wage and traceability of payments; and
- Providing workers with required training and a mechanism of raising grievances in an anonymous way if required.

Our supplier is very engaged with delivering the required change and has held meetings with for example the International Organisation for Migration (IOM) to identify options for the provision of worker voice and grievance reporting. The IOM considered the supply chain we investigated to be relatively low risk but identified certain geographic areas and worker nationalities as being higher risk which should therefore be the focus of further investigative activity.

Action plans are agreed and involve ongoing engagement with the supplier and the contract growers, workers and worker representatives.

Modern Slavery Training and Awareness

Bakkavor Supply Chain Capacity Building - One of the aims of the UK 2018 Supplier Conference was to build knowledge and capability within the Bakkavor supply chain. This was an all-day event, attended by 420 supplier representatives and many Bakkavor colleagues from disciplines including procurement, technical and marketing and was a useful opportunity to not only brief Bakkavor suppliers and internal colleagues regarding the actions Bakkavor are taking to support its human rights agenda but also to deliver a meaningful training and awareness update for the attendees.

Bakkavor own operations Capability Building - This year, we have continued to focus on building capability and awareness through the organisation.

From the external ethical assessment, we have identified two areas of training we want to focus on. Firstly, a training needs analysis i.e. who do we want to receive training on modern slavery as part of their role; and secondly, refresher training. We have a lot of staff that have received modern slavery training, what will be the next level of training for them.

We want our HR colleagues to have the knowledge and expertise to be able to lead our ethical and human rights activities within our own operations. We continue to run the bespoke ethical awareness training programme, which has two levels:

- Building a culture of ethical – for Heads of HR and HR Managers
- Ethical Awareness – for HR Administrators and HR Officers

Bakkavor continues to be an active supporter of Stronger Together training. All our HR teams, along with many of our operational managers, attend regular workshops. Many sites have also delivered in-house training for managers and employee representatives to build awareness. Stronger Together materials are displayed at all sites to provide details on what employees should look out for and how they can raise any concerns.

We have a free, anonymous and confidential whistleblowing hot line that enables all employees, including agency workers, to raise any potential concerns including in

relation to employment standards or ethics. Information for the whistleblowing hot line is prominently displayed at all sites.

Effectiveness assessment

To assess the impact of the steps we have taken, key performance indicators are reviewed and reported on in our Modern Slavery Statements:

Key Performance Indicator	2017 Results	2018 Results
Stronger Together Progress Monitoring Tool	N/A	48.6%
Stronger Together Organisational Performance Assessment	N/A	43%
% of Bakkavor sites with HR that have completed the Stronger2gether training	89%	100%
% of Bakkavor sites completed the Modern Slavery Risk Assessment with an action plan	100%	100%
% of Bakkavor sites completed the Stronger Together Tackling Modern Slavery in Business Implementation Checklist	N/A	100%
Number of Bakkavor Group Ethical Awareness Training Days	550	469
% of Bakkavor sites that have completed an agency audit every 6 months	100%	100%
Number of cases received by the Whistleblowing hotline in 2017	105	67
% of 2017 Whistleblowing cases closed out	100%	100%

These KPIs support the focus on building capacity and awareness across the Group.

This statement was approved by the Management Board of Bakkavor Group Plc.