

Modern Slavery Statement 2021

Bakkavor

Chief Executive's Introduction

As the UK's leading provider of fresh prepared food, with a strong presence in the US and China, we are clear about our corporate responsibilities; how we build those responsibilities into our corporate strategy, integrate them in all we do, and set a positive example within our industry.

Our stance on human rights is an essential part of this and our values and culture will never be compatible with any form of modern slavery, including across our supplier base. Across our Group, we are committed to retaining the highest standards of employee welfare and safety and we continue to work with our suppliers to ensure they are able to meet the standards required, and that our expectations are understood and upheld.

We also continue to drive awareness and action on the issue of modern slavery through internal campaigns and ongoing training programmes that enable our colleagues to recognise and understand the indicators of modern slavery and how to report them. In addition, we continue to be an active partner of Stronger Together, the multi-stakeholder initiative that aims to tackle modern slavery through training and information sharing.

Although we are proud of the work we have done in this area, we are not complacent and will continue to make sure that Bakkavor is meeting the highest ethical standards for all our stakeholders, including our customers, suppliers and, most importantly, our employees. Protecting our people and their welfare and safety will always remain our utmost priority.

Signed

Agust Gudmundsson
CEO, Bakkavor Group plc

29 June 2021

This statement is Bakkavor's fifth Modern Slavery Statement and relates to the year ending 31 December 2020.

We produce one Modern Slavery Statement for Bakkavor Group plc and its relevant group subsidiaries (listed below). Bakkavor Group plc and its subsidiaries are referred to as "Bakkavor" or "the Group" throughout this Statement.

Bakkavor (London) Limited	Bakkavor Limited
Bakkavor Estates Limited	Bakkavor Holdings Limited
Bakkavor Finance (2) Limited	Bakkavor Foods Limited
Bakkavor Finance Limited	Bakkavor USA Limited
Bakkavor Central Finance Limited	Bakkavor China Limited

In 2020, Bakkavor's first Group-wide Corporate Responsibility (CR) Strategy, Trusted Partner, was published with agreed commitments under each of three focus areas. This continued the work we outlined in our previous Modern Slavery Statements. A commitment to Human Rights underpins both our CR Strategy and Responsible Sourcing Model and is at the heart of Bakkavor's core values.

In this Statement we set out the activities we have undertaken in 2020 to tackle the issue of Modern Slavery within our own business and down our supply chain. This includes the implementation of our new CR Strategy and the continuation of the actions agreed following the third-party audit gap analysis completed in 2018.

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 a wide variety of fresh prepared food on an international scale, manufacturing over 2600 different products out of 37 sites, with 23 factories and four distribution centres in the UK, plus a Group head office in London, nine factories in China plus a regional head office in Shanghai and five sites in the US and a regional head office North Carolina. We employ over 19,000 people and have Group revenue of £1.79 billion.

We source about 13,000 specific products from around 750 global suppliers based in more than 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.

IMPACT OF CORONAVIRUS PANDEMIC

The coronavirus pandemic first came to world attention towards the end of 2019, although at the time it was not recognised or termed as a pandemic, it was fast moving with a broad range of interrelated issues, not least keeping workers and employees safe.

Our action plans for both our own operations and the supply chain were affected and we had to rethink our planned work streams and focus areas to meet the challenges thrown at the business by the pandemic.

We are pleased we were able to continue to make progress throughout 2020, even though this meant changing our action plans to enable us to continue to develop but in a different way e.g., more use of technology.

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 insistent that our trade with our supply chain, both upstream and downstream, should have a positive impact, creating opportunities for people all over the world.

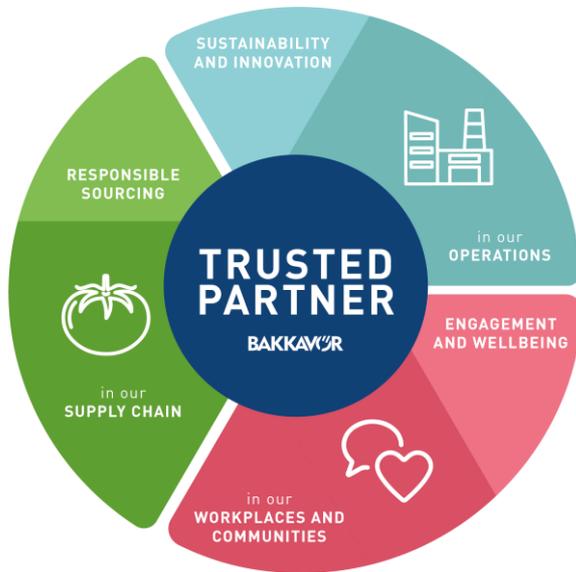
OUR MODERN SLAVERY POLICY

As part of our integral commitment to human rights, we work as a business, and with our 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 2020, we published our new Group strategy for Corporate Responsibility. This strategy builds on our existing work and programmes and focuses our efforts on a set of forward-looking commitments.



The strategy, Trusted Partner, is built around three focus areas that represent the value chain of our business:



Responsible Sourcing: prioritising transparency and collaboration in our supply chain

Sustainability and Innovation: in our operations to reduce our impacts on the environment

Engagement and Wellbeing: making Bakkavor an employer of choice and part of the local communities we operate in

The Trusted Partner commitments includes commitments to human rights both within Responsible Sourcing and in Engagement and Wellbeing. These include:

RESPONSIBLE SOURCING

Supply Chain Human Rights

Supply chain assessment (human rights) - Use our supplier management tools to identify suppliers deemed ‘high risk’ on our combined risk approach for our UK business.

Extend supplier management tools to our US and Asia businesses to expand our human rights risk mapping.

Code of Conduct - Communicate our Code of Conduct with all our tier 1 suppliers to formalise a shared understanding of our responsible business requirements.

Corrective action and remedy - Work collaboratively with our suppliers on any breaches of our Code of Conduct to develop and implement a clear and appropriate corrective action plan.

Worker voice - Empower worker voice and collaborative dialogue within our direct supply chain by promoting independent whistleblowing channels and effective grievance reporting mechanisms.

ENGAGEMENT AND WELLBEING



Responsible Recruitment and Employment

Modern Slavery Awareness - drive awareness and action on the issue of modern slavery, rolling out campaigns and training so that our colleagues know the indicators and how to report them (ongoing)

Access to Employment - facilitate access to employment for hard-to-reach individuals by supporting and encouraging our sites to undertake dedicated recruitment programmes with local communities and NGO partnerships (UK and US, 2022)

Labour Risks Assessment - lead our industry on rolling out completion of the new Self-Assessment Questionnaire ('SAQ') and new risk assessment (UK sites for 2020, and Group wide for 2021)

Labour Provider Standards - work only with UK Labour Providers that are Gangmasters and Labour Abuse Authority (GLAA) licensed, commit to the Responsible Recruitment Toolkit and work towards the standards (from 2020)

In 2020, overall ownership of our CR agenda was with Peter Gates, CFO who has also been an Executive Sponsor of CR at Board level. With Peter Gates's retirement, from January 2021 overall ownership transferred to Donna-Maria Lee as Chief People Officer. In early 2021, Bakkavor also formalised a CR Executive Committee formed of senior leaders from across the Group to further integrate and cascade these priorities. Day to day management of the CR Strategy at Group level sits within the Corporate Affairs function.

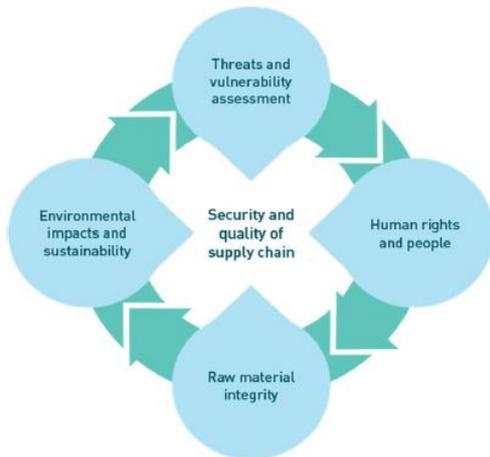
In 2020, we established an internal ethical trade team. This is a core team comprising a nominated Head of HR, two senior HR Business Partners and our external ethical trade consultant.

The team's purpose is to ensure that our own operations understand and comply with the required ethical standards, to develop ethical policies and processes, and to develop and agree the Group's ethical trade and modern slavery action plans.





Responsible Sourcing
Risk assessment – Own operations and supply chain



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

OTHER RELEVANT POLICIES

The following policies underpin our approach to tackling Modern Slavery in our own business and our supply chain:

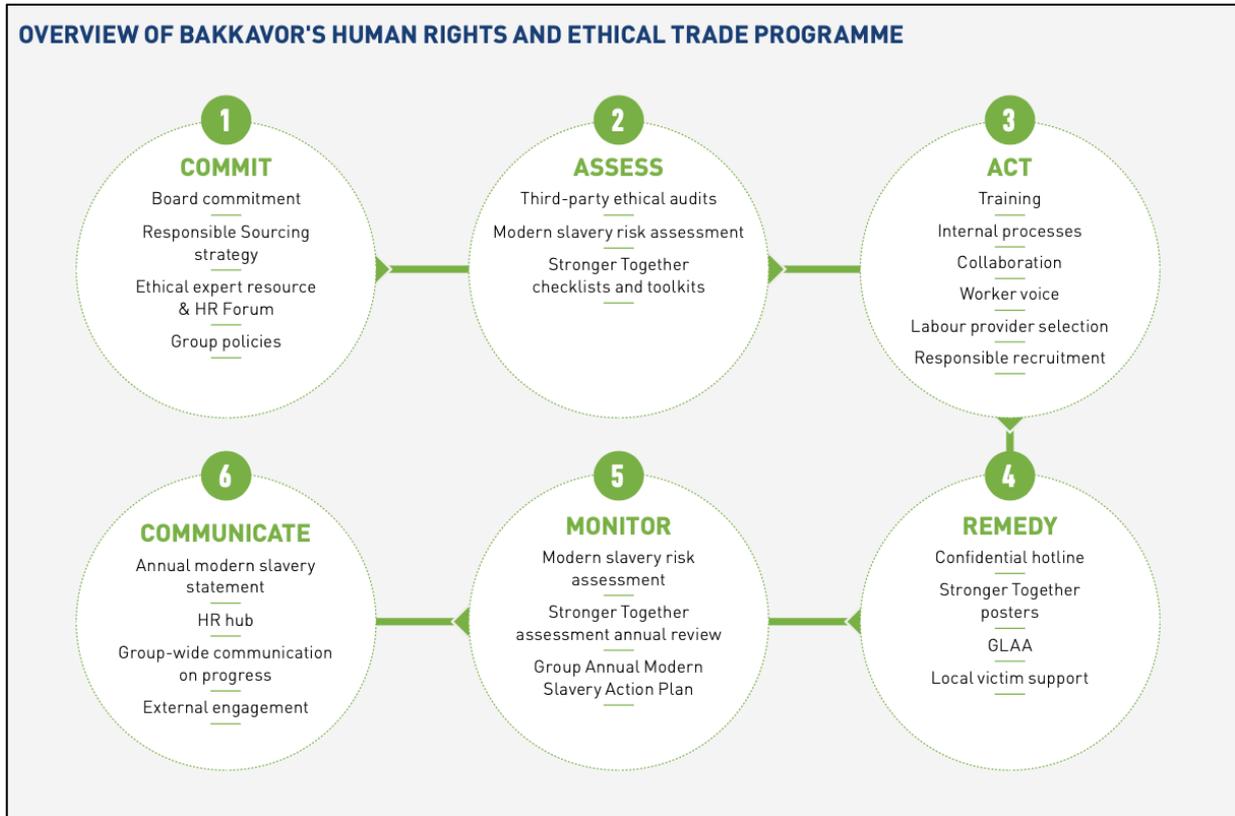
- Anti- Bribery and Business Ethics Policy
- Bakkavor Code of Conduct
- Human Rights and Ethical Trading Policy
- Inclusion and Diversity Policy
- Responsible Operations Policy
- Responsible Sourcing Policy
- Whistleblowing Policy
- Supplier Code of Conduct
- Anti-money laundering Policy

RISK ASSESSMENTS AND AUDITS WITHIN OUR OWN OPERATIONS

Our approach to Risk Assessments and Audits remains unchanged, and we are constantly assessing our own operations including for potential risks.



The Bakkavor Human Rights and Ethical Trade Programme is based on the UN Guiding Principles framework and brings together all the activities undertaken at Group and Site level into a common framework, explaining the activities under each pillar and enables us to identified key gaps to be addressed.



It is our policy for our own operations to have a third-party ethical audit every four years or sooner if required by our customers (most do not require us to have one anymore). We have a zero tolerance to non-compliances and close out as soon as possible. In 2020, all third-party ethical audits were put on hold due to the coronavirus pandemic which affected five Bakkavor sites. These delayed audits will be taking place in early 2021.

We continue to be an active Buyer/Supplier (AB) member of SEDEX (Supplier Ethical Data Exchange) playing a leadership role in SEDEX and includes providing feedback on our experiences of using the platform as well as input into their system development programme.

As one of our Trusted Partner commitments, we have been a leader in the roll out of the new SEDEX SAQ and RADAR risk assessment tool. All UK Bakkavor sites completed the new SAQ by August 2020 providing each site with a SEDEX risk score and management control score.

This new SAQ will be an added value tool that helps both our sites and our suppliers to understand what good labour practices are and drives changes in our own operations and down our supply chains to reduce issues of modern slavery and drive a culture of continuous improvement.

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. We reviewed the updated Stronger Together Employer Implementation Checklist prior to its launch. This multi-stakeholder initiative aims to reduce modern slavery, particularly hidden forced labour, labour trafficking and other third-party exploitation of workers.

All our sites complete the Bakkavor Modern Slavery Risk Assessment and [Stronger Together Tackling Modern Slavery Employer Good Practice Implementation Checklist](#). In 2020, our sites completed the updated Stronger Together Tackling Modern Slavery Employer Good Practice Implementation Checklist. These combined results provide an overview of all the activity being carried out within our own operations and informs our annual group modern slavery action plan.

In 2020, we continued to use the [Stronger Together Progress Monitoring Tool](#) at Group level. This is a pioneering online self-assessment supporting companies to measure their progress and to highlight their next steps in addressing modern slavery risks within their businesses and supply chains. As one of our key performance indicators, we are pleased to be able to report a significant improvement in our overall score.

We have a free, anonymous and confidential whistleblowing hotline that enables all employees, including agency workers, to raise any potential concerns including those relating to employment standards or ethics. The hotline is available Group-wide by Freephone or online 24 hours per day / 365 days per year and in 15 languages. Cases logged in 2020 were investigated thoroughly through local HR contacts, General Managers and/or Business Directors, as well as the Chief People Officer, Technical Director, General Counsel or the Chief Financial Officer when relevant. Information for the whistleblowing hotline is prominently displayed at all sites.

GROUP MODERN SLAVERY ACTION PLAN 2020

The 2019 Modern Slavery Risk Assessment and Stronger Together Good Practice Checklist results were used to develop our first Group Modern Slavery Action Plan:

Actions	Status
Process for using independent interpreters or a telephone interpreting line - Investigate the use of an independent translation line for HR and Operations colleagues	Still under review
Widen the delivery of awareness training - Develop and run "modern slavery and hidden labour exploitation" on-line training module for SEF Representatives and TU Representatives.	Two pilots completed
SEF / TU Meetings Standard Agenda Item Site Employee Forums to have modern slavery as a standard agenda item	Completed
Stakeholder Mapping and HR Impacts Develop and agree a Stakeholder Mapping Process	Completed
Agency Labour Management Due Diligence Review contractual terms and audit process	Completed

Other activities undertaken in 2020:

- **Internal Ethical Assessments** – we developed a new process to embed our Ethical Trade and Human Rights Programme at site level. The internal ethical assessments will take place every four years and two years before the site's next third-party ethical audit. Two external ethical providers were reviewed, and we took the decision to use the current external ethical compliance specialist to carry out these internal ethical assessments starting in 2021.
- **Third-Party Agency Labour Provider Audits** – we reviewed our approach to auditing and decided to move away from our site HR teams auditing our labour providers to appointing a specialist third-party audit company. We selected [ESC International](#) to carry out these audits which will start in 2021.
- **Remedy and Remediation** – we carried out background research to understand what needs to be included in our policies. This included attending training sessions and reviewing good practice guides and checklists. Response and remediation policies are now part of our labour provider service level agreement.
- **Bakkavor sites tackling the issues of modern slavery** - examples of the activity that has taken place at site level during 2020 include:
 - **Bakkavor Desserts Devizes** – we identified an employee whose personal circumstances flagged up potential indicators of modern slavery. We contacted the GLAA for advice and carried out further investigation. After completing our enquiries we were satisfied that the employee was not in enforced slavery and provided appropriate support.
 - **Bakkavor Meals Boston** – our systems picked up a number of incidents where employee pay was going into a different named person's bank account to the employee. All of these were investigated and found not to be an issue of modern slavery.

ASSESSMENT OF MODERN SLAVERY RISK WITHIN OUR SUPPLY CHAIN

Bakkavor was one of the founder members of the Food Network for Ethical Trade (FNET), an organisation set up to promote collaboration and an aligned approach to ethical supply chain management within food supply chains. Understanding the risk profile of our supply chain highlights those areas requiring focus, however it is often the case that an individual company's ability to effect change in these areas is restricted due to limited leverage. FNET provides an effective vehicle for collaboration where members can work on shared precompetitive human rights risks. Bakkavor is involved in the Risk Assessment and Mitigation Working Group and the Raw Materials working Group.

During the 2020 there has been a significant focus around Covid, with FNET providing UK and Global updates trying to understand the potential implications of Covid and linked legislation in terms of human rights within key sourcing country supply chains.

SUPPLY CHAIN COLLABORATION: ITALIAN PRODUCE INDUSTRY

Italy continues to be an important supplier of fresh produce to Bakkavor, and we are continuing to build on our work referenced in previous years modern slavery statements.

Working collaboratively with one of our key Italian produce suppliers we agreed an audit plan for their growers, using a third-party audit company and audit proforma based around SA800, specifically targeting those growers which employ non-Italian workers, which represent the highest risk. We included within the proforma processes to try to identify whether there was any evidence of workers having to pay for a job.

During February 2020, when the Covid emergency started in Italy, followed by the first lockdown in March our supplier quite correctly pivoted their focus and activity to helping their growers define processes and procedures to keep themselves, their workers and those in the supply chain safe with all audits and site visits postponed.

We were able to carry out an audit later in the year in the Rome region with the aim of trialling an agreed methodology, a key part of which was the interviews carried out with workers. It was agreed that there should be a representative cross section of employees including management, the elected worker representative and several workers from the nationalities employed on site. The audit was positive, the feedback received encouraging, particularly in respect of remuneration which was in excess of the legal minimum wage, paid promptly, documented, traceable and transparent with no worker indicating that they had been required to pay for a position within the company.

Whilst not a member of the Ethical Trading Initiative Bakkavor continues to be a member of the ETI Italy Working Group which is initially focussing on the potential for labour exploitation in Italian tomato industry, particularly Southern Italy. The group has been working in collaboration with a consultant who is based in Italy to create a local stakeholder platform to enable dialogue and collaborative working within the industry to improve the working conditions of vulnerable communities and individuals. Over the last two years the consultant has developed effective working relationships with key processors, with recent conversations indicating that there is a need to build the capability of cooperatives to help their members understand and improve labour practices and working conditions.

SUPPLY CHAIN COLLABORATION: MIGRANT LABOUR

Bakkavor has been working with its poultry suppliers in Thailand so that they understand their foreign worker labour supply chain and the costs involved. This involves mapping and understanding the nationality of the workers, the role of in country employment agencies (both source country and Thailand), the charges workers have to pay (if any) to access the Thai jobs market and how the charges differ by origin country and importantly the costs paid by the companies and those paid by the workers.

The aim is to create a formal timebound action plan which aligns each supplier's recruitment process with the employer pays principle, reflecting ILO definition of recruitment fees and costs which should be paid by the employer and those costs

which it is reasonable to expect a worker to pay all of which is detailed within a migrant worker policy

SUPPLY CHAIN COLLABORATION: SPANISH ETHICAL TRADE FORUMS

The Spanish Ethical Trade Forums were established to create a non-competitive space where Spanish growers supplying the UK retail market can discuss joint challenges and share best practice on human rights and a more recent development, Environmental issues. The main aims of the forums are to drive continuous improvement in the working conditions for people working within the Spanish agricultural industry, and to provide support to our and other suppliers as they seek, through continuous improvement, to deliver the expectations of the Ethical Trading Initiative Base Code.

2020 was a very different year for the increased forum membership. Due to the impacts of Covid-19 the normal format of group in person regionally focused meetings was not possible and as a result the forums successfully moved online, delivering 17 seminars, several which focused on the impacts and management of Covid-19. In total, across all the seminars there were 1041 attendees.

The membership of the forums has developed 9 special focus working groups, 4 of which were new development areas for 2020, including; Grievance Mechanisms and Workers and Management dialogue. Bakkavor lead the Almeria working group and are actively involved in the Murcia working group reflecting the importance of these Spanish sourcing regions for Bakkavor. The tools delivered by the working groups include for example, Responsible Use of Agencies Guide, Anti-harassment Protocol Guide and Worker Voice Pilot Surveys. The forums ethos is supplier participation, ownership, and collaboration.

SUPPLY CHAIN COLLABORATION: MODERN SLAVERY INTELLIGENCE NETWORK

Bakkavor are founding supporters of the Modern Slavery Intelligence Network (MSIN), a non-profit collaboration between supermarkets and large food and fresh produce processors created in response to the findings of Operation Fort, the UK's largest ever Modern Slavery investigation.

Formed in the second half of 2020, this group is working on an 18-month pilot to develop and trial a structured intelligence-sharing mechanism between its members which will enhance the effectiveness of their contribution to the disruption of modern slavery and labour exploitation practices. The aim is to use the information generated by this network to detect, prevent and disrupt modern slavery and labour exploitation activity, protecting workers and improving outcomes for victims.

We and the other members of MSIN are co-funding the development of the pilot in conjunction with the Institute of Grocery Distribution, and colleagues from our Responsible Sourcing team will continue to actively contribute to the project throughout 2021. We will share further updates on the progress of this group in our 2021/22 statement.

SUPPLY CHAIN COLLABORATION: CHINA

Through our direct sourcing hub in Asia, Bakkavor works with a number of key suppliers and with them has developed a robust transparent supply chain.

Essential to the way we operate are the good business relationships we have with these suppliers which our regular site visits help to reinforce. During these visits our local team will randomly talk to factory workers, in their own language, to understand whether they have any concerns with regard to their employment. These visits are in addition to the official audits carried out by the local and national authorities which include customs.

A concern when sourcing from Asian countries like China & Thailand is the use migrant and/or ethnic minority labour without the correct controls being in place. The suppliers Bakkavor use due to their rural locations, close to the crops being processed, use local labour and are monitored to ensure that the workers have the necessary work registrations and contracts.

There are several audit standards used in Asia dependent on a factory's customer profile. Bakkavor is supporting its suppliers in their adoption of SMETA and BSCI.

MODERN SLAVERY TRAINING AND AWARENESS

Bakkavor own operations Capability Building – we started 2020 with a training plan to continue to deliver our two on-site training modules, Ethical Trade & Human Rights Awareness and Beyond Compliance for HR Colleagues and to extend our training to SEF and TU Representatives.

At the start of the coronavirus pandemic, it became clear that it would not be possible to deliver this training face to face during 2020, and we needed to look at a different way as we wanted to ensure this training went ahead.

The training plan was reviewed and the proposal to change to modular online training was agreed. We developed and ran the following training session on-line:

- Modern Slavery and Hidden Exploitation for SEF and TU Representatives x 2
- Introduction to Ethical Trade and Human Rights for HR x 1
- Bakkavor Ethical Trade and Human Rights Programme for HR x 1
- Modern Slavery and Hidden Exploitation for HR x 2
- SEDEX SAQ Reporting x 2

The on-line modular training worked extremely well and enabled us to reach more colleagues across the group. We will continue to deliver this training online and extend to more functions in the future. It is important our HR colleagues have the knowledge and expertise to be able to lead our ethical and human rights activities within our own operations, as well as other functions having an awareness of the issues of modern slavery and hidden exploitation.

Bakkavor continues to be an active supporter of Stronger Together training ensuring every site has a member of its HR team that has attended the training, as well as many operational managers. 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.

Our Group Ethical Compliance Consultant and Central Responsible Sourcing Manager participated in the pilot for the new Stronger Together Advanced Tackling Modern Slavery in UK Businesses training workshop. This provided us with the most up to date information on tackling the issue of modern slavery and hidden exploitation which we have built into our training sessions for 2021, enabling us to reach a far greater number of Bakkavor colleagues.

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	2019 Results	2020 Results
Stronger Together Progress Monitoring Tool	N/A	48.6%	55%	65%
Stronger Together Organisational Performance Assessment	N/A	43%	N/A	N/A
% of Bakkavor sites with HR that have completed the Stronger Together training	89%	100%	100%	89% ¹
% of Bakkavor sites completed the Modern Slavery Risk Assessment with an action plan	100%	100%	100%	100%
% of Bakkavor sites completed the Stronger Together Tackling Modern Slavery in Business Implementation Checklist	N/A	100%	100%	100%
Number of Bakkavor Group Capacity Building Days	550	469	521	225 ²
% of Bakkavor sites that have completed an agency audit every 6 months	100%	100%	100%	100%
Number of cases received by the Whistleblowing hotline in 2019	105	67	69	51 ³
% of 2020 Whistleblowing cases closed out	100%	100%	100%	100% ⁴

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

¹ Two sites have identified Stronger Together training is required due to staff promotions

² This includes capability building inside Bakkavor and down our supply chain which was down on the previous year due to the coronavirus pandemic

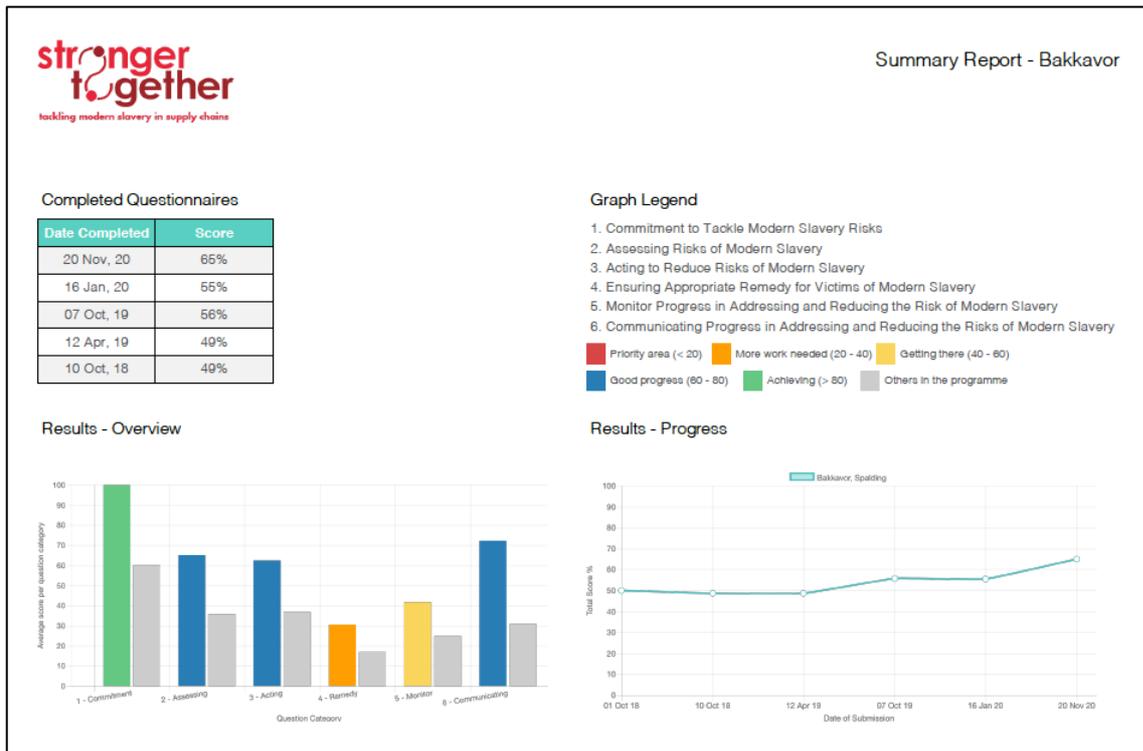
³ This includes cases from Bakkavor sites in both the UK and USA

⁴ 86.7% closed out by end of 2020, those raised at the end of the year were closed out in early 2021



Stronger Together Progress Monitoring Tool Benchmark Results:

Bakkavor’s overall results have increased from 55% to 65%. Compared to other businesses, we are ahead in every category. Remedy has improved but more work is needed and included in our 2021 action plan.



Stronger Together Tackling Modern Slavery Good Practice Implementation Checklist Progress:

In 2020, we started using the updated checklist which was completely different to the previous version and included an additional 30 questions. It is difficult to compare these results with previous years, but these results have set the new base line for the group.

The format of the new checklist has enabled us to measure our activities against the UN Guiding Principles Framework:

Steps	Group
1. COMMIT to tackle modern slavery risk in your business	65%
2. ASSESS - Understand the risks of modern slavery and hidden exploitation within your business	75%
3. ACT - Take action to prevent and deal with identified risks	49%
4. REMEDY - Protect and provide remedy for victims of exploitation	34%
5. MONITOR - Monitor and review progress	66%
6. COMMUNICATE - Tell people what you've done	71%
OVERALL SCORE	54%

We were pleased with our first overall score of 54% and believe the action plans we have in place will drive significant improvements in our scores in 2021.

Modern Slavery Risk Assessment Results

We have made good progress in 2020. On data analysis, there was only one 'Red' area remaining:

Progressed since 2018	Outstanding / New 2019	Outstanding / New 2020
Site Contractor / Outsourced Services	Stakeholder Mapping / HR Impacts	Workforce demographics
Refresher Training	Workforce Demographics	
Stronger Together Business Checklist	Labour Provider Due Diligence Checklist	
Type of Business	Data Analysis (New)	
SEF	Peaks	
Trade Union		
Communication Process		

This statement was approved by the Board of Bakkavor Group plc on 29 June 2021.