



## Bakkavor Modern Slavery Statement

### CEO's Statement

Bakkavor operates in some of the largest food markets in the world and works with a diverse and far-reaching supply chain. Our scale, expertise, and our people are what makes us the market leader in fresh prepared food, and what allows us to react quickly to the ever changing demands of consumers.

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

Human rights are at the very heart of Bakkavor's belief system and are entrenched right across our organisational values of customer care and teamwork. We are absolutely committed to the highest standards of ethics and integrity and simply do not tolerate 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 we continue to remain steadfast in ensuring that Bakkavor remains a fair and rewarding place to work.

Signed

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

**Agust Gudmundsson**  
CEO, Bakkavor Group plc  
June 2018

## Modern Slavery Statement 2018

This is Bakkavor's second Modern Slavery Statement. Last year, we outlined our position on slavery and human trafficking. We have continued to develop our approach and building our capacity through on-going risk assessment, raising awareness of issues and requirements, and by delivering training to our colleagues and partners.

### **Our business and supply chains**

Bakkavor is the leading provider of fresh prepared food in the UK, with a growing international presence in the US and China. We employ around 19,000 people across 39 locations, generating revenues of over £1.8 billion.

We source over 5,000 different ingredients from suppliers around the world – 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 these supply chains, all the way from an initial risk assessment through to supply chain mapping.

### **Our values**

We are proud to be a values-led business. These are reflected in our working practices and policies and underpin everything we do. Our five core values describe how we work together and the behaviour we expect from everyone who works at or with Bakkavor. 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 businesses, 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 has recognised the need for continued focus. This has resulted in the further strengthening of the supporting governance structure through the establishment of a new Responsible Sourcing Group with wider involvement from senior managers in technical, procurement and HR.

The Group has developed the Bakkavor Responsible Sourcing Model:



Responsibility for each of the focus areas has been assigned within the Responsible Sourcing Group and action plans are being developed.

#### **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. In the last 12 months, we have led the review and launch of the updated SMETA 6.0 audit requirements. We will continue to play a leadership role in Sedex and are currently leading the SAQ (Self-Assessment Questionnaire) Review Working Group.

We continue to challenge ourselves and constantly assess our own operations for potential risks. We have made good progress over the last 12 months:

- We have completed our risk assessment process in all UK sites to identify areas of focus and developed action plans to address potential areas of risk.
- 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. Our aim is to achieve zero non-compliances from our ethical audits, and where we do have any to close these out as soon as possible.
- We continue to audit our agency labour providers every six months. We have been involved in the Clearview Technical Advisory Committee supporting the

development of a Global Labour Provider Certification Scheme. We are keen to drive improvement in standards in this area.

- Our Ethical Trade and Human Rights Policy has been communicated across the Group.

### **Assessment of Modern Slavery risk within our supply chain**

The identification of risk within Bakkavor's large and complex supply chain is a key initial step to understanding what is required and prioritising the actions which flow from this, we use several processes to gain this supply chain insight.

As an AB member of Sedex, one of the world's largest platforms for sharing responsible sourcing data, we are able to upload, store and share with our customers the data relating to our own manufacturing operations. Importantly, it enables Bakkavor to view and run reports using our suppliers' data, to carry out risk assessments and identify hot spots within our supply chain. To get a complete picture of its supply chain Bakkavor has taken the decision to require all suppliers to be members of Sedex, completing the self-assessment to 100%.

Bakkavor is one of the founder members of the Food Network for Ethical Trade (FNET). This is a collaboration between suppliers and retailers with the aim of delivering a consistent approach to risk assessment and managing ethical trade along food supply chains. Information sharing and collaboration is key. Bakkavor has started to use the FNET risk assessment tool, which is designed to identify supply chain human rights risk at an ingredient level.

Bakkavor is using the risk assessment methodology developed by and held within the FNET platform to initially risk assess its fresh produce, raw materials and ingredients, followed by other raw material categories. This has provided visibility of those raw materials and sourcing locations which, whilst not initially identified as high risk, are high risk when you take into account the range of metrics used within the risk assessment methodology. An understanding of the supply chain risk profile provides an opportunity to prioritise ingredients, countries and suppliers. This information is then used to build a network of collaborations within the FNET community where a shared interest drives a proactive focus on the opportunities to mitigate the risk.

Bakkavor takes a proactive approach to its process of risk assessment and the actions which result from this by engaging with other FNET members to critique the processes adopted.

These two methodologies help Bakkavor to identify and prioritise human rights risks within its supply chain. We recognise that the leverage we have within our supply chain is often limited and that to initiate meaningful and sustainable change we need to collaborate with our supply chain partners to develop initiatives which improve working conditions. Importantly, our preferred approach is that of working with our suppliers to upskill them so that they understand the risks, take ownership of the challenges, collaborate with other businesses and are able to devise strategies for their resolution, this is a much more sustainable and pragmatic approach.

Effective collaboration has many benefits not least that of increasing influence and leverage within a supply chain through businesses working together. Collaborative initiatives revolve around the sharing of ideas, experience, knowledge and resources which can be both people and yes, financial, with the aim of developing practical, scalable and importantly sustainable solutions to identified common problems. An example of an effective collaborative initiative is the involvement of Bakkavor and its Spanish fresh produce suppliers in the Spanish forums which have been developed by the UK retailers and a number of their suppliers, of which Bakkavor is one. There is the

simple aim of creating a 'safe' space in which suppliers can work together to increase the awareness of ethical trade through the provision of training and shared discussion and improve the ways in which ethical trade can be monitored, moving beyond the culture of compliance.

### **Modern Slavery Training and Awareness**

The annual Bakkavor Procurement Conference was an ideal opportunity to brief and therefore upskill the wider procurement team focusing on key elements of Responsible Sourcing. This is an important team of people who have day to day contact with Bakkavor suppliers. It is therefore essential that there is an appreciation and understanding of the wider environment in which they operate and the ethical trade risks which can present themselves.

Using an external facilitator, the current legislative framework within the UK was discussed, for example the Modern Slavery Act and what this means to Bakkavor and its suppliers. The ETI base code and its provisions were outlined with examples used to illustrate the most common problems, bringing these to life to further understanding and appreciation, for example agency workers and migrant labour.

Responsible sourcing updates have also been provided at various other internal conferences.

### **Modern Slavery Training**

This year, we have focused on building capability and awareness through the organisation. Starting with the Bakkavor UK Operations Team, who received awareness training to understand the issues around modern slavery; this was followed by similar sessions for local site management teams.

We also wanted 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 developed a bespoke ethical awareness training programme, which has two levels:

- Building an Ethical Culture– for Heads of HR and HR Managers
- Ethical Trading Awareness – for HR Administrators and HR Officers

Bakkavor has been an active supporter of 'Stronger2gether' since its inception. This multi-stakeholder initiative aims to reduce modern slavery, particularly hidden forced labour, labour trafficking and other third party exploitation of workers. 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. 'Stronger2gether' 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 hotline that enables all employees, including agency workers, to raise any potential concerns in relation to employment standards or ethics. Information on how to contact the whistleblowing hotline is prominently displayed at all sites.

### Effectiveness assessment

To assess the impact of the steps we have taken, we agreed to review and report on the following key performance indicators for our own operations in our last Modern Slavery Statement:

Key Performance Indicator	Result
% of Bakkavor sites with HR that have completed the Stronger2gether training	89%
% of Bakkavor sites completed the Modern Slavery Risk Assessment with an action plan	100%
Number of Ethical Awareness Training Hours	550
% of Bakkavor sites that have completed an agency audit every 6 months	100%
Number of cases received by the Whistleblowing hotline in 2017	105
% of 2017 Whistleblowing cases closed out	100%

These KPIs support the focus on building capacity and awareness across the Group. This year, we will review and report on the following additional key performance indicators for our supply chain:

- % of suppliers on Sedex
- Number of modern slavery risk assessments undertaken in selected parts of the Bakkavor Supply Chain

This statement was approved by the Management Board of Bakkavor Group plc on 20<sup>th</sup> June 2018.