

Modern slavery statement

This statement is in response to the United Kingdom's (UK) Modern Slavery Act 2015. It highlights the steps AB Agri Ltd is taking to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

About AB Agri

AB Agri is the agricultural division of [Associated British Foods plc](#) (ABF). Within the division we have businesses operating across the agri-food chain, supplying products and services to farmers, feed and food manufacturers, processors and retailers.

Our businesses add value through six areas of expertise: commodity risk management; co-product innovation and marketing; animal nutrition technology; specialist feed ingredients; agricultural data and insight; and feed manufacturing. We are an increasingly global business, employing **1,662** people in the UK and overseas, sourcing feed ingredients globally, and selling into more than **84** countries.

Formula 24 is our overarching sustainability programme, targeted to focus on the areas and issues where we know we can change agriculture for the better. The programme is led by our Sustainability Director and steered by senior management from across the business. Within this framework, we are working to reduce the ethical risk in our supply chains, and our ambition is to achieve a 100% low ethical risk rating for all raw materials by 2025. To achieve this we are identifying and reducing the specific challenge of modern slavery and human trafficking within our complex global supply chain.

Our policies

Our operations

As part of ABF, there are several group-wide policies that set out the way we do business, including the [ABF Whistleblowing Policy](#) and the [ABF Anti-Bribery and Corruption Policy](#). Within our own business the AB Agri [Human Rights Policy](#) outlines our commitment to respect and protect fundamental human rights, as stated in the Universal Declaration of Human Rights. AB Agri complies with all relevant employment laws for the countries in which we operate and expects those with whom we do business to do the same.

In the last financial year (September 19 to August 20) there were two whistleblowing incidents reported. One in the UK was linked to an employee grievance and one in China regarding bribery and corruption. Both incidents were fully investigated and concluded to be unsubstantiated.

Our suppliers

Our global supply chain is complex, and we are working hard to understand and identify any ethical issues within it. Our first priority is to understand where the greatest risks are.

ABF sets out procurement expectations through its business principles, including a focus on human rights and conditions of employment. ABF has a group-wide [Supplier Code of Conduct](#), which sets out the values and standards expected of suppliers, and makes it clear that forced or bonded labour is not tolerated. In line with best practice, the ABF Supplier Code of Conduct is based on the International Labour Organization's (ILO) Fundamental Conventions. This Code is used within AB Agri to communicate our expectations from the suppliers we conduct business with, and includes the core principles that:

- Employment is freely chosen: there is no forced or compulsory labour in any form, including bonded, trafficked or prison labour
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- The land acquisition principle is adhered to
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

The ABF Supplier Code of Conduct is included within our legal terms and conditions of purchase, and the signing and commitment to the code is a mandatory component of our raw material supplier approval process. To date 91% of our raw material suppliers have signed this commitment. The remaining 9% are suppliers historically approved prior to this mandatory requirement. We are currently obtaining this additional information and will complete this next year.

How we assess and manage risk

Operational sites

Our people are very important to us and we work hard to ensure we recruit in a fair and inclusive way. AB Agri's Recruitment Agency Agreement ensures our values are also followed by agencies working on our behalf. The agreement provides specific detail of our ethical values and references our [Equality, Diversity, Inclusion and Dignity at Work Policy](#), and [Human Rights Policy](#).

In 2017, the AB Agri Senior Leadership Team mandated that all AB Agri manufacturing sites should complete self-assessments via the SEDEX (Supplier Ethical Data Exchange) platform. This aligns us with the approach taken across the food and drink industry and ensures we are

operating to the standards we expect of others. Since then we have self-assessed 18 of our sites around the world using SEDEX. This includes 15 UK sites as well as our factories in Denmark and Spain and one site in China. In 2020, SEDEX updated their self-assessment questionnaire to be more comprehensive and includes additional criteria relating to gender and responsible recruitment. We are currently completing these assessments against the new format and these will be completed by March 2021.

Having benchmarked our approach to human rights against best practice, we have conducted SMETA (Sedex Members Ethical Trade Audits) at some of our sites. SMETA is an audit procedure which is a compilation of good practice in ethical audit technique and is the leading certification standard for factories and organisations across the globe. We have audited 2 of our UK sites against SMETA, and in 2019 we completed internal SMETA gap analysis audits for a further 3 sites; 2 in the UK and 1 in Spain. To support this, we invested in SA8000 lead auditor training to both train and support Human Resources and Operations specialists across our businesses.

Supply chain in raw materials

Assuring feed safety is integral to how we operate our own business, and throughout our supply chain. As such, we run a well-developed and robust feed safety assurance system, to validate and evidence that our purchased feed ingredients are compliant with all relevant industry feed safety standards, ethical criteria and legislation.

We are continuing to develop our use of the Authenticate platform to build insight of and review the ethical status of the materials supplied by our feed ingredient suppliers. This web-based platform, can be accessed by our procurement managers around the world, allowing them to take a closer look at any supplier or ingredient. It is a well-used, group-wide control system at AB Agri building increasing transparency for our customers, in an area that is ever more important to those involved in global food supply chains.

Our Group Safe and Ethical Purchasing Compliance Manager has responsibility for steering real focus on alignment of ethical insight data with business procurement processes. We are streamlining our business systems and processes to ensure that the data insights, key to underpin responsible decision making, are up to-date and easy to use.

We have focused on working collaboratively with our suppliers to understand the country of origin of the feed materials we purchase and have now identified all possible countries of origin for over 95% of our materials compared to 10% two years ago. Transparency is a basic requirement if we are to understand the potential issues within our supply chains.

We know that the 3,140 different ingredients, we use come to us from more than 1,100 suppliers, who in turn source from 82 countries. We are now using this new insight to more accurately risk assess our ingredients. Our approach is based on using global risk analytics to understand where there may be an increased risk of environmental and political issues, or human rights abuses. We are working with our suppliers to build a deeper understanding of specific issues and seek to mitigate them.

Each of our AB Agri manufacturing businesses, excluding China that will be assessed next year, now has a high-risk supplier mitigation plan that will be initiated in the coming year. With potentially the highest ethical risk supply chain, our Premier Nutrition business is piloting this process. Although progress has been impacted by Covid-19 this year. All high risk suppliers have been contacted requesting that they register with Sedex and complete the Self-Assessment Questionnaire to allow us to review the additional insight offered and plan any further actions needed. To date 29% of our suppliers have completed this information.

Raising awareness

We have continued to provide information and training for our employees on issues relating to human rights and forced labour this year.

We recognise that agriculture is a high-risk industry for modern slavery and we take our duty to ensure our business and supply chains are free from it very seriously. In the UK our businesses have regular contact with farmers so, we have committed to enabling our people to both recognise and respond to potential cases of modern slavery. We have trained transport managers, commercial teams and nearly 200 delivery drivers, who visit over a thousand farms across the UK every year.

We have distributed training and awareness materials, via tool box talks and cab cards for transport vehicles. We have publicised the Modern Slavery helpline number and printed it onto cards, which we encourage our people to keep with them. This has helped to educate about the realities of modern slavery; specifically, how to spot signs of forced labour and how to report it. This included guidance that clearly sets out the way we would like our people to respond and provides them with a route to share what they may witness or their concerns, to enable appropriate follow up intervention to be taken. In 2019 we produced a Modern Day Slavery video which is used during new starter inductions and also team training events. In the last financial year (September 2019 to August 2020) 99 new starters in the UK and 9 international, viewed this video as part of their induction. The video is also available with Spanish and Polish sub titles for our overseas colleagues.

In 2020, to further enhance the training we provide we have produced a Managing Modern Day Slavery video. This explains our process for evaluating the raw materials we use and how we identify and mitigate any ethical people risks in our supply chain. We are using this as part of our internal training programme and it is also available to view [here](#).

We fully recognise that ethical training is a key component of building greater capability to enable our people to support the elimination of forced or bonded labour. We have two managers who have completed the SA8000 lead auditor training course and in 2019 40 of our people attended the SGS Social Systems Foundation course. This one-day programme focuses on the leading established Codes of Conduct such as the Ethical Trading Initiative (ETI) Base Code, SA8000 and our own internal ethical conduct principles. The course raises awareness and knowledge of these ethical requirements, whilst developing a practical understanding of performing evaluation and as part of overall compliance to ethical conduct. Attendees included all UK procurement teams as well as representatives from other business functions such as Quality Teams.



The AB Agri Senior Leadership Team is updated regularly on our progress. In addition, we continue to share knowledge and learnings with colleagues from other ABF plc businesses, including attending their supplier training events to understand their approach to ethical risk management and supplier collaboration.

A handwritten signature in blue ink, appearing to read 'José Nobre'.

José Nobre
CEO

Date 30th October 2020