

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 **1,486** people in the UK and overseas, sourcing feed ingredients globally, and selling into more than **70** countries.

[Formula24](#) 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 have a stated aspiration to source all feed ingredients sustainably by 2024. One element of achieving this ambition is to identify and reduce the specific challenge of modern slavery and human trafficking within our complex global supply chain.

Our policies

Our operations

As part of ABF plc, 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.

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. The 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.

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 and Inclusion Policy](#), and [Human Rights Policy](#). We continue to deliver unconscious bias training to teams across the business, aimed at removing unintentional prejudice from our recruitment processes.

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.

Having benchmarked our approach to human rights against best practice, we have now started to conduct SMETA (Sedex Members Ethical Trade Audits) at 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 now audited 2 of our UK sites against SMETA, and in 2019 will complete a further 3 sites; 2 in the UK and 1 in Spain. To support this, we have 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 and legislation.

Having extended this core feed safety process to include additional ethical criteria, we are continuing to develop our use of the Authenticate IS platform to build insight of and review the ethical status of 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.

This year we have worked collaboratively with our suppliers and encouraged them to manage their own supply chains via the same platform. More than 25% of our suppliers are now doing this which is providing visibility of the country of origin of the ingredients we buy; crucial if we are to understand the potential issues within our supply chains. Additionally, we are streamlining our business systems and processes to ensure the data we use for ethical decision making is always up to-date and easy to use.

The new role of Group Safe and Ethical Purchasing Compliance Manager has enabled a real focus on better aligning data with business procurement processes. This ensures all supplier data is routinely maintained, updated and further developed to continually build our understanding of our raw material supply chains.

By gathering more information on the ingredients we buy, we are building a much clearer picture of our sourcing landscape. We know that most of our primary ingredient suppliers are based in European countries with relatively low overall ethical risk as indicated in the Verisk Maplecroft global analytics database. However, during the past year, we have sought to move forward and deepen our understanding of where they, in turn, source from.

We already know that the 2,916 different ingredients we use come to us from more than 644 suppliers, who in turn source from 74 different countries. We continue to gather source country data from our suppliers, to enable us to better understand the ethical risk associated with each of them. Our approach is to apply global risk analytics to understand where there may be an increased risk of environmental and political issues, or human rights abuses. We will then work with our suppliers to build a deeper understanding of specific issues and seek to mitigate them.

This year saw us implement our ethical sourcing supplier risk reduction programme for the first time having identified several potentially high-risk South East Asian suppliers. The programme required the suppliers to register with Sedex and complete the Self-Assessment Questionnaire to allow us to review the additional insight offered and plan any further actions needed.

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 has been identified as 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. Our business has regular contact with farmers so, we have committed to enabling our people to recognise and respond to potential cases of modern slavery. This year 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 also continued to distribute training and awareness materials across our businesses, 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 2018, our Safe and Ethical Purchasing Compliance Manager successfully completed the SA8000 lead auditor training course. In 2019, we plan to provide ethical sourcing training to all our AB Agri UK procurement teams, to increase their knowledge of ethical sourcing and equip them to identify indicators of unethical business practices.

The AB Agri Senior Leadership Team is updated quarterly 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.



30 October 2018

José Nobre
CEO

Date