



*Everyday tastes good™*

## **Modern Slavery Statement**

**Year ending 31 December 2016**

### **Purpose**

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 and sets out the initial steps that Greggs plc has taken to start to assess the risk of modern slavery occurring in our supply chain and begin to consider what action can be taken and procedures implemented to mitigate this risk over the coming years.

### **Our Commitment**

Greggs plc does not tolerate any form of slavery, forced labour or human trafficking, whether directly within our own business or within the operations and activities of our suppliers, business partners and wider supply chain, whether within the UK or overseas.

We are committed to taking steps to ensure that slavery, forced labour and human trafficking does not take place within our supply chain or other parts of our business.

### **Background to our business**

Greggs is one of the UK's leading food-on-the-go retailers and a longstanding brand which is synonymous with the British high street. We offer for sale traditional bakery products as well as a range of other food-on-the-go products.

We own and operate a vertically integrated supply chain, from sourcing to production to distribution to point-of-sale in our shops. We trade from a retail estate of circa 1,803 shops (1,622 of which are directly operated by Greggs) located in England, Scotland, Wales and (since 2016) Northern Ireland with support from a network of regional bakeries and distribution centres, a fleet of our own delivery vehicles and a directly employed workforce of approximately 21,000 people serving millions of customers each week.

The Greggs brand is represented by a number of franchise partners and we also operate a frozen food wholesale arrangement with Iceland Food Limited.

For the financial year ending 31 December 2016, we announced an annual turnover of £894.2 million and pre-tax profits of £75.1 million.

### **Workforce Make Up**

All of our people working within our company operated retail shops<sup>1</sup> and central office support functions are directly employed by Greggs plc. For special projects we contract work from consultants and short term contractors.

---

<sup>1</sup> Our franchise partners are responsible for the employment their own retail teams.



*Everyday tastes good™*

Our supply chain workforce (including those working within our production, distribution and logistics teams) are made up of a mixture of direct employees and those supplied via third party agencies (approximately 10%).

We recognise and work with the Bakers, Food and Allied Workers Union (BAFW), the Union of Shop, Distributive and Allied Workers (USDAW) and the United Road Transport Union (URT) who represent our employees working in our retail estate, bakery and distribution centres and logistics teams.

### **Supply Chain Background**

Our Procurement team is split into areas of spend and our purchasing managers are responsible for sourcing aspects of supply within their category as well as ensuring the performance of suppliers is of a satisfactory standard.

We procure our raw ingredients, finished products, equipment and other goods not for re-sale from third party suppliers. Parts of our logistics and manufacturing operations are outsourced to third parties and we also outsource some routine services, including for example contract cleaning and private refuse collection.

In 2015-2016 we made a significant investment in upgrading our supplier management IT infrastructure, implementing a SAP/Ariba e-procurement platform and SAP Enterprise Resource Planning system. These systems allow us to manage our existing and new supplier base much more effectively.

The SAP/Ariba system is an e-procurement tool which enables us to collate background information about our current suppliers and any businesses who may wish to become a supplier. This information is then used to vet businesses against set criteria to assess their suitability to become an approved Greggs' supplier.

In September 2016, a new section was added to our SAP/Ariba supplier pre-qualification questionnaire in response to the Modern Slavery Act 2015 ("**MSA**") and an extract of this can be found at **Appendix 1** to this statement. The purpose of this section of the questionnaire is threefold:

1. To raise awareness generally amongst our supplier base about the MSA;
2. To assist us to begin to risk profile our new and existing suppliers according to industry type and geographical location;
3. To request that our suppliers confirm their own compliance with the requirements of the MSA and their co-operation in the event that any incidents of modern slavery or human trafficking are identified in their supply chains.

The industries and countries listed in the questionnaire are based upon those identified by the 2016 Global Slavery Index<sup>2</sup> as being those representing the highest risk of incidents of modern slavery occurring (in the case of the geographical locations, these represent the countries ranked in the top 35 in terms of absolute numbers of people believed to be living under the conditions of modern slavery).

---

<sup>2</sup> Copyright © 2016. Walk Free Foundation.



*Everyday tastes good™*

Our supplier terms and conditions (which suppliers are asked to confirm their acceptance of as part of the SAP/Ariba registration process) have also been updated to include provisions to specifically address the risk of modern slavery occurring in our supply chains. An extract of this can be found at **Appendix 2** to this statement.

Of the 1,068 businesses currently listed in our SAP/Ariba system, approximately 573 have fully completed the Ariba registration process (including the MSA questions) and so we still have further work to do to encourage our all of our suppliers to fully engage with us.

### **Awareness Training**

In February 2016, our Social Responsibility Committee (which involves members of our Operating Board including our Chief Executive) was briefed about the requirements of the MSA and more generally about the scale of the problem that modern slavery still represents globally and in the United Kingdom.

In October 2016, our Procurement, Food Technical and Legal teams (those being the departments within the business that have the most interaction with our suppliers) attended a training session delivered by Anti-Slavery International<sup>3</sup> designed to raise awareness generally of the issue of modern slavery and also to address the indicators of modern slavery and the importance of supplier due diligence as a factor to help tackle this problem.

Our Anti-Slavery and Human Trafficking Policy was also published in 2016 on our website and a copy of this can be found at **Appendix 3** to this statement. This policy is supported by our existing Human Rights Policy.

### **Planned Steps for 2017**

Using the information collected to date via our SAP/Ariba system to date, together with our teams' personal knowledge gained through working with our existing suppliers, we intend to start to risk map our suppliers based upon (a) their responses to certain questions in our questionnaire (b) in the case of UK suppliers, those known to utilise a high proportion of agency or temporary workers and (c) those suppliers operating within the services industries and which are closely associated with our operations (for example those agencies providing workers to our manufacturing and distribution facilities and suppliers providing cleaning, warehousing, laundry and catering services or who directly supply agricultural produce to us).

During the course of this year, we intend to initially select up to ten key UK based suppliers falling within one or more of the categories above to look at in more detail (which may, where appropriate, involve on-site audits at suppliers' premises and interviews with workers).

We intend to treat this very much as a learning exercise to find out how we can best go about undertaking due diligence to meet the risk of modern slavery and human trafficking occurring in our supply chains and how we can monitor this on a continuous basis. We would hope to then use our

---

<sup>3</sup> <https://www.antislavery.org/>



*Everyday tastes good™*

experiences from this exercise to establish a process that would be suitable to be rolled out on a much wider basis.

We intend to make available on our internal learning and development intranet portal, awareness training and materials for circulation initially throughout our wider head office, supply chain and people functions and then more generally throughout our workforce.

We also intend to review our whistleblowing policies with a view to incorporating a mechanism for allowing our employees, suppliers, business partners and customers to highlight any concerns in relation to our supply chain that they may wish to bring to our attention.

### **Operating Board Statement**

This statement covers the period 1 January 2016 to 31 December 2016 and has been approved by the Corporate Social Responsibility Committee and Operating Board of Greggs plc.

**Roger Whiteside**

Chief Executive

June 2017

**Appendix 1 - Ariba Questionnaire Extract**

7. Anti-Slavery and Human Trafficking

7.1 What Country is the Organisation registered in?

7.2 Do you comply with the International Labour Organisation Covenants of the countries you operate in?

Yes - All countries	Yes - Some countries	No
---------------------	----------------------	----

7.3 Does the Organisation operate within any of the following industries:

Agriculture or Farming	Electronics
Mining and Minerals	Food Processing
Garments or Textiles	Construction
Fishing or Seafood	Logistics

7.4 Does the Organisation operate within any of the following Countries, or, so far as the Organisation is aware, are any goods, products, services or a component part of them, sourced from any of the following Countries:

India	North Korea
China	Russia
Pakistan	Nigeria
Bangladesh	DR of Congo
Uzbekistan	Indonesia

7.5 Does the Organisation operate within any of the following Countries, or, so far as the Organisation is aware, are any goods, products, services or a component part of them, sourced from any of the following Countries:

Egypt	Thailand
Myanmar	Ethiopia
Iran	Iraq
Turkey	Philippines
Sudan	Mexico

7.6 Does the Organisation operate within any of the following Countries, or, so far as the Organisation is aware, are any goods, products, services or a component part of them, sourced from any of the following Countries:

Afghanistan	Syria	Nepal
Tanzania	Cambodia	Ukraine
Colombia	South Africa	Peru



Everyday tastes good™

Yemen	Algeria	Morocco
Japan	Uganda	South Korea

7.7 Please identify the relevant goods, products, services or component part that is sourced from the countries listed in the previous questions. Please ensure you reference which country they are sourced from and provide details of the supplier or sub-contractor supplying the relevant goods, products, services or component part.

7.8 Using the options provided please state that:

- (i) The Organisation has made reasonable enquiries and so far as it is aware, neither the Supplier nor any of its directors, officers and employees:
  - a. been convicted of any offence involving slavery, forced labour or human trafficking whether in the United Kingdom or any other jurisdiction;
  - b. been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery, forced labour and human trafficking, whether in the United Kingdom or any other jurisdiction.

Agree	Disagree
-------	----------

7.9 Using the options provided please state that the Organisation has implemented appropriate and proportionate due diligence procedures and checks for its own suppliers, sub-contractors and other participants in its supply chain and to the best of its knowledge and belief, is not aware of any incidents of slavery, forced labour or human trafficking taking place in its supply chain in respect of any goods, products, services or component part supplied to Greggs.

Agree	Disagree
-------	----------

7.10 Using the options provided please state that the Organisation maintains a complete set of records to trace the supply chain for all goods, products, services or component part supplied to Greggs and shall make such records available for inspection by Greggs upon request.

Agree	Disagree
-------	----------



*Everyday tastes good™*

7.11 Using the options provided please state that the Organisation undertakes to:

- (i) notify Greggs as soon as it becomes aware of any actual or suspected slavery, forced labour or human trafficking in its supply chain in respect of any goods, products, services or component part supplied to Greggs;
- (ii) fully co-operate with Greggs in respect of any investigation, audit or site inspection arising from any actual or suspected incidents of slavery, forced labour or human trafficking in any supply chains in respect of any goods, products, services or component part supplied to Greggs.

Agree	Disagree
-------	----------



*Everyday tastes good™*

**Appendix 2 – Extract from Terms and Conditions**

- 14. Modern Slavery
  - 14.1 In performing its obligations under the Contract, the Supplier shall and shall ensure that each of its subcontractors shall comply with all applicable laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015 together with any anti-slavery and human trafficking policy of the Buyer from time to time.
  - 14.2 The Supplier represents and warrants that:
    - 14.2.1 its responses to the Buyer's anti-slavery and human trafficking due diligence questionnaire are complete and accurate; and
    - 14.2.2 neither the Supplier nor any of its officers, employees or other persons associated with it:
      - 14.2.2.1 has been convicted of any offence involving slavery and human trafficking; and
      - 14.2.2.2 having made reasonable enquiries, to the best of its knowledge, has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking.
  - 14.3 The Supplier shall implement due diligence procedures for its own suppliers, subcontractors and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.
  - 14.4 The Supplier shall notify the Buyer as soon as it becomes aware of:
    - 14.4.1 any breach, or potential breach, of the Buyer's anti-slavery and human trafficking policy; or
    - 14.4.2 any actual or suspected slavery or human trafficking in a supply chain which has a connection with the Goods.
  - 14.5 The Buyer may terminate the Contract with immediate effect by giving written notice to the Supplier if the Supplier commits a breach of this condition.





## Appendix 3 – Anti-Slavery and Human Trafficking Policy

### Our Values

At Greggs, we are conscious that what we do has a real impact on the wider world around us and that the decisions we make can often affect the lives of people and communities in the UK and overseas. We believe we have a responsibility to ensure that our business makes a positive contribution to those affected by our activities and that we take proactive steps to address circumstances where this is not the case.

It is one of our core values that all of our employees deserve the right to live and work with dignity and respect and we believe this ethos should equally apply to the employees of our suppliers, business partners and wider supply chain. We recognise that it is our responsibility to encourage this kind of working environment and that we should take steps to ensure that sound social and ethical practices are upheld, not only within our own operations, but also within our supply chain and by our business partners.

### Definitions

The following definitions are applicable to this policy:

**Slavery** means the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised. This includes practices such as forced labour, debt bondage, the sale or exploitation of children and descent-based slavery.

**Forced labour** means all work or service which is exacted from any person under the menace of any penalty for which that person has not offered themselves voluntarily. A penalty could be a physical constraint or it could take the form of other abuse such as threats of deportation, passport confiscation or wage non-payment that binds a worker to the employer.

**Human trafficking** involves the movement of a person, either across international borders or within the boundaries of a single country, by means of threat, deception or abuse of vulnerability, for the purpose of exploitation.

### Our Commitment

Greggs does not tolerate any form of slavery, forced labour or human trafficking, whether directly within our own business or within the operations and activities of our suppliers, business partners and wider supply chain, whether within the UK or overseas.

We are committed to taking steps to ensure that slavery, forced labour and human trafficking does not take place within our supply chain or other parts of our business.

We will take steps to verify, evaluate and assess the risk of slavery, forced labour and human trafficking occurring within our supply chain and we expect our suppliers and business partners to



*Everyday tastes good™*

co-operate and collaborate with us to achieve this. We also expect our suppliers and business partners to take their own proactive steps to investigate their own supply chains.

Where we have suspicions that any supplier or business partner is engaging or implicated in any incident of slavery, forced labour or human trafficking, we will undertake investigations and take appropriate action. This may take the form of providing our support to ensure improvements are made, making reports to the relevant legal authorities and if necessary terminating our business relationships where issues are not resolved to our satisfaction.

We will encourage all of our employees, suppliers, business partners, competitors, customers, the general public and other interested parties to raise any genuine concerns or suspicions that they may have about our procurement practices, in complete confidence.

Whilst we appreciate that this process will be a long term and on-going project which will take time to complete in collaboration with a number of stakeholders, we undertake to always be open, honest and transparent as to the findings of our supplier audits and investigations

## **Implementation**

In order to achieve our objective of tackling slavery, forced labour or human trafficking, we will:

- appoint an appropriate member of our Operating Board to take ultimate responsibility for ensuring the implementation of this policy;
- require all of our suppliers to provide an annual self-certification confirming that they are not aware of any incidents of slavery, forced labour or human trafficking occurring within their business and own supply chain;
- encourage all of our suppliers, where possible, to become members of the Supplier Ethical Data Exchange (SEDEX);
- undertake regular reviews of our supply chain and allocate risk profiles to each of our suppliers based on the information available to us;
- where appropriate, undertake scheduled supplier site audits in order to validate suppliers' self-certification and anti-slavery prevention practices;
- where suppliers fall short of our expectations, require a remediation plan be prepared, implemented and reviewed to address any shortcomings highlighted;
- provide relevant employees with training to recognise the any signs of slavery, forced labour or human trafficking within our supply chain and encourage practices to mitigate the risk of this occurring;
- put in place whistleblowing facilities to enable employees, suppliers, business partners, competitors, customers the general public and other interested parties to raise genuine concerns in confidence;
- publish the results of any audits and investigations undertaken as part of our annual Anti-Slavery and Human Trafficking Statement.