

Associated British Foods plc

Slavery and Human Trafficking statement - DRAFT

Overview

Associated British Foods is a diversified international food, ingredients and retail group with sales of £12.8bn, 124,000 employees and operations in 48 countries across Europe, southern Africa, the Americas, Asia and Australia. We aim to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth, and deliver quality products and services that are central to people's lives.

Associated British Foods is committed to respecting human rights across its own operations, its supply chains, and its products. We are a decentralised business split into five segments: Grocery; Sugar; Agriculture; Ingredients; and Retail. With such a diversified group our operations are spread around the world and our supply chains are far-reaching and complex.

We value our ongoing engagement and collaboration with a broad range of interested and concerned stakeholder groups. As part of this commitment, we take the necessary steps to try to ensure that slavery and human trafficking are not taking place in our own operations or any part of our supply chains. We realise that slavery and human trafficking can occur in many forms, of which forced labour, child labour, domestic servitude or sex trafficking are examples. The steps we take to try to ensure that any forms of modern day slavery are not present within our operations or our supply chains are set out below.

Policies

Whistleblowing

We encourage an open culture in all our dealings between employees and people with whom we come into contact. Effective and honest communication is essential if malpractice and wrongdoing are to be dealt with effectively. Our whistleblowing policy sets out guidelines for individuals who feel they need to raise certain issues in confidence which could include forced labour concerns. This policy applies to all individuals working at all levels of the organisation, including senior managers, officers, directors, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term workers, suppliers, casual and agency staff. The Whistleblowing Policy is available on our website at <http://www.abf.co.uk/tools/search?q=whistleblowing>.

We provide an external third party service and make every effort to protect the confidentiality of those who raise concerns.

Supplier Code of Conduct

Our comprehensive group wide Supplier Code of Conduct (SCC) sets out the values and standards we expect of our suppliers, representatives and the other people with whom we deal. It is based on the International Labour Organization (ILO) Fundamental Conventions and the Ethical Trade Initiative (ETI) Base Code. We engaged with NGOs in the creation of this code of conduct. It specifically refers to our intolerance of forced or bonded labour.

"Employment is freely chosen- There is no forced, bonded or involuntary prison labour. Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice."

In areas of particular high risk some of our businesses have produced further guidelines such as Illovo Sugar's "Child Labour & Forced Labour Guidelines". These can be found here: <https://www.illovosugar.co.za/Group-Governance/Forced-and-Child-Labour-Guidelines>.

Risk Assessment

All our businesses have gone through a risk assessment process to understand which supply chains may be at higher risk of Modern Slavery. This may be due to the country of origin, the product or industry characteristics (such as seasonal lifecycles) or workforce characteristics (such as migrant workers). All our businesses are now working on developing action plans for any supply chains which may be of higher risk of forced labour.

Taking Action

To try to ensure our suppliers meet our standards, we audit high priority suppliers either by approved external auditors, or our own internal team. By auditing with respect to our Supplier Code of Conduct we gain insight into the working conditions and labour standards of the factories that supply our products. We also collaborate with other buyers using SEDEX and AIM Progress to share audits and reduce "audit fatigue" for suppliers. When we do decide to audit, these are scheduled with the supplier in advance.

If there are any cases where our suppliers are found not to be meeting our Supplier Code of Conduct we identify priority issues, such as potential slavery or human trafficking violations and we investigate immediately. We work with all of our suppliers offering training and support to help them improve. We would only terminate commercial relationships with these suppliers if no improvements are made or there is no commitment to make them.

Our high risk supply chains are mapped to gain a better understanding of the relationships between tiers and the areas where modern slavery could be a risk. This is vital knowledge needed so we can plan the most appropriate remediation action. For particular high risk commodities we have conducted on-the-ground assessments to investigate risks further. This is done through interviews with key stakeholders including workers and communities. Most recently these investigations have taken place in our Brazil nut, tea, vanilla and spices supply chains.

In other high risk areas we train our buyers to SA8000 social auditing standard. This means in addition to audits buyers are aware what to look out for and how to respond if they have concerns about something they see.

Training

In 2015 we conducted training for our senior procurement team across all our businesses. This training included risk assessment, how to develop a response plan and auditing. We plan to expand our training programme to the wider buying community; including those responsible for cleaning and catering contracts, construction and refurbishment contracts. We have also conducted supplier training days for suppliers aimed at guidance on modern slavery.