

Modern Slavery Statement: Australia and New Zealand 2022

**Associated
British Foods**
plc

Associated British Foods plc (ABF) is a diversified international food, ingredients, and retail group with a revenue of £17,000 million, 132,000 employees and operations in 53 countries across Europe, Africa, the Americas, Asia, and Australia. We operate a devolved operating model across our five business segments of Grocery, Sugar, Agriculture, Ingredients and Retail.

The Australian and New Zealand businesses of ABF are proud of the steps we have taken in 2022 to help combat modern slavery and we are committed to further improving our practices in 2023 and beyond.

This modern slavery statement is a joint statement covering Associated British Foods plc's Australian and New Zealand group of companies¹ with the relevant reporting entities being AB Mauri ROW Holdings Pty Ltd (ABN 12 115 524 886), AB Food & Beverages Australia Pty Ltd (ABN 93 100 637 849), and Food Investments Pty Limited (ABN 85 008 426 177) and their subsidiaries¹.

In Australia and New Zealand, we operate the following businesses:

- GWF (George Weston Foods) which includes the Tip Top, DON, Mauri, Jasol and Yumi's businesses. These businesses are classed as part of the Grocery segment within ABF, notwithstanding that the GWF Jasol division is largely focused on the manufacture and distribution of cleaning chemicals.
- AB Food & Beverages Australia Pty Ltd (a business of Twinings), which imports, manufactures, and distributes a range of teas, infusions, coffees, malt drinks and hot chocolates under various brands including Twinings, Ovaltine and Jarrah.
- AB World Foods Pty Ltd, which imports, markets, and distributes a range of international sauces, pastes, pappadums, meal kits and chutneys under the Patak's brand.
- The Jordans and Ryvita Company Australia Pty Ltd (a business of Jordans Dorset Ryvita) imports, manufactures (via a third-party manufacturer), markets and distributes a range of cereals, crisp breads, and crackers under the brands Jordans, Dorset Cereals and Ryvita.

This statement was again prepared in consultation with each of the relevant reporting entities with a steering committee formed from employees of the reporting entities and key subsidiaries. Working groups comprising relevant subject matter experts were also formed within the relevant reporting entities and key subsidiaries with their due diligence findings and any modern slavery risks being discussed during steering committee meetings.

1. This includes but is not limited to AB Food & Beverages Australia Pty Ltd, AB Mauri ROW Holdings Pty Ltd, AB World Foods Pty Ltd, Food Investments Pty Limited, George Weston Foods Limited, George Weston Foods (NZ) Limited, The Jordans and Ryvita Company Australia Pty Ltd and Yumi's Quality Foods Pty Ltd. For a full list of Associated British Foods plc's Australian and New Zealand subsidiary undertakings, please see Note 29 of the notes to our financial statements in our 2022 Annual Report and Accounts.

Overview

The key developments for the ABF businesses in Australia and New Zealand in 2022 have been:

- the setting up of an *Ethical Sourcing Working Group* to work across all businesses of ABF based in Australia and New Zealand. Part of the role of this group is to develop unified strategies including a strategy for implementing supply chain due diligence;
- GWF deciding to engage and roll out Supplier Ethical Data Exchange (SEDEX) as a key data platform for the joint and separate auditing of supply chains across relevant ABF businesses in Australia, New Zealand, and elsewhere;
- Commencing use of Risk Methods in various businesses. Risk Methods is a service which alerts businesses about media activity covering risks related to identified supplier sites, including modern slavery;
- the development and introduction of compulsory modern slavery training for all key management and employees across GWF; and
- The establishment of a partnership between GWF and UK Grocery (a division of ABF that includes Jordans Dorset Ryvita (JDR), Allied Mills and other businesses). The partnership is intended to assist with making best use of information generated by SEDEX, sharing information, and collaborating on common modern slavery risks, for example in relation to higher risk countries such as Turkey.

The diversity of ABF's businesses means that our operations are widespread, and our supply chains are far-reaching and complex. We are committed to respecting human rights across our own operations, supply chains and products.

ABF and its entities believe that modern slavery is a global issue that requires global action. Modern slavery can occur in many different forms, including, but not limited to, forced labour, child labour and human trafficking. As an international business, we have a role to play in eliminating these practices as well as respecting human rights across our operations and supply chains. We value our ongoing engagement and collaboration with a broad range of interested and concerned stakeholder groups to tackle some of these issues.

Furthermore, we recognise that the UN Guiding Principles on Business and Human Rights (UNGPs) require businesses to address actual and potential adverse human rights impacts, prioritising those that are most severe or those where a delayed response would make them irremediable.

Introduction

Modern slavery is a global issue and can occur in many different forms, including but not limited to, forced labour, child labour and human trafficking. New figures, published by the United Nations in September 2022, estimate that 27.6 million people are in forced labour. This is a significant increase in the number of people globally in modern slavery compared to previous figures from 2021¹.

As a Group with international businesses with far-reaching and complex supply chains, our international businesses have an important role to play in addressing the risks of forced labour. We are assisting our businesses to develop processes to carry out due diligence on the risks of forced labour in their own operations and supply chain and to provide remediation to those who have been impacted where this is appropriate.

We recognise the importance of the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD (Organisation for Economic Co-operation and Development)'s Due Diligence Guidelines on Responsible Business Conduct, which require businesses to have a rigorous approach to due diligence. These have informed the development of our Supplier Code of Conduct, as detailed below.

The OECD Due Diligence Guidelines on Responsible Business Conduct requires businesses to:

- embed responsible business conduct into policies and management systems;
- identify and assess actual and potential adverse impacts associated with the enterprise's operations, products, or services;
- cease, prevent and mitigate adverse impacts;
- track implementation and results;
- communicate how impacts are addressed; and
- provide for and cooperate in remediation when appropriate.

This statement contains the steps we are taking, and planning to take, to address the risks of modern slavery.

1. Source | ilo.org

Our Operations and Supply chain

GWF

GWF has over 4,000 supplier vendors and service providers with the majority of these being Australian or New Zealand based.

Mauri purchases grain, grain by-products and bakery ingredients. Mauri procures most of its grain from Australian farms. The grain is sourced under Grain Trade Australia guidelines and Australian Grain Industry Code of Practice which covers industry best practice in terms of grain handling based on quality. Ingredients are primarily sourced from Australia, China, Netherlands, USA, New Zealand, India, and Malaysia (combination of Australian and New Zealand business). Packaging is primarily sourced from Australia, India, China, Indonesia, and New Zealand (combination of Australian and New Zealand business).

Our DON business obtains most ingredients via Australian distributors who we understand source from overseas countries including China, USA, Canada, Philippines, Malaysia, Thailand, Germany, Denmark, Turkey, Morocco, Israel, Brazil, Poland, and India.

Meat is sourced from Australia, USA, Canada, Belgium, Denmark, The Netherlands, UK, and Ireland.

The major Tip Top ingredient is flour, sourced from Mauri in Australia and New Zealand. Our Tip Top business sources from countries such as Australia, China, Malaysia, India, Turkey, USA, Italy, Belgium, and the Netherlands.

Improvers, yeast (except in Western Australia) and premixes are sourced from Mauri in Australia and New Zealand.

Packaging is sourced from Australia, New Zealand, Canada, China, and Malaysia. Tip Top Equipment is purchased from our long-established local partners, who import equipment predominantly from Europe and North America.

Yumi's source most ingredients from Australia. Other products/ ingredients are sourced from South Africa, Vietnam, Greece, Israel, China, Italy and Turkey.

Finally, our Jasol business buy almost all chemicals through Australia based distributors. Raw materials are purchased locally from importers who source from established manufacturers in Korea, Malaysia, China and USA. Packaging is sourced locally in Australia. Equipment is sourced from UK, USA and Taiwan.

Twinings

Twinings is an international tea company based in the UK and with a presence in many countries. Twinings does not own and never has owned any tea plantations.

Instead, Twinings buys tea from producers around the world and currently sources tea from 140 tea gardens, which are carefully selected based on quality and ethical standards. Twinings' herbal and fruit tea and infusions are sourced from over 100 different plants which are grown in more than 30 countries around the world. For the Australian and New Zealand Markets, Twinings tea is packaged at our own site in Poland.

Twinings' Australian manufacturing business also sources other ingredients and finished products from countries such as Brazil, Columbia, China, Malaysia, India, Poland, Thailand, France Germany and Australia. It sources most of its packaging from Australia and one form of packaging from Vietnam.

AB World Foods

AB World Foods sources raw materials and packaging from various countries across the globe.

JDR

As an international company based in the UK, JDR sources raw materials and packaging from various countries.

Embedding responsible business conduct in policy and management

As a Group with international businesses that have suppliers and representatives the world over, our businesses have a responsibility to act in accordance with applicable regulation on human rights and modern slavery. Furthermore, our businesses expect that their suppliers and representatives uphold the values and standards that we have established as a Group and share that responsibility.

Our comprehensive Group Supplier Code of Conduct¹ sets out the values and standards we expect. It is based on the Ethical Trading Initiative (ETI) Base Code, and the ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work (1998, amended 2022) which cover freedom of association and collective bargaining, forced labour, child labour, discrimination, and a safe and healthy working environment.

We engaged directly with our stakeholders in the development of the Supplier Code of Conduct and periodically update it to ensure it is relevant and fit for purpose to address the risks in our operations and supply chains. It clearly outlines our zero tolerance of forced or bonded labour. Each of our businesses has responsibility for implementing the Supplier Code of Conduct and monitoring compliance against it. We expect all our suppliers and representatives of our businesses to comply with, and to seek to develop relationships with, their own supply chains consistent with principles set out in our Supplier Code of Conduct.

Our Supplier Code of Conduct covers the following issues:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Land acquisition
6. Living wages are paid
7. Working hours are not excessive
8. No discrimination is practised
9. Regular employment is provided
10. No harsh or inhumane treatment is allowed

11. Confidentiality
12. No bribery or corruption will be tolerated
13. Environmental management
14. Quality
15. Audit and termination of agreements.

Specifically on the risks of forced labour, our Supplier Code of Conduct states that our principles are:

- There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour; and,
- Workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice.

We are also aware that often the signs of forced labour can manifest through a range of factors so that a confluence of indicators may result in forced labour, rather than one single indicator.

Many of our businesses have developed additional policies that support and strengthen the implementation of the Supplier Code of Conduct, often through consultation and engagement with stakeholders and third-party technical experts.

- GWF has published a Responsible Sourcing Code of Conduct² which includes a requirement that suppliers and their suppliers develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable him or her to attend and remain in quality education.
- Twinings Sourced with Care³ programme was launched in 2016 with the aim of improving the lives of people growing our herbs and tea. It is fully aligned with our human rights policy⁴, which underpins our commitment to conduct business with integrity and to respect universal human rights. Since 2018, Twinings has published their tea sourcing list⁵, as by being transparent about who and where Twinings sources from, Twinings believe they can drive collaboration and tackle industry challenges. In 2023, Twinings published its first human rights report, containing the results of a human rights saliency assessment and outlining Twinings work on human rights in its operations and supply chains.
- Jordans Dorset Ryvita has developed a *Preventing Hidden Labour Exploitation* policy to support the recruitment and employment of permanent and temporary agency employees across its own operations and supply chain. The policy was drafted in accordance with guidance from Stronger Together, an expert organisation that provides businesses with training, resources, and collaborative programmes on responsible recruitment to prevent labour exploitation within supply chains. It is also important that workers, and those most at risk of modern slavery, can access and understand our policies and understand their rights within the workplace.

1. Supplier Code of Conduct

2. Responsible Sourcing Code of Conduct

3. Twinings Sourced With Care

4. Human rights policy (sourcedwithcare.com)

5. Sourcing Map | Twinings Sourced With Care

Identifying actual and potential harms

Businesses within this statement are responsible for mapping their operations and supply chains to identify where their key risks are present. Several businesses have published interactive 'maps' which are updated regularly and show where products are harvested, processed, and manufactured, dependent on the specific business. Businesses assess the potential and actual risks of modern slavery within their operations and supply chains and prioritise those which are most salient for example, those with the most severe or negative impact. This may include the country of origin, the product or industry characteristics such as seasonal cycles, and workforce characteristics such as migrant workers.

To do this, our businesses refer to a range of credible, external and internal resources such as Verisk Maplecroft's risk assessment tool which provides country risk data on over 200 commodities, is in the process of launching SEDEX, uses data reported by industry bodies, in-depth site and supply chain investigations and assessment, stakeholder reports including those from intergovernmental organisations, civil society and human rights watchdogs, as well as intelligence gathered from our teams in our operations and sourcing locations. As a Group, we engage regularly across our businesses to share information and learning on cross-cutting and critical issues, particularly where risks are systemic, severe, and may require enhanced due diligence. This has included, for example, human rights issues in Xinjiang Uyghur Autonomous Region (XUAR) and Myanmar, and the exploitation of agency labour and migrant workers.

Examples from the businesses

GWF

GWF businesses have global supply chains which involve manufacturers as well as traders and brokers. GWF uses multiple channels to identify the risks in these supply chains, including focusing on collaboration and information sharing across the Australia and New Zealand businesses as well as globally, especially with the UK Grocery Group who share many of the same risks as the Australian and New Zealand businesses. One of the tools being used in some GWF businesses is Risk Methods, which provides live updates of risks reported in the media on identified suppliers and locations, including ethical sourcing issues.

Key collaborative forums include the Ethical Sourcing Working Group which includes businesses of ABF in Australia and New Zealand, and the partnership between GWF and UK Grocery (a division of ABF that includes Jordans Dorset Ryvita, Allied Bakeries and other businesses).

In 2022 these collaborative forums played a key role in identifying a possible modern slavery risk into palm oil purchasing, related to

U.S. Customs and Border Protection (CBP) blocking imports of palm oil from Sime Darby into the US due to modern slavery concerns. Information related to the risk was quickly disseminated across all the GWF businesses, and GWF was able to confirm that it was not purchasing any palm oil that had come from a Sime Darby plantation.

Jordans Dorset Ryvita

Jordans Dorset Ryvita (JDR) has a global supply chain, and, in some cases, ingredients are purchased from extended supply chains involving traders and brokers. Steps are taken to identify risks in supply chains and to monitor risk assessments as required, and the business conducts due diligence when considering taking on new suppliers and regularly reviews existing suppliers.

JDR recognises that temporary workers are a particular risk group in respect of modern slavery, and it works closely with existing suppliers to mitigate the risk of potential labour exploitation. Agency suppliers are fully licensed and comply with the company's Recruiter Compliance Principles. Specific questions have been introduced to interview templates to help suppliers encourage conversation on how job applicants heard about roles and whether any money has been exchanged in relation to roles.

JDR recognises that its supply chains are not the only area where people may be at risk of modern slavery in the context of its business. As such, six-monthly checks are undertaken within the company's own business operations to identify any areas of concern associated with shared addresses or bank accounts for employees as this could indicate the existence of modern slavery related to debt bondage.

JDR's key suppliers who provide manufacturing materials are linked to the company on SEDEX and carry out a review that consists of three stages of risk assessment plus remediation and reporting. A range of qualitative and quantitative data sources are used to conduct the risk assessments, including but not limited to: SEDEX, Verisk Maplecroft, BRC, and 4 pillar SMETA audit data. A representative from each site has taken responsibility for updating SEDEX to improve the quality and detail of the information.

Twinings

The Twinings Community Needs Assessment (TCNA) framework has been created in consultation with expert organisations including WaterAid, UNICEF, Conservation International, Solidaridad, Oxfam and GAIN to help Twinings assess and understand the needs of tea growing communities on the ground. Assessments are carried out on a rolling basis every two to three years by the Twinings Social Impact team, covering housing, water and sanitation, health and nutrition, gender, children's rights, labour standards, natural resources, and income. For smallholder farmers, the TCNA also incorporates farming practices and land rights.

So far, Twinings has conducted more than 150 TCNAs in its key sourcing regions. Following a TCNA, Twinings works with producers to develop an action plan to help address prioritised issues and monitor improvements over time. It also uses the findings to help develop tailored interventions.

Identifying actual and potential harms *continued*

Effective mechanisms for workers to raise grievances and concerns regarding pay and working conditions are essential. Since 2017, Twinings has been working in partnership with CARE International to establish Community Development Forums (CDFs) on tea estates. CDFs provide a space for sharing, debating and opening dialogue between workers, management, and the wider community.

By enabling collective and transparent decisions to be made about community development, as well as labour conditions, CDFs foster a sustainable workforce and empower workers – especially women and young people.

Since the creation of these forums, communities on each garden have been able to raise and address a number of issues, including better access to water and sanitation facilities; awareness on alcohol abuse; enabling linkages with government services and helping historically marginalised communities gain ID documents.

Across all our businesses

Our online training module is designed to raise awareness of modern slavery. The course seeks to educate staff within our companies on modern slavery and forced labour, providing real-life examples, and highlighting the importance of managing known risks. The course also outlines how those operating in our business supply chains can help to identify and address the risk of modern slavery and human trafficking. Within Tip Top, Mauri, and DON this training has been incorporated into the learning management platform, ensuring that there are auditable records of who has completed the training and that if the training is updated, it can be easily and quickly rolled out.

For example, Jordans Dorset Ryvita in the UK provides dedicated training on the risks of modern slavery in the recruitment process. This training was created using material from Stronger Together, an organisation specialised in supporting companies on addressing the risks of modern slavery within the workplace. Other businesses have partnered with NGOs and other external experts to provide training for suppliers and workers in their supply chain.

Addressing risks – cease, prevent, mitigate

To address the risks identified, businesses use a range of appropriate measures, including corrective action plans resulting from audits and assessments, through to more longer-term and outcome orientated solutions, often in partnership with expert organisations and stakeholders, and where appropriate, the provision of remedy for those that have been adversely impacted.

We recognise that in many cases, addressing modern slavery, particularly where the risks are endemic and systemic, requires a longer-term approach with the engagement and support of various stakeholders including government, intergovernmental organisations, civil society, industry, and worker rights representatives.

Where businesses in the Group source from the same or related supply chains, they can join forces and work together on collective responses, ensuring that as a group, we maximise our effort in addressing the risk of forced labour.

In the UK, AB World Foods and JDR are members of a project led by the Fair Labor Association (FLA) in Turkey with international food and beverage companies, Turkey-based suppliers, and the Turkish Government. The project, *'Harvesting the Future,'* aims to improve recruitment and employment practices among seasonal migrant agricultural workers in Turkey of six commodity crops. FLA worked closely with grassroots organisation Pikolo to implement project activities. These included supply chain mapping and risk assessment and capacity building of supply chain actors to establish robust social compliance and sustainability management programmes, ranging from training, provision of tools, policies and procedures and hands-on support during fieldwork.

JDR is also a member of the second phase of the project *'Harvesting the Future – Access to Remedy,'* which builds on priority areas identified in Phase 1 of the project, including responsible recruitment, grievance mechanisms and further support for seasonal migrant families in agriculture.

Twining's

The company has reviewed and amended our contract template for employment agencies to clearly stipulate that workers should not pay any recruitment fees. Twining's have also trained local Human Resources teams on the Employer Pays Principle and how to integrate this principle into its work with agencies.

Twining's has also launched modern slavery training for factories operating in all the high-risk countries identified in the saliency assessment, focusing particularly on tier one factories with a high number of migrant workers. When conducting audits of high-risk sites with migrant labour, it has experts on the audit team who can speak the migrant workers' languages. Twining's also extend the audit length to allow ample time to focus specifically on migrant workers' conditions.

Since 2019, in Malaysia and more recently in Thailand, Twining's has been commissioning in-depth assessments with expert labour rights organisations (respectively Impact and Elevate) in the factories of all suppliers and business partners where migrant workers are present. These in-depth audits take a worker centric approach and seek to understand the entire recruitment journey as well as the current experience of migrant workers. Where issues have been identified, Twining's has worked intensively with business partners to remediate them. Some remediation has included refunding all previous worker fees, returning passports, and providing in-depth training for business partners and their labour agencies on eliminating recruitment fees going forward.

Grievance mechanisms

ABF encourages an open culture in all our dealings between employees and people with whom we come into contact. Honest communication is essential if malpractice and wrongdoing are to be dealt with effectively. Our Speak Up Policy sets out guidelines for employees of ABF and its businesses who wish to raise issues (including but not limited to forced labour concerns) in confidence.

We provide an external advisory service for all staff, including casual or agency staff, and make every effort to protect the confidentiality of those who raise concerns. Several businesses within the Group have implemented additional grievance mechanisms to enable those affected by modern slavery, including workers in their supply chains, to raise concerns directly or through partnerships.

This Modern Slavery Statement is made on behalf of the Australian and New Zealand entities of Associated British Foods plc for the financial year ending 31 August 2022.

This Modern Slavery Statement was approved by the Board of Directors of the parent companies of Associated British Foods plc's Australian operations, in particular:

- AB Food & Beverages Australia Pty Ltd on 14 March 2023;
- AB Mauri ROW Holdings Pty Ltd on 14 March 2023; and
- Food Investments Pty Limited on 13 March 2023.

Measuring progress

Across the Group we expect our businesses to develop appropriate measurements for both their supply chains and operations and to monitor their progress and performance against these. Several of our businesses have key performance indicators (KPIs) in place in relation to human rights risks and they report on these on a regular basis, including through their Modern Slavery Act statements. KPIs and areas monitored can include:

- Internal staff and supplier training and awareness of forced and trafficked labour issues;
- Policies relating to forced and trafficked labour;
- Actions taken as part of collaborative initiatives to address modern slavery;
- Supplier Code of Conduct non-compliances relating to employment being freely chosen and related indicators such as forced overtime;
- Registered grievances relating to any form of forced labour; and
- Investigative and remedial actions taken in response to any risks of forced labour.



Craig Scott,

**Director and Managing Director of AB Food & Beverages
Australia Pty Ltd**



Lorna Raine,

Director, AB Mauri ROW Holdings Pty Ltd



Stuart Grainger,

Director, Food Investments Limited