

# ABF Grain Products Limited Fighting Against Forced Labour and Child Labour in Supply Chains Report (2023)

## ABOUT THIS REPORT

**ABF Grain Products Limited (“ABFGPL”)** has prepared this report (the “**Report**”) pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) for the financial year ended 26 August 2023.

ABFGPL reports under similar legislation in the UK (as part of the Associated British Foods plc (“ABF”) group statement). The Jordans and Ryvita Company Australia Pty Limited (also part of the ABF group of businesses) reports under similar legislation in Australia (as part of the group statement for ABF’s Australian and New Zealand businesses).

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## INTRODUCTION

As a member of the ABF group, ABFGPL’s position against forced labour and child labour is set forth in the ABF Supplier Code of Conduct (available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#)). For further information on our group-wide position on modern slavery, which includes forced and child labour and human trafficking, please refer to ABF’s UK Modern Slavery Act Statement for 2023, which is available at [abf-modern-slavery-statement.pdf](#).

## STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

### *Structure*

ABFGPL is a corporation organized under the laws of the United Kingdom. It is part of the ABF group, which is a diversified food, ingredients, and retail group with operations in 55 countries across Europe, Africa, the Americas, Asia, and Australia. ABFGPL is included within ABF’s Grocery division.

ABFGPL has approximately 4000 employees predominantly in the United Kingdom.

Within each business in the ABF group, ultimate responsibility and accountability for risk management, including that of human rights and modern slavery, sits with the CEO of the business. Within ABFGPL, day-to-day responsibility for addressing matters relating to human rights and modern slavery has been delegated to the Finance Director.

### *Activities and Operations*

ABFGPL Limited manufactures and markets a variety of well-known brands in the United Kingdom and internationally. Brands include KINGSMILL, ALLINSONS, JORDANS CEREALS, DORSET CEREALS, RYVITA, TOLLY BOY, ELEPHANT ATTA, LUCKY BOAT, RAJAH, HIGH FIVE and REFLEX. The Company’s customers include retailers as well as wholesale, restaurants and direct to customer trades.

ABFGPL sources ingredients, packaging, and finished goods from a number of countries around the world, including in Europe, Asia and the Indian sub-continent, working with numerous and a diverse portfolio of suppliers, a large proportion of which are in the agricultural sector. ABFGPL purchases directly from processing sites or via approved agents and then distributes and sells into global markets through a broad network of retail customers.

### ***Our Supply Chain***

As previously highlighted, ABFGPL has a global and extensive supply chain, purchasing directly from processing sites or via approved agents. Many of the ABFGPL supplier relationships have been in place for a number of years.

Ingredients and packaging account for most of our purchased goods. For ingredients the majority of spend is attributed to categories such as wheat, rice, oils, oats, rye, spices, dried fruits and nuts which are primarily sourced from the UK, Europe, India, China and South East Asia. Packaging in the main consists of plastic, paper/ board and steel sourced from the UK and Europe. ABFGPL's Procurement teams have category managers who are responsible for developing and maintaining supplier relationships.

ABFGPL also purchases a diverse range of finished goods from suppliers, including condiments and other products from Asia, the UK and Europe. ABFGPL has teams in the UK who work very closely with these finished goods suppliers.

## **POLICIES AND DUE DILIGENCE**

ABFGPL has certain controls and processes in place to assess and address the risk of child and forced labour. The foundation of our work in this area is the ABF Group Supplier Code of Conduct which is available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#). This Code of Conduct sets ABFGPL's expectations of working conditions and labour standards in its supply chains. The Code of Conduct elaborates on a number of principles, including that employment be freely chosen and that child labour not be used. It is based on the Ethical Trading Initiative (ETI) Base Code, and the ILO Declaration on Fundamental Principles and Rights at Work (1998, amended 2022). More information about ABF's activities in this area can be found in the ABF Modern Slavery Statement, which has been linked to above.

ABFGPL has developed additional policies and procedures that strengthen the implementation of the Supplier Code of Conduct including policies related to [Responsible Sourcing](#) and the [Environment](#). Additionally, ABFGPL uses third party systems to support its supply chain due diligence, including Sedex, Maplecroft and Sphera Risk. These third-party systems are used to monitor risks associated with ABFGPL's principal raw material, packaging, and finished goods suppliers, as well as certain services providers (including security, cleaning workwear, temporary labour and logistics providers).

## **POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS**

### ***Potential Risks in Our Operations***

The potential risk of child or forced labour in ABFGPL's own operations is managed through our Human Resources policies and procedures. Compliance with labour standards at ABFGPL'S manufacturing sites is

externally audited by a third party approved ethical audit firm every 2 years. Taking into consideration these policies and procedures, together with the location of ABFGPL'S manufacturing sites being in the UK, ABFGPL assesses that the net risk of the use of child or forced labour in its own operations to be very low or close to zero.

### ***Potential Risks In Our Supply Chain***

With a global supply base including raw material inputs from agriculture, ABFGPL recognizes the potential risk of forced and/or child labour in its supply chains. This risk is articulated in various global indices such as the Global Slavery Index, Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB). ABFGPL recognises risk of forced and/or child labour to be particularly significant in agricultural settings where the use of a migrant labour workforce is prevalent during the relevant harvest season.

### ***Management and Mitigation of Potential Risks***

ABFGPL requires all relationships with suppliers to be consistent with the ABF Supplier Code of Conduct, which is described above.

ABFGPL monitors the risks of non-compliance with the Code of Conduct via Sedex and Sedex Members Ethical Trade Audits ("SMETA audits"). There is a requirement for all Tier 1 manufacturing sites (i.e., direct suppliers) or Tier 2 (indirect suppliers) where sourced indirectly via an approved agent to be members of Sedex, ensuring a fully visible relationship and completed Self Assessment Questionnaire (SAQ). ABFGPL'S ethical audit programme stipulates suppliers identified as high risk complete a third party SMETA (or equivalent) ethical audit. The ethical audit looks for risk indicators related to child and or forced labour. ABFGPL is now in the process of rolling this out to all raw material and packaging suppliers regardless of their Sedex risk rating. There is an on-going process to review all open Non-Compliances (NCs) and to work with ABFGPL suppliers to address and close these.

ABFGPL has a number of dedicated sustainability personnel within the businesses to direct and co-ordinate activity associated with its Responsible Sourcing and Sustainability agendas. To support this activity, two in-country ethical and sustainability experts have been appointed in India and Turkey to collaborate directly with the strategic suppliers in ABFGPL key sourcing regions to gain a deeper level of supply chain insight and understanding of potential human rights risk.

ABFGPL is also a member of joint project initiatives that aim to improve human rights in specific supply chains.

ABFGPL'S efforts to remediate child and forced labour in the relevant period were confined to the efforts to mitigate those risks as discussed above. As these efforts did not to our knowledge cause a loss of income, no further remediation with respect to loss of income was undertaken in the period covered by this Report.

## **TRAINING**

ABFGPL has been working alongside Stronger Together for a number of years, and as part of our training programme utilise the ABF on-line Modern Slavery training platform which consists of modules including

what Modern Slavery and Forced Labour mean, common indicators, those most vulnerable, and roles and responsibilities. This training is concluded by a test to consolidate understanding.

This online training is available for all employees; however, it is mandatory for the Procurement and HR teams, any other person in a management capacity across supply chain and manufacturing, and those that regularly interact with people coming to sites, such as reception and security.

In addition, an introduction to Modern Slavery is briefed as part of new starter inductions at all ABFGPL hubs and manufacturing sites.

The objectives of the training include being able to identify red flags of potential human rights violations, understand the importance of conducting due diligence for third parties in ABFGPL supply chains and how to report potential human rights violations.

Additionally, ABFGPL requires identified employees, such as the Procurement team, to comply with and have training on, the ABF Supplier Code of Conduct, which includes provisions addressing forced or child labour.

## **ASSESSING EFFECTIVENESS**

Each business within ABFGPL has its own sustainability agenda covering both social and environmental workstreams. A representative from the leadership team within each business is accountable for this agenda. Ethical KPIs are reported monthly to monitor and measure supplier compliance with their ethical standards, and work is on-going to address any identified issues.

ABFGPL recognises and continues the development of its program to prevent and reduce the risks of child and forced labour in its supply chains and operations. In 2024, it will consider and implement improved measures to assess the effectiveness of these processes.

## **Approval & Attestation**

This Report was approved by the Board of Directors of ABF Grain Products Limited on 31 May 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:  
  
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I have the authority to bind ABF Grain Products Limited

**Sarah Arrowsmith**

**CEO**

**31 May 2024**