



Modern Slavery Update Statement 2022

Avara Foods is one of the largest food businesses in the UK, supplying major supermarkets and popular restaurants. We manage an extensive supply chain that includes agriculture, processing and distribution, with a team of over 6,500 people. We are a business that operates around four core values: being Inclusive, Ambitious, Excelling and operating with Integrity. These four words shape our standards, our decisions and our expectations.

This update provides an overview of the actions taken to further reduce the risk of modern slavery in our business, and protect all the people that work with, and for, Avara Foods. Over a period of four years, we continue to see incremental improvements in the robust management and controls to prevent, detect and remedy potential modern slavery in our business and wider supply chain. The information within the update applies to Avara Foods Ltd and its subsidiary businesses, Faccenda Foods, Faccenda Foods (Lincs) and Freemans of Newent, covering the financial year 1st June 2021 to 31st May 2022. The update can be found on the homepage of Avara Foods – www.avarafoods.co.uk.

The last couple of years have been characterised by huge upheaval and change, with little sign of this changing in the short term. We, like most others, have been affected by significant labour shortages across the supply chain, which places exceptional challenges on our business. Against this backdrop, we continue to explore ways in which we can contribute to the disruption of organised criminal activity and mitigate risk through innovative solutions: educating our people and supply partners, as well as implementing automation to reduce our reliance on unskilled and agency labour.

Risk Assessment and Mitigation

Understanding and mitigating the risk of modern slavery is key to our ongoing success. In the last year we have taken the following steps to reduce risk:

- **Reducing agency employment:** While the proportion of temporary agency workers within the business has increased from around 6 -7% to 11% of our total workforce, for the reasons outlined above, this still means most of the team at Avara is under our direct management. The agency workers continue to be employed on a contract of up to 12 weeks to avoid long term agency working which we know is a factor in modern slavery. Our recruitment partners are all Stronger Together Business Partners and use the Good Food App, promoted by the Association of Labour Providers (ALP). These measures, in addition to our own six-monthly audits of our agencies, provide us with confidence of their own risk mitigation.
- **Direct recruitment:** We continue to prioritise recruiting new employees directly, rather than via an agency, having invested further in our in-house resourcing team.
- **An active member of Food Network Ethical Trade (FNET),** sponsoring the worker representation initiative as well as participate in the effectiveness and relevance of the Gangmaster Licencing

Abuse Authority (GLAA)/Supermarket protocol.

- We are now active members of ALP and Stronger Together and have completed the assessment requirements to become a Stronger Together Business Partner.
- We attended the Modern Slavery Intelligence Network Conference.

Enhanced Communication

Through COVID we recognised that the ability of our colleagues to raise concerns was critical, and significantly upgraded our communications. We have carried that momentum forward into 2022. Through electronic communications, online portals and a greater focus on 121's and face to face communication, we have engaged colleagues and given them the information and support they need to raise potential issues. We have in parallel both expanded translations of key information and made it widely available, and alongside this continued our support for English language training, utilising a number of language programmes to improve communication and understanding. This ensures that all of our colleagues feel engaged and no one is excluded.

Due Diligence

Audit Processes

We continue to audit our agencies on a regular basis to ensure that any processes that could be exploited by gangmasters are interrogated.

We have a range of internal ethical checks that are completed each month by the HR function.

Sedex Platform

We continue to utilise the Sedex platform to ensure that our supply chain partners have effective controls and that our values are represented. We have 171 of our suppliers on the Sedex platform, focusing on ingredients and packaging, where we can review SAQ's, risk and Smeta audits.

We utilise the risk assessment tool, to complement formal assessment processes. We continue to conduct internal 'Hot Topic' checks to ensure that our own processes and controls are robust.

Following delays caused by Covid and Brexit, we have now successfully launched our new ERP system. This provides enhanced data and insight, enabling us to review suppliers and engage with them in a more robust way on a range of subjects, including pre-qualification, ongoing management and communication.

Supplier Code of Conduct

Recognising that our extended supply chain is an integral part of our business and that its standards must be consistent with our own, we have updated our Supplier Code of Conduct, which forms part of the supplier pre-approval process alongside financial and food safety considerations. Ethical

practice is an essential part of this code and we make clear that suppliers need to meet our expectations.

Our head of procurement has completed the CIPS Ethical Procurement and Supply qualification 2022 and all colleagues within procurement have attend the Human Rights & Ethics workshop.

Whistleblowing Service

Our Whistleblowing service remains available and accesible by colleagues and includes our third-party Farming Partners. Independently run to ensure anonymity if required, the service is available 24/7 and, while concerns have been raised, none have related to potential modern slavery cases in the last 12 months.

Audits

Our internal audits and interviews with colleagues, including close liaison with Trade Union partners continue. We have 9 operational sites, the following sites had Smeta audits since our last statement update and have not raised significant concerns for us.

- Telford - 20/10/21
- Brackley - 4/3/22
- Dudley - 9/3/22
- Caistor - 17/3/22
- Hereford - 16/5/22

We focus on the safety of our employees and continue to engage in both internal and external independent Health & Safety audits. These, along with our local Health and Safety Managers, are an important part of engaging with our colleagues helping to maintain our standards; as well as continuously striving for best practice within our industry to keep our people safe.

We have in the last year introduced our own Health & Wellness centres, rather than contracting it out. Both the H&S and H&W agenda contribute to a culture and climate of care and support that provides a haven for those in need and gives confidence to potential victims to reach out for support in the event that they entered our supply chain.

Training and Awareness

Education on the issue of modern slavery, its risks, controls, emerging issues, and best practices has continued on different levels. We have refreshed our training on modern slavery and trained a further 11 trainers in the delivery of our workshop, who now also form part of our Champions network at site.

We have now trained 683 individuals through our Modern Slavery workshops and will continue to raise awareness through these sessions.

We have subscribed to the Responsible Recruitment Toolkit and used this process to validate what

we already had in place in our resourcing practices.

The lead on Human Rights and Ethics attended the Stronger Together advanced course – tackling modern slavery in UK business.

We have established a HR lead on Ethics within agriculture, with appropriate training, who continues to work with our key catching supplier, which we classify as “high risk”. We hold regular reviews, support this supplier, helping them further raise ethical standards within their business from an already impressive level.

The Human Rights and Ethic Steering Group, of which modern slavery is a key area of focus, has continued to meet to ensure that our activities are aligned across our operations and with our customers and suppliers.

Effectiveness

Our controls mean that the likelihood of infiltration is significantly reduced. First and foremost, we are determined not to be an easy target for traffickers and illegal gangmasters.

Ultimately, effectiveness is determined by the number of instances of modern slavery that go unaddressed within our business.

In our 2019 Modern Slavery update we reported about a live case that we identified and worked with relevant authorities to investigate. The outcome was confirmed earlier this year and we are pleased that all three suspects were convicted of requiring a person to perform forced or compulsory labour, <https://www.bbc.co.uk/news/uk-wales-62632177>. At the time of this publication, we await sentencing.

In such circumstances, our aim is always to undertake a full review and debrief, so that we understand how our practices can be improved. Unfortunately, we have not been able to complete this exercise with Leicestershire Police, the investigating force, as planned, however we are looking to review this latest case with the GLAA to gather their feedback and identify any areas where we can further strengthen our controls.

We have now successfully detected and supported two cases that have resulted in successful prosecutions by the authorities.

Following the link created in handling the above cases, we have worked closely with Migrant Help to support survivors of modern slavery and we have provided employment opportunities to a further three victims who entered the National Referral Mechanism (NRM) from elsewhere.

If we have any suspicion that modern slavery is taking place within our supply chain, our priority is to protect the victims, through careful and confidential management of the case and by supporting them into free employment, including elsewhere within our business. In both of these historic cases we are pleased to report that both survivors are successfully, and freely, employed within our operation.

Next Steps

We will continue to participate in networks such as FNET, GLAA working groups, Stronger Together and the ALP, as well as work closely with our retailer Ethical leads, to ensure that we are up to date with best practice and latest intelligence.

Our HR & Resourcing teams will have refresher right to work training in the autumn.

Having completed the upskilling of a lead for agriculture, we will establish similar leads in each of our business units. We are currently undertaking further training and development to enable a wider spread of specialist knowledge across our operation.

We anticipate Smeta ethical audits will be completed on the two remaining operational sites, Newent and Wednesbury in the next 12 months.

Above all, we will continue to develop a people proposition that makes Modern Slavery hard to establish in our business: maximising direct recruitment and employment of colleagues at 90-95%, implementing communication tools that reach all 6500 colleagues that tackle the language barrier through translation, and educating and training Avara's leaders and suppliers to be more aware of the challenges and the risks.

Combatting modern slavery remains a major focus at Avara Foods. We have clear management oversight and strong processes to mitigate risk in our business, work hard to ensure that individuals with responsibility are knowledgeable and that everyone in our business feels confident and able to speak up should they feel the need. We also see good news in the audit scores, internal reviews and the feedback from the wider Avara team. Regardless, we remain vigilant and will continue to strive to ensure that modern slavery does not gain a foothold in our business.



Andy Dawkins
Chief Executive Officer

Date: 30th September 2022