Modern slavery and human trafficking statement 2021

1. Purpose and scope of the statement

This statement is made pursuant to the UK Modern Slavery Act 2015, section 54(1) *Transparency in supply chains* and as such constitutes our modern slavery and human trafficking statement for the financial year January to December 2021.

Signed:

Anuradha Chugh, Chief Executive Officer

2. Governance

Pukka Herbs is a brand within the ekaterra group, currently owned by the Unilever Group. The sale of ekaterra to CVC Capital Partners is expected in the second half of 2022. We share parts of the supply chain for teas with our sister brands within ekaterra, but for our supplements and gifting (Pukkaware) we operate our own supply chains.

The Modern Slavery Act 2015 covers both our supply chain and our own business operations. In this statement therefore, we have covered our approach to both activities.

Our Chief Executive Officer is ultimately responsible for ensuring we are compliant with the Act, supported by the Pukka Leadership Team and our Supply Chain team.

As part of the ekaterra group, the Pukka Board signs off our strategy and operations, including our actions to identify, mitigate and reduce risks of modern slavery.

3. Structure, business and supply chains

Pukka is an organic herbal tea and herbal supplements business, sourcing currently 2,000 tonnes of 200 different herbal raw materials, from over 30 countries. Our supply chain is global, through which we work with many customers and partners to deliver Pukka's herbal creations in more than fifty countries. We categorise our supply chain into herbal raw materials, packaging and finished goods. Finished goods include tea, supplements and Pukkaware.

For our teas and Pukkaware, we partner with trusted third-party manufacturers to make our products, including sourcing raw materials, blending and packing our tea blends and making our Pukkaware. Our partners are businesses with whom we have long-standing relationships and who are also certified to handle organic and Fair for Life certified materials. We have five such suppliers.

For our supplements we buy raw materials direct from the herbal supplies who are all certified organic and in most cases Fair for Life. All our supplements are manufactured in the UK.

In all cases, we ensure there is a good level of traceability and that we or our partners visit the farmers and wild herb collectors to gain a mutual understanding of challenges and needs.

3.1. Policies

Our supplier relationships are based on partnership, where all parties agree to a ‘long-term working relationship with mutually beneficial flow of information and resources a shared vision of continual improvement of service and products’. Our Sourcing Policy outlining this is shared with every new supplier.

Our Supplier Relationship Policy commits us to ethical practices with all suppliers, fair certified or not. For all suppliers, we maintain fair trading principles, such as transparency, mutually beneficial trading terms, a long-term view on demand and supplier support. We outline under what circumstances we may end the business relationship, the steps we take and how we support suppliers to address the reasons for us doing so.

We encourage suppliers to apply for the Best Practice Organic programme fund, which supports best practice organic farming and farmer livelihoods. Our approach reduces the risk of modern slavery by enabling long term business planning, secure permanent employment and social security.

4. Employment practices

Pukka has 110 permanent employees (including those of full time and part time permanent contracts). We also have 13 employees on fixed-term contracts, again including full time and part time contracts. Most of our employees are based the UK in our Bristol Head Office and nearby warehouse. Our global business is managed through local ekaterra teams, who are guided by our Head Office. Being part of ekaterra enables us to fill some roles from their talent pool whilst providing additional career development for Pukka employees within ekaterra. We have a small number of temporary workers engaged directly via contractor arrangements or indirectly via temp agencies, all of whom have agreements in place and are subject to appropriate UK employment and tax legislation.

As an ethical employer we naturally comply with all UK employment legislation and where possible exceed requirements. Right to work documentation is checked and confirmed before any employment offer is made and names, bank accounts, details are all checked to ensure identity fraud is not committed and payment is made directly to employees. All terms and conditions are shared prior to employment and policies are made available on joining, including our complaint mechanisms and whistleblowing policies.

5. Due diligence

5.1. Risk assessment, prevention and mitigation

We recognise that we may not know what is happening in every corner of our business or supply chain – we have a high level of complexity in the herbal products that we make, using many ingredients from many origins and there is a considerable number of economically vulnerable groups in global herbal supply (for example, subsistence farmers and wild collectors). Pukka is committed to eliminating all human rights abuses within our supply chain. In 2021 we partnered with twentyfifty, a specialist business and human rights consultancy, to carry out a gap analysis and risk assessment of our business, commencing in the early part of 2022.

The human rights review taking place with twentyfifty will consist of:

- Gap analysis of current practice and recommendations for improvement
- Risk assessment of our supply chain, enabling prioritisation of actions.

- Developing a roadmap with key performance indicators against which compliance to best practice will be assessed.

5.2. Supplier visits

When there are no international travel restrictions, members of our Procurement Team visit some of our suppliers around the world with reasonable frequency. During supplier visits, our team:

- Assess on-site working conditions and signs of unethical practices by interviewing staff and observing behaviours.
- Ensure compliance to organic and fair-trade standards; evaluate how the fair premium fund is spent and how it has improved conditions.
- Connect with producers to understand the local social, environmental, and economic context, their challenges and constraints.
- Identify opportunities to support farmers and wild herb collectors to improve livelihood resilience.

During 2021 we were only able to carry out a handful of on-site supplier visits as travel restrictions were still in force for the majority of the year.

5.3. Organic certification

As an organic business certified by the Soil Association we only use certified organic raw materials, where traceability requirements are in place helping us connect with our ingredient sources. Each order placed with a supplier contains a requirement to comply with organic standards, which require provision of good working conditions, fair treatment and fair pay.

5.4. Ethical certification

We are a certified Fair for Life and For Life business, which ensures we commit to fairness, respect of human rights and the natural world and sustainable local development. We have paid €325k in fair premiums to farmers communities in 2021 and we are committed to increasing this to almost €1mln in 2025. The For Life standard is a standard for corporate social responsibility based on International Labour Organisation (ILO) conventions.

5.5. B Corp certification

Pukka is a UK founding member of the B Corp global community taking action to have measurable positive social and environmental impact, by operating our business in a sustainable and transparent way. Pukka is rigorously assessed through our verification of the B Impact Assessment every three years, which captures our ongoing commitment to meet high standards of environmental and social performance, accountability, and transparency. Pukka's B Corp score is publicly available

5.6. Other third-party supplier audits

Our non-food materials suppliers, such as packaging, are required to submit a two pillar SMETA (SEDEX Members Ethical Trade Audit) audit report or equivalent as a minimum. SMETA reports are published in the SEDEX system, ensuring transparency and efficient information sharing. SMETA audits use the ETI Base Code, founded on the conventions of the International Labour Organization, as well as relevant local laws to assess working conditions and provide a corrective action plan where improvements are needed.

6. Key Performance Indicators (KPIs)

In 2022, as part of our human rights due diligence assessment we will be working to develop a roadmap with human rights (including modern slavery) KPIs to measure our progress against clear commitments. We look forward to presenting our commitments and targets in our next modern slavery act statement.

This Statement has been approved by the board of Pukka Herbs Limited by written resolution dated 17th June 2022.