This statement is in response to the United Kingdom’s (UK) Modern Slavery Act 2015 and highlights the steps AB Agri Ltd is taking to ensure that slavery and human trafficking is not taking place in our supply chains or in any part of our business.

About AB Agri

AB Agri is the agricultural division of Associated British Foods Plc (ABF). Within the division we have business areas across the agri-food chain supplying products and services to farmers, feed and food manufacturers, processors and retailers. Our businesses add value through five areas of expertise: commodity risk management; co-product innovation and marketing; specialist feed ingredients; agricultural data and insight; and feed manufacturing. We are an increasingly global business, employing over 3,000 people in the UK and overseas, sourcing feed ingredients globally and selling into over 70 countries.

We have a corporate responsibility strategy, Formula24, aimed at changing agriculture for the better. Formula24 is led by our Sustainability Director and steered by senior management from across the business. As part of this framework, we have stated an aspiration to source all feed ingredients sustainably by 2024. In order to meet that ambition, we must work to untangle the specific issues around modern slavery and human trafficking within our complex global supply chains.

Our Policies

Our Operations

As part of ABF Plc there are several group-wide policies in which we work within, including the ABF Whistleblowing Policy and ABF Anti-Bribery and Corruption Policy. This year AB Agri has introduced a Human Rights Policy outlining our commitment to respect and protect fundamental human rights as stated in the Universal Declaration of Human Rights. AB Agri complies with all employment laws of the country in which it operates and expects those with whom it does business to do the same.

Our Suppliers

Our global supply chain is complex and we are working hard to understand and identify relevant ethical issues. Our first priority is to understand where the greatest risks might be.

ABF sets out procurement expectations through its business principles, including a focus on human rights and conditions of employment. ABF has a group-wide Supplier Code of
Conduct setting out the values and standards expected of suppliers and making clear its intolerance of forced or bonded labour. In line with best practice, The ABF Supplier Code of Conduct is based on the International Labour Organization (ILO) Fundamental Conventions and is used within AB Agri to communicate our expectations of suppliers we conduct business with. The code includes the core principles that:

- Employment is freely chosen: There is no forced or compulsory labour in any form, including bonded, trafficked, or prison labour
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- Land acquisition principle adhered to
- Living wages are paid
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

The ABF Supplier Code of Conduct is included within our Legal Terms and Conditions of purchase and the signing and commitment to the Code is a mandatory component of our raw material supplier approval process.

How we assess and manage risk

Operational sites

Our people are very important to us and we work hard to ensure we recruit in a fair and inclusive way. In 2016, we put in place a Recruitment Agency Agreement to ensure our values are also followed by agencies working on our behalf. The agreement provides specific detail of our ethical values and references our Diversity and Inclusion Policy and Human Rights Policy.

In early 2016, we used published guidance on likely risk areas in the UK to conduct a desk top review of service providers to the majority of our UK production and office facilities, as these were identified as being at a higher risk for forced and bonded labour. Of these, the highest risk service providers were requested to evidence their understanding of our ethical standards and their compliance with them by signing and returning the ABF Supplier Code of Conduct. As a minimum, this ensures that our identified higher risk suppliers fully understand our stated ethical requirements for supplier authorisation. In addition, we have issued these high risk service suppliers with a statement which sets out additional
requirements around labour standards and includes our right to audit against these stated standards.

In 2016, AB Agri joined the Supplier Ethical Data Exchange (SEDEX) as an AB member, allowing us to evidence the standards we operate to within our own business and to improve the visibility of the standards operated to by our suppliers.

**Supply chain in raw materials**
Assuring feed safety is integral to how we operate both within our own business and throughout the supply chain. As such, we run a well-developed and robust feed safety assurance system to validate and evidence that our purchased feed materials are compliant with all relevant industry feed safety standards and legislation. Following a detailed review, this year we have taken the decision to extend this core business process to include additional ethical criteria and so build on the existing traceability platform for our raw material suppliers. When complete, this will enable us to build insight, actively monitor the ethical status of our suppliers and provide a platform from which we can focus on areas requiring intervention to raise labour standards.

To better understand where there may be risks of human rights issues in our supply chain we have completed a risk assessment for raw material suppliers using ethical risk guidelines, developed by a leading provider of risk indices. This initial review led us to request additional information from approximately 60 suppliers by asking them to complete a self-assessment questionnaire. All suppliers have responded to this request and by doing so, are helping us to gain better understanding of whether and where there may be issues.

**Raising awareness**
We recognise the importance of providing information and training to our employees on issues relating to human rights and forced labour. In 2016 we ran our first internal awareness campaign, providing both information to all staff and specific training to members of the human resources and procurement teams.

Relevant directors and senior management have attended a number of external training initiatives, including a modern slavery workshop run by a leading human rights consultancy firm and a conference on procurement and human rights. Specialists within our human resources function are scheduled to receive training as part of the new membership with SEDEX and are tasked with sharing their knowledge with our wider community.

The AB Agri Board is updated quarterly on both the implications of the new Act as well as the recommendations of our Formula 24 Sustainability Board on how best to develop our response within our Group of businesses. In addition, we have invited representatives from other ABF branded goods businesses to share their knowledge on how to approach and tackle modern slavery and ethics in multi-tiered agricultural supply chains.

Our wider awareness campaign aims to educating our employees about the realities of modern slavery and specifically how to spot signs of forced labour and how to report it. To support this we have introduced guidance that clearly sets out the way in which we would like
our employees to respond and provide them with a route to share what they may witness or their concerns to allow for appropriate follow up intervention.

David Yiend
CEO