



## **Modern Slavery – Progress Update October 2019**

Avara Foods is one of the UK's leading food manufacturers, supplying chicken, turkey and duck to the UK largest retailers and most popular restaurants. We operate and manage a vertically integrated supply chain, which encompasses farms, hatcheries, feed mills, processing sites and a distribution network: all based in the UK. This, alongside a supply base that is predominantly British, significantly reduces our level of risk.

Our business is built on the four words that describe us best: Inclusive, Integrity, Excelling and Ambitious. These are our values and we are committed to embedding them in everything we do – including the provision of employment that is safe, ethical and free from oppression.

We are a new business that formed in January 2018, in a joint venture between Cargill and Faccenda. While both of these businesses had a strong record on combating modern slavery over many years, this is our first update on the progress we are making to tackle the threat of modern slavery in our supply chain as Avara. Our first task was to bring the two businesses together and establish an aligned approach, focusing on the protection of around 7,000 colleagues, plus our wider supply chain. We worked with external experts, including MAKE UK and the Food Network for Ethical Trade (FNET), to establish a clear policy on Modern Slavery, along with complementary policies relating to Human Rights, Ethical Trade, Whistleblowing and Health and Safety, amongst others.

From that starting point, a summary of our progress to date is below:

### **Structure and governance:**

Our priority is to ensure that we have the correct structure, and robust governance to maintain close control and oversight of our supply chain.

- The lines of responsibilities and accountabilities for human rights and ethics have been clearly defined and are understood throughout the organisation with overall accountability for day-to-day management sitting with the Head of HR for Chicken Operations.
- A cross functional Human Rights and Ethics Steering Group has been formed to set a clear agenda on our progress and governance of the subject matter. The group has representatives from HR, Procurement, Technical, Commercial, Health and Safety, and Agriculture, chaired by the Head of HR for Chicken Operations.

- An overarching Business Risk Team has been established, identifying and mitigating a wide range of business risks, and these include threats to human rights and the risk of modern slavery.
- We are a Sedex AB member and 104 of our key suppliers are also Sedex members (84% are British). We consider this to be a vital tool, providing valuable information that helps us identify and manage risk in our supply chain.
- New Head of Procurement appointed, who is actively looking to reduce our supplier base.

#### **Risk identification and management:**

It is essential that we recognise where the risk of modern slavery is greatest and that we have adequate management and controls to mitigate this risk wherever possible.

- We have completed an initial, company-wide, risk assessment and identified those parts of our business that present the highest risk of employing potential victims of modern slavery.
- We have established a robust auditing schedule, which includes independent Willis Blue audits of our sites, unannounced ethical audits, six-monthly internal audits of agency partners and monthly mini-audits conducted internally on hot topics. The outcomes from these are shared with relevant leadership teams who monitor current performance and drive continuous improvement.
- As part of our pre-employment checks, we have established 'red flag' indicators, which are monitored by our HR teams. If any 'red flags' are identified it implies a heightened risk of modern slavery and further investigations are undertaken as a priority.
- We have increased the number of directly recruited employees, set all pay rates above National Living Wage and established a 12-week maximum term for agency roles where practicable.
- Where we utilise agency labour, particularly in our high seasonal parts of the business, we only use ethically audited, GLAA licensed labour providers who are also Stronger Together business partners.
- In addition to the term of assignment for agency we have reduced the level of workers required from 16% to 9% in the last twelve months

- Recognising that the risk of modern slavery extends to our wider supply chain, we have commenced a risk assessment of our supplier base, focusing initially on identified key suppliers where the product supplied would enter a consumer's home. At the heart of this assessment is the utilisation of Sedex data, which helps us to identify any areas of vulnerability.
- We are in the process of reducing the size of our overall supplier base, which will limit our risk exposure.
- 104 key suppliers are on Sedex and this is now a contractual requirement.
- We have a Whistleblowing Hotline that is widely communicated in multiple languages operated by an independent third party.

#### **Training and awareness:**

We have undertaken a significant amount of training activity, focusing on key roles within our business, to ensure that they understand the potential risk and their responsibilities in helping combat modern slavery. In addition, we recognise that raising awareness of the issue with the widest possible audience is an essential aspect of any approach to identify and address modern slavery or human rights concerns.

- Our own in-house ethical awareness training has been designed, developed and delivered to over 370 managers.
- We actively participate in multi-stakeholder collaborations and industry initiatives related to human rights or modern slavery, for example through FNET workstreams.
- We are rolling out GLAA-approved ethics training to all 'Poultry Passport' holders within our Agricultural teams.
- Our Executive Team has received additional external training and support, including at Board level (via FNET).
- 'Stronger Together' training has been completed by HR and Procurement teams.
- We're committed to provide employees with a variety of avenues, should they wish to raise concerns. These include our internal 'Speaking Up' campaign, counselling and support services via a third party benefit and close working relationships with external bodies including, for example, the GLAA.
- We respect freedom of association and the right to collective bargaining. By recognising unions (UNITE and GMB), we enable an additional avenue for colleagues

to raise concerns or seek additional support.

- Our efforts to support colleagues are underpinned by a commitment to provide English language training for anyone that needs it, ensuring that their voice can be heard and understood at all levels of our business.

### **Results:**

Ultimately, the extent to which we are successful in keeping modern slavery out of our supply chain is determined by the experience of the people that work with us and for us.

- We believe that we have successfully identified and rehabilitated a potential victim of modern slavery in our business. The case is currently within the legal process, meaning we are unable to provide more detail at this stage.
- We received one claim of modern slavery via our Whistleblowing Hotline. This was investigated internally and resolved without requiring a referral to external parties.
- Over the last 12 months we have successfully completed two external ethical audits, with eight non-conformances identified. All but one have already been closed out, with the final one awaiting review during a follow up audit scheduled for November 2019.
- We have seen positive signs that our training and awareness programme has increased key colleagues' understanding of the issue and potential warning signs. At least one potential victim has been identified and their case proactively investigated as a result of another colleague's recent attendance at our training event.
- We have received positive feedback from our customers, who have used us as a case study when in dialogue with other suppliers.

### **Next steps:**

Protecting our supply chain, and those that work within it, from the threat of modern slavery is an ongoing task. Whilst we have made solid progress to date, establishing many of the core requirements to maintain control over our operations, we recognise that there are still areas where we require further focus and action. Over the next 12 months, our key areas of focus will be:

1. Agreeing, measuring, reporting and reviewing a new suite of Key Performance

Indicators that will provide additional insight to HR and executive teams.

2. Ensuring all contracts with new suppliers clearly show that their own assessment of modern slavery risks will be assessed prior to engagement.
3. Increasing the frequency of worker interviews and interactions to hear what they have to say and better understand their perspectives.

A handwritten signature in black ink that reads "Andy Dawkins". The signature is written in a cursive, slightly slanted style.

Andy Dawkins  
Chief Executive, Avara Foods