



Modern Slavery Update Statement 2021

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 7,000 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 three years we continue to see incremental improvements in the robust management and controls to prevent, detect and remedy. 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 2020 to 31st May 2021. The update can be found on the homepage of Avara Foods – www.avarafoods.co.uk.

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: We have maintained the number of temporary agency workers within the business at around 6 -7% of our total workforce, meaning the vast majority 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 is also a factor in modern slavery.
- Direct recruitment: Our work to recruit more new employees directly, rather than via an agency, accelerated significantly during COVID and this change is now embedded in a direct-recruitment model as part of business as usual. Direct control of the recruitment and onboarding process enables us to more closely manage risk.
- We have joined the ALP and Stronger Together to enhance access to specialist information and reflect that we have an in-house resourcing team.

Enhanced Communication

Recognising that awareness and the ability to raise concerns is critical, we have continued to work hard; engaging employees and equipping them with the information and support they need to raise potential issues. We continue to make translations of key information widely available, utilise our employee communication portal, "MyAvara", and have begun to share important documents via our electronic payslips platform, harnessing a service that is accessed by the majority of the team at Avara.

This is complemented by ongoing support for English language training, utilising a number language programmes to improve communication and understanding.

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.

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 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.

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 a formal 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 first priority, is therefore to work with them to raise standards and continually improve, rather than risk moving a potential issue out of our supply chain, but into someone else's.

Whistleblowing Service

Our Whistleblowing service remains available and accessed by colleagues and this year extended to 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 Trades Union partners continue. External audits have not raised significant concerns, having passed two site ethical audits conducted for major retailers in 2021. This is supported by one of our retail customers that has identified us as being "low risk" in their 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.

The Human Rights and Ethic Steering Group, of which modern slavery is a key area of focus, have continued to develop their understanding and knowledge. Working closely with external bodies,

like the Food Network for Ethical Trade (FNET) and Business in the Community has been particularly effective and enabled Avara to be more engaged within the wider community.

Compliance Training

We engaged an external expert to provide assistance on Right-to-Work compliance, which was a particular priority given the changes to settled status. They enabled us to engage and support 3160 colleagues that have been subjected to this change in legislation. Since July 2021 we have applied the new Right-to-Work process for all new starters in our business.

Management Awareness

Key managers throughout the business have completed awareness training on modern slavery and it has been established as a mandatory component of our Poultry Passport – a series of training modules that must be completed by all our farm employees.

Within our wider supply chain, in addition to the Supplier Code of Conduct, we have been sharing progress, updates and advice with all sides of our supply chain, including suppliers and customers.

Covid and Brexit have delayed the implementation of a new Enterprise Resource Planning system, referred to in our 2020 statement, which will open significant opportunities to use enhanced data and insight to review suppliers and assess their ethical practices.

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. Since our last update, we have raised suspicions of Modern Slavery with relevant authorities and supported the subsequent investigation. The outcome was a [six-year jail sentence for the ringleader](#), for modern slavery offences.

We are undertaking a full review and debrief with the authorities so that all parties can develop their knowledge and improve practices to support the successful detection and prosecution of this criminal activity.

Our priority throughout this incident was to protect the victims, through careful and confidential management of the case and by supporting them into free employment, including elsewhere within our business.

Next Steps

We are currently upskilling a member of our HR team to lead on Ethics within agriculture. The Head of HR&E has taken this opportunity to shadow the work with our key “Chicken Catching” supplier, which we classify as “high risk”. We have supported this supplier, helping them further raise ethical standards within their business from an already impressive level.

We will be recruiting some additional resource to further support the ethical management of our supplier base.

The lead on Human Rights and Ethics will attend the Stronger Together advanced course – tackling modern slavery in UK business, which is an important step towards becoming a Stronger Together Business Partner.

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 7000 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.



Andrew Dawkins
Chief Executive Officer

30th September 2021