



CEO's Statement

2 Sisters Food Group recognises that all businesses have an obligation to prevent slavery and human trafficking. We all have a responsibility to be alert to the risks and are committed to acting ethically and with integrity and transparency in all business dealings.

2 Sisters Food Group Board is committed to delivering high standards of corporate governance and a key element of this is managing the Group in a socially responsible and ethical way.

The Group aims to employ the highest ethical and professional standards and always to comply with all local laws and regulations applicable to our business; it follows that 2SFG is absolutely committed to preventing Modern Slavery in its corporate activities and its supply chain. This commitment is emphasised in our employee training programmes and company policies, which promote ethical behaviours. 2SFG expects the same high standards which we set for ourselves from those parties with whom we engage, such as our suppliers and customers.

This statement relates to actions and activities during the financial year 1 July 2017 to 30 June 2018 and actions that we plan to take over the next 12 months.

A handwritten signature in blue ink, appearing to read "Ronald Kers", is positioned above the name. The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Ronald Kers

CEO, 2 Sisters Food Group



Modern Slavery Statement 2018

Introduction

Following the introduction of the Modern Slavery Act in 2015 by the UK Government, Boparan Holdings Ltd and all members of its corporate group, trading collectively as 2 Sisters Food Group, produce an annual Modern Slavery Statement setting out the steps we have taken to ensure there is no Modern Slavery in our own businesses and our supply chains.

2 Sisters Food Group recognises the risk of, and need to combat, modern slavery in all its forms. The business has a long track record of working with supply chain partners, labour providers, customers, the GLA and other enforcement bodies to ensure the risk of modern slavery is minimised.

2 Sisters Food Group is a food manufacturing business employing over 20,000 people and supplying both retail and food service sectors, and operates as three divisions;

- 1. Protein:** Producing whole & portioned chicken and added value protein in the UK, Holland and Poland
- 2. Chilled:** Producing pizzas, ambient and frozen ready meals, soups, sauces and ready to cook products within the UK
- 3. Branded:** Brands such as Hollands, Fox's Biscuits, and Matthew Walker in the UK and Ireland.

2 Sisters Food Group is one of the largest customers of the UK agricultural sector, sourcing protein and produce from UK farmers. Poultry supply chains in the UK, Holland and Poland are significantly aligned and integrated with the business. All other commodities are sourced from processors, agents, manufacturers or producers across the world, with over 1,200 suppliers sourcing from more than 50 countries.

2SFG Modern Slavery Policy & Procedures

The business operates a number of policies across its businesses to combat modern slavery which are regularly reviewed and approved by senior management.

The Ethical Trading & Human Rights Policy is intended to inform 2 Sisters Food Group (2SFG) sites of the minimum expectations placed on them for Ethical Trading and Human Rights based around the company's objective to comply with the ETI Base Code. The Standard sets out several roles, which are not necessarily new or standalone duties, requiring decisions and actions from the sites senior management.

This policy is backed up by the following internal standards



- **2SFG Employee code of conduct** covering working together, employment practises and health and safety
- **Hidden Labour Exploitation Policy** aimed to prevent labour exploitation and how to respond should and issue be suspected.
- **Whistle Blowing Policy** for confidential reporting by workers and independent investigation of concerns
- **Young Workers Policy** to prevent risks to young workers.

Within the Supply chain the following policies apply

- **Supply Chain sustainability code of practice**, detailing the ethical and environmental standards expected of suppliers
- **GLA licensing standard** detailing the licencing requirements.
- **Customer codes of practice**, where customers set ethical standards for supply chains.

We have a free, anonymous and confidential whistleblowing hotline that enables all employees, including agency workers, to raise any potential concerns in relation to employment standards or ethics. Information on how to contact the whistleblowing hotline is prominently displayed at all sites.

Risk Assessments & Audits in our own operation

2 Sisters Food Group applies the highest ethical standards to its own operations, and backs these standards with a comprehensive regime of external ethical audits through our long time membership of SEDEX as an AB member

All our own sites are registered on SEDEX, have completed the SAQ and have been risk rated. Additionally, the sites are independently ethically audited to the SMETA standard (2 Pillar) every two years as a minimum. Any non-conformances resulting from the audits are immediately targeted by the site and divisional HR teams with actions and timescales agreed with the auditor before they leave the site. Our aim is to achieve zero non-compliances from our ethical audits.

We continue to have our agency labour providers independently audited every six months.

2 Sisters Food Group are also members of the Association of Labour Providers and work with them to promote responsible recruitment for labour providers.

Modern Slavery Risk within our Supply Chain

From small independent farmers to multi-national operators, 2 Sisters Food Group direct suppliers come in all shapes and sizes. They, in turn, work with hundreds of their own suppliers who grow and move thousands of raw materials across global supply chains.

It is 2 Sisters Food Group policy to ensure that the ethical standards that apply within our own production sites are also be adhered to in our supply chain. The identification of risk within our



large and complex supply chain is a key initial step to understanding what is required and prioritising the actions which flow from this,

To get a complete top down view of our supply chain 2 Sisters Food Group has taken the decision to require all direct suppliers to be members of SEDEX, completing the self-assessment questionnaire and being risk assessed. Any suppliers deemed to be High Risk are required to have an independent ethical (SMETA) audit.

2 Sisters Food Group are members of the Food Network for Ethical Trade (FNET). This is a collaboration between suppliers and retailers with the aim of delivering a consistent approach to risk assessment and managing ethical trade along food supply chains. Information sharing, and collaboration is key.

We recognise that the leverage we have within our supply chain is often limited and that to initiate meaningful and sustainable change we need to collaborate with our supply chain partners to develop initiatives which improve working conditions.

We are also heavily involved in the development and implementation of a Poultry Ethics codes of practice, for poultry farm workers and contractors.

Training and Awareness

Training is a fundamental way of raising awareness and ensuring that people understand the importance of this issue. It also helps people to understand what they need to do, and how to work together internally and externally if they encounter something that raises concerns.

Human rights can only be realised through an informed and continued demand by people for their protection. Human Rights education promoted values, beliefs and attitudes that encourage all individuals to uphold their own rights and those of others and can support employee pride in the ethical standards 2SFG strides for.

We are active members of Stronger2gether, which is a multi-stakeholder initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. They provide guidance, training, resources and a network for employers, labour providers, workers and their representatives to work together to reduce exploitation.

All our HR teams, along with many of our operational managers, have attended workshops. Many sites have also delivered in-house training for managers and employee representatives to build awareness, including Improve You front line manager training for dignity at work, conflict management and communication.

'Stronger2gether' materials are displayed at all sites to provide details on what employees should look out for and how they can raise any concerns.



Performance Measures & Actions

It is important for 2 Sisters Food Group to be transparent and accountable, not just to investors but to other groups including employees, customers, consumers and the wider public whose lives are affected by our business activities.

Due Diligence processes and reporting are essential management tools that improve risk identification and long-term social, environmental as well as financial performance.

Reporting requirements drive better strategic understanding of the risks and impacts of our core activities in relation to the environment and human rights

We have recently agreed several key welfare indicators which we will use not only to monitor our own performance, but to report to external interested parties how we are doing against our policy and standards.

Key Performance Indicator	Result 2017/18
% of 2SFG sites that have completed the Stronger2gether training.	100%
% of 2SFG sites that have completed an agency ethical audit every 6 months.	100%
Number of cases in total, received by the whistleblower Hotline	104 (54 fully/partially substantiated)
% of Whistleblower cases relating to Modern Slavery issues.	0%
% of total Whistleblower cases closed out.	100%
% of tier 1 suppliers registered on SEDEX	90%

These KPI's underpin our focus on improving modern slavery risk awareness and understanding across our business and through our supply chain.

