

Boparan Holdings Ltd, Trading as 2 Sisters Food Group

Financial Year 2016/17 Modern Slavery Statement

Introduction

Boparan Holdings Ltd and all members of its corporate group, trading collectively as 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.

Our Commitment

We will ensure our colleagues and those in our supply chain, both permanent and temporary, will be treated with respect, work in safety and be protected from exploitation and slavery.

Structure

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 poultry, red meat (beef & lamb) and added value protein in the UK, Holland and Poland.
2. **Chilled:** Producing sandwiches, pizzas, prepared ready meals, soups and sauces, fish and ready to cook products within the UK.
3. **Branded:** Brands such as Hollands Pies, Fox's Biscuits, Matthew Walker and Goodfella's Pizza in the UK and Ireland.

The Protein division includes the UK Poultry business which has been identified as the highest potential risk for modern slavery in the organisations UK supply chain. Ancillary operations at the farm level, including catching activities, continue to receive significant attention.

The Chilled division includes the Meal Solutions business, which is the second highest risk supply chain for the business due to the diverse range of commodities and international geographical sourcing requirements.

Supply Chain

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, while red meat supply chains are broad and less integrated. 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.

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Policies and 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 policies are based on the commitment to the:

- UN Guiding Principles on Business and Human Rights;
- ETI Base Code;
- GLA Licencing Standards;
- Retailer Codes of Practice.

Internal policies are:

- **2SFG Employee code of conduct** which covers working together, employment practices and health and safety;
- **Ethical trading and human rights policy** aligned to ETI base code requirements;
- **Hidden labour exploitation policy** aimed to prevent labour exploitation and how to respond should an 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.

In the supply chain the following policies apply

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

Risk Assessment and Due Diligence

Three forms of formal risk assessment are used by the business on operations and supply chains:

- SEDEX ethical risk assessments of every site in 2 Sisters Food Group;
- SEDEX ethical risk assessment of every supplier;
- Internal commodity ethical risk assessment to identify risks at production level;
- Food Network for Ethical Trade risk assessment of key commodities.

The main source of risk internally is identified as temporary labour supply.

The main supply chain risks in UK supply chains is also temporary labour supply in both agriculture and support services.

In international supply chains, there are several risks. Temporary labour supply, forced labour, child labour and labour trafficking across international borders are all potential risks, depending on the geography involved.

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Actions Taken

Based on risk assessment and collaborative working with customers, the business has taken the following actions:

- Maintained A/B membership of SEDEX and has active participation in working groups, plus all sites subject to SMETA auditing;
- An active member of the GLA User Group;
- Implemented employee code of conduct training for all managers across the Group;
- Established an Internal Ethical Action Plan to improve ethical performance;
- Put an External Ethical Action Plan in place to work with customers of suppliers;
- Implemented extensive HR systems at each site, internal ethical audits and employee interviews;
- Created multi-lingual whistle blowing phone lines;
- Participated in an Annual Anti-Slavery Day;
- Implemented Stronger Together across all operational sites, including significant training which continues to be rolled out across the manufacturing sites;
- Continue to deliver Improve You front line manager training for dignity at work, conflict management and communication across all divisions;
- Performed two independent audits at the head office site of the single supplier of temporary workers to the business;
- Implemented at least quarterly audits of temporary labour systems at each of the sites in the business.

For our supply chain, we have taken the following actions;

- Required all suppliers to be members of SEDEX and complete the risk assessment;
- Performed a monthly review of the supply chain risk profile;
- Revised and updated the company Sustainability Code of Practice which includes ethical standards and is reviewed at supplier approval stage;
- Updated our standard terms and conditions to include ethical requirements and implemented this for all new suppliers;
- Utilised the FNET risk assessment system to identify the Top 20 high risk raw materials, and built these into the External Ethical Risk Action Plan;
- Participated in the review and implementation of a poultry ethics codes of practice;
- Increased sourcing of certified commodities, including palm oil, soya, chocolate and seafood;
- Participated in industry collaborations for responses to specific geographical risks when identified;
- Joined SEDEX working groups to collaborate on key issues;
- Worked with customers to develop and update their requirements in supply chains;
- Implemented a project to integrate ethical risk assessment with the supplier approval system in the business;
- Supported the development of the Clearview standard as part of the Technical Advisory Group.

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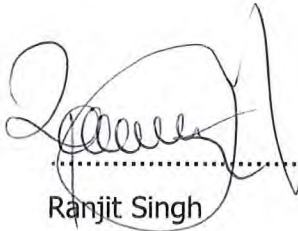
Performance Measures

Internally the business utilises HR KPIs to identify developing risks of modern slavery including staff turnover, grievance and disciplinary numbers, length of service of temporary labour, working hours, ethical audit exceptions, whistleblowing events and agency turnover.

In our supply chain, transparency and baseline performance is currently assessed through SEDEX, using the percentage of suppliers linked to 2 Sisters on SEDEX and the number of those suppliers who are ranked as high risk in the system.

The FNET Risk Assessment is also utilised to measure the risk profile of raw materials purchased by the business.

Approval



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Ranjit Singh
CEO

15/02/2018

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Date