

# **AB World Foods Limited Fighting Against Forced Labour and Child Labour in Supply Chains Report (2023)**

## **ABOUT THIS REPORT**

**AB World Foods Limited (“ABWF”)** has prepared this report (the “Report”) pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for the financial year ended 26 August 2023.

ABWF reports under similar legislation in the UK (as part of the Associated British Foods plc (“ABF”) group statement). AB World Foods Pty Limited (also part of the ABF group of businesses) reports under similar legislation in Australia (as part of the group statement for ABF’s Australian and New Zealand businesses).

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## **INTRODUCTION**

As a member of the ABF group, ABWF’s position against forced labour and child labour is set forth in the ABF Supplier Code of Conduct (available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#)). For further information on our group-wide position on modern slavery, which includes forced and child labour and human trafficking, please refer to ABF’s UK Modern Slavery Act Statement for 2023, which is available at [abf-modern-slavery-statement.pdf](#).

## **STRUCTURE, ACTIVITIES AND SUPPLY CHAINS**

### ***Structure***

ABWF is a corporation organized under the laws of the United Kingdom. It is part of the ABF group, which is a diversified food, ingredients, and retail group with operations in 55 countries across Europe, Africa, the Americas, Asia, and Australia. ABWF is included within ABF’s Grocery division.

ABWF acts as the hub of the global AB World Foods business and it coordinates and oversees the supply chain activities of various entities that constitute that global business. The AB World Foods global business has approximately 900 employees worldwide (of which approximately 470 are employed by ABWF) working across eight hubs in the UK, Thailand, Poland, North America, and Australia, including 2 manufacturing sites in the UK & Poland.

Within each business in the ABF group, ultimate responsibility and accountability for risk management, including that of human rights and modern slavery, sits with the CEO of the business. Within ABWF, day-to-day responsibility for addressing matters relating to human rights and modern slavery has been delegated to the Supply Chain Director and the HR Director.

### ***Activities and Operations***

ABWF is an international branded business making and selling world food cuisines and specialty condiments, including under the PATAK’s, BLUE DRAGON, AL’FEZ and CAPSICANA brands.

ABWF and the other entities in the AB World Foods global business source ingredients, packaging, and finished goods from a number of countries around the world, including in Europe, Asia and the Indian sub-continent, working with numerous and a diverse portfolio of suppliers, a large proportion of which are in the agricultural sector. The global AB World Foods business purchases directly from processing sites or via approved agents and then distributes and sells into global markets through a broad network of retail customers. In addition to sourcing finished goods from third-party suppliers, the AB World Foods global business owns and operates manufacturing sites in the UK and Poland. These sites predominantly produce prepared sauces, pickles, chutney, pastes, pappadums, and condiments.

### ***Our Supply Chain***

As previously highlighted, ABWF and its affiliates in the global AB World Foods business have a global and extensive supply chain, purchasing directly from processing sites or via approved agents. Many of the ABWF supplier relationships have been in place for a number of years.

Ingredients and packaging account for most of our purchased goods. For ingredients, the majority of spend is attributed to categories such as oils, pulses, spices, herbs, fruit and vegetables, which are primarily sourced from the UK, Europe, India, China and South East Asia. Packaging in the main consists of glass, plastic and paper/ board sourced from the UK and Europe. ABWF's Procurement team has category managers who are responsible for developing and maintaining supplier relationships.

ABWF and its affiliates in the global AB World Foods business also purchase a diverse range of finished goods from suppliers, including condiments and other products from Thailand, the UK and Europe. ABWF and its affiliates in the global AB World Foods business have teams in the UK and Thailand who work very closely with these finished goods suppliers.

### **POLICIES AND DUE DILIGENCE**

ABWF and the global AB World Foods business have certain controls and processes in place to assess and address the risk of child and forced labour. The foundation of our work in this area is the ABF Group Supplier Code of Conduct, which is available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#). This Code of Conduct sets out expectations of working conditions and labour standards in our supply chains. The Code of Conduct elaborates on a number of principles, including that employment be freely chosen and that child labour not be used. It is based on the Ethical Trading Initiative (ETI) Base Code, and the ILO Declaration on Fundamental Principles and Rights at Work (1998, amended 2022). More information about our Group's activities in this area can be found in the ABF Modern Slavery Statement, which has been linked to above.

ABWF has developed additional policies and procedures that strengthen the implementation of the Supplier Code of Conduct including policies related to [Responsible Sourcing](#) and the [Environment](#). Additionally, ABWF uses third party systems to support our supply chain due diligence, including Sedex, Maplecroft and Sphera Risk. These third party systems are used to monitor risks associated with ABWF's principal raw material, packaging, finished goods suppliers, as well as certain services providers (including security, cleaning workwear, temporary labour and logistics providers).

## **POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS**

### ***Potential Risks in Our Operations***

The potential risk of child or forced labour in the operations of ABWF and its affiliates in the AB World Foods global business is managed through our Human Resources policies and procedures. Compliance with labour standards at the manufacturing sites in the UK and Poland is externally audited by a third party approved ethical audit firm every 2 years. Taking into consideration these policies and procedures, together with the location of the manufacturing sites being in the UK and Poland, ABWF assesses that the net risk of the use of child or forced labour in its own operations and the operations of its affiliates in the global AB World Foods business to be very low or close to zero.

### ***Potential Risks In Our Supply Chain***

With a global supply base including raw material inputs from agriculture, ABWF recognizes the potential risk of forced and/or child labour in its supply chains. This risk is articulated in various global indices such as the Global Slavery Index, Global Reporting Initiative (GRI) and Sustainable Accounting Standards Board (SASB). ABWF recognises risk of forced and/or child labour to be particularly significant in agricultural settings where the use of a migrant labour workforce is prevalent during the relevant harvest season.

### ***Management and Mitigation of Potential Risks***

ABWF requires all relationships with suppliers to be consistent with the ABF Supplier Code of Conduct, which is described above.

ABWF monitors the risks of non-compliance with the Code of Conduct via Sedex and Sedex Members Ethical Trade Audits (“SMETA audits”). There is a requirement for all Tier 1 manufacturing sites (i.e. direct suppliers) or Tier 2 (indirect suppliers) where sourced indirectly via an approved agent to be members of Sedex, ensuring a fully visible relationship and completed Self-Assessment Questionnaire (SAQ). ABWF’s ethical audit programme stipulates suppliers identified as high risk complete a third party SMETA (or equivalent) ethical audit. The ethical audit looks for risk indicators related to child and or forced labour. ABWF is now in the process of rolling this out to all raw material and packaging suppliers regardless of their Sedex risk rating. There is an on-going process to review all open Non-Compliances (NCs) and to work with ABWF suppliers to address and close these.

In 2018, ABWF appointed a Supply Chain CSR Manager, reporting into the Procurement Director, to direct and co-ordinate activity associated with its Responsible Sourcing and Sustainability agendas. To support this activity, in the last 12-18 months in-country ethical and sustainability experts have been appointed in India and Thailand respectively, to collaborate directly with the strategic suppliers in our key South Asian sourcing regions to gain a deeper level of supply chain insight and understanding of potential human rights risk.

ABWF is also a member of joint project initiatives that aim to improve human rights in specific supply chains.

ABWF’s efforts to remediate child and forced labour in the relevant period were confined to the efforts to mitigate those risks as discussed above. As these efforts did not to our knowledge cause a loss of

income, no further remediation with respect to loss of income was undertaken in the period covered by this Report.

## **TRAINING**

ABWF has been working alongside Stronger Together for a number of years, and as part of our training programme utilise the ABF on-line Modern Slavery training platform which consists of modules including what Modern Slavery and Forced Labour mean, common indicators, those most vulnerable, and roles and responsibilities. This training is concluded by a test to consolidate understanding.

This online training is available for all employees; however, it is mandatory for the Procurement and HR teams, any other person in a management capacity across supply chain and manufacturing, and those that regularly interact with people coming to sites, such as reception and security.

In addition, an introduction to Modern Slavery is briefed as part of new starter inductions at all ABWF hubs and manufacturing sites.

The objectives of the training include being able to identify red flags of potential human rights violations, understand the importance of conducting due diligence for third parties in ABWF supply chains and how to report potential human rights violations.

Additionally, ABWF requires identified employees, such as the Procurement team, to comply with and have training on, the ABF Supplier Code of Conduct, which includes provisions addressing forced or child labour.

## **ASSESSING EFFECTIVENESS**

ABWF has an ESG Strategy 'Our Responsible Business' which includes 3 pillars: People, Planet and Products. The strategic approach to managing human rights and ethical trade is undertaken as part of the Sourcing with Care workstream, which falls under the Planet pillar and has a cross functional and active Governance team that meets every 2 months.

This is sponsored and led by the ABWF Supply Chain Director. KPIs are reported monthly to monitor and measure supplier compliance with labour and other relevant standards, and work is on-going to address any identified issues.

ABWF recognises the importance, and intends to continue the development, of its program to prevent and reduce the risks of child and forced labour in its supply chains and operations.

## Approval & Attestation

This Report was approved by the Board of Directors of AB World Foods Limited on 29 May 2024 .

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:  
  
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I have the authority to bind AB World Foods Limited

**Adrian Kee**

**Finance Director**

**Date:** 29 May 2024