
WARBURTONS MODERN SLAVERY ACT COMPLIANCE STATEMENT 2021/22

This Statement is published in accordance with s.54 of the Modern Slavery Act 2015. It sets out the steps which Warburtons Limited (“Warburtons”) has taken during the period 26 September 2021 to 30 September 2022 to prevent modern slavery and human trafficking in its operation and its supply chains.

Warburtons Business and Supply Chains – An Overview

We are a leading grocery brand in Britain, selling wrapped bakery products and a variety of Free From bakery goods. The make-up of our business broadly remains the same as in previous years. We have a Head Office in Bolton, England and across the U.K. we have 11 bakeries and 15 distribution sites. We employ nearly 5,000 people and we work with over 2,400 suppliers across our supply chain. We supply most of the major U.K. supermarkets with our products along with convenience stores and other discount retailers in the U.K. Whilst we do export small amounts of our products, the majority of our business and our operations are focused on the U.K.

Whilst we have a significant number of suppliers, the majority of our expenditure will be with companies in the U.K. or the European Union. These countries are inherently lower risk from a modern slavery perspective. As might be expected from a business like Warburtons, the supply chain is diverse. In order to bake and distribute our products we rely on a wide range of suppliers including:

- Agency labour to cover sick leave and other absence
- Utilities to help fuel our ovens and keep our factories running
- Flour and other raw materials to make our products
- Packaging to help pack our products
- Vehicles and fuel to get our products to stores
- Laundry services for our uniforms and cleaners for our sites
- Software and IT equipment to keep a record on what we do and to help receive orders from customers
- Professional advisors to help us meet our legal duties and to keep on top of our engineering requirements

We recognise that the nature of modern slavery risks will be different for each of these types of suppliers. We describe below some of the steps we take to ensure there is no modern slavery either within our own business or the supply chain. However, due to our systems and processes we consider our own employed workforce to be at low risk and we also consider our direct suppliers of utilities, professional services, software and technology, engineering parts and similar suppliers to also all be low risk. Many of our other suppliers are also low risk because they are U.K. based and they are not within sectors which are known for being exposed to modern slavery.

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As a long-standing company, many of our suppliers are well known to us and they have worked with the business for a long period of time. They will very often reflect our values which we incorporate into our Supplier Code of Conduct (and which is made available on our website). As with many businesses, the financial year has been a challenging one with both the driver crisis at the start of the financial year followed by the inflationary impacts of the war in Ukraine. Whilst these external factors have resulted in pressures on resourcing and the cost of goods, it has not resulted in any material changes for the processes in how we source goods or services. In response to the driver crisis, we have placed more emphasis on nurturing our own talent through the driver academy that we established. All trainee drivers will go through the same right to work checks as our other employees. Though pressure has been placed on the cost of packaging and ingredients, many of our suppliers will come from tried and tested sources – particularly for our larger purchases such as flour. We do not therefore believe that the events of 2021/22 will have changed our overall risk exposure to modern slavery.

We also continue to govern our modern slavery risks through a stakeholder approach which sees our procurement, legal, sustainability and wheat and flour buying teams working together to ensure that we buy products with ethical sourcing as one of the key pillars of our approach. This group of people meets on a regular basis to review our policies, procedures and practices to continually improve what we do to buy products and services in the right way.

Policies in relation to Slavery and Human Trafficking

We build our business on the basis of five core values – family, ambition, responsibility, quality and care - which shape everything we do, both inside and outside the company. As such, we are committed to achieving the objectives and requirements of the Modern Slavery Act. Through our policies and procedures, we strive to ensure that there is no place in our operation or our supply chain for modern slavery.

With regard to our own operations, we have a structured HR function and a range of policies and procedures that are designed to ensure we comply with legal requirements for our workforce. New employees are required to prove that they have a right to work in the UK. All employees are paid directly to their nominated bank account. We are satisfied that our existing employment practices and procedures continue to comply with legal requirements including in relation to modern slavery and human trafficking.

We also operate a whistleblowing helpline which allows people to raise any concerns they might have regarding our operations and compliance with the law. No concerns have been raised through the helpline in relation to slavery or human trafficking. Our HR team also meet regularly with our two recognised Unions (the Bakers, Food and Allied Workers Union and the United Road Transport Union). No concerns have been raised through these fora regarding modern slavery in the workplace.

We have a Supplier Code of Conduct and this requires suppliers to comply with standards based on the ETI base code. Compliance with our Supplier Code of Conduct (or standards at least equivalent to them) is a material term of our contracts. There are no direct suppliers that have either refused to adopt our Code of Conduct or failed to demonstrate that they have a Code to at least the same standards. No supplier has reported any breaches of the Supplier Code of Conduct in the last 12 months and no supplier has raised any related concerns.

There has therefore been no requirement to undertake any investigations in the last financial year regarding any modern slavery concerns (none having been raised).

Finally, we include the Supplier Code of Conduct within our on-boarding process for direct suppliers. We are continuing to develop our on-boarding process and will continue to take a multi-faceted risk-based approach to supplier selection and review.

Warburtons Due Diligence Process in relation to Human Trafficking in our Business and our Supply Chain and steps taken to manage and assess risk

In addition to our Supplier Code of Conduct, we have continued to use Sedex to assess our own business practices and those of certain suppliers in our supply chain. We have also completed the Stronger Together Due Diligence checklist to review our practices and to help us identify any areas for ongoing improvement. The main conclusions from undertaking the checklist was the importance for us in raising awareness of modern slavery risk within our business and ensuring a proper record was kept of the enquiries we make with suppliers to ensure compliance.

As part of our Ethical Sourcing approach we have set up a Supplier Ethical Risk Group and have reviewed the Sedex Self-assessment questionnaires of our Tier 1 suppliers. Using the Sedex Risk Assessment matrix we have identified that none of our suppliers fall into the high risk category.

The Supplier Ethical Risk Group have also documented an "Assessment and Control of Supplier Ethical Risk" procedure to formalise our approach to assessing and mitigating ethical risk identified in our supply chain. The procedure outlines clear responsibilities for key roles within our business and our requirements in terms of:

- On-boarding of Suppliers
- Risk assessment process including risk score parameters and associated timescales for review
- Review of the risk assessment output
- Escalation process.

We will continue to work through our assessments of Sedex information during the next financial year, as the Sedex information is updated on an ongoing basis. We will also roll out our Supplier Code of Conduct due diligence across our indirect supplier base.

In addition to the Sedex process, we have made direct enquiries with the company we engage to manage UK farmers growing wheat for our flour. Wheat growing and harvesting is largely an automated process and it therefore has less risk from a modern slavery perspective than those farms which rely on significant labour. The supplier has also confirmed that it contracts with farms on the basis that they are expected to comply with modern slavery obligations. All commercial and new starters at the supplier undertake training on modern slavery so that they are able to identify modern slavery risk with farms they work with. No issues of concern had been raised to our manager of UK farms.

Direct enquiries have also been made with our supplier that provides agency labour. In the contract with them, there are a detailed set of requirements that they are expected to undertake in order to ensure that all agency labour is free from the risks and harm of modern slavery. No issues or concerns have been raised in relation to the supplier's conformance to the modern slavery provisions of the contract or in their provision of agency labour.

In relation to our own business, checks have now been introduced to provide comfort that there are no signs of modern slavery within our own workforce. These checks include a search on whether there are any duplicate bank accounts for different employees or duplicate addresses for different employees. The checks carried out in the last financial year gave no cause for concern.

Training and capacity building of staff

During the course of the last financial year, training on Modern Slavery was provided to the procurement team, the central Health & Safety team and the Company's People Partners. Online training has also been made available on Warburtons' learning platform to all management grades within the company.

In addition to training, a benchmarking exercise has also been undertaken to compare activities undertaken by Warburtons to prevent modern slavery against other companies in the food manufacturing or food retailing space. This has provided opportunities for reflection on the audit, due diligence and awareness raising activities undertaken by the company.

Future Focus

For the following financial year, we will be focusing on continuing to raise employees' awareness of modern slavery (including through the development of our own internally focussed Code of Conduct that will explain the principles and ethical standards we abide by), refining our approach to due diligence and risk assessment and ongoing engagement with key suppliers. We will also start to develop further bespoke training for employees.

We would hope that the following financial year will continue to show that within our own operation and the direct supply chain there are no known indicators of modern slavery or actual modern slavery. We will however direct our efforts to ensuring that we take the necessary steps to provide assurance of this fact.

This statement has been approved by the Main Board of Warburtons and signed by the Chairman



Jonathan Warburton

Date 21 MARCH 2023