



Modern Slavery Statement

2018 - 2019



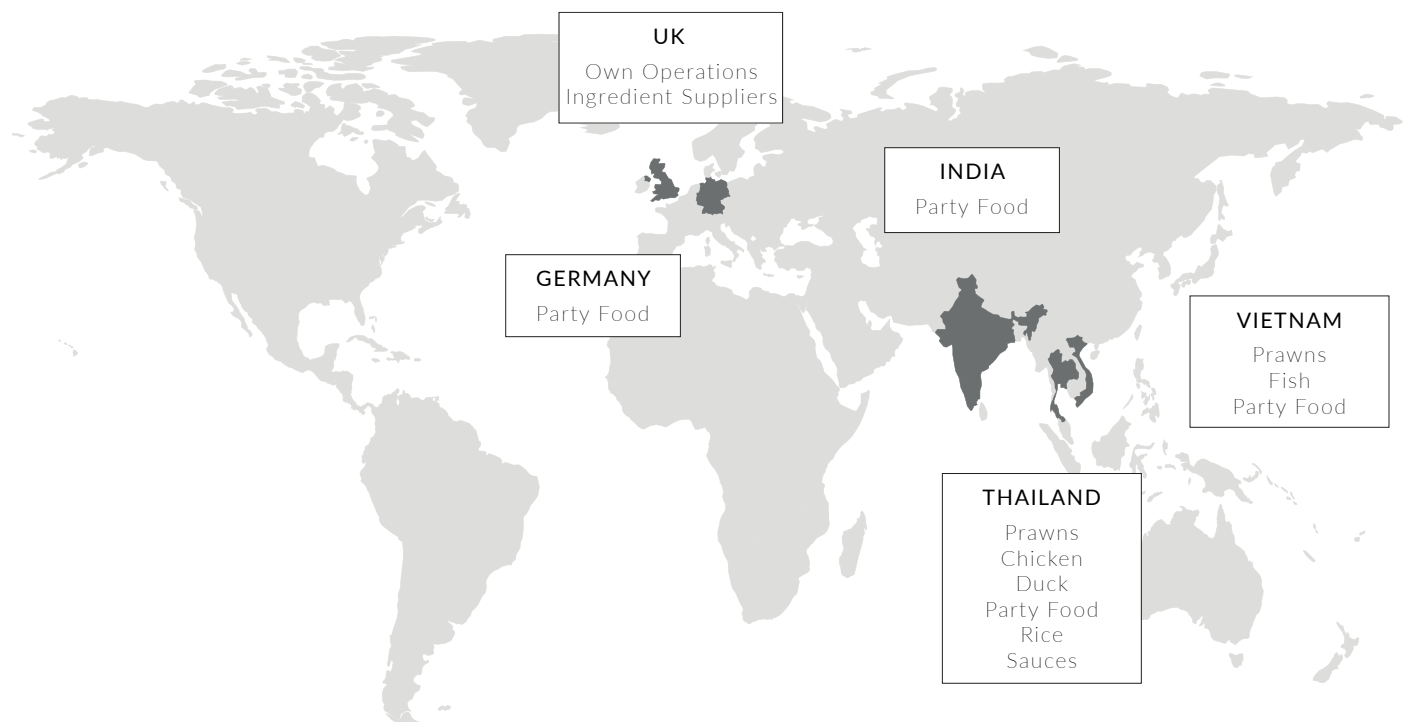
CREATING **REAL**FOOD

CP Foods (UK) Limited - a member of the CPF Group of companies.

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Our CP Foods (UK) Global Supply Chain Map



INTRODUCTION

This statement is being published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by CP Foods (UK) Ltd during year ending 31st December 2018 to prevent modern slavery and human trafficking in its business and supply chains.

CP Foods (UK) Limited is part of a global business working with leading retailers, manufacturers and restaurants to supply great foods. We are an importer, manufacturer and supplier of chilled, frozen and ambient food products to businesses in the UK and the EU with an export division supplying food products to Asia.

This is our 3rd Modern Slavery statement and we continue our commitment to addressing modern slavery and human trafficking risks within our business and our supply chains.

Focussing on our suppliers in Thailand we have continued to develop and broaden our knowledge of the risks to our business and facilitated further in-depth research into our supply chains going beyond tier 1. Along with worker rights training and the introduction of a Labour Voices hotline for all our Tier 1 and Tier 2 workers in partnership with the Labour Rights Promotions Network (LPN).

Through collaboration with industry groups we have continued to raise awareness of Modern Slavery through a common approach identifying, addressing and managing the risks of Human Rights abuses of workers in our businesses and our global supply chains and this work continues, with a progression into our other Asian suppliers including Vietnam and India.



OUR BUSINESS AND SUPPLY CHAINS

CP Foods (UK) Ltd has an annual turnover of £148 Million and employs approximately 220 people, both directly employed and agency workers, based across 2 sites; our Head Office in Worcestershire and manufacturing facility in Suffolk. Our product range consists of cooked and raw poultry, seafood and ready to eat composite food products which are imported from Thailand, Vietnam, India and the EU.



£148m
TURNOVER



220
PEOPLE



02
SITES

The company is a wholly owned subsidiary of Charoen Pokphand Foods Public Company Limited (“CPF”) one of the worlds leading listed agro-industrial and food conglomerates, which operates a completely vertically integrated business and employs more than 110,000 people globally. With net annual sales of 541,937 Million BHAT, CPF operates in both the livestock and aquaculture businesses and incorporates animal feed, animal breeding and farming, food manufacturing and processing, food retailing and restaurant businesses with operations in 17 countries and exporting to more than 30 countries across 5 continents. ⁽¹⁾

We source over 90% of our food products directly from CPF owned businesses with full visibility of the entire supply chains from these supplying sites, this relationship has been established over many years.



¹ - Source CPF Annual Sustainability Report.

POLICY & PRACTICES

CP Foods (UK) Ltd will not tolerate the abuse of human rights within any part of our business or our supply chains and we take any allegations that human rights have not been properly respected very seriously.

We actively recognise the importance of our participation in combatting modern slavery in our business and our supply chains and have specific policies setting out our requirements as a business and for our suppliers to adhere to.

Preventing Hidden Labour Exploitation Policy (Ref: 1.19)

Our global sourcing principles on modern slavery have been strengthened by adding this policy prohibiting the payment of direct or indirect illegal recruitment fees to secure a job. This policy outlines our commitment as a business to limit the risks of modern slavery.

Anti-Modern Slavery Policy (Ref: 1.21)

Based on the Ethical Trading Initiative (ETI) Base code which states that employment must be freely chosen, with no forced, bonded or involuntary labour. All suppliers and subcontractors who are not already bound by ETI requirements through ETI or SEDEX Membership are required to adhere to this policy.

Policies protecting own employees

Recruitment and Selection Policy (Ref: 1.12)

Grievance Policy and Procedure (Ref: 1.8)

Whistleblowing Policy (Ref: 1.16)

Equal Opportunities Policy (Ref: 1.5)

Dignity at work Policy (Ref: 1.22)

The company whistleblowing line has been in operation for 3 years now aimed primarily for our workers to raise concerns for themselves and other colleagues. Over the last year our parent company has also rolled out an independent 3rd party Labour Voices hotline to all its Tier 1 and Tier 2 sites.

Business Ethics

Gifts & Hospitality Policy (Ref: 1.7)

Anti-bribery Policy (Ref: 1.17)

Future Developments

We appreciate that this area is developing continually and we will review our policies to ensure they are adapted to reduce the risks to our business. The need to work with our internal procurement and buying teams to develop procurement and buying policies which embed human rights and align this policy with our anti-modern slavery commitment has been highlighted within our business and this something we will be working towards in the coming year.

All our policies are available to employees through our company intranet site and are included in the induction programme for all new employees.

Any of the policies above are available on request to ethical@cpfoods.co.uk

RISK ASSESSMENT

Our due diligence process involves an annual assessment of our suppliers. To determine the risk profile of each supplier we use the Food Network for Ethical Trade (FNET) country risk assessment which combines published reports such as the Global Slavery Index, the US Trafficking in Persons (TIP) Report and the ITUC Global Rights Index to give an overall risk rating by country.

A more detailed risk assessment of our supplier's industry sector in the producing country is then carried out using the SEDEX Risk Assessment tool which is populated by the industry leading Maplecroft system produced by Verisk who analyse Human Rights and Labour abuse risks globally.

Where Tier 1 Suppliers are deemed Medium/ High or High Risk, as a minimum an annual SMETA Audit is required by CP Foods UK, and often customer specific ethical compliance audits are also required.

The outcome from these audits and other risk-based factors such as media coverage, industry knowledge and historical knowledge is then used to assess the risks of each supplier.

Some supply chains beyond Tier 1 which have been identified as high risk are externally audited against 3rd party standards, which include the ethical treatment of staff including flags for modern slavery. For example, we source aquaculture products from supply chains certified to Best Agricultural Practice (BAP); we source poultry products from supply chains certified to Genesis; and where palm oil is sourced, 100% comes from Roundtable Sustainable Palm Oil (RSPO) supply.



DUE DILIGENCE & ASSESSMENT OF SUPPLIERS & SUPPLY CHAIN

Having carried out a risk assessment on our supply chains, it is important this is followed by adequate due diligence to identify issues that may indicate modern slavery. We have extensive supply chains in high risk countries of Thailand and Vietnam and our efforts are focussed here.

Our high-risk Tier 1 suppliers have an ethical audit carried out by accredited third party auditors on behalf of CP Foods UK. Based on risk this is done annually and is semi-announced. In our 2017 and 2018 audit reports common themes of excessive overtime hours and consecutive working days were reported which are cultural norms. Though our sites comply with Thailand & Vietnam labour law we are, through our strategic partners and stakeholders running a programme in the next year to review these cultural challenges to find how we can make improvements.

In our 2017/2018 report we identified our poultry and shrimp farms as high risk and implemented a programme to include these on our ethical platform. Thus far we have 76 poultry farms and 3 shrimp farms in Thailand and 1 shrimp farm in Vietnam registered on the SEDEX platform and going through the process of completing a human rights & ethical risk assessment. We have so far undertaken 2 shrimp farm audits and 2 poultry farm audits in our supply chain to ensure any non-conformance are identified through our audit programme. During the next 12 months we will continue to carry our audits on other poultry farms based on a statistical sampling rate which will ensure that all farms receive an audit over a 4-year period.

Audits, however useful, are only one method of due diligence in addition we carry out impact assessments getting to the heart of our high-risk supply chains were necessary. This year have undertaken this programme in Thailand poultry integrations with some credible results. There is more work for us to do to improve the reporting out of any issues raised through the hotline and to share the structure of the labour voices hotline, but we are making good progress here.

We have both internal and external grievance mechanism at our farms and processing facilities in Thailand as we see the value of both formats for workers. Our first-year programme of Labour Voices with an NGO in Thailand in CPF Poultry and Shrimp integrations has been extended to year 2. We will build on the programme of migrant worker training of their employment rights, supervisor training and hotline management by providing focus group discussion, new starter interviews and provision of other access methods for raising their voice and being heard.



DUE DILIGENCE & ASSESSMENT OF SUPPLIERS & SUPPLY CHAIN

The LPN programme will be rolled out to other non-CPF suppliers in Thailand next year.

In addition to the 3rd party grievance mechanisms we also provide effective internal programmes through welfare committees by elected representatives, where any issues raised are documented, investigated and reported out. We are also piloting “Ask your VP” suggestion box schemes to further provide access for “Worker Voice”.

CP Foods UK have used our membership of the FNET to participate in the development of various tools such as Employee Engagements training which has resulted in the provision of an animation in various languages to help workers in supply chains to understand what modern slavery is and to help them look for the risks. We have also participated in the development of tools for Responsible Recruitment practices both in the UK and Asia. We work to ensure the tools are easy to use and relevant to the audience.

We continue to actively participate in the Seafood Taskforce with representation both on the Board and leading 2 of the Sub Group activities, as well as supporting and driving change in the farm to Plant and the Responsible Recruitment Group.

We recognise that there will be risks and vulnerabilities in our supply chains and our efforts to identify, Act and Remedy will ensure we have sustainable ethical supply chains. Through audit, Grievance Mechanisms and Whistle blowing lines any issues highlighted are reported in our KPI's. In severe cases there is a framework in place to remedy vulnerable or at-risk workers whether that be in the UK through local charities or GLAA, or in Asia through on the ground NGO's such as LPN.



For more information on the talk
see www.seafoodtaskforce.org

CASE STUDY

In collaboration with our strategic partners we carried out an impact assessment in September 2018 on our Saraburi Chicken supply chain. This involved management and worker interviews at both our farms and processing factories. Workers were independently interviewed to understand their awareness of and confidence in our Internal and External Grievance Mechanisms. The External Grievance Mechanism is managed by LPN (An NGO working on human rights in Thailand) via an independent hotline. The workers all reported they were fully informed of the labour voices programme, but more importantly that it is trusted. Through worker interviews at the farm, all workers reported that they would raise a grievance directly with the head of workers or HR Manager. Some workers reported they did not have a copy of their contract so this was resolved immediately.

KPI's & NEXT STEPS

	2018 - Actual	2019 - Plan
Staff Awareness Levels	100% of CP Foods UK Staff have undergone Modern Slavery Awareness.	All new starters
Supplier Awareness Training	2/16	6/16
High risk supply chain SEDEX Membership	100% Tier 1 0% Tier 2	100% Tier 1 100% Tier 2
High risk supply chain SMETA audits	100% Tier 1 2% Tier 2	100% Tier 1 20% Tier 2
High risk workers access to grievance mechanisms	45,000 CPF Thai Poultry workers	45,000 CPF Thai Poultry CPF Thai Non-Poultry India Suppliers Vietnam Suppliers



TRAINING, AWARENESS AND CAPACITY BUILDING

Our employees and suppliers play an important role in helping us to ensure modern slavery abuses do not take place in our business or our supply chain. We educate our employees to ensure they can spot the signs of modern slavery and share with them the tools that are available for reporting such abuses.

OUR EMPLOYEES

TRAINING

- All current employees have received classroom training on the Modern Slavery Act, our requirements, spotting the signs and how to report any suspected abuses.
- All new employees at Induction go through Modern Slavery awareness training to highlight the issue and what to look out for using video and training materials from Stronger2gether.
- The executive team have received senior level Modern Slavery awareness training carried out by independent consultancy HR Angill
- Our Responsible Sourcing team have been through training provided by Stronger2gether on tackling Modern Slavery in a UK business.
- Our Responsible Sourcing Officer has completed the ETI Human Rights Due Diligence training in 2018 and Social Compliance Lead Auditor Qualification in January 2019.
- Regular participation in Human Rights, Modern Slavery and industry specific ethical conferences including SEDEX, Stronger2gether, Seafish Ethics Common Language Group and FNET by the Responsible sourcing team.

OUR SUPPLY CHAIN

- We have rolled out 3rd party Labour Voices Hotline ran by the LPN in Thailand to all Tier 1 and Tier 2 CPF Owned Suppliers.
- Workers in CPF owned supply chains have been trained on their rights as employees.

AWARENESS








- We have a poster campaign displayed across both of our sites in the UK raising awareness of how to spot the signs of a potential victim and what to do if an employee suspects someone is a victim.
- We have a dedicated intranet page used to raise awareness of spotting the signs, raising the alarm with video links and regularly updating news feed to show the extent of the issue.

FUTURE TRAINING & AWARENESS RAISING

- Procurement/buyer/Commercial training during 2019.
- Technical and Development training during 2019
- Include Modern Slavery awareness as an agenda item for Company Voice/Listening Group meetings
- Director Specific Training
- Procurement & Commercial Specialist Training.
- Quarterly e-Newsletter to all employees highlighting recent cases, what to look out for and new available to technology to support.

PARTNERSHIPS & COLLABORATIONS

We understand that the issue of Modern Slavery is a global issue and that we will not be able to tackle it alone and that collaborations are fundamental to addressing and managing the risks.

	<p>The Food Network for Ethical Trade (FNET) was established in 2016 by a number of major UK food companies to improve human rights in global food supply chains through a common approach to managing ethical trade. We aim to support members to identify, manage and respond to global food supply chain ethical trade risks, to improve the food industry's understanding of ethical trade, to identify and facilitate collaboration opportunities, to promote trust and to build a forum for sharing issues and best practice.</p> <p>https://foodnetworkforethicaltrade.com</p>
	<p>The Seafood Task Force is a unique collaboration for the seafood industry tackling critical sustainability and ethical issues in the Thailand seafood industry sector. Building practical tools, resources and a network of like-minded organisations across the seafood supply chain, to help solve these critical issues together.</p> <p>https://www.seafoodtaskforce.global</p>
	<p>Social responsibility is paramount to Seafish and to the entire seafood industry. For us social responsibility encompasses concerns about labour and human rights issues. This includes human trafficking, labour abuses, child labour, debt bondage, forced labour, migrant workers, and slavery, across the whole supply chain.</p> <p>https://www.seafish.org/article/ethics-in-seafood</p>
	<p>Stronger Together is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. We provide guidance, training, resources and a network for employers, labour providers, workers and their representatives to work together to reduce exploitation.</p> <p>https://www.stronger2gether.org</p>
	<p>Sedex is a global membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.</p> <p>Our collaborative approach helps buyers and suppliers to share and exchange data, helping to better manage social and environmental risks within their supply chain, and positively impact responsible sourcing</p> <p>https://www.sedexglobal.com</p>
	<p>Impactt is an award-winning ethical trade consultancy with a vision to improve workers' livelihoods in a way that benefits businesses and workers. We specialise in improving labour conditions and raising productivity in global supply chains in a way that benefits brands, sites and workers alike. We "bridge the gap" between diverse stakeholders to develop robust, long-term, holistic solutions. And we offer rapid, pragmatic support in the event of a crisis.</p> <p>https://impacttlimited.com</p>
	<p>The Labour Protection Network* was formed to improve the lives of migrant labourers in Thailand by addressing the injustice brought on by discrimination and inequality.</p> <p>Only LPN has the courage to orchestrate life-saving rescues in the near term and the strategic focus to inoculate communities against human rights abuse in the long term.</p> <p>https://www.lpnfoundation.org</p>

LOOKING AHEAD

As detailed in this statement, we have sought to adopt a thorough and robust approach to tackle modern slavery in our business and our supply chains. We have good visibility of Tier 1 suppliers and now Tier 2 in our complex supply chains to farms, hatcheries and feed mills.

Plans to improve training and capacity building in our business and supply chains will continue as well as investing in industry collaborations which will enable and facilitate further improvement and impact on other supply chains. This is a dynamic area for many businesses, and we continue to work with external stakeholders to ensure we reflect this changing environment in our planning.

The Company will continue to enhance our policies and practices including encouraging further implementation of worker voice mechanisms throughout more of our supply chains. This will aid protection of worker rights and develop identification and remediation protocols.

This statement has been approved by the Board of Directors of CP Foods (UK) Limited and will be reviewed annually.

A handwritten signature in dark ink, appearing to read 'Jim Middleton', is written over a faint, light-colored signature line.

Jim Middleton, Managing Director, CP Foods (UK) Ltd – June 2019.