



## Modern Slavery and Human Trafficking Statement 2021

### Introduction

This statement sets out Yeo Valley Production Ltd's absolute commitment to minimising potential modern slavery or human trafficking risks in its business and supply chains, whilst ensuring that we meet the requirements of section 54 of the Modern Slavery Act 2015. This statement relates to our 2020/21 financial year, ending on 31<sup>st</sup> May 2021.

We produce one statement for Yeo Valley Production Ltd which covers the below subsidiaries. All Yeo Valley Production Ltd's subsidiaries will be referred to as Yeo Valley throughout this statement.

- Yeo Valley Farms (Production) Ltd
- Yeo Valley Fruit Ltd
- Yeo Valley Trustees Ltd.

### Our Business and Supply Chains:

At Yeo Valley our purpose as a food manufacturing business is to *Nurture and Nourish, People and Planet*. We understand that our people are key to the success of our business and as such, are proud to say that all employees are now co-owners of the business, since a proportion of the business was placed in trust on behalf of the employees of Yeo Valley in March 2020. This shift from employees to co-owners seeks to ensure that everyone can influence the future and can then benefit from the success of our business; and is an addition to the multiple engagement programmes, including our Passionate People and Wellbeing, that are focussed on delivering tangible benefits for all colleagues. Our commitment to ensure that every co-owner has influence within our business will be enabled by the creation of co-ownership forums at every site, feeding into a companywide co-ownership forum, over the next 12 months.

Yeo Valley is a leading food manufacturer within the UK; producing yogurt, ice cream, sorbets, fruit preserves and desserts. We manufacture over 1100 different products, both for the largest organic dairy brand in the UK, Yeo Valley and multiple retailer and wholesale own label brands.

We operate out of 4 manufacturing sites, 2 office locations and 2 distribution centres based across the Southwest of England. Employing over 1500 co-owners and have a group turnover of over £250 million. We work with over 2000 approved suppliers, including manufacturers, farmers, growers and service providers, primarily within the UK and Europe and further afield where appropriate. Our procurement, development and supplier technical teams are key stakeholders during the approval process to ensure the suppliers we work with and the products they supply meet our requirements.

### Covid-19 and Labour Shortages:

Both the Coronavirus pandemic and the labour shortages the UK is facing, have caused unprecedented pressure on the domestic and worldwide food supply chain. Over this challenging period we have continued to maintain high standards in our operations, utilising virtual technology to enable recruitment, although right to work checks remained in person as a key requirement, supplier



meetings and agency audits. We are adaptable in our approach to in-person interviews, meetings and audits, in line with government guidelines and Yeo Valley's health and safety risk assessments.

In response to the labour shortages, we have started working with an increased number of agency providers. We are aware that this brings a greater level of risk, and to mitigate this we ensured that we either engaged with suppliers who we had used historically, came recommended by trusted sources or had experience working with food businesses. The process of approving the new agency providers remained the same, including ensuring they are GLAA licensed and meeting our baseline requirements, as well as our ongoing monitoring, in the form of annual internal audits.

### **Our Policies:**

At Yeo Valley we have a vision to '*Make great food the right way, forever*'. To support this, we have a Responsible Trading Policy and a Supplier Code of Conduct that recognises our commitment to the Ethical Trade Initiative (ETI) base code, worker's rights and compliance to the ILO conventions, both on our sites and throughout our supply chain.

Our commitment to minimising modern slavery or human trafficking risks within any part of our business and supply chain is reflected in our policies. In addition to our Responsible Trading Policy we have a number of relevant policies and procedures including (although not exhaustive): whistleblowing, agency management, diversity and recruitment. These policies support our continual compliance not just from a legal standpoint but also to ensure our business requirements are met and our employees are engaged to support our ambition of becoming the employer of choice in the South West.

### **Due Diligence, Risk Management and KPI Monitoring:**

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

In 2020 we formalised the requirements we expect all our suppliers to meet in our Supplier Code of Conduct, including our position on modern slavery and child labour. We continue to share this through our contracting and market review processes. We continue to use the globally recognised platform Sedex to assess business practices within our own operations and our direct ingredient and packaging suppliers (from whom we purchase products directly). We require all our direct suppliers to be members and link to us for visibility on the platform. This is an area of continuous improvement and we have currently achieved successful links with 85% of all our direct raw materials.

We manage our supply chain depending on the nature of the suppliers and have a system in place to assess them based on risk. We are in the process of expanding our supplier monitoring by building a raw material sourcing metric enabling us to take a more holistic approach to supplier performance management; this will include data inputted from Sedex and its RADAR Risk Assessment Tool.

#### **Our Sites:**

In 2020 we launched our Passionate People Programme, driven by key stakeholders from across all functions, tasked to research, review and action projects on co-ownership and influence, wellbeing, belonging and to ensure all co-owners feel they have a future here at Yeo Valley.



All our manufacturing sites are required to have a semi-announced 2 pillar SMETA audit every 4 years which ensures our ongoing compliance and commitment to the ETI base code. We also require all our sites to complete the self-assessment questionnaire and review these on a 6-monthly basis. In addition to Modern Slavery Awareness training and discussions, which are detailed in the training section, we have a number of processes, due diligence checks and channels of communication to monitor potential modern slavery indicators and give our co-owners the opportunity and space to feel heard.

- We run an annual confidential co-owner engagement survey called 'Yeo Voice' covering all areas of human rights, in 2020 we had a participation rate of 92% and our highest Sustainable Engagement Score yet, achieving 72%.
- Audit Performance History: none of our SMETA audits have flagged any non-conformances or observations that raise concerns of Modern Slavery.
- At our manufacturing and distribution sites we currently have Joint Consultative Committees (JCC), providing people with a space to feedback any issues. These are now in the process of being replaced with co-owner councils at every site which will enable everyone to have meaningful influence over our business strategy.
- We have a whistleblowing policy, posters are made available on all sites in appropriate areas and briefings are carried out to all co-owners on a 6-monthly basis.
- Our bank provider completes due diligence checks to review if any co-owners share bank accounts, with any flags then reviewed internally.

#### **Our Recruitment:**

We are aware that there is a risk by using agency staff within our manufacturing sites and distribution centres. We mitigate this risk by using only specified, approved and reputable employment agencies to source labour, as well as auditing our chosen employment agencies. All labour agencies are registered members of the Gangmasters Licensing Authority and we ensure we hold proof of their certification.

- We have monthly meetings with our agency provider to discuss performance against agreed KPIs and any issues.
- We complete annual internal audits on the labour agencies that we work with, this includes staff interviews. No non-conformances were raised within this reporting period.
- The labour agencies are responsible for completing necessary right to work checks (if temporary), however secondary identification checks are completed by Yeo Valley prior to an individual commencing employment
- During the recruitment process, questions relating to Modern Slavery indicators are posed to weekly paid applicants, both from an agency and a direct employment perspective.

In 2021 we started a project to grow our in-house recruitment giving us greater control over the process, as well as having direct ownership of the advertising channels. Previously all operational staff were recruited initially through agency providers before becoming permanent members of staff.

#### **Training:**

We have an inhouse Learning and Development team who are experts at delivering a wide range of topics to our co-owners, both online and at our L&D centre.



- All permanent new starters must complete a day's induction which covers Modern Slavery Awareness. This is discussion based, highlighting the key indicators to be aware of, location of the posters, confidential helpline and that the HR teams have all been trained appropriately.
- Our senior managers and HR teams across all sites have been trained in Modern Slavery Awareness in 2019, with content provided by Stronger Together.

<b>2022 Targets</b>
Set up an internal ethical audit programme for our sites and expand our SMETA audit requirement to cover distribution sites.
Review our Human Rights Due Diligence approach and implement via a Human Rights project team
Agree our Responsible Business Targets to 2028 in line with our purpose and vision.
Grow our inhouse recruitment to be 50% direct sourcing for graded positions
Set up an annual review to refresh training, as required for relevant staff

#### **Board Approval**

This statement has been approved by the organisation's board of directors, who will review it and update it annually.

A handwritten signature in black ink, appearing to read "Rob Sexton", with a horizontal line underneath.

Rob Sexton - Managing Director

Date: 30/11/21