

Associated British Foods plc

TICKER
LSE:ABF

MARKET CAPITALIZATION
US\$31 billion

HEADQUARTERS
United Kingdom

COMPLIANCE

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Not applicable](#)

COMMITMENTS

[None](#)

OVERALL RANKING

19 out of 38

(2016: 8 out of 20)

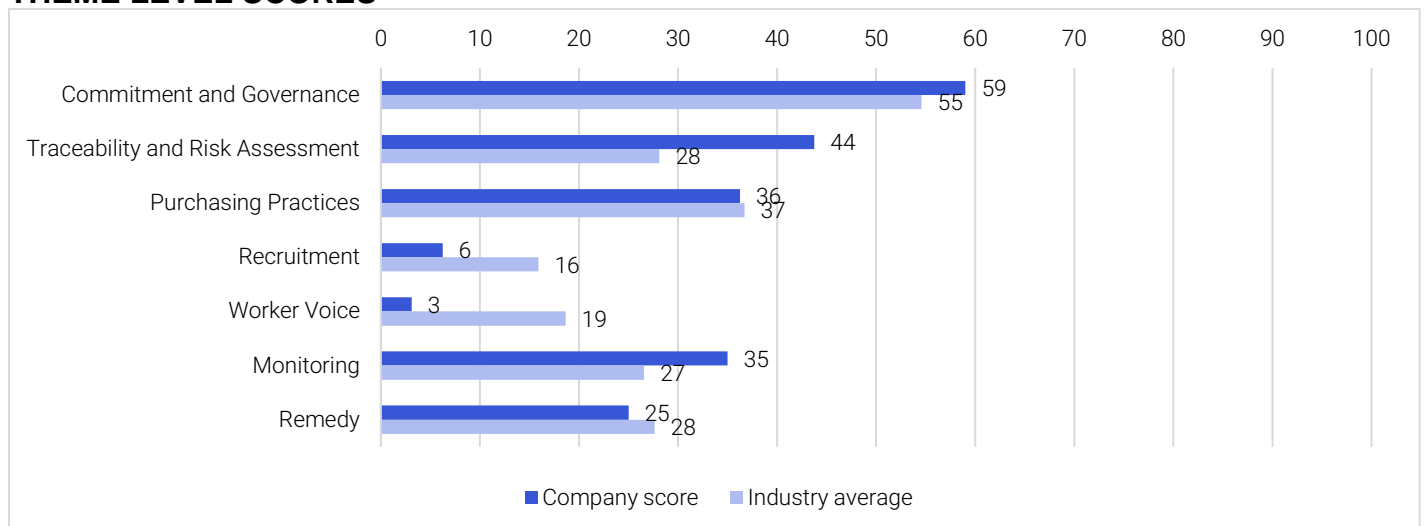
OVERALL SCORE

30 out of 100

SUMMARY

Associated British Foods plc (ABF), a food, ingredients, and retail company headquartered in the United Kingdom, ranks 19th out of 38 companies, disclosing about the same amount of information on its forced labor policies and practices as its peers. Compared to 2016, the company improved by providing details on its human rights risk assessments, and, related to its groceries division only, by integrating the requirements of its supplier code into supplier contracts. ABF scores higher than average on the themes of commitment and governance, traceability and risk assessment, and monitoring, and lower than average on the themes of purchasing practices, recruitment, worker voice, and remedy. The company is encouraged to improve its performance and disclosure on the themes of recruitment, worker voice, and remedy and to expand good practices from individual brands across its businesses.

THEME LEVEL SCORES



LEADING PRACTICES

Training: ABF discloses that, in 2017, it conducted group-wide awareness-raising and training sessions for senior corporate responsibility and procurement staff to "ensure the businesses were made aware of the scale, scope and pervasive risks of modern slavery and positioned the issue in the broader context of business and human rights." In addition, ABF states that, for its sugar division, training on modern slavery has been delivered to procurement, human resources, audit, and sustainability teams. It further discloses that it is now extending the training program to the wider buying community across its company (such as staff responsible for cleaning, catering, construction, and refurbishment contracts).

Risk Assessment: ABF discloses that all its business divisions have engaged in separate risk assessment processes to understand which supply chains are at higher risk of forced labor. It states that country of origin, as well as the product, industry, and workforce characteristics (such as migrant workers) are underlying criteria determining these risks. For its sugar business, the company notes that it has undertaken risk mapping of its supply chains. It includes insights gathered through its annual UN Global Compact self-assessments; external sources such as the "Global Slavery Index, List of Goods Produced by Child or Forced Labour and Maplecroft;" human rights assessments (which include forced labor) by major customers; learnings from workshops carried out together with "key stakeholders;" and data from its factory and agricultural audits.

NOTABLE FINDINGS

Purchasing Practices: ABF reports that its tea brand Twinings "is committed to working with others to create a competitive Malawian tea industry where workers earn a living wage and smallholders can thrive." Twinings has signed a Memorandum of Understanding (MoU) for the Revitalization of the Malawi Tea Sector with producers, brokers, tea packers, and development agencies; one of the aims of the MoU is to improve the wage-setting process through greater worker representation. For its sugar cane supply chains, the company discloses that it engages in a Fairtrade project and explains that the certification focuses on improving farming practices and working and living conditions. Further, the company notes that Illovo, its sugar business in Africa, has programs to improve the farmers' sugar-cane yields and quality. The programs also include price guarantees and supports farmer development by obtaining grant funding on behalf of growers.

Recruitment: The company's supplier code states that "workers are not required to lodge 'deposits' or their identity papers with their employer and are free to leave their employer after reasonable notice."

Monitoring: ABF discloses that it audits high-priority suppliers against its supplier code of conduct and additionally uses the Sedex and AIM-PROGRESS systems to share audits with other companies. SMETA audits include a review of relevant documents, worker interviews, and visits of production facilities, and they are required to be undertaken by auditors with relevant skills or attributes (e.g., language, gender, or an ethnic background that reflects that of the workforce).

OPPORTUNITIES FOR IMPROVEMENT

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to ensure recruitment agencies used by its suppliers are audited and to work with suppliers to guarantee migrant workers' rights are respected.

Worker Voice: To prevent and address forced labor and human trafficking risks in its supply chains, the company may consider ensuring that a formal and effective mechanism to report grievances regarding labor conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labor NGOs. Further, the company is encouraged to take steps to ensure that workers in its supply chains are educated on their rights and are able to exercise their right to freedom of association.

Remedy: The company may consider establishing a process to ensure remedy is provided to workers in its supply chains in cases of human trafficking and forced labor and disclosing details on this process, such as timeframes, engagement with affected stakeholders, responsible parties, or approval procedures. To demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose examples of remedy provided to its suppliers' workers.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)