



McCain Foods (GB) Ltd.

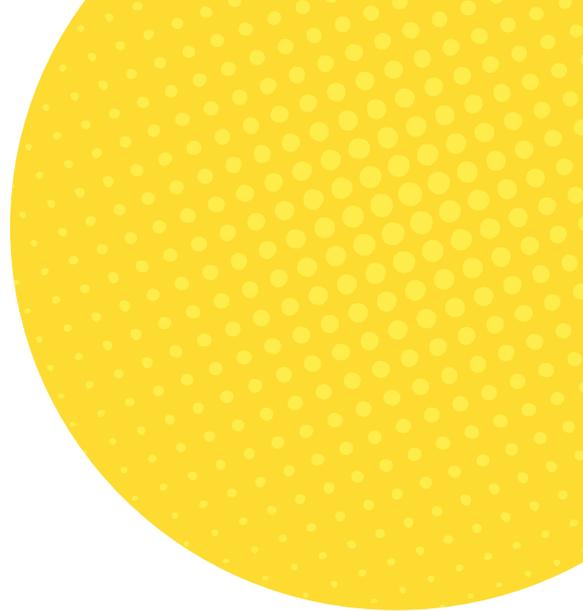
Modern Slavery Statement FY23.

Sustainability, human rights, and dignity in our supply chain.



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Foreword.

As a leading producer of prepared potato and appetizer products, and a family-owned company, McCain holds its commitment to protecting human rights in its business at the core of its operations. Addressing modern slavery and the exploitation of human rights across the global supply chain is a critical priority, particularly because the bulk of ingredients come from farmers and suppliers of agricultural products.



McCain Foods Limited ("**McCain**", "**it**" or "**its**") is a purpose-driven business on a journey to make delicious, planet-friendly food. McCain's shared values - Family, Authentic, Quality and Trusted - are critical to the direction of decisions made regarding supply chain and procurement around the world.

A number of appropriate company policies and processes, including the McCain **Global Code of Conduct** and **Supplier Code of Conduct** have been in place for years to identify and manage risks globally.

However, the introduction of the *Modern Slavery Act 2015* and similar legislation elsewhere sharpened McCain's focus to protect the human rights of workers and the integrity of its supply chain. McCain sees this as an opportunity to use its global scale to act as a more powerful force for good, locally and more broadly.

Over the past 12 months, McCain has continued to develop the robust framework of guiding principles to ensure that business practices are a part of the solution to eradicate modern slavery, particularly within the agricultural supply chain. In Great Britain and Ireland, the modern slavery committee has built on this foundation to comprehensively and effectively address regional risks.

However, despite the strides made in tackling the issue of modern slavery and labour exploitation broadly, it is critical that McCain does not rest on its laurels. McCain is in a privileged position to be able to drive change and progress in the industry – a position that McCain does not take for granted.

In addition to looking at the policies and programs currently in place at McCain, this report outlines initiatives in development to fortify the fight of McCain Foods **GB**, "**us**", "**we**" or "**our**"), against modern slavery. This includes expanding employee training programs, assessing suppliers and countries of origin, and placing a greater emphasis on identifying and addressing modern slavery risks in our indirect supply chain.



McCain Foods (GB) Ltd - Modern Slavery Statement

This statement is made under the *Modern Slavery Act 2015*. It sets out the actions taken by McCain Foods (GB) Ltd, an entity registered in England, to address modern slavery risks in our supply chain over the financial year ending 30 June 2023.

Structure, operations, and supply chain.

McCain is a global brand; the head office of McCain Foods Limited, the Canadian parent company of McCain Foods GB, is located in Toronto, Canada.

McCain is a privately owned, multi-national leader in the frozen food industry, manufacturing quality products, including French fries, appetizers, pizzas, vegetables, desserts, and prepared meals. McCain also owns companies in complementary industries, such as agriculture and transportation.

In Great Britain and Ireland, McCain Foods GB is the largest branded manufacturer of frozen potato products and a trusted supplier to quick service restaurants, food service businesses, and retail (supermarkets). We also manufacture and sell a range of appetizer products.

We directly employ over 1,400 people and thousands more indirectly through our logistics and supply chain.

We are proud of our place in the British and Irish markets, and particularly of the relationships we have cultivated with local growers. McCain Foods GB sources the overwhelming majority of our produce locally and we are committed to working with our farmers to support their day-to-day practices, as well as investigating ways to support new and innovative farming methods.

The supply chain¹ of products and services that contribute to our operations includes raw agricultural materials - the top categories being potato and other commodities, including frying oils and dairy. McCain Foods GB is the largest purchaser of British potatoes and, in FY23, our largest category of spend was on agricultural products and specifically potatoes - procured from 271 contracted suppliers, while other ingredients and raw materials were sourced from 29 suppliers in 12 countries.



Diagram 1 - McCain Foods GB operations

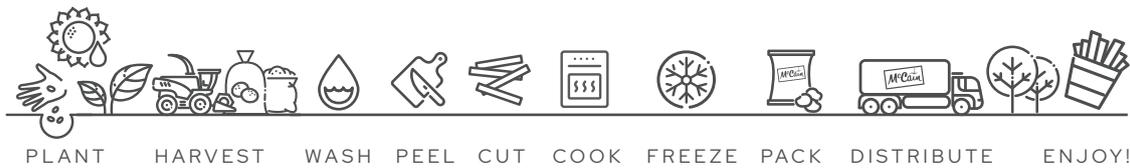


Diagram 2 - McCain Foods GB supply chain

¹ McCain differentiates procurement based on direct and indirect goods. Direct procurement involves the purchasing of goods, materials, and services directly associated with the production of products (e.g. raw potatoes, ingredients, spices, and packaging), whereas indirect procurement refers to expenses incurred for materials, services, and maintenance required to operate the business (e.g. manufacturing equipment, maintenance costs, and consultancy costs).



Key areas of focus FY23

Over the past decades, McCain has implemented global policies and processes reflecting its corporate values, including protecting human rights and reducing the risk of modern slavery in its operations and supply chain. Furthermore, McCain Foods GB has placed additional targeted emphasis on this critical area of corporate responsibility since the introduction of the *Modern Slavery Act 2015*.

Risks of modern slavery practices in our operations and supply chain.

As a family-owned business, McCain has always operated according to its core values. McCain has long understood that there is an inherent risk of exposure to the threat of modern slavery and labour exploitation in food and agricultural supply chains, from production and processing to packaging and transportation. The diversity and scale of McCain's supply network means that these threats are particularly relevant to McCain companies around the world, and McCain understands that it has an important responsibility and an opportunity to be an agent for positive change in the industry.

That is why McCain has invested significant resources into developing a robust **Global Code of Conduct** and **Supplier Code of Conduct**, to govern its own actions and those of its partners and suppliers, drawing upon international standards and best practices in human rights and sustainability.

The **Supplier Code of Conduct**, which sets stringent standards of ethical conduct for McCain's suppliers, is founded upon McCain's values, as well as applicable laws around the world.

McCain Foods GB works hard to source products and ingredients locally, working predominantly with suppliers based in Great Britain and Ireland.



Actions we take to assess and address risks.

1. McCain policies.

McCain believes that strong internal policies and systems are a key aspect of managing and mitigating the risk of modern slavery in its operations and supply chain. McCain expects the same level of diligence in regard to the protection of human rights from its suppliers as from its employees, which is one of the ways McCain can use “might for right” – leveraging its global scale to help maximise the positive impact of McCain.

Prior to the enactment of the *Modern Slavery Act 2015*, McCain has had a long-standing set of policies in place that are regularly reviewed to assess and address applicable risks.

These include McCain’s **Global Code of Conduct** Anti-Corruption Policy, and **Supplier Code of Conduct** and, finally, our Whistleblower Policy (“Policies”).

These Policies and other programs – such as McCain’s sustainability program – ensure that team members and suppliers are dedicated to managing social, ethical, and environmental issues in a responsible manner consistent with McCain’s global values.

McCain values learning and transparency. All employees and suppliers are made aware of the expectation that they will familiarise themselves with – and comply with – applicable policies.

The Policies are regularly monitored and updated to ensure McCain approaches all social, ethical, and environmental responsibilities in an appropriate and agile manner.

2. Modern slavery committee.

McCain Foods GB has established a modern slavery committee comprising senior leaders from departments including legal and compliance, procurement, human resources, food safety and quality, and agriculture (“**Committee**”).

The Committee’s remit, in addition to the preparation of this modern slavery statement and the ensuing actions, includes:

- Identifying and addressing any modern slavery risks present in our operations and supply chain
- Immediately driving action to remediate any incidents if and when they may be identified
- Identifying means to reduce or mitigate the risk of modern slavery
- Developing programs, practices, and procedures to enhance our response to modern slavery; and
- Operating as a group of thought leaders for McCain on the important issue of modern slavery, to ensure our people understand that McCain’s exposure to farming, packaging, and logistics raises the possibility of modern slavery within our supply chain – and what we all must do to mitigate the risk, identify issues when they arise, and take immediate action where appropriate.

The Committee has raised awareness of modern slavery risks – and our response to those risks – through our various divisions, and through an employee training and compliance program, as outlined below.



3. Risk mapping and due diligence.

McCain Foods GB conducts due diligence on all of our suppliers before they are introduced to the supply team. We constantly review the process, looking at ways to enhance it and determine the risk of modern slavery throughout the operations and supply chains of our suppliers.

There are a number of actions we take to assess and address the risks of modern slavery throughout our operations and supply chain.

In FY23, this included beginning the roll out of our updated Supplier Evaluation Surveys, which contains increased focus on modern slavery compliance. Across our sites, we have also worked to provide a greater degree of transparency to our customers through SEDEX.

This is in addition to the actions implemented in recent years, which include:

- Setting clear supplier expectations including through our Supplier Code of Conduct
- Documentation updates to ensure modern slavery risk mitigation components are incorporated, as appropriate, and gaps are addressed; and
- Updated and expanded scoring matrix to best assess the effectiveness of our due diligence

Future actions will be taken as follows:

- Continue the roll out of updated Supplier Evaluation Survey across all current and new suppliers
- Continue focus on our direct supply chain and identify any appropriate remediation
- Explore a digital solution for Supplier Evaluation Surveys to support in the monitoring of progress and compliance of our suppliers

4. Audits.

McCain periodically monitors compliance with the Policies and will formally and informally monitor and evaluate progress regarding our approach to modern slavery as part of the regular monitoring process. Specific auditing of certain relationships, such as with our growers, became an increasing focus for us. To supply McCain Foods GB, farmers must be Red Tractor compliant - a scheme that includes auditing on modern slavery compliance.

In addition, the contracts for our raw supply have been updated in recent years to ensure they include appropriate contractual commitments with regards to modern slavery.

In FY23, we formally audited 10% of our grower base (by volume).

5. Employee training and compliance.

We continue to implement new programs to increase employee awareness and engagement regarding modern slavery. During FY23, we continued to communicate with staff about modern slavery.

McCain has continued to incorporate a dialogue about modern slavery into its focus on sustainability actions, including the thriving rural communities in which McCain operates and the long-term, trusted connections to growers. In particular, McCain offered a global training module to all employees.

McCain engages in best practices in recruiting and hiring to ensure that all employees are appropriately on-boarded and employed in accordance with applicable laws. McCain has continued to consistently take significant actions to ensure the health and safety of employees and applicable third parties.

In FY23, employees of McCain Foods GB - whether new hires or current employees - were provided a module on modern slavery as part of the annual standard compliance training, and this was also added to our onboarding guide.

6. Partnering with organisations.

McCain has continued a dialogue with a number of our key suppliers and customers regarding the manner in which we can collectively address and reduce the risk of modern slavery.

McCain continues to explore the possibility of partnering with other organisations / NGOs to obtain access to authoritative materials and information and guidance on best practices.

7. Managing supplier contracts.

McCain Foods GB maintains standard procurement terms and conditions for transactional matters and negotiated master service agreements for ongoing relationships. Each of these have been updated or will be crafted, as appropriate, to mitigate modern slavery risks.

If a supplier is found to be in breach of the terms stipulated in their contract with us, including those relating to compliance with the **McCain Supplier Code of Conduct**, we are able to take corrective action and suspend or terminate the contract with that supplier.

We take any breach of the **McCain Supplier Code of Conduct** - or any other breach involving a risk to human rights - seriously, addressing it promptly and with the ultimate goal of reducing or removing the risk altogether (for example, where appropriate, the removal of a supplier from our supply chain).

8. Reporting concerns.

Employees are encouraged to report any occurrences of modern slavery identified or suspected. They also have the option of reporting under our existing Whistleblower Policy or the **Global Code of Conduct**.

For employees who wish to make an anonymous complaint to an external service, McCain retains an independent external service provider which is authorised to receive whistleblowing reports in relation to its global business (contact details are contained in the **Global Code of Conduct** and the Whistleblower Policy). All reports received by the external service provider are reported to McCain's Director, Global Legal & Compliance, and are investigated as required.

Further actions we will take to assess and address risks.

To strengthen our stance against modern slavery risks in our supply chain, the Committee has also laid out additional actions it intends to embark upon by the end of FY24:

1. Increasing the assessment of suppliers.

The Committee will continue to further investigate the modern slavery risks in our direct and indirect supply chains and determine appropriate remediation action. This may involve the replacement of high-risk suppliers with suppliers presenting a lower risk of modern slavery in their operations, business, and supply chains.

The significant, tangible action represented by replacement of these suppliers will continue to reinforce to all our staff and suppliers that we will not tolerate modern slavery in our supply chain. We will also investigate establishing specific auditable record keeping requirements for suppliers in respect of workplaces, high occupancy worker residences, payroll, and other, as applicable.

2. Training.

In addition to our efforts to introduce a new modern slavery training module to provide detailed training on modern slavery, we will consider additional training requirements. Subsequent training may focus on function-specific skills, including how to identify the existence of modern slavery in a supply chain and how to uphold the high standard of requirements that McCain Foods GB has adopted for all our suppliers to help us proactively manage modern slavery risks. Where appropriate and feasible, McCain Foods GB will also offer the training module to suppliers.

3. Audits.

Audit is an ongoing commitment. In addition to auditing 10% of our grower base in F23, we will continue these audits to achieve a cumulative 25% of our growers by the end of F24.

4. Indirect supply chain assessment.

In FY24, as our response to modern slavery risks develops and matures, the Committee will continue to progress with a project to explore the potential risks within our indirect supply chain. We will report progress via this statement, as applicable.

How we assess the effectiveness of actions we take to address modern slavery risks.

McCain's belief that 'good ethics is good business' has guided it from farm to fork, and is the foundation of our values. On this basis, McCain has built relationships with growers spanning generations, is recognised for its commitment to sustainability and work in local communities, and has been able to successfully implement innovative regional initiatives around the world, including in Great Britain.

It is through these strong relationships and regular contact with growers that we are able to regularly review our grower assessment processes – our largest single source of procurement.

McCain's existing Policies are monitored regularly and we will conduct regular audits of the modern slavery programme, both internally as directed by Internal Audit and/or the Committee, and, where appropriate, externally via independent auditing services.

McCain Foods GB will continue to evaluate countries of origin and suppliers and their practices, using and regularly reviewing a scoring matrix to best assess the effectiveness of our due diligence.

The extent of actions taken to address modern slavery risks will be measured by certain quantitative metrics, such as the number of individuals trained, contracts signed with appropriate modern slavery contractual provisions, and the number of audits undertaken.

More importantly, the effectiveness of actions undertaken will be assessed by means of metrics, such as the number of calls to our whistleblower line and investigations launched, if any, and the number of successful audits and resolved non-compliances generated in ethical audits, if any.

In summary, McCain values and the identified approach will drive our actions, leading to sustainability and effectiveness in all we do.

This statement was approved by the Board of McCain Foods (GB) Ltd

Signed,



Jillian Moffatt

Regional President, McCain Foods GB and Ireland

Date: 19th December 2023