



## ***Ethical Compliance***

### ***Modern Slavery & Human Trafficking: Progress update, 2018***

The Silver Spoon Company Statement signed by the Managing Director, outlining the approach taken in order to demonstrate ethical compliance including prevention of modern slavery in the business and supply chains has been available on the websites. Furthermore Statement has been made available to people requesting a printed copy as stipulated by the 2015 Act.

This is the 3<sup>rd</sup> MSA Statement and it sets out the approach taken during 2017/18 to prevent human rights infringement occurring in our business and supply chains. As a result, we have developed more understanding of our supply chains with increasing transparency and collaboration with our stakeholders.

In our Modern Slavery Act Statement in 2017, which can be found in our websites, we highlighted areas of focus for reducing potential likelihood of modern slavery and human trafficking occurring anywhere in our business such as:

- Clear Policies shared with our stakeholders
- Engagement with suppliers and partners to agree and implement remedial actions whenever deviations from our policies and code of practice are observed
- Strive to ensure that the risk of breaching human rights in our business that may result from our products, services and operations are eliminated

This Progress update report outlines the achievement made during 2017/18 to eliminate the risk of infringement of human rights including modern slavery occurring in our business and supply chains. The results outlined in Table 1, gives a clear indication of progress made against the plans set in 2017

**Table 1:** Progress update (2017/18)

| <b>Target</b>   | <b>Status</b>        | <b>Summary</b>   |
|---|----------------------|--|
| Enhance our policies and due diligence on ethical compliance including modern slavery, to prevent, identify and address human rights infringements in our own manufacturing sites and our supply chains | Achieved             | Policies are shared internally with colleagues through the business management process   |
| Transparency: ensure all suppliers understand our requirements by sharing policies and code of practice as relevant   | Achieved<br>On-going | All direct suppliers receive copy and endorsement is by signed receipt of the policy. 87% of our direct (T1) suppliers have acknowledged receipt of the documents. There is a supplier pack which new suppliers are required to complete as part of our supplier approval process<br>All information is reviewed biennially as part of due diligence |
| All direct suppliers (T1) to be Sedex members, provide links to their information for transparency to enable us to view their information as part of due diligence                                      | On-going             | 92% of suppliers (T1 & T2) are registered on Sedex with viewing access provided<br>The number of registered suppliers increased after our supplier awareness workshop events   |
| Embed Sedex risk assessment process in to our due diligence monitoring procedure  | On-going             | Utilisation of Sedex risk assessment tool introduced during 2017 to establish risk of potential human rights infringement. The results of the analysis inform our monitoring Dashboard/KPI reporting as part of the supplier monitoring process  |
| Training & awareness – to embed consistent approach for monitoring labour standards in  | On-going             | Following reviews of initial information from suppliers, we organised supplier awareness workshop events for direct suppliers in the UK  |



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|--|-----------------|---|
| <p>the supply chain, conducted events internally with senior leadership team, functional teams e.g Procurement and HR Externally with direct suppliers and indirect (T2) suppliers</p> |                 | <p>and outside of the UK for direct and indirect suppliers. The events focussed on our policies, the requirements of the MSA 2015 and our expectations of the supplier base<br/>The HR team continue to work with labour providers to develop their awareness of the Modern Slavery Act (2015) and, to understand our ethical standards, potential human rights infringement issues.</p>  |
| <p>Measuring effectiveness and reporting on ethical compliance activities, and its impact</p>  | <p>Achieved</p> | <p>There is a set of KPIs reported in the form of a “dashboard” on a quarterly basis. In 2017/18:<br/>Total number of direct suppliers of goods &amp; services: 116<br/>With total workforce of 12,000<br/>Of which 70% are Male<br/>Operating out of 137 - 149 sites<br/>Total number of sourcing countries: 10 of which 3 are rated high (red) risk using Sedex and Maplecroft risk assessment tools<br/>Using Sedex and Maplecroft tools, 65% of supplier base rated “Low” risk<br/>Total number of T1 suppliers with independent 3<sup>rd</sup> party audit reports (less than 3 years), uploaded on to Sedex – 30%<br/>Total number of non-conformances 137<br/>Top 3 non-conformances identified in Health &amp; Safety (34%), Wages (18%) and Working Hours (14%). No non-conformances raised against forced labour or child labour.</p> |

In summary, our approach was as follows:

- Improve due diligence monitoring across our internal operations (manufacturing sites) and our suppliers of goods and services
- Engage with our people and our suppliers to: (i) improve understanding of ethical compliance and modern slavery as part of capacity building and, (ii) encouragement to improve working conditions and social standards in their supply chain.

The Silver Spoon Company has a strong approach to corporate responsibility including compliance to international ethical standards. We accept that there will always be more to



be done to eradicate the risk of modern slavery and so, we continue to maintain due diligence monitoring to assess the effectiveness of our programme.

### **Plan for 2018/19**

The plan for 2018/19 is to build on the activities and progress made thus far as reported in Table 1. On-going monitoring and building on the activities and progress made in the previous year We will endeavour to enhance the due diligence process, training and raising awareness in the supplier base.

Engage with suppliers to mitigate risks and address root causes of human rights infringement such as non-conformances arising from 3<sup>rd</sup> party audits. We recognise that auditing of the supply chain is complex and should not be the only tool for identifying where people may be at high risk of labour exploitation. Therefore, whenever possible, we will collaborate with other stakeholders to address sector specific issues.

On-going training and awareness events to build capacity and share best practice in our supplier base. We will develop measures to assess the effectiveness of our modern slavery policy, our own performance and the impact

Encourage labour providers and service industry to engage with Stronger Together to build understanding of how modern slavery issues should be managed and reported

Engage with direct (T1) suppliers to address non-conformances and ensure they are closed out with monitoring plan in place to prevent re-occurrence.

The supply chain maps will be used in risk assessments and the outcome will be used to prioritise further activities with suppliers of goods and services.

Our full Modern Slavery Statement can be found internally in our Business Management System and externally in our websites

**Signed:**

**Date:**

11/12/18.

Martin Brewis

**Managing Director**