



Modern Slavery Statement For Financial Year 2020/21

This statement is made pursuant to s.54 of the Modern Slavery Act 2015. It sets out the steps that Ecotone (formerly Wessanen UK) has taken, or will be taking, to reduce the risk of modern slavery or human trafficking within our business or supply chain.

The term modern slavery includes forced labour, child labour and human trafficking. Ecotone recognises that, in these three forms, modern slavery is a significant risk for businesses globally and we are committed to acting ethically and with integrity and transparency in all our business dealings in order to reduce this risk. We work with our suppliers to support and respect human rights and put effective systems and controls in place to safeguard against any form of modern slavery taking place within our business or our supply chains.

Introduction

Ecotone published its last Modern Slavery statement in December 2019. We recognise that modern slavery is a criminal activity conducted for commercial purposes and that our response needs to evolve in line with what is a growing global risk. 2020 has been an extremely difficult year for implementing our modern slavery plans, presenting challenges for our Fairtrade growers and plantation workers across the world, restrictions in international travel and delays to our planned awareness raising activities. Our plans to address these delays are referenced throughout this statement.

Our Structure, Business and Supply Chains

At Ecotone, we create healthier, sustainable products, empowering people to make better choices both for themselves and for our planet. We are a B Corp® Certified business and very proud of our four pioneering brands in the UK and their positions within expanding market segments: Clipper, Kallo, Whole Earth and Mrs Crimble's.

As well as championing healthy food, we care about the health of our employees and stakeholders, and the working and living conditions for farmers and producers. We want to protect our planet for current and future generations. We do this by producing the right food and by conducting our business in a sustainable way.

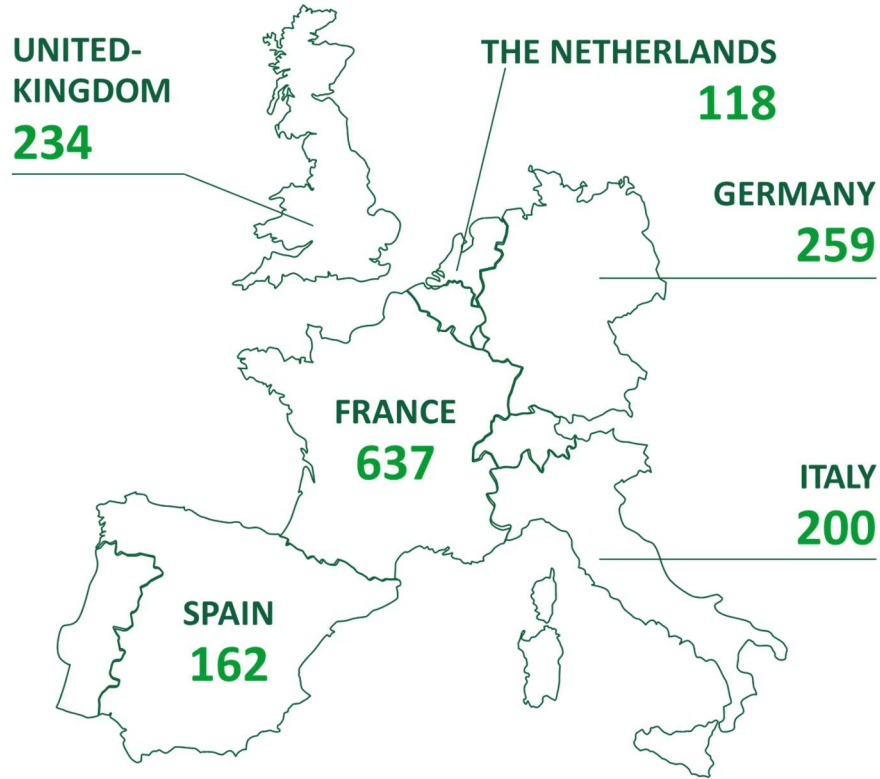
This approach guides how we develop, market and sell our brands and our distribution of Almond Breeze on behalf of Blue Diamond. Our products are made in our own factories or by third party suppliers based in Europe. Our main product sectors include hot drinks, cereal cakes, peanut butter, breakfast cereals, cooking ingredients, gluten free products and almond drinks. Our products are sold in the UK and exported globally.

The Ecotone Group operates nine production facilities in five European countries producing mainly tea, dairy alternatives, breakfast cereals, sweet bars and biscuits, vegetarian spreads, coffee and cereal cakes.

The majority of our products are processed either in our own or in suppliers' production facilities in countries in Europe where our risk assessment indicates the combination of countries and industries represent a lower risk of forced and child labour. Our supply chains, however, are global and we source from more than 600 suppliers (raw materials, packaging, finished goods) in more than 50 countries across Europe, Asia, Africa and North and South America.



1610 EMPLOYEES



Governance Structure and Strategy for Modern Slavery

Ecotone's Executive Board operates out of the office in Lyon. Our other offices are located in Amsterdam, the Netherlands, Camberley in the UK, Bremen in Germany, Badia Polesine and Viadana in Italy, Madrid in Spain and Bordeaux in France. Ecotone operate as a "family" of companies, with a joint strategy and set of key value, beliefs and shared objectives. The Executive Board comprises of the Ecotone's Chief Executive and Chief Finance Officers as well as country General Managers and selected Functional Heads (Marketing, Operations and Human Resources) and together form the European Leadership Team (ELT). The ELT drives the agenda of the business, including our sustainability initiatives and meets monthly to discuss results and planning.



9 PRODUCTION FACILITIES IN THE HEART OF EUROPE

FACILITIES	KEY CATEGORIES	BRANDS
1 Beaminster	Teas	Clipper
2 Bordeaux	Hot drinks	Destination, Naturela, Alter Eco
3 Badia Polesine 4 Viadana	Plant-based beverages	Isola Bio, Bonneterre, Bjorg
5 Seseña (Toledo)	Cereal, rice cakes	Ecocesta, El Granero
6 Paracuellos	Dietary supplements	
7 Drebber	Breakfast cereals, cereal bars	Allos, Bjorg, Zonnatura, Whole Earth
8 Freiburg	Savoury spreads	Tartex
9 Andiran	Meals and fruit specialties	Danival, Bjorg



Ecotone has made a commitment in 2020 to Food For Biodiversity and to use all of our business, our voices and imaginations to protect and enhance biodiversity. It is obvious that we cannot achieve our ambition on biodiversity and have a positive impact on the world around us without engaging suppliers in this journey. Our commitment therefore includes building sustainable supply chains and makes a commitment to work with Fairtrade certified products. All of these activities in conjunction with the Ecotone responsible sourcing programme include ethical initiatives, which cover modern slavery.

The management of our ethical initiatives is delivered through functional leaders who ultimately respond to the European Quality Director, who regularly reports back to the Ecotone ELT board.

Ecotone employ about 1,610 people across Europe and we invest in their training and education to make them more engaged and knowledgeable about health and sustainable food. We see our staff as ambassadors to develop and champion our sustainability approach and organise regular community-related activities at all our sites to support this.

Policies and Contractual Controls

Ecotone UK have the following policies in place to manage the risks of forced and child labour in our own operations and supply chains:

- **[Ecotone Supplier Code of Conduct](#)**: In line with the Ethical Trading Initiative’s Base Code, our 2019 code states that suppliers must not use forced labour, involuntary prison labour or bonded labour and must not restrict workers ability to leave a facility. The code states that children younger than 15 must not be employed and that any child found to be in a situation of forced labour must be supported and rehabilitated
- **Ecotone Supplier Ethical Policy**: Our supplier policy was published in 2019 in line with international best practice. Our Supplier Ethical Policy outlines our approach to ethical trade, including our requirements from suppliers on modern slavery.



We continue to have internal business policies which support our goals on forced and child labour including:

- **Recruitment Policy:** In light of recent changes to immigration rules in the UK, our policy now states that we conduct eligibility to work in the UK checks in accordance with government legislation to be compliant with post-Brexit legislation as well as to safeguard against individuals being forced to work against their will or human trafficking. We are committed to creating a diverse, inclusive and equitable environment for all.
- **Whistleblowing Policy:** Our Whistleblowing Policy enables Ecotone employees to raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals. Any information is treated confidentially and promptly investigated
- **Ecotone Company Code of Business Conduct:** Our existing code explains the manner in which we behave as an organisation and how we expect our employees and suppliers to act.

Assessment of Modern Slavery Risk Within Our Supply Chain

Our detailed risk assessment of human rights, including forced labour and child labour, in our supply chains was conducted in 2018 and finalised in 2019. The risk assessment was conducted using publicly available, reputable information about country and product risks of forced labour and child labour and has been prioritised based on the key raw materials we buy. Our most significant risks of forced labour and child labour relate to the raw materials we source from our global supply chains. We acknowledge that these risks are likely to have increased in 2020 as a result of the impact of the COVID-19 pandemic on the vulnerability of workers, particularly migrant workers and on children who may have struggled to remain in education. We expect these to see heightened risks particularly in India and Kenya. In 2021, we will also be monitoring closely the risks of the new immigration system in the UK on the potential to increase the supply of exploited labour into low-skilled jobs in UK food supply chains.

Due Diligence and Assessment of Suppliers and Supply Chain

To guarantee the quality, safety and compliance of our products, we have defined the minimum requirements applicable to any Ecotone supplier, in our Product Quality Booklet, which includes responsible sourcing. Our quality experts verify that the defined requirements are met. Ecotone maintains an approved supplier list and requires all its suppliers to sign up to, and comply with, our [Supplier Code of Conduct](#), which includes a requirement to meet the [ILO's Core Conventions](#) including the Forced Labour convention. Our Code of Conduct forms part of our general purchase conditions and our manufacturing and supply agreements with all suppliers. They are required to confirm that they are working to reduce the risk of modern slavery and human trafficking in their businesses and supply chains and, where legally required to do so, to produce a Modern Slavery statement in line with the UK government's guidance.

From 2019, we have had a requirement that our most important direct suppliers are registered on Sedex (the Supplier Ethical Data Exchange) and have completed the new Sedex Self-Assessment Questionnaire launched in 2020 (which includes questions on forced labour and child labour). To date, we have gathered information from 54 of our finished goods suppliers about their supplying sites, representing more than 60% of our total purchases and from 106 raw material suppliers, representing more than 25% of our total purchases. In 2020, more than 60% of our finished goods suppliers on Sedex and 25% of raw material suppliers on Sedex have provided updated information to us on how they manage forced labour and child labour risks in their business via the new Sedex SAQ. Close to 50% of our finished goods and raw material suppliers have had a third-party social audit in the last four years and, through our improved Sedex links, we now have visibility of any forced or child labour issues identified by these audits. In 2021, we will be working with a small number of these suppliers on their approach to forced and child labour based on a risk assessment of their responses, including requesting third-party social audits



In 2019, our head of Quality and Ethical visited a number of farms in Asia to better understand working and living conditions and used a methodology informed by SA8000 which included informal worker and stakeholder interviews to gather initial information on each farm's approach to managing labour risks including forced and child labour. We had planned for 2020 that Ecotone would fund social assessments (a combination of SMETA and Fairtrade audits) of a number of key raw material farms in its supply chain in order to better understand our risks of labour exploitation, including forced and child labour. The findings of these audits are intended to support us to further engage suppliers on these issues. We intend for these assessments to be conducted in 2021 providing that visits are not impeded due to the pandemic.

Steps taken to manage modern slavery risks

In 2020, we have continued to work closely with Sedex and Fairtrade as key partners to support us to identify risks of forced labour and child labour in our supply chains, to engage our suppliers on modern slavery issues and to improve labour rights in our supply chains.

Ecotone continue to work with Fairtrade sources where possible, in particular for tea, coffee and hot chocolate. We recognise that the Fairtrade system does not guarantee that child labour and forced labour are not present in the supply chains of key raw materials and continue to work with the Fairtrade Foundation to support the evolution of their auditing protocols and transparency initiatives. However, we believe the process of engaging with Fairtrade and the empowerment and awareness-raising principles for workers and smallholders supports our goal of reducing the risk of modern slavery and human trafficking in our supply chains.

Our partnership with Fairtrade has proved crucial in 2020, with the system providing critical support for producers and workers in our Fairtrade supply chains through the pandemic, protecting workers from losing their jobs, supporting those who have lost their jobs or been furloughed and providing much needed health and safety provisions.

We also work with the RSPO (Roundtable on Sustainable Palm Oil) to minimise the risks of forced labour and child labour in our palm oil supply chains. In 2020, RSPO have been focused on the strengthening the implementation of the [standards' forced labour and child labour criteria](#) by: developing a series of child rights guidance documents for different stakeholder groups in palm oil supply chains, developing gender guidance and strengthening the social criteria including in the RSPO auditing and certification systems.

Modern Slavery Training and Capacity Building

Historically, we have conducted modern slavery awareness training for 42 senior managers and operational staff across Ecotone's European operations who work with suppliers and visit the supply chain. This training covered modern slavery basics, risk assessments and purchasing practices.

In 2020, we have developed online modern slavery training, including a quiz to check comprehension, for all office-based and production staff which has currently been completed by all staff in the UK that have a company email. As a sustainable, purpose-led company, this training was developed to ensure that all our employees are equipped with the knowledge to understand and spot the signs of modern slavery and are empowered to raise any modern slavery concerns they identify. The training has been communicated to production operatives through shift briefings and posters summarising the issues have been made available on noticeboards in our UK production sites.

We also have an ethical trade induction pack which is sent to all new joiners. Our main method of engaging new joiners to the business in modern slavery is our mandatory online training and quiz which are used as part of employee's onboarding programme.

We recognise that 2020 has been enormously challenging for all our employees in the UK and have provided support and training for them this year that includes:

- Additional health and safety procedures, advice and support for all staff working in our offices and production sites



- COVID mental health support and resources
- Financial support via our Force for Good programme
- Workplace resilience and wellbeing training.

Grievances and remedial action

Within our own business, we have a whistleblowing policy for Ecotone employees to raise concerns about how colleagues are being treated, or practices within our business or supply chain, without fear of reprisals. Any information is treated confidentially and promptly investigated. We have had no cases of forced labour or child labour raised through either the whistleblowing procedure or production site grievance mechanisms in 2020.

We recognise the importance of locally developed grievance procedures and procedures for remedying human rights issues which are raised by workers or external third parties about Ecotone's supply chains. Grievance procedures should follow the United Nations Guiding Principles "effectiveness criteria" for non-judicial grievance mechanisms.

Assessment of effectiveness (Key Performance Indicators)

In 2020, we have measured the following progress in implementing our modern slavery plan in line with our 2018/19 KPI commitments:

- 100% of staff in leading positions and/ or engaged with suppliers trained to understand modern slavery and the steps they need to take when managing suppliers and visiting the supply chain to reduce the risk of forced labour and child labour.
- 67% of our finished goods suppliers and 26% of our raw material suppliers on Sedex provide information on forced labour and child labour via the Sedex Self-Assessment Questionnaire (note these percentages were below the figures for the previous year as more suppliers are now registered on Sedex than in 2019)
- We now have visibility of third-party social assessments for 50% of our finished goods and raw material suppliers which cover forced and child labour.

In 2021, we will use the following indicators to measure our progress in implementing our modern slavery plan:

- Percentage of grievances raised by Ecotone staff or whistleblowers related to forced labour and child labour
- Percentage of staff across Ecotone who are aware of forced labour and child labour
- Percentage of suppliers providing information on forced labour and child labour via Sedex
- Percentage of prioritised suppliers whose ethical audits have identified issues linked to forced labour and/ or child labour via Sedex
- Number of suppliers in high-risk supply chains, which have been assessed from an ethical perspective and the number of key raw material suppliers engaged in the development of sustainable supply chains:

Next steps

A number of our next steps for 2021 have been highlighted in the report above. These include:

- Ongoing monitoring of grievances and whistleblowers in our own business relating to forced and child labour
- Social assessments of key raw material suppliers to better understand our risks of labour exploitation, including forced and child labour.
- Ongoing monitoring of key supplier's management of forced and child labour issues via Sedex and ethical audits.
- Ongoing monitoring of key performance indicators to assess the effectiveness of our modern slavery approach.

This statement was approved by the Board of Ecotone UK on the X 2021 and is signed by Emma Vass, UK Ecotone's Chief Executive Officer who is on the Board.



Emma Vass

Emma Vass
CEO Ecotone UK