



Modern Slavery Act
Statement
JAN—DEC 2021



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Modern Slavery Act Statement

This statement sets out Pilgrim's Pride Ltd. actions to understand all potential modern slavery risks related to its business and supply chain, the steps it puts in place to ensure there is no slavery or human trafficking and the actions it takes should any issues be discovered. This statement relates to actions and activities during the financial year 1st January 2021 to 31st December 2021. This statement is approved by the President and Executive Team.



1

Organisational structure and supply chains

This statement covers the activities of Pilgrim's Pride Ltd., thereafter Pilgrim's UK (<https://www.pilgrimsuk.com/>) which is part of the global Pilgrim's Pride Corporation. (<https://www.pilgrims.com/>) Pilgrim's Pride Corporation has headquarters and manufacturing sites in the USA and also owns Moy Park and Pilgrim's Food Masters which are also based in the UK.

Pilgrim's UK provides a wide range of quality, cost effective and innovative products to retail, wholesale and food service sectors across the UK. Pilgrim's is the country's number one producer of higher welfare pigs. Our shared vision with Pilgrim's Pride Corporation is to become the best and most respected company in the industry, which creates opportunity for a better future for our team members. It's strategic pillars are based on becoming a more valued partner with key customers, relentlessly pursuing operational excellence, safe people, safe products and healthy attitudes and to develop a unique portfolio of diverse, complementary business models.

Pilgrim's UK foundations and strength lie in its core values of Determination, Simplicity, Availability, Humility, Sincerity, Discipline and Ownership.

We operate across 16 sites in the UK, 4 abattoir and de-boning sites, 10 processing sites, head office in Warwick, with 5,603 permanent employees with up to an additional 2,500 additional agency workers at peak periods.

During 2021 Pilgrim's acquired Randall Parker Foods and their 2 sites, an abattoir and retail packing plant. This acquisition connects the supply of lamb to our customers and brings 265 new colleagues into the Pilgrim's family. Randall Parker Foods will submit a separate Modern Slavery Statement this year and we will work with them to integrate our Modern Slavery governance programme during 2022.

We fully support the United Nations Guiding Principles on Human Rights and we are proud to be members of UN Global Compact. (www.unglobalcompact.org) and (<https://www.unglobalcompact.org.uk/>)



Through our Ethical and Human Rights Policy, Modern Slavery Policy and Supplier Code of Conduct as well as working in collaboration with other suppliers and customers, we aim to implement these principles within our business and down through our wider supply chain.

We are members of a number of different associations/initiatives to help drive work both in our business and our supply chains.

We are founding members of FNET (Food Network for Ethical Trade) (<https://foodnetworkforethicaltrade.com/>) which helps us to achieve impact within our own and the wider food supply chain. More detail on this year's work is found later in the report.

We also map all our sites and our supplier sites in Sedex (<https://www.sedexglobal.com/>) and all of our sites are subject to an 3rd party independent ethical audit at least every 2 years. During the year 11 of our sites have undergone a SMETA (Sedex Members Ethical Trade) audit. SMETA is the most common standard of ethical audits. This is based on the ETI Base Code (<https://www.ethicaltrade.org/eti-base-code>) and relevant ILO (International Labour Organisation) core conventions. Once completed the audit results are shared with our customers.

We are members of Slave Free Alliance (<https://www.slavefreealliance.org/>) part of the charity Hope for Justice (<https://hopeforjustice.org/>). The charity exists to support victims of Modern Slavery and also to help businesses focus their work in this area. More detail on work undertaken with them during the year is later in this report.

We are also founding members of Bright Future Co-Operative (<https://cityhearts.global/bright-future>). This is an independent co-operative, constating of businesses and charity partners, founded with the sole aim of turning victims of Modern Slavery into survivors through paid employment placements, leading to full time employment. Our Human Rights Manager is an elected board member representing business.



We receive pigs from:

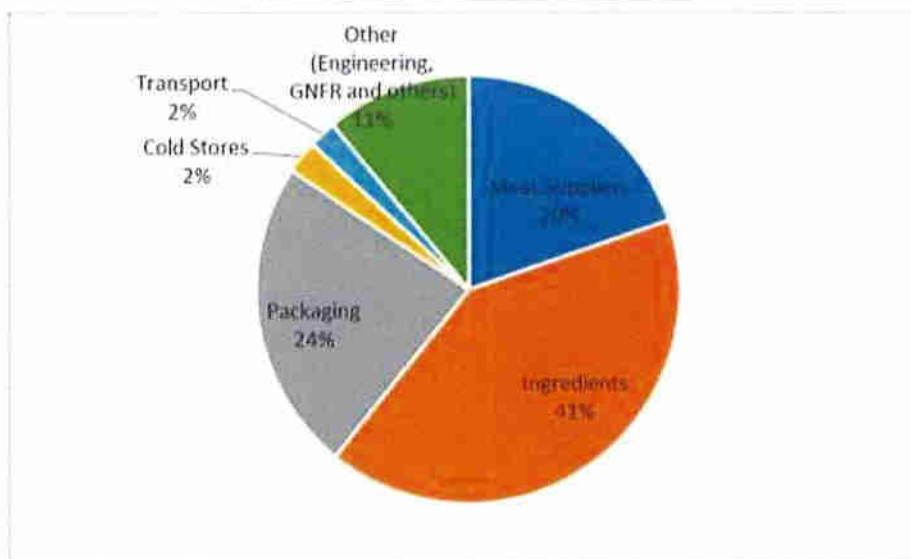
472 RSPCA Assured finishing farms supplied by 84 Outdoor Breeding Farms and 305 Standard Red Tractor finishing farms, in addition we have 4 organic farms. The RSCPA farms are assured to Freedom Food (<https://www.rspcaassured.org.uk/>) and Red Tractor Standards (<https://assurance.redtractor.org.uk/>). The standard Red Tractor Farms would be assured to Red Tractor Standards only.

Our lambs are supplied from 400 farms across Wales and England. Of these, 80 farms are certified organic. All our farms are assured to Red Tractor Standards. (<https://assurance.redtractor.org.uk/>).

We also operate our own pig livestock haulage company, with a fleet of 14 vehicles, based in Suffolk which enables us to have true visibility and control throughout our pig supply chain.

We currently deal with approximately 600 suppliers across the group. 69% of these are based within the UK. The split is shown below. The meat suppliers are in addition to the farms listed above. We also work with key suppliers through a balanced scorecard to drive improvements in our supply chain and improve visibility on their work in Modern Slavery and sustainability in general.

Active Suppliers 2021—Spilt by Type





2

High Risk Activities

The following activities are considered to be at high risk of modern slavery or human trafficking

- Typically, as a food manufacturer we use agency labour on all our sites to cope with peaks in demand.
- Direct recruitment of butchers under the Seasonal Workers Scheme and also the Skilled Workers Visa.
- The farms that supply pigs and lamb into our supply chain.
- Suppliers within our supply chain where we do not have direct management control. These are suppliers who either supply us raw material and ingredients which make up the products that we sell, packaging for these products or other goods or services not for resale.
- Sub-Contractors working on our sites but not directly employed by us such as security, hygiene or canteen staff.
- Transport and logistics companies used to transport raw materials and finished goods.

Highlighted further in the report are the actions we have undertaken as due diligence and risk mitigation during the last year.



3

Risk Assessment and Due Diligence

The risk of modern slavery and human trafficking within our organisation we believe is mitigated as a result of the policies and procedures we have in place and also the increased knowledge and skills of our employees.

Policies and Procedures

We have a number of policies in place internally and externally covering Modern Slavery, labour exploitation and human rights.

- **Internal policies**

Ethical and Human Rights Policy—This policy covers the standards we expect to be in place within our own sites regarding ethical and human rights standards. This is monitored via our own internal audits and external 3rd party audits.

Modern Slavery Policy—This policy covers the commitment to tackling Modern Slavery and the way we approach this within the business

Whistleblowing Policy— This policy covers staff being able to report any concerns confidentially without any fear of reprisals.

Code of Conduct— This covers the values and behaviours we expect from all employees.

- **External Policies**

Supplier Code of Conduct—This covers the minimum requirements we expect from all suppliers to Pilgrim's. It reflects our commitments to the UN Global Compact and ETI Base Code. Also where relevant the Gang Master Licensing Standard and Modern Slavery Act.

Ethical and Human Rights Policy—This covers the standards we expect to be in place in our supply chain regarding ethical and human rights standards.



The risk of modern slavery and human trafficking within our organisation we believe is mitigated as a result of the policies and procedures we have in place and also the increased knowledge and skills of our employees.

Good practices that are embedded within all Pilgrim's UK sites are

GLAA (Gangmasters and Labour Abuse Authority (<http://www.gla.gov.uk/>)

- We have strong working relationships with the GLAA. They are responsible for the licensing of labour providers within the food and agricultural sectors in the UK. They also work with the police and other agencies to investigate and prosecute cases of modern slavery and exploitation.
- Our Human Rights Manager sits on the Labour Providers and Users Advisory Board which works to implement best practice and learnings within the industry.

Stronger Together (<https://www.stronger2gether.org/>)

Stronger Together is a multi-stakeholder business led initiative we aims to reduce modern slavery and exploitation of workers. This is by providing guidance, training and resources to workers, labour providers and employers.

- Stronger Together awareness raised at all inductions
- Stronger Together deeper training carried out by all site HR staff
- Additional bespoke training completed by all Supervisors and Line Managers
- Posters displayed on all sites in multiple languages
- Independent 3rd party whistle blowing hotline available in multiple languages
- Checks carried out on addresses and bank accounts by payroll staff at start of contract



ALP (Association of Labour Providers) (<https://www.labourproviders.org.uk/>)

The ALP is a not for profit trade organisation which promotes responsible recruitment and promotes good practice across the food supply chain. The ALP actively influences government and regulatory policy and provides a range of resources and advice to members.

We are active associate members of the ALP and have previously hosted training events and seminars on our sites and staff across the group have attended.

Employment Agencies

- Annual agency internal audit by our HR Team which includes interviews of random workers
- Annual 3rd party agency audit which includes interviews of random workers and check on both the site and Head Office operations of agencies we use
- Primarily one agency at each of our sites with a strict Service Level Agreement in place with a commitment to Modern Slavery Prevention
- Annual agency worker surveys which include Stronger Together and Modern Slavery related questions
- Strong compliance culture within the agencies head office and at sites and a close working relationship with the GLAA
- Working together to solve issues on a practical basis and remediate where required



SEDEX - (<https://www.sedexglobal.com/>)

Sedex is a member organisation covering suppliers and retailers across the world. Sedex provides an online platform for members to manage and improve working conditions within their sites and their wider supply chains. They provide tools, services and resources to help members working towards a more responsible supply chain. Sedex also helps with transparency of supply chains by linking them with customers and providing visibility of working conditions.

- SMETA ethical audits on all our sites every 2 years. A number of our sites have additional ethical audits in place in line with their customers specific requirements.
- 11 sites in the last year undertook a SMETA audit
- Pro-active response internally to address issues before an audit
- Requirement of all raw materials, ingredients, packaging suppliers to Pilgrim's UK with over 30 employees to be linked with us on SEDEX and share results of SAQ's and audits

Whistleblowing

We have a whistle blowing line which is available for all stakeholders within the business, supply chain and local communities. (<https://secure.ethicspoint.com/domain/media/en/gui/56598/index.html>). It can also be accessed via a freephone helpline number. This is managed on our behalf by a independent 3rd party, Navex Global (<https://www.navexglobal.com/en-gb>). We run awareness raising campaigns to encourage reports to be made to the line and training is given during inductions. Concerns can be raised on any area of the business operation including modern slavery and labour exploitation. All issues raised are investigated confidentially.



Employees

- We have Trade Unions present on some sites and use other methods of working in partnership with staff on all other sites, such as works councils and actively promote and support employee engagement
- Dignity at Work – All employees are expected to work with integrity and respect for each other. All employees receive Dignity at Work training as part of their induction
- Values Training—All employees receive training in the Pilgrim's core values of Determination, Simplicity, Availability, Humility, Sincerity, Discipline and Ownership.
- We have further mandatory training for all supervisors and managers in how to spot the signs of Modern Slavery and what they should do.
- We have opened up our whistle blowing line to all stakeholders with our business, supply chain and external stakeholders who wish to raise a complaint or grievance (<https://secure.ethicspoint.com/domain/media/en/gui/56598/index.html>). No cases of exploitation or modern slavery were raised during the year via the whistle blowing line.
- Bi-annual surveys of employees and action plans developed to implement any required changes as a result of these

The processes and procedures on the previous page are under the responsibility of the Vice President Human Resources, Site HR Managers and the Human Rights Manager.

Listed on the following pages are the issues we have uncovered during the year and the work we have done to mitigate the risks across our business and supply chain.



4

Report on work undertaken in year

Cases of Labour Exploitation and Modern Slavery

Concerns for workers welfare were raised at 6 of our sites during the year. All of these were fully investigated by our Human Rights Manager. This was often carried out in partnership with the relevant labour provider for the site. A number of workers and management were interviewed during this process. No major issues were uncovered and the initial concerns were cleared.

Unannounced audits

We have continued our programme of unannounced worker welfare audits this year with 14 taking place at our sites. We interviewed random samples of workers, both agency and our own staff, to check on ethical and working standards, and to ensure Modern Slavery policies and procedures were being correctly followed. We also use this as a check on their welfare, treatment and working conditions. Over 300 workers were spoken to during this process. No serious issues of exploitation or modern slavery were uncovered. We will continue to run this programme at all of our sites on at least a bi-annual basis, if required by local intelligence received or where concerns are reported.

Supplier Due Diligence

We expect all our suppliers to follow our Supplier Code of Conduct. This covers labour and human rights. We also work with our key suppliers to support them in their work in this area. We risk assess all our raw materials, ingredients and packaging suppliers before they are set up. All of these who employ over 30 people are required to be members of Sedex and link their sites to us. We also expect them to have a 3rd party audit every 2 years and share the results with us. Also detailed in our standard terms and conditions are requirements regarding compliance to our policy and the Modern Slavery Act 2015 and sharing their Modern Slavery Statements with us.



Slave Free Alliance <https://www.slavefreealliance.org/>

We have continued to roll out the training we developed with Slave Free Alliance aimed at our Agricultural Team and our wider farming community. We also use the training developed for first line supervisors and managers as part of our regular training.

Work that was planned to be done on developing a Modern Slavery Victim Support Framework was postponed during the year due to the impact of COVID. This work is being undertaken in the early part of this year. With relevant people being identified and trained on our sites via online modules and workshops to add capacity in to support and potential victims of labour exploitation and Modern Slavery.

Bright Futures (<https://cityhearts.global/bright-future>).

We are proud business partners and founding members of the Bright Future Co-Operative. This enables victims of Modern Slavery to return to work via a paid 4 week placement, and then a non-competitive interview for a permanent role. COVID has impacted on our ability to offer placements this year. In September we resumed placements and have placed 2 at Ashton site and 1 at Bromborough. All 3 are now permanent members of our team. We currently have 2 placements ready start their placements and we have a target of helping at least 10 survivors into permanent roles this year.

Our Human Rights Manager is a member of the board and they are currently focussed on the service provided, branding, membership recruitment and the re starting the work of Bright Future, after the slow down in placements due to COVID.



Modern Slavery Intelligence Network (www.msln.org.uk)

We are a founding member of the Modern Slavery Intelligence Network (MSIN), a pioneering non-profit collaboration in the UK food and agriculture sector created in response to the findings of Operation Fort, the UK's largest ever modern slavery investigation.

Members are coming together to achieve effective ways of working and to ensure, so far as possible, that robust mechanisms are in place to safeguard those who may be impacted by modern slavery and/or worker exploitation and their data. In 2021, the MSIN appointed international NGO Stop the Traffik as a data sharing partner to develop an online platform and trialled it using dummy data. MSIN has also created a comprehensive set of legal documents to govern data sharing, membership and confidentiality. Our legal team helped in the creation of these documents in partnership with other members.

Throughout the year, members have conducted 27 meetings with priority stakeholders, including NGOs and law enforcement agencies, to share plans and seek guidance on the approach the MSIN should take in order to achieve successful outcomes. Live intelligence sharing is due to start in early 2022 with plans for a formal launch in June 2022.

The group was also successful in bidding for external funding for Project Fair Life, as part of the extended remit of the pilot project.

Stronger Together Reporting Tool

This is an online self assessment tool that enables companies to track their progress in tackling modern slavery and labour exploitation and to highlight the next steps for the company and their supply chain.

We have increased our score from 80% to 84% during 2021, despite the difficulties in progress due to COVID. We are expecting this to further improve during the year as we embed some of the work with Slave Free Alliance into the business.



Supply Chain

We are proud to be founding members of FNET (Food Network for Ethical Trade) (<https://foodnetworkforethicaltrade.com/>). This is a supplier led initiative with over 45 suppliers and 10 retailers as members which focuses on improving human rights within supply chains. We use the risk assessment tool to assess human rights risk within our business and work as part of collaborative working groups to tackle issues within our supply chains. Our Human Rights Manager has been elected as a board member.

The main areas of focus for work in supply chains is Risk Assessment, Worker/Supplier Engagement, recruitment fees and ingredients/raw materials group.

Mystery Shopper Programme

We are currently working to develop a “mystery shopper” programme to test all stages of the recruitment journey, working with a specialist contractor, one of our key labour agencies and the GLAA. This will be to test the robustness and effectiveness of the processes and procedures in place designed to pick up any red flags in relation to labour exploitation and potential cases of Modern Slavery. We will pilot this in an area of the country during 2022 and review progress and impact.



Temporary Labour Agencies

We have a full programme of audits at all agencies who supply us with labour, at both their head office and at a site level. This year those have not taken place due to COVID restrictions at our sites and in the local community. These will take place in 2022. Our internal HR Team also undertake audits on our labour providers and other service providers on each site. This year we have reviewed and update our policies and procedures and audit documentation.

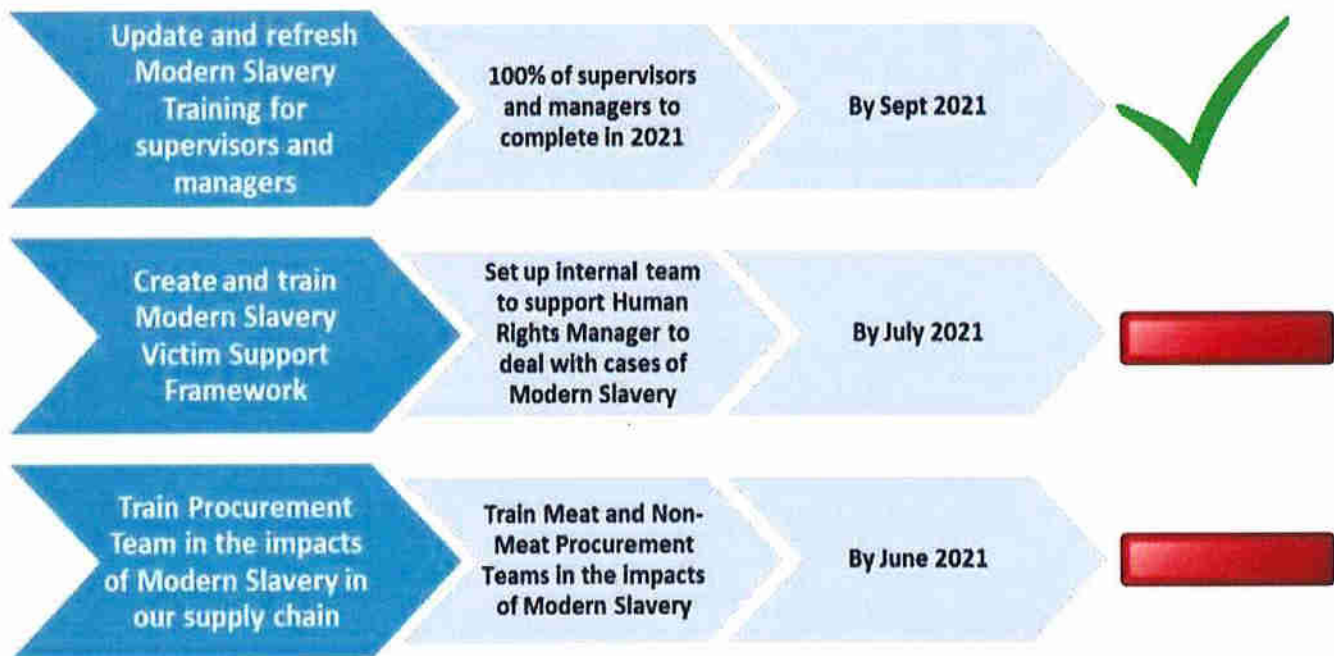
Farms

We have continued to work with our farmers on their processes and procedures around Modern Slavery and to improve visibility of the topic. Our whistle blowing line is now available to all our Outdoor Bred Farmers and other interested community stakeholders to report any issues. We have raised awareness with articles in our farmers newsletter and continue to roll out the training we developed for our farming community and our Agricultural staff who work supporting our farmers.

We also ran a welfare self assessment questionnaire during the year for our Outdoor Bred Farmers. This was used to assess where there were gaps in health and safety, HR policies and procedures. All of these farms were risk assessed and issues raised have formed part of action plans to support our farmers on improvements.



Progress on Last Year's Targets



Please note two of our targets were missed due to the impacts of COVID on the business and restrictions in place. These targets will be carried forward into 2022.



5

This Year's Targets

Publish findings and action plan from our Human Rights Impact Assessment

Agree action plan with co-sponsors Co-op and Waitrose. Publish findings and action plan on website.

By April 2022

Create and Roll Out Modern Slavery Victim Support Framework

Working with Slave Free Alliance to train an internal team to support with cases of Modern Slavery

End of July 2022

Train Procurement Team on the impacts of Modern Slavery in our supply chain

Meat and Non-Meat Procurement Teams trained and increased awareness in impacts of Modern Slavery

End of September 2022

Increase number of sites offering Bright Future placements

Add a further 3 sites to successfully offer employment opportunities for Bright Future candidate

End of October 2022



Board Approval

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year and has been approved by the President and Executive Team on 15th March 2022.

President Signature

President Name

IVAN SIQUERIA

DATE

22 March 2022



Valid for: Pilgrim's Pride Ltd. (Pilgrim's UK)

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Pilgrim's Pride Ltd. shall periodically review our Policies in order to ensure its continued adequacy and relevance for our business. The most recent version will always apply.