



ACH Food Companies, Inc. Fighting Against Forced Labour and Child Labour in Supply Chains Report (2023)

ABOUT THIS REPORT

ACH Food Companies, Inc. ("ACH") has prepared this report (the "Report") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act") for the financial year ended August 26, 2023.

ACH does not report under any similar legislation in any other jurisdiction.

INTRODUCTION

As part of Associated British Foods plc ("ABF"), **ACH's** position against forced labour and child labour is set forth in the ABF Supplier Code of Conduct (available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#)). For further information on ABF's position on modern slavery, which includes forced and child labour and human trafficking, please refer to ABF's UK Modern Slavery Act Statement for 2023, which is available at [abf-modern-slavery-statement.pdf](#).

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Structure

ACH is a corporation organized under the laws of the State of Delaware, USA. Its headquarters are in Oakbrook Terrace, Illinois, USA. It is a part of ABF, which is a diversified food, ingredients, and retail group with operations in 55 countries across Europe, Africa, the Americas, Asia, and Australia. **ACH** is included within ABF's Grocery division.

ACH has approximately 312 employees in the US and Canada. It operates one manufacturing site in Summit, Illinois.

Within each business in ABF, ultimate responsibility and accountability for risk management, including that of human rights and modern slavery, sits with the CEO of the business. Within **ACH**, day-to-day responsibility for addressing matters relating to human rights and modern slavery has been delegated to the US Operations, Supply Chain & Manufacturing Leader and the Vice President of Human Resources



Activities and Operations

ACH sells branded consumer products in the US and Canada directly and through distributors into the grocery, mass market, club, and foodservice channels. In the US, its largest brands are MAZOLA® cooking oil, ARGO® corn starch; KARO® corn syrup, and FLEISCHMANN'S® yeast. In Canada, its largest brands are cooking oils sold under the MAZOLA® brand, yeast, corn starch, and baking powder sold under the FLEISCHMANN'S® brand, and corn syrup sold under the CROWN® and BEEHIVE® brands.

Our Supply Chains

ACH has a single production site at which it packages corn, canola, and vegetable cooking oils, corn starch, and corn syrup products. These products are sourced from a supplier that has a plant co-located with **ACH's** plant, as well as from other suppliers located within the US and Canada. **ACH** also contracts with co-manufacturers in the US for the supply of certain finished goods. The FLEISCHMANN'S yeast products sold by **ACH** are sourced from AB Mauri (Canada) Limited, which is also a part of ABF and is reporting separately under the Act.

By volume and spend, the most significant raw materials used by **ACH's** upstream suppliers to produce its products are corn, rapeseeds, and soybeans which are used to produce **ACH's** cooking oil, corn starch, and corn syrup products. These materials are primarily sourced from the US and Canada. In addition, **ACH** and its suppliers purchase packaging materials, including glass, plastic, and paper/board, from a variety of sources.

POLICIES AND DUE DILIGENCE

ACH has certain controls and processes in place to assess and address the risk of child and forced labour. The foundation of our work in this area to date is the ABF Group Supplier Code of Conduct, which is available at [ABF-Supplier-Code-of-Conduct-Policy.pdf](#). This Code of Conduct sets out our expectations of working conditions and labour standards in our supply chains. The Code of Conduct elaborates on a number of principles, including that employment be freely chosen and that child labour not be used. It is based on the Ethical Trading Initiative (ETI) Base Code, and the ILO Declaration on Fundamental Principles and Rights at Work (1998, amended 2022). The provisions of the Code of Conduct are incorporated into **ACH's** agreements with its raw material, finished good, and packaging suppliers and sets forth the expectation that those suppliers will, in turn, develop relationships with their own supply chains consistent with its principles.

The provisions of the Supplier Code of Conduct are also incorporated into **ACH's** Code of Practice for Suppliers ("COP"), which is applicable to all sites (including co-packing operations) supplying or intending



to supply food products, materials, ingredients, packaging or associated services to **ACH**. Each supplier must sign the COP in order to first become an approved supplier and each supplier must sign the COP annually thereafter in order to remain qualified. Compliance with the obligation to sign the COP is tracked via an automated system.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

Potential Risks in Our Operations

The potential risk of child or forced labour in **ACH's** own operations is managed through its Human Resources policies and procedures. Taking into consideration these policies and procedures, together with the location of **ACH's** workforce in the US and Canada, **ACH** assesses that the net risk of the use of child or forced labour in its own operations to be very low or close to zero.

Potential Risks in Our Supply Chains

Although **ACH's** direct and indirect supply chain is predominantly in the US and Canada, **ACH** acknowledges that there is some inherent risk of the use of forced and child labour in that supply chain. These risks are articulated in various global indices such as the Global Slavery Index, Global Reporting Initiative (GRI), and the Sustainable Accounting Standards Board (SASB).

Management and Mitigation of Potential Risks

As noted above, **ACH** mitigates the risk of the use of forced or child labour in its supply chain through its application of the ABF Supplier Code of Conduct and **ACH's** COP. Supplier acceptance of the provisions of the ABF Supplier Code of Conduct and **ACH's** COP is monitored via **ACH's** vendor qualification process, which extends to all suppliers of food products, materials, ingredients, packaging or associated services to **ACH**.

Because **ACH** did not become aware of any instances or accusations of forced or child labour in its own operations or its supply chain in the period covered by this Report, it did not have occasion to engage in remediation efforts, including remediation with respect to the loss of income, during that period.

TRAINING

During the period covered by this Report, **ACH** did not require personnel to undergo formal training on issues relating to forced or child labour, but through its e-learning provider it did make available resources relating to the issue. Further, as a member of the ABF group, **ACH** has access to e-learning



modules covering modern slavery (including forced and child labour) and is in the process of rolling this training out to appropriate personnel.

ASSESSING EFFECTIVENESS

ACH did not have a formal process for reviewing the effectiveness of its efforts to address the risks of forced and child labour in its supply chain in the period covered by this Report, but it shares the commitment of ABF to address such risks reflected in ABF's UK Modern Slavery Act Statement and intends to review, assess, and strengthen, as appropriate, its policies and procedures in this area.

APPROVAL & ATTESTATION

This Report was approved by the Board of Directors of **ACH Food Companies, Inc.** on May 30, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

DocuSigned by:

Josep Barenys

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I have the authority to bind ACH Food Companies, Inc.

Josep Barenys

Chief Financial Officer & Director

May 30, 2024