

1. Introduction

Reynolds Catering Supplies Ltd. is a wholesaler and distributor of fresh produce, chilled, ambient and frozen products to the UK foodservice and catering industries. Reynolds was founded in 1945 and is now a fourth generation family business. Our National Distribution Centre is located in Waltham Cross, Herts, with nine additional regional depots across the UK.

The company has an annual turnover of approximately £200 million, employing around 1,000 people and managing over 3,000 orders every day.

Our supply base comprises of approximately 270 companies, who source products from over 100 countries across the world. We deal directly with growers, larger co-operatives, international importers, wholesalers and agents.

2. Reynolds' Approach

Reynolds' Board of Directors and senior management team are fully committed to the implementation of the requirements of the Modern Slavery Act (MSA) 2015. Regardless of a product's country of origin, our policy is only to deal with products that have been sourced in an ethically responsible and legal manner.

This report outlines our approach to ensuring compliance with the MSA 2015. The following steps have been taken in 2017 and 2018:

- A website statement has been published on Reynolds' home page.
- Reynolds' MSA Policy has been prepared.
- All Reynolds' suppliers have been asked to sign a MSA compliance agreement.
- All suppliers have been risk assessed.
- A questionnaire for suppliers assessed as amber has been prepared.
- Relevant Reynolds' staff received MSA training from 'Stronger Together', a leading MSA training provider in the UK. Training was received by the Board, as well as our Technical, Procurement & Supply Chain, Operations and Recruitment teams.

3. Company Statement and MSA Report

Legislation requires organisations with a turnover of £36 million and above, that carry out business in the UK, to prepare and publish on their website a Modern Slavery and Human Trafficking Statement for each financial year.

In November 2016, Reynolds prepared a statement that was approved and signed by Tony Reynolds, Managing Director, and subsequently published it on our website. The Company statement includes:

- A description of Reynolds' business model and structure.
- A description of Reynolds' supply chain.
- Company Policies in relation to slavery and human trafficking.
- Reynolds' due diligence risk assessment.
- Relevant key performance indicators that will enable assessment of the effectiveness of the activities described in the statement.
- Commitment for continuous improvement and next steps.

We have declared in our statement that we will never knowingly accept products from suppliers who exploit the people or the natural resources within their environment.

We also prepared a MSA Report for 2016, which includes a summary of steps that Reynolds undertook in relation to MSA that year. The report was signed by Reynolds' Managing Director and published on the website home page in June 2017. The report included:

- Reynolds' approach to the MSA 2015.
- Reynolds' MSA Policy.
- Reynolds' Supplier Compliance Agreement.
- Results of our suppliers risk assessment which were as below for 2016:
 - 121 suppliers assessed as green (57% of all suppliers),
 - 86 suppliers assessed as amber (40%),
 - 0 suppliers assessed as red (0%),
 - 6 suppliers on hold (awaiting additional information) (3%).
- Next steps.

4. Company MSA Policy

Reynolds' 2017 – 2018 MSA Policy was approved and agreed by the Board in October 2018. It describes our approach to the MSA 2015, the steps taken to ensure that we comply with the act, and appoints relevant parties responsible for stated activities regarding it.

The company has declared that this year it will continue to concentrate on assessing the risks associated with Reynolds' owned food products, not risks associated with third party and non-food products.

All Reynolds' food suppliers will be risk assessed, with an initial focus given to those sourcing from outside the UK.

We have agreed that it is the responsibility of the Board and senior management team to ensure that the policy complies with our legal and ethical obligations, and that all employees comply with it. The Technical and Procurement & Supply Chain Directors have primary day-to-day responsibility for implementing Reynolds' MSA Policy.

5. Reynolds' Supplier Compliance Agreement

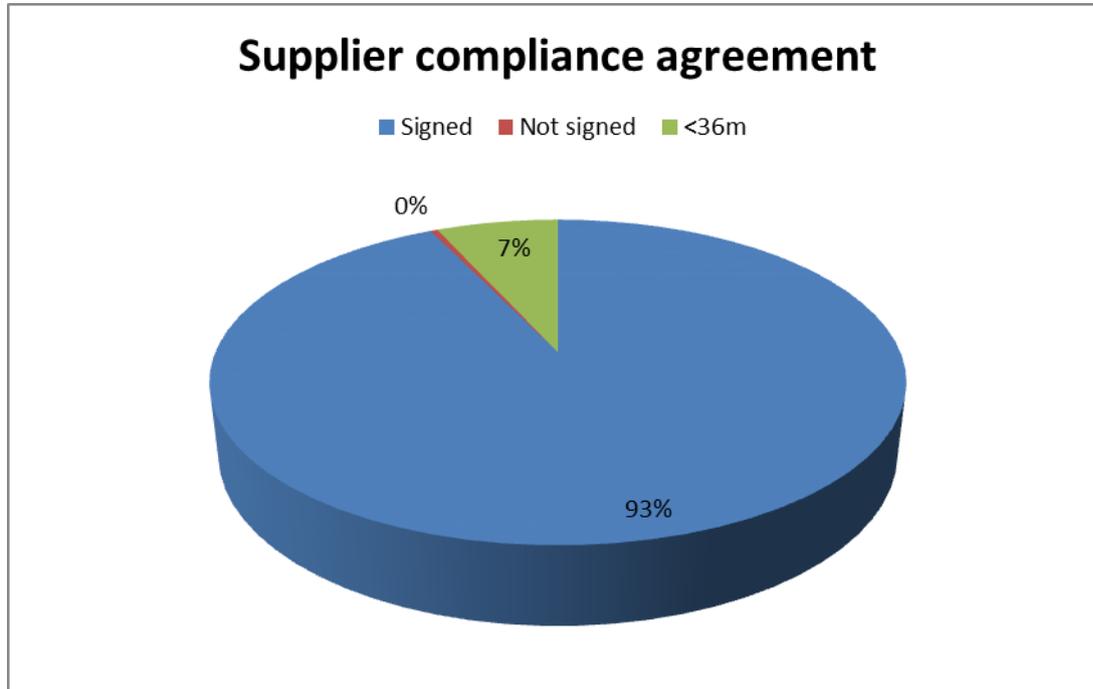
All of our current suppliers have been asked to confirm, to the best of their abilities, that there is no slavery or human trafficking within their businesses or supply chains by signing 'Reynolds' Supplier Compliance Agreement'. Those unable to give assurances, or who are found to be in breach, risk termination of their contract, as well as removal of the opportunity to quote for new contracts.

'Reynolds' Supplier Compliance Agreement' has been added to Reynolds Technical Code of Practice, which must be completed by every new supplier prior to contract commencement.

Data regarding 'Reynolds' Supplier Compliance Agreement' was reviewed in June 2018 to understand how many agreements have not been signed and any associated reasons:

- **246** out of 266 Reynolds' suppliers signed the agreement, approximately 92.9% of the total number of suppliers.
- **18** suppliers (6.8%) did not sign the agreement and declared that their annual turnover is less than £36 million. These suppliers will be asked to complete an additional questionnaire related to slavery and human trafficking.
- **1** supplier (0.4%) did not sign the agreement and is being reviewed by Reynolds' Technical and Procurement teams.

Graph 1. Supplier compliance agreement in %.



6. Supplier Risk Assessment

We have developed a risk assessment method based on a Red/Amber/Green scoring system. In our risk assessment, the following factors have been assessed:

- Did the supplier sign 'Reynolds' Supplier Compliance Agreement'?
- Are their sourcing regions present on the 'Products of Slavery and Child Labour' risk map (as published on www.antislavery.org)?
- Is there any historical evidence associated with the product sourcing region, product sector or supplier related to slavery and/or human trafficking?

Findings from the risk assessment enable us to score suppliers as green, amber or red, before deciding next steps for each.

Suppliers assessed as green signed the compliance agreement and there are no historical evidences in relation to slavery and human trafficking associated with the product/product sourcing region/supplier, including within the 'Products of Slavery and Child Labour' risk map. No further actions need to be taken until the next contract is awarded.

Suppliers assessed as amber either did not sign the agreement, declaring that their turnover is below £36m, or did sign the compliance agreement, but there are historical evidences of

slavery/human trafficking associated with the product sourcing regions, product sector or supplier, including within the risk map. An additional questionnaire will be sent to these suppliers.

Suppliers assessed as red failed to sign the compliance agreement and/or complete the questionnaire despite multiple attempts to contact them. Suppliers whose replies were not satisfactory for the questions included in the questionnaire and were unwilling to implement any improvements also fall into this category. A decision will be made by the Board in association with the Technical and Procurement departments to delist such suppliers and exclude them from future contracts.

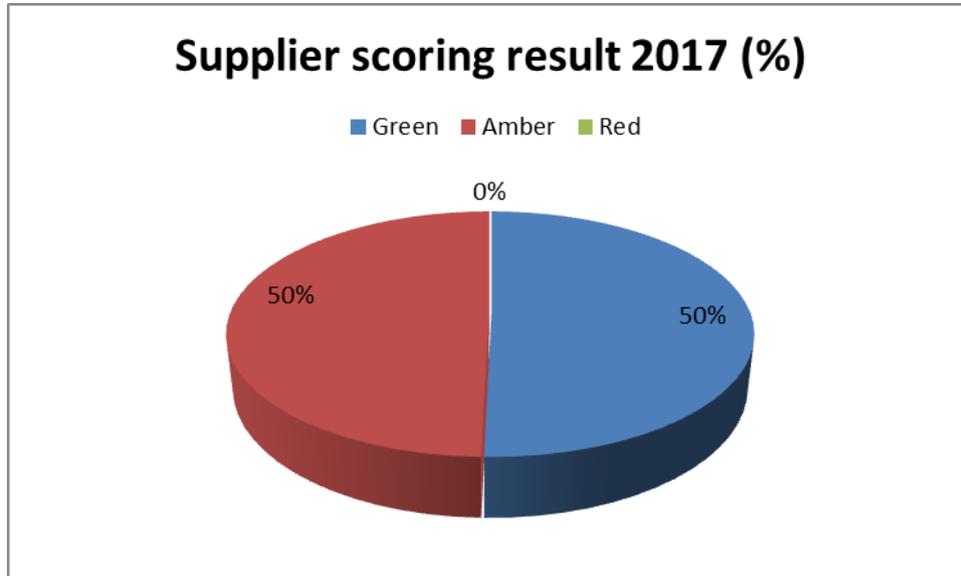
Outcomes from the risk assessment were analysed in June 2018:

- 134 suppliers assessed as GREEN (50.4%),
- 132 suppliers assessed as AMBER (49.6%),
- 0 suppliers assessed as RED (0%).

Graph 2. Supplier scoring results



Graph 3. Suppliers scoring results in %.



7. Training

One of Reynolds' objectives for 2017 was for all relevant staff to complete MSA awareness training. This was provided by 'Stronger Together', a leading MSA training provider in the UK.

- a. Board members received bespoke training on MSA awareness and its importance to the business, Reynolds' responsibilities under the law, including the consequences for the business of not being compliant (e.g. customer needs, economic, moral and business protection implications). Their training was completed in June 2017.
- b. An MSA working party participated in a consultancy visit to review the work done and develop next steps/an action plan with suppliers, focusing on Reynolds' systems and circumstances. The consultancy visit took place in May 2017.
- c. Reynolds' Procurement & Supply Chain, Technical, Recruitment, HR and Operations teams all received bespoke 'Stronger Together' training, covering UK and global supply chains. Training included MSA awareness and its importance to the business, Reynolds' obligations under the law, including the consequences of not being compliant, understanding Reynolds MSA Policies, managing global supply chains, social compliance, red flags/signs of slavery, and reporting incidents of slavery. Two training sessions were completed in August and September 2017.
- d. In November 2017, we prepared posters and leaflets using 'Stronger Together' materials in order to increase Reynolds staff's awareness of MSA and red flags/signs of slavery. These were put up in various areas of the warehouse, offices and staff facilities.

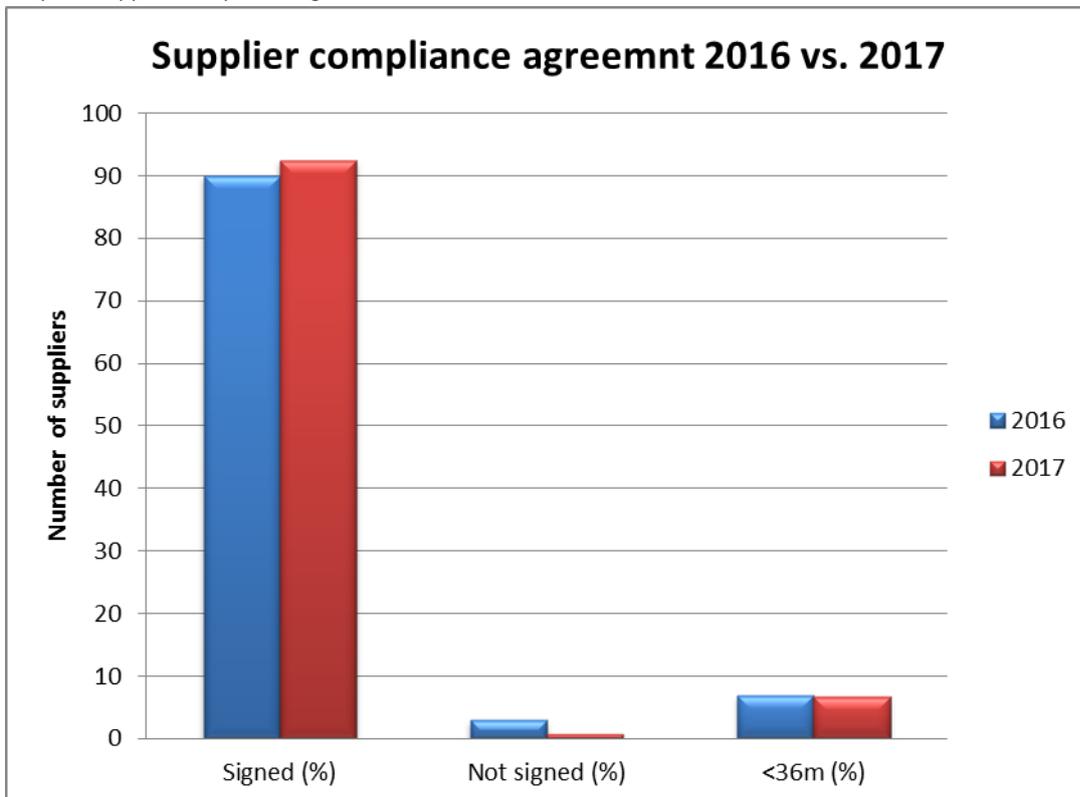
- e. All new employees are trained on MSA as part of the company induction.

8. KPI's

a. Supplier Compliance Agreement

We have compared supplier performance in terms of signing the 'Reynolds' Supplier MSA Agreement' between 2016 and 2017, and the results are presented on Graph 4. In 2017, the percentage of suppliers who signed the agreement was higher than in 2016 by approximately 3% (90% in 2016 vs. 92.9% in 2017). The percentage of suppliers who declared that their annual turnover is below £36m and therefore did not sign the agreement was very similar in both years (7% in 2016 vs. 6.8% in 2017). The percentage of suppliers who did not sign the agreement dropped from 3% in 2016 to 0.4% in 2017. This means that suppliers who did not sign the agreement before 2016's report have since signed it. Currently only one of our new suppliers has not signed the agreement and our Procurement team is now involved in reviewing this particular supplier's performance.

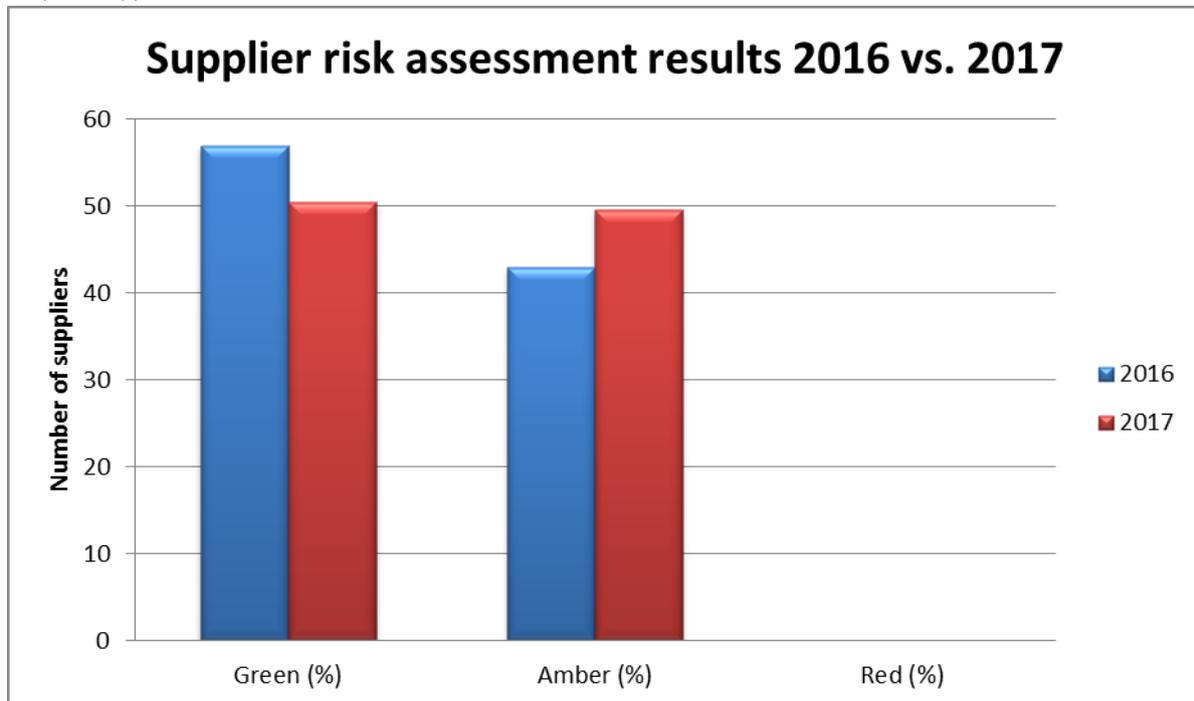
Graph 4. Supplier compliance agreement 2016 vs. 2017



b. Supplier Risk Assessment

Graph 5 shows a comparison of supplier risk assessment results from 2016 and 2017. In both years, none of the suppliers have been assessed as red and almost half of the suppliers have been assessed as amber, with 43% in 2016 and 49.6% in 2017. The percentage of suppliers assessed as green was higher in 2016 (57%) than in 2017 (50.4%), which could be due to a couple of factors. Firstly, the total number of suppliers assessed in 2017 was higher (266) than in 2016 (213), and secondly, the MSA team who conducts the supplier risk assessments now has wider knowledge of the risks associated with certain countries of origin as a result of training received from 'Stronger Together' and more recent information being available in the media. Therefore, some suppliers assessed as green in 2016, may have been assessed as amber in 2017.

Graph 5. Supplier risk assessment results 2016 vs.2017



c. Achievement of Last Year's Goals

In terms of the MSA 2015, Reynolds' main goals in 2017 were to risk assess all Reynolds' food suppliers and for all relevant staff to complete training on MSA awareness. Both these goals have been successfully achieved and all suppliers risk assessment results have been published on the Reynolds website. Training has been completed by the Board, as well as Procurement & Supply Chain, Technical, Operations, HR and Recruitment teams.

9. Next steps for 2018-2019

- All suppliers to have minimum SEDEX B membership, including 100% site QAS completed by May 2020.
- Maintain SMETA audit.
- Reynolds' MSA questionnaire is to be sent to all amber suppliers and results assessed accordingly by the end of April 2019.

This statement has been approved and published by the board of Reynolds Catering Supplies Ltd. and will be reviewed at least once annually, before being published on our website at www.reynolds-cs.com.

Should you have any questions, please email us at info@reynolds-cs.com.

Signed



Tony Reynolds

15 October 2018