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# MODERN SLAVERY STATEMENT

APRIL 2023 - MARCH 2024  
REPORT PUBLISHED: JULY 2024

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## CEO STATEMENT

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*“Baking is at the heart of our business, our customers, and their customers. As a business we are fully integrated into the local community through the ingredients we supply, to our communities and the communities of those we supply.*

*We are equally committed to our colleagues located throughout the business and support them as part of the ‘BAKO Family’ with initiatives and services designed to ensure that everyone has access to the support and advice they need and want.*

*Trust is the cornerstone of our relationship with our Colleagues and Customers, which is why I am proud to share our modern slavery statement for the period of April 23 to March 24.”*

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The 2023 Fiscal Year has been a challenging year globally, for industry and consumers. As we continue to come through the COVID-19 Pandemic which took over the world in 2020, we have seen increased prices of raw materials and energy on an international level caused by international events, such as the war in Ukraine. Common ingredients have become scarcer and the supply of energy becoming unstable saw prices increase.

Inflation continues to be a topic of conversation across all sectors, as individuals and businesses continue to feel the pinch of rising costs across all sectors, with the year coming to a close with 95% of local authorities increasing council tax by the maximum permitted amount.

Strains on the finances of the public affect all levels of businesses as people look to spend more wisely, something that BAKO Group Limited understands. The customers of our customers are quite often the public; and the food industry is a vital part of society.

BAKO Group Limited have not been exempt from these challenges, and we know that our customers have not either. Our supply chain, and their supply chains, have all been affected. BAKO Group Limited have taken actions to respond to these challenges, which include:

- Implementation of Solar Panelling at our Preston Site, which enables the facility to run 100% on self-generated renewable solar energy.
- Developed long-term supply contracts and increased stockholding of key commodities with local suppliers to enable the suppliers to get the best possible price locked in, whilst ensuring that our customers get affordable continued prices.
- Conducted a SEDEX SMETA Audit challenging our employment processes and employee remuneration policies, including challenging our commitments to the Modern Slavery Act 2015.

As we look to the year ahead, we remain committed in our pledge to staying vigilant and ensuring that our suppliers and their wider supply chains continue to tackle modern slavery and continue to protect the human rights of all people connected with our business at all levels.

**MIKE TULLY**  
Group CEO



# INTRODUCTION

**BAKO Group Limited is a leading supplier of Bakery Products and Ingredients servicing customers throughout the United Kingdom, with business units in Durham, Preston, and Wimbledon. We supply products manufactured by other businesses and a range of BAKO Own Label products under the BAKO Select Brand which are manufactured by approved parties on our behalf.**

BAKO Group Limited has a zero-tolerance approach to modern slavery and human trafficking. We are committed to acting ethically and with integrity and transparency in all our business dealings and relationships consistent with our obligations under the Modern Slavery Act 2015.

We endeavour to implement and enforce effective systems and controls to ensure that modern slavery and human trafficking are not taking place anywhere within our own business or any of our supply chains.

We also expect the same high standards from all of our suppliers, contractors and other business partners.

This statement applies to all entities within the BAKO Group.

## OUR ORGANISATION AT A GLANCE

BAKO Group Limited is a foodservice wholesale and distribution company specialising in ambient, chilled, and frozen bakery ingredients, product, and own brand goods.

We operate nationwide with one trading company:

- BAKO Group Limited (08802727)

Other subsidiaries:

- BAKO Limited (00832602)
- BAKO Northern (Holdings) Ltd (03515956)
  - Anglian Bakery and Catering Supplies Ltd (Dormant) (12518594)
  - Bakers (Area 1) Limited (Dormant) (00694665)
  - BAKO North Western Ltd (Dormant) (11321301)
  - BAKO Scotland Ltd (Dormant) (04675806)
  - BAKO South Eastern Limited (Dormant) (08458080)
  - LBBA Ltd (Dormant) (02649186)
  - Sandco 1187 Ltd (Dormant) (07571902)

We deliver goods using our own multi-temperature distribution fleet, covering 95% of Mainland UK from as far north as Thurso and even onto the Scottish Islands and as far south as Bournemouth. Most of our products are sourced from within the UK.



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### Depots located throughout the UK

North Eastern: Durham, North Western: Preston, South Eastern: Wimbledon

Staff employed by BAKO Group Limited

315+

345

Suppliers serving BAKO



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## OUR ORGANASATION AT A GLANCE

### OUR SUPPLY CHAIN

Our primary focus is on our own operations and our own label business, which is where we have the greatest impact and influence to be able to drive change.

BAKO Group Limited manufactures **231** own label products through Tier 1 Manufacturers, with **203** being from the UK and **28** being from outside the UK. We also have **2** Tier 2 Manufacturers supplying us with own label products approved internally. We also supply over **4300** 3<sup>rd</sup> party branded wholesale goods with **94.7%** being from Tier 1 Suppliers and **5.3%** being from Tier 2 Suppliers.

Tier  
0

- Own Operations controlled by the company  
*Includes Offices, Storage & Distribution*

Tier  
1

- Accredited suppliers of Own Brand Wholesale Goods
- Accredited suppliers of 3rd Party Branded Wholesale Goods

Tier  
2

- Internally Approved suppliers of Own Brand Wholesale Goods
- Non-Accredited Suppliers of 3rd Party Branded Wholesale Goods

Tier  
3

- Supply chain feeding in Tier 1 and Tier 2 suppliers as part of their own supply chain.  
*Includes suppliers of raw materials from UK and ROW, their staff supply chains and their service suppliers.*

### SEDEX MEMBERSHIP

As a business, we are members of SEDEX and actively encourage our supply chain to be members of SEDEX too.

We have successfully passed our SEDEX Members Ethical Trading Audit (SMETA) in 2023, and as part of our commitment to the Ethical Trading Initiative (ETI) Base Code, we actively encourage our supply chain to actively complete this audit where possible.

### OUR FLEET

Our own fleet of vehicles consists of 78 multi-temp vehicles delivering to businesses throughout the UK.

Each depot employs the skills of a dedicated Transport Manager to manage the fleet to ensure that the most efficient routes and vehicle capacities are in use.

### OUR PREMISES

BAKO operates from three UK based Depots, with the Preston and Durham depots being fully owned sites, and our Wimbledon site being on a long-term lease. This allows us to ensure stability in our business locations and gives us the opportunity to ensure that our sites are maintained to the highest standards.

All our locations are registered, and accredited by, the BRCGS and have been awarded the highest possible grade of AA for 2023, a continuation of our achievements in 2022, and an achievement held continuously since 2016.



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# GOVERNANCE

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*“The real mechanism for Corporate Governance is the active involvement of the owners.”*

Louis Gerstner

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Governance is a crucial part of any business, and BAKO Group Limited embraces the guidance of our Board of Directors and the Executive Management Team in governing the business in our obligations under the Modern Slavery Act 2015.

The Board of BAKO Group Limited acknowledge the importance of high standards of corporate governance and recognise that, whilst we are not a Public Limited Company, we have nearly 700 shareholders to whom the Board is accountable. The Board have adopted the Quoted Companies Alliance (QCA) Corporate Governance Code which sets out a standard of minimum best practice for small and mid-sized quoted companies, particularly AIM companies. The Directors acknowledge the importance of the principles set out in the QCA Corporate Governance Code.

## POLICIES

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The Company has several policies that describe our approach to the identification of modern slavery risks and prevention of modern slavery in any parts of the business:

- **ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY** - a policy designed to provide information on the Company’s zero-tolerance approach to modern slavery and provide guidelines to the management team on expectations from any interested parties to maintain a consistent standard throughout all supply chains. This policy was first written by BAKO in 2015 and developed further in 2018.
- **ETHICAL POLICY** - the Company wrote this policy to outline its commitment to deliver product which has been sourced both ethically and responsibly. Compliance to the requirements set out within this policy is expected from all suppliers and monitored through our comprehensive supplier approval process. In addition, BAKO hold a SEDEX membership and provide total transparency of our current ethical stance to all related customers and suppliers.
- **WHISTLEBLOWING POLICY** - The Company has a Whistleblowing Policy in place to enable employees to disclose details of any fraud, misconduct, bribery, or other wrongdoing without fear of reprisal, so that problems can be identified and resolved quickly.
- **RECRUITMENT POLICY** - the recruitment process is usually handled internally by the HR Department and line manager of the department seeking a new employee. Job offers are made based solely on the applicant’s abilities, qualifications, experience, and merit as measured against the job description and person specification. Any offer of employment is conditional on documentary proof of qualifications and eligibility to work in the UK being provided.

# RISK ASSESSMENT & DUE DILIGENCE

## RISK ASSESSMENT

New and existing suppliers are measured for compliance via our Supplier Approval Process, which requires all suppliers to complete a detailed questionnaire. This allows for identification of potential risks within the supply chain in relation to slavery and human trafficking.

No instances or indicators of modern slavery have been identified in the Fiscal Year ended **MARCH 2023**.

### RISK

The Company have a comprehensive risk management process in place to identify new and monitor ongoing existing risks associated with the business and its core activities, taking into account our compliance obligations. There is a designated risk committee with expertise in Finance, HR and Food Safety, and all identified risks have mitigation plans recorded and are monitored consistently.

## SOCIAL AUDITS

BAKO Group Limited undertook a SEDEX SMETA Audit in 2023, challenging our Ethical and Social commitments to our Colleagues and our Supply Chain, reviewing our Modern Slavery Commitments, and reinforcing our commitments.

## WORKER VOICE & SUPPORT

BAKO Group Limited believe that all workers at all levels should be empowered to use their voices and have implemented a number of anonymous reporting mechanisms for our colleagues to use, along with a number of support mechanisms to assist our colleagues in obtaining support, advice and guidance on several areas such as finance, health & wellbeing, and legal assistance for any personal matters. Through our 24/7 dedicated Employee Assistance Program available 365 days a year, including immediate family cover, to our Wellbeing Centre offering advice and guidance, helpful hints, and tips, through to our Staff Discounts platform offering discounts on over 800+ retailers.

Death in Service Cover is also included for all staff, offering valuable life assurance to each colleague, as well as access to a competitive Healthcare Package.



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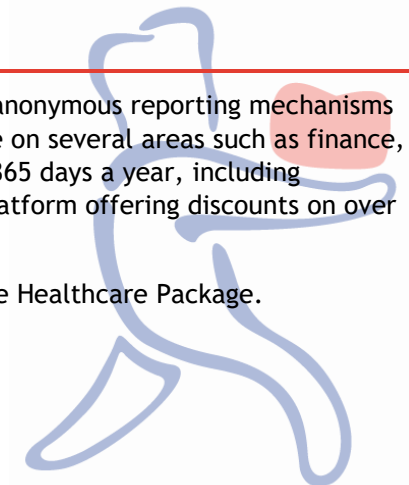
## DUE DILIGENCE

### RECRUITMENT

All staff employed by the Company to work on a temporary, permanent, or fixed-contract basis are subject to a right to work check in accordance with UK legislation and are not able to commence work unless the Company is satisfied that they are able to work legally within the UK. The Company endeavours only to use Employment Agencies who ensure that strict compliance checks are carried for all candidates that it supplies.

### WHISTLEBLOWING

If any member of staff believes or suspects a breach of the Anti-Slavery and Human Trafficking Policy has occurred or may occur, they must notify their Line Manager or report it in accordance with the Company's Whistle Blower's Policy. All staff are encouraged to raise concerns about any issue or suspicion of modern slavery in any part of the Company's business or supply chain as soon as possible.



## TRAINING

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All company policies are made available to employees via our Intranet and can be referenced at any time. When a company policy is updated, the document is circulated among all employees for awareness training. In addition, the Company's Anti-Slavery and Human Trafficking Policy can be accessed by all interested parties via our website.

## NEXT STEPS

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The Company recognises that modern slavery and human trafficking risks remain prevalent within our industry, and there is continuous improvement to be made to our business activities in order to raise awareness and help to reduce these risks further.

We understand that risk varies dependant on geographical location of suppliers we work with, and types of products sourced, and our main method of risk assessment is through our Supplier Approval Process.

With this in mind, BAKO Group Limited will endeavour to review the effectiveness of the Supplier Approval Process at regular intervals and make improvements where requirement is identified.

In addition, we will continue to review effectiveness of our internal policies and procedures to ensure our ability to identify and manage any modern slavery and human trafficking risks within our supply chains, by raising employee awareness and alerting our own suppliers and customers to possible risks within their own supply chains.

## BOARD APPROVAL

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This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes the Company's Modern Slavery Statement in respect of the Fiscal Year ending 31 March 2024, and has been approved by the Board and has been signed by a Board Director.

**NAME:** David Yates

**TITLE:** Chairman

**SIGNATURE:** 

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