

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2023

(Financial year July 2022-June 2023)

INTRODUCTION AND COMPANY STRUCTURE

We present our 2022– 2023 statement as required by section 54 of the Modern Slavery Act 2015. This report has been endorsed by the Board of Oaxaca Ltd (Wahaca and DF Tacos) on 27th of November 2023 and covers our financial year from July 2022 until June 2023.

2022-2023 has been an incredibly challenging period globally– as life finally returned after Covid-19, we saw a rise in extreme weather events causing intense wildfires, unprecedented droughts, devastating floods and dreadful earthquakes. This series of natural disasters coupled with the ongoing War in Ukraine as well as growing inflation and energy shortages, are affecting millions of displaced people. Human traffickers are unfortunately taking advantage of these adverse situations to their benefit.

Since our founders, Mark Selby and Thomasina Miers, opened the first restaurant, they have been striving for ways to make a positive impact through our restaurants and food, whilst upholding the belief that ‘good food shouldn’t cost the earth’. We are the UK’s first carbon neutral restaurant group and a proud member of the Sustainable Restaurant Association and are honoured to have received numerous awards in this area, including:

- ✓ The Peach Award in 2022 for the Business who has shown true innovation and leadership in addressing the sustainability agenda as well as having been nominated for the 2023 awards.
- ✓ the R200 sustainability award in 2021 for our improvements in sourcing, the impact on society (both employees and the wider community) and on the environment
- ✓ Large Group of the Year at the 2016 “Food Made Good” awards
- ✓ Sustainable Restaurant of the Year Group Award in both 2012 and 2013

Our 13 Wahaca restaurants and 6 DF Tacos sites across the UK serve fresh, vibrant, Mexican-inspired street food. Sustainability is at the core of everything we do.

From the very first Wahaca we have taken steps to minimise the resources we use across our restaurants, from the initial build, to using heat produced by our fridges to heat our water.

Over the last year we have continued challenging ourselves, our external partners and customers to minimise our collective impact on our planet and improve our communities.

As an example, we believe everyone has a role to play in protecting our environment and information is key. With that in mind we have included all our dishes’ carbon impact on our menus with the aim of helping customers make more planet-friendly choices.

Our Company values - Be Humble, Choose Integrity, Have Fun, Show Pride and Think Positively - help us navigate both the day-to-day challenges that come our way; but also determine who we build external relationships with, as we seek out like-minded partners.

In a continually challenging economic environment, with significant macro-economic and global factors at play, we understand there may be new or increased modern slavery risks. We welcome the sharing of our statement as an opportunity for us to have meaningful conversations both internally and externally and set out further steps to prevent modern slavery and human trafficking where it may touch our business.

OUR SUPPLY CHAIN, PROCUREMENT AND PAYMENTS

We take our inspiration from the street markets of Mexico and aim to emulate their character and flavours in the most sustainable way possible.

The nature of our activities means that we rely on a complex ingredient supply chain to ensure high quality and strong provenance. Where possible, we source our produce from the UK although due to seasonality and impacts on availability, this is not always possible.

We currently work with over 50 companies, the majority of which operate under UK law; including legislation on Human Trafficking. Although we do work with some companies that are based outside the UK, in the majority of instances we use UK-based distributors with strong industry credentials.

With any new suppliers we undertake a Financial, Safety and Legal Due Diligence to ensure there is nothing publicly available that may deem that supplier to be a risk or not aligned with our values. We also look at any risk indicators such as the nature of the workforce, the supplier location and the context in which the supplier operates.

We believe that we have a responsibility towards the environment and communities and that this responsibility goes beyond legal and regulatory requirements when it comes to sourcing. We are very proud of the sustainable steps we've taken and our Co-Founders, together with our Sustainability Lead continue to challenge the way we do things; with an emphasis on continuing to elevate our sustainability credentials and push ourselves and our industry even further.

Our **Environmental and Social Policy** reflects our commitment to reducing our environmental impact. Over the last year we have focused our values into three key areas:

Animal Welfare	Reducing Climate impact	Caring for the natural world
Investing in Free range chicken and pork	Carbon neutral since 2016 and on our journey to Net Zero	Promoting biodiversity. Mexico is officially classified as 'mega bio-diverse' which has inspired us to try to work with a diverse set of ingredients across our menus.
Choosing organic milk	Reducing Plastics and packaging	Investing in supply chain projects & ingredients which have a long-term benefit to the natural world
Choosing Free range Eggs	Reducing impact through our builds and operations	Working with organic and regenerative farmers where we can.

We also extend this approach to all new suppliers prior to bringing them on board. This means making sure that they agree with our Environmental and Social policy before they become a partner.

We try to use local UK suppliers as much as possible to support our local communities and reduce our environmental impact. As examples –

- ✓ our menu is 50% vegetarian and we use seasonal specials throughout the year to make the most of the ingredients while they are fresh and can be sourced locally.
- ✓ our free-range pork and grass-fed beef are sourced from British farmers we know and trust.
- ✓ we are committed to serve free-range chicken currently sourced from farms in Northwest France and in the UK in Somerset.
- ✓ we added a carbon scale to our menu to educate and encourage more sustainable choices.
- ✓ we halved the amount of beef dishes on the menu.
- ✓ we have created alternatives to the popular dish guacamole, to reduce the use of avocados.
- ✓ we are working with regenerative farmers who share our values

Although the UK is perceived as a low-risk country because of the relatively ample resources and strong political will, we remain vigilant against the risk of modern slavery throughout our supply chain.

Where local sources are not a possibility, we aim to source ethically. As examples -

- ✓ Whilst we continue to use avocados in our classic Guacamole, they are sourced from reputable sources with at least GlobalGap certification which ensures good agricultural practices including respect to the environment and communities.
- ✓ Our coffee and hot chocolate are ethically sourced and Direct Trade, our partners at Origin coffee, annually publish a coffee transparency report.
- ✓ Our tea is sourced from Canton Tea who have a longstanding buyer-growers relationship and only buys ethically produced teas.
- ✓ We source fairtrade sugar from Tate and Lyle
- ✓ We understand the negative impact of over-fishing on fish stocks and the associated labour practices on fishing boats. With that in mind, we only purchase fish from MSC (Marine Stewardship Council) fisheries whose aim is to protect our oceans and the fish within it, and combat climate change. They also work towards mitigating forced and child labour risks and require their fisheries to submit forced and child labour statements annually. They withdraw certification of any fisheries convicted of forced or child labour abuses.

We acknowledge that, as a relatively small business, we do not have resources to verify secondary sources of supply, however where possible we try to visit farms and other suppliers, especially when considering new suppliers.

We operate a legally compliant, planned approach to procurement and payment. We acknowledge that the current economic challenges are having an adverse effect on our supply chain, but we ensure that we make timely payments of outstanding debts to all suppliers for orders placed by us.

OUR PEOPLE - RECRUITMENT AND EMPLOYMENT PRINCIPLES

People are the key to our business and their human rights, a top priority. We embrace the principles developed by the United Nations and Institute for Human Rights and Business regarding migrant workers.

We currently employ around 700 people and are committed to providing fair and rewarding employment for everyone.

In particular: -

- ✓ We always ensure that everyone we engage has the legal right to work in the UK. However, we do not hold or retain original passports, identity documents or residency papers. Each staff member retains such documents personally.
- ✓ We bear the full costs of recruitment and do not charge staff fees for hiring, placing or promoting them.
- ✓ We provide written statements of terms and conditions of employment to all staff as required by law. These documents explain everything in a clear and transparent way.
- ✓ We support the right to seek, obtain and hold employment without discrimination and with complete respect for dignity.
- ✓ We do not coerce anyone to work for us. When you choose to work for us you do so voluntarily
- ✓ Everyone is paid regularly, in accordance with their terms and conditions. We provide a written summary of pay and deductions (pay slip) on every occasion.
- ✓ We pay at least national living wage (regardless of age) and 100% of the tips are paid directly to the team.
- ✓ We have a clear progression route to support career development and internal promotion.
- ✓ Everyone has the right to join or not join a trade union at their complete discretion.
- ✓ We provide safe working conditions with suitable training as necessary. Our operations comply with or exceed statutory health and safety standards.
- ✓ We provide formal grievance provisions through which staff are free to lodge a work-related complaint or raise a matter of concern. We also have a confidential internal available for anyone wanted who needs to bring an issue to our attention.
- ✓ We do not impede anyone's freedom of movement or their opportunity to seek employment elsewhere.
- ✓ We encourage our employees to talk to their managers or the People Team about any present or past issues that are concerning them.
- ✓ We have a number of Mental Health First Aiders across our business who have been trained to identify symptoms of poor mental health and support anyone who may need help.
- ✓ We have a directory of external support services that can be accessed 24/7 for help and advice. We also have offer counselling sessions when needed.

OUR POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

We continue to provide clear guidance to staff about tackling bribery and corruption. We operate specific provisions through which they can confidentially report any concern or "blow the whistle". We promote equality, diversity and inclusion and have adopted measures to deal with any instances of intimidation, bullying or harassment. All members of staff have access to our grievance procedure.

Our list of relevant policies includes -

- ✓ Equal Opportunities Policy

- ✓ Bullying and Harassment policy
- ✓ Bribery provisions
- ✓ Whistleblowing policy
- ✓ Grievance procedure
- ✓ Recruitment and employment policy

Provisions such as these not only reflect our commitment to the highest employment standards; they can also play an important supportive role in our opposition to modern slavery and human trafficking.

OUR COMMUNITIES - CHARITY WORK

Our passion and commitment to giving back to our community and charities has (and always will be) part of what we do. In order to achieve this, we work with some key charity partners here in the UK and in Mexico.

We know there is very little we can do about the wider issues of modern slavery and human trafficking. However, through our chosen charities, we feel that we and our customers are making a difference in other ways.

✓ **EDNICA – Inspiring young lives in Mexico**

In Mexico, we work with EDNICA, a UNESCO backed charity supporting vulnerable children whose parents live and work on the street. Our donations (so far over £192,000 since 2012) provide education, help and support the human rights of children in Mexico giving them the opportunities their parents never got.

✓ **Kitchen Social – Fuelling the next generation in the UK**

Through our 'street food specials' we help Kitchen Social, a charity supporting over 100 community hubs in London to provide good food and enriching activities to children from low-income families during the school holidays when free school meals are not available.

✓ **Carbon offsetting projects – helping the planet and its people**

We choose our carbon offsetting projects and partners carefully, so that we're not only helping the planet, but its people too.

In FY21 we supported Oaxaca Wind, they produce enough electricity to power 700,000 households each year with renewable wind turbine energy! Not only that, but they are award winners for their wider positive impact on their community.

In FY22 we supported a Global renewable energy project, to help reduce greenhouse gas emissions. Not only does this provide finance for renewable energy, but the project also supports: Affordable and Clean Energy, Decent Work and Economic Growth, Industry Development and Innovation.

✓ **Centrepont - We believe in second chances.**

Centrepont help young homeless people to recover their health and find a job and home of their own.

OUR COMMITMENTS

Although we have not encountered any instances of modern slavery or human trafficking in the last 12 months, we understand the risk and will continue operating a zero-tolerance approach to modern slavery in our operations as well as our supply chain.

Our annual review gives us a chance to familiarise ourselves with any new risks arising due to global or UK events and how this can affect modern slavery.

We are passionate about our business, our people and the wider community and are committed to eradicate unethical practices that go against our values. We are committed to achieving a working environment which provides equal opportunity and freedom within our teams as well as in the communities we are a part of through our supply chain.

We will continue monitoring all existing suppliers. When searching for new suppliers, we will ensure that they align with our values and will risk assess them. In addition, we will be including our expectations regarding suppliers' staff treatment in our Environmental and Social Policy for all new suppliers' contracts.

We will continue to place sustainability at the heart of everything we do.

Although we acknowledge that we can only play a small part in the eradication of modern slavery and human trafficking, we take our responsibilities in this respect incredibly seriously and will continue to do what we can to oppose and prevent it.

As the leaders of our company, we are proud to present this public statement and will continue to display it prominently on our website.



Mark Selby
Co-Founder



Gemma Glasson
Managing Director