



'The key ingredient to the food industry' ®

MODERN SLAVERY STATEMENT

FY ENDING 31 MARCH 2026 (1ST APRIL 2025 - 31ST MARCH 2026)
REPORT PUBLISHED: JULY 2026



CEO STATEMENT



"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 24 to March 25.

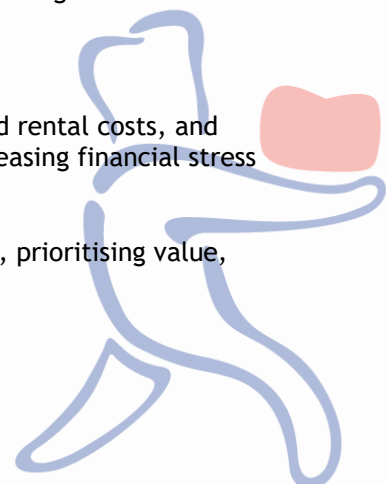
Between 1 April 2025 and 31 March 2026, UK businesses and consumers continued to operate within a highly challenging and uncertain economic environment. Persistent inflationary pressures, elevated interest rates, rising fuel and energy costs, and ongoing global geopolitical instability combined to create sustained pressure across the wholesale sector. BAKO Group Limited remains acutely aware of the cumulative impact these factors have had on our customers, colleagues, and supply chain partners.

BUSINESS CHALLENGES:

- **Challenging Economic Conditions:** UK economic growth remained subdued throughout the period, constrained by global uncertainty, fragile supply chains, and reduced consumer confidence. These conditions continued to place pressure on demand, margins, and long-term investment planning within the wholesale and logistics sectors.
- **Fiscal Constraints and Borrowing Costs:** Bank of England base interest rates remained elevated throughout the year as part of wider fiscal measures to control inflation. Higher borrowing costs placed additional strain on business cashflow, investment decisions, and working capital, particularly for organisations with distribution, fleet, and stock-holding requirements.
- **Rising Operational and Employment Costs:** Continued increases in National Minimum Wage rates, National Insurance contributions, and labour costs intensified financial pressures across operations, distribution networks, and support functions.
- **Fuel and Energy Cost Pressures:** Towards the end of the financial year, fuel costs rose materially, driven by the ongoing conflict in Ukraine and Russia and further exacerbated by unexpected geopolitical tensions in the Middle East involving Israel, Iran, and the United States. These developments increased volatility in global energy markets, directly impacting transport, logistics, and distribution costs.
- **Inflationary Volatility:** Inflation remained unpredictable, creating challenges in pricing, supplier negotiations, and cost recovery, and requiring careful financial and operational management.

CONSUMER CHALLENGES:

- **Sustained Cost-of-Living Pressures:** Elevated interest rates, higher mortgage and rental costs, and ongoing inflation significantly constrained disposable income for consumers, increasing financial stress across households.
- **Changing Purchasing Behaviour:** Consumers continued to adjust spending habits, prioritising value, own-brand, and discounted products while reducing non-essential expenditure.



- **Retail and Hospitality Sector Pressures:** Reduced consumer confidence and discretionary spending continued to impact retail and foodservice customers, influencing ordering patterns and volume volatility within wholesale supply chains.

In summary, the 2025-2026 period was characterised by sustained economic pressure, heightened geopolitical risk, rising fuel and operating costs, and evolving consumer behaviour, presenting ongoing challenges for businesses and consumers across the UK.

BAKO Group Limited has not been immune to these challenges, and we recognise that our customers and suppliers have faced similar pressures. In response, the Group has continued to take proactive measures to strengthen resilience, protect colleagues, and support long-term sustainability, including:

- **Strategic Growth and Regional Investment:** The successful acquisition of the BAKO Western site in Cullompton, strengthening our presence in the South West. This acquisition enhances distribution capability, secures continuity of service, and creates opportunities for operational efficiency, employment, and future growth.
- **Supporting Our Colleagues:** Ongoing commitment to fair and competitive pay structures, building on cost-of-living increases and ensuring financial stability and wellbeing across all sites.

As we look to the year ahead, BAKO Group Limited remains committed to operating responsibly and ethically. We will continue to work closely with our suppliers to address modern slavery risks, maintain robust governance and compliance standards, provide stability and security for our colleagues, and protect the human rights of all individuals connected to our business at every level.



MIKE TULLY

Chief Executive Officer, Bako Group Limited



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, Wimbledon and now Belfast. We supply products manufactured by other businesses and a range of BAKO and Finlay's Own Label products under the BAKO Select Brand and the Finlay's Sunflower Brand which are manufactured internally at our Belfast manufacturing site and 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

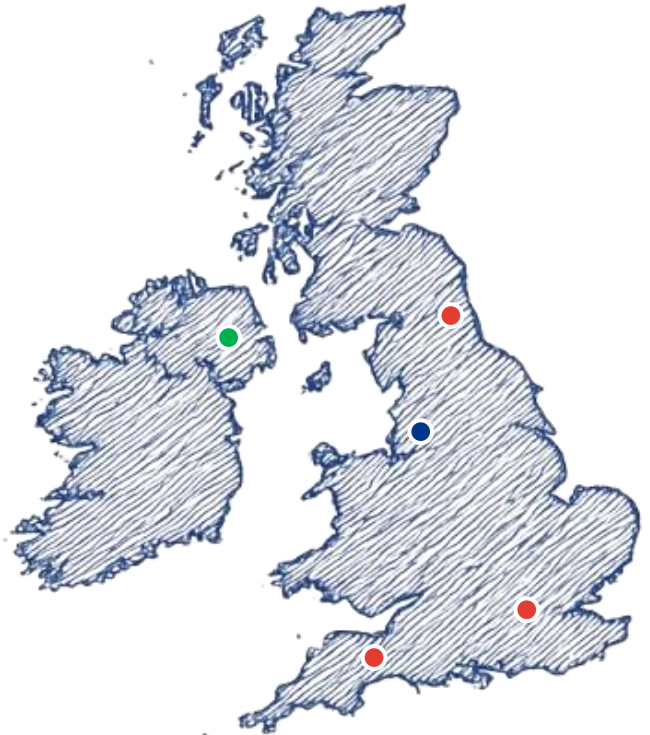
BAKO Group Limited is a foodservice wholesale and distribution company specialising in ambient, chilled and frozen bakery ingredients, product and own brand goods.

We operate nationwide with one trading company:

- BAKO Group Limited (08802727)
- James A. S. Finlay Limited (NI035690)

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 Bidco Ltd (15529383)
 - BAKO North Western Ltd (Dormant) (11321301)
 - BAKO Scotland Ltd (Dormant) (04675806)
 - BAKO South Eastern Limited (Dormant) (08458080)
 - Sandco 1187 Ltd (Dormant) (07571902)
- BAKO (Western) Limited (IP15988R)
- James A. S. Finlay (Holdings) Limited (NI012625)



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.

5

Depots located throughout the UK

North Eastern: Durham, North Western: Preston, South Eastern: Wimbledon, South Western: Cullompton, Northern Ireland: Belfast

Staff Employed

420+

9200+

Customers Served

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 **235** own label products through Tier 1 Manufacturers, with **202** being from the UK and **32** being from outside the UK. We also have **3** Tier 2 Manufacturers supplying us with own label products approved internally. We also supply over **3600** 3rd party branded wholesale goods with **87.9%** being from Tier 1 Suppliers and **12.1%** 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, with 66% of our suppliers currently members of SEDEX.

We have successful 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 101 multi-temp vehicles delivering to businesses throughout the UK.

We have elected to renew our fleet of vehicles with ones equipped with hybrid technology which allow the temperature controlled storage to run on batteries.

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 five UK based Depots, with the Belfast, Cullompton, Durham and Preston sites being fully owned, 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 of our locations are registered, and accredited by, the BRCGS and have been awarded the highest possible grade of AA+ for 2025, a continuation of our achievements in 2024. Our Preston site voluntarily undertakes all BRCGS audits on an unannounced basis.



'The key ingredient to the food industry' ®

GOVERNANCE

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

Louis Gerstner

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

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 financial year ended **MARCH 2026**.

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. We are committed to repeating this audit on a 5-yearly basis, marking our next audit to be scheduled for 2028, however internal discussions are underway to bring this forwards following several acquisitions to reiterate and re-enforce our commitment to Ethical and Social compliance.

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.



'The key ingredient to the food industry' ®

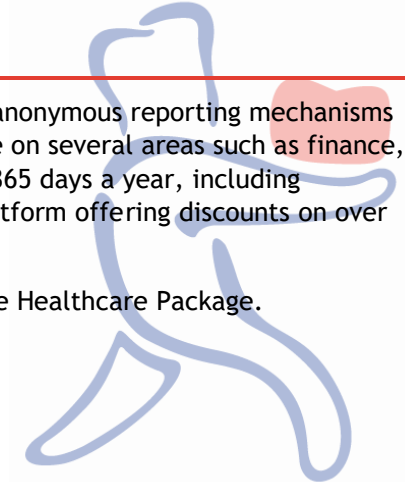
DUE DILIGENCE

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

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. All colleagues receive training, with many training re-issued on an annual basis. Our policies remain under annual review.

NEXT STEPS

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 product 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

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 financial year ended 31 March 2026. It was approved by the Board and has been signed by a Board Director.

NAME: David Yates

TITLE: Chairman

SIGNATURE: 