



# AMFRESH UK Modern Slavery Statement

Financial Year 2021-2022

## Group Sustainability

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## INTRODUCTION

This is AMFRESH UK's sixth modern slavery statement and sets out the steps we've taken during the financial year 2021-2022 to prevent modern slavery and human trafficking in our business and supply chains.

This statement has been published in accordance with the Modern Slavery Act 2015.

AMFRESH UK are committed to having a positive impact on the lives of the people we work with and affect. This includes eradicating all forms of forced labour.

We understand that Modern Slavery and Human Trafficking is a significant risk within our own operations and our global supply chains for which we must be diligent in our approach.

### 1. OUR BUSINESS

At the AMFRESH Group, we are devoted to innovation and technology as the gateway to superior products delivered consistently. Our strong presence in FRESH spans an end-to-end operation in citrus, table grapes, tropical fruits and plant-based fresh goods delivering comprehensive solutions for our strategic partners and global consumers.

Our values live in our minds and our hearts. We commit to the highest ethical standards and promote a strong stewardship for the progress of the food industry for the benefit of consumers, communities, partners, and the land. We understand that the trust of consumers, partners and employees is earned with every small action. We foster trust with all our actions, big and small.

At AMFRESH we believe that everyone should be treated with respect, dignity and equality and that a workplace should be safe and fair. These principles are rights that should also be respected throughout our supply chains. We are constantly seeking to work collaboratively with suppliers and customers that share our principles.

AMFRESH UK, a subsidiary of AMFRESH Group, supplies leading supermarkets with a range of citrus, table grape and melon products into retail stores and online platforms. We operate from one UK packing facility where raw materials are received, inspected, packaged and dispatched to our customers. During FY21-22, we made use of several labour providers to support our directly employed colleagues.

At AMFRESH UK our UK Managing Director takes board responsibility for our work addressing Modern Slavery. The strategy is devised by our Group Sustainability Director and implemented by our Human Resources team and our Ethical Trade Manager.

## 2. SUPPLY CHAIN

AMFRESH UK buys products and services from many suppliers throughout the world. Our highest spends are for fruit raw materials and agency labour provision.

### Goods for resale

The products we manufacture are sourced from over 16 countries predominantly within Europe, Africa and The Americas. We work with 93 suppliers that fall into three broad sources:

1. **Fellow AMFRESH GROUP companies**
2. **Joint ventures**
3. **Other known sources**

**Fellow AMFRESH GROUP companies:** Supply comes from farms which are directly owned and/or managed by AMFRESH Group Companies. We have a very close working relationship with the management teams and an increased understanding of the way in which people are managed. In many of these cases these businesses have their own directly employed harvest teams minimizing risks associated with temporary or transient labour sourcing.

**Joint Ventures:** AMC Groups breeding programmes have facilitated joint ventures with several large agribusinesses around the world. One benefit of these joint ventures is a better understanding of the grower's business and a collaborative approach to mitigating risk.

**Other Known Sources:** The remainder of raw materials come from other known sources and suppliers with whom we have chosen to develop strong, long-lasting relationships.

Our sourcing models and close commercial relationships ensure that we maintain a strong knowledge of how our suppliers operate their businesses. Further to this, our directly employed source technologists, technical managers, ethical trade teams and procurement teams visit our suppliers throughout the year following the sourcing calendar around the world. When visiting suppliers, they not only check on quality and technical standards but also take a proactive approach in identifying indicators of potential labour issues. All staff who visit suppliers as part of their role have received training on labour issues and modern slavery and will report back to the Ethical Trade Team directly with any concerns. This means we are able to advise suppliers on best practice and help them make positive changes to their labour management practices. As we develop our own human rights and modern slavery policies, we aim to also build supplier capacity alongside this to make human-rights due diligence more robust at every stage in the supply chain.

Within our value chains we know that labour is made up of 29% permanent employees, 64.5% temporary or seasonal workers and 6.5% agency workers. Within certain sourcing countries a significant volume of those workers under temporary or seasonal contracts will be migrants. Temporary seasonal labour is one of the highest risk areas for our supply chain in relation to modern slavery due to instability of employment; carrying the potential risk for worker exploitation. However, we acknowledge that there are a variety of risks across our supply chain, some of which also make workers more vulnerable to modern slavery (See Figure 1).

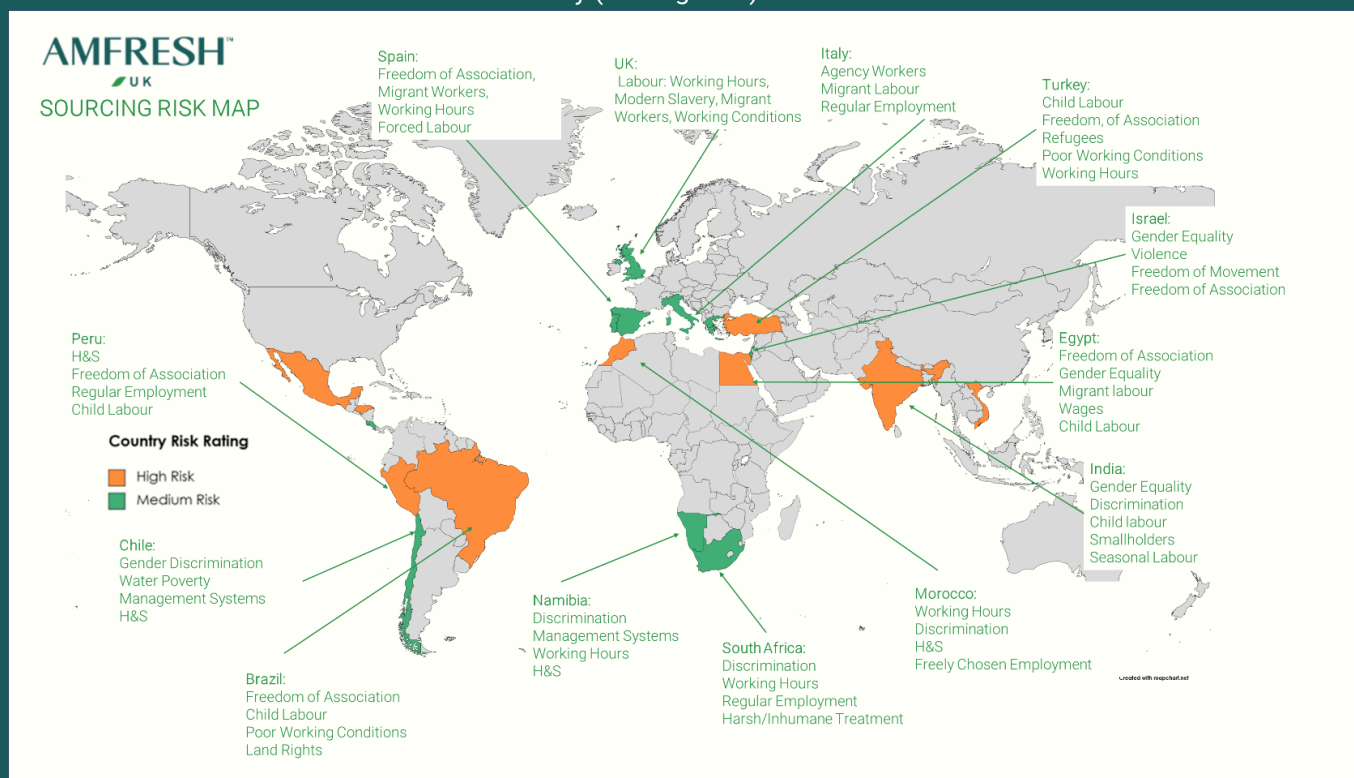


Figure 1. Sourcing Country Risk Map for AMFRESH UK.

### 3. POLICIES AND PRACTICES

#### Own Operations

Our policies and practises reflect the principles of protecting the welfare of our employees. Looking after their wellbeing is at the core of our business and reflected throughout our company values.



The specific company policies that support the wellbeing and welfare of our employees are:

- Recruitment Policy
- Dignity at Work Policy
- Equal Opportunities Policy
- Code of Conduct Policy

- Employee Assistance Program

And the following policies support the mechanisms when colleagues need to raise concerns:

- Grievance Policy
- Whistleblowing Policy

For UK Employees, our employee handbook is issued to all new starters. Our Human Resource Team provide details during the induction period which is mirrored with our labour provider. Employees have access to the intranet and our Human Resource Team.

In addition to the Human Resource Team's policies and procedures to protect Human Rights, we have undertaken a broader training programme across the site to educate workers, managers and the senior leadership team on Modern Slavery. The one day course is delivered using the principles of the Stronger Together guidance. Understanding the risks and identifying potential victims of exploitation has been key to this. We have also trained up Modern Slavery Champions, with representatives from each department, who are also members of the Your Voice worker committee. This training is on a continuous loop, managed by our dedicated training team, with refresher courses available to existing staff and new starters. The training is also tailored to our supply chain needs, based on risk.

Posters are displayed around the facility to encourage positive actions when identifying vulnerable workers, with guidance on how to inform AMFRESH UK champions or escalate via Stronger Together or the GLAA.

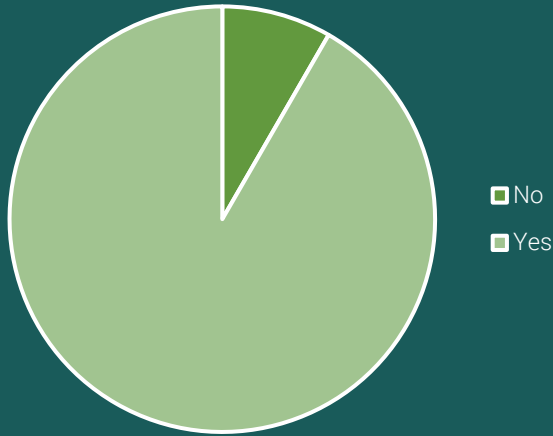
### Supply Chain

AMFRESH UK supply chain policies and processes are aligned to our customers' requirements and key areas of focus. More specifically, issues of modern slavery and trafficking are addressed through our implementation of the Ethical Trade Initiative (ETI) Base Code and requirements of SEDEX through SMETA or SIZA audit standards.

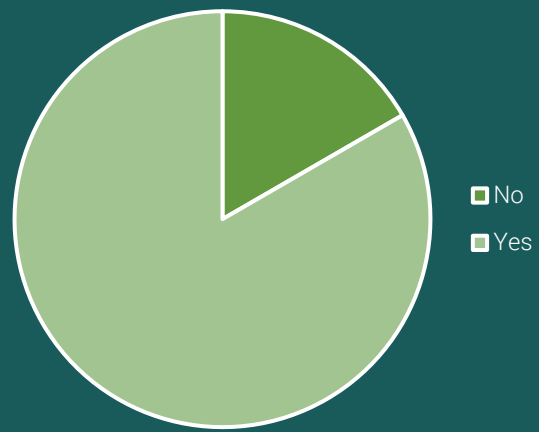
Commitments on ethical trade, human rights and modern slavery are set out in several policies and protocols, including the following.

- Our Ethical Requirements which state suppliers must comply with the ETI Base Code. (Suppliers are required to declare commitment and ability to provide evidence of compliance to this requirement)
- Due Diligence pack outlining our commitments to Ethical trade and our approach to transparency and protecting the rights of workers in our supply chains including no forced labour.
- Terms of Trade
- Modern Day Slavery SAQ & Commitment.

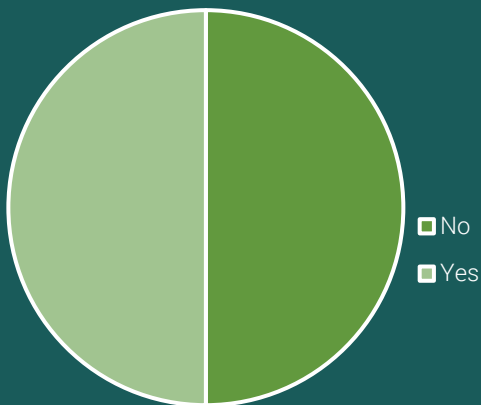
As part of our Due Diligence and risk assessment process our teams review suppliers' Human Rights policies and practices via the SEDEX Self-Assessment Questionnaire following up directly where required. One area where we identified a need for more specific data was around our suppliers' actions against modern slavery and forced labour. We therefore developed and trialled a Modern Slavery SAQ towards the end of the financial year, to gain more insights into policies and practices across our supply chain. This also targets specific areas of risk relating to labour providers and the Employer Pays Principle.



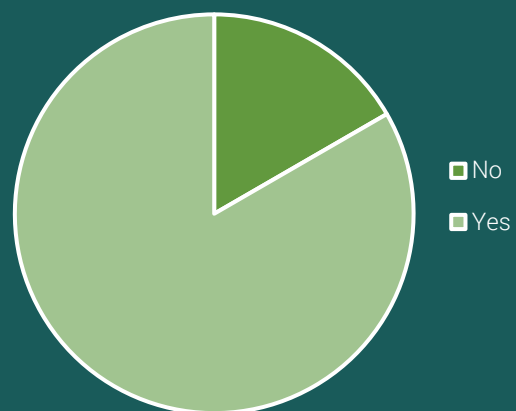
*Figure 2. Supplier responses to 'Do you have a policy on forced labour & human trafficking?'*



*Figure 3. Supplier responses to 'Do you have a programme to ensure that forced labour does not exist in your operations and supply chain?'*



*Figure 4. Do you work with a third party to identify the overall risks of forced labour and human trafficking in your supply chain?*



*Figure 5. Do you have internal accountability standards and procedures in place to hold your employees and contractors accountable for non-compliance with your policy on forced labour and human trafficking?*

Alongside collecting data point such as those shown above, we have also reviewed the policies and practices shared by suppliers. One area of improvement discovered through this process was the need for more robust policies that are more specific towards forced labour and the required remediation. Therefore, we are reviewing guidance on remediation, starting with our Tier One Suppliers.

Following on from the pilot, we are now able to evaluate our suppliers on Modern Slavery, identify areas where we can support suppliers, providing guidance from organisations like Stronger Together to help with capacity building. The impacts of this process will be available in the next statement following the full launch in FY2022-2023.

A key development in the financial year 2021-2022 was the development of our new Human Rights Policy and the associated due-diligence updates. This was signed off by the senior leadership team of the business ready, to be introduced to the supply base at the start of the next financial year. This policy was created following a review of the key risks in our supply chain and a gap-analysis of our current policies. The new policy highlights our commitments to the International Bill of Human Rights, the ILO's Declaration on Fundamental Principles and Rights at Work and the UN Guiding Principles on Business and Human Rights. It also outlines our commitment to the following UN Sustainable Development Goals: Gender Equality, Clean water & Sanitation, Decent Work & Economic Growth and Reduced Inequalities. The elimination of modern slavery is a key part of this policy, as we have identified it as a salient risk within our supply chains and countries of operation. This policy will be reinforced by updated due-diligence requirements for our supply chain from September 2023.

Policies are communicated through several channels. For suppliers all policies are issued on an annual basis as part of our Due Diligence process, and these remain accessible throughout the year via our online due diligence platform. Any updates are relayed to suppliers through this system. Where major changes are made to our policies and procedures, we follow up with suppliers directly to ensure that these are understood and achievable.

Enforcement of these policies is carried out through our management system procedures and processes, where adherence is monitored and reported as part of Key Performance Indicator structures. This performance is relayed back to suppliers as part of their annual reviews and scorecards.

#### 4. Risk Assessment, Prevention and Mitigation

We recognise the possibility of risks developing due to external factors such as armed conflict, migration, and climate change impacts on people. As political and socioeconomic conditions change, we will review our approach to supply chain management on a seasonal basis.

AMFRESH UK have a risk assessment methodology for all suppliers that are supplying goods for resale. This risk assessment has been developed over a number of years, being reviewed on an annual basis. Our priority during this reporting year has been to increase transparency of our supply chains beyond Tier 1 down to farm level, as we believe this to be where significant risk lies. This has allowed us to map our supply chains more fully. In addition, this greater understanding has allowed us to identify specific labour risks by country which include, where relevant, the risk of forced labour (see map on pg. 5). Together with our retailers' ethical teams, we are collaborating with exporters, growers, NGO's and local government to help identify and support new ways of working.

There are currently 1288 sites in our supply chain, of which 10% are packhouses, 28% are packer-growers and 62% are farms. We have visibility down to farm level of SEDEX SAQs, SMETA audits where undertaken and other ethical certifications. As a part of our ethical audit programme, 628 new audits were conducted across farms and packhouses within our supply chain in the reporting period. This level of transparency covers 325,000 workers within our supply chains. The use of labour providers and seasonal/agency labour throughout our supply chain is an area we have increased our focus on, given the potential risk of modern slavery and labour exploitation.

As part of our due-diligence and improvement process we review the results of our supply chains audits on an annual basis. This enables us to perform trend analysis and highlight areas of focus for the coming seasons, including potential issues around forced labour and modern slavery. These findings are highlighted below for rates of non-conformances and the top issue categories found.



## 2021-2022 (70% Audited)

NC  
Rate  
21-22  
= 6.76

% Sites Covered under  
audit/certification

Of the audit results from  
21-22:



85%

Minor

43%



85%

Major

52%



60%

Critical

5%

## 2020-2021 (74% Audited)

NC  
Rate  
20-21=  
8.3

% Sites Covered under  
audit/certification

Of the audit results from  
20-21:



81%

Minor

46%



64%

Major

47%



81%

Critical

7%

Overall, in this financial year we had less audits take place in our supply chain, which can be attributed to changes in the supply base and audit frequency. However, there was a decrease overall in the rate of non-conformances per audit and a decrease in the proportion of Critical NCs. This is a very positive outcome which demonstrates the improvements within our supply chain. There was an increase in the proportion of major NCs, which we will monitor to ensure issues do not escalate to become critical.



## Top Audit Non-Conformances 2021-2022

### Top Categories

64% Health, Safety & Hygiene



11.3% Wages



9.6% Regular Employment



9.2% Working Hours



6% Freedom of Association



### Top Countries (by NC Rate)

Peru



Namibia



Morocco



Chile



South Africa



## Top Audit Non-Conformances 2020-2021

### Top Categories

67% Health, Safety & Hygiene



6% Working Hours



6% Wages



5% Management Systems



5% Regular Employment



### Top Countries (by NC Rate)

Peru



South Africa



Brazil



Egypt



Morocco



Looking at the areas of non-conformances found there has been quite a few changes.

- South Africa performed a lot better during FY 2021-2022; however this is still the leading country for NCs on Wages and Regular Employment. There was an emerging trend this year on non-payments of minimum wage in the country, we have monitored this closely and actioned supplier memo and guidance to support on this issue. This can be partly attributed to a rise in minimum wage prior to the start of the season, and poor management systems around pay.
- Health & Safety remains the most prominent issue in the supply chain, with this being most prevalent in Peru. There was however a small decrease in this rate, and we shall continue collaborations with suppliers, retailers and external organisations to establish projects and training in this region.
- Regular Employment and Freedom of Association NCs are more frequent than the previous year, occurring mainly in South Africa and Peru respectively. This highlights a new trend to look into and monitor, in order to determine the best course for mitigation and prevention of forced labour.
- There have been some changes in the countries with the highest rates of non-conformances. Chile is now featuring on this list along with Namibia, with Egypt and Brazil no longer present. It is important that we monitor these countries and the emerging risks of working hours and health and safety to ensure all salient risk in our supply chain are captured. Chile in particular

is an area of focus going forward, we are looking at strengthening our relationships with suppliers and collaborating on risk assessments and mitigation plans.

Through our audit monitoring programme and supplier due diligence for this year we have not identified any potential situations of forced labour or modern slavery in our supply chain. However, we will continue to diligently monitor potential indicators through the analysis of nonconformances, use of risk assessments and SEDEX reporting alongside continued collaboration and communication with our supply chain.

To maintain knowledge of current and developing global issues we conduct horizon scanning. This includes inputs from several professional bodies, charities and NGO's. Notably these include:

- ETI
- Sedex
- SIZA
- FNET
- GLAA
- Human Rights watch
- Stronger Together
- Ethical Corp
- Global Slavery Index
- UN SDG News
- ILAB
- Fairtrade
- ILO

Our UK sites undergo independent third-party SMETA audits every two years. We have a close and long-standing relationship with our main agency labour provider who is Gangmasters and Labour Abuse Authority (GLAA) licensed and is audited every six months by our Human Resources Team. Our UK operational businesses are using the Stronger Together Progress Reporting Tool to drive progress against a recognized framework.

## DUE DILIGENCE

Despite strong and long-standing relationships with most of our suppliers, we remain alert to the risk of Modern Slavery within our value chains. We encourage suppliers to identify risk within their own business. Should there be instances of Modern Slavery within our value chain which we ought to know about, we have the following controls in place to identify it:

- Supplier Due Diligence Packs: these set out the standards that we require of our suppliers. We detail in this pack what we require of our suppliers to ensure that any cases of Modern Slavery are identified and reported to us to help resolve.
- Sedex: we request that as a minimum all supplying sites are registered on Sedex and have completed the Self-Assessment Questionnaire (SAQ). We monitor responses to key questions within this which are indicators of risk.
- Sedex Members Ethical Trade Audits (SMETA): We carry out supplier risk assessments to identify SMETA audit requirements. Should non-compliances be raised during audits our team work closely with the supplier to act. We share best practices to resolve issues as quickly and effectively as possible.

Data and information about our suppliers is maintained and monitored on an ongoing basis. Internal reviews of risk are undertaken seasonally or because of changes in circumstances. A supplier scorecard is compiled for each supplier which includes the risk assessment findings, this is shared with suppliers. Compliance KPIs are reported weekly within governance structures, including the Senior Leadership Team.

During the 2021-2022 period we have reviewed our risk assessment process to create a robust tool to assess each site in our supply chain; from packhouse to farm. This tool has improved our ability to determine which sites are the highest risk in our supply chain, regardless of country risk, along with

which salient risks are the most prevalent. This will enhance our ability to forecast and mitigate risks through guidance, supplier engagement and increased in-country visits.

## 5. Labour Practices

At AMFRESH UK we have a centralised team of resourcing specialists. For the operations environment we also work with temporary labour providers who are Gangmaster and Labour Abuse Authority (GLAA) licensed.

We carry out robust auditing pre-engagement with any agencies used and follow up with annual audits as a minimum. We focusing particularly on their processes and practices in relation to labour exploitation, including right to work, worker interviews and payslip checks.

During this reporting period, we were reliant on more than one agency labour provider due to the lack of available workers nearby due to the aftermath of the COVID pandemic, but also because of BREXIT and the competition from other surrounding businesses amongst the smaller labour pool. Due to the increase in work needed, we entered into a partnership with a third party who carried out the Stronger Together Checklists on our behalf and second party audits to ensure compliance prior to engaging with them.

Within our recruitment processes, we continue to see as many candidates face to face as possible to get to know them at interview, assessing any potential concerns that may arise. Within AMFRESH UK, many of our weekly paid workforce have transitioned from our temporary labour providers to become permanent employees. Our robust candidate management system allows for the checking of duplicate email addresses, telephone numbers and bank accounts. The system flags any anonymallies automatically. Outside of the online recruitment system, we speak with all candidates on the phone or via Microsoft Teams before inviting them to assessment centre or to interview so we can get to know them, and make sure what they have submitted to us is accurate and represents the candidate correctly.

## 6. Training and Capacity Building

Awareness around Modern Slavery starts during our induction process that all new colleagues attend. Modern Slavery and Human Trafficking issues, via Stronger Together resources, are discussed covering the concept of labour exploitation, how to raise concern and get support. We then display Stronger Together posters, in various languages, across our noticeboards and in our welfare facilities. All management receive training on an annual basis on modern slavery and how to identify cases. This includes staff who visit sites outside of the UK where there are higher risks.

There is also training available for our suppliers in the different countries of origin. We work together with our customers, certification bodies and other institutions to encourage our suppliers to participate. Some of which include:

- Spanish Ethical Trade forums that are sponsored by a number of UK and Spanish retailers and importers. The main aim of these forums is to help suppliers to identify their common issues, share their best practices, and find ways to approach the best solutions to these issues. Several working groups are set up behind these forums to help suppliers to tackle specific common issues. Some of these working groups were set up around:
  - Covid-19 pandemic
  - Workers and management representative's dialogue
  - Grievance mechanisms
  - Circular labour migration
  - Sustainability

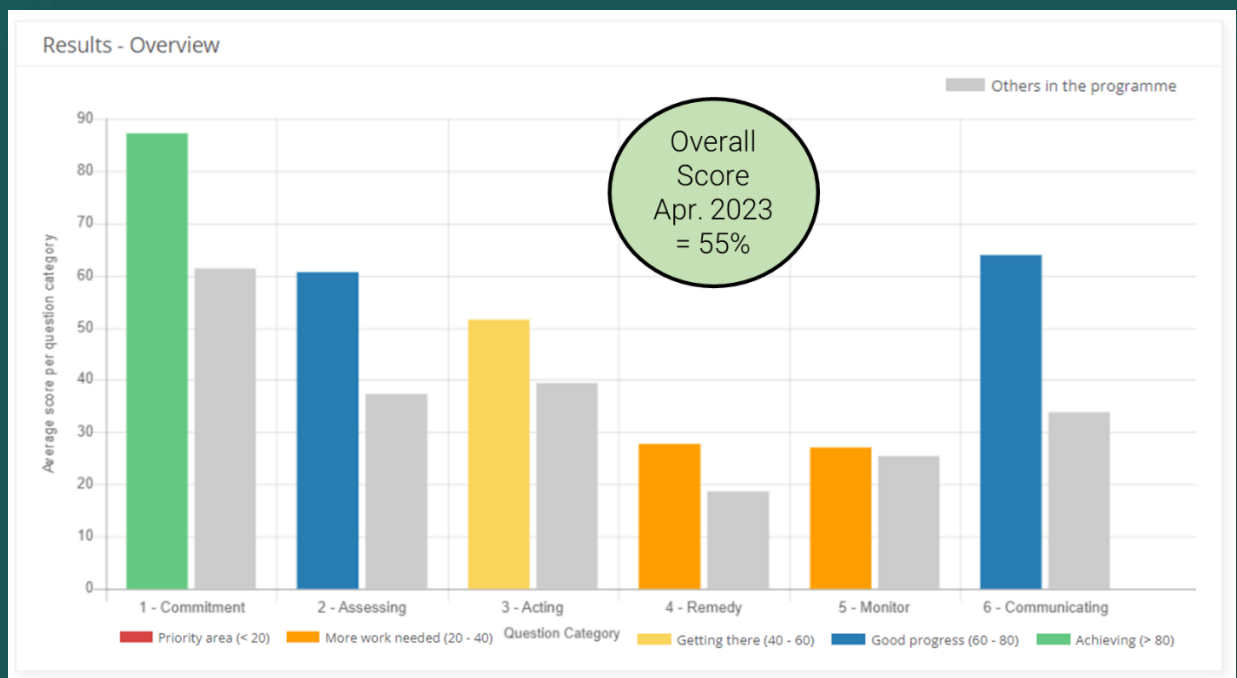
- Responsible Recruitment Training organised by Responsible Recruitment Toolkit (RRT) to offer expert, pragmatic support for suppliers and labour providers to achieve responsible recruitment.
- Stronger Together courses in South Africa to support producers to reduce the risk of modern slavery within their business and supply chains.
- On-site visit to Egyptian Suppliers with our customer the Co-Op to engage suppliers on the Egyptian Ethical Trade Forums, which restarted the following financial year.

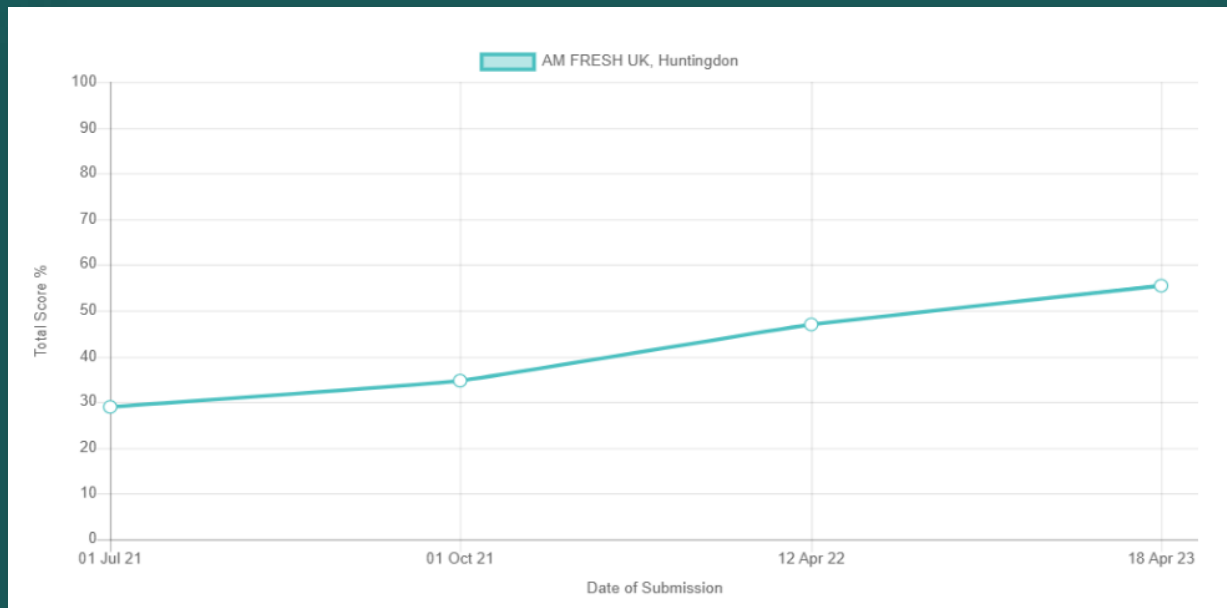
Several employees have attended and contributed to FNET workstream meetings of which there are specific topics and case studies from which to learn. As sponsor members of the Spanish Ethical Trade Forum during 2021-22, we promoted their events and workstreams within our supply base. As part of our risk assessment and monitoring programs we support suppliers directly where specific issues or gaps in knowledge or competence arise.

## 7. Our Progress

Our methods to tackle Modern Slavery and assess effectiveness involve the following activities:

- We assess and measure cases identified across our business, via our supply chain, as we actively encourage and support our staff to speak up if they see any red flags.
- Evaluate risk related activities throughout our supply chain and review supply chain transparency and risk across the business.
- Continuous improvement plans for staff training and development to increase knowledge and awareness to improve our practices.
- Continue to work on exploring opportunities within the Stronger Together toolkits to strengthen our activities.
- Keeping our colleagues at the heart of everything we do.
- Carried out the Stronger Together Progress Reporting Tool (PRT) for AM FRESH UK, detailed below.





We will repeat this every 6 months with targeted objectives in place. Between the last two occasions of completing the tool we took the following actions as a result:

- Rolling out action plans with our Tier One Suppliers in Spain.
- Mapping and risk-assessing our supply chain down to farm level, incorporating key risks such as forced labour, use of labour providers, labour standards and health and safety.
- Completed the draft of our Remediation and Response policy, to be signed off by the senior leadership team.
- Developed our worker committee through training with FNET.
- Reviewed training needs within the business relating to modern slavery.
- Training for Modern Slavery Champions.

By the next time we complete the tool we hope to:

- Be developing remediation and response plans with our tier one suppliers.
- Have mapped our service providers and risk-assessing them through SEDEX SAQ data.
- Support supplying sites further on creating whistleblowing lines and establishing grievance mechanisms.
- Rolled out a policy to our supply chain and service providers on the Employer Pays Principle.
- Establish further KPIs and monitoring of suppliers in relation to modern slavery and human-rights.

The Board of AMFRESH UK Limited are committed to the identification and eradication of Modern Slavery and Human Trafficking in our operations and supply chains. Mark Player, AMFRESH Group UK Managing Director, is named as the Board Level Director responsible for compliance with the Modern Slavery Act 2015.

Mark Player  
Managing Director