



ETHICAL FOOD COMPANY

MODERN SLAVERY STATEMENT

1st October 2020 to 30th September 2021

Ethical Food Company is committed to Ethical Fresh Produce for Everyone – for our Partners, our Planet and our People. Our journey started over 30 years ago and was born out of an aspiration to source and supply great tasting organic fresh produce by creating long-term relationships with the best growers around the globe

Our founding aspirations remain at the heart of our business today, along with our aim to maximise positive, social impacts, whilst minimising our environmental impacts – put simply, Operating Ethically.

Ethical Food Company Limited (EFC) are required, as outlined in the UK Modern Slavery Act 2015 (the 'Act'), to provide transparency in the steps taken each financial year to reduce the risks of Modern Slavery, Human Trafficking and Forced labour. This annual statement refers to the financial year ending 30th September 2021 and includes our actions to prevent modern slavery in our own operations and wider supply chain.

EFC recognise the unprecedented times in which we operate and cannot ignore the impact of Brexit and the global pandemic in creating new vulnerabilities for both workers and businesses. We are dedicated to collaborating with customers and suppliers to ensure human rights are respected and appropriate steps are taken to identify, mitigate and reduce modern slavery risks.

Since our last statement we have strengthened our ethical trade and human rights due diligence approach and increased our team capability to enable enhanced risk awareness, identification, and prevention.

Summary of key actions taken over the last 12 months

Defined a new ethical trade and human rights strategy

Developed and implemented a new risk assessment tool

Stronger Together Advanced Business Partner status plan

Increased capacity building through employee awareness, training and engagement

Established key performance indicators (KPIs) to measure effectiveness and impacts



Next year, we aim to improve our risk identification and management approach and will report on progress made with delivering our new ethical trade and human rights strategy.

This statement is approved by the Ethical Food Company Board of Directors



Hazel Hunt

Managing Director

April 2022

OUR BUSINESS & SUPPLY CHAINS

ETHICAL FRESH PRODUCE FOR EVERYONE



EFC are specialist suppliers of organic fresh produce. We supply UK retailers, wholesalers and juicing customers with organic fresh fruit and organic avocado.

Products

As a team of 32 experts, we manage a complex supply chain. Throughout the year we source a wide range of organic fresh produce.

Our top 10 products sourced and supplied by volume in the reporting year were: Organic Apples, Organic Pears, Organic Lemons, Organic Grapes, Organic Kiwi fruit, Organic Watermelon, Organic Oranges, Organic Avocado, Organic Easy Peelers and Organic Plums.

Sourcing Countries

Our sourcing strategy involves sourcing product locally, from producers based in the UK and Europe and producers further afield in New Zealand, the Americas and Africa.

Our top 10 sourcing countries by volume in the reporting year were: Italy, Argentina, Chile, Spain, New Zealand, South Africa, the Netherlands, Austria, France, and the United States.

Our supply chain comprises 12 Tier 1, Primary sites, 61 Tier 2, Secondary sites (of which 10 are in high-risk sourcing countries) and 1057 Tier 3 sites (of which

66 are in high-risk countries).

Covid-19

In an effort to protect employees, suppliers maintaining the integrity of and maintain our ethical due diligence requirements, second party and third-party audits were delivered through a blended audit approach, reliant on remote audits. Physical audits were completed only where appropriate and where safe to do so.



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICIES

We uphold and expect our suppliers to comply with internationally recognised human rights standards and legislation, including:

- [The UN Universal Declaration of Human Rights](#)
- The [OECD Due Diligence Guidance for Responsible Business Conduct](#)
- The [International Labour Organization Fundamental Principles and Rights at Work](#)
- The [UN Guiding Principles on Business and Human Rights](#)
- The [ETI Base Code](#)
- The [UN Global Compact](#)

The key EFC business policies related to modern slavery include:

- 1) [EFC General Technical Terms & Conditions](#)
- 2) [EFC Ethical Trade Policy](#)
- 3) [EFC Operating Ethically Policy](#)

These policies outline our requirements to ensure compliance with the ETI Base Code and modern slavery risk management procedures.

All EFC suppliers are required to read, accept, sign, and implement EFC General Technical Terms and Conditions and EFC Ethical Trade Policy annually. We also share our Operating Ethically Policy and Strategy with strategic



Our senior management team is accountable for evaluating the effectiveness of the policies, procedures and responsible sourcing practices in place to identify and manage Modern Slavery, Human Trafficking and Forced Labour risk.

Every member of the EFC team is responsible for ensuring that our policies are upheld and implemented within our business and global supply chains.



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY

DUE DILIGENCE

All programmed and approved suppliers are required to complete Sedex membership and complete a Self-Assessment Questionnaire (SAQ). The EFC due diligence team monitor compliancy and responses through our ethical trade and human rights (ETHR) Impact Risk Assessment process.

The EFC **ETHR Impact Risk Assessment** categorises suppliers as low, medium, or high-risk. High-risk suppliers are required to complete mandatory third-party audits such as **SMETA, SIZA, Rainforest Alliance, Fairtrade** and **GRASP**. Second-party ethical assessments have been designed to identify areas of potential labour exploitation risk and are completed by a team of auditors trained in social systems standards. Audit and assessment frequency is determined by customer, in-country auditing bodies and or the EFC ETHR Impact Risk Assessment.

Strengthening worker voice is important in efforts to tackle modern slavery by ensuring that mechanisms are in place to facilitate worker feedback without reprisal. In accordance with the [ETI Base Code](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#) all approved suppliers are required to have a grievance mechanism in place and supplier operations with more than 50 growers are required to have a freely elected worker committee or trade union.

Governance

The **Head of Technical and Ethical sourcing** is accountable for Ethical, Human Rights and modern slavery compliance, the implementation of mandatory requirements and identifies strategic priority areas for development.

The senior technical compliance coordinators are responsible for due diligence, managing the risk assessment process, ensuring primary and high-risk sites have been audited and that audit and assessment non-conformances (NCs) and critical non-conformances (CNCs) are closed out on time. NCs are reviewed weekly, and we provide suppliers remediation support as required. **Performance is discussed and escalated** during internal management meetings and in end of season reviews with suppliers.



ASSESSING & MANAGING MODERN SLAVERY RISKS

OUR BUSINESS



The EFC team are employed on permanent contracts, often in conjunction with recruitment agencies, whom the business has long-standing relationships with. The greatest risks of modern slavery exist within our downstream supply chain. We have a clear plan to ensure that our team are well equipped to assess and identify the signs of modern slavery. We also work collaboratively with several multi-agency organisations and external stakeholders to tackle modern slavery.

To better assess and manage our modern slavery risks, we complete a **Stronger Together Employer Good Practice Implementation Checklist** annually. Stronger Together is a multi-stakeholder initiative focused on reducing modern slavery through guidance and training. The Employer Good Practice Implementation checklist has significant benefits for us, in that it clearly outlines steps we can take to ensure that slavery and human trafficking is not taking place in our own business. To further embed our commitment, we complete an annual **Stronger Together Business Partner** application and are required to submit evidence of our business practices. We aim to improve our annual progress by achieving Stronger Together Advanced Business Partner status in 2021 – 2022.

To further enhance understanding of focal areas to reduce risk in our upstream and downstream supply chain, we completed a **Stronger Together Progress Reporting Tool** self assessment for the first time in 2021. We will aim to improve our baseline reporting score in the forthcoming year.

To continually increase our knowledge, insight and contribution to wider industry progress, key members of the EFC team are nominated to actively participate in collaborative initiatives; notably **The Food Network for Ethical Trade (FNET) industry working groups** attended by retailers and suppliers.

We are committed to ensure that all people are treated fairly with full protection of health, safety, and well-being in the workplace. To embed this commitment, we have implemented a new independent, **confidential whistleblowing system** for EFC to better support employee ability to report concerns and risks (including modern slavery) with anonymity and without bias. The relevant insights and impacts from our new system will be shared in our next annual statement.



ASSESSING & MANAGING MODERN SLAVERY RISKS

OUR SUPPLY CHAIN



The EFC Ethical Trade and Human Rights (ETHR) **Impact Assessment** is a bespoke tool developed by the business, with criteria endorsed by the Food Network for Ethical Trade (FNET). The process is designed to increase visibility and evolve our due diligence approach beyond a sole reliance on third-party audits. The risk assessment includes the following indicators: FNET Country Risk Rating, FNET Known Human Rights Risk (Child labour, Forced Labour and Human Rights) and Industry/Labour Type Risk, Sedex Radar Site Characteristics Risk, historic second-party audits, existing third-party assessments and findings and worker accommodation. We use the Sedex radar tool to increase visibility of site-specific risks and performance. We continuously monitor SAQ responses to create site specific development plans.

We have introduced a new process to increase our understanding of site based Ethical Trade, Human Rights and Modern Slavery initiatives. By asking our top 10 suppliers to complete an **Operating Ethically Profile**, we have enabled increased engagement, collaboration qualitative insight, including examples of best practice and opportunities to de-risk and/or drive improvements.

To step-change our risk management approach we recognise the need to identify hot-spots and participate in collective action projects. As the largest organic fruit importer sourcing product from Italy to the UK, we identified an opportunity to develop a relationship with the **ETI Italian Agriculture Working Group** to create an in-country project focused on improving labour standards.

To improve modern slavery risk management in UK farming operations we developed a **Modern Slavery Gap Analysis Checklist**, completed on-site, by an independent ethical expert in March 2021. The Gap analysis highlighted the need to implement modern slavery training and increase the visibility, reporting mechanisms and visual signposting in communal areas around the farm. This assesment process is also used to support continuous improvement and encourage the implementation of best practice with our strategic suppliers.

As our risk identification and management approach continues to evolve, we aim to use collective insight from our ETHR Impact Risk Assesment, Second- and Third-Party Audits, Operating Ethically Grower Profiles and Human Rights and Modern Slavery Gap Analysis to identify potential modern slavery hot-spots within the supply chain.

MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS

MODERN SLAVERY KPIs

Our new Ethical Trade and Human Rights Strategy includes clearly defined KPIs and impact metrics so that we can measure our effectiveness and drive continuous improvement.

The key KPIs related to Modern Slavery are:

Area	2021 – 2022 KPI
Ethical trade, human rights & modern slavery due diligence	% of high-risk suppliers audited % of suppliers with grievance reporting mechanisms in place
Assessing & managing modern slavery risks – our business	% improvement on Stronger Together Implementation Checklist and Stronger Together Advanced Business Partner Status % improvement on Stronger Together Progress Reporting Tool score
Assessing & managing modern slavery risks – our supply chain	% suppliers risk assessed before supply
Raising modern slavery awareness & building capacity	% of new starters that have completed a Modern Slavery induction with first 4 weeks of employment % of existing employees completed additional Modern Slavery refresher training by the end of the reporting year % of suppliers engaged through attendance to Modern Slavery training / events during the reporting year

We will report on full progress in our next annual modern slavery statement.

RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY

Our training and capacity building program plays a critical role in increasing awareness and promoting risk reporting within and outside of our business.

All new EFC employees are required to complete **Modern Slavery induction training** including a Stronger Together Modern Slavery Induction within the first few weeks of joining the business. This training is critical to ensure that everyone understands what modern slavery is and how to spot the signs within our supply chains.

During 2020 to 2021 the breadth of our Human Rights and Modern Slavery training was increased to provide formal refresher training for existing employees. We delivered a bespoke FNET online training workshop, attended by our technical, commercial and leadership team. Key members of the **EFC technical and leadership team** also attended Stronger Together Advanced training programmes during the reporting year. This has been fundamental in ensuring everyone has a full understanding of risks and can make informed decisions when developing and reviewing our supply

chain plans.

We also delivered engagements sessions to increase awareness of our new Operating Ethically and Human Rights strategy. This helped to enhance understanding of the key initiatives and intended social impacts in the supply chain we hope to deliver over the next three to five years.

To build awareness and capacity with our suppliers we communicate with and encourage producers in key sourcing countries such as Spain, South Africa and the UK to attend and engage with Stronger Together training and workshops. We horizon scan, share details of upcoming events and monitor attendance to advocate for participation.



TACKLING MODERN SLAVERY

PRIORITIES 2022 – 2023

The implementation of our new Ethical Trade and Human Rights strategy acts as the basis for outlining priority areas for the year ahead.

Our evolved due diligence approach aims to deliver trust by ensuring full ethical compliance before supply, increase transparency through risk assessment and hot-spot identification. Additionally, we will increase visibility of supply chain best-practice through a transition from remote, back to on-site visits and more frequent engagement with our suppliers and customers.

A key focal area for the year ahead is continuing to develop and implement our **policies related to modern slavery**. We have identified the need to strengthen our internal remediation policy and procedure. We will test and evaluate the effectiveness of our remediation approach through risk assessment and work with our most strategic supplier partners.

We will continue to **build modern slavery awareness**, understanding and expertise across the supply chain. **Staff Engagement** activities include a People Week focussing on increasing modern

slavery awareness and the introduction of **modern slavery champions**.

We intend to place greater emphasis on **raising awareness** and **engagement with our suppliers** by hosting a supplier conference. We will include focus on labour standards, responsible recruitment, and common approaches to identifying and mitigating labour and exploitation risks upstream.

Lastly, we will implement a more robust **governance approach** underpinned by monthly and **quarterly KPI reporting** and performance reviews and a modern slavery working group that will meet quarterly to monitor progress against our new strategy. This group will be chaired by the Head of Technical and Ethical sourcing and will be attended by employees from commercial, procurement and technical.

