



ETHICAL FOOD COMPANY

MODERN SLAVERY STATEMENT

1st October 2021 to 30th September 2022

Ethical Food Company aim to provide **Ethical Fresh Produce for Everyone** - for our **Partners**, our **Planet** and our **People**. Our journey started over 30 years ago and our goal since has been to create sustainable relationships with the best growers and to source great tasting fresh produce for shoppers to enjoy.

Today, our clear vision, expertise and passion enables us to continue nurturing relationships with our global producers.

Ethical Food Company (EFC) are committed to collaborating with our customers, suppliers, and growers to guarantee that human rights are respected across the supply chain.

In line with the UK Modern Slavery Act requirements, EFC aim to provide transparency in the actions taken each financial year to reduce modern slavery, human trafficking and forced labour risks within our direct operations and beyond. This annual statement refers to the financial year ending 30th September 2022 and includes the actions implemented over the last 12 months.

The global landscape has continued to present challenges that have material and direct impact on our approach to running a business in the fresh produce sector.

The ongoing impacts of Covid-19, the Ukraine war and extreme global temperatures are factors that cannot be ignored in exposing the inherent vulnerabilities and exploitation risks faced by people working within our supply chain.

We are incredibly proud of the steps we have taken over the last year, particularly in empowering our team to identify risks and recognise the importance of having the right resource in place to enable better monitoring and the implementation of mitigation plans.

Summary of key actions taken over the last 12 months	
1	Implemented our new ethical human rights strategy
2	Achieved Stronger Together Advanced Business Partner status
3	Increased employee awareness through Modern Slavery week
4	Measured new KPI progress, impacts and effectiveness
5	Introduced quarterly ethical governance meetings
6	Increased participation in industry collective action groups
7	Dedicated resource to deliver the company ethical strategy

Our priority for the year ahead is to evolve our risk identification and management approach, to create country specific action plans.

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

Hazel Hunt
CEO



March 2023

OUR BUSINESS & SUPPLY CHAINS

ETHICAL FRESH PRODUCE FOR EVERYONE



EFC are suppliers of organic fresh produce to major UK retailers, wholesale and juicing customers.

We have renewed purpose to include a focus on maximising our positive, social impacts, whilst minimising our environmental impacts, put simply – *Operating Ethically*.



Products

As a team of 32 experts, we manage a complex supply chain year-round and source a wide range of products including, Top Fruit, Grapes, Citrus, Stone Fruit, Avocado, Berries and Exotic Fruit.

In the business financial year (FY) 2021 – 2022 our top 10 organic certified products sourced and supplied by volume were: apples, lemons, pears, easy peelers, grapes, kiwi, avocado, watermelon, oranges, and mangoes.

Sourcing Countries

Our global sourcing strategy aims to improve the consistency of year-round supply and includes local sourcing from within the UK and other European. We also work with producers in New Zealand, the Americas and Africa. Our top 10 sourcing countries by volume in the current reporting year were Italy, Spain, Argentina, Chile, South Africa, Austria, New Zealand, United Kingdom, Netherlands, France and the United States.

Suppliers

Our total supply base comprises 12 primary finished product packing sites, 66 Secondary bulk handling packing sites (of which 10 are categorised as being in high-risk sourcing countries) and 1, 301 tertiary sites (of which 118 are in high-risk countries).



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICIES



GOVERNANCE

Our leadership and senior management teams are responsible, accountable and fully committed to evaluating the effectiveness of the policies, procedures and are responsible for ensuring sourcing practices are in place to identify and manage risks related to modern slavery, human trafficking and forced labour.

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

Our policies are continually reviewed and comply with internationally recognised human rights standards.

The key EFC policies that ensure compliance with the [ETI Base Code](#) and modern slavery risk management procedures are:

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

INTERNATIONALLY RECOGNISED HUMAN RIGHTS STANDARDS

- 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 [UN Global Compact](#)

The next stage in EFC modern slavery policy development during the 2022 – 2023 reporting period is remediation.



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY

SUPPLY CHAIN DUE DILIGENCE

EFC approved suppliers are issued with EFC General Technical Terms and Conditions and EFC Ethical Trade Policy annually. Our internal Operating Ethically Policy and strategy is shared with strategic suppliers to drive engagement and alignment.

It is a mandatory requirement for all approved suppliers to be Sedex registered and complete a self-assessment questionnaire (SAQ). The EFC due diligence team review SAQ responses, monitor compliancy and ensure suppliers are ethically risk assessed.

The Ethical Trade and Human Rights (ETHR) Risk Assessment categorises suppliers as low, medium, or high-risk. High risk suppliers are third-party audited including SMETA, SIZA, Rainforest Alliance, Fairtrade, and GRASP. Going beyond audit, EFC have created a bespoke programme of second-party assessments completed by a team of internal auditors trained in Social Systems Audit. The assessments enable the business to identify better the risk of labour exploitation. Audit and assessment frequency is determined by customer, in-country auditing bodies and or the EFC ETHR Impact Risk Assessment.

[ETI Base Code](#) and [ILO Declaration on Fundamental Principles and Rights at Work](#) outlines conventions for worker grievance mechanisms; a critical step in identifying modern slavery in supply chain. EFC approved suppliers are required to ensure grievance mechanism are in place and sites with more than 50 workers 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, defining mandatory requirements and identifies strategic priority areas for development. A new Ethical Lead has been assigned within the business to be responsible for due diligence, the risk assessment process, primary and high-risk sites audit booking and to ensure that audit and assessment non-conformances (NCs) and critical NCs are closed out on time. Ethical compliance is reviewed weekly, and suppliers are supported to close issues. Performance issues are discussed and escalated in senior team management meetings and in supplier reviews.

ASSESSING & MANAGING MODERN SLAVERY RISKS

OUR BUSINESS

A new ethical trade and human rights strategy launched in 2021 – 2022, outlines 4 strategic areas, including external and internal projects to raise modern slavery risk awareness

Strategic Area	Key Projects
Increase supply chain transparency & increase worker voice through a robust risk based approach	1. Ethical compliancy reporting
	2. Human rights risk assessment
	3. Employee engagement and grievance mechanisms
Build awareness, understanding & expertise across the supply chain	1. EFC capacity gaps & training
	2. Supplier Engagement
Advocate for inclusion & inspire talent at all levels	3. Collective action projects
	1. Gender equality reporting
Support wellbeing in our teams and our local communities	1. Charity engagement
	2. Team fund raising activities

- Modern slavery risks exist principally in our upstream supply chain. We want to protect all workers and the starting place is ensuring the EFC team are well equipped to assess and spot signs of modern slavery, during visits and interactions with suppliers.
- 100% of new EFC team members complete modern slavery induction training within the first few weeks of joining the business.
- We have used [Stronger Together](#) tools to step-change our modern slavery management practice, including the Employer Good Practice Implementation Checklist, where we have improved our score by 2% year on year.
- We have achieved Stronger Together Advanced Business Partner status for the first time, and it will be a priority to complete the Stronger Together Progress Reporting Tool self-assessment in the year ahead.
- We have a new whistleblowing system; there were no adverse issues raised relating to modern slavery or grievances reported in the current reporting period. We plan to brief all employee on the process, so it can be utilised effectively in future, if required.

ASSESSING & MANAGING MODERN SLAVERY RISKS

OUR SUPPLY CHAIN

The EFC Ethical Trade and Human Rights (ETHR) Risk Assessment was developed in consultation with the Food Network for Ethical Trade (FNET) to evolve our due diligence approach beyond a single reliance on third party audits. In the first full year of roll out the risk assessment has enabled increased risk visibility. During the current reporting year, we risk assessed 100% of our suppliers (1,301 growers and 78 PH sites).

Relevant to modern slavery, our risk assessment criteria include: FNET Country Risk Rating, FNET Known Human Rights Risk (Child labour, Forced Labour and Human Rights) and Industry/Labour Type Risk, SEDEX RADAR Labour indicators, second party and third-party assessment findings and worker accommodation mapping. We aim to use the results of our risk assessment to de-risk suppliers by implementing site specific development plans in conjunction with new and existing suppliers.

Over the last 12 months, we have implemented a new process to increase our understanding of site based ethical trade, human rights and modern Slavery risk reduction initiatives by working with key suppliers in our top 10 product and sourcing lists to complete an **Operating Ethically Grower Profile**,

To step-change our risk management approach we recognise the need to identify hot-spots and participate in **collective action projects**. As the UK's largest organic fruit importer sourcing product from Italy, we have developed a relationship with the ETI Italian Agriculture Working Group and are working towards creating a project focused on improving labour standards in Italy.

Concerns of unlawful employment and exploitation in UK labour supply has been a topical and pertinent external factor for us to consider in prioritising our modern slavery de-risking approach in UK farming operations. We have continued to roll out our **Modern Slavery Gap Analysis checklist**, increased our direct engagement with UK labour providers and plan to review our approach to labour declarations with our UK suppliers employing workers under the seasonal worker scheme.

We have started to combine and review our insights from our ETHR Impact Risk Assessment, Second- and Third-Party assessments and audits, **Operating Ethically Grower Profiles** and **Modern Slavery Gap Analysis** to highlight specific modern slavery hot-spots within the supply chain and have initially identified Peru, the UK, Argentina, Chile, and Spain as focal points for de-risking next year.

MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS

MODERN SLAVERY KPIs

Our effectiveness in delivering our plan has been reviewed against new KPIs established in 2021 – 2022. Our progress and ongoing areas of focus are as follows:

Area	2021 – 2022 KPI	Impact	2022 – 2023 Plan
Ethical trade, human rights & modern slavery due diligence	• % of high-risk suppliers audited	• 100% audits completed (118 sites)	• Expand scope to medium risk COO
	• % of suppliers with grievance mechanisms in place	• 95% suppliers, verified by 2nd & 3rd party assessments	• Understand effectiveness to strengthen worker voice & improve risk identification
	• % improvement on Stronger Together Implementation Checklist	• 2% improvement	• Develop remediation approach
Assessing & managing risks	• Stronger Together Advanced Business Partner Status	• Achieved	• Maintain and improve
<i>Our business</i>	• % improvement on Stronger Together Progress Reporting Tool score	• No change YOY	• Implement top 3 PRT action plans
Assessing & managing risks	• % suppliers risk assessed before supply	• 100% (1301 growers and 78 packing sites) risk assessed	• Use data to identify country &/or crop specific modern slavery risks & develop targeted hot-spot actions.
<i>Our supply chain</i>	• % of new starters completed modern slavery induction in first 4 weeks	• 100%	
Raising awareness & building capacity	• % of existing employees completed modern slavery refresher training during the reporting year	• 100%	• Training on UK labour compliance & exploitation risks
	• % of suppliers engaged through attendance to modern slavery training / events during the reporting year	• 5 suppliers engaged (3 in Italy, 2 UK)	• No. & % of suppliers not accurately tracked during current reporting year. • Tracking will be reset in the forthcoming year to capture suppliers invited & participation • EFC Supplier conference Q3 2023

We will continue to report on our progress in the next annual statement.

RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY

Our training and capacity building program over the last year has played a crucial role in helping to empower or team identify and report modern slavery risks within and outside of our business.

We have appointed two modern slavery champions and ran an employee modern slavery awareness week in October 2021, coinciding with the UK's 11 Anti-Slavery Day. The objective was to ensure all team members understand what modern slavery day is, the extent at which modern slavery is prevalent today and why it is important for EFC to be equipped to act.

The week involved external speakers to present and was attended by staff from our office, packhouse and farm operations.

Modern Slavery Week Sessions:

- Hope for Justice: Why modern slavery matters to us?
- Stronger Together: How to spot the signs
- A Fresh produce supplier modern slavery case study

We continue to run quarterly sessions with our team to update on our operating ethically strategy and have increased supplier engagement through on-site visits since covid-19 travel restrictions being lifted.

TEAM MODERN SLAVERY AWARENESS IMPACTS & FEEDBACK



Hope For Justice Session

'I'm a person that like facts and figures and like the way the 40.3 million was broken down into the different categories and also hadn't heard of Hope for Justice before and found what they do very interesting. I now understand what Hope for Justice do and hope we will have more collaboration with them in the future.'

Raising modern slavery awareness in key sourcing countries such as South African Spain and the UK has been a continued priority this year through attendance to Stronger Together Training and workshops

**stronger
together**
tackling hidden labour exploitation

TACKLING MODERN SLAVERY

PRIORITIES 2022 – 2023

We have outlined 3 key areas relating to raising awareness and engagement, modern slavery risk identification and remediation.

1. Stakeholder Engagement and Governance

Increase **Supplier engagement** by hosting a conference, to include a focus on labour standards, responsible recruitment, and labour and exploitation risks identification and mitigation.

Increase **stakeholder engagement** and multi-agency collaboration through FNET and joining the UK Modern Slavery intelligence Network.

Refresh our **governance** approach and KPI reviews by launching a modern slavery working group. This group chaired by the Head of Technical and Ethical sourcing, and Ethical Lead, will be attended by EFC employees across commercial, procurement and technical.

Continue to build modern slavery awareness with our teams through training and engagement activities including a **modern slavery week** and re-invigorating the role of **modern slavery champions**.

2. Risk Identification

We aim to use insights from our ETHR risk assessment to identify the most salient modern slavery risks within our supply chain and plan to create action plans together with suppliers in key countries such as the UK, Peru, Italy, Chile and Argentina.

3. Remediation

We will finalise our remediation policy and procedure and plan to run risk based mock exercises within the supply chain, so that we can understand the effectiveness of our procedures and a better understanding of how to develop remediation plans across the supply chain.

