



ETHICAL FOOD COMPANY

MODERN SLAVERY STATEMENT

1st October 2022 to 30th September 2023

INTRODUCTION

Ethical Food Company is dedicated to supplying **Ethically Sourced Fresh Produce You Can Trust.**

Sourcing and growing from the UK and around the world, we have been at the forefront of supplying organic fresh produce for over 30 years based on long-term, sustainable & mutually beneficial relationships. Committed to making a difference, our plans maximise our positive social, ethical impacts and minimise our environmental footprint.

The ongoing volatility of global supply chains continues to present challenges, risks and vulnerabilities for our business. We recognise our strengths as a business and have taken opportunities over the last 12 months to increase our resilience, amid increasing climate instability and geo-political instability, that will continue to heighten the potential for harm and exploitation directly affecting the people working in our supply chain in years to come.

Through a continuous commitment to collaborating across the supply chain, EFC have been focused on implementing an ethical and human rights due diligence approach to increase transparency and raise awareness through engagement to ensure that human rights of people are protected and respected.

The UK Modern Slavery Act 2015, outlines company obligations to demonstrate transparency in the actions taken each financial year to reduce modern slavery, human trafficking and forced labour risks within our direct operations and wider supply chain.

This annual Modern Slavery statement relates to the financial year ending 30th September 2023 and includes an update on the action plans implemented in EFC own, direct operations and upstream supply chains in the last 12 months.

This is EFCs third modern slavery statement, and as team, we continue to make great strides towards a holistic and mature approach to assessing, identifying and

mitigating modern slavery risks, and have extended the scope of our efforts to educate and empower our team as well as our global supply base in conjunction with our principle manufacturing partner and key customers.

Summary of key actions taken over the last 12 months

1	Renewed our ethical trade and human rights strategic priorities
2	Launched a supplier Modern Slavery and Human Rights due diligence engagement programme
3	Developed a new supplier human rights maturity framework
4	Increased supplier and site level risk assessment to prioritise de-risking action plans
5	Maintained Stronger Together Advanced Business Partner status and increased external stake holder collaboration
6	Continued to measure progress, impacts and effectiveness against our new KPIs
7	Continued quarterly modern slavery governance meetings and industry collective action engagement

For the year 2023/2024 we will continue to implement our de-risking action plans, update our risk assessment to include climate related risks that have the potential to impact people, prioritise the development of our incident response and remediation policy and continue to focus on worker voice and the effectiveness of grievance mechanisms.

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

Hazel Hunt
CEO
March 2024



OUR BUSINESS & SUPPLY CHAINS

ETHICAL SOURCED FRESH PRODUCE YOU CAN TRUST



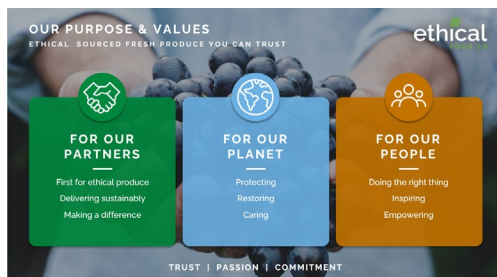
Products

EFC are importers and suppliers of organic fresh produce, including fruit and salads to major UK retailers, wholesale, and processing customers.

As a team of over 30 experts, we manage a global supply chain year-round and source a wide range of organic products including: Top Fruit, Grapes, Citrus, Stone Fruit, Avocado, Berries and Exotic Fruit.

Sourcing Countries

Through our global sourcing strategy we aim to increase the resilience of supply chains and close gaps in our year round supply calendar, so that our customers can strengthen their organic offering for consumers. EFC source locally from the UK where seasonality and cropping allows, this is particularly relevant to the top fruit (specially apple) category. We also work closely with producers in 18 sourcing countries within Europe, the Oceania, Americas and Africa. Our crops are sourced from 8 countries categorised as high risk from an ethical point of view including; Argentina, Brazil, Dominican Republic, Egypt, Kenya, Mexico, Peru and South Africa, which are linked to 25% to total volume sourced, annually.



Suppliers

During the reporting year, our supply base comprised a total of 72 suppliers (categorised as producer marketing organisations or exporters) and 1,415 growers. Product was handled across 100 packing sites (34 in high risk countries), 14 primary finished product packing sites and 86 tier 2 bulk handling sites.



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICIES



GOVERNANCE

The EFC senior leadership team is accountable for the company ethical trade, human rights and modern slavery approach. The CEO and Head of Technical and Ethical sourcing define the strategic direction and are fully committed to ensuring the right resource and structure is in place to deliver the agreed priorities and objectives which are reviewed at least annually.

The appointment of the new EFC Ethical lead in 2022, responsible for ethical compliance and strategic delivery, has enabled an improved implementation and management of KPIs used to evaluate the effectiveness of the policies, procedures and ethical sourcing practices in place to identify and manage risks related to modern slavery, human trafficking and forced labour.

EFC policies are continually reviewed and the company human rights due diligence approach is underpinned by alignment to and compliance with 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](#)

EFC policies related to modern slavery risk management procedures are:

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

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

The EFC supplier due diligence process ensures that ethical trade and human rights compliance is adhered to and is a mandatory condition of approval to supply. All suppliers are issued with EFC General Technical Terms and Conditions and EFC Ethical Trade Policy annually. The internal Operating Ethically Policy and strategy is shared with strategic suppliers to drive engagement and alignment throughout the supply chain.

All programmed approved suppliers are required to be Sedex registered and must complete a Sedex self-assessment questionnaire (SAQ). The EFC due diligence team review SAQ responses, monitor compliancy and ensure suppliers are ethically risk assessed and track performance periodically to identify and close any compliance gaps.

The [ETI Base Code](#) and [ILO Declaration on Fundamental Principles and Rights at Work](#) outline conventions for worker grievance mechanisms; a critical step in identifying modern slavery in the supply chain. EFC approved suppliers are required to ensure grievance mechanisms are in place and sites with more than 50 workers are required to have a freely elected worker committee or trade union.

Ethical Trade and Human Rights (ETHR) Risk Assessment

All suppliers and sites are risk assessed through the bespoke EFC ETHR which is used to categorise 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. The assessments enable the business to better identify the risk of labour exploitation. Audit and assessment frequency is determined by customer, in-country auditing bodies and or the EFC ETHR Risk Assessment.

Governance & Expertise

EFC 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 Ethical Lead manages and is responsible for due diligence, the risk assessment process, primary and high-risk sites audit booking and that audit and assessment non-conformances (NCs) and critical non-conformances (CNCs) are closed out on time. Ethical compliance is reviewed weekly, and EFC support suppliers to close off issues as required. Systemic performance issues are discussed and escalated in leadership and board meetings, in supplier reviews and in company wide periodic ethical, human rights and modern slavery meetings.

ASSESSING & MANAGING MODERN SLAVERY RISKS

SUPPLY CHAIN DUE DILIGENCE

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. 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, SEDEX Inherent Risk Rating, GSI (modern Slavery Scoring), Climate Change Impact second party and third-party assessment findings and accommodation mapping.

Salient Risks

Last year we identified the need to make our approach more sensitive to identifying the most salient areas of risk and vulnerabilities; during the current reporting year we risk assessed 100% of our suppliers and sites leading to the development of hot-spot and de-risking action plans in Chile, Argentina, Peru, UK, Spain and Italy.

Based on the identified salient risk areas, as part of the risk management approach, we continue to participate in collective action projects, including Seasonal Workers Scheme Roadshows, the FNET risk assessment working group and the Ethical Trade Initiative (ETI) Italian Agriculture Working Group that has evolved into the ETI Grievance Mechanism in Agriculture project focused on migrant labour risks in Spain and Italy.

In the last year, we have also participated as active members of a new FNET climate and human rights working group.



Through our participation and enhanced understanding from collective action groups, we have further identified the need to increase the scope of our human rights risk assessment criteria to include climate risk indicators, and using data from the World Wildlife Fund (WWF) water and biodiversity indicator will be able to identify the key sourcing regions in the long term where climate has the potential to further impact human rights and increase risks of forced labour and modern slavery directly related to displacement which increases the level of migration.

ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY

SUPPLY CHAIN DUE DILIGENCE



We identified the need to increase multi-stakeholder engagement and governance, as a key strategic priority last year. Our plan to increase supplier engagement was implemented through the launch of a virtual supplier workshop in July 2023, focused on modern slavery and human rights due diligence covering the principles of and data related to modern slavery risks in the fresh produce supply chain, human rights due diligence, responsible recruitment and procurement practices and retailer commitments/expectations related to risk management and incident management including reporting and remediation.

The first year of supplier engagement was considered successful and was introduced by our CEO, led by the EFC modern slavery champions and including participation from the Head of People at our principal manufacturing partners as well as a key UK retail customer. 28 EFC suppliers attended the workshop.

To further manage and understand risk as well as the capabilities within our supply chain (to address and manage risk) over the last 12 months, we have developed a new process to increase our understanding of site based ethical trade, human rights and modern Slavery capability with suppliers through a human rights maturity framework (including an assessment of suppliers approach to identifying and addressing modern slavery risks).



ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY

SUPPLY CHAIN DUE DILIGENCE



Following the successful identification and reporting of a modern slavery incident within our principle UK based manufacturing facility we have strengthened our approach by proactively reporting the incident to our key retail customers and worked collaboratively with the manufacturing operation, Kent police and customers to run modern slavery awareness and engagement sessions. The modern slavery victim was remediated and repatriated to their home and the perpetrators remain in custody.

Concerns of unlawful employment and exploitation in the UK labour supply are an ongoing priority in manufacturing and farming operations.

We continue to use our **Site Modern Slavery Checklist**, have 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 as this was identified as a priority in last years report, though was not sufficiently addressed.

We have initiated the rigorous application process to join **the Modern Slavery Intelligence Network** (MSIN) and it will be a priority to join the network and share our modern slavery data and insight across the industry in 2023/24.



ASSESSING & MANAGING MODERN SLAVERY RISKS

OUR BUSINESS

Our ethical trade and human rights strategy outlines 4 strategic areas of focus, including external and internal initiatives linked to raising modern slavery awareness.

Strategic Area	Key Projects
Increase supply chain transparency through a robust risk-based human rights DD approach and increase workers' voice through a robust risk approach	<ol style="list-style-type: none"> Ethical compliancy reporting Human rights risk assessment Grievance mechanism and their effectiveness
Build ethical trade and human rights awareness, understanding & expertise across the supply chain	<ol style="list-style-type: none"> EFC capacity gaps & training Supplier Engagement Collective action projects
Advocate for inclusion & inspire talent at all levels	<ol style="list-style-type: none"> Gender equality reporting
Support wellbeing in our teams and our local communities	<ol style="list-style-type: none"> Charity engagement Team fund raising activities

The EFC team are employed on permanent contracts, which means that modern slavery risks exist principally in our upstream supply chain. We do not underestimate our ongoing responsibility and duty of care to protect people in the supply chain and by educating and empowering our team we ensure that everyone well equipped to assess and spot signs of modern slavery, which is particularly important when visiting supplier sites and interaction with suppliers and the workforce.

We have continued to utilise **Stronger Together** Tools to step-change our modern slavery management practices. The Stronger Together Employer Good Practice Implementation Checklist, has driven a 4% improvement in our score year on year. We have maintained our **Stronger Together Advanced Business Partner** status for the second year, and completed the Stronger Together Progress Reporting Tool self-assessment this year, where we have seen an 11% improvement and have identified three key areas (remedy, commitments and monitoring) to focus on for the year heads.

In it's second year, the confidential whistleblowing system for has not identified any workplace grievances during the current reporting period

RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY

During the current reporting year we have improved our approach to monitoring training and capacity building within our internal teams through modern slavery training, Induction training, Stronger Together training and participation in The **Food Network for Ethical Trade (FNET)** forums.

To continually increase our knowledge and contribution to wider industry progress, the Head of Technical and Ethical Sourcing and Ethical Lead continue actively participate in industry collective action initiatives, this year we have notably made significant contributions FNET risk assessment working group and climate change and human rights working group through a review and assessment of tools that can be used to increase data visibility of intersecting climate and social risk indicators.

We started planning for the delivery of our biennial modern slavery awareness day aligned to the UK's anti-slavery day and aimed at engaging all employees, working with external parties (NGOs and customers) took place in the current reporting period, details and outcomes of which will be reported in our next modern slavery statement (23/24).

We continue to ensure that 100% of new EFC complete modern slavery induction training within the first 4 weeks of joining the company.

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

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



MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS

MODERN SLAVERY KPIS

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

Area	2022 – 2023 KPI	Impact	2023 – 2024 Plan
Ethical trade, human rights & modern slavery due diligence	<ul style="list-style-type: none"> • % of high and medium-risk suppliers audited • % of suppliers with grievance mechanisms in place 	<ul style="list-style-type: none"> • High Risk 90% audits completed (246/272 sites) • Medium Risk 98% audits completed (1216/1243 sites) • 95% suppliers, verified by 2nd & 3rd party assessments 	<ul style="list-style-type: none"> • use audit findings to identify modern slavery indicators and de-risking priorities specific to modern slavery • No. of sites with NCs that indicate insufficient or ineffective grievance mechanisms.
Assessing & managing risks	<ul style="list-style-type: none"> • % improvement on Stronger Together Implementation Checklist • Stronger Together Advanced Business Partner Status 	<ul style="list-style-type: none"> • 4% improvement • Achieved 	<ul style="list-style-type: none"> • Develop remediation approach • Maintain and improve
Our business	<ul style="list-style-type: none"> • % improvement on Stronger Together Progress Reporting Tool score 	<ul style="list-style-type: none"> • 11% improvement 	<ul style="list-style-type: none"> • Implement top 3 PRT action plans
Assessing & managing risks	<ul style="list-style-type: none"> • % suppliers risk assessed before supply 	<ul style="list-style-type: none"> • 100% (1,415 growers and 100 packing sites) risk assessed • Development of plans for UK, Spain and Italy 	<ul style="list-style-type: none"> • use insights from risk assessment to identify the most salient modern slavery risks within our supply chain that intersect with climate change related risks to develop longer term mitigation strategies.
Our supply chain	<ul style="list-style-type: none"> • % of new starters completed modern slavery induction in first 4 weeks • % of existing employees completed modern slavery refresher training during the reporting year 	<ul style="list-style-type: none"> • 100% • 100% 	<ul style="list-style-type: none"> • Training on UK labour compliance & exploitation risks • introduce external stakeholders for selected quarterly MS meetings
Raising awareness & building capacity	<ul style="list-style-type: none"> • % of suppliers engaged through attendance to modern slavery training / events during the reporting year 	<ul style="list-style-type: none"> • 8 Suppliers attending ETF Spain events, 2 Suppliers attending S2G RSA • 28 suppliers attending EFC Modern Slavery virtual supplier workshop 	<ul style="list-style-type: none"> • Continue to increase supplier presence • EFC 2nd virtual supplier workshop • 1-2-1 modern slavery sessions with suppliers

TACKLING MODERN SLAVERY

PRIORITIES 2023 – 2024

The on-going implementation of our ethical trade and human rights strategy is used to define priority areas for the year ahead. We have outlined three key areas relating to modern slavery risk identification, raising awareness and mitigation.

1. Multi-Stakeholder Engagement and Governance

- Continue to drive **Supplier engagement** by hosting a second year supplier conference & 1-2-1 sessions with suppliers
- Increase **stakeholder engagement** and multi-agency collaboration through ongoing participation in FNET and completing the application process to join the UK Modern Slavery intelligence Network.
- Continue to build modern slavery awareness with our teams through training and engagement activities including a **Modern Slavery day held in October**

2. Beyond Risk Assessment

- We aim to roll out our human rights due diligence maturity framework to suppliers, to better align and understand the approach to identifying, address and managing modern slavery risks, starting with Tier 1 sites.
- We will implement targeted hot spot actions for the UK, Italy, Spain, Chile and Argentina including increased engagement and site specific plans agreed at the beginning of each season.
- We aim to use insights from risk assessment to identify the most salient modern slavery risks within our supply chain that intersect with climate change related risks to develop longer term mitigation strategies.

3. Incident Response Plan and Remediation Policy

- We will develop an incident response plan to better enable the business and suppliers to respond to serious incidents and allegations, whilst continuing to focus on finalising 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.

