



# ETHICAL FOOD COMPANY

## MODERN SLAVERY STATEMENT

1st October 2023 to 30th September 2024

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# INTRODUCTION



Ethical Food Company is dedicated to supplying Ethical 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. We are committed to making a difference, our plans maximise our positive social, ethical impacts and minimise our environmental footprint.

This annual Modern Slavery statement has been published in accordance with Section 54 of the UK Modern Slavery Act 2015. It covers the EFC financial year from October 1, 2023, to September 30, 2024. We recognise our obligation to demonstrate transparency in our efforts to reduce risks related to modern slavery, human trafficking, and forced labour within our direct operations and broader supply chain. This document provides an update on the action plans implemented in EFC's direct operations and upstream supply chains during this period.

This is our fourth modern slavery statement and as per previous years, we continue to make strides towards a holistic and mature approach to assessing, identifying and mitigating modern slavery risks, educating and empowering our team as well as our global supply base.

Global supply chain volatility poses challenges and vulnerabilities for our business. We acknowledge our strengths and have worked to enhance resilience against climate and geopolitical instability, recognising the ongoing risks to individuals in our supply chain in the future.

EFC has been dedicated to promoting and implementing ethical and human rights due diligence, enhancing transparency and fostering awareness through engagement and collaboration across the global supply chains and industry partners.

In 2024/2025, we will continue to implement our de-risking action plans, focusing on salient risks in key sourcing countries. We will share our maturity framework and incident and allegation management policy with our Tier 1 sites. Additionally, we aim to become members and be on the governance committee of the Modern Slavery International Network.

This statement has been approved by the Ethical Food Company Board of Directors.

Hazel Hunt, CEO, February 2025

# ACTIONS



Over the last 12 months we have:

1. Renewed and updated our ethical trade and human rights strategic priorities
2. Implemented our new Integrated Human rights risk assessment tool, including new inherent modern slavery, climate change and gender-related indicators.
3. Salient Risk Approach and Modern Slavery 121 sessions online, and at source in Italy, Spain, the Netherlands and New Zealand
4. Launched human rights maturity framework and assessment
5. Hosted effective grievance mechanisms in agriculture global supplier webinar
6. Continued to measure progress, impacts and effectiveness against our new KPIs
7. Continued quarterly modern slavery governance meetings and industry collective action engagement.
8. Launched a serious incident & allegation management policy and procedure, including modern slavery and remediation.
9. Delivered Modern Slavery Training (initial or annual refresher) to all direct employees

# OUR BUSINESS & SUPPLY CHAINS



EFC are importers and suppliers of organic fruit and organic ambient salads to major UK retailers, wholesalers and processing customers.

As a team of 33 experts, we manage a global supply chain to deliver year-round availability of a range of organic products, including Top Fruit, Citrus, Grapes, Avocado, Berries, Salads, Stone Fruit and Exotic fruit.

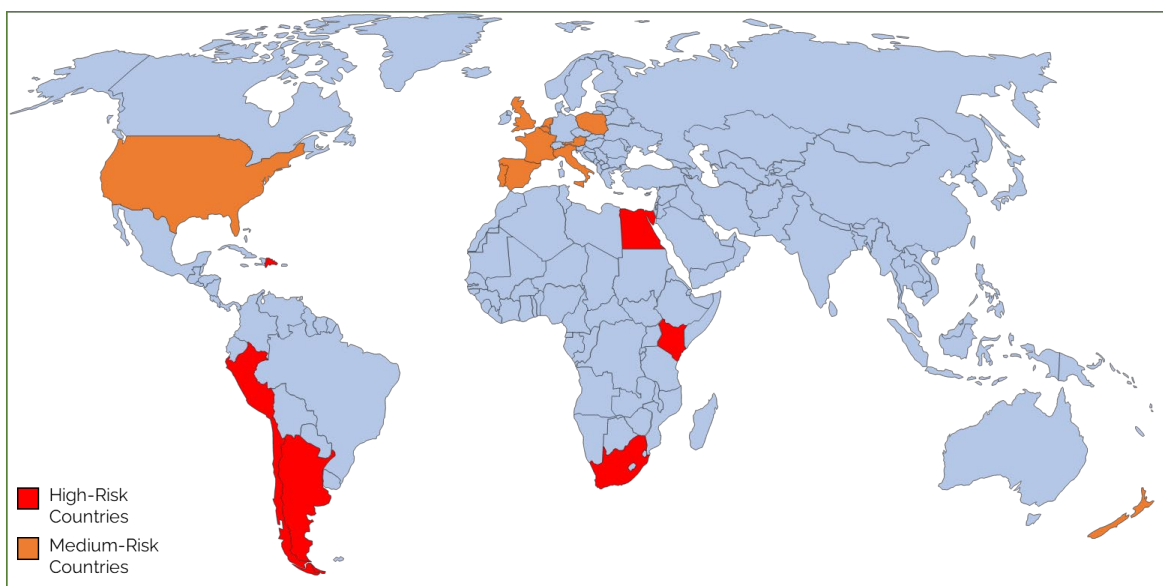
## Sourcing countries

We have been developing a resilience strategy to close supply gaps and create sustainable availability in our supply chain. We source from the UK where seasonality and growing conditions allow, in particular, organic apples and organic salad crops. In the last financial year, we have sourced from 18 countries across Europe, the Americas, Africa and Oceania. Our 10 top sourcing countries by volume were Italy, Argentina, Spain, Chile, South Africa, New Zealand, France, the Netherlands, Austria, and the United Kingdom. Our produce was sourced from 7 high risk countries, these were: Argentina, Chile, South Africa, Peru, Kenya, Dominican Republic, Egypt.

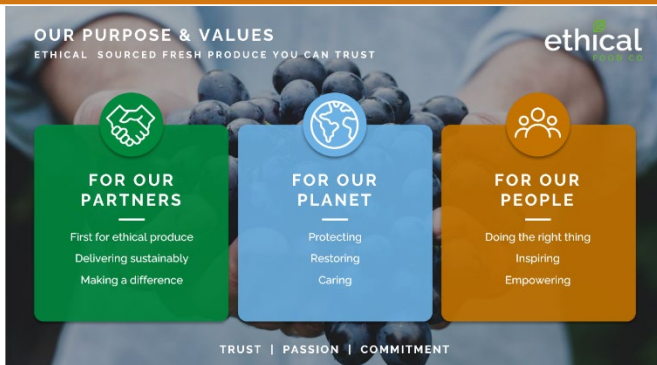
## Suppliers

We have worked with 69 producer marketing organisations and 1331 growers globally. The product was handled across 86 bulk packing facilities and 12 primary packing sites.

Out of the above, 23 packing facilities and 135 growers were based in high-risk countries, with the total volume of our product sourced from high risk countries being 23% by weight.



# ETHICAL TRADE, HUMAN RIGHTS MODERN SLAVERY POLICIES



EFC policies are reviewed annually and 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 *ETI'Base' Code* and the *UN'Global'Compact*.

Our policies linked to our action against modern slavery risks:

- EFC General Technical Terms and Conditions
- EFC Ethical Trade Policy
- EFC Operating Ethically Policy
- Serious Incident and Allegation Management Policy and Procedure (developed and introduced last year)
- Responsible Recruitment Policy
- Anti-Harassment and Bullying Policy
- Grievance Policy
- Whistle Blowing Policy

## Senior Team Commitment and Governance

The EFC Senior Leadership Team is accountable for the company's ethical trade, human rights and modern slavery approach.

The CEO and Head of Technical and Ethical Sourcing define the strategic direction and are accountable for ethical, human rights and modern slavery compliance, the implementation of mandatory requirements and identifying strategic priority areas for development.

The Ethical Lead is responsible for ethical compliance and strategic delivery. Ethical Lead manages and is responsible for due diligence, the risk assessment process, KPIs, our ethical expectations of suppliers, investigating serious issues and highlighting to our business when and where these are not being met.

Ethical compliance is reviewed weekly. EFC supports suppliers to rectify immediate issues and identify longer-term improvement plans. Any systemic performance issues are discussed and escalated in EFC board meetings, supplier reviews and in company-wide periodic ethical, human rights and modern slavery meetings.

All EFC staff are accountable for the upholding of our Ethical requirements and values of the company in their day to day operations. All EFC staff are trained in being able to identify any signs of modern slavery and the correct reporting channels to use where indicators are present.

# 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 supplying sites in our first and second tiers are required to be Sedex registered and must complete a Sedex self-assessment questionnaire (SAQ).

The EFC due diligence team review SAQ risk rating and 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 the 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.

All supplying sites (growing and packing) are risk assessed through the bespoke EFC Ethical Trade and Human Rights (ETHR) Risk Assessment tool, 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 third party audits, EFC have created a bespoke programme of second-party assessments completed by a team of internal auditors trained in Social System auditing.

The assessments enable the business to better identify the risk of labour exploitation where risk has been deemed the greatest.

Audit and assessment frequency is determined by customer, in-country auditing bodies and or the EFC ETHR Risk Assessment.

As part of the due diligence process, EFC actively encourages suppliers to be collaboratively engaged with leading industry programs (in country wherever available) and make use of the tools and resources available such as:

- Ethical Trade Forum in Spain
- ETI Projects in Italy and Spain
- Stronger Together in UK, South Africa and USA
- Ethical Trade Forum in Egypt



# ASSESSING & MANAGING MODERN SLAVERY RISKS: OUR SUPPLY CHAIN



The EFC Ethical Trade and Human Rights (ETHR) Risk Assessment was developed in 2020 in consultation with the Food Network for Ethical Trade (FNET) to improve our due diligence approach and extend our strategy beyond reliance on third party audits alone.

Since its inception, the risk assessment has evolved further to enabled increased risk visibility.

Through our participation in and enhanced understanding from collective action groups, we identified the need to increase the scope of our human rights risk assessment criteria to include climate risk indicators.

Using data from the World Wildlife Fund (WWF) water and biodiversity indicator we are able to identify the potential long term impacts that climate change has on human rights and the increased risks of forced labour and modern slavery directly related to displacement driven migration.

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, France, UK, Spain and Italy.

We have identified our salient risks based on our integrated risk assessment, collaboration with other stakeholders in the fresh produce and food industry and the risks identified through third party audits.

Relevant to modern slavery, our risk assessment criteria include:

- FNET country risk rating
- Sedex Country and Sector risk rating
- Global Slavery Index Risk Rating
  - Prevalence
  - Vulnerability
  - Govt response
- FNET known Human Rights risks
  - Human Rights
  - Child Labour
  - Forced Labour
- Climate Change impacts on Human Rights risks
  - Water Quality and Access
  - Biodiversity
- Vulnerable worker risks
  - Female Workers
  - Migrant Workers
  - Temporary Workers
  - Agency Labour
  - Workers in employer accommodation
- Sedex SAQ risk rating



# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY IN OUR BUSINESS



During the current reporting year we have improved our training and capacity building within our internal teams through modern slavery training, induction training and participation in FNET forums.

We continue to ensure that 100% of new EFC staff complete our interactive modern slavery induction training within the first 4 weeks of joining the company and that existing staff receive the training on an annual basis.

## Our interactive training session:

- Modern slavery definition
- Types of modern slavery
- Global scale of modern slavery
- ILO indicators of modern slavery
- Vulnerable workers
- Methods of gaining control
- Spotting the signs of modern slavery
- Stronger Together video "Daniel & Weronika"
- How to report suspected cases of modern slavery

We delivered our modern slavery awareness day aligned to the UK's anti-slavery day in October 2023.

The purpose of the event was to further raise awareness within our staff colleagues and give them insight into strategies from multiple stakeholders and the collaboration required to reduce the risks and provide effective remedy where cases are identified.

The training and engagement event involved a presentation of a case study from within our immediate supply chain, accompanied by presentations from external speakers representing a major UK retailer and a global charity working directly with victims and survivors.

## Our group anti-slavery day event:

- Hope for Justice presentation
  - Anti-slavery day
  - Types of modern slavery
  - Hope for Justice's work
  - Hope for Justice's impact
  - Spotting the signs
- Case Study: Modern Slavery case in our operations
  - Timeline of events
  - Our actions
  - Our ongoing vigilance
- Modern Slavery: A retailer approach
  - Tesco's approach to modern slavery
  - Tesco's HR Strategy
  - Tesco's Modern Slavery Strategy and Priorities
  - Tesco's ask of suppliers

# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY IN OUR SUPPLY CHAINS



To help us understand the level of awareness of our suppliers regarding the risks of modern slavery in their businesses, and to identify their capacity for controlling and mitigating those risks, we have created a Maturity Framework. This is a substantial assessment of a business' management systems and approach to identifying and addressing modern slavery risks). It is a bespoke tool for identifying areas of risk and suitable measures to implement in order to strengthen those controls.

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 an annual virtual supplier workshop.

In July 2023 we held the first of these workshops, focused on the management of modern slavery risks within human rights due diligence.

To make these sessions as engaging and informative as possible we invite multiple stakeholders from within fresh produce supply chains to compliment the content provided by EFC.

After the success of our initial workshop in engaging with a global supply base, and increasing awareness, we were eager to repeat and aim to expand on the reach for this year's event in July 2024.

We identified that worker voice, equitable engagement with management and the empowerment of workers in order

to raise issues in a suitable and effective way is a key first step in highlighting hidden labour exploitation within supply chains.

Therefore our second annual workshop for suppliers in July 2024 was to emphasise the importance of effective Grievance Mechanisms and access to remedy as per the UN Guiding Principles,



## Our Supplier Workshop: "Effective Employee Engagement and Grievance Mechanisms"

- Update on our progress against Modern slavery risks
- Employee Engagement and Grievance Mechanisms
  - Pillars of the UNGPs
  - UN Effectiveness Criteria
- ETI insight from ETI GMA project
  - What good looks like
  - Barriers to effective GMs
- A grower's insight into effective engagement and GMs
  - Practical solutions for effective engagement and GMs

# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY IN OUR SUPPLY CHAINS



To further raise awareness and build capacity within our supply chains, we have conducted our interactive training sessions on a 1-2-1 basis with key suppliers across our global supply chains.

In 2023-2024 we have visited and conducted 11 1-2-1 Modern Slavery Sessions for suppliers in New Zealand, Netherlands, Italy and Spain. These were held at PMO level, packhouse level and on growing sites.

Through these sessions we are aiding suppliers in identifying signs and risks of modern slavery, and helping them to increase their controls against the risks.

## 2023-2024 Modern Slavery 1-2-1 highlights

- 11 sessions in total
- 3 Organic Apple supply chains in New Zealand
- 2 Organic Pear supply chains in Netherlands
- 3 Organic Grape and Kiwi supply chain in Italy
- 1 Organic Citrus supply chain in Spain



EFC is an active member of FNET and is represented within many working groups focussing on climate change impacts on human rights, due diligence tools for ethical trade, and best practice for empowering workers.

Based on the identified salient risk areas, as part of the risk management approach, we continue to participate in collective action and collaborative projects.

## Collaborative Projects

- Food Network for Ethical Trade (FNET)
  - Common Due Diligence Tools
  - Empowering Work
  - Climate Change Impacts on Human Rights
- Ethical Trade Initiative (ETI)
  - Grievance Mechanisms in Agriculture (Italy & Spain)
  - Responsible Purchasing Practices

For our UK supply chains we actively encourage collaboration with Stronger Together and that suppliers use the tools and resources available from them.

We require that the Modern Slavery Helpline is communicated to all workers on those sites and that the Just Good Work app is promoted to all workers.

# MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS



Area	2023-24 KPIs	Progress made
<b>ETHICAL TRADE, HUMAN RIGHTS &amp; MODERN SLAVERY DUE DILIGENCE</b>	<p>Review and increase visibility in medium-risk countries working towards 100% in high risk countries</p> <p>Report on audit NCs that may indicate increased risk concerning modern slavery risks</p> <p>Build understanding of grievance mechanisms' effectiveness, strengthen worker's ability to report issues and improve risk identification</p>	<ul style="list-style-type: none"> <li>100% high-risk suppliers (158 sites)</li> <li>98% medium risk (1250 out of 1271)</li> <li>Across the supply base, indicated risk in descending order: working hours, worker contracts, wages, accommodation, discrimination policy, subcontracted workers</li> <li>99 % documented grievance processes assessed by audit programs.</li> <li>EFC supplier webinar on Effective grievance mechanism in global agriculture, 37% of suppliers (56% of volume)</li> </ul>
<b>ASSESSING &amp; MANAGING MODERN SLAVERY RISKS – OUR BUSINESS</b>	<p>% improvement on Stronger Together Implementation Checklist</p> <p>Implement top 3 PRT action plans to improve score next year</p> <p>Development of remediation policies and response procedure.</p>	<ul style="list-style-type: none"> <li>93% on the Stronger Together Implementation Checklist (increase from 86% previous year)</li> <li>Maintained Stronger Together Advanced Business Partner Status</li> <li>54% PRT (increase from 40% previous year, improvement driven by new policy, risk assessment improvement, training and governance)</li> <li>Implementation of the Serious Incident and Allegation Policy and Procedure, which includes our remediation approach.</li> <li>Completed EFC Ethical Maturity Framework with Intermediate score</li> </ul>
<b>ASSESSING &amp; MANAGING MODERN SLAVERY RISKS – OUR SUPPLY CHAIN</b>	<p>Use risk mapping data to identify country and product specific modern slavery risks and develop targeted hot-spot reduction plans.</p>	<ul style="list-style-type: none"> <li>Introduction of integrated Human Rights, Modern Slavery &amp; Climate Change risk assessment</li> <li>100% (1331 growers and 98 packing sites) risk assessed</li> <li>6 countries with targeted actions: United Kingdom, Peru, Italy, Spain, Chile, and Argentina</li> </ul>
<b>RAISING MODERN SLAVERY AWARENESS &amp; BUILDING CAPACITY</b>	<p>EFC business</p> <p>Supply chain: Suppliers engaged through attendance to modern slavery training/events during the reporting year</p>	<ul style="list-style-type: none"> <li>100% of existing employees completed refresher training by the end of the reporting year</li> <li>Delivered Modern Slavery Week October 2023: UK labour exploitation risk</li> <li>Engagement with SWS: 50% of UK suppliers (60% of UK by volume). Remainder of UK supply onboarded '23-24 to be included '24-25.</li> <li>Spanish Ethical Forum 8 Suppliers attended events in 2023-2024.</li> <li>37% of suppliers engaged through EFC supplier workshop (56% of supply by volume)</li> <li>11 supplier specific Modern Slavery 121 (22% of supply by volume)</li> </ul>

# TACKLING MODERN SLAVERY: PRIORITIES 2024 – 2025



## ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY DUE DILIGENCE

- Continue our periodic MS KPIs reporting.
- Report on the number of modern slavery allegations and confirmed cases within own operations and the supply chain

## ASSESSING & MANAGING MODERN SLAVERY RISKS - OUR BUSINESS

- Stronger Together maintains current status and works towards Verified Business Partner
- EFC Maturity Framework – work through improvement plan

## ASSESSING & MANAGING MODERN SLAVERY RISKS - OUR SUPPLY CHAIN

- Share our approach and serious incident response policy and procedure with our Tier 1 suppliers to promote best practices and strengthen grievance mechanism processes within their business
- Roll out our human rights due diligence maturity framework to key Tier 1 suppliers, to better align and understand the approach to identifying, addressing and managing modern slavery risks,
- 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, including increased engagement and site specific plans, starting with the country of focus: United Kingdom, France, Italy, Spain, Chile, and Argentina

## RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY

- Continue to host webinars, encourage participation in collaborative action groups and training to build capability and capacity to manage risk within own operation and supply chain
  - i. Continue supplier engagement by hosting a third year supplier conference and encourage engagement in the Spanish Ethical Trade Forum, Stronger Together (UK, RSA, US), Seasonal Workers Scheme (UK), ETI WG GMA (Italy & Spain)
  - ii. Supplier 121: continue with suppliers at higher risk of modern slavery as identified by our Risk Assessment and Horizon Scanning
  - iii. Continue to deliver internal engagement Modern Slavery Awareness activities in October 2025
- Continue to increase stakeholder engagement and multi-agency collaboration: finalise the application process to join the UK Modern Slavery Intelligence Network and grow our role as a trusted partner.
- Continue our periodic company modern slavery meetings and working group, chaired by Ethical Lead