



FY21
Sustainability
Report

1st September 2020 – 31st August 2021

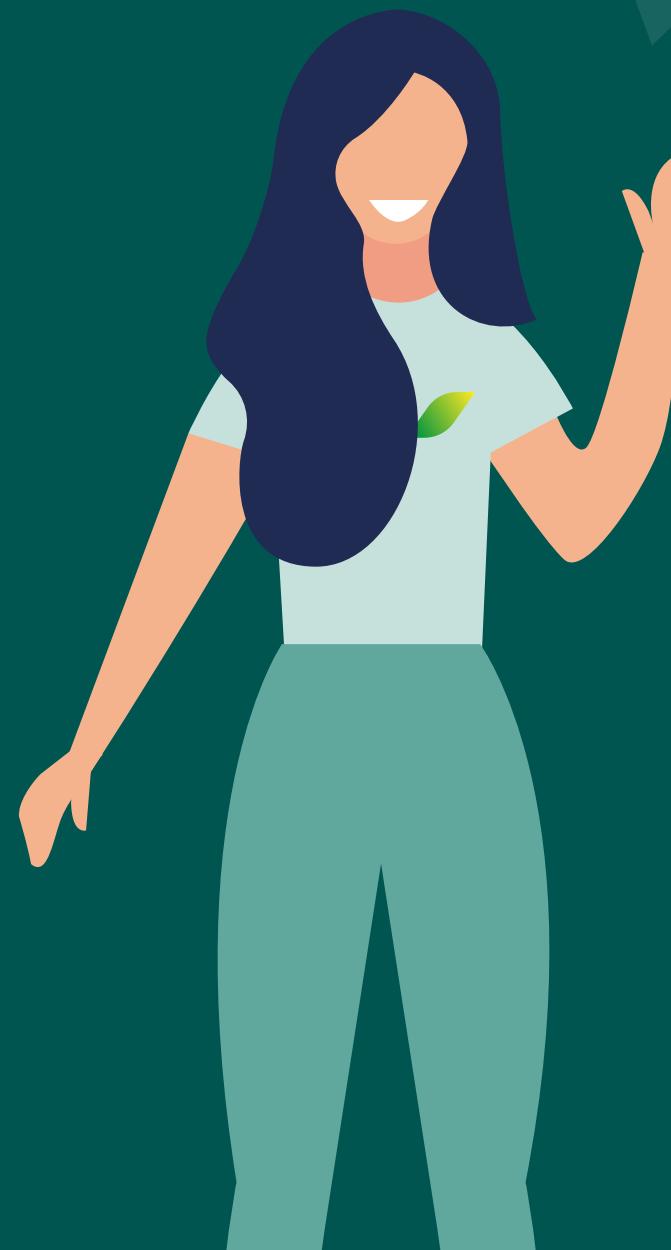


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Welcome to AM FRESH's second Sustainability Report



Alvaro Muñoz
Chief Executive
Officer



Naomi Pendleton
Group Sustainability
Director

Welcome to AM FRESH Group's second annual Sustainability Report. We are pleased to share our performance and progress during our last financial year, Sept' 2020 -Aug' 2021.

2020 marked an important step up in our motivation and mission towards becoming one of the most sustainable fresh produce businesses globally. Setting out our ambitious work programmes and strategy and bedding it in across all our business units worldwide has been our main focus and I am pleased to report, that despite the ongoing COVID pandemic, BREXIT and the escalating effects of climate change, we have made steady progress.

We could not have made this progress without acknowledging the great support of all our employees, our supply chain partners and stakeholders, retail customers, NGOs and academic institutions. At AM FRESH, we know that collaboration is crucial to solve industry challenges. Climate change is at a critical tipping point and the recent COP26 has brought this to the fore and we feel a renewed sense of purpose, passion, and urgency. We hope that you find this report informative and inspiring. Please do get in contact with us, if you feel that you can join us on our next chapter.



About AM FRESH Group

AM FRESH Group is a privately owned FRESH food business founded in 1931 in Murcia, Spain and now operates across the globe. AM FRESH is focused on leading innovation and varietal development through biotechnology and agricultural production. Headquartered in Madrid, we provide end to end supply chain management of citrus fruits, table grapes, tropical fruits, vegetables, fresh plant-based foods and juices.

 **+90 YEARS**
IN GLOBAL AGROBUSINESS
& BESPOKE RETAIL
PARTNERSHIPS

 **€1,2 BN**
SALES REVENUE

 **5.700**
WORLDWIDE EMPLOYEES

 **400 MILL kg**
ANNUAL CITRUS VOLUME

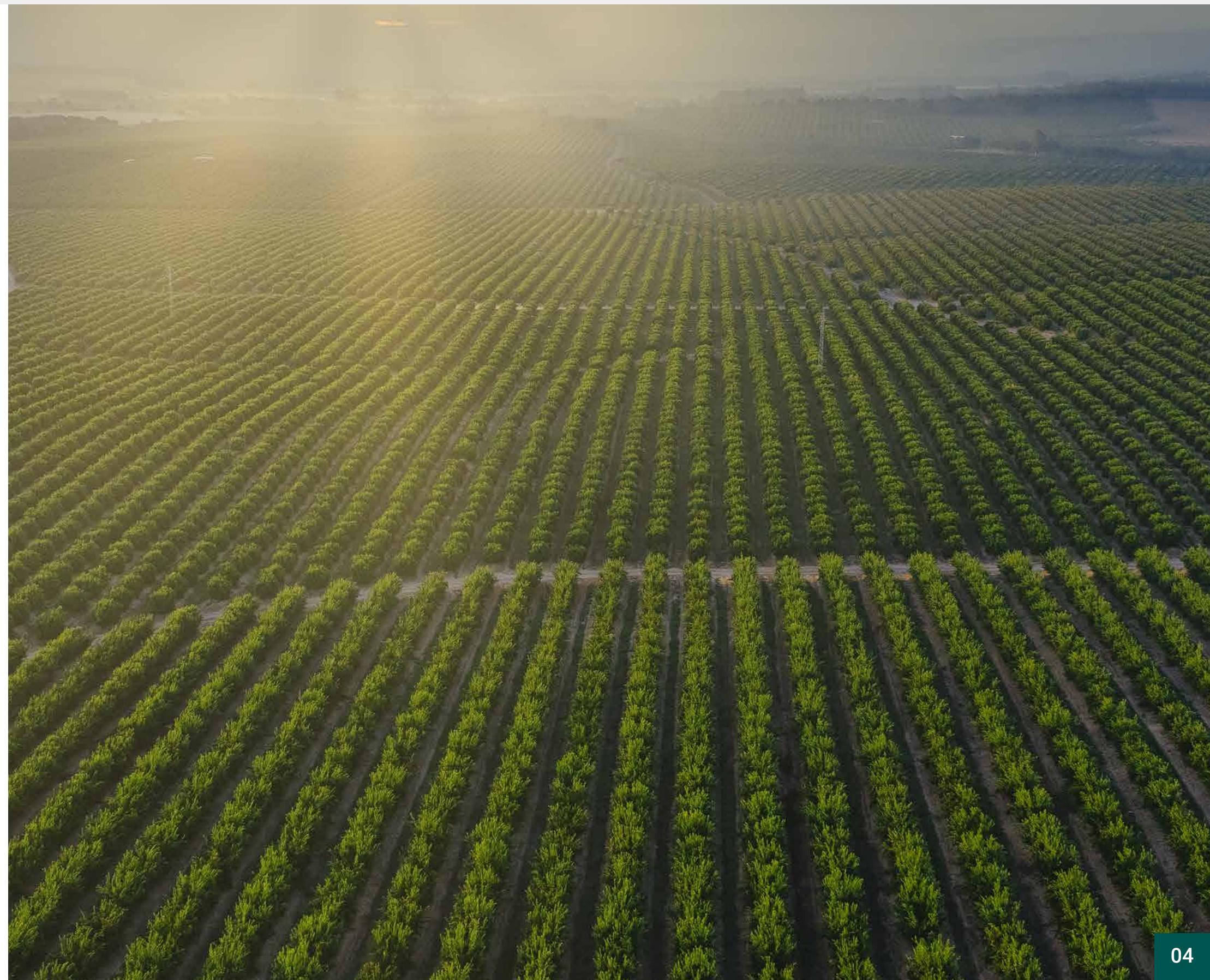
 **~900**
OWN FARMING Ha

 **210 MILL kg**
ANNUAL TABLE GRAPE
VOLUME

 **8.000**
LICENSED CITRUS Ha

 **31.000**
PATENTED TABLE GRAPE
LICENSED Ha

 **100**
PROPRIETARY PATENTED
VARIETIES IN GRAPES,
CITRUS & OTHER FRUITS





Our Global Footprint

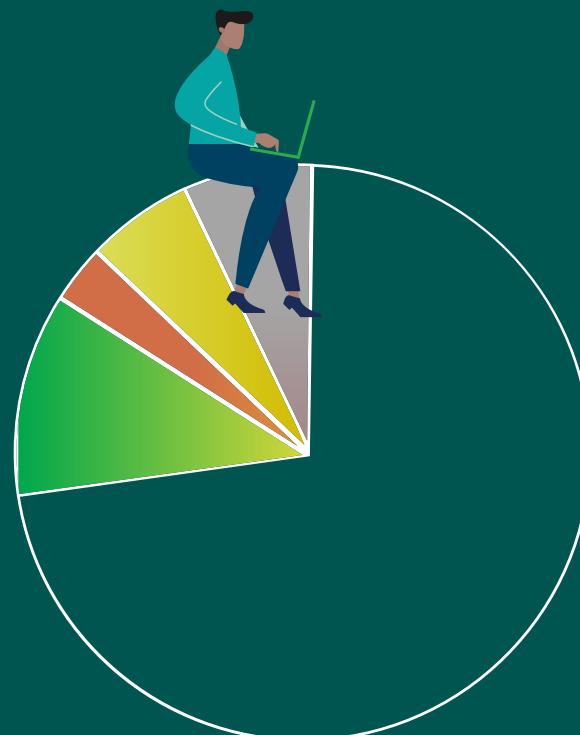


Packhouses/ Factories

Offices

Sourcing Countries

Key Consumer Markets



- UK
- Spain
- France
- Other Europe
- Other Global



Our Brands



Jaffa is the UK's leading citrus brand providing TESCO shoppers with year-round supply of juicy and refreshing Jaffa oranges and easy peelers, as well as Jaffa Giant easy peelers and Jaffa Reds when in season.

Happy, healthy and honest are Jaffa's core values striving to deliver zesty JaffaJoy to shoppers and partners, encouraging a healthy lifestyle and respect for our planet. Jaffa actively contributes to UK community initiatives and is an iconic heritage brand which consumers value for its high-quality standards.

Jaffa is an Israeli owned brand that AM FRESH Group have held the license to for over 20 years.



AMAZZING® is the ultimate destination of extraordinary taste delivering consistently high-quality fruit and enticing consumers to enjoy AMAZZING® healthy natural fruits. AMAZZING® is built on the brand purpose to inspire the new generations to eat fresh fruit; not because you have to, but because you want to thanks to its high-standard commitment to deliver the best varietal selections of citrus and table grapes.



LOCO™, a wildly disruptive and colourful brand invites consumers to "transport your taste buds to a new dimension and choose your sweet Escape" and drive clean eating through its expanding organic and Bio portfolio. LOCO delivers exciting citrus and table grape varieties across guaranteed high-quality consistency to excite consumers all year long and protect Mother Nature. We are LOCO about FRESH. We are LOCO about the planet. We are LOCO about your health & happiness.



A natural hybrid of orange and mandarin citrus fruits, the delicious citrus fruit originated in Japan in 1972 and today is grown for the first time in the sun-drenched orchards of Spain. BANZZAI® requires the perfect orchestra of ideal climatic cultivation, specialized pruning, pampered harvesting and meticulous packing in order to guarantee its iconic taste profile and recognizable shape with a distinctive bulge at the top that provides an ideal peel point to unlock its iconic taste. BANZZAI® boasts a precise and careful harvest that includes an exhaustive hand-selected process coupled with a double-clip harvest technique to guarantee the perfect selection of the best citric gems to entice consumers with a unique sensorial experience. In 2020 BANZZAI® became the first citrus fruit ever to receive the Superior Taste Award from the International Taste Institute (Brussels) with an esteemed two-star recognition and distinction for exceptional taste.



Our Business Units

AM FRESH Group is made up of 15 business units, with each operating independently.

AMT FRESH™ PARTNERSHIP

AMT FRESH PARTNERSHIP is a uniquely customised transparent supply chain that has been specifically designed to fulfil Tesco fresh produce requirements in citrus, melons, pineapples, grapes and ambient vegetables.

AM FRESH™ UK

AM FRESH UK supplies fresh produce (primarily citrus, grapes and melons) into a number of UK retailers.

AM FRESH™ IBERIA

AM FRESH Iberia provides fresh produce for supermarkets in Spain.

AM FRESH™ SPAIN

AM FRESH Spain supplies fresh produce into our other business units, as well as serving retail customers across Europe and Asia.

AMK FRESH™ SERVICES

AMK FRESH is a new purpose built facility in Peterborough, UK serving as sister company to AMT FRESH providing sole solution to pack and supply fresh produce for Tesco.

AM FRESH™ FOOD & DRINK

AM FRESH Food & Drink produce natural and healthy plant-based soups, yoghurts, ice cream and juices for foodservice and retail customers.

AM FRESH™ ASIA

AM FRESH Asia supplies fresh produce, primarily citrus and grapes across Asian markets.

TROPICAL FRESH™

Over 40 years in close collaboration with the world's best growers to ensure the highest-quality standards to deliver the most exciting and exotic flavours across the globe.

AM FRESH™ NORTH AMERICA

AM FRESH North America supplies fresh produce primarily citrus and grapes to retailers in the USA and Canada.

AM FRESH™ SOUTH AFRICA

AM FRESH South Africa is a dedicated sourcing hub, supplying fresh produce into our other business units, as well as serving retail customers.

AVALON FRESH™

Avalon FRESH will provide significant opportunities to evolve the top-fruit supply model to benefit growers, retailers and consumers.

snfl GROUP

SNFL is the global leading platform in the development, licensing and commercialisation of patented Table Grape varieties; anchored on a best in class research and development innovation engine.

AM FRESH™ SOUTH AMERICA

AM FRESH South America primarily supplies grapes to North American markets.

AM FRESH™ CITRUS FARMING

Our nature positive farming operations in Spain, investing heavily in agri tech to drive precision and protect our farms and the environment. AM FRESH Citrus Farming was the first citrus company in Spain to receive certification on Biodiversity and pollination protection via Bee Friendly.

GENESIS™ INNOVATION INSPIRING NATURE

Genesis Innovation Group is an international group of highly specialized companies dealing with varietal breeding and management of protected cultivars worldwide. Its core principle is to bring together the best breeders and the best growers so that customers can enjoy a wider range of new and exciting varieties. Its key platforms Citrus Genesis, Pom Genesis and Exotics.



Our Sustainability Strategy

Our strategy is focused around three key goals, each underpinned by 5 focus areas. Over the last 18 months, it has become evident that our targets are well aligned with both customers and consumer priorities. Our strategy was designed to be comprehensive and ambitious. We have progressed at different rates across the 15 focus areas, largely attributable to the shifting priorities throughout the business during the COVID pandemic.

Our contribution to the SDGs

The Sustainable Development Goals (SDGs) provide a global agenda aiming to end poverty, protect the planet and ensure prosperity for all by 2030.

Our strategy has been designed to contribute to achieving the SDGs. In particular, we have identified 8 goals and 11 specific targets where we have the greatest opportunity to make a difference.



SUSTAINABLE DEVELOPMENT GOALS





REDUCE ENVIRONMENTAL IMPACT



Sustainable
Agriculture



Packaging



Climate
Change



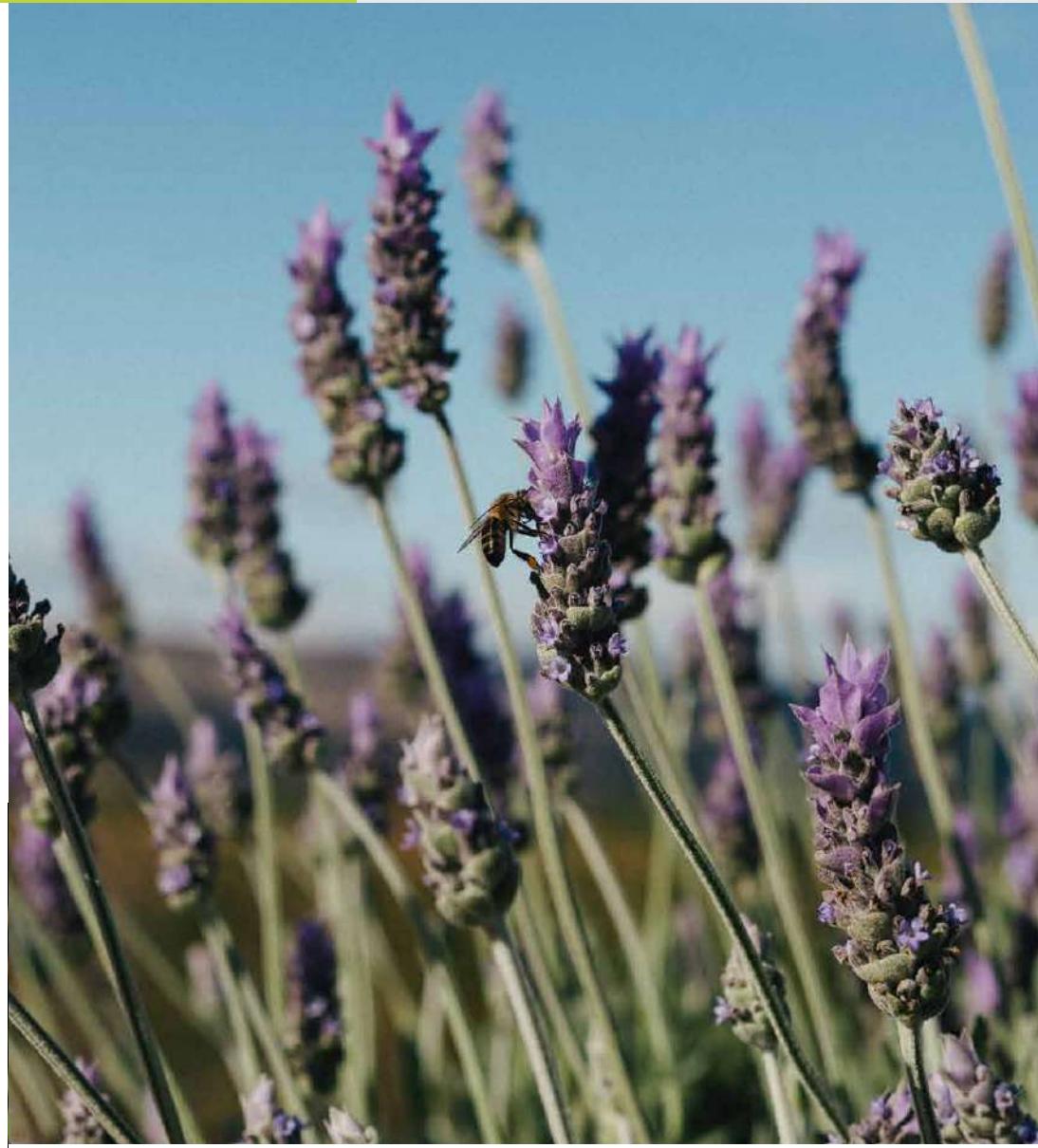
Efficient
Operations



Sustainable Agriculture

AM FRESH Farms

This year we have successfully rolled out our measurement tools to all AM FRESH owned farming as intended. Individual farm plans have been devised and we are in the process of setting up trials across several farms for 2022. The AM FRESH Spain Agriculture team has now employed a dedicated sustainable agriculture expert, who is heading up the work in this area. We will be setting our science-based targets this year to continuously monitor and evaluate the outcomes to drive informed practice for the future. There has been a delay in this piece of work as we are awaiting a methodology to accurately measure sequestered carbon in our perennial crops, which will form an important part of our overall Life Cycle Analysis (LCA). We have also carried out a climate risk assessment across our supply chain, which is helping to inform our future procurement planning and sustainable agriculture plans with our retail customers. We have collected Scope 3 supply chain agricultural emissions and monitored water use and efficiency in Spain, South Africa and Peru.





As you can see in the table, our total emissions per hectare since 2016 have remained stable. We have seen a small decrease in total emissions this year and we know that there are key improvements that can be made. We understand that depending on season, age of trees, yield and many other factors will always give us fluctuating data sets but continuous monitoring into the future, will enable us to plot lines of best fit and "10 year trends".

From a view of emissions by tonne of fruit produced, we are on a downward trend as we move to more efficient, higher yielding new varieties, enhanced agricultural systems and "greener technology". Since 2016, we have seen 16% reduction in emissions.

Biodiversity and Soil Health

The Cool Farm Tool's biodiversity module for Mediterranean and Semi-arid biomes was launched in November 2020 and rolled out across our farms in the same year. Working with monocropping systems, gives us plenty of scope for improvement and we are well underway with action plans to address improving biodiversity across our farming operations.

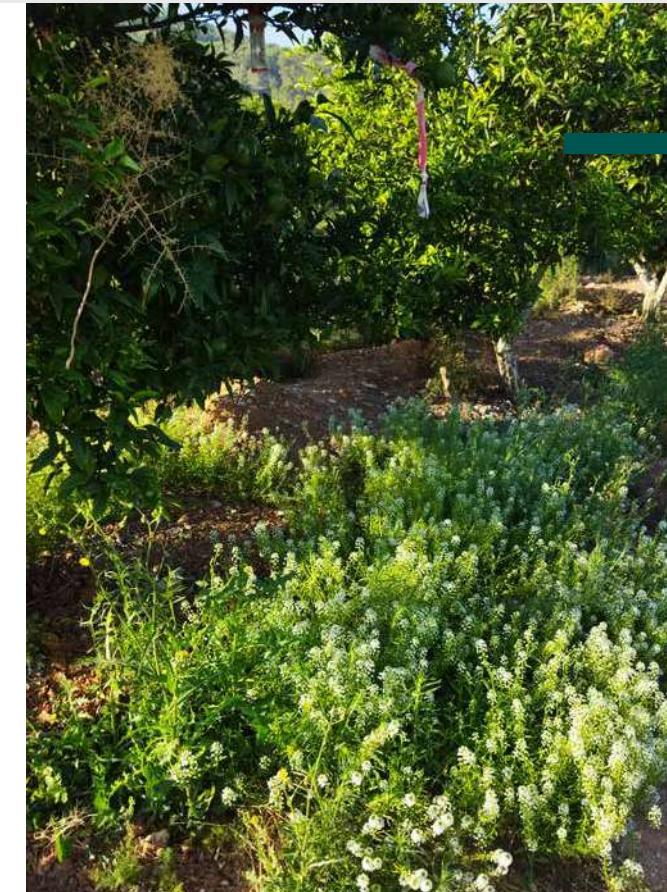
Emissions per hectare (kg CO₂e)
Farms and orchards of productive age



Emissions per tonne of produced fruit (kg CO₂e)
Farms and orchards of productive age



"Working with monocropping systems, gives us plenty of scope for improvement "



Field margins have been left to rewild, including natural indigenous plants such as rosemary to attract beneficial insects and provide ground cover to prevent soil erosion during what now are more common periods of heavy rainfall.

This photo illustrates one of our netted plots. Here, the netting helps in numerous ways; to reduce hail and wind damage, to yield a higher export quality, to prevent pest ingress and reduce the need for pesticides. The ground cover between tree rows helps to reduce evapotranspiration, provides cover for beneficial insects, adds Soil Organic Matter (SOM) and prevents soil erosion. Shredding of pruning waste and reapplication to the soil has been an established practise for many years and this is also a great way to improve our SOM.



Mass trapping of targeted invasive pests e.g. Ceratitis capitata, Aonidiella aurantia occurs across our farms where needed. This activity helps us to reduce the widespread use of pesticides which were historically carried out on a cyclical basis.

Another exciting development is the planned roll out of insectaries this year to further minimise the use of synthetic pesticides.

For the last three years we have certified by "Bee Friendly", a program to encourage caring for the environment with particular focus on bees. Bees are the motor for flora biodiversity, and if we have biodiversity in our flora, we have biodiversity in our fauna.

In Huelva, one of our farms is currently undergoing conversion to organic production. This 18Ha farm will form the basis of our "best practises" to transfer to our other conventional areas.

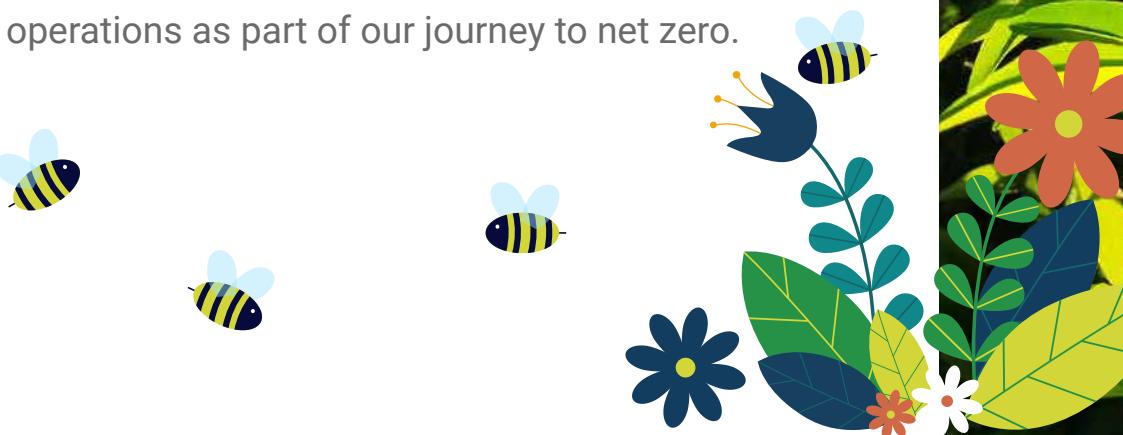
Fertiliser reduction and greenhouse gas emissions

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gives us plenty of scope for improvement and we are well underway with action plans to address improving biodiversity across our farming operations.

We have seen a small reduction in overall fertilizer use (see graphs above) due to the addition of a new farm in the data set - MEM Citrus. This farm uses fertilizer and moisture probes across production and together with the high yields this last year, it has created a positive effect on overall emissions. Similar probes are being used on our Madre del Agua farm, however the varieties grown there are more demanding of nutrients which is why we haven't seen the same overall effect until this year.

Currently, we are reducing emissions on 2 of our farms using solar panels to pump water and fertigate the trees. At 1.64m x 0.99m, the panels can store daylight energy in batteries which is then available for use when we need it. We can avoid using energy from the grid and the plan is to roll this out to cover all our own farming operations as part of our journey to net zero.

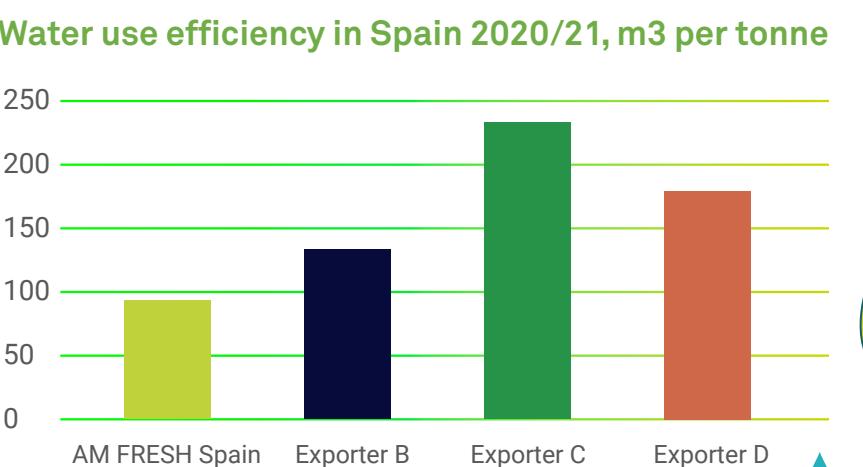
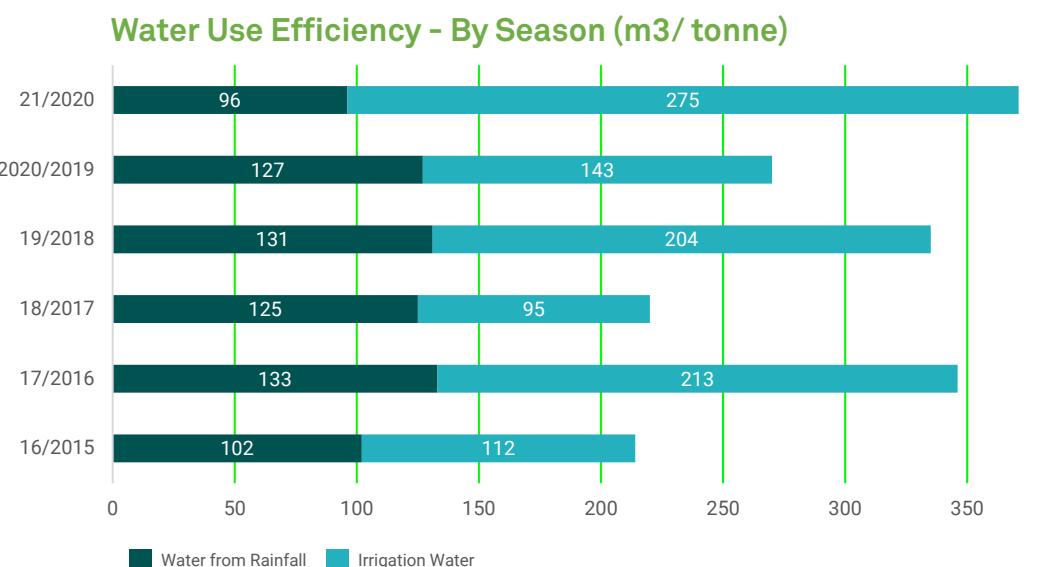




Water stewardship

Last year, we reported that our water use remained stable across the seasons, regardless of rainfall or specific crop demands. We recognised that we needed to do more to prevent evapotranspiration, water run-off and subsequent soil erosion and some of our plans to introduce ground cover have already been mentioned in this report. It is too early to demonstrate any potential gains from these new practises but nevertheless, we have seen a 24% improvement in water efficiency, potentially due to the 48% increase in rainfall across Spain last year – another direct warning about the dire consequences of global warming and climate change.

Our two largest crops by volume had particular success, with clementine reducing water use by as much as 60% and oranges by 12%. Using our Water Monitoring Tool, we are able to benchmark our performance against other exporters in Spain, to gain an understanding of how we are performing. Overall, we are well below industry average, but we appreciate we also have a long way to go in driving improvements across our farms and will not rest on our laurels whilst water remains a critical non-finite resource.





Food Waste

Last year,
“Our goal was to halve food waste in our own operations by 2030”

This year, we are in the position to be able to declare that our ambition is to be
“Zero food waste across our own operations by 2025”

Own sites food waste

We have continued to apply the same methodologies across our global supply chains to minimise food waste where we can. During 2020, our last full reporting year on food waste, we began to see the real impact of the COVID pandemic with labour supply issues, transport disruption, residency times, fluctuating and high order demands from retailers and customers alike, all of which impacted with an overall increase in our food waste across the group.

We rose from a stable group food waste figure in our UK sites, sitting at 1.7 % in 2019 to one of 1.9 % by the end of 2020.

An illustration of how this affected our biggest group customer, Tesco and their dedicated business unit AMT FRESH can be seen below:



[Further information and a breakdown of products can be found here.](#)





On Farm Food Waste

AM FRESH Spain participated in the Champions 12.3 10x20x30 Food Loss and Waste initiative with Tesco and WRAP, looking at food waste measurements across some crops, farms and packhouses. We knew that food waste was very low at farm level due to the wide market opportunities with citrus products and at packhouse level too, with any resultant waste being sent for animal feed. Our operations in Spain are waste free.

Food Surplus

Whilst many of the pressures of the pandemic were impacting negatively on our overall waste figures, great work continued behind the scenes with surplus donations to local food charities worldwide and FareShare in the UK. During 2020, we donated 126.6 tonnes of fresh produce to much needed food charities across the UK, an increase of over 25%. This figure represents over 750,000 meal occasions which is something we are all proud to be part of.

Circular Economy

Agrigrub, our UK collaboration partner helping us to reduce and ultimately remove our food waste in the

UK, continued to increase its demand for our waste to feed their black soldier fly larvae. Regular 10 tonne deliveries of a mixed waste food stream were sent to their pilot facility and a new 15,000 tonne facility is due to open shortly nearby to our operations in Peterborough which will take 50% of our fresh produce waste by the end of 2023 and 100% by 2025.

This is a true circular economy model, where the larvae will be fed into the pet food industry, reducing their reliance on soy and the frass can be used as an organic biopesticide. There have already been some very exciting post trial results in reducing the overall need for artificial pesticides in some UK crop production systems.

Ultimately, we hope to avoid over 3000 tonnes of CO₂e emissions annually in the UK by diverting our food waste from our two main sites to Agrigrub, rather than sending it to local AD Plants. This will make a significant contribution to our net zero journey, with the saving being in excess of our current group scope 2 emissions.





Packaging

The UK Plastics Pact

This year we have been proud to become associate members of [The UK Plastics Pact](#), run by WRAP, and supported by the [Ellen MacArthur Foundation](#). The Pact is a collaborative initiative that brings together organisations from across the entire plastics value chain to drive circularity of plastic packaging. As part of joining, AM FRESH Group have signed up to the Pact's 2025 Targets:

1. Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (reuse) delivery model.
2. 100% of plastics packaging to be reusable, recyclable or compostable.
3. 70% of plastics packaging effectively recycled or composted.
4. 30% average recycled content across all plastic packaging.

We are pleased to be able to access expert advice from the WRAP team to support us in working towards these goals.



100% of plastic packaging to be reusable, recyclable or compostable.





Improving our reporting capability

A key focus this year has been improving our reporting capability so that we can target our efforts to ensure 100% of our packaging is recyclable. This year we undertook a full review of packaging used within our AMT FRESH & AMK FRESH businesses. Through collaboration between packaging, commercial, sustainability, technical and quality teams, several opportunities to improve our packaging were identified. For example, switching to mono-material labels on a small number of lines where multi-material labels were still in use means they are now recyclable at front of store.

Increasing recycled content

With the upcoming Plastic Packaging Tax due for implementation in April 2022, another priority this year has been increasing the recycled content of our packaging. AM FRESH continues to support new legislation that aims to effectively drive change towards a circular packaging system where packaging waste does not end up in the environment. We are working towards ensuring recycled content is utilised

in all situations where it is available. Recycled content is already used in our grape punnets, ranging from 30-100% RPET. A project is also underway to incorporate at least 30% recycled content into all Tesco grape lidding film.

Earth Bag launched in France Spring 2021

AM FRESH Spain and Agricommerce launched and packed the first Earthbag across retailers in France. Earthbag is made of 95% paper from 100% recyclable sheets of renewable FSC (Forest Stewardship Council) sources.

The breathable mesh is made of paper and bamboo fibers, improving the quality of the final recycling stage. Both pieces are assembled with certified organic glue.





Climate Change

At AM FRESH Group, we are committed to playing our part in tackling climate change and reducing greenhouse gas emissions from our own operations. We measure and report on our carbon footprint to track progress towards our target to be net zero across our own operations by 2030.

Greenhouse Gas Emissions

In FY21, our global scope 1 emissions were 3019 tonnes of CO₂e and our scope 2 emissions were 1935 tonnes of CO₂e. We have reduced our greenhouse gas emissions by 4.7% since our base year of FY17 (01 Sep 2016 – 31 Aug 2017).

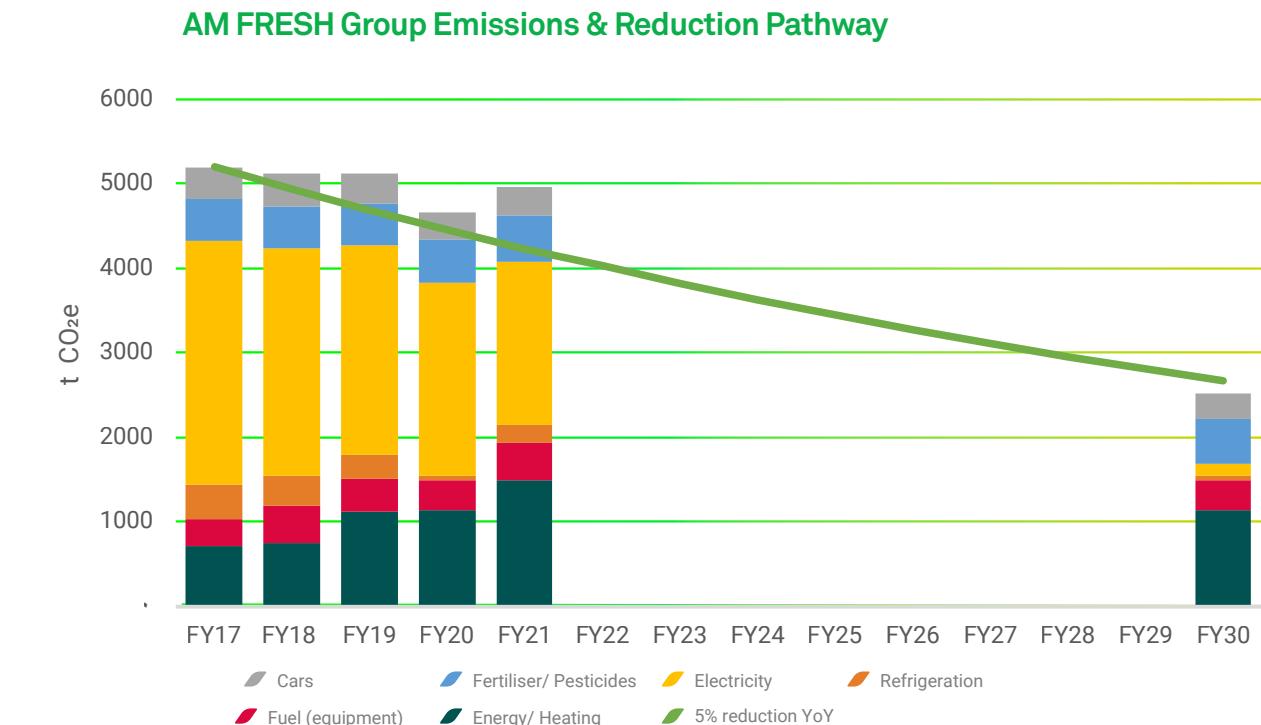
However, unfortunately we have seen a step backwards to our progress with a 6.5% increase in total emissions compared to last year. This has been driven by multiple factors including increased production volume, installation of additional dryers in our Spanish packhouses, and a difficult year for quality which led to lines running more slowly resulting in longer total working hours in the packhouses. The Covid-19 pandemic has also had an impact on energy

use with doors being left open for increased ventilation resulting in extra heating/cooling requirements.

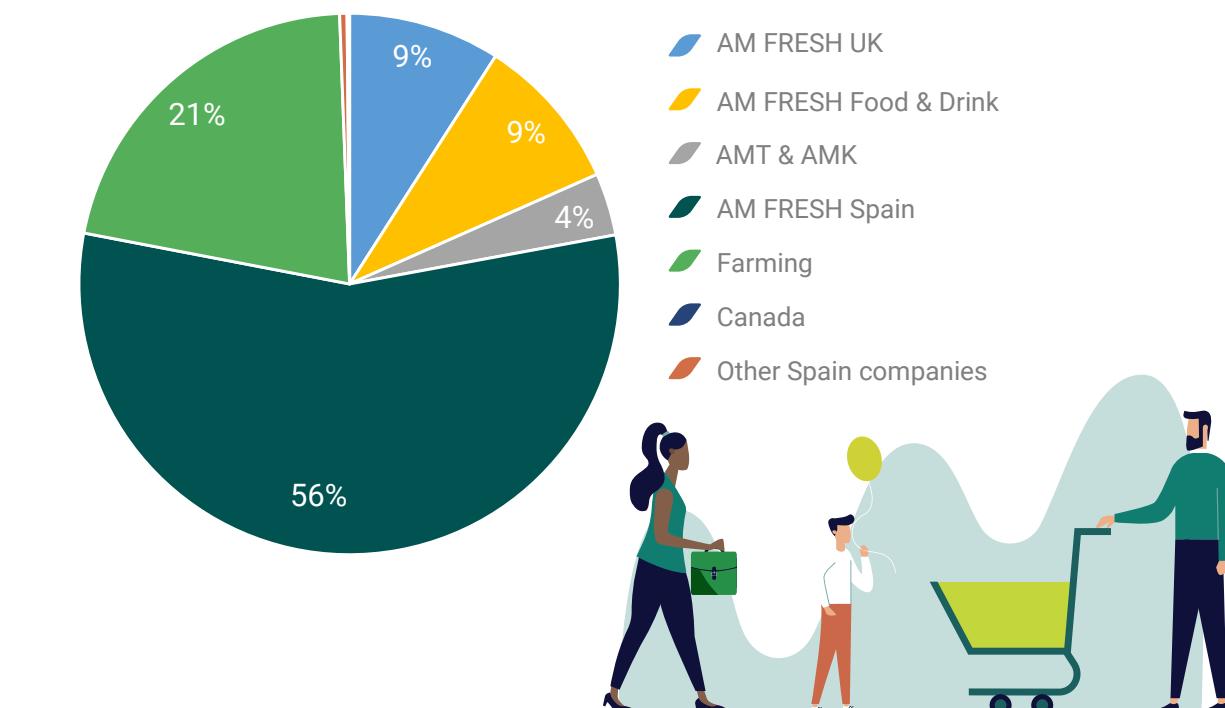
As demonstrated on the graph, the increase in emissions during FY21 means we are off-track against our 5% year-on-year reduction pathway to reduce our emissions by 50% by 2030 (as part of our goal to reach net zero). However, as shown in the FY30 projection, we are confident we can significantly reduce our footprint through switching to renewable electricity and ongoing energy efficiency improvements.

Note we have also restated previous years' emissions to re-baseline reflecting changes in our farming footprint (acquisitions/sales of farms), and where improved on-farm data has become available.

AM FRESH Spain and our Farming operations make up the largest portion of our footprint at 56% and 21% respectively and will be our key area of focus moving forward. The proportion attributable to our UK business units has been decreasing predominantly due to switching to renewable electricity.



FY21 Emissions Breakdown by Business Unit





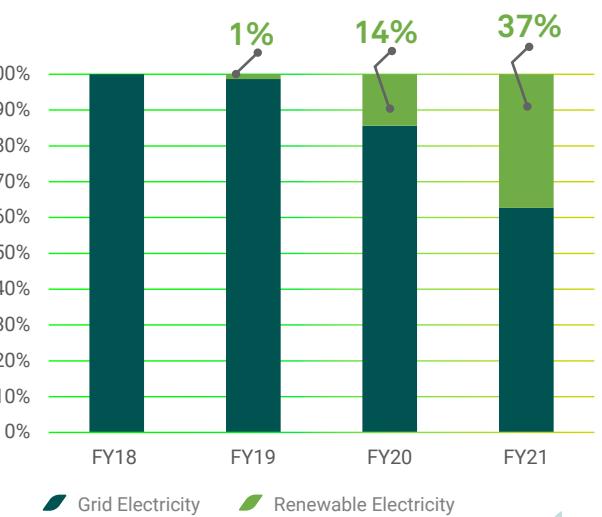
Renewable Electricity

Transitioning to renewable electricity continues to be an important part of our strategy to reduce our emissions, particularly as electricity makes up the largest portion of our footprint at 41%. Our target is to reach 100% renewable electricity across our global operations by 2030. We have reached 37% renewable electricity during FY21 and will continue to increase this percentage.

Energy efficiency

In addition to switching to renewable electricity, we are also committed to improving energy efficiency to reduce our emissions. Building new, more efficient packhouses is the main driver to achieve this ambition. Following the success of our Peterborough site in the UK, opened in May 2020, AM FRESH has begun construction of another new facility nearby in Alconbury. Like the Peterborough site, the new build is aiming to be certified to BREEAM Very Good. In addition, all three of the existing sites we operate out of in the UK are signed up to the government's Climate Change Agreement scheme. Under this scheme we

have targets to improve energy efficiency at each site during 2021 and 2022, and our sites are currently on track to meet these.



Ian Ball, Paul Davis and Kevin O'Leary at Breaking-Ground Ceremony



Visualisation from South-East



Efficient Operations

"Mercancías al Tren"

AM FRESH Spain participated and supports "The Freight Belongs on Rail" campaign which was launched in Valencia on 29 October. The city is an international logistics hub, making it the perfect choice for the campaign launch. Representing the Mediterranean Corridor, Valencia is hoping to raise awareness of the Trans-European Transport Network (TEN-T). DB Cargo subsidiary Transfesa organised street campaigns in many Spanish cities to also inform the local population of the many environmental benefits of rail. Entire families, young and old, learned how important it is to shift our mindset to protect our natural environment and achieve climate targets.

The campaign, which has already visited Germany and England, advocating for more eco-friendly freight transport and a resulting reduction in carbon emissions.

The Freight Belongs on Rail campaign is part of the European Year of Rail. The campaign underscores the European climate targets, which is to become the first climate-neutral continent by 2050 and to reduce transport-related emissions by 90%. These are big steps in the right direction because the world must pull together if the climate is to be protected.





RESPECT AND EMPOWER PEOPLE



 Human Rights Risk



Fairness in
the workplace

 Gender Equality



Worker
Engagement



Occupational
health and safety

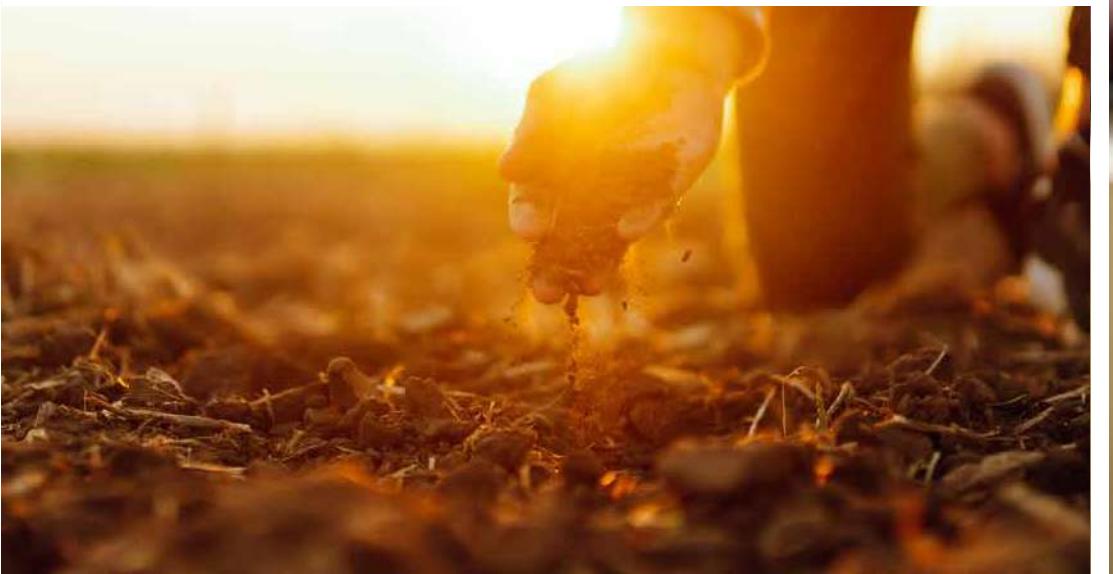
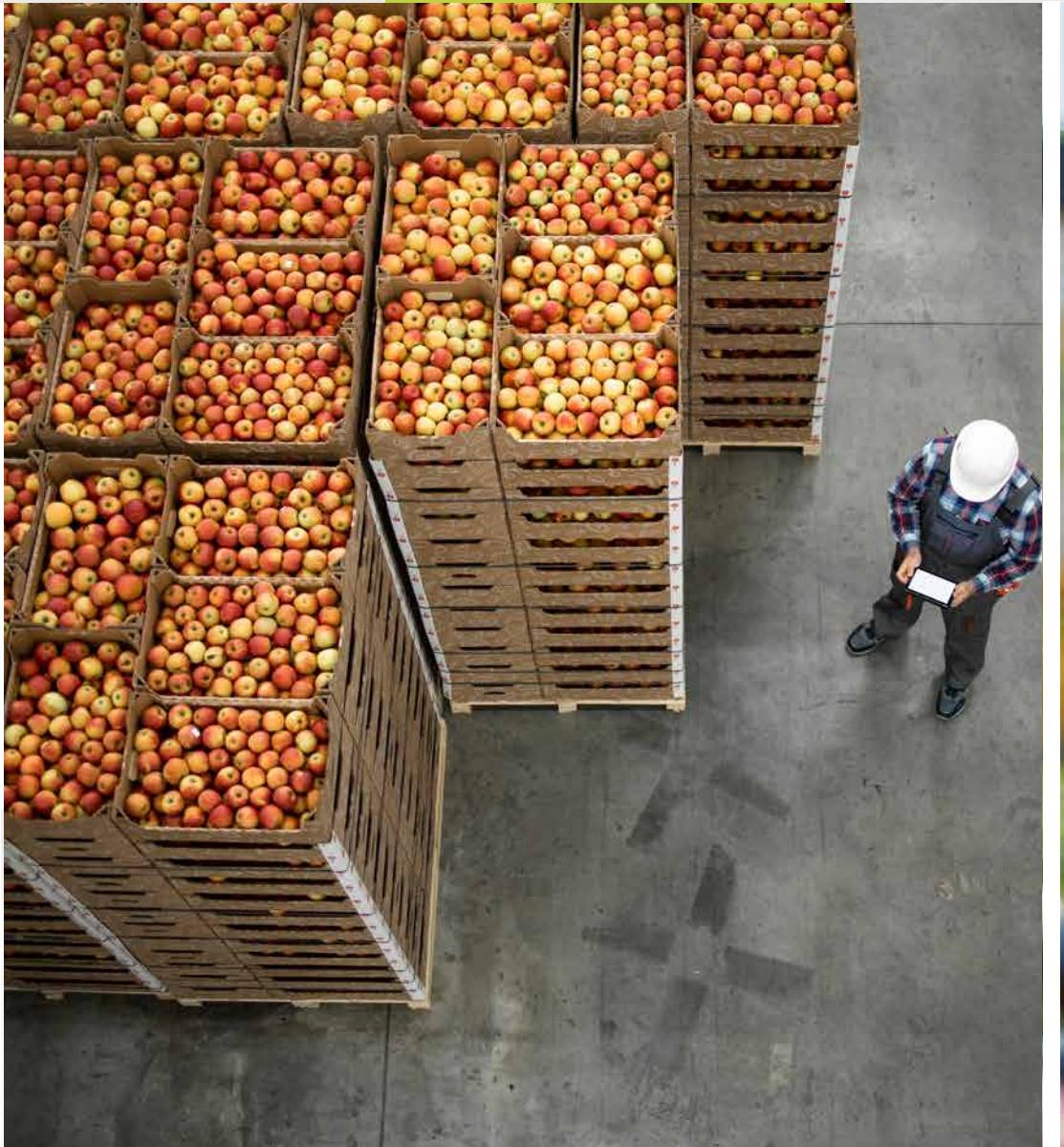


Human Rights

Our Compliance and Monitoring Programmes

Within our largest UK business units, AMT FRESH and AM FRESH UK, we have extensive ethical compliance programmes in place. Our Ethical Trade Officers monitor and measure the compliance of the supply chain against our standards and customer requirements. These requirements vary depending on risk: the combination of country risk rating and site type (i.e. pack-house, farm or smallholders).

We have full traceability of our supply chains back to grower level, with the management of over 1500 sites taking place across the full supply-chain. Various tools are used to verify both transparency and traceability, whilst also measuring ethical performance. We use tools such as Sedex self-assessment questionnaires (SAQs), third party ethical audits or certifications and risk assessments. More information on our ethical programmes can be found within the Modern Slavery Statements for each business unit.





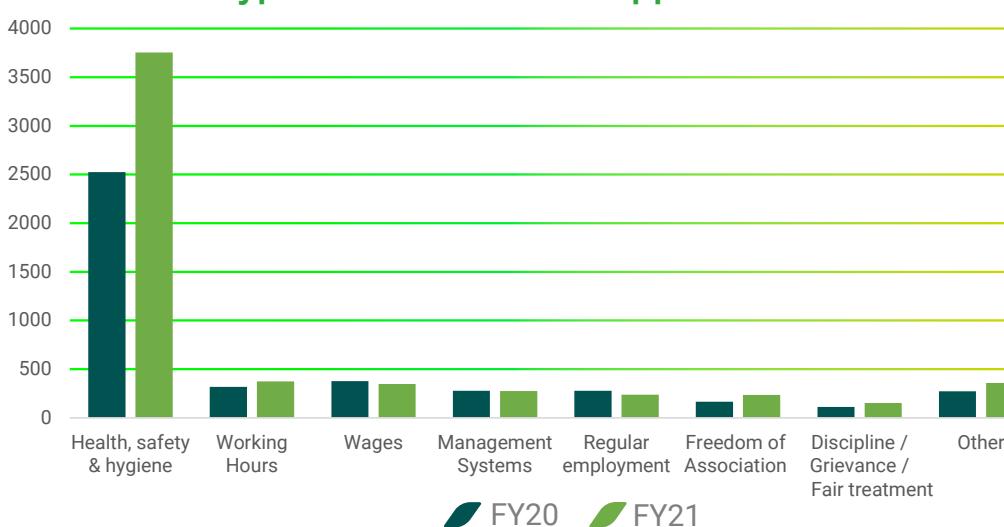
We are AB members of Sedex and across all business units within our group there were 688 audits that took place across our supply base in FY21, a 26% increase from the year before. There was an increase in the number of non-compliances (NCs) relating to health, safety, and hygiene. This is partially attributable to the increase in the number of audits, but also makes sense in the context of continuing Covid-19 controls and heightened focus on health & safety.

Most non-compliances (NCs) and observations occurred in Peru, South Africa and Brazil – however, they are also the countries where the most audits took place due to the compliance requirements, based on country risk rating and site type.

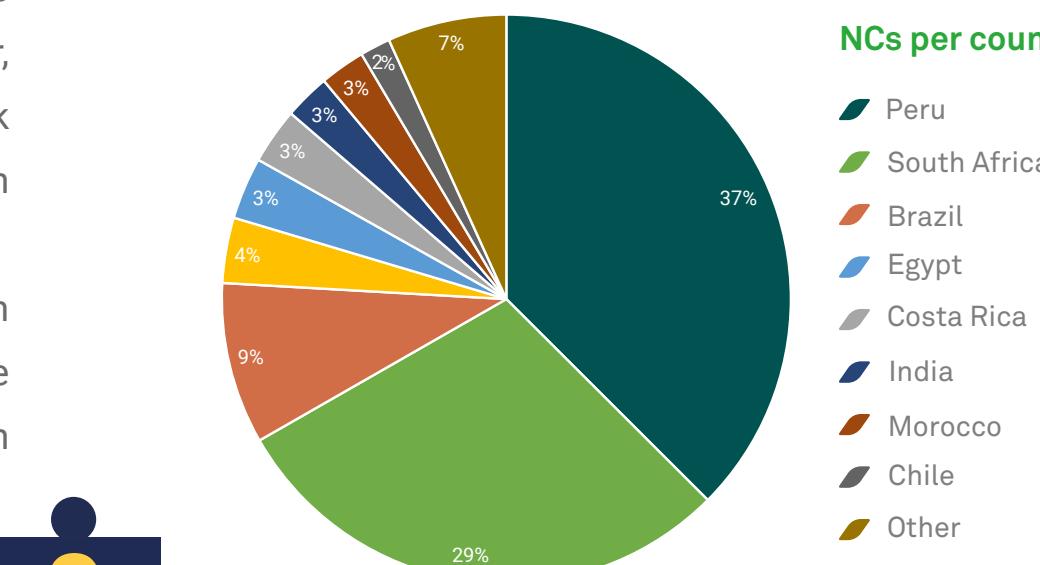
Where non-compliances or issues are found, our team works closely with the supplier to ensure corrective actions are implemented to remediate the situation based on root cause analysis.



Types of NCs found in supplier audits

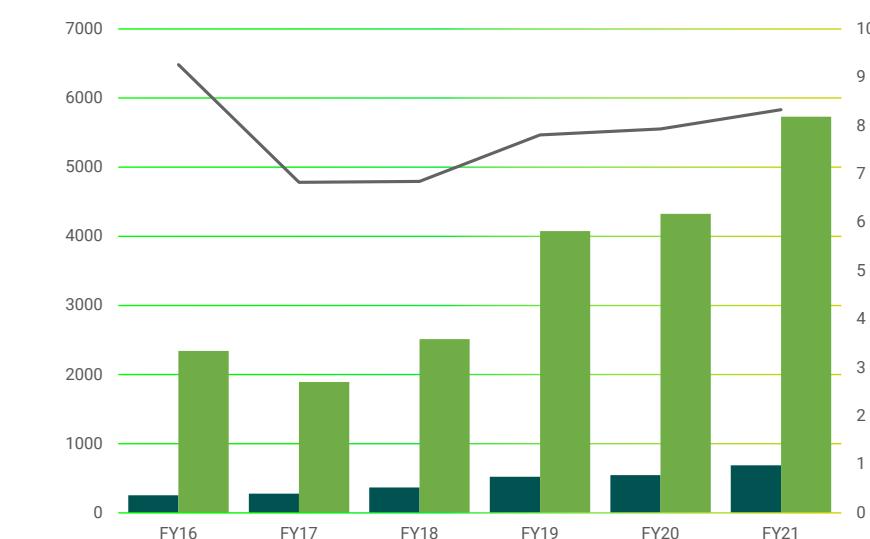


NCs per country



As our business has grown and we have scaled up the depth and breadth of our ethical compliance programmes across the years, we have seen an increase in the total number of audits taking place within our supply chain each year. We have also seen an increase in the number of NCs. As shown on the graph, the average number of NCs found per audit has remained relatively constant. We do not necessarily view the increased number of NCs as undesirable, simply put it allows us to work with our supply chain to rectify identified issues and improve conditions.

NCs and audits over time





Due Diligence

This year we have been developing our Human Rights Due Diligence programme, with the goal of moving beyond compliance to proactive interventions on key human rights issues. Our first step has been refreshing our risk assessment to identify our priority areas for engagement within our supply chain. This process has considered the inherent country risks, industry risks and site-specific risks based on SAQ and audit results. To ensure we are leading by example; we are developing a Tier 1 Risk Assessment (covering our own sites and third party packhouses) and associated site-specific improvement plans for key human rights risk areas. Next year we plan to roll out our refreshed risk assessment across Tier 2 and beyond.

Modern Slavery

To support our commitment to continuous improvement in reducing the risk of modern slavery, this year we have begun using Stronger Together's Progress Reporting Tool to measure our progress and benchmark against industry peers. In our first quarter of measurement, AM FRESH UK increased its score by 6%. Based on improvements identified from the tool, we are currently formalising our modern slavery

strategy and implementation plan, and remediation has been identified as a key area to strengthen moving forward.

Training

All UK employees receive training on how to spot the signs of modern slavery as part of their induction process. In addition, this year we had an external facilitator run training workshops on modern slavery for our senior leadership team, relevant managers and members of the worker committees. 51 people were trained across 7 workshops. In Spain and South Africa our Business Units also have access to Stronger Together workshops and selected management level employees have participated in recent training programmes.

Engaging with industry stakeholders

Collaboration across our industry is important to effectively address labour rights violations that can be hidden and systemic. As well as being members of ethical trade platforms such as Sedex and SIZA, we also participate in various forums to address industry issues. We are members of several multi-stakeholder initiatives such as the Food Network for Ethical Trade

in the UK and Foros de Comercio Ético in Spain, giving us an opportunity to contribute to several working groups dedicated to the areas of risk we have identified, finding solutions with a mix of retailers, suppliers, experts and NGOs.





Fairness in the workplace

Fairness in the workplace and worker feedback is of great importance to AM FRESH. We recognise that our employees are the most important factor in our operations and without their unwavering support and dedication, we would not have the successes that we all enjoy today.

Employee Engagement

Each year, we carry out worker surveys to assist us in planning our activities across the Human Resources function and to support our knowledge of agendas that really matter to our employees. We take this feedback very seriously and endeavour to close out any areas of concern.

In 2021, we saw that overall, we have very good worker satisfaction, with no area falling below 86%.

The highest scoring areas were:

I know what my rate of pay is and how it is Calculated  5 4.68

No one in the company makes me feel threatened at work  5 4.59

I am able to raise issue and I Know who I can talk to  5 4.52

The lowest scoring areas were:

In my company there are opportunities to learn new skills  5 4.31

I feel listened to and am able to make comments  5 4.32

I always feel safe at work  5 4.39

All of these have since been addressed by the formation of Worker Committees (Your Voice), a comprehensive training programme for non-managers and an in-house occupational health team, working in conjunction with our Health and Safety Managers.





Diversity & Inclusion

During June 2021, we celebrated LGBTQ+ Pride Month across our business. At AM FRESH, we fully support and endorse people's freedom to express and empower themselves. It is an opportunity to promote dignity, equal rights, self-affirmation whilst increasing our awareness of the issues the LGBTQ+ community faces.

We held a rainbow costume event, a bake off and provided rainbow treats to the work force. It was a day of celebration and fun.





Gender equality

At AM FRESH, we know that our business is enhanced when our workforce represents the diversity of our market and supply chain. We acknowledge the need for progress in bridging the gap that exists across our business today.

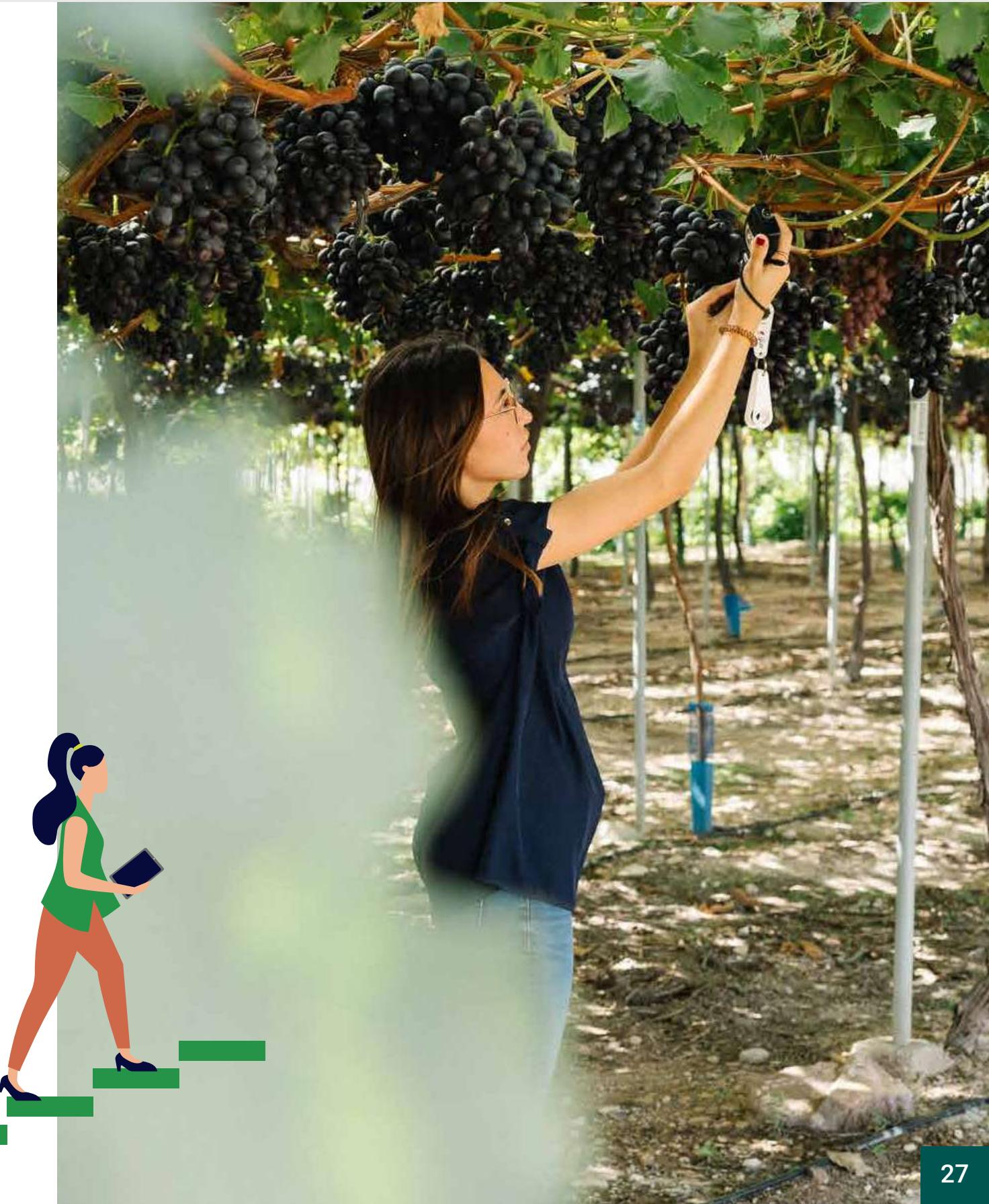
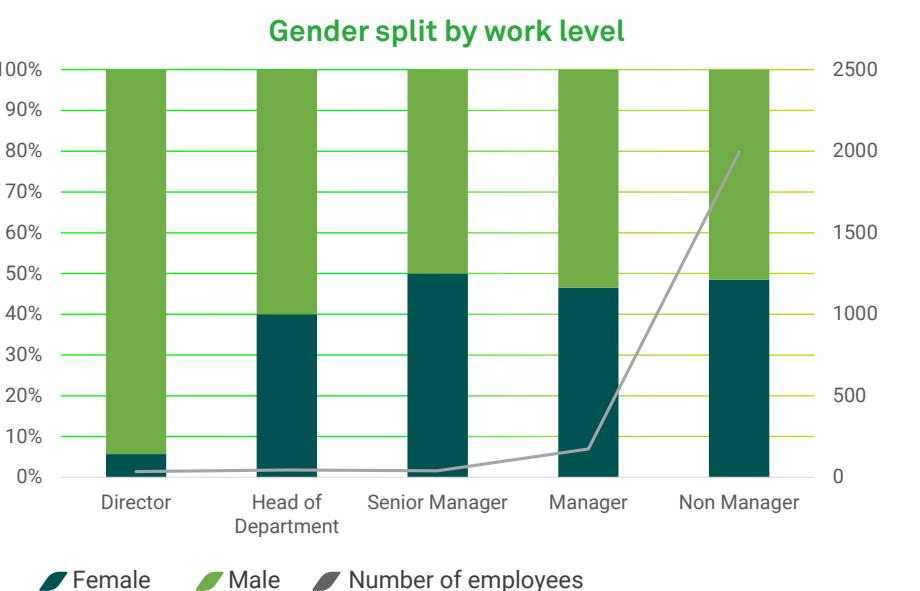
Over the last year, we have continued to promote gender equality in our business, through enhanced flexible working policies and family friendly policies. We have seen an increase in proportion of females in the upper quartiles of hourly pay rate.

We will continue to promote initiatives to decrease our gender pay gap, and we are developing talent management programmes to identify and develop high potential females for senior roles, along with competency-based programs across the lower-level roles.

Last year we reported on the gender split within our UK business units. This year, when considering our full global operations, we can report an increase in the number of female Heads of Departments from 20% to 40%. The gender split at non-manager, manager and

senior manager level has remained relatively constant at close to 50%.

"We will continue to promote initiatives to decrease our gender pay gap"





Worker Engagement

Relaunching worker committees

This year we have refreshed and relaunched worker committees at our two largest packhouses in the UK. The new “Your Voice” committees are made up of representatives from across the business, from both office functions and different shifts within the packhouses. The purpose of the committees is to provide a forum for dialogue between management and employees (including both permanent and agency staff). As a result of feedback from Your Voice, numerous changes and improvements have been made at the sites. The committees have provided input on a new recognition scheme, pay and progression structures, facilities and amenities, and safety improvements.

Employee reward and recognition scheme

Following feedback from the worker committees, we launched our employee reward and recognition scheme called the Fresh Star Awards. The scheme aims to offer both instant rewards to acknowledge

colleagues efforts on a regular basis, as well as larger quarterly rewards where individuals can be nominated by peers for displaying the company values, with awards given by the Senior Leadership team. Each department is allocated a defined number of “golden tickets” each month, as well as a “donut fund” for rewarding team efforts.

Worker voice tools

This year we have become members of nGaje, providing us access to an online survey tool. This tool allows us to gather more frequent feedback from our employees and has so far been used for our annual employee survey, as well as several polls and pulse surveys focusing on wellbeing at work – reviewing food facilities, welfare facilities, transport options, shift patterns, health and wellbeing, and nominating charities to be the recipient of our fundraising efforts. In the coming year, we are planning to use this tool to improve worker voice in our supply chain with targeted questionnaires to gain anonymous feedback



nGaje



relating to key areas of risk. AM FRESH have also started building a new facility near our current Alconbury site which is due to start warehousing and packing in April 2023. nGaje will be utilised alongside employee forums to ascertain what is important to our workforce on the new site to ensure we provide a positive employment experience.

Annual employee survey

In July 2021 we undertook our engagement survey for all weekly paid and agency colleagues. Valuable feedback was received around facilities with lockers, toilets and cleanliness, and food offerings ranked as the most important to our employees. Immediate improvements were made to cleaning schedules, with additional bins, hooks and mirrors installed. Feedback was also gained around preferred shift patterns. 4 on 4 off was generally the preferred work pattern, however there was also some interest in shorter shifts. Our AMK Peterborough site then advertised shorter shifts for production to gauge whether there was appetite. Based on feedback from the survey, focus groups were also set up to explore key areas in greater depth. In August 2021 we also ran the M&S nGaje worker

satisfaction survey at our Alconbury site, gaining feedback on whether workers feel safe, treated fairly, able to raise feedback, issues or report signs of modern slavery, recognition, learning and development opportunities. 71% of responses Strongly Agreed with the statements which was encouraging. From the results, ensuring that workers feel recognised and praised for doing good work was the key area for improvement (although the average rating was still high at 4.19/5). Our new employee recognition scheme and improvements to our annual appraisal system will support improvement in this area. This year we simplified the appraisal process with the intention of encouraging more frequent and relevant performance conversations throughout the year, rather than a focus on an annual appraisal.

Communication

Improving communication across our growing business has been a key focus following feedback from previous worker surveys. This year we have implemented business cascades, using different methods as appropriate (face to face, video messages and 1 page summaries). TV screens have been

installed across both UK sites in office and in operational areas to deliver frequent updates, as well as regular newsletter communications bespoke to each site.





Health and Safety

At AM FRESH Group, the health, safety and welfare of our people is our highest priority. We recognise our responsibility to protect our workforce, and we have suitable health and safety management systems in place to help us identify hazards and avoid workplace accidents, injuries, and illnesses. Our systems are based upon the ISO 45001 standard and within the scope are all operational and clerical activities undertaken by employees, workers employed via employment agencies, contractors, and visitors within each operation.

We have Health & Safety professionals within operational sites, and we measure and report performance at all management levels. The below table covers all employees and workers within our operations, and the rates are calculated per 200,000 hours worked.

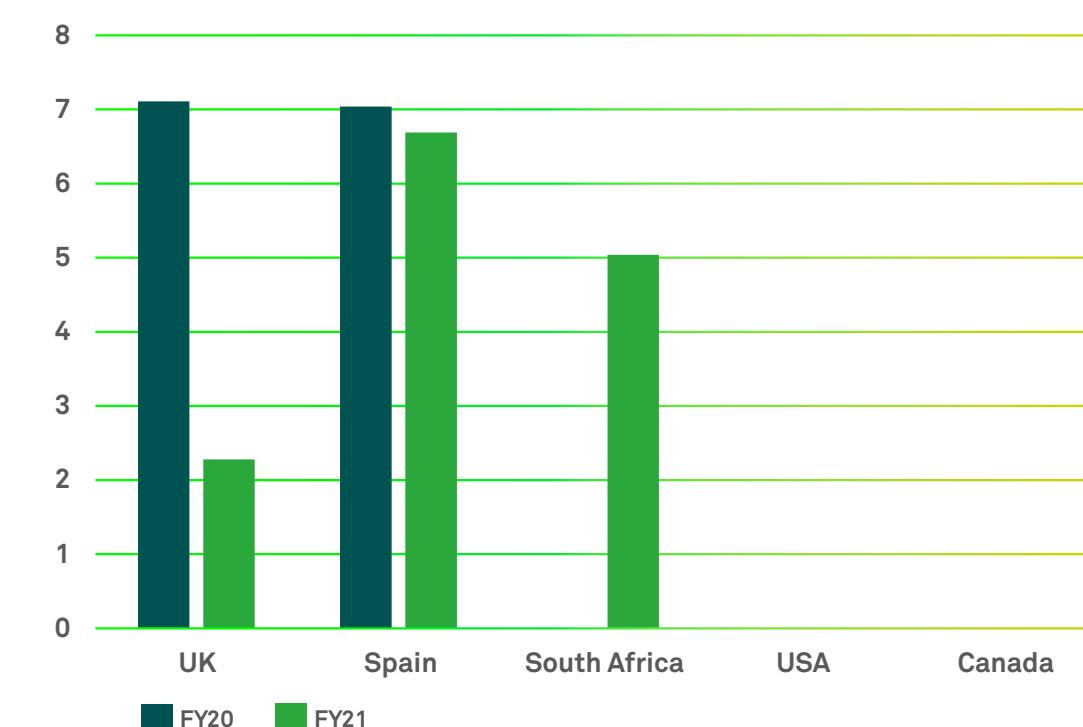
Unfortunately, during FY21 there were five high consequence injuries within the UK, two of these were at our Alconbury site and three occurred at our Peterborough site. Two of these were slip and trip incidents. As a

result, a thorough review of the clean as you go policy and team briefings were carried out to remove the hazard and avoid reoccurrences. The remaining three incidents related to contact with machinery, falling object and fixed racking. Following the contact with machinery incident there was a risk assessment review of the despatch loading process. This led to a process change to remove hazards identified to prevent reoccurrence. Following the falling object incident all PPT (Powered Pallet Trucks) were briefed on securing of loads prior to movements to try and prevent re-occurrence. Also, regular checks on loads are monitored by managers. And finally, as a result of the contact with fixed racking incident, with immediate effect the racking beam was lowered to truck exterior level to prevent impact to body. All trucks speed settings were assessed and reduced across site. The operator was also re-assessed/re-trained on operations of PPT.

We have seen a decrease in the rate of recordable work-related injuries in our main operational sites in

	Fatalities		High-consequence work-related injuries		Recordable work-related injuries	
	Number	Rate	Number	Rate	Number	Rate
UK	0	0	5	0.28	41	2.28
Spain	0	0	0	0	78	6.69
USA	0	0	0	0	0	0
South Africa	0	0	0	0	1	5.04

Recordable work-related injuries per 200,000 hours worked





the UK and Spain compared to last year. There was an increase in South Africa, however this was due to just one slip accident in our South African office where we have a much smaller number of employees.

All employees and workers are encouraged to report work related hazards. Employees and workers can report issues through direct dialogue with a supervisor or manager, via their representatives of employee safety or via the incident reporting process. There is a formal process for the reporting and investigation of work-related incidents which is transparent and robust in identifying root causes of incidents, and not seeking to apportion blame. Corrective actions identified as part of the investigation are seen through to completion via a monitoring process with a suitable escalation process in place.

All workers receive training as part of their induction covering legal duties, findings from risk assessments, how to report incidents, on-site hazards, first aid and site rules. Additional training is determined based upon the roles or activities people perform. IOSH Managing Safely training is delivered to operational managers in the UK.





ENHANCE HEALTH AND WELLBEING



 Hygiene and
worker welfare



 Local
Communities



 Nutrition



 Health and
Wellbeing



 Innovation



Hygiene and worker welfare

Poor sanitation, hygiene and sub-standard/limited access to clean drinking water can be an issue for some workers on farms in our supply chains. Hygiene and worker welfare remains an important area where we want to target improvement in conditions. We want to be transparent that in this year we have not made the progress we would have liked, largely because of limited resource and an ambitious strategy, we have not been able to launch all of the projects we had planned.

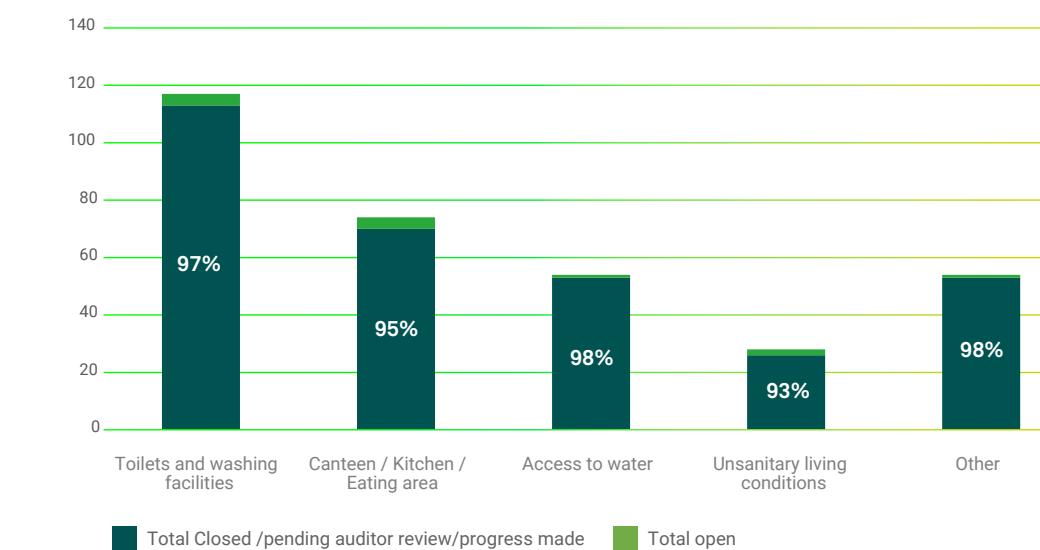
Third-party ethical audits are an important tool for highlighting issues in this area. As shown on the graph, the number of audits taking place across our supply chain has increased each year, and we are also seeing an associated increase in the number of non-compliances (NCs).

However, the findings of ethical audits provide us the opportunity to work with our supply chain to rectify issues. As demonstrated on the graph, 93-98% of NCs

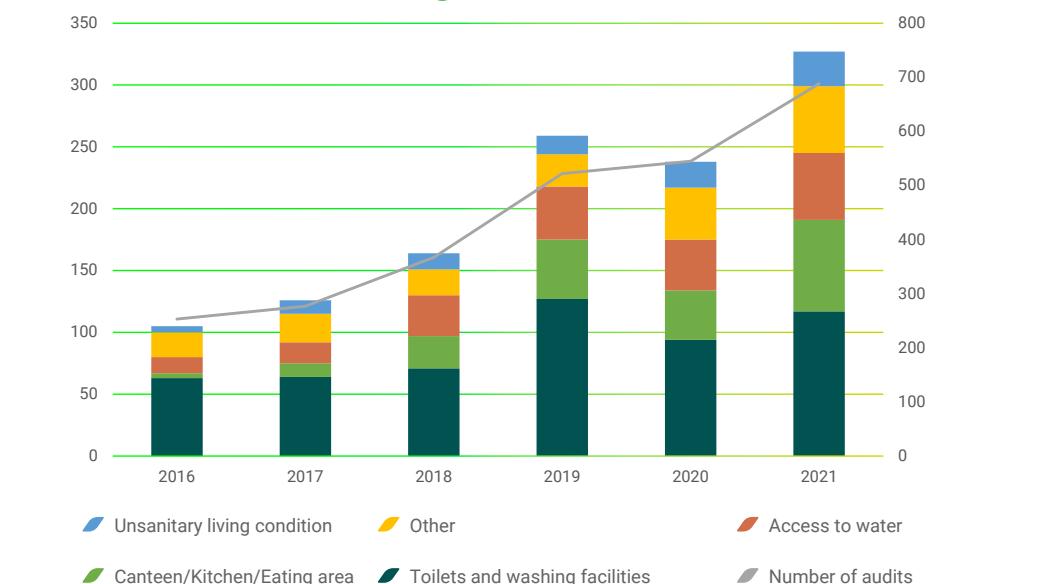
across the categories were either closed or progress made/pending auditor review. In the coming year, we plan to take a more proactive approach to working with our suppliers to ensure expectations are clearly communicated, guidance and training is provided where needed in a bid to raise these standards across the supply chain. Continuous improvement is our goal.



Total NCs and closure rate by category



NCs related to hygiene & worker welfare





Local Communities

Whilst we are completely committed to setting up proactive and supportive actions around our communities, this area of work has unfortunately been left on hold during the 2020-2021 reporting year due to the ongoing COVID pandemic. Getting out and about, meeting local businesses, charities, schools and colleges has not been possible nor reciprocal visits to our sites.

We hope to have made some progress in this area, with exciting plans under way for 2022. With the new building of our state-of-the-art packing facility in Alconbury, due 2023, we are already actively communicating with the local authorities and wider community groups to deliver a leading outreach programme to support neighbourhood interests.

Community action is something we are also keen to champion within our supply chains. At the start of 2020, we were delighted to be able to support a new charity that was set up in South Africa between Care Cause Foundation and Tangelo Estates. This charity is based in the Western Cape, where we source much of

our easy peeler citrus varieties from for our UK customers. The collaboration was established at the start of 2020 in the rural community of Beffeljagsrivier, where most of the adult population is involved heavily in the farming industry. Due to its remote location, the schools receive very little access government funding and services.

The COVID pandemic resulted in many adults being out of work in Beffeljagrivier, so one of the charity's focus areas was to feed over 300 children, using the local school kitchens to prepare healthy nutritious food to those in need during lock down. Food was delivered to their homes and villages during a time of high unemployment and financial struggles.

Funds have also been used to provide general maintenance, utilities, security, cooks and a headmistress' salary for the local school and wrap around day care for children and infants. The charity also leads fundraising within the community to purchase school stationary and educational toys.





Nutrition

Feeding a global population expected to reach nearly 10 billion people by 2050 will require a substantial shift to sustainable and healthy diets. As part of this, it is projected that global consumption of fruits, vegetables, nuts and legumes will need to double. At AM FRESH Group we are proud to be supplying fresh and healthy food that will help meet the nutritional needs of a growing global population.

Jaffa teams up with fareShare

Our Leading citrus brand Jaffa® has announced a new year long partnership with FareShare, the UK's largest food charity fighting hunger and food waste. Throughout the duration of the partnership, Jaffa will be supporting FareShare to distribute the equivalent of 200,000 meals to vulnerable people across the UK. The initial twelve-month agreement will fund the redistribution of vital food supplies, creating a much-needed boost to those facing hardship, especially within the current economic environment.

These meals will be supplied across FareShare's

network of 11,000 charities and community groups, reaching some of the UK's most vulnerable families and individuals.

British Canoeing

We began our partnership with British Canoeing as the Title Sponsor of the ICF Canoe Slalom World Cup 2019. Since then we have continued working with the paddlers as their Official Fruit Partner. With the Tokyo 2020 Olympics on the horizon, we saw the opportunity to work together to support the British Canoeing athletes and their fans in the lead up to the Games. As Official Fruit Partner, our Jaffa crew has been popping up at paddling events across the country spreading Jaffa joy with our fruit, freshly squeezed orange juice and fun activities and giveaways for the audience to get involved in.





England Netball

Our partnership with England Netball began in 2019. Following their nail-biting victory in the Commonwealth Games final against Australia in 2018, we were delighted to have the chance to work alongside the team as they prepared to compete in the 2019 Netball World Cup.

We love having the opportunity to meet England Netball's fans at their games. If there's one thing we've learned since we started working with the team it's that they have an amazing group of fans! It's great to be a part of the eclectic atmosphere that can always be found courtside of an England Netball match, and we can't wait to meet more of you at the team's upcoming games.



The Scouts Association

We have been working in partnership with The Scouts Association since 2018 when we began our sponsorship of two of the

Association's badges: The Beaver Health and Fitness badge. Through our partnership with the Scouts, we are working to reinforce the importance of healthy habits and lifestyles to young people. Our aim is to encourage and enable Scouts across the UK to develop to their fullest potential by ensuring they learn the key skills required to make healthy choices every day.





Health and Wellbeing

Historically, Occupational Health has been managed externally for the UK manufacturing operations. This has been reviewed during the 20/21 period and it was felt that this function would be best moved in house for the benefit of our workers.

Our workforce on the ground are the engine room for the success of our business. Their wellbeing is always our first priority. As a family business, we want to have transparency, trust and provision of the help needed to keep our staff happy and motivated in their work.

Occupational health has three areas of focus to keep our workers safe; health surveillance, supporting attendance management through the introduction of a Management Referral system and establishing a Wellbeing Platform.

Typical areas of concern for our workers during the last 12 months have been Anxiety, Stress, Depression, musculoskeletal issues and back pain.

Our priority is to establish a team ensuring continuous

improvement for our sites. Site trackers have been created to assist in metric gathering, other than Wellbeing which will be a focus later this year and one on which we will be able to report our progress going forward. In addition to operational workplace health and wellbeing, we have continued with our engagement on mental and physical health. The two are intrinsically linked, so we have been busy organising social events both outside worktime eg paddle boarding events, fun runs and cycling activities, whilst during the working day, a running and a walking club to support staff getting an active break to their routine.





Innovation

At AM FRESH Group innovation is at the core of our operations and our varietal development and innovation platforms span across multiple categories including table grapes, citrus and exotics. Our global leading varietal innovation programs, SNFL and Genesis Innovation Group deliver exciting new varieties, which provide consumers with exceptional quality and taste attributes.

Genesis Innovation Group

Genesis Innovation Group is an international group of highly specialized companies dealing with varietal breeding and the management of protected cultivars at worldwide level. Its core principle is to bring together the best breeders and the best growers so that customers can enjoy a wider range of new and exciting varieties.

Genesis Innovation's international team consists of an enthusiastic group of scientific, technical, commercial, marketing, administrative and legal

experts who are passionate about successfully developing and managing new fruit intellectual property, from seed to shelf, for the benefit of breeders, growers, marketers and consumers.

Genesis Innovation works closely with top international breeders and firmly believes that investing in the development of new varieties benefits all stakeholders in the supply chain: breeders, growers, marketers and consumers.

Through its own Innovation Centres and the external breeding programs which Genesis Innovation supports, a huge pipeline of new varieties is created from Citrus, Pomegranates, and Exotics.

Agronomical evaluations, selection and development of growing protocols take place at Genesis Innovation experimental farms. Nurseries provide high quality certified plant material to its licensed growers and its legal experts ensure the enforcement of Plant Breeders Rights at global level.





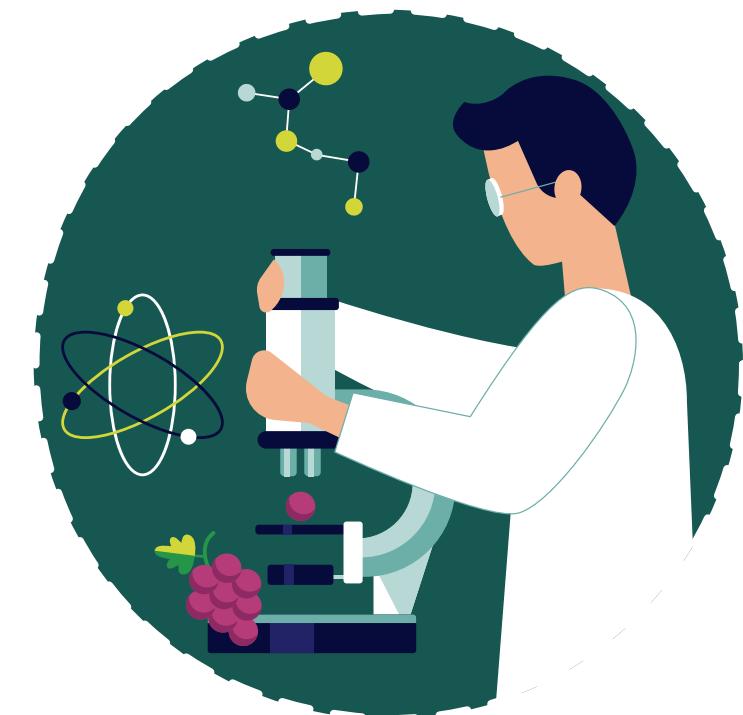
SNFL Special New Fruit Licensing Ltd.

SNFL is a global leader in the development, licensing and commercialization of premium table grape protected varieties and a powerhouse of varietal innovation. Founded in 1992 and built on a long-term belief and investment behind innovation which has fueled SNFL's growth with highly differentiated products and unprecedented opportunities.

SNFL Group is one of the world's leading table grape R&D companies. For over 20 years SNFL has been breeding and developing new table grape varieties and licensing their production around the world. SNFL's Innovation Centre is state of the art, and its multi-disciplinary team is made up of geneticists, molecular biologists, agronomists and technologists of the highest calibre. SNFL varieties are highly demanded among growers for their optimal performance and available in retailers across the globe.

The SNFL team is present in 18 countries around the world covering all the major table grape production regions. Every year its innovation team selects the best new hybrids from its distinguished Grape Genesis breeding programs that are sent to 10 trial

sites around the world for detailed evaluation of their agronomic characteristics and commercial potential. In each of these regions, the SNFL agronomists and technicians develop locally adapted production protocols that licensed growers apply to get the very best results from SNFL's new varieties. The SNFL IP varieties are grown across the globe and highly esteemed among retailers for consumers to enjoy worldwide.





Technology Centers

We want to unlock nature's excellence at its core To create more unique and more unprecedented products. we will combine to form a pipeline from the largest global breeding company cross-referenced with post harvest and agronomics experts and to enhance the consumer offer.

We are creating 2 technology centers to drive step-change technology and data to deliver customer benefits.

ALPHA

Dedicated Technology Centre based at source focused on farming, pre and harvest technologies on driving efficiencies, quality and issue resolution.

OMEGA

New custom build technology centre, building on current platform. Focused on consumer issues on shelf life, taste, packaging and post harvest analysis.



TECHNOLOGY CENTERS



ALPHA



OMEGA



Partnerships & Memberships

At AM FRESH Group we recognise collaboration is crucial to solve industry challenges. Below are examples of our participation in industry initiatives and memberships.



We are members of the Cool Farm Alliance, a unique community of organisations working together to develop and promote a harmonised set of metrics for agricultural sustainability. We use the Cool Farm Tool and Biodiversity modules to measure performance within our supply chain, and we participate in their working groups for the development and ongoing enhancement of the tools.



AM FRESH Group are Friends of Champions 12.3 - a coalition of executives from governments, businesses, international organisations, research institutions, farmer groups, and civil society dedicated to inspiring ambition, mobilising action, and accelerating progress toward achieving SDG Target 12.3 by 2030.



AM FRESH Group has been an AB member of the Supplier Ethical Data Exchange (Sedex) since 2005. A not-for-profit organisation that aims to improve ethical and responsible business practices in global supply chains. The largest collaborative platform for managing ethical supply chain data with over 30,000 customers and supplier sites worldwide.



FareShare is the UK's longest running food redistribution charity, established in 1994 to redistribute food industry surplus, which would otherwise go to waste, to the people who need it most.



A multi-stakeholder collaborative initiative established in 2015 in response to a recognised need to promote better working conditions within the Spanish horticultural sector.



Specialising in waste management, processing, and recycling.



AgriGrub is an innovative company creating sustainable solutions for food waste using black soldier fly larvae. The larvae are sold into the animal feed industry and their by-product (frass) can be used as a soil conditioner and biopesticide. We are working with AgriGrub to meet our 2025 ambition to be zero food waste in the UK. Currently we are providing up to a tonne of our waste each week for processing, and by 2021 we hope to grow this volume to 3500 tonnes per year.



A sustainability consulting group that guides top organizations to define, shape and implement intelligent environmental sustainability solutions. They deliver resilient strategies, robust metrics, useful tools and credible communications. AM FRESG Group are working with Quantis, together with the CFA, to build a carbon sequestration measurement tool for perennial crops.



WWF is helping companies work to change the way they do business and have a positive impact on the natural world. Several of AM FRESH's retail customers are in partnerships with WWF to half their environmental impact and we are working closely with them, aligning our agricultural practises and those of our supply chain.



Set up as a not-for-profit company in 2000; they became a charity in 2014. WRAP works across six continents with governments, businesses, and citizens to create a world where resources are sourced and used sustainably.



About this report

This report relates to the activity of AM FRESH Group and our main business units, as outlined on page 7. The reporting period is our latest financial year: 01 September 2020 - 31 August 2021.

For compiling our greenhouse gas data, we have applied the operational control approach to all subsidiaries under the AM FRESH Group. Please note that MM Flowers, a sister company, is excluded from the scope of this report for that reason. Our reporting has been prepared in accordance with the GHG Protocol.

For any questions about this report, please contact groupsustainability@amfresh.com



AM FRESH™
GROUP

