



Modern Slavery statement 2020-2021

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## INTRODUCTION

This is AM FRESH UK's fifth modern slavery statement and sets out the steps we've taken during the financial year 2020-2021 to prevent modern slavery and human trafficking in our business and supply chains.

This statement has been published in accordance with the Modern Slavery Act 2015.

AM FRESH UK are committed to having a positive impact on the lives of the people we work with and affect. This includes eradicating all forms of forced labour.

We understand that Modern Slavery and Human Trafficking is a significant risk within our own operations and our global supply chains for which we must be diligent in our approach.

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## 1.0 OUR BUSINESS

At AM FRESH Group, we are devoted to innovation and technology as the gateway to superior products delivered consistently. Our strong presence in FRESH spans an end-to-end operation in citrus, table grapes, tropical fruits and superfoods, plant-based fresh goods and flowers delivering comprehensive solutions for our strategic partners and global consumers.

Our values live in our minds and our hearts. We commit to the highest ethical standards and promote a strong stewardship for the progress of the food industry for the benefit of consumers, communities, partners and the land. We understand that the trust of consumers, partners and employees is earned with every small action. We foster reliability with all steps, big and small.

At AM FRESH we believe that everyone should be treated with respect, dignity and equality and that a workplace should be safe and fair. These principles are rights that should also be respected throughout our supply chains. We are constantly seeking to work collaboratively with suppliers and customers that share our principles.

AM FRESH UK, a subsidiary of AM FRESH Group, supplies leading supermarkets with a range of citrus, table grape and melon products into retail stores and online platforms. We operate from two UK packing facilities where raw materials are received, inspected, packaged and dispatched to our customers. We make use of a single labour provider to support our directly employed colleagues.

At AM FRESH UK our UK Managing Director takes board responsibility for our work on addressing Modern Slavery. The strategy is devised by our Group Sustainability Director and implemented by our Ethical Trade Manager and Sustainability Apprentices.

## 2.0 SUPPLY CHAIN

AM FRESH UK buys products and services from many suppliers throughout the world. Our highest spends are for fruit raw materials and agency labour provision.

### Goods for resale

The products we manufacture are sourced from over 18 countries predominantly within Europe, Africa and The Americas. We work with 122 suppliers that fall into three broad sources:

1. Fellow AM FRESH GROUP companies;
2. Joint ventures;
3. Other known sources.

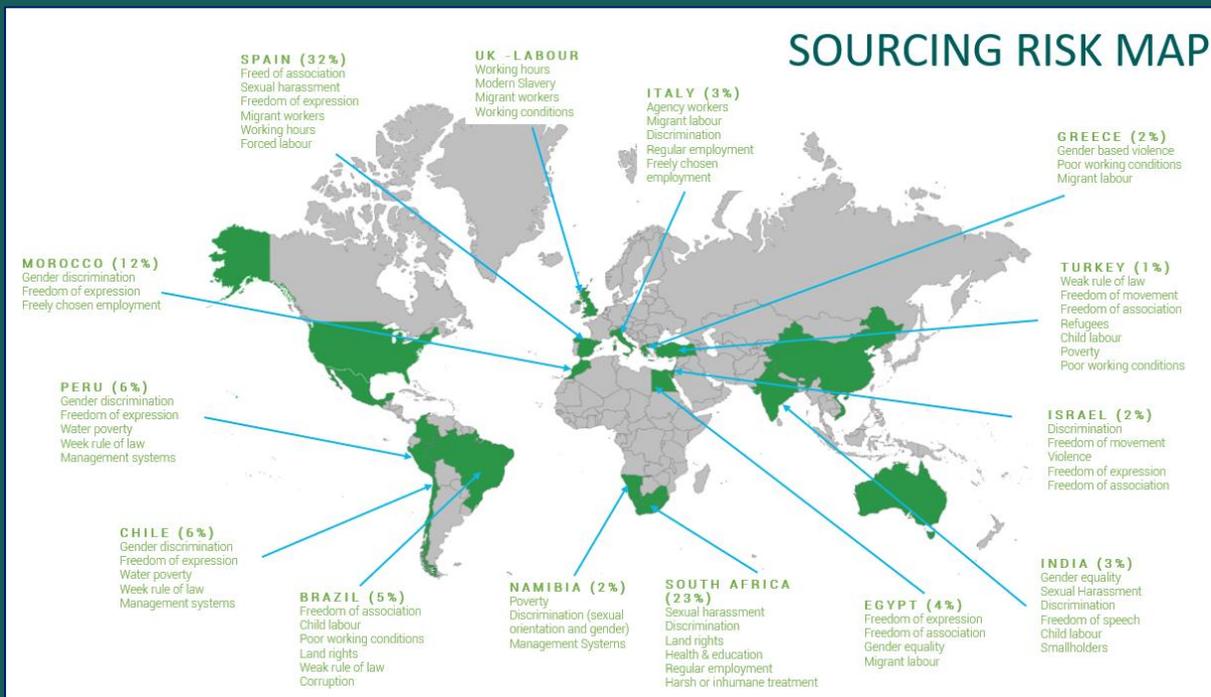
Fellow AM FRESH GROUP companies: Supply comes from farms which are directly owned and/or managed by AM FRESH Group Companies. We have a very close working relationship with the management teams and an increased understanding of the way in which people are managed. In many of these cases these businesses have their own directly employed harvest teams minimizing risks associated with temporary or transient labour sourcing.

Joint Ventures: AMC Groups breeding programmes have facilitated joint ventures with several large agribusinesses around the world. One benefit of these joint ventures is a better understanding of the grower's business and a collaborative approach to mitigating risk.

Other Known Sources: The remainder of raw materials come from other known sources and suppliers with whom we have chosen to develop strong, long-lasting relationships.

Our sourcing models and close commercial relationships ensure that we maintain a strong knowledge of how our suppliers operate their businesses. Further to this, our directly employed source technologists, technical managers, ethical teams and procurement teams visit our suppliers throughout the year following the sourcing calendar around the world. When visiting suppliers they not only check on quality and technical standards but also take a proactive approach in identifying indicators of potential labour issues. All staff who visit suppliers as part of their role have received training on labour issues and modern slavery. This means we are able to advise suppliers on best practice and help them make positive changes to their labour management practices.

Within our value chains we know that labour is made up of 29% permanent employees, 64% temporary or seasonal workers and 7% agency workers. Within certain sourcing countries a significant volume of those workers under temporary or seasonal contracts will be migrants. (See map below)



### 3.0 POLICIES AND PRACTICES

Our policies and practises reflect the principles of protecting the welfare of our employees. Looking after their wellbeing is at the core of our business and reflected throughout our company values.



The specific company policies that support the wellbeing and welfare of our employees are:

- Dignity at Work Policy
- Equal Opportunities Policy
- Code of Conduct Policy
- Employee Assistance Program

And the following policies support the mechanisms when colleagues need to raise concerns:

- Grievance Policy
- Whistleblowing Policy

In 2020/2021 during the COVID-19 pandemic we had to amend our ways of working to ensure the safety and wellbeing of all our colleagues, following the government guidance.

AM FRESH UK supply chain policies and processes are aligned to our customers requirements. More specifically, issues of modern slavery and trafficking are addressed through our implementation of the Ethical Trade Initiative (ETI) Base Code and requirements of SEDEX through SMETA or SIZA audit standards.

Commitments on ethical trade, human rights and modern slavery are set out in several policies and protocols, including the following.

- Our Ethical Requirements which state suppliers must comply with the ETI Base Code. (Suppliers are required to declare commitment and ability to provide evidence of compliance to this requirement)
- Due Diligence pack outlining our commitments to Ethical trade and our approach to transparency and protecting the rights of workers in our supply chains including no forced labour
- Eligibility to work policies helping protect workers from exploitation

As part of our Due Diligence and risk assessment process our teams review suppliers' Human Rights policies and practices via the SEDEX Self-Assessment Questionnaire following up directly where required.

Policies are communicated through several channels. For UK Employees, our employee handbook is issued to all new starters, our Human Resource Team provide details during inductions which is mirrored with our labour provider. Employees have access to the intranet and our Human Resource Team. For suppliers all policies are issued on an annual basis as part of our Due Diligence process.

Enforcement of these policies is carried out through our management system procedures and processes, where adherence is monitored and reported as part of Key Performance Indicator structures.

To further enhance our group resource and expertise in Human Rights, AM FRESH Group established a dedicated Sustainability Team in January 2020. The strategy was published and rolled out across the group in July 2020 and AM Fresh UK received a dedicated Human Rights Training package for all managers. Since that initial period of training, all new starters have received modern day slavery awareness training.

## 4.0 RISK ASSESSMENT, PREVENTION AND MITIGATION

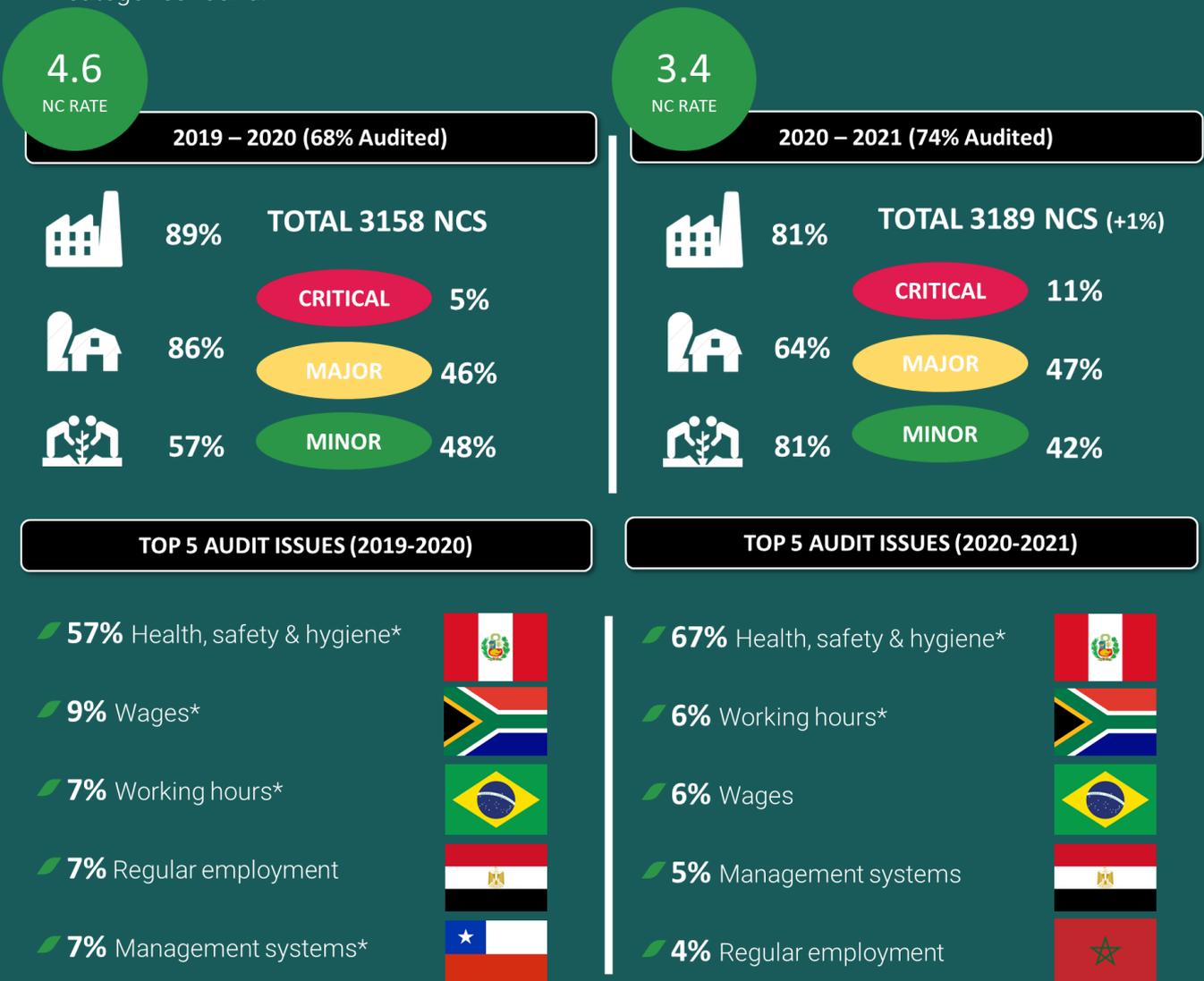
We recognise the possibility of risks developing due to external factors such as armed conflict, migration and climate change impacts on people. As political and socioeconomic conditions change, we will review our approach to supply chain management on a seasonal basis.

AM FRESH UK have a risk assessment methodology for all suppliers that supply goods for resale. This risk assessment has been developed over a number of years. Our priority during this reporting year has been to increase transparency of our supply chains beyond Tier 1 down to farm level, as we believe this is likely to be where significant risk lies. This has allowed us to map our supply chains more fully. In addition, this greater understanding has allowed us to identify specific labour risks by country which include where relevant the risk of forced labour (see map on pg. 5).

Together with our retail ethical teams, we are collaborating with exporters, growers, NGO's and local government to help identify and support new ways of working.

There are currently 1236 sites in our supply chain, of which 10% are packhouses, 28% are packer growers and 62% are farms, and we have visibility down to farm level of SEDEX and other ethical certifications. As a part of our ethical audit programme 547 audits were conducted across farms and packhouses within our supply chain, where required due to their risk assessment. This level of transparency covers 325,000 workers within our supply chains. The use of labour providers, seasonal and agency labour throughout our supply chain is an area we have increased our focus on, given the potential risk of modern slavery, labour exploitation and the impact of Brexit.

As part of our due-diligence and improvement process we review the results of our supply chains audits on an annual basis. This enables us to perform trend analysis and highlight areas of focus for the coming seasons, including potential issues around forced labour and modern slavery. These findings are highlighted below for rates of non-conformances and the top issue categories found.



Through our audit monitoring programme and supplier due diligence for this year we have not identified any potential situations of forced labour or modern slavery in our supply chain. However, we will continue to diligently monitor potential indicators through the analysis on non-conformances, use of risk assessments and SEDEX reporting and continued collaboration and communication with our supply chain.

To maintain knowledge of current and developing global issues we conduct horizon scanning. This includes inputs from several professional bodies, charities and NGO's. Notably these include:

- ETI
- Human Rights watch
- SIZA
- Global Slavery Index
- Sedex
- Stronger Together
- UN SDG News
- ILAB
- GLAA
- Ethical Corp
- Fairtrade
- ILO

Our UK sites undergo independent third-party SMETA audits every two years. We have a close and long-standing relationship with our main agency labour provider who is Gangmasters and Labour Abuse Authority (GLAA) licensed and is audited every six months by our Human Resources Team.

Our UK operational businesses are using the Stronger Together Progress Reporting Tool to drive progress against a recognized framework

## DUE DILIGENCE

Despite strong and long-standing relationships with most of our suppliers, we remain alert to the risk of Modern Slavery within our value chains. We encourage suppliers to identify risk within their own business. Should there be instances of Modern Slavery within our value chain which we ought to know about, we have the following controls in place to identify it:

- Sedex: we ensure that as a minimum all supplying sites are registered on Sedex and have completed the Self-Assessment Questionnaire (SAQ). We monitor responses to key questions within this which are indicators of risk
- Supplier Due Diligence Packs: these set out the standards that we require of our suppliers. We detail in this pack what we require of our suppliers to ensure that any cases of Modern Slavery are identified and reported to us to help resolve
- Sedex Members Ethical Trade Audits (SMETA): We carry out supplier risk assessments to identify SMETA audit requirements. Should non-compliances be raised during audits our team work closely with the supplier to act. We share best practices to resolve issues as quickly and effectively as possible.

Data and information about our suppliers is maintained and monitored on an ongoing basis. Internal reviews of risk are undertaken seasonally or as a result of a change in circumstance. A supplier scorecard is compiled for each supplier which includes the risk assessment findings, this is shared with suppliers. Compliance Key Performance Indicators are reported weekly within governance structures including the Senior Leadership Team.

A target for 2021-2022 is to review our Risk assessment process to ensure it is as robust and effective as possible. We will also be reviewing the suitability of Due Diligence at farm / grower level.

## 5.0 LABOUR PRACTICES

At AM FRESH UK we have a centralised team of resourcing specialists. For the operations environment we also work with temporary labour providers who are Gangmaster and Labour Abuse Authority (GLAA) licensed.

We carry out robust auditing pre-engagement with any agencies and annual audits, as a minimum, with our temporary labour providers, focusing particularly on their processes and practices in relation to labour exploitation, including worker interviews and payslip checks. We have continued working with Staffline this year and will be partnering with Optus as a managed service provision from September 2021. When exploring a partnership with Optus we will carry out the Stronger Together Checklist to ensure compliance prior to engaging with them.

Within our recruitment processes, especially during the pandemic, we continued to see as many candidates face to face as possible to get to know them at interview, assessing any potential concerns that may arise. Within AM FRESH UK, many of our weekly paid workforce have transitioned from our temporary labour providers to become permanent employees. Our robust candidate management system allows for the checking of duplicate email addresses and accounts. When we input a candidate's name, email address, telephone number or home address and postcode, it will alert us if there is a duplicate; we would then have a look to see where the duplication is taking place, and it will be a quick way to see if there is anything that does not look correct. On top of the duplication alert, the system will not let someone create two accounts with the same email address. Outside of the online recruitment system, we speak with all candidates on the phone or via Microsoft Teams before inviting them to assessment centre or to interview so we can get to know them, and make sure what they have submitted to us is accurate and represents the candidate correctly.

## 6.0 TRAINING AND CAPACITY BUILDING

Awareness around Modern Slavery starts during our induction process that all new colleagues attend. Modern Slavery and Human Trafficking issues, via Stronger Together resources, are discussed covering the concept of labour exploitation, how to raise concern and and get support. We then display Stronger Together posters, in various languages, across our noticeboards and in our welfare facilities.

During the COVID-19 pandemic face to face training was more challenging to arrange and so, members of the sustainability and technical teams have carried out e-learning training from Stronger Together and SEDEX. In August 2021 at AM Fresh UK, we rolled out their initial Managers Awareness sessions exploring ethical trade and human rights giving focus to modern slavery, the broad impact globally, considering the impact to the business as well as their roles in identifying and supporting victims.

Technical, Procurement and Quality Team members receive ETI training bespoke to our own supply chain risks. Two Human Rights Risk Assessment Reports were also published during 2020 to support the buying teams' work.

There is also training available for our suppliers in the different countries of origin. We work together with our customers, certification bodies and other institutions to encourage our suppliers to participate. Some of which include:

- Spanish Ethical Trade forums that are sponsored by a number of UK and Spanish retailers and importers. The main aim of these forums is to help suppliers to identify their common issues, share their best practices, and find ways to approach the best solutions to these issues. A number of working groups are set up behind these forums to help suppliers to tackle specific common issues. Some of these working groups were set up around:
  - o Covid-19 pandemic
  - o Workers and management representative's dialogue
  - o Grievance mechanisms
  - o Circular labour migration
  - o Sustainability
- ETI courses organised by SIPAS in The Americas, focused on Human Rights, Right to Work and Human Rights Impact Assessment
- Responsible Recruitment Training organised by Responsible Recruitment Toolkit (RRT) to offer expert, pragmatic support for suppliers and labour providers to achieve responsible recruitment.
- Stronger Together courses in South Africa to support producers to reduce the risk of modern slavery within their business and supply chains.

Several employees have attended and contributed to FNET workstream meetings of which there are specific topics and case studies from which to learn.

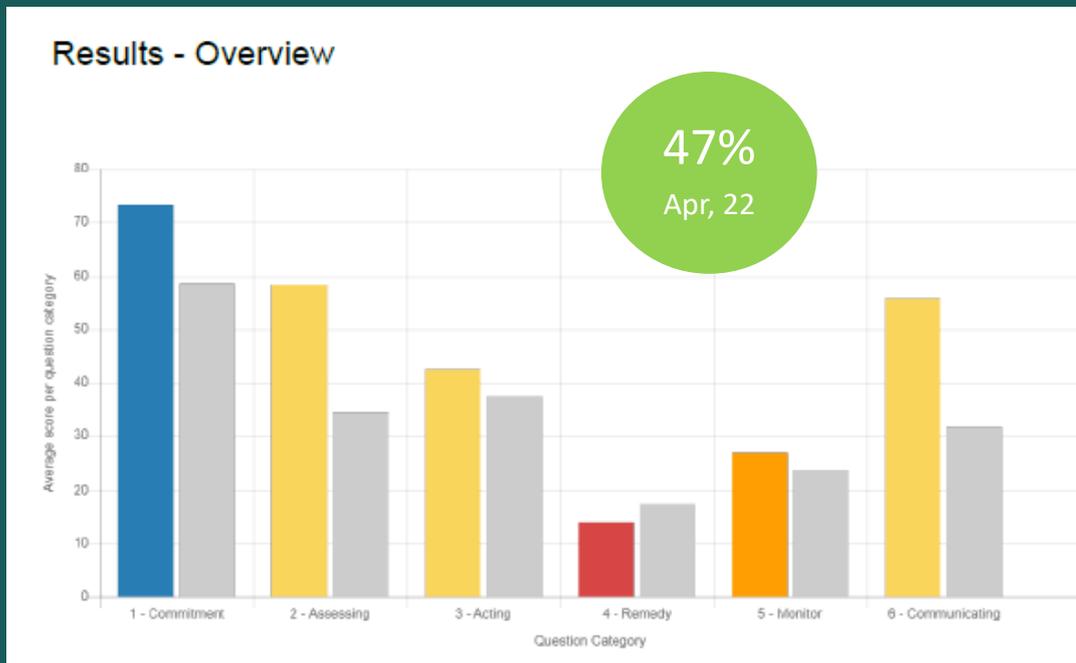
As sponsor members of the Spanish Ethical Trade Forum during 2020, we promoted their events and workstreams within our supply base.

As part of our risk assessment and monitoring programs we support suppliers directly where specific issues or gaps in knowledge or competence arise.

## 7.0 OUR PROGRESS

Our methods to tackle Modern Slavery and assess effectiveness involve the following activities:

- We assess and measure cases identified across our business, via our supply chain, as we actively encourage and support our staff to speak up if they see any red flags
- Evaluate risk related activities throughout our supply chain and review supply chain transparency and risk across the business
- Continuous improvement plans for staff training and development to increase knowledge and awareness to improve our practices.
- Continue to work on exploring opportunities within the Stronger Together toolkits to strengthen our activities.
- Keeping our colleagues at the heart of everything we do.
- Carried out the Stronger Together Progress Reporting Tool (PRT) for AM FRESH UK, detailed below. We will repeat this every 6 months with targeted objectives in place.



The Board of AM FRESH UK Limited are committed to the identification and eradication of Modern Slavery and Human Trafficking in our operations and supply chains. Mark Player AM FRESH UK Managing Director is named as the Board Level Director responsible for compliance with the Modern Slavery Act 2015.

Yours Sincerely,

Mark Player

Managing Director

AM FRESH UK Limited

## Modern Slavery Statement FY 2020/2021

This statement is reflective of 2020/2021 financial year for AMK FRESH Fruit Services Ltd and AMT FRESH Ltd. AMK and AMT are subsidiaries of the AM FRESH Group. The AM FRESH Senior Management Team, together with Tesco are committed to the identification and eradication of Modern Slavery and Human Trafficking in our operations and supply chains. Mark Player, Managing Director, is the Board Level Director responsible for compliance with the Modern Slavery Act 2015.

### **About us**

At AM FRESH Group, we are devoted to innovation and technology as the gateway to superior products delivered consistently. Our strong presence in FRESH spans an end-to-end operation in citrus, table grapes, tropical fruits and superfoods, plant-based fresh goods and flowers delivering comprehensive solutions for our strategic partners and global consumers.

Our values live in our minds and our hearts. We commit to the highest ethical standards and promote a strong stewardship for the progress of the food industry for the benefit of consumers, communities, partners and the land. We understand that the trust of consumers, partners and employees is earned with every small action. We foster reliability with all steps, big and small.

At AM FRESH we believe that everyone should be treated with respect, dignity and equality and that a workplace should be safe and fair. These principles are rights that should also be respected throughout our supply chains. We are constantly seeking to work collaboratively with suppliers and customers that share our principles.

AMT FRESH is a dedicated partnership supplier to Tesco UK for fresh products that include citrus, grapes, melons, pineapples, butternut squash, courgettes and aubergines. In addition, our group innovation businesses Citrus Genesis and Grape Genesis are at the cutting edge of varietal developments that facilitate strategic relationships with our supply base.

AMK Fresh is a new state-of-the-art sustainably built packing facility in Peterborough which operates 24/7 packing for Tesco, working in partnership with AMT FRESH. The site opened in May 2020 and has grown to employ approximately 400 weekly paid colleagues, 100 salaried colleagues and uses agency labour daily of between 50 and 150 workers. The workforce is diverse, having colleagues from 33 different nationalities. 2020 was a transition period for the site, with each of our categories moving across in a staged process from our existing service provision site located in Newmarket. This was the start of our journey in respect to Modern Slavery for our new UK operation.

We recognise, with the growth of the AMK FRESH business, and the changes that businesses have faced, in particular COVID-19, and the labour challenges following BREXIT, there has been an increase in risk of hidden labour exploitation.

### **Supply Chain**

Our raw materials are sourced globally, predominantly Europe, Africa and The Americas. Purchasing is subject to Tesco UK buying teams' and Tesco Hub Offices' approval. Raw material sourcing strategies are based upon suppliers' sustainability, capability and risk factors within which ethical standards are fundamental, along with quality, technical and service.

## Modern Slavery Statement FY 2020/2021

Across our supply base we procure from three broad sources. These are:

1. Fellow AM FRESH Group Companies
2. Joint ventures
3. Other known sources

**Fellow AM FRESH Group Companies:** Supply comes from farms which are directly owned by AM FRESH Group Companies. We have a very close working relationship with the management teams and an increased understanding of the way in which people are managed. In many of these cases, these businesses have their own directly employed harvest teams minimising risks associated with temporary or transient labour sourcing.

**Joint Ventures:** Citrus Genesis and Grape Genesis breeding programmes have facilitated joint ventures with several large agribusinesses around the world. One benefit of these joint ventures is a better understanding of the supplier's business and a collaborative approach to mitigating risk.

**Known Sources:** The remainder of raw materials come from other known sources and suppliers with whom we have chosen, together with Tesco to develop strong, long lasting relationships.

Our sourcing models and close commercial relationships ensure that we maintain a strong knowledge of how our suppliers operate their businesses. Further to this, our directly employed audit, technical and quality managers visit our suppliers throughout the year following Tesco's sourcing calendar around the world. When visiting suppliers, they not only check on quality and audit technical standards but also take a proactive approach in identifying indicators of potential labour issues. This also means we are able to advise suppliers on best practice and help them make positive changes to their labour management practices.

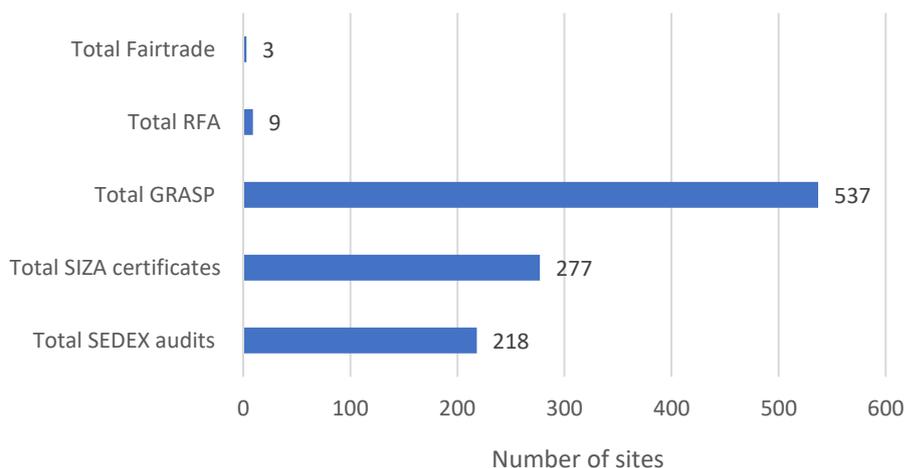
Despite strong and long-standing relationships with the majority of our suppliers, we remain alert to the risk of Modern Slavery within our supply chain. We encourage suppliers to identify risk within their own business. Should there be instances of Modern Slavery within our supply chain which we ought to know about, we have the following controls in place to identify it:

- Supplier Due Diligence Packs set out the standards and expectations that we require of our suppliers to Tesco. This is done via our AMT Compliance platform, a safe and secure space to share data, certifications and undertakings. More specifically, one of the critical steps within the Due Diligence pack is completion of an ethical undertaking and Modern Slavery questionnaire. This must be done at the start of each season by the supplier's Senior Management Team and countersigned by a Business Director.
- We ensure that as a minimum, all supplying packing sites in High-Risk countries are registered on Sedex and have completed the Self-Assessment Questionnaire (SAQ) prior to the start of each season and within the last 12 months. We monitor responses to key questions within this

## Modern Slavery Statement FY 2020/2021

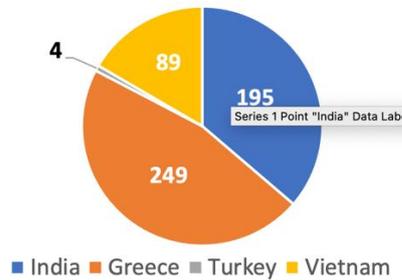
which are indicators of risk. Suppliers in South Africa may use Sustainability Initiative South Africa (SIZA).

- We continue to use SEDEX monitoring tools to have a good visibility of our supply base ethical performance. In particular we are using the SEDEX Analytics Report to monitor compliance across the supply chain via My Supply Chain and My Supplier’s Audit and Findings. This gives us the capability to search for specific issues and drill down into areas of risk.
- Should non-conformances (NCs) be raised during ethical audits, our team work closely with the supplier to take action. We share best practices to resolve issues as quickly and effectively as possible.
- Tesco require that all suppliers from high-risk countries undertake SMETA or SIZA (for sites in RSA or Namibia) audits from dedicated and approved audit bodies at both packhouse and farm level prior to supply and within the last 12 months. These countries include Morocco, Egypt, Greece, India, Turkey, RSA, Namibia, Mexico, Brazil, Peru, Costa Rica, Honduras and Vietnam within our supply chains for the 2020/21 reporting period.
- Rainforest Alliance (RFA) and Fairtrade are also recognised certification standards for our suppliers as well as GRASP and Fair For Life for smallholders (such growers with less than 15 employees). Some grower/packers have adopted these ways of working in Costa Rica, Brazil, RSA, India, Turkey, Vietnam and Greece rather than SMETA or SIZA. Certificates are made available to AMT FRESH via our compliance platform which is visible to all stakeholders within the supply chain. We follow up any issues raised in a similar way to SMETA and work with the supplier to close out their corrective actions on time.
- The split across ethical standards/audit type within the AMT FRESH supply base are:



## Modern Slavery Statement FY 2020/2021

- The Number of Small-Holders in High-Risk countries within the AMT FRESH supply base are:



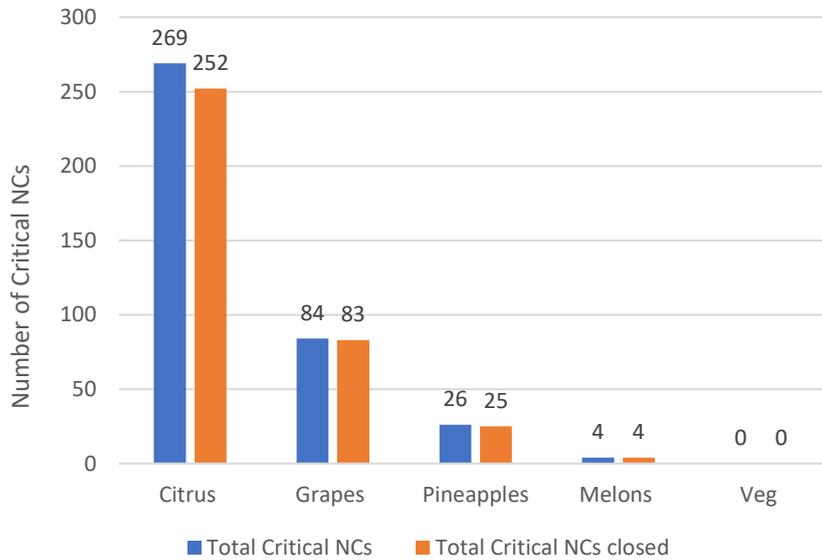
- A direct relationship and communication process was set up with SIPAS, Tesco’s approved audit body in The Americas. This involves monthly meetings to ensure any issue is communicated to us. We also ensure that audits are scheduled, and Critical Non-Conformances (NCs) are closed in a timely manner.
- Direct communications are also in place with SIZA in South Africa to monitor ethical compliance requirements and improvements in South African suppliers. This relationship enables a more streamlined and timely approach to resolving issues directly.

We have dedicated resource in place to maintain ethical compliance within our supply chains against the above standards, working with approved certification bodies for Tesco and both SEDEX and SIZA platforms to ensure that visibility is met at all times. These methods of highlighting and resolving issues have proven to be effective and strengthen our relationship with our supply base.

As part of our continuous improvement process, we review the ethical performance of all suppliers at the end of each trading period. Our suppliers' performance on ethical audits during period 2020/21 was characterised by:

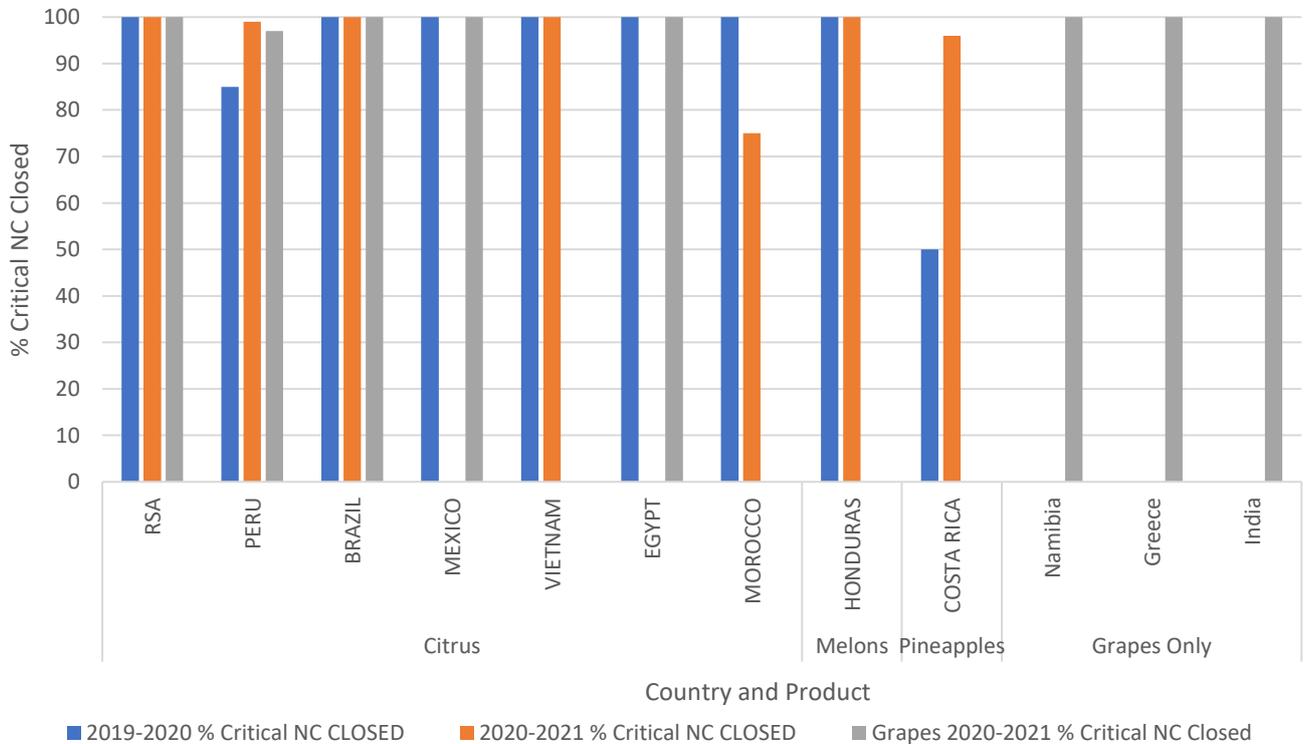
- COVID-19 still had a big impact on the supply base during this year. The pandemic reduced auditors availability and limited the possibility to travel
- By product, most of the Critical NCs were found in Citrus suppliers due to size of this category and the proportion sourced from high-risk countries. Melons performed the best on closing critical NCs, followed by grapes.

### Modern Slavery Statement FY 2020/2021



- Overall, the performance of our suppliers closing the Critical NCs raised on their ethical audits has remained strong, with the only ones falling back being the Moroccan Citrus suppliers.

#### 2019-2020 and 2020-2021 Comparison



*\*Please note that the bars in grey colour are for grapes 2020-2021 only. The data cannot be compared to previous seasons because 2020-21 was the first year supplying grapes to Tesco for AMT FRESH*

## Modern Slavery Statement FY 2020/2021

- Our Peruvian suppliers continued their improvement and the number of Critical NCs closed with respect the previous period increased.
- There was a significant improvement on our pineapple supply base with nearly 50% more of the Critical NCs closed.
- The Grape category was a new one acquired by AMT FRESH during the 2020/21 period. Therefore, the performance of the suppliers on this category cannot be compared against previous years.
- Health and Safety (including on this Fire safety) are the biggest issues found on our supply base's ethical audits.

In all the high-risk countries where we operate, we found no evidence or indicators of modern slavery using the tools and processes available to us.

### Policies and Practices

Our policies and practises reflect the principles of protecting the welfare of our employees. Looking after their wellbeing is at the core of our business and reflected throughout our company values.



The specific company policies that support the wellbeing and welfare of our employees are:

- Dignity at Work Policy
- Equal Opportunities Policy
- Code of Conduct Policy

And the following policies support the mechanisms when colleagues need to raise concerns:

- Grievance Policy
- Whistleblowing Policy

In 2020/2021 during the COVID-19 pandemic we had to amend our ways of working to ensure the safety and wellbeing of all our colleagues, following the government guidance.

Our approach to ethical practices are aligned with that of our customer, Tesco, and subsequently their policies and codes of practice. More specifically, issues of modern slavery and trafficking are addressed through our implementation of the Ethical Trade Initiative (ETI) Base Code, and requirements of SEDEX through SMETA or SIZA audit standards.

## Modern Slavery Statement FY 2020/2021

AMT FRESH internal policies include Terms and Conditions of Supply. In these, suppliers are required to comply with all applicable laws and policies as a minimum. If any suppliers do not meet these terms they would be suspended, held under review and supply terminated if we cannot work on resolving the issues to a satisfactory level.

Within our supply chain and for the AMK Fresh and AMT Fresh businesses our policies and practices include:

- Ethical Requirements which state suppliers must comply with the ETI Base Code, suppliers are required to declare conformance and ability to provide evidence of compliance to this requirement.
- High risk countries identified by FNET must undergo 3rd party ethical audits at both packhouse and farm level and close out NCs within timescales given
- Ethical Sourcing Principles
- Whistleblowing Policy for our UK employees using a third-party reporting line
- Actively support the Stronger Together campaign
- Employee Assistance Program
- A pro-active approach to Ethical audit non-conformances

To further enhance our group resource and expertise in Human Rights, AM FRESH established a dedicated Sustainability Team in January 2020. The strategy was published and rolled out across the group in July 2020 and AMT Fresh received a dedicated Human Rights Training package for all managers. Since that initial period of training, all new starters have received modern day slavery awareness training.

### **Assessment of Modern Slavery Risk**

We recognise the possibility of risks developing due to external factors such as armed conflict, migration and climate change impacts on people. As political and socioeconomic conditions change, we will review our approach to supply chain management on a seasonal basis.

Together with the Tesco Sustainable Sourcing Team and their team members located at source, we are collaborating with exporters, growers, NGO's and local government to help identify and support new ways of working.

AMT FRESH continues to make use of the Forced Labour Indicator Reports during provided by the Sedex platform. These reports, whilst only an indication, help us to identify areas of risk within our supply chains so that we can develop a proactive approach in managing and mitigating risks. The reports' operational indicators are aligned with the UN guidance ensuring operational practices are linked to International Labour Organization (ILO) definitions of forced labour using the Guidance on Operational Practise & Forced Labour.

## Modern Slavery Statement FY 2020/2021

The reports analyse answers provided within the Sedex Self-Assessment Questionnaires together with NCs and observations raised in our suppliers' audits and aligns them to the Forced Labour Indicators.

### **Due Diligence and Monitoring**

AMK Fresh completed their first SEDEX questionnaire early 2021 and plan to undergo an independent third-party Supplier Ethical Data Exchange (SEDEX) Members Ethical Trade Audit (SMETA) in 2023. AMK Fresh has started to work on assessing the business against the Stronger Together Checklist to assess our risk in respect to labour exploitation. We will transition to the Stronger Together Progress Reporting Tool, which will be updated every 6 months.

### **Labour practises**

At AMK Fresh and AMT Fresh we have a centralised team of resourcing specialists. For the operations environment we also work with temporary labour providers who are Gangmaster and Labour Abuse Authority (GLAA) licensed.

We carry out robust auditing pre-engagement with any agencies and annual audits, as a minimum, with our temporary labour providers, focusing particularly on their processes and practices in relation to labour exploitation, including worker interviews and payslip checks. We started working with Staffline when first opening in May 2020 and will be partnering with Optus as a managed service provision from September 2021. When exploring a partnership with Optus we will carry out the Stronger Together Checklist to ensure compliance prior to engaging with them.

Within our recruitment processes, especially during the pandemic, we continued to see as many candidates face to face as possible to get to know them at interview, assessing any potential concerns that may arise. Within AMK Fresh, many of our weekly paid workforce have transitioned from our temporary labour providers to become permanent employees. Our robust candidate management system allows for the checking of duplicate email addresses and accounts. When we input a candidate's name, email address, telephone number or home address and postcode, it will alert us if there is a duplicate; we would then have a look to see where the duplication is taking place, and it will be a quick way to see if there is anything that does not look correct. On top of the duplication alert, the system will not let someone create two accounts with the same email address. Outside of the online recruitment system, we speak with all candidates on the phone or via Microsoft Teams before inviting them to assessment centre or to interview so we can get to know them, and make sure what they have submitted to us is accurate and represents the candidate correctly.

### **Training & Awareness**

Awareness around Modern Slavery starts during our induction process that all new colleagues attend. Modern Slavery and Human Trafficking issues, via Stronger Together resources, are discussed covering the concept of labour exploitation, how to raise concern and and get support. We then display Stronger Together posters, in varous languages, across our noticeboards and in our welfare facilities.

## Modern Slavery Statement FY 2020/2021

During the COVID-19 pandemic face to face training was more challenging to arrange and so, members of the sustainability and technical teams have carried out e-learning training from Stronger Together and SEDEX. In August 2021 at AMK Fresh we rolled out their initial Managers Awareness sessions exploring ethical trade and human rights giving focus to modern slavery, the broad impact globally, considering the impact to the business as well as their roles in identifying and supporting victims. 24 managers, predominately from AMK Fresh, attended this training.

Technical, Procurement and Quality Team members receive ETI training bespoke to our own supply chain risks. Two Human Rights Risk Assessment Reports were also published during 2020 to support the buying teams' work.

There is also training available for our suppliers in the different countries of origin. We work together with Tesco, certification bodies and other institutions to encourage our suppliers to participate. Some of which include:

- Spanish Ethical Trade forums that are sponsored by a number of UK and Spanish retailers and importers. The main aim of these forums is to help suppliers to identify their common issues, share their best practices, and find ways to approach the best solutions to these issues. A number of working groups are set up behind these forums to help suppliers to tackle specific common issues. Some of these working groups were set up around:
  - o Covid-19 pandemic
  - o Workers and management representative's dialogue
  - o Grievance mechanisms
  - o Circular labour migration
  - o Sustainability
- ETI courses organised by SIPAS in The Americas, focused on Human Rights, Right to Work and Human Rights Impact Assessment
- Responsible Recruitment Training organised by Responsible Recruitment Toolkit (RRT) to offer expert, pragmatic support for suppliers and labour providers to achieve responsible recruitment.
- Stronger Together courses in South Africa to support producers to reduce the risk of modern slavery within their business and supply chains.

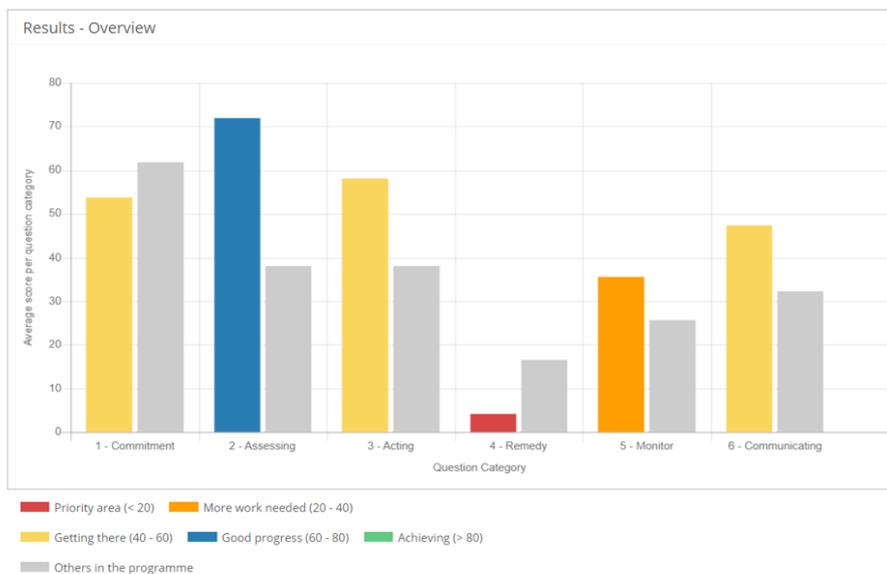
### Measuring Effectiveness

Our methods to tackle Modern Slavery and assess effectiveness involve the following activities:

- We assess and measure cases identified across our business, via our supply chain, as we actively encourage and support our staff to speak up if they see any red flags
- Evaluate risk related activities throughout our supply chain and review supply chain transparency and risk across the business
- Continuous improvement plans for staff training and development to increase knowledge and awareness to improve our practices.

## Modern Slavery Statement FY 2020/2021

- Continue to work on exploring opportunities within the Stronger Together toolkits to strengthen our activities.
- Keeping our colleagues at the heart of everything we do.
- Carried out the Stronger Together Progress Reporting Tool (PRT) for AMT, detailed below. This shows that we are above the average (of those who have completed) of approximately 40%.



AMT has scored above industry average in most areas – except for Commitment and Remedy. However, industry benchmark scores are quite low (<40%) in most areas, so we want to set our goal higher – aiming to reach an overall score of 75-80%.

### Looking forward in 2022/2023

Within the People Pillar Strategy for 2022/2023 there is a focussed strategic objective on labour exploitation. Within this, we have committed to the following

- Publishing the first Modern Slavery Statement for AMK Fresh.
- Improving the overall score on the AMT PRT and in conjunction carrying out the Stronger Together Employer Good Practise Implementation Checklist for AMK. This will allow us to have considered a gap analysis to build a framework of targeted improvements.
- Further manager awareness with the addition of specific sessions for our HR and recruitment teams, as well as our Ethical Team colleagues who support activities within the supply chains. This will include both AMK and AMT colleagues.
- Investing in awareness sessions for our weekly paid colleagues within AMK Fresh, building on what is discussed at induction.
- Publishing a Response Plan to support our managers within our operational environment and introduce Incident Response Teams to investigate any concerns raised in relation to labour exploitation.
- Tied into the Response Plan is giving consideration to Remediation and how we best support this process. This was highlighted as an area of focus and improvement needed in the PRT for AMT and would also be needed for AMK.
- Introducing HR/Payroll compliance processes via our new HR system, specifically looking at duplicate personal data to support in identifying any potential risks.
- Have the first SMETA audit for AMK Fresh.
- Review our recruitment practises in line with the Responsible Resourcing Toolkit.
- Strengthen networks that support our ethos to eradicate Modern Slavery and look to form links with charities that help victims.

## Modern Slavery Statement FY 2020/2021

The Board of AM FRESH UK Group Limited are committed to the identification and eradication of Modern Slavery and Human Trafficking in our operations and supply chains. Mark Player AM FRESH UK Managing Director is named as the Board Level Director responsible for compliance with the Modern Slavery Act 2015.

Yours Sincerely

Mark Player

Managing Director

AM FRESH UK Group Limited