



# AMT FRESH Modern Slavery Statement

Financial Year 2021-2022

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## Contents

INTRODUCTION .....	1
1. OUR BUSINESS .....	1
2. SUPPLY CHAIN .....	2
3. POLICIES AND PRACTICES.....	4
Own Operations .....	4
Supply Chain.....	5
4. Risk Assessment, Prevention and Mitigation .....	5
DUE DILIGENCE.....	7
5. Labour Practices .....	8
6. Training and Capacity Building .....	10
7. Our Progress.....	9

## INTRODUCTION

This is AMT FRESH's sixth modern slavery statement and sets out the steps we've taken during the financial year 2021-2022 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.

AMT FRESH 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.

### 1. OUR BUSINESS

At the AMFRESH 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 plant-based fresh goods 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 trust with all our actions, big and small.

At AMFRESH 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, a subsidiary of AMFRESH Group, supplies Tesco with a range of citrus, table grape, pineapples, ambient vegetables and melon products into retail stores and online platforms. We operate from various UK packing facilities where raw materials are received, inspected, packaged and dispatched to our customers. During FY21-22, we made use of several labour providers to support our directly employed colleagues.

At AMT FRESH our UK Managing Director takes board responsibility for our work addressing Modern Slavery. The strategy is devised by our Group Sustainability Director and implemented by our Human Resources and Technical teams.

## 2. SUPPLY CHAIN

We source our raw materials mainly from Europe, Africa and The Americas. Purchasing is arranged and approved by Tesco's UK commercial teams on their Head Offices.

Raw material programmes and sourcing strategies are based on suppliers' performance considering technical, ethical and sustainability standards, quality and supply chain service.

### Goods for resale

The products we manufacture are sourced from 19 countries predominantly within Europe, Africa and The Americas. We work with more than 100 suppliers that fall into three broad sources:

1. **Fellow AMFRESH GROUP companies**
2. **Joint ventures**
3. **Other known sources**

**Fellow AMFRESH GROUP companies:** Supply comes from farms which are directly owned and/or managed by AMFRESH 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 close relations with our suppliers allow us to build and keep an in deep knowledge of their operations and ethical practices. Our technical and quality managers visit our supply base during the different seasons and on the different sourcing countries. During these visits they don't only focus on quality and technical standards but also ethical practices trying to find indicators of potential labour issues.

These close relations and close monitoring help us to identify areas of improvement and support our suppliers to implement best practices.

During 2021-22 financial year we had suppliers from a total of 19 sourcing countries (See Figure 1):

- High-risk Countries: Peru, Brazil, Morocco, Egypt, Honduras, Turkey, India, Vietnam, Mexico and Côte d'Ivoire.
- Medium Risk Countries: Chile, Spain, Italy, Israel, Greece, Portugal, South Africa, Costa Rica and Namibia.

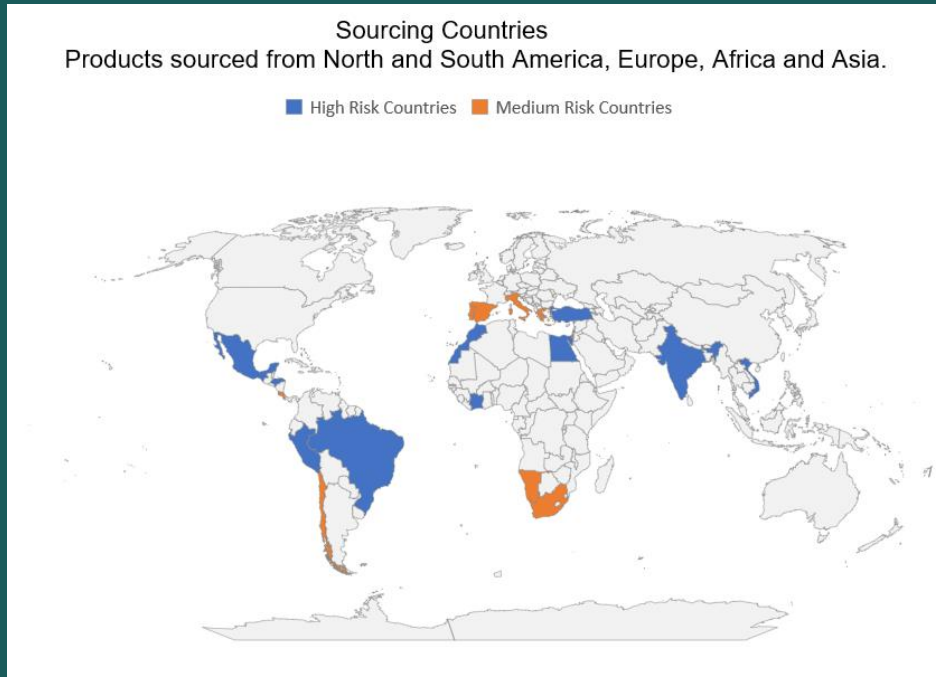


Figure 1. Sourcing Country Risk Map for AMT FRESH.

### 3. POLICIES AND PRACTICES

#### Own Operations

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:

- Recruitment Policy
- 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

For UK Employees, our employee handbook is issued to all new starters. Our Human Resource Team provide details during the induction period which is mirrored with our labour provider. Employees have access to the intranet and our Human Resource Team.

In addition to the Human Resource Team's policies and procedures to protect Human Rights, we have undertaken a broader training programme across the site to educate workers, managers and the senior leadership team on Modern Slavery. The one day course is delivered using the principles of the Stronger Together guidance. Understanding the risks and identifying potential victims of exploitation has been key to this. We have also trained up Modern Slavery Champions, with representatives from each department, who are also members of the Your Voice worker committee. This training is on a continuous loop, managed by our dedicated training team, with refresher courses available to existing staff and new starters. The training is also tailored to our supply chain needs, based on risk.

Posters are displayed around the facility to encourage positive actions when identifying vulnerable workers, with guidance on how to inform AMFRESH UK champions or escalate via Stronger Together or the GLAA.

## Supply Chain

AMT FRESH ways of working follows our customer's requirements, especially those around modern slavery and trafficking. These are implemented following the Ethical Trade Initiative Base Code (ETI) and other ethical standards such as SMETA, SIZA, GRASP, Fairtrade, Fair for Life and Rainforest.

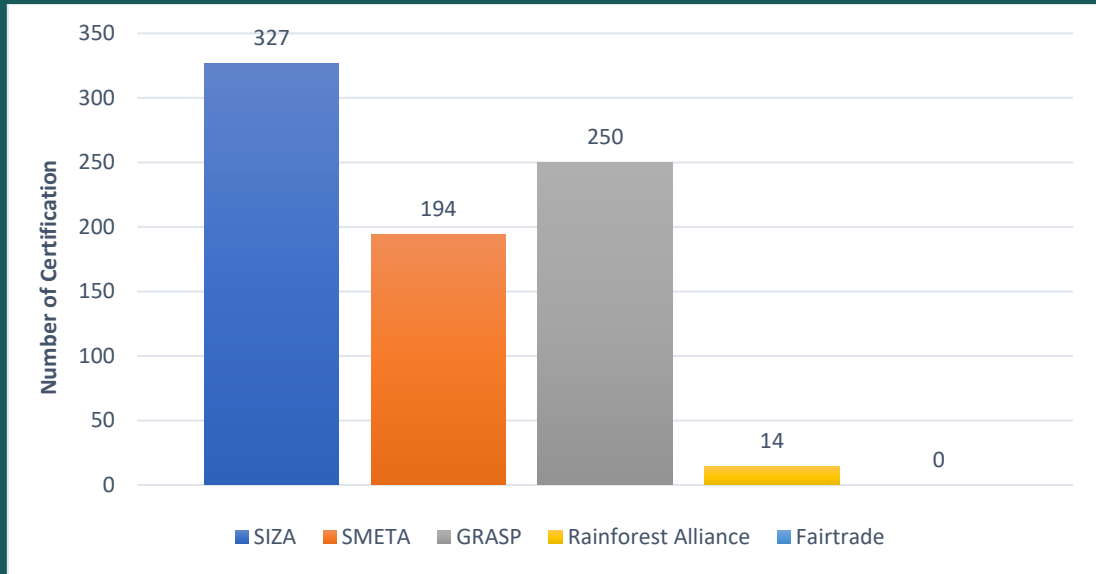
Our commitments and suppliers expectations in terms of ethical trade, human rights and modern slavery are described in our policies and requirements:

- Our Ethical Requirements which state suppliers must comply with the ETI Base Code.
- 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.
- Terms of Trade.
- Modern Day Slavery Self-Assessment Questionnaire (SAQ).

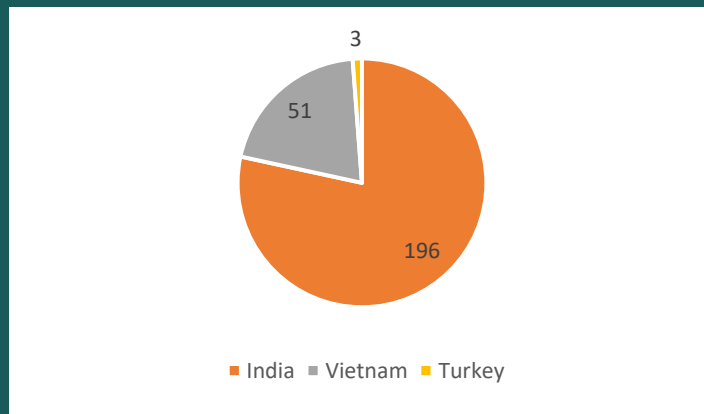
As part of our Due Diligence, we have implemented and ask our suppliers to complete a Modern Day Slavery SAQ on annual basis. This questionnaire helps us to have a better understanding of suppliers' social policies and practices as well as help them to improve on those. It also targets specific areas of risk relating to labour providers and the Employer Pays Principle.

Following our customer's requirements, our suppliers implement different ethical standards and carry out different ethical audits within their supply base. These ethical certifications and audits help them to ensure that they are following good social and sustainability practises. These standards and audits include: SMETA, SIZA, Rainforest, Fairtrade, GRASP and Fair for Life, these last two only used by smallholders, which are sites with less than 15 workers.

The split across ethical standards/audit type within the AMT FRESH supply base in 2021/22 was:



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



Apart of the above, we would investigate any potential allegation of Modern Day Slavery that might come up in the industry and will ensure our supply base are not affected by those.

We would investigate also any issues that could be linked or indicate some type of Modern Slavery, such as allegations against agency labour providers.

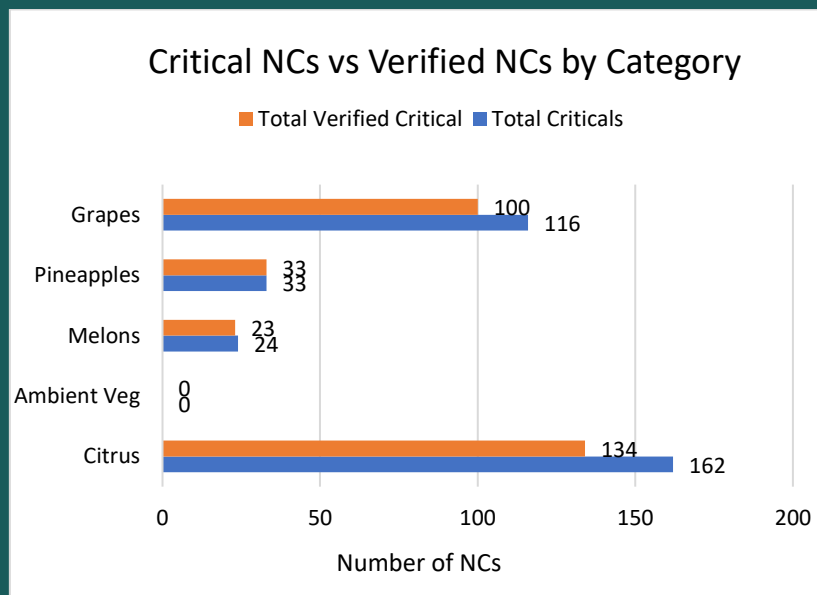
#### 4. Risk Assessment, Prevention and Mitigation

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.

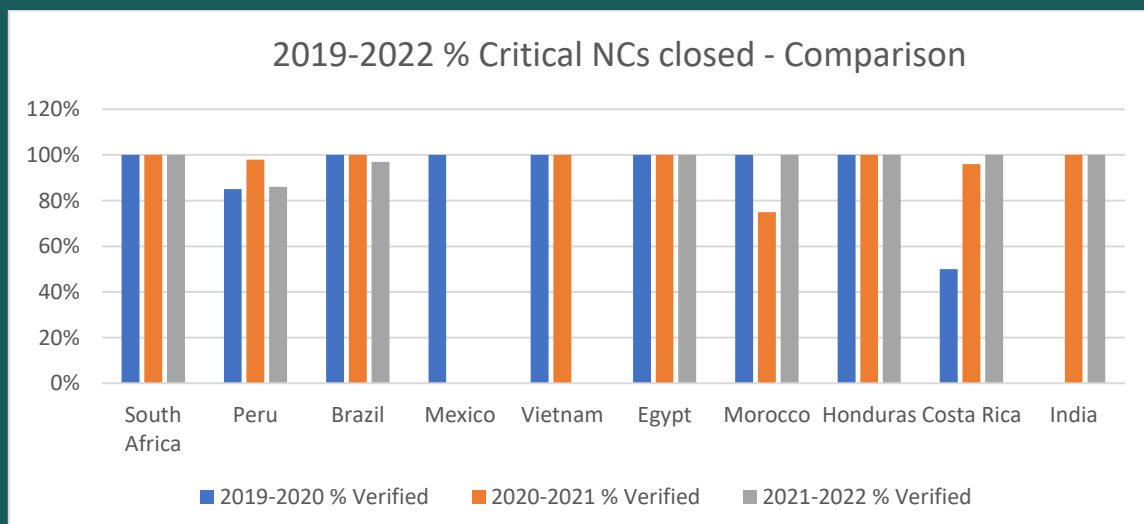
On the AMT FRESH's Technical department we have colleagues dedicated to check the ethical compliance of our suppliers against the previously mentioned schemes. They are also working with our supply base to identify ethical risks and improve their social standards. Our practices help us to maintain a close relation with our suppliers and have high visibility of our supply base.

We are constantly assessing the level of ethical performance and compliance of our suppliers, generating monthly ethical summaries and an annual ethical reports at the end of each financial year. The performance of our suppliers on their ethical audits during 2021/22 period was characterised by:

- The end of COVID-19 global pandemic was still suffered within our supply base, with travel restrictions between certain countries still in place which limited auditor movement and availability.
- By category, most of the Critical NCs were found in Citrus suppliers due to size of this category and the volumes sourced from high-risk countries. The second category on number of Critical NCs was Grapes and the reason was also the big size of the supply base (the second category in size) and the high presence of sites in high-risk countries.
- Pineapples performed the best on closing critical NCs, followed by Melons.
- The category with the best performance on the ethical audits was Ambient Vegetable due to the small size of the supply base and low number of sites in High-risk countries.



- In general, our suppliers' performance on closing the Critical NCs raised on their audits has been good.



- In 2021/22 there was a slight decrease on the percentage of Critical NCs closed in our Peruvian and Brazilian suppliers.
- On countries such as South Africa, Egypt, Morocco, Honduras, Costa Rica and India all Critical NCs were closed
- In Mexico and Vietnam there were no Critical NCs raised during the ethical audits. This shows an improvement on the ethical performance of the suppliers from these countries.
- Health & Safety remains the most prominent issue in the supply chain, with this being most prevalent in Peru. We will continue collaborations with suppliers, retailers and external organisations to establish projects and training in this region.
- The use of labour providers and seasonal/agency labour throughout our supply chain is an area we have increased our focus on, given the potential risk of modern slavery and labour exploitation.

We have a direct relationship and communication with SIPAS, Tesco's approved audit body in The Americas. We hold monthly meetings with SIPAS to ensure we are aware of any important issues within our supply base and that there are addressed appropriately. These meetings also serve us to ensure that audits are scheduled, and Critical Non-Conformances (NCs) are closed in a timely manner.

Direct channels are also in place with SIZA in South Africa to monitor ethical compliance requirements and improvements in our South African and Namibian suppliers. We have also calls with the SIZA team whenever is needed. This relationship enables a more streamlined and timely approach to resolving issues directly.

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.

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 of nonconformances, use of risk assessments and SEDEX reporting alongside continued collaboration and communication with our supply chain and stakeholders.

To maintain knowledge of current and developing global issues we conduct horizon scanning. This includes inputs from several professional bodies.

## DUE DILIGENCE

Event with close and strong relations with our suppliers we stay alert to identify any potential ethical risk in our supply base. 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:

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

- We also 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 requires that all suppliers from high-risk countries and some from medium-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, India, Turkey, RSA, Namibia, Mexico, Brazil, Peru, Costa Rica, Honduras, Côte d'Ivoire and Vietnam within our supply chains for the 2021/22 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 and Vietnam 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.

Our Technical department is constantly reviewing the ethical performance of our suppliers, supporting them to identify and address issues and so improving the ethical standards within our supply base.

## 5. Labour Practices

At AMFRESH 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 used and follow up with annual audits as a minimum. We focusing particularly on their processes and practices in relation to labour exploitation, including right to work, worker interviews and payslip checks.

During this reporting period, we were reliant on more than one agency labour provider due to the lack of available workers nearby due to the aftermath of the COVID pandemic, but also because of BREXIT and the competition from other surrounding businesses amongst the smaller labour pool. Due to the increase in work needed, we entered into a partnership with a third party who carried out the Stronger Together Checklists on our behalf and second party audits to ensure compliance prior to engaging with them.

Within our recruitment processes, we continue 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 AMFRESH 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, telephone numbers and bank accounts. The system flags any anonymallies automatically. 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. 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 get support. We then display Stronger Together posters, in various languages, across our noticeboards and in our welfare facilities. All management receive training on an annual basis on modern slavery and how to identify cases. This includes staff who visit sites outside of the UK where there are higher risks.

There is also training available for our suppliers in the different countries of origin. We work together with our customer, 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. Several 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:
  - Covid-19 pandemic
  - Workers and management representative's dialogue
  - Grievance mechanisms
  - Circular labour migration
  - Sustainability
- 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.

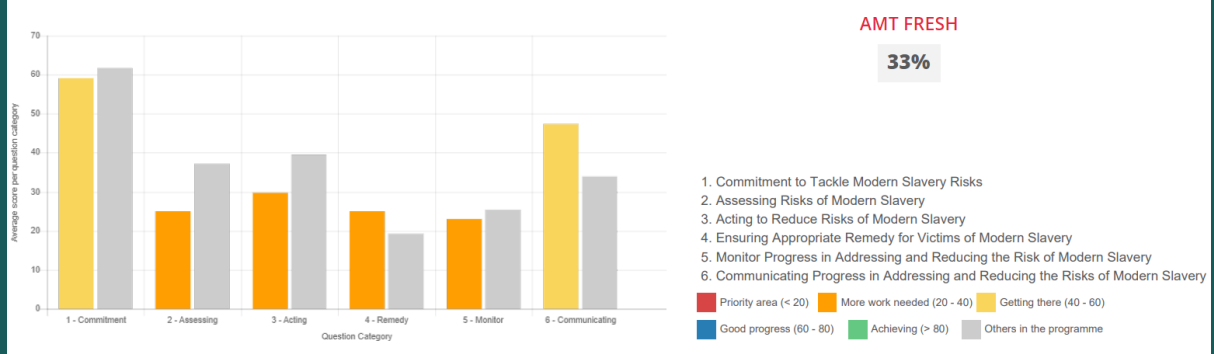
We have started attending to FNET workstream meetings of which there are specific topics and case studies from which to learn. As sponsor members of the Spanish Ethical Trade Forum during 2021-22, we promoted their events and workstreams within our supply base. As part of our monitoring programs we support suppliers directly where specific issues or gaps in knowledge or competence arise.

## 7. 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 AMT FRESH, detailed below.

## Results - Overview



This year we have been much tougher when completing the Progress Reporting Tool and recalibrated our score to be more realistic with our objectives. As a result, we obtained lower score on the Progress Reporting Tool for AMT FRESH.

We will complete the Progress Reporting Tool on annual basis, with targeted objectives in place to improve our score. Between the last two occasions of completing the tool we took the following actions as a result:

- Developed our worker committee through training with FNET.
- Reviewed training needs within the business relating to modern slavery.
- Training for Modern Slavery Champions.

By the next time we complete the tool we hope to:

- Carry out a more thorough risk assessment of our suppliers making use of tools available to us like the SEDEX RADAR tool.
- Support supplying sites further on creating whistleblowing lines and establishing grievance mechanisms.
- Rolled out a policy to our supply chain and service providers on the Employer Pays Principle.
- Establish further KPIs and monitoring of suppliers in relation to modern slavery and human-rights.

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

Mark Player  
Managing Director