



AM FRESH™  
UK

Modern Slavery statement 2019-2020

## CONTENTS

INTRODUCTION .....	3
1.0 OUR BUSINESS.....	3
2.0 VALUE CHAINS .....	3
3.0 POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFICKING.....	4
4.0 RISK ASSESSMENT, PREVENTION AND MITIGATION.....	5
5.0 DUE DILIGENCE .....	6
6.0 TRAINING AND CAPACITY BUILDING .....	7
7.0 OUR PROGRESS.....	8

## INTRODUCTION

This is AM FRESH UK's fourth modern slavery statement and sets out the steps we've taken during the financial year 2019-2020 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 modern slavery.

We understand that Modern Slavery and Human Trafficking is a significant issue within our own operations and our global supply chains.

It is recognized that the COVID-19 pandemic, which began in late 2019 has brought significant challenges to progress in several areas of our business. This includes our intended work on Modern Slavery. Our focus has been on protecting the safety and welfare of our employees and where possible those of our extended value chains.

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## 1.0 OUR BUSINESS

AM FRESH UK supply 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.

Within AM FRESH UK our Managing Director takes board responsibility for our work on addressing Modern Slavery.

Our parent company AM FRESH Group, which is a division of AMC Group was founded in 1931 in Murcia, Spain. Now a third-generation family owned company, AMC Group are focused on leading innovation and varietal development through biotechnology, extensive agriculture and global marketing of citrus fruits, table grapes, tropical fruits, vegetables, superfoods, fresh plant-based foods, fresh juices and flowers.

## 2.0 VALUE CHAINS

AM FRESH UK buy 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 around 130 suppliers that fall into three broad sources:

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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:** AM FRESH 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.

The importance of our business to suppliers varies greatly depending on quality, varieties grown, availability, seasonality and other customer and market needs.

Within our value chains we know that labour is made up of 30% permanent employees, 66% temporary or seasonal workers and 4% agency workers. Within certain sourcing countries a significant volume of those workers under temporary or seasonal contracts will be migrants.

## Goods or services not for resale

Within our UK operations we source goods and services in order to run our business. These range from labour providers to stationary suppliers, contract cleaners to laundries. We work with a core number of providers with whom we predominantly have long standing relationships.

## 3.0 POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFICKING

AM FRESH UK 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.

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
- Ethical Sourcing Principles based upon the ETI Base Code
- Eligibility to work policies helping protect workers from exploitation
- Whistleblowing Policy for our UK employees providing a confidential means to raise issues

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- Employee Assistance Program
- Use of a single agency within our UK businesses for temporary labour
- Use of GLAA registered agency labour providers in the UK
- Own operations undergo SMETA Audit every 2 years
- Bi-annual audit of UK labour providers using Complyer audit tool

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.

## 4.0 RISK ASSESSMENT, PREVENTION AND MITIGATION

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. Significant progress has been made in the reporting year of gaining transparency of our supply chains beyond tier 1 and understanding the value chain at a more granular level. In addition, this greater understanding has allowed us to validate specific labour risks by country which include where relevant the risk of forced labour.

Our target for FY 2020-2021 (a continuation of our 2019-2020 target) as part of our human rights strategy to define further, more specific steps we can take to understand and mitigate these risks.

We currently monitor in excess of 530 packhouses and 900 farms via the SEDEX platform. Our ethical audit program covers over 300 sites where risk assessment has determined a third-party ethical audit is required. This level of transparency covers c.300,000 workers within our value 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.

We are member of the Food Network for Ethical Trade (FNET) and play an active part in its work. During the reporting year engagement and improvement has been difficult due to the COVID-19 pandemic, however we have given input and utilised the outputs of work around COVID to support other businesses and our own strategy.

We are also sponsor members of the Spanish Ethical Trade forum (SETF) alongside our Spanish sister group business AM FRESH Spain and have spoken at international events on Ethical Trade. Our Head of Risk sits on the Governance Group of the SETF.

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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 first Group Country Risk report was launched in 2020 giving significant detailed insight into country risks and sector specific risks across a number of data sources and insight pipelines.

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 and our Modern Slavery Steering Group will continue with this into the next year.

## 5.0 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 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 these 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.

We conduct seasonal risk assessments for all supplying sites and farms. This determines where further engagement is needed and where third party ethical audits are required and at what frequency. This risk assessment focuses on 5 key areas:

1. Management systems
  - Policies, procedures and process in place
  - Any accreditations & knowledge from historic site visits
2. Length of relationship
3. Country
  - Based on independently identified high, medium and low risk countries

4. Labour
  - Provision of worker accommodation
  - Use of agencies/labour providers
  - Existence of worker committees and/or unions
  - Any previous issues raised related to worker welfare
5. Previous ethical history
  - Audits already visible on Sedex

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.

Two internal working groups were established in the reporting year. Both are cross functional teams with the first looking at our Risk assessment methodology and the second our internal processes to drive team understanding and alignment and continuous improvement.

## 6.0 TRAINING AND CAPACITY BUILDING

Each employee receives information on Modern Slavery as part of their induction. This includes instructing them of what to do if they suspect labour abuse.

Within our wider teams, specific training has focused on procurement managers, technical managers, HR teams and those with responsibility for supply chain monitoring. We use the FNET Buyer training to facilitate sessions with the procurement teams. HR colleagues and those responsible for supply chain monitoring attend Stronger Together Workshops.

Our Sustainability team regularly attend customer workshops and events to develop skills.

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

For our suppliers and our value chains we provide specific guidance and access to advice on labour risk as part of our supplier engagement and due diligence program.

In 2020 our Group Head of Human Rights and Ethical led a workshop with our teams that included amongst the topics, Human Rights Due Diligence, the evolution of customer approaches and scenarios in the form of case studies.

As sponsor members of the Spanish Ethical Trade Forum we promote 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

### Progress in 2019-2020

In our previous statement we set ourselves 10 objectives on modern slavery. Six of Ten objectives have been met, with four being progressed in the following year. Progress has undoubtedly been hampered throughout the COVID-19 pandemic.

### Plans for 2020-2021

We have defined a number of targets in this statement. More specific targets for each area are detailed below:

<b>POLICY</b>
Define and publish our first Modern Slavery Policy Develop a robust Modern Slavery strategy to eliminate all forms of slavery from our value chains
<b>RISK ASSESSMENT, PREVENTION AND MITIGATION</b>
Engaging with country / risk specific collaborative projects and forums
<b>DUE DILIGENCE</b>
Evaluating supplier capability in human rights, human resource management and worker representation Launch engagement campaign on modern slavery in priority countries (High Risk and Strategic Importance) Getting transparency from suppliers on human rights issues
<b>TRAINING AND CAPACITY BUILDING</b>
Priority Supplier Engagements based on risk assessment, developing transparent and trusted relationships

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