



Modern Slavery Statement **Financial Year 2018-19**

This statement is being published in accordance with section 54(1) of the UK Modern Slavery Act 2015. It covers the financial year commencing 1 July 2018 and ending 30 June 2019.

[Research](#) developed by the International Labour Organisation (ILO), the Walk Free Foundation, and the International Office for Migration (IOM) suggests that more than 40 million people around the world were victims of modern slavery in 2016, with almost 25 million of those victims exploited in forced labour – the most common element of modern slavery. The UK Modern Slavery Act 2015 looks to tackle this international atrocity, by making large UK companies accountable for the workers in their supply chains, where modern slavery is often hidden. The Act requires companies to publish an annual report setting out the steps being taken to ensure that trafficked men, women and children are not operating in their supply chains and to give details of any due diligence being conducted to avoid forced, bonded, or slave labour.

There have been many reported instances of slavery globally in the farming, agricultural, and fishing industries, including in the UK, making this a highly pertinent issue to Bidfresh. Although the group has a zero tolerance approach to conducting business with any organisation that knowingly utilises any form of modern slavery, we know that due diligence and collaboration with suppliers must occur to detect and remedy any labour abuses potentially hidden further down the chain.



IT IS ESTIMATED THAT **45.8 MILLION** PEOPLE ARE VICTIMS OF MODERN **SLAVERY** AROUND THE WORLD TODAY




I. ORGANISATION STRUCTURE AND SUPPLY CHAINS

Bidfresh is a specialist seafood, meat, produce and dairy supplier with a decentralised model of management which encourages the entrepreneurial spirit contained in each of its businesses. Businesses retain their local brand, tone of voice, look, and feel. However, many of the back office functions - including ethical trade and food safety - are centralised. We currently consist of 13 sites and 17 brands across the UK, supplying to chefs, restaurants, food service, and a small amount direct to consumer via seafood and meat concessions in Selfridges Oxford St. A full list of our businesses and brands can be found on our website, www.bidfresh.co.uk.

Bidfresh Quick Facts

<p>Approx.</p> <h1>1500</h1> <p>total employees</p>	 <p>80% male</p>
	 <p>20% female</p>

	<h1>>11 000 customers</h1> <p>across the UK</p>
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Business Type	Number of Businesses	% of Overall Bidfresh Turnover	Key Supply Countries	# Suppliers Risk Assessed *	% Risk Assessed *
Seafood	8	53%	UK, Vietnam, Norway, Scotland, Turkey, China, Iceland, USA, India	257	90%
Meat & Dairy	4	19%	UK, Ireland, Holland, Poland, Belgium, Denmark, France, Cyprus	186	80%
Produce	3	28%	UK, Spain, Holland, Belgium, Costa Rica, Brazil, Poland	278	75%

**as of Oct'19*

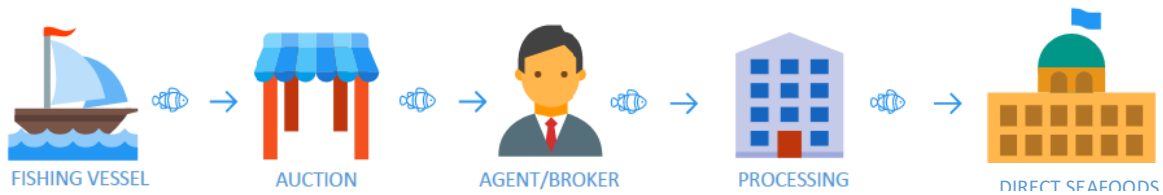
Staff. Food Safety and Buying roles are responsible for collecting ethical information from proposed new suppliers as well as supporting involvement in supplier projects.

Supply Chains: The majority of our tier 1 suppliers are UK-based, which reflects a priority across the Group to source fresh, locally and seasonally wherever possible. However we also have a number of important products such as seasonal produce, prawns and squid which come from the EU and overseas.

The supply chain structures within Bidfresh vary depending on the business division. For example, a complicated fish supply chain may involve vessels who engage in transshipment, offload to a freezer or cannery, and then ship overseas to one of our depots; whereas a complicated meat supply chain may include different farms for breeding, rearing, fattening, and abattoirs before being packed and shipped to the UK. In more simple cases, we purchase directly from local farmers or fish markets in the UK. All of these different stages in supply chains may have different human rights issues associated with them.



As an example, below is an illustration of a typical *international* seafood supply chain:



Compared to our typical *UK-based* seafood supply chain:



II. POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

The key policies that we maintain in relation to modern slavery are:

- **Ethical Trading Policy:** This policy confirms our commitment to the 9 principles of the [ETI Base Code](#). It is signed off by Bidfresh's CEO and states that we will uphold these principles throughout our business and supply chains.
- **Anti-Slavery and Human Trafficking Policy:** This expands on our ethical trading policy to build on our Base Code commitments and to link into our due diligence procedures. The policy applies to our own business as well as our suppliers:
 - Scope includes all persons working for Bidfresh or on our behalf in any capacity
 - Includes a confidential reporting helpline and a requirement to notify us immediately if any labour rights issues arise in the business or supply chains
 - Includes specific prohibitions with the option to terminate a relationship if suppliers or individuals violate the policy, do not show an intention to improve or are complicit in modern slavery and/or human trafficking.

Also relevant to ethical trade is the **Traceability Policy**, which states:

It is the policy of the company to ensure adequate identification of all raw materials, including primary packaging, work in process products, finished products, products in storage and any product on hold to ensure effective traceability.

The traceability data available due to this policy means that we are able to map any high-priority supply chains to first tier and raw material source. All approved suppliers must have BRC accreditation (minimum 'A' grade) and/or be able to provide evidence of a recent traceability exercise.

The **ETI Base Code** is communicated to all suppliers who are asked to sign a copy for our records during the supplier approval procedure – this is to ensure they are aware of the ethical code Bidfresh adhere to and also the standard of ethics we expect from all suppliers. Internally, all employees are made aware of the ETI Base Code via posting in depots. They are also given access to the **Bidfresh Employee Handbook** which contains information on holidays/absence, rules, health & safety, equal opportunities, grievance procedures, harassment & bullying, and termination procedures.



In addition, the Ethics team are in the process of revising the Ethical Trade Policy to clarify our expectations of suppliers – e.g. when an audit is required, the audit schemes we accept, the Bidfresh audit scheme (more in Section III), grievance procedures, freedom of association, and the Employer Pays Principle. The revised policy will be published in FY2019-20.

Food Network for Ethical Trade



In February 2019, we joined the Food Network for Ethical Trade (FNET), furthering our commitment to labour rights. FNET is a UK alliance of over 35 suppliers, retailers and brands working together to identify common human rights risks and to combat them. It is a member-driven organisation aiming to identify, manage and respond to global food supply ethical trade risks. FNET also supports and facilitates opportunities for collaboration among suppliers who wish to share best practice on tackling labour rights issues.

FNET operates through three collaborative work streams: Risk Assessment & Mitigation, Collaborations, and Supply Chain Engagement. Bidfresh has already made use of a number of FNET tools created by these work streams including a product- and country-specific risk assessment tool and buyer training on the benefits of ethical trade. Our FNET participation ensures that our ethical trade system will remain up-to-date and continue to improve in the future.

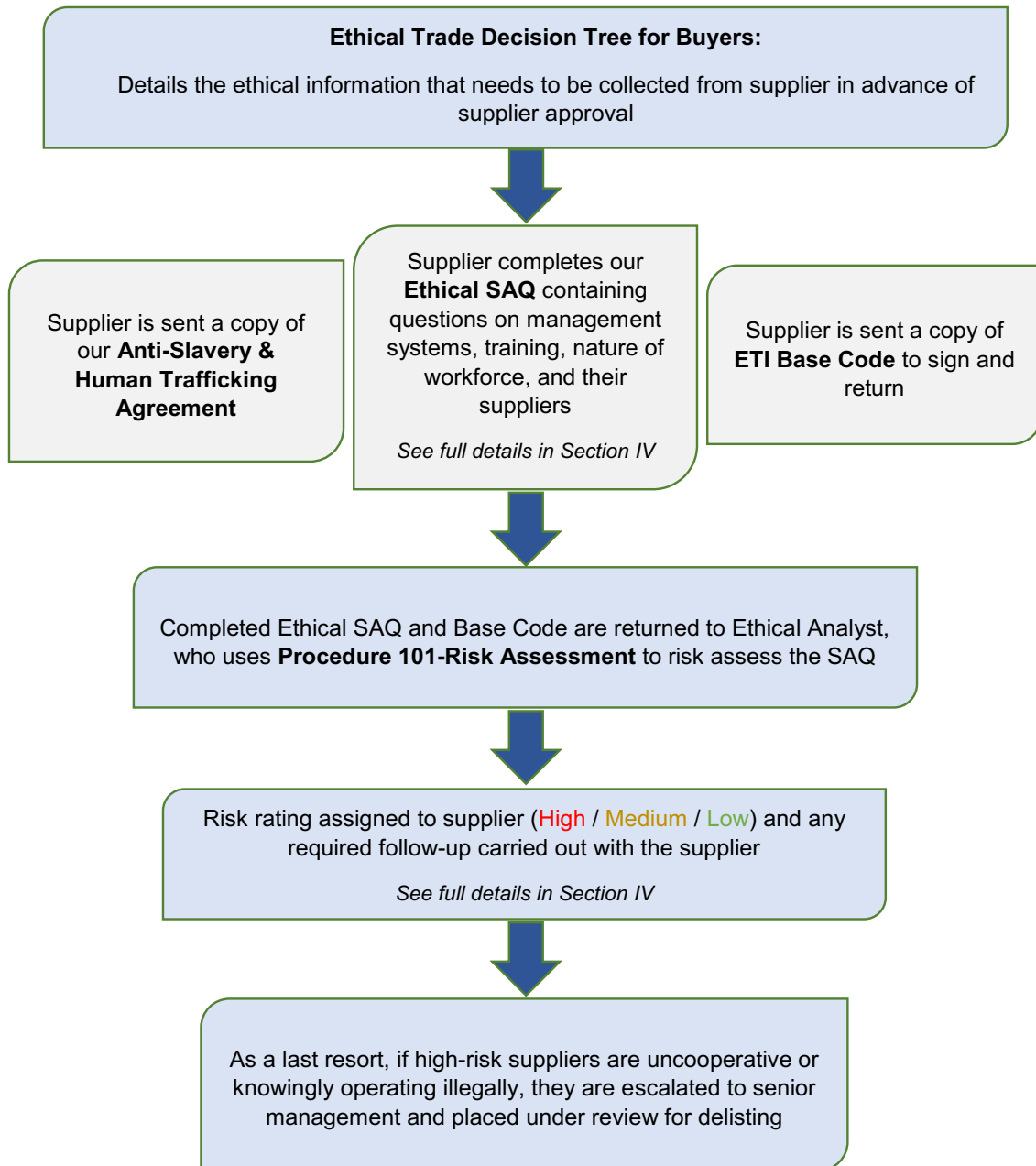
III. DUE DILIGENCE PROCESSES

The Company monitors and evaluates its suppliers based on their commitment to ethical trade and compliance with the ETI Base Code.

The due diligence procedure is normally conducted during the approval process for a new supplier, and updated at least on a biennial basis. For suppliers who were approved prior to the ethical trade system's introduction, the Ethical Analyst has been manually contacting each supplier to carry out the procedure.

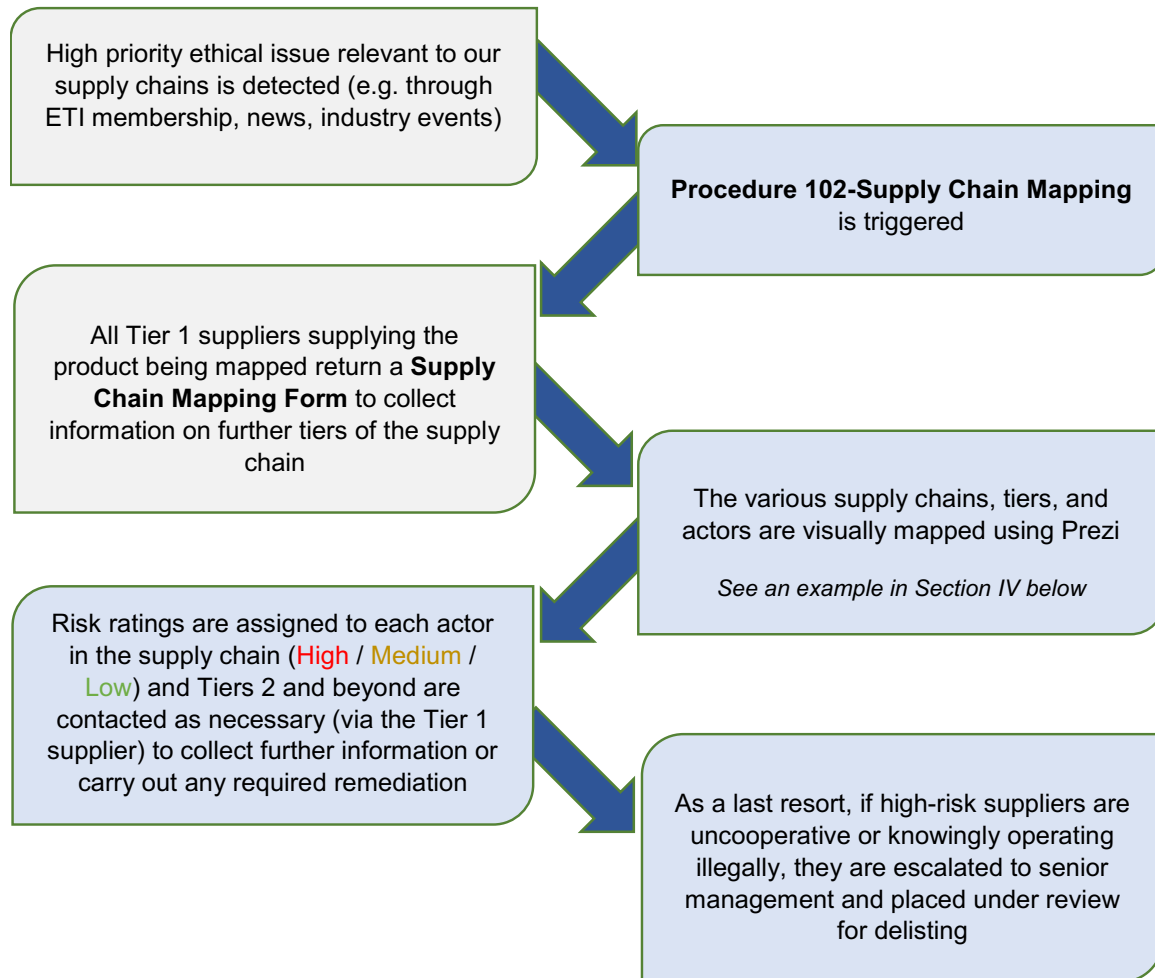


Our main ethical due diligence process for suppliers is as follows:





Supply Chain Mapping is another part of our due diligence. The process is as follows:



Currently all due diligence is carried out via desktop. We are initiating the Bidfresh audit programme in FY2019-20, beginning with social auditor training for the central Buying, Food Safety and Ethical Trade teams – those who most often visit sites. This will increase our engagement with suppliers whilst encouraging stronger, more trusting supplier relationships.

All of the Bidfresh sites have our internal **Fraud & Ethics Hotline** on display, which anyone can contact anonymously at any time. The hotline is for reporting incidents such as suspected fraud and unethical behaviour, bullying, human trafficking, and slavery, either within our business or that of our suppliers. The line is monitored by an anonymous dedicated member of staff who deals with and escalates each issue as appropriate.

IV. RISK ASSESSMENT, PREVENTION & MITIGATION

The **Ethical Self-Assessment Questionnaire (SAQ)** was designed in 2016 by an independent, external consultant experienced in seafood & ethical trade. The questions cover the topics determined to hold the highest risks of non-compliance against the ETI Base Code, as follows:

-  **Country of Origin** – Sites based in countries with weak labour laws score higher than others.
-  **Industry Risk** – What type of food they supply (i.e. frozen fish = high risk).
-  **Own Brand Risk** – Whether we sell the product under our own brand.
-  **Supply Chain Risk** – Amount of suppliers into that supplier, and in what countries they are based.
-  **Policy on Slavery Risk** – Whether they have an internal modern slavery policy.
-  **Ethical Auditing Risk** – Whether they conduct internal ethical audits on themselves and/or on their suppliers.
-  **Management Systems Risk** – Whether they have management systems in place to tackle the risk of slavery in their supply chain.
-  **Migrant Labour Risk** - Suppliers that use a high volume of migrant labour, particularly those that include foreign employees not under collective agreement, score higher than others.
-  **Insecure Workers Risk** – If any of the workforce is unskilled, temporary and/or seasonal, they are at a higher risk of labour abuses.
-  **Agency Workers Risk** - Foreign workers and/or staff employed under temporary contracts who are engaged by foreign or local temporary staffing agencies score higher than others.
-  **Training Risk** – Whether staff are trained in Health & Safety and their rights, and to what extent.
-  **Freedom of Association Risk** – Whether suppliers have a collective bargaining agreement, trade unions or workers' committees.
-  **Accommodation Risk** – Suppliers who provide onsite accommodation are at a higher risk for non-conformance against the Base Code.

The consultant also helped to develop **Procedure 101-Risk Assessment** which contains the risk ratings for all possible responses in the SAQ, ensuring consistency. When an Ethical SAQ is returned by a supplier, their response to each question is assigned a score from 1 (lowest risk) to 5 (highest risk) according to the Procedure. Scores are totalled at the end to give an overall risk rating for the supplier:

Low: 13-26	Medium: 27-39	High: 40-65
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If a High Risk supplier is found, the Ethical Analyst will ask questions, gather further information, and make suggestions to reduce the risk level. The Company requests copies of ethical audit reports and, if available, reviews to assess whether any follow-up can occur to reduce the risks identified – for example, by sharing templates for a supplier's first Ethical Trade Policy, or advising that multilingual posters of the Base Code are posted on site.

Our Ethical SAQ and Risk Assessment Procedure are undergoing a significant update in FY2019-20 to make use of the FNET Risk Assessment Tool, incorporating country, product, industry, and labour risks alongside priority and leverage. This will help us to strategically determine where it will be most effective for us to engage on-the-ground, and will more accurately identify the higher risk parts of our supply chains.

CASE STUDY: Tuna Transshipment

In the seafood industry, transshipment is known to increase risk of potential Illegal, Unreported and Unregulated (IUU) fishing and labour abuses.

Transshipment is when catch and/or supplies are moved between the fishing vessel to another 'carrier' vessel, which then usually returns to port to offload catch. This is a fairly common practice for tuna vessels in the Western Central Pacific, where the Company sources from. Particularly when conducted in the open ocean, it increases risk because the fishing vessel does not have to return to port to offload catch or replenish supplies. This means that fishermen could be kept at sea for months at a time; it also obscures traceability of the catch, which may lend cover to IUU fishing.



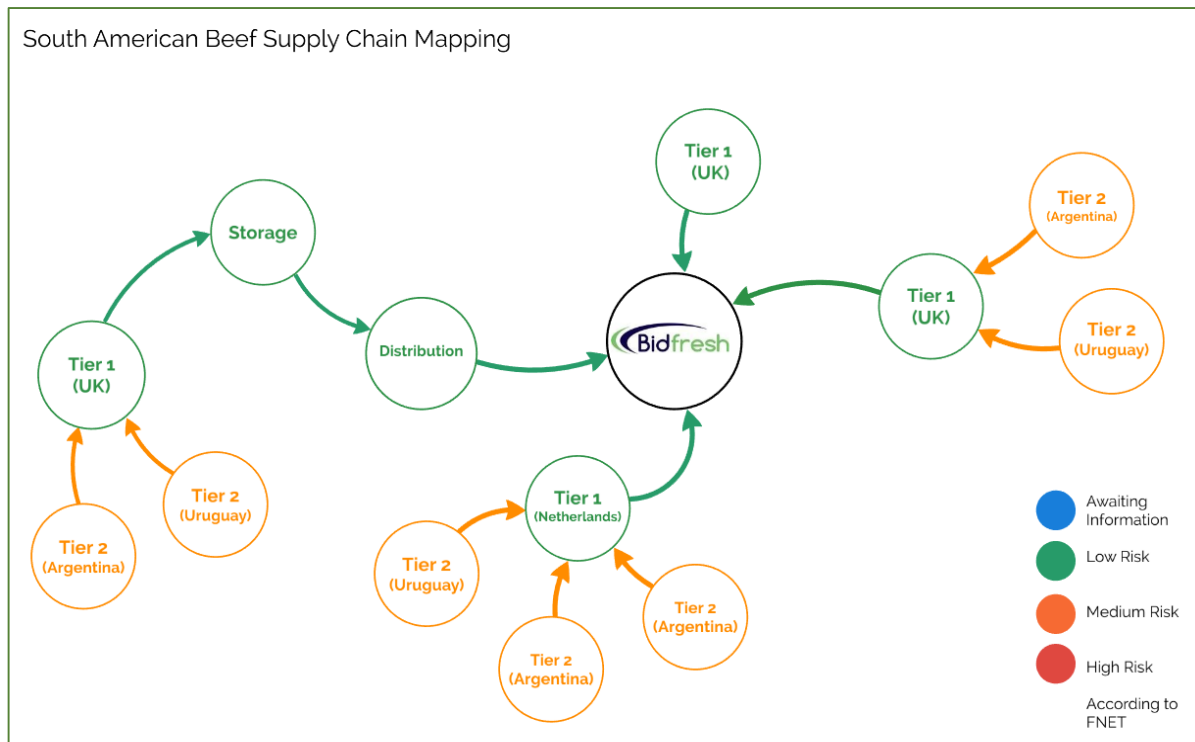
When the Company became aware of transshipment and its risks via external peer events and news articles, **Procedure 102-Supply Chain Mapping** was triggered. We aimed to remove transshipment at sea from our supply chains wherever possible, and at a minimum to ensure it is properly documented and monitored by officials.

Through the mapping process, we began to ask for more information – can suppliers provide catch certificates, vessel details, catch date & time, transshipment records, and any information on working conditions for fishermen?

Through the process, we uncovered one supplier who, despite repeated efforts to communicate and collaborate, was not willing to provide any additional information. Therefore, the supply chain mapping procedure illustrated in Section IV was executed to the final step, and the supplier was delisted. We have now moved to a supplier who is committed to providing traceability information, reducing transshipment where possible, and conducting regular risk assessments for IUU and traceability.

Through the company's due diligence procedure, we have completed a number of supply chain maps:

- Warm water shrimp
- Frozen squid
- Frozen, fresh and ambient tuna
- Frozen and fresh haddock
- Frozen and fresh cod
- Potato
- Peruvian asparagus
- Italian tomatoes
- Spanish strawberries
- Brazilian & Argentinian beef (see image below)



The potential labour rights violations associated with these products are the most detrimental to workers, including the most severe breaches of the ETI's Base Code such as forced labour, child labour, harsh and inhumane treatment, unhygienic and unsafe working conditions and excessive working hours. A few of these (cod, haddock, and potatoes) have been mapped because of the sheer volume we trade of these products, rather than specific associated labour rights issues.

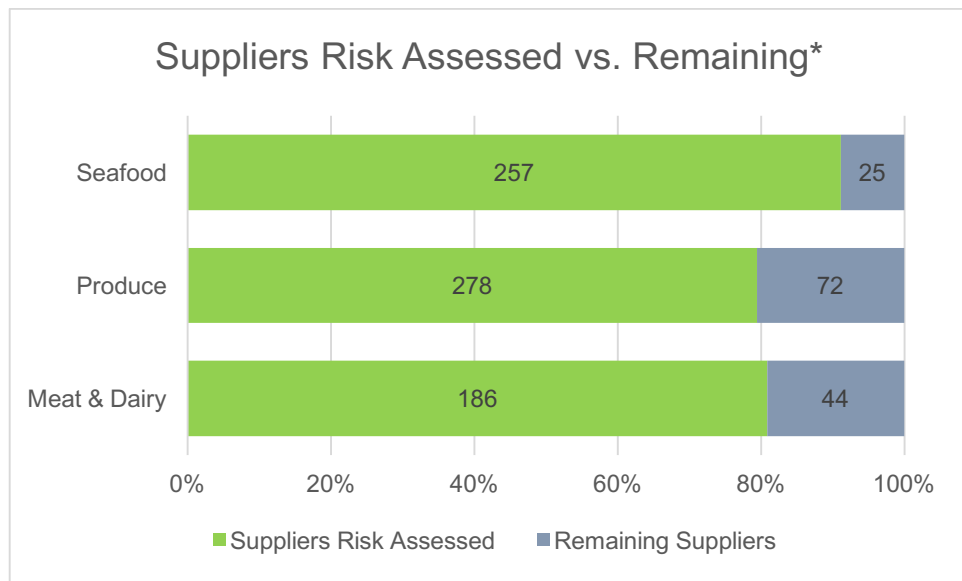
There are risks we are aware of where we have limited visibility and/or influence to address. Fishing vessels are an example of this – they can be far removed from us in the supply chain which means we have less visibility and influence over the conditions of workers. This raises concerns as they can be out at sea for many weeks or even months with limited oversight - e.g. only vessels of a certain size are required to have observers, and fewer still have electronic observers (webcams). We are working to address this issue in a less direct way: our Sustainability Director sits on the review panel for the Responsible Fishing Scheme, a vessel-based standard including both sustainability and working conditions, currently being expanded so that it may be applied worldwide.



V. KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS

Significant progress has been made in expanding the scope of the Company's ethical trade programme beyond seafood to all divisions including meat, dairy, and produce.

The Ethical Analyst, in place from May 2018, began carrying out the ethical due diligence procedures within the meat, dairy and produce businesses, as well as continuing on seafood suppliers. The graph below illustrates the progress of tier 1 suppliers risk assessed (and tier 2 where an agent is present) since the last report. Over 80% of the Group suppliers have now been risk assessed.



*As of Oct'19

Below are the objectives we set out in our ETI report submitted in July 2019, at the close of the financial year to which this Statement pertains. Completing the ETI report has allowed us to clarify what we are working towards as well as to establish time-bound activities that will help us achieve the objectives. In future reporting, we will measure our success against the completion of these activities and objectives, according to the timelines set out. The ultimate objective of all of these is a stepwise approach to continuous improvement in ethical trade.

- ❖ **Objective 1:** Ethical Analyst to complete supply chain mapping and initial due diligence for all first-tier suppliers (and tier 2 where an agent is used) across the Group by the end of 2019.
 - **Progress:** refer to the above graph
 - **FY2019-20 Activities:**
 - Send ethical approval documents to all outstanding suppliers by Aug'19
 - Complete risk assessments for 98% of all suppliers by Nov'19 (*aiming for 98% as some suppliers may not reply and will be recommended for delist, and new suppliers are constantly being added who will be considered for ethical approval at their proposal*)
 - Sustainability & Ethics Manager to continue to report progress monthly to Board
- ❖ **Objective 2:** Sales staff across the group to confidently promote our ethical trade to customers as a USP and influence customers to purchase more ethically by January 2021.
 - **Progress:**



- - Monthly internal ethical trade newsletters
 - Modern slavery training across the seafood division by previous Ethical Analyst in Jan'17
 - Quiz in Dec'18 assessing current understanding/use of ETI membership amongst seafood sales teams
 - Presentations on sustainability & ethical trade at internal Group sales conferences in Oct'18, Apr'19
- **FY2019-20 Activities:**
 - Bidfresh sales conference Jul'19 – present top-line info on ethical trade and distribute reference materials to assist in conversations with customers
 - Add ethical trade information to internal IT systems and associate with individual products to make promotion easier – by Dec'20
 - Newsletter – continue to highlight monthly topical issues in our supply chains
- ❖ **Objective 3:** Buyers across the Group to understand importance & benefits of ethical trade, and follow Bidfresh ethical approval procedures any time a new product or supplier is proposed, by July'20.
 - **Progress:**
 - Modern slavery training across the seafood division by previous Ethical Analyst in Jan'17
 - **FY2019-20 Activities:**
 - Distribute ethical trade system updates (see next Objective), including buyer ethical trade procedure by Sep'19, along with training materials
 - Engage with FNET Workstream 3 on internal engagement: adapt FNET buyer training template to conduct Bidfresh buyer training May-Jul'20
 - Ethical Trade team to conduct assessment of usage of revised procedures by reviewing completeness of information in supplier trackers (see next Objective) in May'20
- ❖ **Objective 4:** Revise and complete the Bidfresh ethical trading system so that it is suited to all business divisions (not just seafood), accurately identifies any labour violations against the ETI Base Code, and provides clear mitigation and remedy procedures, by Jun'20.
 - **Progress:**
 - Revision of systems began in Dec'18 and draft versions of documents have been created
 - **FY2019-20 Activities:**
 - Create an Ethical Trade document control system for all related Bidfresh ethical trading policies, procedures etc., to ensure that current versions are consistently being used across the group by July'19
 - Revise ethical trade supplier approval & risk assessment procedures to clarify roles for buyers vs ethical trade team, and to integrate the FNET risk assessment tool, by Sep'19
 - Create a Remediation Policy for the Group by Jun'20
- ❖ **Objective 5:** Moving from risk assessment to action, create plans to engage with 3 high-priority (salience + leverage) regions/products to conduct mitigation and remediation (as required) on-the-ground by Jul'20, with plans extending to 2024
 - **FY2019-20 Activities:**



- Ethical Trade team, senior Food Safety/Technical team, Director of Sustainability (seafood), central buyers to complete 1-week social auditor training course in Jan'20
- Using results from completed risk assessments as per Objective 1, and incorporating the FNET Risk Assessment Tool as well as internal data on sales volumes/revenues, choose 3 high-priority regions/products across the Group where we have maximum leverage to further engage by Feb'20
- Understand key issues in the chosen regions/sectors by speaking to local trade union reps and NGOs (contact via ETI), reviewing media, and communicating with supplier by Jun'20
- Create action plans for each product/region and turn these into their own Objectives with related actions in FY'20-'21

VI. TRAINING ON ETHICAL TRADE, MODERN SLAVERY AND TRAFFICKING

The Ethical Trade team has attended a wide range of events via the ETI, FNET, and other groups which help inform our approach to ethical trade as well as the risks inherent to our supply chains. A selection of these is listed below:

- [ETI Essentials of Ethical Trade](#): a series of 4 courses covering ethical trade, risk assessment, freedom of association, remediation, and collaboration
- Variety of face-to-face FNET workstream meetings, including risk assessment and worker representation
- Various Seafish events including the Seafood Ethics Common Language Group in Jan'19
- 21 Jan: ETI Update on Spanish Due Diligence Report & Unfair Trading Practices in EU
- 12 Feb: Office of the United Nations High Commissioner for Human Rights (OHCHR) / ETI Roundtable on Access to Remedy & Operational Grievance Mechanisms
- 20 Feb: ETI Webinar on Base Code Clause 2 guidance launch - Freedom of Association and Collective Bargaining
- 12 June: [Stronger Together workshops](#) – Tackling Modern Slavery in UK Businesses and Global Supply Chains

Some internal training has also been given and is listed below:

- Modern slavery training across the seafood division by previous Ethical Analyst in Jan'17
- Ethical Analyst introduction to ethical trade presentation to newly employed Business Development Managers (Ongoing)
- Oct'18 – Presentation on seafood industry ethical risks to fish site directors
- Presentations on sustainability & ethical trade at internal Group sales conferences in Oct'18, Apr'19

We have a range of training planned for the upcoming financial year, which is detailed in the previous section and summarised below:

- SGS Social Systems/Lead Auditor training
 - Refer to **Section IV, Objective 5**
- Creating training materials for buyers/sales teams on Bidfresh ethical trade
 - Refer to **Section IV, Objective 2 & 3**
- Continue distributing monthly newsletter to highlight topical issues in our supply chains and raising awareness to all staff



The Ethical Trade team will also continue to attend a range of events, working groups, forums and conferences to stay informed on ethical trade and pursue continuous improvement.

The statement was approved by the Board on DD MONTH 2019.

Signed,

Stephen Oswald
CEO, Bidfresh Ltd.
DD.MM.2019