



Modern Slavery Statement **2017-18**

This statement is being published in accordance with section 54(1) of the UK Modern Slavery Act 2015.

This statement is the first to be published as [Bidfresh Limited](#). Two previous statements have been produced by the seafood branch of the company, [Direct Seafoods](#), and two have been published by [Oliver Kay](#), Bidfresh's largest produce business. The statement covers the financial year commencing 1 July 2017 and ending 30 June 2018, but also summarises some of the actions from Direct Seafoods' and Oliver Kay's previous statements, as well as some of the activities that have occurred across the Bidfresh group since the end of the financial year.

I. INTRODUCTION

[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 stamp out 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



II. STRUCTURE, BUSINESS AND SUPPLY CHAINS

Bidfresh supplies fresh produce, fish, meat, and dairy products to chefs throughout the UK, from specialist businesses local to the customer.

Bidfresh Limited was created in 2010 when Bidvest (a public owned business in South Africa) purchased Seafood Holdings Limited in the UK. Bidvest saw the benefits in the model adopted by Seafood Holdings and decided to create similar businesses in meat and produce.

Bidvest unbundled its food service assets on 30th May 2016 into Bidcorp Limited which is



listed on the Johannesburg Stock Exchange. Bidcorp Limited's ('Bidcorp') listing provides shareholders with the opportunity to participate directly in Bidcorp's foodservice operations as well as enabling the business to achieve its strategic goals.

Bidfresh has since acquired a number of businesses in meat and produce and is looking to further broaden its footprint across the British Isles.

Bidfresh has adopted a decentralised model of management which encourages the entrepreneurial spirit contained in each of its businesses. Each business is directly responsible for its product range, its buying and sales approach. Businesses retain their local brand, tone of voice, look and feel. The cultural differences are important to differentiate the regional locations. However, many of the back office functions are centralised.

The businesses that are acquired are specialist in either their region or their product range. All the businesses primarily focus on the restaurant and catering trade.

A full list of our businesses and brands can be found on our website, www.bidfresh.co.uk.

Ethical Trading Initiative

In December 2014, while operating as Seafood Holdings, the seafood businesses joined the [Ethical Trading Initiative](#) (ETI), 'a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe.' A critical aspect of membership is reporting on ethical trade performance, so that the ETI can monitor progress over time and ensure continuous improvement. New ETI members are called 'Foundation Members' and are given 2 years to submit their first report.

Seafood Holding's first report was submitted in December 2016, after which Seafood Holdings progressed to Full membership. However, the decision was then made in May 2017 to expand the ethical trade remit across the entire Bidfresh group of companies and so Bidfresh as a whole was returned to Foundation membership. Our first Bidfresh-wide ETI report will be submitted by July 2019, after which we aim to progress to Full membership.



Bidfresh Quick Facts

Approx. 1500 total employees	81% male
	19% female

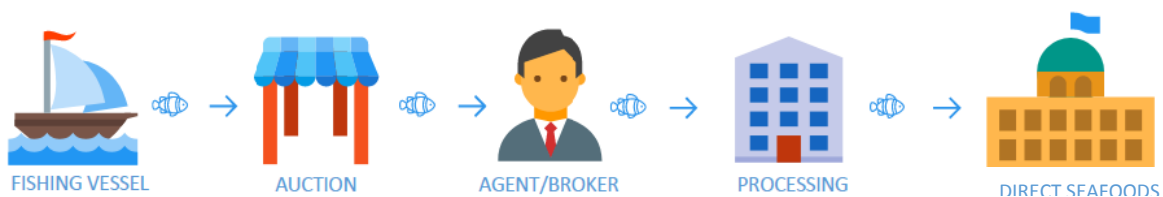
> 15 000 customers

across the UK

Business Type	Number of Businesses	% of Overall Bidfresh Turnover	Key Supply Countries	# Suppliers Risk Assessed *	% Risk Assessed *
Seafood	9	55%	UK, Denmark, Netherlands, France, Hong Kong, Vietnam, Spain, Finland, Ireland, Norway, China	254	80%
Meat & Dairy	4	18%	UK, Ireland, Holland, Brazil, France	89	11%
Produce	3	27%	UK, Holland, Spain, France, Costa Rica, South Africa, Israel, Kenya, Ireland, Egypt	244	30%

* as of December 2018

Our supply chains range from being short and simple (where we are able to purchase directly from local farmers or fish markets in the UK) to complex (where we purchase product from an agent who imports products from various suppliers around the world). There can be many tiers involved in the more complex supply chains, including: farms or fishing vessels, sorting/packing houses, markets, processing facilities, importers, agents and brokers. Below is an illustration of a typical *international* seafood supply chain:



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





III. POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Overarching policies and procedures are one of the back-office functions that Bidfresh performs for its businesses. In terms of food safety and technical, all of Bidfresh's sites undergo external food safety audits, and as part of these we must have a document control system including policies, procedures and work instructions. The businesses then adopt these documents into their own systems.

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

- **Ethical Trading Policy:** This policy confirms our commitment as ETI Members 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 own business and our 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
 - Contains the option to terminate a relationship if suppliers or individuals violate the policy and do not show an intention to improve

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 and, if labour abuses are found, we are able to identify any products that came from a specific supplier. All approved suppliers must have BRC accreditation (minimum A grade) and/or be able to provide evidence of a recent traceability exercise.

All policies are reviewed at a minimum on a biennial basis and are the responsibility of the Head of Food Safety. Any significant updates must be signed off by the CEO and/or Board of Directors. Day-to-day activities in relation to ethical trade are carried out by a dedicated Ethical Analyst.

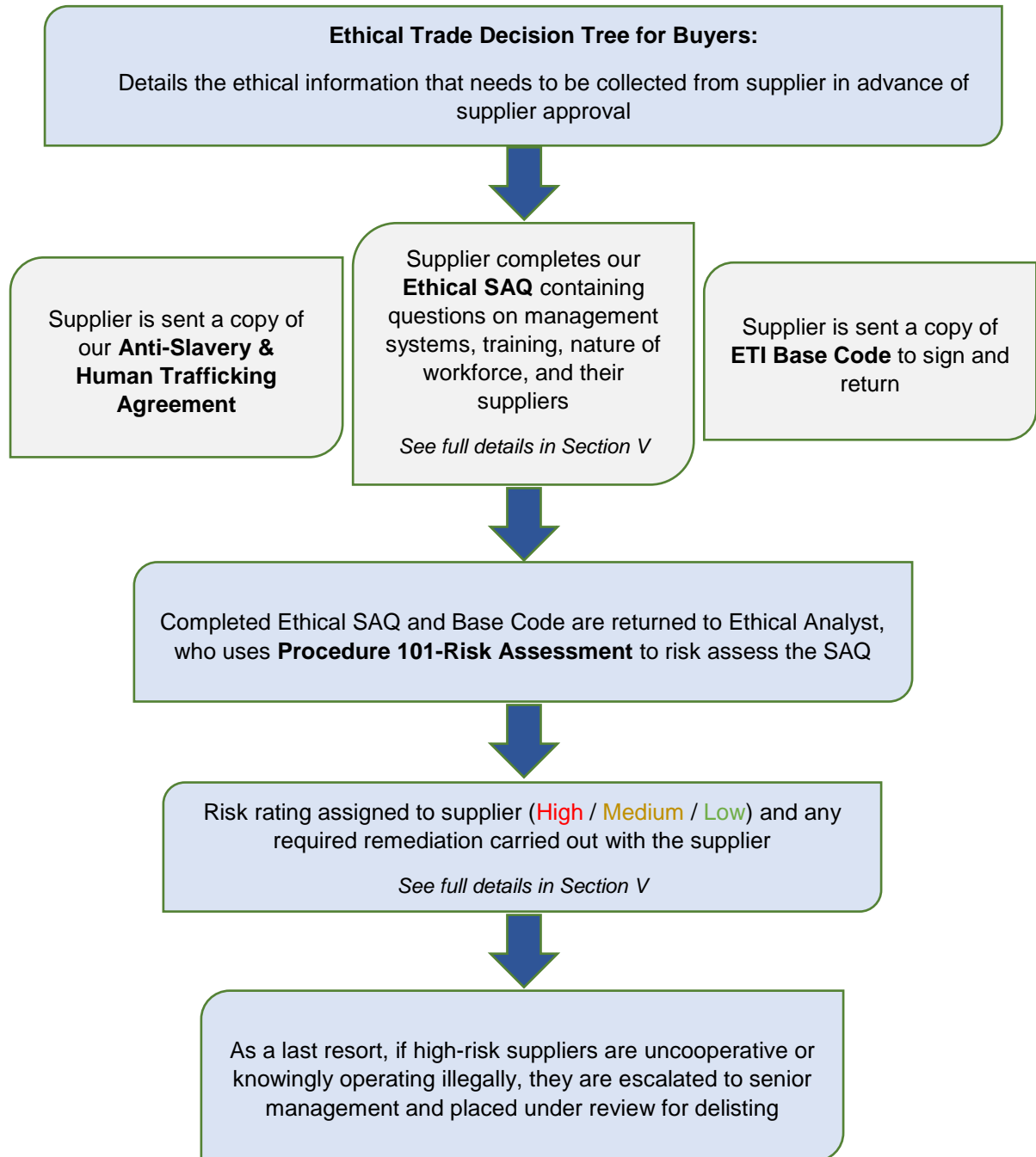
Policies are communicated and enforced via the due diligence and risk assessment procedures in the following sections. Any suppliers found to be non-compliant would be assessed on a case-by-case basis, either to proactively work together to improve conditions or, as a last resort, if the supplier is unwilling to collaborate or knowingly operating illegally, to terminate the relationship.

IV. DUE DILIGENCE PROCESSES

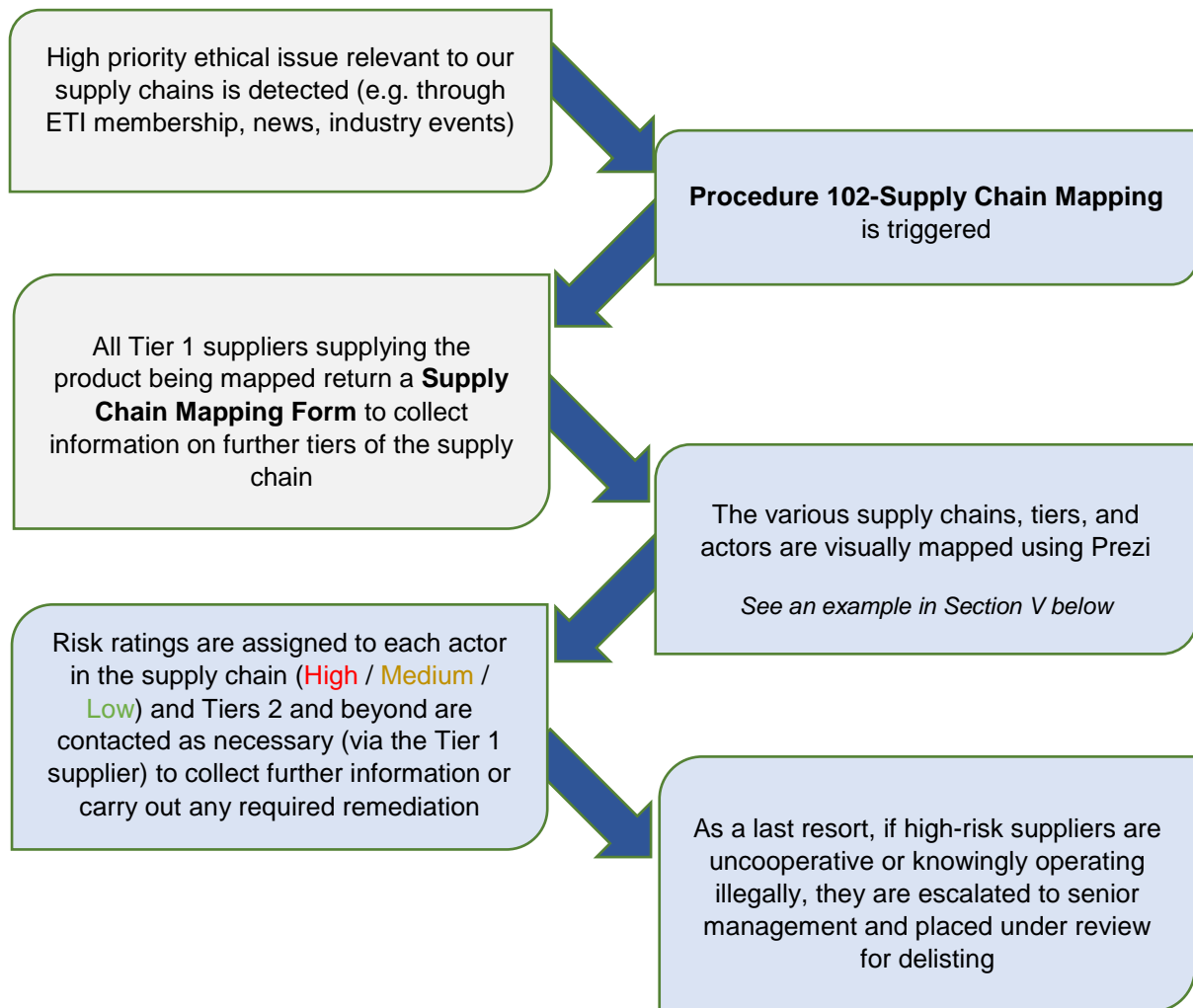
The Company monitors and evaluates its suppliers based on their commitment to ethical trade and compliance with the ETI Base Code.

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 due diligence scheme'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 key part of our due diligence. The process is as follows:



Currently all remediation activities are carried out via desktop. In 2017, an Internal Audit Programme was planned for our top 20 high risk suppliers (by volume). In preparation, the Ethical Analyst underwent an IRCA certified, 5-day 'Social Systems Auditor/Lead Auditor Training Course' in June 2017, but unfortunately left the company in August 2017 which resulted in a lack of dedicated Ethical Trade staff until May 2018. The internal audit programme will be restarted in FY2019-20 beginning with social auditor training for the new Ethical Analyst. This will increase our engagement with suppliers and will allow us to ground-truth any remediation activities.




Through the company's ETI reporting, we receive feedback both directly from the ETI and from non-governmental organisation (NGO) partners, with advice on how our due diligence may be improved. We are incorporating the following recommendations into ethical trade planning:

- Creating a remediation policy for when labour abuses are found
- Conducting audits and/or site visits to ground-truth the Ethical SAQ information and engage directly with suppliers
- Investigating ways to engage directly with workers, e.g. via confidential reporting mechanisms, trade unions, or local NGOs

V. RISK ASSESSMENT, PREVENTION AND MITIGATION

Section IV described the process and policies that lead to Risk Assessment of suppliers. The process is designed to cover 100% of suppliers. It is now applied to all new suppliers as part of the Food Safety approval process. Existing suppliers when the policy was introduced in 2016 are being contacted individually by the Ethical Analyst to complete.

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 remediation can occur to reduce the risks identified.

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.

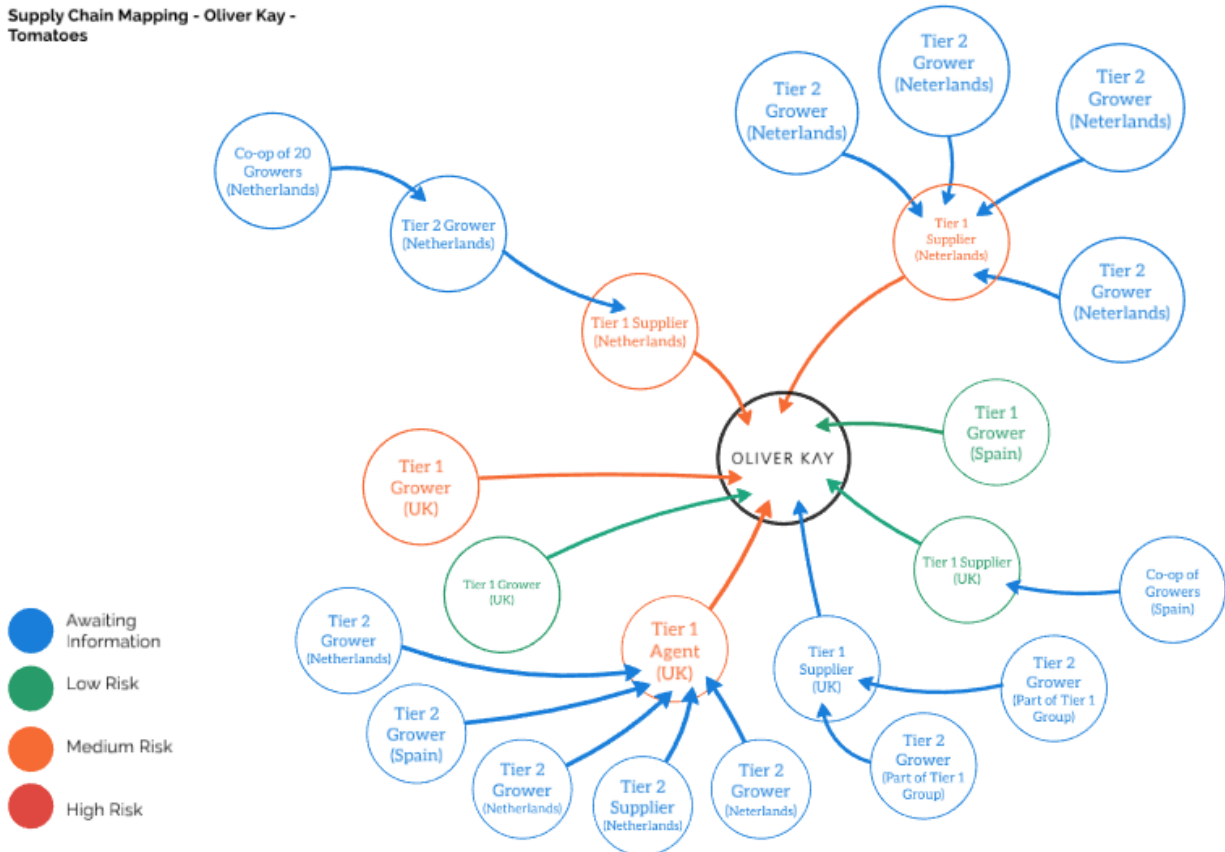


Through the Company's due diligence procedures, we have identified and taken steps to mitigate the most **salient**, **severe**, and **tractable** modern slavery risks in our supply chains.

- ▶ **Salient:** most obvious
- ▶ **Severe:** most significant
- ▶ **Tractable:** that we have the power to do something about

Supply chain mapping has been conducted for the following products so far, and alongside these is an explanation of why they have each been mapped:

- **Warm Water Shrimp** – There have been documented cases of severe exploitation of workers in the shrimp production industry, specifically of migrant workers in Thai peeling sheds and Bangladeshi shrimp-fry collectors.
- **Frozen Squid** – Use of transshipment is prevalent in the frozen squid supply chain. This links to potential labour rights abuses as there is a lack of transparency and traceability of the product throughout the supply chain, making it harder to detect or control. Cases have appeared in the media of Indonesian workers working up to 20 hours a day, not being paid, living in unsafe and unhygienic conditions, being beaten, and even being murdered or committing suicide at sea.
- **Frozen, Fresh & Ambient Tuna** – See 'Case Study' box above on tuna transshipment.
- **Fresh & Frozen Cod and Haddock** – One of the biggest sellers throughout the business, therefore 'tractable'. Because of the amount that we trade, we import a lot of the products which increases the complexity of the supply chain, thus a higher potential risk to the business for labour rights abuses.
- **Potato** – Does not pose a particularly severe or salient risk, but is tractable due to the large amount the Company trades. Most of our potatoes are sourced from the UK and so the supply chains are already quite short and transparent.
- **Asparagus** – A seasonal product which is sourced from Peru in the winter. Peru is the world's second leading exporter for asparagus. The high risk of this product comes from the use of hired agency labour to support mass production. The majority of the workforce in Peruvian asparagus are women. This is perceived to be because women are more willing to enter and leave the labour market according to the season; thus, this use of unstable hired labour and often unregulated agency work makes women more vulnerable to labour rights abuses.
- **Tomatoes** – As they are seasonal, we source the majority of our tomatoes from Spain and Italy in the winter. Seasonal products are harvested using seasonal labour, which is often correlated with labour rights abuses. Furthermore, we have recently been made aware of an issue regarding Moroccan migrant women experiencing sexual abuse in Spanish agriculture, which triggered the supply chain mapping procedure – see diagram below.



The above is a sample of the Company's supply chain maps. Pictured are the tomato supply chains into Oliver Kay. Commercially sensitive information has been removed. Through this mapping procedure, the Ethical Analyst asked and acquired information on further tiers of the supply chain to ensure that sexual abuse of Moroccan women is not occurring.

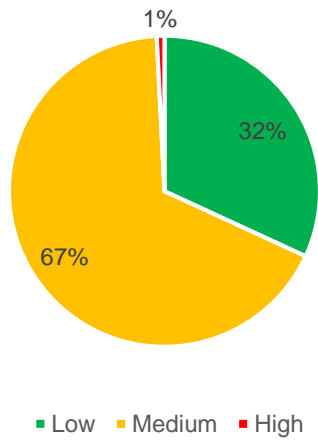
The next steps for risk assessment, in line with previous ETI reporting feedback, are to work directly with suppliers to prevent issues occurring and/or recurring, and to proactively share information on labour rights and the ETI Base Code both internally and with suppliers. A 'trial run' of direct supplier engagement was conducted in July 2018 when the Ethical Analyst visited a UK strawberry supplier following awareness of the use of seasonal labour from Spain and Italy. The visit occurred in the off-season to look into hiring procedures, wages, and licencing of the labour provider. This has set the groundwork for similar visits in future.

VI. PROGRESS AND EFFECTIVENESS

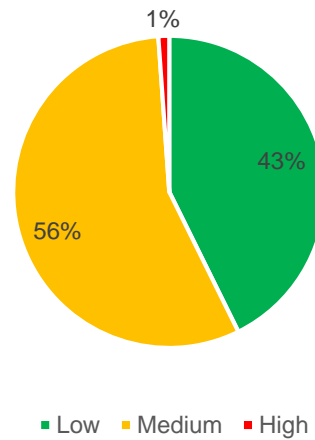
Despite the gap in dedicated ethical trade staff between August 2017-May 2018 (see section IV, p.6 above), significant progress has been made in expanding the scope of the Company's ethical trade programme beyond seafood to the entire company including meat, dairy, and produce. This was alongside the expansion of our ETI membership to the entire Company.

The Ethical Analyst, in place from May 2018, began carrying out the ethical due diligence procedures within the meat and produce businesses, as well as continuing on seafood suppliers. The graphs below illustrate the progress and results so far in each part of the Company (note that results up to December 2018 are included, which extends beyond the end of the financial year that this report covers):

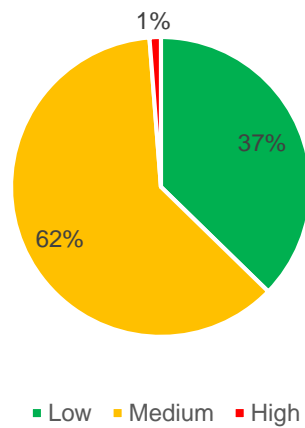
Fish Suppliers Risk Assessed (254 total)



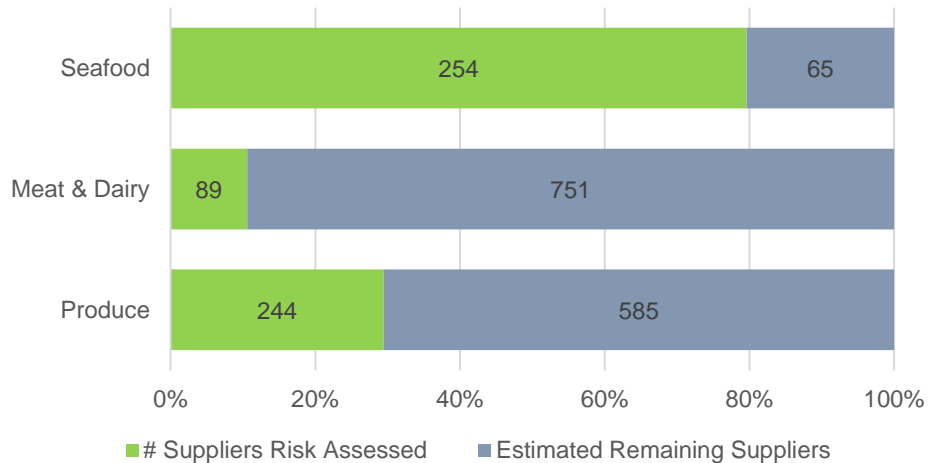
Meat & Dairy Risk Assessment Results



Produce Risk Assessment Results



Suppliers Risk Assessed vs. Remaining





As per Section V, 12 supply chain maps have now been completed, 3 of which have been completed and 1 updated since the previous Modern Slavery Statement (as of Dec'18). This allowed us to address some of the most severe, salient, and tractable issues perceived in our supply chains as described above.

In evaluating our progress, we have noted that the majority of suppliers come out as Medium Risk. Through a policy & procedure review in the upcoming financial year, we will seek to adjust the brackets for low/medium/high to help us better prioritise the large number of suppliers currently in the medium risk bracket.

In our next steps, we will continue increasing our engagement with further tiers of the supply chain. Currently we get information beyond tier 1 on supply chains that have been mapped, as well as from first tier suppliers who are agents. In addition, in the Ethical SAQ we gather top-line information about further tiers - number of suppliers, where they're based, their perceived highest risks, and whether supplier audits are conducted (sending evidence and details when available).

The Company has also invested in training relevant to ethical trade over the past financial year, which is described in the next section.

VII. TRAINING & COLLABORATION

The seafood businesses underwent a modern slavery training programme in 2017. The below has been summarised from Seafood Holdings' 2016-17 Modern Slavery Statement:

- In Jan. '17, internal modern slavery training was delivered to everyone in the seafood businesses via a 'train the trainer' type scheme
 - The training focussed on: the issues of modern slavery in the seafood industry, our membership to the ETI, our Ethical Trading Policy and Anti-Slavery and Human Trafficking Policy and the Company's due diligence programme
 - The training was initially delivered to all technical managers and was then rolled out to all staff, including: management, buyers, factory workers, office staff and cleaners
- Modern slavery training has also been incorporated into our staff induction training

Training will be prioritised again from the next financial year onwards, once the Ethical Analyst and Sustainability Manager are settled in their roles. Currently, at a minimum, the ETI Base Code is posted in all Company premises and all staff receive the Ethical Trade newsletter.

During this financial year and up to December 2018, several training and external events have occurred:

- Ethical Analyst completed 4 stages of [ETI Essentials of Ethical Trade](#) workshops (Sustainability Director [Seafood] and Head of Food Safety have also previously completed all 4 stages)
- Ethical Analyst attended several Modern Slavery Working Groups hosted by ETI, several [Seafish Ethics Common Language Groups](#) (SECLGs), and the Trafficking in Persons (TIP) Report speech



- Sustainability Director (Seafood) also attended SECLGs in January & July 2018. These events bring together representatives from retail, processing, food service, NGOs & scientists
- Sustainability Director (Seafood) sat on [Responsible Fishing Scheme \(RFS\)](#) Advisory Board – a holistic fishing vessel standard covering sustainability, ethics, and care of the catch
- Direct Seafoods joined the [Seafood Ethics Action Alliance](#) (SEA Alliance) – a newly formed organisation ‘established by the seafood industry to provide a platform for collective engagement, to share information on emerging issues, agree best practice solutions, and provide a forum for collective pre-competitive action where it is not better fulfilled by an existing organisation’
- Raised awareness internally – Ethical Analyst presented to seafood directors in October 2018 on the basics of ethical trade, common ethical issues in the seafood industry, progress on supply chain mapping, and risk assessment procedures
- Raised awareness internally via monthly newsletters

Outreach to suppliers thus far has been via sharing the ETI Base Code and follow-up actions from Ethical SAQs. We aim to support supplier training in future through ETI events or other relevant local NGOs or trade unions.

VIII. NEXT STEPS

The first ETI report for the entire Bidfresh Company will be submitted by July 2019. This report will contain overarching ethical trade targets and time-bound milestones that we will report against to the ETI. Moving forwards, we will seek to align our ETI reporting with Modern Slavery reporting on Progress and Next Steps (Sections VI and VIII).

The following activities are to be completed before the Company’s next Modern Slavery Statement reporting period – in other words, by the end of June 2019:

- Fill the newly created role of Sustainability Manager. The new staff member will have ethical trade experience and will manage the ethical trade strategy, policies, etc.
- Sustainability Manager and Ethical Analyst to complete [Stronger Together](#) training
- Complete the initial risk assessments for at least 90% of existing seafood suppliers and 50% each of existing meat & dairy and produce suppliers (*this is an ongoing procedure for new suppliers*)
- Conduct a revision of ethical trade policies and procedures to ensure clarity for suppliers and clear links between the two document types. This will occur within a wider restructuring of the ethics & sustainability document control system. Ensure the system is clear, version controlled, transparent, and simple for suppliers. We will also adjust risk assessment brackets to prioritise more higher risk suppliers out of the medium risk category
- Continue to attend Seafish / ETI / other ethical events to keep tabs on priority areas, products, and trends and trigger Supply Chain Mapping as necessary



- Register for [Food Network for Ethical Trade \(FNET\)](#) membership to enhance our current risk assessment procedure, ensure it is kept up-to-date, and increase engagement with industry peers
- Create a Remediation Policy to clarify what would be done if modern slavery or critical labour violations were found in our supply chains, and share with our suppliers
- Create a 'Basics of Sustainability & Ethical Trade' internal training video for seafood businesses and roll out to seafood sales staff. (Further training to occur in meat, dairy and produce businesses in FY2019-20 and beyond - see below)
- Seek opportunities for collaboration within meat & produce supply chains, to help inform ethical trade priorities and actions. This may take the form of certification bodies or new memberships

Below is a list of longer term goals, to be completed in FY2019-20 and beyond:

- Sustainability Manager and Ethical Analyst to complete social auditor training course (aiming for July '19)
- Create a plan to extend ethical trade activities into our own depots during the next financial year – e.g. internal audits, Base Code inclusion in staff contracts
- Reinstate internal auditing programme once social auditor training has been successfully completed, starting with highest-risk suppliers and Bidfresh's own sites
- Consider increasing ethical auditing platform membership (e.g. Sedex or BSCI) so that audits can be conducted and reviewed for highest risk suppliers where internal audit is not possible (e.g. distant location)
- Ensure induction process across Bidfresh establishes sustainable & ethical trade as a business priority
- Create training videos for meat, dairy and produce sales teams to increase awareness and engagement with sustainability and ethics
- Create a training plan for buying teams across the business, covering our policies & procedures as well as background on sustainability and ethics
- Ensure that sustainability & ethics training eventually covers all parts of the business including processing, drivers, cleaners, etc.
- Aim to engage further tiers of the supply chain in ethical trade activities through carrying on supply chain mapping and extending the scope of the Company's policies & procedures
- Aim to increase direct engagement with suppliers and their workers via trade unions, local NGOs, grievance mechanisms, and/or site visits



The statement was approved by the Board on 20 December 2018.

Signed,

Stephen Oswald
CEO of Bidfresh Ltd.
20.12.2018