

PDM Produce (UK) Ltd – Modern Slavery Statement – 2019

This statement is made on behalf of the Directors of PDM Produce (UK) Ltd in respect of the Modern Slavery Act 2015. This Act requires us to publicly declare what efforts have been made within our own business and that of our supply chain, to eradicate slavery and human trafficking.

In accordance with the Act, our statement articulates our policies and practices around recognising and preventing human trafficking and slavery, the key areas of risk to us and the measures put in place to address these risks.

Organisational Structure

PDM Produce has been growing fresh produce in the UK for more than 25 years, which we supply to many of the UK's leading retailers and specialist outlets. We provide quality, fresh products, both whole head lettuce and bagged baby leaf salads for UK and Irish consumers.

Our packing facility was built in 1998, enabling us to respond quickly to the demand of "pick to plate" set by our consumers, making us one of the UK's only grower / packer of these products. Our first wash line for spinach and baby leaf products was added in 2006 and by 2012 we had a full "wash to ready-to-eat" packing capability.

As growers of a seasonal product, we harvest what we can during the usual British season (typically May to October), using fields within a 20 mile radius of the farm. During the winter months we supply product from our trusted partners in Southern Europe.

Due to our seasonality, our employee numbers vary for winter and summer seasons. We have around 300 permanent employees during the winter months and then recruit significantly from Eastern Europe (predominantly Bulgaria and Romania) for our summer months for harvesting personnel, taking our total employee numbers to over 600. Around 65% of seasonal employees return to us each year, reducing the requirement to recruit for new employees.

As innovators, we are always looking at ways to improve current processes, efficiencies and reduce waste. A portion of our baby leaf products are deemed cosmetically unappealing to consumers due to leaf damage often caused by periods of wet weather. Nutritionally these are still good quality products, so in October 2014 we utilised these products by launching our own brand of cold pressed vegetable juices under the company name of B.fresh Foods LLP. We take fresh fruit and vegetable products and cold press them at our on-site, bespoke juicery, to produce healthy juice drinks that retain 96% of their nutritional goodness.

Our Policies

PDM has an Ethical policy, Whistleblowing policy, Human Rights policy and strict Disciplinary policy all which can be used to address any concerns of slavery and / or human trafficking within our own business.

Our recruitment policy is robust, with all permanent and the majority of seasonal employees recruited directly by us, reducing the risk of abuse by a labour provider. Where an overseas labour provider has been utilised for the introduction of employees, a recruitment fee has been paid to them, by PDM. Where local agency workers are required for temporary cover, these are supplied to us by an established

local UK provider, on a daily or weekly assignment basis. If an assignment is expected to last more than 12 weeks, then we aim to offer the worker the opportunity to join us as a permanent employee. We currently utilise one UK recruitment agency for temporary cover.

Agencies are audited by us, and these will be carried out each year. Any concerns raised by a worker or supplied employee will result in further investigation with the relevant agency.

Contracts are signed with all labour providers and UK recruitment agencies before the commencement of any supply. We aim to use no more than 2 UK suppliers and 2 overseas agents to source our seasonal employees, the majority of which we have worked with for a number of years. If additional resources are required then we will ensure agents comply with the GLAA, ETI base code and our Ethical Policy.

We provide supplier packs to all our raw material suppliers and request that they are members of Global Gap as a minimum or members of SEDEX.

Training

Our HR Manager has undergone Stronger Together training. Stronger Together is a UK multi-stakeholder collaboration between supermarkets, the Association of Labour Providers (ALP) and Gangmasters and Labour Abuse Authority (GLAA). We have embraced the Stronger Together programme and educate our employees to recognise the risks of modern slavery and human trafficking in our business. We will continue to educate employees by utilising suitable materials from other knowledgeable sources like the Ethical Trade Initiative (ETI). We are also working towards becoming Stronger Together Business Partners, which includes publicly demonstrating our commitment to tackling hidden labour exploitation.

Our Technical Manager has undertaken Lead Auditor training, which is utilised when visiting our raw material suppliers.

The HR Manager and Head of Technical have attended Ethical training and workshops. The HR Manager regularly attends employment law updates, ethical trade conferences and customer ethical meetings, in addition to any GLAA, ALP or other training or awareness events.

We encourage our supply chain colleagues to attend Stronger Together training and Ethical Trade forums which are available within their own countries. This will help them identify and ultimately report any potential breaches of our Ethical policy using our confidential whistleblowing process. Colleagues will be made aware of the stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate it from their business and our supply chain.

Due Diligence

PDM Produce is a member of the Supplier Ethical Data Exchange (SEDEX) and we are regularly audited by third parties who publish their results so that they are visible to our customers.

We are also signed up to the Gangmasters and Labour Abuse Authority (GLAA) Active Check Database, which will automatically inform us of any changes related to the Labour Providers that we use.

PDM Produce insists that all its labour providers (both UK based and overseas) have current GLAA licences and that they follow the provisions of the Gangmasters Licencing Act 2004, adhering to all their standards protecting workers from poor treatment and exploitation. We meet the majority of all new seasonal employees in their own country, where we provide information about our business, the work

available, their terms and conditions and available accommodation. We highlight that no-one should pay for their work placement and provide details on Stronger Together, the risks to them of slavery and human trafficking and contact details for who they can contact confidentially, if they have any concerns, before arriving and while staying in the UK.

Regardless of whether we have met employees prior to them attending the farm, (this may not always be possible, if the recruitment is due to requirement mid-season) we ensure that they are aware and reminded of the risks via our induction process which includes information on Stronger Together (in their own language), our Ethical policy and Whistleblowing policy.

Identification and right to work checks are carried out at induction and verified for all employees to ensure they are not in possession of fraudulent documents and that they have their original ID cards / passports with them. This also confirms that the employee is over the age of 18, avoiding any risk of child labour.

Wages are paid onto a “pre-paid payment card” which is unique to each employee and is provided through us, by our banking provider.

All our raw material suppliers have received PDM due diligence supplier packs. We recommend that all these suppliers are (as a minimum) Global GRASP (Global G.A.P Risk Assessment on Social Practice) certified or (ideally) SMETA certified. We will challenge our raw suppliers each year to move from Global GRASP to SMETA and will work with them to help them do so.

Our raw material suppliers have signed up to the Ethical Trade Initiative (ETI) Base Code.

PDM Produce will work with all suppliers to limit risks within their own business and supply chain. However we will not maintain business relationships with any suppliers that have refused assistance or have intentionally breached the human rights of their employees or colleagues.

All new or potential suppliers will undergo due diligence assessment as part of the tender or negotiation process.

By the end of 2019 financial year, we aim to have reviewed all our current raw material suppliers and their specific country legislation, to establish and assess areas of potential risk, using the data gathered from our supplier packs. We will then work with these suppliers to ensure suitable controls are put in place to reduce and / or remove any potential risks. These will be monitored and taken into consideration before any future contract renewals.

We have generated an ethical pack for our packaging and transport suppliers, which have been issued and all suppliers will be registered on SEDEX with a self-assessment questionnaire completed by the end of 2020.

We will work to ensure all suppliers receive and return out ethical pack by the end of 2020.

We aim for all of our raw material suppliers to have had either a Global GRAP assessment or a SMETA audit. Any raw material supplier with more than 100 employees will be required to have had a SMETA audit.

Areas of Risk

Our business and supply chain can be divided into 5 key areas: labour, raw material, packaging, transport and “non-direct consumables” (eg stationery, fuel, tools and equipment etc).

Labour & Raw Material

Our overseas recruitment is predominantly from Romania and Bulgaria, though we also have employees from other European countries. Candidate availability, English skills and work experience is decreasing from these areas and we are exploring the utilisation of the DEFRA Seasonal Workers Pilot scheme for our 2020 season.

In our winter supply chain, risk comes from the recruitment and treatment of suppliers' own staff or labour provided employees. Again many are recruited from Romania and Bulgaria, but also often include multiple European nationalities.

Packaging

Our Packaging suppliers are predominantly UK based, with 1 supplier in Spain who is utilised on a low level / low volume basis.

Transport

Our Transport suppliers used to deliver from farm to customer are all UK based, except for our export to Ireland, which is via an Irish transporter.

Product imported along our supply chain is usually sourced in the country of origin, by our raw material suppliers.

"Non-direct Consumables"

Where possible we purchase our non-direct consumables from local or UK based businesses. We aim to risk assess these by the end of the 2019 financial year to indicate any specific areas or suppliers who are a high risk to us and we will work with them to reduce this down. Due to the nature of their products or services, they are unlikely to be audited in the same way as our direct product suppliers, so this will generate further challenges.

Performance Indicators

PDM Produce is not aware of anyone within our supply chain businesses being identified as having an incident of modern slavery or human trafficking. We have not received any human rights-related grievances in relation to our business or those of our supply chain.

We aim to follow a number of key performance indicators (kpi's) to measure how effective we have been in ensuring slavery and human trafficking practices are not taking place in any part of our business or supply chains. These kpi's are:

- Ensure all raw material suppliers and labour providers have been issued with and returned their appropriate supplier pack by the end of the 2019 financial year
- Work with any high-risk suppliers to reduce their risk to a medium level by end of 2020 financial year
- Work with any medium risk suppliers to reduce their risk to a low level by end of 2020 financial year

- For all existing raw material, transport and packaging suppliers and labour providers to be members of SEDEX (membership level B) by end of 2019 financial year
- For all of our raw material suppliers to have had a Global GRAP assessment or a SMETA audit by the end of 2020. Any raw material supplier with more than 100 employees will be required to have an SMETA audit.
- For a member of each product supplier to attend a local Ethical Trade Seminar
- For all PDM Produce permanent Managers, Supervisors and Team Leaders to receive training in modern slavery and human trafficking by end 2019 financial year
- For all PDM Produce seasonal Managers, Supervisors and Team Leaders to be receive training in modern slavery and human trafficking at beginning 2020 financial year
- To continue to expand employee awareness of modern slavery and human trafficking through recruitment and induction processes and up-to-date communications

Monitoring and auditing

As members of SEDEX were are regularly ethically audited, with the results visible to all our customers. We are also monitored by all our customers on a regular basis.

We currently conduct our own technical visits on our raw material suppliers on a quality basis and have introduced an element of ethical questioning to enable us to consider risks. We monitor our suppliers using the SEDEX Risk Assessment Tool and actively engage with them on how to improve their risk ratings.

We have not conducted unannounced audits and where a supplier has already been audited by a 3rd party and the report has been made public, we will consider the information presented and date of audit and may accept it in lieu of a new audit.

We will physically audit any high risk suppliers once every year and reduce this down once evidence of the risk has decreased.

Actions

We understand that industries who do not predominantly supply fresh produce businesses may not be aware of modern slavery and trafficking within their own supply chain. We will work with all our suppliers to ensure that they are aware of the risks, of their legal obligations and the whistleblowing processes they should follow should anything be found within their business and / or supply chain.

Any findings which indicate potential slavery or trafficking (or other serious ethical issues within the supply chain) will result in an open and honest dialogue between us, our supplier and our customers and a thorough investigation with a suitable action plan.

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes PDM's Slavery and Human Trafficking statement for the financial year 2019 / 2020.

Approved and Signed by Philip Maddocks, CEO