



dps

# Modern Slavery Statement

Financial Year 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2021



# INTRODUCTION

Founded in 1977, dps has been supplying supermarkets for over 40 years.

Today, we responsibly source fresh produce from 40 countries to guarantee the supply of berries, stone fruit, exotic fruit, cherries, kiwi fruit, chestnuts, tomatoes, cucumbers & peppers for shoppers to enjoy.



Direct Produce Supplies Limited (dps) are committed to **Operating Responsibly** and the principles of **ethical trade** to ensure trust, transparency, and the respect of **human rights** across the supply chain. The UK Modern Slavery Act 2015 (the 'Act') outlines the requirement for dps to outline actions taken each financial year to reduce end-to-end supply chain modern slavery, human trafficking and forced labour risks. This statement refers to the financial year ending 30th September 2021 and includes the steps implemented by dps to identify, mitigate and prevent modern slavery risks in our own operations and supply chains.

dps recognise the unprecedented times in which we operate and cannot ignore the impact of Brexit and the global Covid-19 pandemic in creating new vulnerabilities for both workers and businesses. We consistently work on delivering a supply chain where trust and transparency are constantly improved. Since publishing our last modern slavery statement (financial year ending 30th September 2020) we have strengthened our due diligence frameworks, together with building the capability of the team responsible for assessing modern slavery risks, raising awareness, and creating mitigative actions.

## Summary of key actions over the last 12 months

1. Defined a new ethical trade & human rights strategy
2. Developed & implemented a risk assessment tool
3. Achieved [Stronger2gether](#) Advanced Business Partner status
4. Devised a plan to build capacity & raise employee awareness through training & engagement
5. Established key performance indicators (KPIs) to measure impacts & effectiveness in minimising risks

Our focus for the year ahead is to improve our modern slavery risk identification approach, increase stakeholder engagement and implement our new ethical trade and human rights strategy.

This statement has been approved by the dps Board of Directors.

Paul Beynon

dps Group CEO

March 2022

ESTABLISHED  
**1977**



# OUR BUSINESS & SUPPLY CHAINS

THE FIRST CHOICE PARTNER FOR RESPONSIBLY  
SOURCED FRESH PRODUCE



Direct Produce Supplies Limited (dps), a subsidiary of Terradace Holdings Limited, operate in the UK and employ a team of 140 people.

dps source and supply fresh produce to UK retail and processing customers. We aim to source the best quality produce, through the shortest supply chain, from 235 suppliers and 3,000 primary producers (growers) in 40 countries year-round.



## SOURCING COUNTRIES

During the 2020 – 20201 reporting year the top 5 sourcing countries were Spain, Chile, Peru, South Africa, and the Netherlands. Ethical country risk is determined by the Food Network for Ethical Trade (FNET) country risk rating matrix. 95 dps suppliers were based in 20 high-risk sourcing countries. A total of 370 packhouses were used, of which 74 were categorised as primary product handling sites.

## COVID-19

To protect our employees, suppliers and workers whilst maintaining the integrity our ethical due diligence requirements and audit plan, both dps and third-party audit service providers transitioned to blended audit programme, with increased reliance on virtual as opposed to physical site audits.

## PRODUCTS

The key product categories sourced by volume include berries, stone fruit, ambient salad, exotic fruit, kiwi fruit, cherries, organic citrus, and chestnuts.



# ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICES

OPERATING RESPONSIBLY



## OUR POLICIES

The key policies related to modern slavery are:

1. **The dps Ethical Trade policy**
2. **Operating Responsibly Policy**
3. **dps Supplier Code of Practice**

These policies define compliance with modern slavery risk management procedures and consider internationally recognised standards:

- The [UN Universal Declaration of Human Rights](#)
- The [International Labour Organization Fundamental Principles and Rights at Work](#)
- The [UN Guiding Principles on Business and Human Rights](#)
- The [ETI Base Code](#) and The [UN Global Compact](#).

In response to global supply chain challenges and changing customer requirements, we have identified the need to complete an extensive review and update of our Ethical Trade and Human Rights policy for publication in the dps financial year 2021 – 2022.

## SENIOR TEAM COMMITMENT

The dps senior management team are committed to and accountable for strategically evaluating the effectiveness of policies and responsible sourcing practices to identify and manage modern slavery, human trafficking and forced labour risks.

Every member of the dps team is responsible for ensuring that relevant policies are upheld and implemented within our business and global supply chains.

## GOVERNANCE

The on-going review and development of policies related to modern slavery is led by the Group Head of Responsible Sourcing together with the Ethical Compliance Manager and through regular consultation with the Group Technical Director and Group CEO.



# MODERN SLAVERY DUE DILIGENCE

OPERATING RESPONSIBLY



dps approved suppliers are Sedex registered and complete a self-assessment questionnaire (SAQ). We annually issue the dps Supplier Code of Practice which includes Ethical Trade and Human rights requirements related to modern slavery risk management practices, responsible recruitment, unannounced third-party audits and grievance mechanisms.

Strengthening worker voice throughout the supply chain is an important factor in efforts to reduce modern slavery. In line with the [ETI Base Code](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#); we require all suppliers to have grievance mechanisms in place and a freely elected worker committee or trade union where there are more than 50 workers. To increase worker voice (without reprisal) in the supply chain, it is a priority for us, in the forthcoming year to increase supplier engagement in this area.

We aim to consistently review, understand, and emphasise the need for appropriate grievance mechanisms.

We require and monitor supplier conformance to the following modern slavery due diligence practices:

## Modern Slavery Supplier Due diligence

Third party ethical audits (based on risk)

Seasonal labour declarations

[Stronger2gether](#) training attendance

Responsible Recruitment Toolkit (RRT) self-assessment completion

Evidence of worker voice and welfare practices

## GOVERNANCE & TEAM EXPERTISE

The Group Technical Director and Group Head of Responsible Sourcing are accountable for supply chain Ethical, Human Rights and modern slavery due diligence. An Ethical Compliance Manager is responsible for due diligence, monitoring and identifying priority areas for improvement. A team of Compliance Coordinators are responsible for reviewing due diligence, completing risk assessments, ensuring site audits are booked and closing off non-conformances within agreed timescales. The status of critical non-conformances is reviewed weekly, communicated to customers and suppliers are provided support to develop appropriate actions. Compliance issues are discussed and escalated in weekly meetings and in end of season reviews.



# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR BUSINESS

Over 98% of the dps team are employed on full time contracts. We recognise that modern slavery risks are predominately related to workers employed in our downstream supply chain and our approach to prevention includes a commitment to provide the dps team with the capacity and competency to assess and identify signs of modern slavery.

All dps employees are required to complete modern slavery induction training within the first few weeks of joining the business. This is a critical step in making sure everyone understands what modern slavery is and how to spot the signs in our supply chains. Our plan for the forthcoming year is to facilitate refresher training for existing employees.

In the 2020 – 2021 reporting year, dps implemented a new independent, confidential whistleblowing system which supports the team's ability to report concerns and risks (including modern slavery) with anonymity and without bias. Any relevant impacts related to modern slavery risk identification from the new system will be shared in our next annual statement.

dps acknowledge the need to continually align to and work collaboratively with external stakeholders, such as Stronger Together, a multi-agency initiative focused on Modern Slavery.

The implementation of Stronger Together tools to better assess and manage Modern Slavery risks has been a key priority and achievement in the last year. The Stronger Together Employer Good Practice Implementation Checklist provides a framework for us to identify and close gaps in our internal processes. dps also complete an annual Stronger Together Business partner application and are required to submit evidence of our business practices. We have been Stronger Together Business Partners since 2015 and through a complete review of our approach have achieved **Stronger Together Advanced Business Partner** status for the first time this year.

We have also completed the new Stronger Together Progress Reporting Tool and have established a baseline score which we aim to improve in the upcoming year.





# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR SUPPLY CHAINS

In the last year dps have developed a bespoke **Ethical Trade and Human Rights (ETHR) Risk Assessment**, independently reviewed by the Food Network for Ethical Trade (FNET). The risk assessment tool is a key step in evolving our due diligence approach beyond a sole reliance on third party audits.

Specific to modern slavery, the risk assessment includes the following criteria: FNET Country Risk Rating, FNET Known Human Rights Risk (Child labour, Forced Labour and Human Rights) and Industry/Labour Type Risk, Sedex Rader Site Characteristics Risk, third-party audit results and worker accommodation risk mapping data.

The tool will be used to increase supply chain transparency by helping to identifying the most salient supplier site specific risks. We will use this insight to prioritise the implementation of preventative actions in collaboration with high or medium risk suppliers.

We request that strategic suppliers complete Responsible Sourcing Profiles annually, so we can understand more about their human rights

and modern slavery priorities and initiatives. We also review supplier Sedex SAQ responses and use any pertinent insights to identify the need for site specific management plans.

We have improved our modern slavery risk management approach in UK agriculture by developing a **Human Rights and Modern Slavery Gap Analysis**. This is completed on-site by an independent ethical consultant (between April – July 2021). This year, the Gap Analysis highlighted the need to implement more modern slavery training for farm managers, increase visibility of modern slavery reporting mechanisms and signposting within communal areas on farm. This gap analysis will be used to drive continuous improvement with UK suppliers annually.

As our risk identification and management approach evolves, we will review insight from our **ETHR Impact Risk Assessment, Third-Party Audits, Responsible Sourcing Profiles** and **Modern Slavery Gap Analysis** to further assess and identify modern slavery risks and hot-spot across the supply chain.



## OPERATING RESPONSIBLY



## MODERN SLAVERY KPIS

We have built a new Ethical Trade and Human Rights Strategy over the last 12 months focused on 5 strategic objectives, KPIs and impact metrics which will be reviewed periodically to assess our effectiveness and drive continuous improvement.

The main KPIs related to Modern Slavery are:

Area	2021 – 2022 KPI
Ethical trade, human rights & modern slavery due diligence	<ul style="list-style-type: none"> <li>The % of high-risk suppliers third-party audited</li> <li>The number of suppliers invited to attend Stronger Together Training</li> </ul>
Assessing & managing modern slavery risks – our business	<ul style="list-style-type: none"> <li>% improvement in Stronger Together Implementation Checklist score</li> <li>Stronger Together Advanced Business Partner Status maintained</li> <li>% improvement in Stronger Together Progress Reporting Tool score</li> </ul>
Assessing & managing modern slavery risks – our supply chain	<ul style="list-style-type: none"> <li>The number of suppliers risk assessed before supply</li> </ul>
Raising modern slavery awareness & building capacity	<ul style="list-style-type: none"> <li>The number and % of new starters that have completed a Modern Slavery induction with first 4 weeks of employment</li> <li>The number and % of employees engaged throughout Modern Slavery Awareness week</li> </ul>

Our progress will be reported in our next annual modern slavery statement.





# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY



## COLLABORATION, TRAINING & ENGAGEMENT

To further increase our knowledge and ability to assess and manage modern slavery risk, dps actively participate as working group members of the Food Network for Ethical Trade (FNET) and the Spanish Ethical Trade Forum.



Our commitment to raising awareness and building capacity through training and engagement has involved FNET Human Rights and Modern Slavery training for our technical and commercial leadership team.



To build awareness and capacity with our suppliers we advocate for and encourage suppliers in key sourcing countries such as Spain, South Africa, and the UK to attend Stronger Together training and workshops.



To raise modern slavery awareness amongst our team, we plan to launch a Modern Slavery week in October 2021 to coincide with Anti-Slavery Day.



# TACKLING MODERN SLAVERY PRIORITIES 2021 – 2022

OPERATING RESPONSIBLY



## 5 KEY AREAS OF FOCUS

- 1) dps aim to fully embed our renewed Ethical Trade and Human Rights approach, which will involve increased engagement with key external stakeholders including our suppliers, customers and industry collaboration with multi-agency organisations.
- 2) We will continue to deliver trust through robust supplier compliance and increase transparency through the roll out of our new Ethical Trade and Human rights policy and use risk assessment to identify focal areas to implement mitigation plans.
- 3) Though we require all suppliers to implement grievance mechanism we'd like to increase our visibility and understanding of the mechanisms in place and their effectiveness in helping to identify modern slavery risks.
- 4) The on-going development and implementation of modern slavery policies has been identified as a priority area and we will focus on building a remediation policy and procedure.
- 5) Lastly, we will implement a more robust governance approach underpinned by periodic KPI reporting, the implementation of targeted action plans and aim to build awareness and capability across our internal teams through a week of Modern Slavery focused engagement activities.

