



dps

# Modern Slavery Statement

Financial Year 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022



# INTRODUCTION

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

Today, we responsibly source fresh produce from 42 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 requires dps to demonstrate actions to reduce modern slavery, human trafficking and forced labour risks across the supply chain each year. This statement refers to the financial year ending 30th September 2022 and includes the measures implemented to identify, mitigate, and prevent modern slavery risks in our own operations and upstream supply chains.

Since publishing our last modern slavery statement (financial year ending 30th September 2021) we have continued to strengthen our human rights due diligence and risk identification approach and have increased engagement across our Group to build modern slavery risk awareness.

We are cognisant of the unprecedented times in which we operate; in the current report year the supply chain impacts of COVID-19 pandemic and Brexit have been compounded by the Ukraine war and extreme global temperatures. The intersection of these events undoubtedly increases vulnerabilities and exploitation risks faced by some of the people working within our supply chain.

dps, together with our partners, are continuously working towards a supply chain where trust and transparency are improved. We recognise there is more work to do to prevent exploitation and modern slavery but are pleased with the progress we have made over the last 12 months.

## Summary of key actions over the last 12 months

1. Implemented a new ethical trade and human rights policy
2. Increased suppliers risk assessments to prioritise action plans
3. Maintained **Stronger2gether** Advanced Business Partner status
4. Improved employee awareness by launching Modern Slavery Week
5. Started to measure KPIs, impacts and the effectiveness of our plan

In the forthcoming year we aim to identify the most salient modern slavery risks in our supply chain by country, crop, and vulnerability.

Paul Beynon

dps Group CEO

March 2023

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



# OUR BUSINESS & SUPPLY CHAINS

THE FIRST CHOICE PARTNER FOR RESPONSIBLY  
SOURCED FRESH PRODUCE



## SCOPE

Direct Produce Supplies Limited (dps), a subsidiary of Terradace Holdings Limited, operate in the UK and employ a team of 100 people.

We aim to source the best quality produce, through the shortest supply chain for supply to UK retail customers.



## SUPPLIERS

During the 2021 – 2022 reporting year produce was sourced from 235 suppliers and 4,000 primary producers (growers) in 42 countries.

## SOURCING COUNTRIES

The main sourcing regions globally were Europe, South America, and South Africa. dps use the Food Network For Ethical Trade (FNET) matrix to determine ethical risk by country; during the current reporting period 1,400 of dps sites (growers and packhouses) were in high-risk countries, of which a total of 98 sites were categorised as primary sites, defined as those responsible for packing product into final consumer packaging at source.

## PRODUCTS

The key product categories sourced were berries, stone fruit, ambient salad, exotic fruit, kiwi fruit, cherries and chestnuts.



# ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICES

OPERATING RESPONSIBLY



## OUR POLICIES

In response to global supply chain challenges and changing customer requirements, dps published a new our Ethical Trade and Human Rights policy in 2022.

Specific to modern slavery the policy now includes mandatory requirements for suppliers to manage responsible recruitment, steps to prevent modern slavery risks and where relevant provide labour declarations (UK).

The key policies related to modern slavery are:

1. 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 recognise international standards and frameworks:

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

## SENIOR TEAM COMMITMENT

The dps Group Technical Director, Group Head of Responsible Sourcing and Ethical Compliance Manager evaluate 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 at least annually.

Developing a policy and approach to modern slavery incident response and remediation has been identified as a focal area in the next reporting period.



# 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 monitor and support suppliers to improve working conditions through the following mechanisms:

## Modern Slavery Supplier Due diligence

- Third party ethical audits (risk-based)
- Independent worker welfare survey's
- Stronger Together Modern Slavery training
- Seasonal Labour provider declarations and visits
- Promote the use of the [Just Good Work App](#)
- Accommodation visits (risk-based)
- Modern slavery checklist to review worker voice & welfare

## GOVERNANCE & EXPERTISE

The Group Technical Director and Group Head of Responsible Sourcing are accountable for supply chain ethical, human rights and modern slavery due diligence. The Ethical Compliance Manager is responsible for implementation, monitoring and identifying improvement priorities. A team of Compliance Coordinators review due diligence, complete risk assessments, ensure ethical audits are booked and close out supplier non-conformances within agreed timescales. The status of critical non-conformances is reviewed weekly and communicated to customers. Suppliers are provided support to develop immediate and sustainable actions. Compliance is monitored and escalated (where relevant) during weekly meetings and in end of season reviews.





## OPERATING RESPONSIBLY



## OUR BUSINESS

The majority of the dps team are employed on full time contracts. We recognise that modern slavery risks are related to workers employed in our upstream supply chain; providing the dps team with the skills to assess and identify signs of modern slavery is key to our internal risk management approach.

All new dps employees complete modern slavery induction training within the first few weeks of joining the business. To equip, upskill and raise awareness amongst the existing team, we held a modern slavery week in October 2021, to coincide with UK Anti-Slavery Day.

The engagement week, attended by 80 attendees across the wider Group included presentations from external speakers including Hope for Justice, Stronger Together and a fresh produce supplier sharing their experience of managing a modern slavery case within their supply chain. A survey to assess employment engagement was completed following the engagement week, which highlighted the benefits including increased understanding of how to spot modern slavery signs and key actions to take.



Modern Slavery Awareness Week Employee Feedback: Word cloud

In 2021, dps introduced a confidential whistleblowing system to support the team's ability to report concerns and risks (including modern slavery) with anonymity and without bias. We have increased awareness and visibility of the tool through posters in communal areas of offices and inclusion in our company handbook issued to all new starters and existing employees in February 2023.

We have continued to use Stronger Together frameworks and tools, retaining our Stronger Together Advanced Business partner status for a second year and increasing our Stronger Together Employer Good Practice Implementation tool score by 2% from 84% to 86%.

We improved our Stronger Together Progress reporting tool score by 5% this year and have made the decision to report every 2 years, whilst implementing gaps identified as part of the process.



# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR SUPPLY CHAINS

dps have a bespoke **Ethical Trade and Human Rights (ETHR) Risk Assessment**, independently reviewed by the Food Network for Ethical Trade (FNET). The risk tool is a key step in evolving our due diligence approach beyond a sole reliance on third party audits. The risk assessment criteria relevant to modern slavery is FNET Country Risk Rating, FNET Known Human Rights Risk (Child labour, Forced Labour and Human Rights) and Industry/Labour Type Risk and existing third-party assessments.

600 dps suppliers and sites were risk assessed in the reporting year, with specific de-risking action plans identified. We will continue to use the tool to identify and prioritise de-risking associated with specific, countries, crops and forced labour vulnerabilities in collaboration with high or medium risk suppliers.

Responsible recruitment and the use of seasonal labour in the UK was identified as a key risk management area to address during the reporting period. dps have worked closely with our suppliers to understand their labour procurement practices and have participated in

collective action projects involving multi-agency stakeholders such as FNET, Stronger Together, The British Retailer Consortium, UK Growers and retailers to coherently address the systemic risks, drivers and develop sustainable action plans, ahead of the 2023-2024 cropping season. We will update on progress in this area in our next statement.

Our plan is to continually improve our risk identification and management approach using insight from our ETHR risk Assessment, third-party audits, direct supplier engagement and industry forums such as FNET and Stronger Together.



# MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS

## MODERN SLAVERY KPIs



To measure and assess our effectiveness in delivering our plan we established new KPIs in 2021.

Our progress in the 2021 – 2022 reporting year is as follows:

Area	2021 – 2022 KPI	Impact	2022 – 2023 Plan
Ethical trade, human rights & modern slavery due diligence	<ul style="list-style-type: none"> <li>• % of high-risk suppliers audited</li> <li>• No. suppliers invited to attend Stronger Together Training</li> </ul>	<ul style="list-style-type: none"> <li>• 100% audits completed</li> <li>• 235 suppliers invited</li> </ul>	<ul style="list-style-type: none"> <li>• Use non-conformance data to identify de-risking priorities</li> <li>• Track suppliers that have attended training by country</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>	<ul style="list-style-type: none"> <li>• 2% improvement</li> <li>• Achieved</li> <li>• 5% improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Develop remediation approach</li> <li>• Maintain &amp; improve working towards Advanced Verified business partner status</li> <li>• Implement action plans to improve score by 10% in 2024 – 2025</li> </ul>
Assessing & managing modern slavery risks – our supply chain	<ul style="list-style-type: none"> <li>• No. suppliers risk assessed before supply</li> </ul>	<ul style="list-style-type: none"> <li>• 600 suppliers &amp; sites</li> </ul>	<ul style="list-style-type: none"> <li>• Use data to identify country &amp;/or crop specific modern slavery risks &amp; develop targeted hot-spot actions</li> </ul>
Raising modern slavery awareness & building capacity	<ul style="list-style-type: none"> <li>• No. &amp; % of new starters completed modern slavery induction with first 4 weeks</li> <li>• No. &amp; % of employees engaged throughout Modern Slavery Awareness week</li> </ul>	<ul style="list-style-type: none"> <li>• 100%</li> <li>• Av. 80 attendees to 3 engagement sessions</li> </ul>	<ul style="list-style-type: none"> <li>• New HR system launched: improve tracking &amp; training validation / refresher dates.</li> <li>• Modern slavery week Oct. 23: UK labour exploitation risks</li> </ul>

We will continue to report on our progress in our next annual modern slavery statement





# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY



## COLLABORATION, TRAINING & ENGAGEMENT

To expand our knowledge and ability to assess and manage modern slavery risk, we continue to align and work collaboratively with external stakeholders, such as The Food Network for Ethical Trade (FNET), Stronger Together and the Spanish Ethical Trade Forum.



Our commitment to building capacity through training has involved social systems lead auditor training for our Ethical Compliance Manager and the subsequent development and roll out of an internal ethical and human rights training programme for our Technical Compliance team.



Following the success of our first modern slavery week, we plan to run this employee focused engagement activity across the Group every other year.



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



# TACKLING MODERN SLAVERY PRIORITIES 2022 – 2023

OPERATING RESPONSIBLY



## 5 KEY AREAS OF FOCUS

- 1) We will continue to advocate for responsible recruitment practices across the UK labour supply chain through our participation in multi-agency collective action groups and working directly with our suppliers to build trust and transparency through an enhanced approach to due diligence and worker welfare.
- 2) We will use data from our internal ethical and human rights risk assessment, together with third party ethical assessments more effectively to identify trends in non-conformances related modern slavery, forced labour and exploitation.
- 3) We aim to identify the top 3 most salient country and product specific risks and will develop targeted action plans to address them.
- 4) We will continue to increase our visibility, understanding of the grievance mechanisms in place. It is critical that we assess effectiveness and develop strategies to drive process improvements, as required.
- 5) Lastly, we plan to finalise our modern slavery incident response and remediation policy and procedure.

