



dps

# Modern Slavery Statement

Financial Year 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2023





# OUR BUSINESS & SUPPLY CHAINS

THE FIRST CHOICE PARTNER FOR RESPONSIBLY SOURCED  
FRESH PRODUCE



Direct Produce Supplies Limited (dps), a subsidiary of Terradace Holdings Limited (the Group), operate in the UK and employ a team of 120 people. Our strategy is to responsibly source the best quality fresh produce, through the shortest supply chain for supply to UK retail customers.

## SOURCING

During the 2022– 2023 reporting year fresh produce was sourced from a total of 41 countries, with Europe, South America, South Africa and North Africa as the principle sourcing regions. Across 52 weeks dps worked with 242 suppliers and 4,700 production operations (grower and packhouse sites).

Using the Food Network For Ethical Trade (FNET) matrix to determine ethical risk by country; 55% (22) of countries sourced from were considered high risk. 23% (80) of all suppliers and 25% of (1,165) all production operations (grower and packhouse sites) were located in high risk countries. The volume of product packed into finished packaging at source has increased year on year, as such 103 primary packing sites were used with product being delivered direct to customer depots or consolidated in the UK for a short period of storage prior to being sent to the final customer.



## PRODUCTS

Product sourced and handled by the business fall into 7 product categories (berries, ambient salad, stone fruit, exotic fruit, cherries, kiwi fruit and chestnuts) and is further broken down into 26 product types (including strawberries, blueberries and tomatoes as the most significant by volume).



# ETHICAL TRADE, HUMAN RIGHTS & MODERN SLAVERY POLICES

OPERATING RESPONSIBLY



## OUR POLICIES

The dps Ethical Trade and Human Rights policy includes mandatory requirements for suppliers to manage responsible recruitment, complete modern slavery training, implement steps to prevent modern slavery risks, and where relevant provide labour provider and/or scheme operator declarations.

The key dps policies related to modern slavery are:

1. Responsible Recruitment Policy
2. Harassment Policy
3. Ethical Trade & human rights policy
4. Operating Responsibly Policy
5. dps Supplier Code of Practice

Our policies define compliance with modern slavery risk management procedures and recognise international standards:

- 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, Ethical Compliance Manager and where relevant Head of People and Development, evaluate the effectiveness of policies and responsible sourcing practices to identify and manage modern slavery, human Trafficking and forced labour risks. The dps technical, commercial and human resources teams are responsible for ensuring relevant policies are upheld and implemented within our business and global supply chains.

## GOVERNANCE

Policy development is led by the Group Head of Responsible Sourcing together with the Ethical Compliance Manager and through regular consultation with the Group Technical Director, Group CEO, Head of People and development least annually. A key policy gap and priority identified last year was an incident response and remediation policy; following an incident of modern slavery in our UK supply chain during the reporting period that was successfully remediated, the final policy is still in development in consultation with all companies across the Group and will be implemented in 2024.



# MODERN SLAVERY DUE DILIGENCE

OPERATING RESPONSIBLY



dps approved suppliers sign a Code of Practice annually, which includes the Ethical Trade and Human rights policy and specific requirements related to modern slavery risk management practices, responsible recruitment, unannounced third-party audits, and grievance mechanisms. Suppliers are required to be Sedex (Supplier Exchange Data Exchange) registered and complete a Self-Assessment Questionnaire (SAQ) every year.

dps primary supplier sites in high-risk countries, receive third party social audits upon approval and annually thereafter. All secondary packing sites, and growers in high-risk and a number of medium risk countries (based on risk assessment) are third party audited, on a semi-announced basis at least annually.

Strengthening worker voice remains an important mechanism to identify modern slavery risks and incidence. In line with the [ETI Base Code](#) and [ILO Declaration on Fundamental Principles and Rights at Work](#); it is a dps requirement for suppliers to have grievance mechanisms in place and a freely elected worker committee or trade union where there are more than 50 workers. Our objective is to increase worker voice in the supply chain, by raising awareness and assessing effectiveness through on site supplier visits, third party audit findings, direct worker voice surveys (where they have been completed) and working with suppliers to implement improvements.

## How we monitor & Support suppliers to improve working conditions

- 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)
- Supplier visits to assess practices and provide recommendations using dps modern slavery checklist

## GOVERNANCE & EXPERTISE

The Group Head of Responsible Sourcing is accountable for approving supply chain due diligence requirements. A dedicated Ethical Compliance Manager is responsible for updating requirements, supplier monitoring compliance, KPIs, investigating serious issues, industry engagement and identifying improvement priorities. A team of Compliance Coordinators review supplier due diligence, complete risk assessments, ensure primary and high-risk sites 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 supported to develop immediate and sustainable action plans. Serious incidents, allegations, due diligence and compliance is monitored and escalated (where relevant) during weekly meetings, where relevant senior management (board) meetings and assessed during end of season supplier reviews.



# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR BUSINESS

dps use the Stronger Together frameworks and tools, to support risk assessment and management within our business. We have maintained our Stronger Together Advanced Business partner status for a third year and have increased our Stronger Together Employer Good Practice Implementation tool score from 79 to 101 (though has not had an impact on overall % due to the number of responses indicated as not applicable based on the scope of our operations). Our aim over the next year is to increase the implementation tool score and percentage to 90% by implementing our incident response and remediation plans. In the medium term our ambition is to achieve Stronger Together Verified Business Partner Status through an independent external assessment of our policies and practices. Having completed the Stronger Together Progress reporting tool in the current period, we have seen a 5% improvement (from 37% to 42%).

Modern slavery risks are principally related to workers employed in our upstream supply chain, as the dps team of 120 experts are employed on full time contracts. Our plan to assess and manage modern slavery risks within our own direct operations is supported by equipping the dps teams responsible for interacting with suppliers and workers with the knowledge and skills to identify signs of modern slavery risks.

100% of new employees complete modern slavery induction training within the first 4 weeks of joining the business and over the next year we aim to enhance the implementation and tracking of training using the new company Human Resources portal. During 2023 to 2024 we will be working towards hosting our biennial modern slavery awareness event in collaboration for employees in conjunction with external stakeholders. The engagement workshops or 'lunch and learn' sessions will be held across the Group and will act as a core enabler to build understanding at all levels of key modern slavery risks, actions to address them and practical examples of how to spot the signs.

In the second year, following the implementation of a confidential whistleblowing system, dps have not identified any workplace grievances, though a new company satisfaction survey launched during the reporting period, providing all people the opportunity to feedback on company practices both online and through facilitated focus groups. Results and actionable improvements are fed back in quarterly company meetings and 'you said, we did' periodic updates to communicate changes to policies as relevant.



# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR SUPPLY CHAINS

The dps ethical trade and human rights strategy has been renewed during the reporting year, with specific strategic pillars or action points identified for modern slavery and grievance mechanisms.

dps have committed to and have initiated an application to join the Modern Slavery Intelligence Network (MSIN); a UK based non-profit collaboration focused on intelligence sharing across the food sector. At the time of reporting, the application is in it's final stages and we intend to update on our progress and participation within MSIN in the next annual statement.

The dps Ethical Trade and Human Rights (ETHR) Risk Assessment has been updated to incorporate new datasets (Sedex Radar forced labour indicators, the global modern slavery index and WWF climate indicators) that better provide insight into the inherent modern slavery and forced labour vulnerabilities and risks that exist within our upstream supply chain.

To trial the new risk assessment methodology, 25 suppliers and sites have been risk assessed and we have identified 10 countries with the highest (modern slavery/forced labour) risk scores including Turkey, Colombia, Morocco, Peru, Spain, South Africa, Israel, the Netherlands (1 supplier and site only), India and the UK.

In the forthcoming year we will continue to use the ETHR tool to risk assess more suppliers to identify priorities for de-risking action plans.

Responsible recruitment and the use of seasonal labour in the UK was identified as a key risk management area to address last year. During the current reporting period 83% of UK suppliers were visited to assess compliance with requirements and identify clear areas for improvement to modern slavery practices and welfare standards, visits took place either ahead of the cropping season or during season.

Key opportunities identified include improvements in accommodation standards, promoting the use of the SWS labour provider assessment for use in 2024, encouraging pre-season participation in UK based SWS grower roadshows which provide training and best practice guidance for producers, monitoring the outcomes of Home Office GLAA site visits and increased understanding of key gaps as a result of Stronger Together Progress Reporting Tool self assessments (which are widely completed across the UK supply chain).



# ASSESSING & MANAGING MODERN SLAVERY RISKS

OPERATING RESPONSIBLY



## OUR SUPPLY CHAINS

Following the successful identification and reporting of a modern slavery incident within our principle UK based manufacturing facility, we facilitated a proactive reporting of the incident to our key retail customers and worked collaboratively with the manufacturing operation, Kent police and customers to run a follow up modern slavery awareness and engagement session.

The modern slavery victim was remediated and repatriated to their home and the perpetrators remain in custody.

Concerns of unlawful employment and exploitation in UK labour supply chain will remain as a priority in the forthcoming year focused on primary sites (or manufacturing) and farming operations heavily reliant on migrant labour and the continuation of our risk based visit programme.

Over the next 12 months we will continue to risk assess suppliers and in addition to the UK develop scalable action plans for Turkey, Morocco, Peru, Colombia and Spain, which will involve a combination of supplier engagement sessions to build capacity and site specific interventions.



# MEASURING OUR POSITIVE SOCIAL & ETHICAL IMPACTS

MODERN SLAVERY KPIs



Our effectiveness in delivering our plan has been reviewed against our 2022 – 2023 KPIs as follows:

Area	2022 – 2023 KPI	Impact	2023 – 2024 Plan
Ethical trade, human rights & modern slavery due diligence	<ul style="list-style-type: none"> <li>No. &amp; % of high-risk suppliers audited</li> <li>No. suppliers invited to attend Stronger Together Training</li> </ul>	<ul style="list-style-type: none"> <li>551 audits (100%) completed</li> <li>103 suppliers invited (UK, Spain, South Africa)</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>Increased score YoY from 79 to 101, no significant improvement in % due to an increase in n/a questions.</li> <li>Achieved</li> <li>5% improvement (37% to 42%)</li> <li>8 UK suppliers completed, average 4% increase across all sites.</li> </ul>	<ul style="list-style-type: none"> <li>Increase to 90% by developing incident response plan, remediation approach. Regular MS training for all departments.</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>25 suppliers &amp; sites. New HR risk assessment developed to include more sensitive datasets and indicators. Global Modern Slavery Index incl. for MS risk.</li> </ul>	<ul style="list-style-type: none"> <li>Implement new HR risk assessment 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% of new starters have completed induction since 2022.</li> <li>Not measured in 2022/23 FY as awareness week takes place biennially.</li> </ul>	<ul style="list-style-type: none"> <li>Use the new HR system to automate training, improve tracking &amp; training validation / refresher dates.</li> <li>Reinvigorate Modern Slavery champion roles. Modern slavery week Oct. 23: UK labour exploitation risks and customer presentations across the dps Group.</li> </ul>

We have identified two new KPIs that are important in measuring the effectiveness of actions that will be implemented in 2023/24:

- Number of salient risks (countries and vulnerable people) identified at high risk of Modern slavery via new HR risk assessment.
- Number of serious incidents and allegations by reporting channel (i.e. supplier, 3<sup>rd</sup> party helpline, media, ETI, worker voice programme).



# RAISING MODERN SLAVERY AWARENESS & BUILDING CAPACITY



## TRAINING, ENGAGEMENT & COLLABORATION

To expand our knowledge and ability to assess and manage modern slavery risk, we continue to align and work collaboratively with external stakeholders and multi-agency collective action groups; such as The Food Network for Ethical Trade (FNET), Stronger Together, the Seasonal Worker Scheme (SWS) governance group and the Spanish Ethical Trade Forum.

The dps and Ethical Compliance Manager and Group Head of Responsible sourcing are responsible for participation and have been involved in the UK SWS taskforce and governance group, FNET Empowering Work Working group, focused on effective grievance mechanisms and the Climate Risks working group looking at human rights related impacts of climate and the intersection to the migration of people through displacement.

Our commitment to building capacity through resource has involved the recruitment of a Responsible Sourcing Manager in Peru who will be working with suppliers across all areas of human rights due diligence, including risk assessment, improving management systems and identifying areas to build capacity and training. Through a programme of supplier visits, the new Responsible Sourcing Manager will aim to visit 80% of supplier sites in their first year of appointment and will engage proactively with suppliers on responsible recruitment practices and modern slavery risks as well as feedback intelligence to the dps business to help inform the long term strategic priorities.

In the coming year we intend to build an internal engagement programme through workshops and webinars with the highest risk suppliers/countries and will continue to advocate for supplier participation in Spain, South Africa, and the UK to attend Stronger Together training and workshops.



# TACKLING MODERN SLAVERY PRIORITIES 2023 – 2024



Our priorities for the year ahead are focused on improving governance through reporting against new KPIs, closing and implementing policy gaps, developing prioritised derisking action plans to address the most salient modern slavery risks identified through risk assessment and driving engagement through multi-agency stakeholder collaboration.

## 1. Incident Response Plan and Remediation Policy

We will implement an incident response plan to better enable the business and suppliers to respond to serious incidents and allegations, whilst continuing to focus on finalising our remediation policy and procedure. We will plan to run risk based mock exercises within the supply chain, so that we can understand the effectiveness of our new procedures and a better understanding of how to develop remediation plans across the supply chain.

## 2. Risk assessment & derisking action plans

We will increase the number of suppliers and sites risk assessed and work with suppliers in the UK, Turkey, Morocco, Peru, Colombia and Spain to implement action plans including engagement sessions to build capacity and site specific interventions focused on responsible recruitment practices, management systems, training and processes in place to effectively identify and manage risks.

## 3. Multi-agency stakeholder action & engagement

We will increase stakeholder engagement and multi-agency collaboration through ongoing participation in FNET working groups and completing the application process to join the UK Modern Slavery intelligence Network.

We will continue to build modern slavery awareness with our teams through training and engagement activities including a Modern day held in October and re-invigorating the role of modern slavery champions.

