

**Modern Slavery Act Statement
Transparency in Our Supply Chains
1st April 2022 – 31st March 2023 Financial Year**

Lovering Foods

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1. Company Commitment

We have a responsibility as a business to respect human rights. We know that by protecting those in our supply chains, we also strengthen our business as a whole while building trust with our customers. Lovering Foods' mission is to provide high quality products that are responsibly and ethically sourced with best-in-class service.

Addressing modern slavery in a comprehensive and targeted way is a key element of how we fulfil our commitment to provide responsibly and ethically sourced products. Modern slavery is one of the most severe breaches of human rights; with food processing, agriculture, and fishing representing sectors which are most at risk. Nevertheless, identifying cases of modern slavery and forced labour within global food systems can be challenging. Lovering Foods works proactively to ensure engagement with its' modern slavery policies, within the context and belief that a widespread reduction in modern slavery can only be delivered through collaboration between businesses, governments, and civil society.



18 + COUNTRIES where we source our Kingfisher branded and customer own-brand products from



1 HEAD OFFICE



34 LOVERING FOODS EMPLOYEES



33,000 + WORKERS in Lovering Foods first tier supply chain

2. Our Organisation, Structure and Supply Chain

Lovering Foods is a leading UK-based value-added supplier of ambient foods, founded in 1979. The majority of our trade is in seafood; however, our product range includes fruit, vegetables, coconut products (Figure 1). Our products are sold under many customers own labels and our own brand, Kingfisher.

Lovering Foods head office is located in Redhill, Surrey, where most of our employees are located. However, our technical team has offices in Liverpool, UK and Seattle, USA. We source internationally across a number of continents; including Asia, Africa, Europe, North America, and South America. Lovering Foods does not own or operate any processing facilities, nor does it own or operate any fishing vessels. Lovering Foods is passionate about taking a partnership approach with our suppliers; focusing on fostering long-term relationships, many of which span over 20 years.

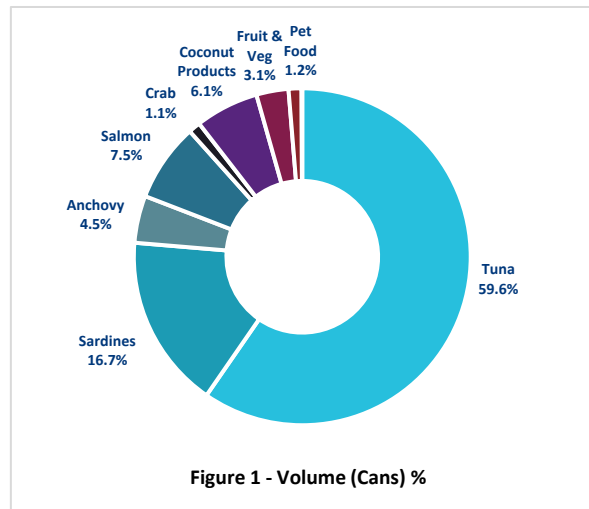


Figure 1 - Volume (Cans) %

2.1. Governance

Our modern slavery strategy is led by the Corporate Social Responsibility (CSR) Manager, working on a day-to-day basis with the CSR Executive. To strengthen Lovering Foods commitment to combatting modern slavery, CSR has become a standalone department, reporting to the Technical Director, with regularly meetings with the Managing Director. The restructuring enables more efficient communication between the CSR department, Technical Director, and Managing Director. This change reflects Lovering Foods high value on CSR, with best ethical practice guiding all business decisions.

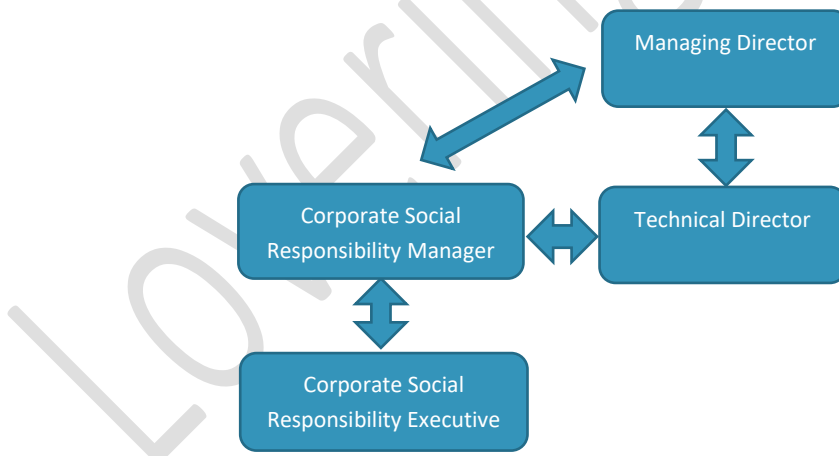


Figure 2: Organisational Structure of Decision-Making on Modern Slavery

Governance and progress monitoring of our work on modern slavery and ethical trade is executed through monthly meetings between our Managing Director, Technical Director, and CSR Department. Our CSR team meets weekly to drive progress against our ethical trading and modern slavery targets.

2.2. Supply Chain Structure

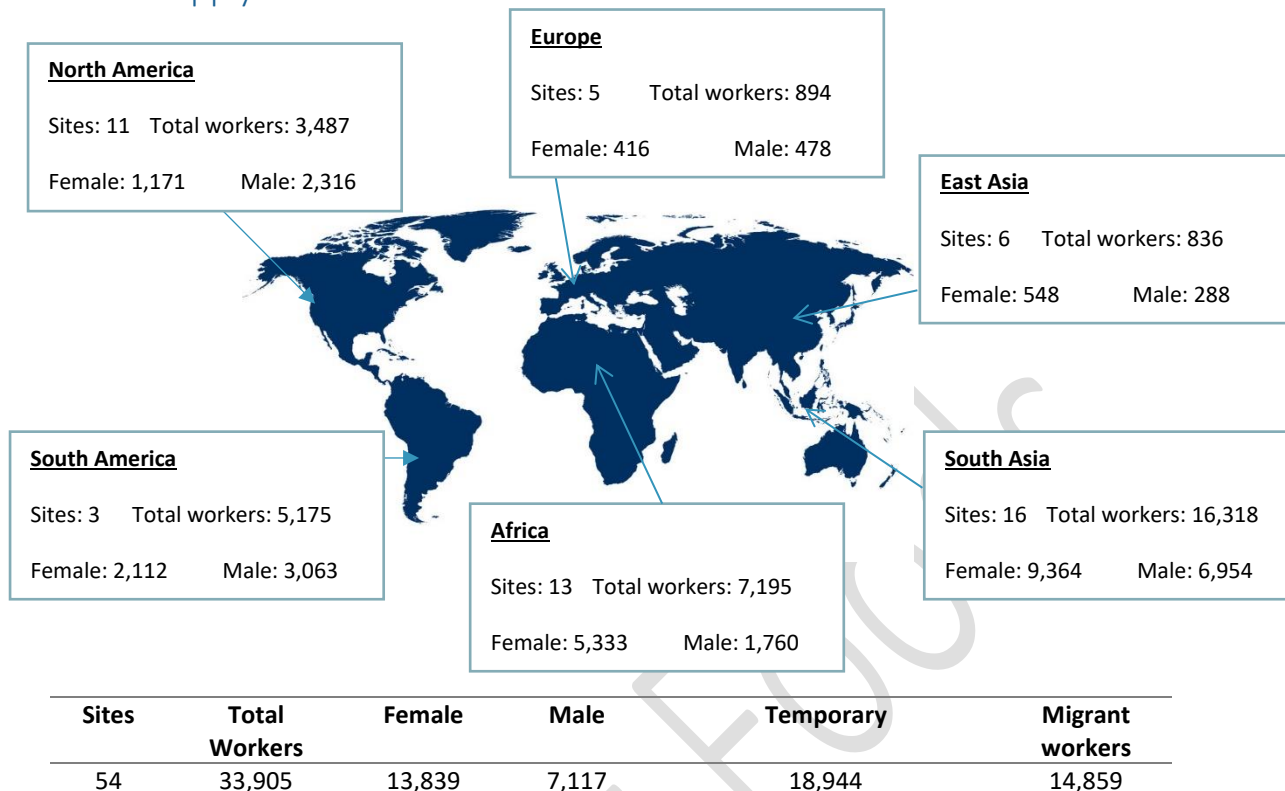


Figure 3 – Breakdown of Supply Chain Workforce

3. Our Policies

Lovering Foods have a number of policies in place which work together to tackle the multi-faceted aspects of modern slavery and exploitation, whilst bettering health and safety standards and worker well-being. The applicable policies are clearly articulated to both suppliers and employees and signed upon commencement of trade.

- **Sustainability Policy** – This is publicly available on our website and specifically prohibits forced labour.
- **Tuna Sourcing Policy** – Requires our tuna suppliers to increase transparency on the vessels that Lovering Foods source from. By maintaining an accurate vessel list at all times, we have established a traceable system that allows us to check working standards (specifically forced labour) on vessels annually. The Tuna Sourcing Policy states that all vessels should work toward meeting the ILO C188 Work in Fishing Convention.
- **Lovering Foods Ethical Trade Policy** – Requires all suppliers, existing and prospective, to be a member of an approved ethical audit membership (Sedex or BSCI) or certification scheme (SA8000) and comply with the ETI Base Code. Suppliers are additionally required to have an annual audit. These audits allow us to examine good labour practices amongst all suppliers throughout trade.
- **Lovering Foods Ethical Trade Code of Conduct** – Sets a baseline standard for suppliers to Lovering Foods to meet, covering the principles outlined in the Ethical Trading Initiative Base Code.
- **Anti-Bribery and Anti-Corruption Policy** – Strengthening business ethics by promoting anti-bribery practices throughout the business and govern employee behaviour going forward.
- **Fishing Vessel Social and Labour Policy** – Requires suppliers to promote and maintain fundamental human rights and good working conditions across the fleets that they source from.

- **Supply Chain Equal Opportunity and Inclusion Policy** – Clarifies and communicates our position on equal opportunity and inclusion within our supply chain.
- **Whistleblowing Policy** – To provide guidance and instruction to Loving Foods employees on how to report and manage concerns regarding slavery in the workplace or supply chains should any arise.

Over the past year we have improved our ethical due diligence by ensuring our Modern Slavery policies outlined above are being adhered to within our supply chain. We have exhibited this through social audits and ethical visits, with all supplier sites having an active third-party ethical audit.

4. Risk Assessment, Prevention and Mitigation

Loving Foods has a robust process in place to measure, monitor and prevent the risk of modern slavery within our supply chains, ensuring working conditions are continuously improving year on year. The COVID-19 pandemic resulted in the risk of modern slavery and labour exploitation increasing significantly, with access to safe and reliable employment declining. In response, we made it our priority to identify and manage these risks, which has been made possible through our long standing and collaborative relationships with suppliers.

4.1. Assessing risk

As laid out in our 2020/21 Modern Slavery Statement, we are committed to continue formalising our risk assessment process. Our approach to assessing risk within our complex supply network is driven through incorporating data sources at all levels of the supply chain.

The first step of our risk assessment is to identify suppliers ‘inherent risk’. We use Sedex’s RADAR tool to provide an understanding of human rights risks at a country and sector level. This is combined with our own understanding of supplier specific inherent risks, which comes through the enhanced Sedex ‘Self-Assessment Questionnaire’ (SAQ) and learning from our supply partners and their teams on the ground. Our assessment considers the additional risks associated with high-risk types of labour (seasonal, permanent, agency, migrant).

Once the inherent risk is identified, we evaluate how successfully suppliers manage these risks through third-party ethical audits and Loving Foods CSR department site visits. In 2022/23, we achieved 100% coverage of our suppliers in third party ethical audits.

Additionally, by looking at the type of non-conformances that were raised by region more closely, we have been able to classify the most common risk areas that exist at supplier sites. These include; health and safety, working hours and fair wages. By viewing these risks on a global scale we are able to prioritise specific labour rights risks accordingly in addition to supplier specific risks.

Table 1 - Regional Non-Compliances Raised Within Audits 2022/23

Region	Total number of Non-Compliances raised in audits 2022/23	Top 3 Non-Compliance areas
East Asia	40	Health and Safety, Workers Protection, Management Systems
South Asia	92	Health and Safety, Working Hours, Regular Employment
South America	59	Health and Safety, Ethical Business, Workers Protection
Europe	3	Health and Safety, Freedom of Association, Management Systems
Africa	59	Health and Safety, Management Systems, Workers Protection
North America	16	Health and Safety, Working Hours, Rest Days

We also incorporate open-source data and supplier knowledge to risk assess further down our supply chain. As further due diligence, we worked directly with the Seafood Ethics Action Alliance (SEA Alliance) to develop a Human Rights Risk Assessment tool which evaluates wild capture fisheries that are supplying to the UK on human

rights risks using publicly available data to create a baseline assessment. Upon public release, we incorporated this tool into our risk assessment procedure to assess human rights risks in wild capture fisheries.

In summary, our risk assessment process combines suppliers’ inherent risks, performance, and fishery specific risks to output an overall result. This will guide our decision making and resource placement on ethical due diligence projects.

4.2. Managing and Mitigating risk

In order to monitor our first-tier suppliers, we require annual SMETA, BSCI or SA8000 third party audits to independently verify labour conditions at factory level. In 2021, we published our first set of ethical KPIs so that we could benchmark our progress year-on-year (Table 2). We aimed to increase third-party audit coverage and to reduce the number of non-compliances raised per audit by providing on-going supplier specific support.

Table 2 - Lovering Foods Key Performance Indicators 2022/23

Financial Year	2020/21	2021/22	2022/23
Total supplier sites	53	56	54
% of suppliers completed the updated SAQ	100%	100%	100%
% of high risk/ medium risk sites audited	89%	98%	100%
% of sites with valid ethical audit	80%	98%	100%
Number of Non-Compliances raised	192	228	271


With the aim of building knowledge to strengthen supplier support, the CSR team completed the following training workshops during 2022/23; Social Systems Auditor/Lead Auditor, Stronger Together Tackling Modern Slavery in Global Supply Chains and Tackling Modern Slavery in UK Businesses, retailer specific modern slavery awareness training and the Responsible Recruitment Toolkit’ Introduction to responsible recruitment. These learnings have enabled us to provide more refined and impactful guidance to remediate non-compliances and thus strengthen supplier support.

Through developing our risk assessment process, we have been able to better visualise and map risk as a whole across our supply chain. Since 2021/22, we have put our resources into expanding our ethical audit program, so our risk assessment process covers the entire supply chain, achieving 100% third-party ethical audit coverage in 2023.

4.3. External Engagement

In 2022/23, we continued our wider pre-competitive work, enabling us to increase leverage influence across our supply chains where a combined commercial force is most effective. The multi-stakeholder initiatives we engage in concentrate on two key areas; the provision on workers’ rights and due diligence at sea. With in-person meetings becoming viable again, we were able to participate in more pre-competitive forums.

Table 3 – External Partnerships

Member or Partner	Project or Initiative	Purpose
	Seafood Ethics Action Alliance (SEAA) Human Rights Due Diligence (HRDD) working group.	Both groups, run by Seafish, focus specifically on the provision of human rights at sea. We work collaboratively to a shared work plan to improve working conditions in the global fishing sector.
	Seafood Ethics Common Language Group (SECLG).	We funded the development of a human rights risk assessment tool and worked towards its completion in the SEAA HRDD working group.

5. Due Diligence Processes

In 2022/23 we continued to integrate knowledge of modern slavery within Lovering Foods, upholding the integration of ethical conditions within the contract approval process. Awareness of the risks of modern slavery within our supply chain continues to be sustained through; induction training covering internal approval processes and traceability at Lovering, and the specific modern slavery training described below.

With site visits becoming viable in 2021/22, our CSR manager performed an ethical due diligence visit to a high-risk tuna supplier. The visit verified compliance with both Lovering Foods Ethical Trading Policy and Fishing Vessel Social and Labour Policy and analysed the sites traceability systems from vessel to finished product finding no issues. In 2022/23, our CSR manager undertook Social Systems Auditor/Lead Auditor Training to strengthen supplier auditing capabilities. The CSR department conducted an online audit of another high-risk tuna supplier to evaluate the effectiveness of Lovering Foods monitoring systems to ensure compliance to Lovering Foods and customer requirements.

Although, the day-to-day management of ethical trade at Lovering Foods comes under the responsibility of the CSR department, we recognise the need for companywide participation in preventing modern slavery within our supply chain. Therefore, as part of our induction process, all staff are required to participate in our in-house CSR training which highlights potential labour rights issues within our supply chain and how their specific roles can impact working conditions at our supplier sites.

The CSR team also developed and deliver annual modern slavery specific training to all Lovering Foods staff. This training covered a seafood specific introduction to modern slavery, an explanation of how employee roles can impact working conditions at supplier sites and an understanding of how to spot the signs of modern slavery. In addition, the CSR team developed and distributed the ‘Modern Slavery, Ethics and Sustainability Factsheets’ to all staff, and provided training on how to use them.

6. Effective Action to Address Modern Slavery

Over the next twelve months, we will build on the progress made so far in managing the risk of modern slavery in our supply chains. We have outlined below the specific steps taken during the past financial year:

Table 4 - Progression of 2022 Targets

Target	Definition	Status	Comments
Strengthening Supplier Support	Achieve 100% of our active supplier base to be participating in an approved ethical scheme.	Complete	
Strengthening supplier support	Distribution amongst our suppliers of the 'New Supplier Pack' to enhance supplier experience and understanding of conducting ethical audits, and address the key differences between audit methodologies.	Complete	In 2023/24, we are continuing to develop our "New Supplier Pack", to ensure seamless onboarding for new suppliers.
Strengthening Supplier Support	To encourage our suppliers to engage with resources such as the responsible recruitment Toolkit.	Ongoing	This continues to be encouraged amongst suppliers.
Strengthening Supplier Support	We will develop and publish an equality and diversity policy that focuses on providing equal opportunities for everyone no matter their background. It will cover fair treatment both in-house and within our supply chain.	Complete	
Improved Risk Mapping	We plan on identifying potential recruitment costs within our high-risk suppliers by completing a recruitment costs matrix with supplier input.	Complete	We have identified where recruitment fees are within our supply chain, mapping exact recruitment costs with all suppliers with recruitment fees.
Increasing Due Diligence	Once published, we aim to use the SEA Alliance Human Rights Risk Assessment tool to identify human rights risks in our source fisheries. We plan to conduct vessel audits in 2022/23 based upon our risk assessment findings.	Ongoing	Using the SEA Alliance Human Rights Risk Assessment tool, we have identified a high-risk supply chain to undertake vessels audits.
Increasing due diligence	Develop a Whistleblowing Policy for our staff in supplier-facing roles, which outlines how staff members can safely raise concerns about modern slavery.	Complete	
Increasing due diligence	Perform an ethical due diligence visit to another high-risk tuna supplier.	Complete	We conducted an online audit of a high-risk tuna supplier to evaluate the effectiveness of Lovering Foods monitoring systems to ensure compliance to Lovering Foods and customer requirements.

Over the next 12 months we will continue to strengthen our approach to managing the risk of modern slavery within our business and supply chain and ensure our strategy is responsive to changing risks. Our targets for 2023/2024 are detailed below (Table 5).

Table 5 - Targets for 2023/2024

<p>Strengthening Supplier Support</p> <p>We will continue to develop our “New Supplier Pack” to further enhance supplier experience and understanding of conducting ethical audits.</p> <p>Continue to encourage our suppliers to engage with resources such as the responsible recruitment toolkit.</p>
<p>Enhancing Internal Awareness</p> <p>We plan to review our internal modern slavery training, particularly in the context of the newly published 2023 Global Slavery Index.</p> <p>We plan to provide internal training on our Whistleblowing Policy, to ensure staff are aware of how they can safely raise concerns about modern slavery.</p> <p>We plan to update our CSR induction training, particularly in the context of the newly published 2023 Global Slavery Index and Whistleblowing Policy.</p>
<p>Improving Risk Mapping</p> <p>We aim to further develop our risk assessment by mapping the origin of packaging, ingredients and additives for all products. By understanding country origin, we can identify country and industry specific risks, devising where due diligence is required.</p> <p>We aim to map and risk assess all farms in our agriculture supply chain, prioritising key supply chains. In 2023/24, we will map and risk assess all coconut milk and coconut oil farms.</p>
<p>Increasing Due Diligence</p> <p>Using the SEA Alliance Human Rights Risk Assessment tool, we have identified high risk source fisheries. In 2024, we aim to have vessels audited in a key high risk supply chain</p> <p>We plan to perform an ethical due diligence visit to another high-risk supplier.</p>

As outlined above, Lovereing Foods is diligently engaged with eradicating the risk of modern slavery from our supply chains. However, we recognise that ethical issues are not static, requiring us to continuously improve our efforts.

Contact Information

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At Loving Foods, we recognise our responsibility to source products with respect for the environment and people, and we take pride in our proactive approach. Responsible sourcing is an ongoing process, not an end point; thus, we welcome the opportunity to report yearly on our progress in accordance with section 54(1) of the Modern Slavery Act 2015. This statement containing our commitments and future targets towards strengthening our response to tackling modern slavery is endorsed by our Managing Director and approved by our Board of Directors.

Signed

A handwritten signature in black ink, appearing to be 'John Sexton', written over a large, light grey watermark that reads 'Loving Foods' diagonally across the page.

John Sexton, Managing Director

September 2023