

Modern Slavery Act Statement

Transparency in Our Supply Chains

1 April 2017-31 March 2018 Financial Year

Lovering Foods

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 Sedex Member

Our Business

Lovering Foods is a leading UK-based value-added supplier of ambient foods, founded in 1979. Our product range includes fruit, vegetables, Oriental foods, and seafood, sold as our Kingfisher brand and under many major supermarkets' own labels. Lovering Foods does not own or operate any processing facilities. Our products are sourced internationally across Asia, Africa, Europe, North America, and South America and the majority of our trade is in seafood. Corporate Social Responsibility is central to Lovering Foods; our mission is to provide high quality products that are responsibly and ethically sourced with best in class service.

▪ Industry Challenges

Awareness of labour issues in the seafood industry has increased in recent years through a number of high-profile media cases. Lack of traceability is a common key factor in these cases of forced labour. Lovering Foods has a publicly stated commitment to 100% traceability throughout our product range and continuously strives to mitigate risks of labour issues in our complex international supply chains. To achieve this, we manage strong direct relationships with our suppliers to ensure visibility to factory level. We continue to expand our scope to gain a deeper understanding of our indirect suppliers (including packaging and raw material) and to address the industry-wide issue of lack of visibility at sea. We continue to tackle the challenges faced within our international supply chain through collaboration with stakeholders. We commit to the ETI Base Code and focus our efforts on industry wide challenges such as ensuring employment is freely chosen; living wages are paid; and excessive working hours are avoided.

Progress and Due Diligence

▪ Our Policies

Seafood is the majority of our business and we have therefore focused our initial efforts in this area. We currently uphold a number of policies, as follows:

- [Sustainability Policy](#) – This is publicly available on our website;
- **Tuna Sourcing Policy** – This internal policy requires our tuna suppliers to increase transparency & traceability on the vessels they source from, including by checking working standards on vessels at least yearly. A second version was sent out in July 2017;
- **Supplier Ethical Trade Policy** – This internal policy requires all suppliers to join an approved ethical audit scheme and comply with the ETI Base Code. The policy was implemented at the end of October 2017 and continues to be upheld with new supplier relationships. Specific information is provided for SMETA audits since Lovering Foods are A/B Sedex members.

▪ Our Procedures

Over the past year, our focus has been on further strengthening internal procedures. Lovering Foods ensures that all supplier sites undergo a basic risk assessment by ensuring that all sites are given a risk rating according to the country of origin which is based on the [amfori BSCI Country Risk Classification](#). We have formalised our ethical audit procedure and we continue to provide bespoke support to our suppliers throughout their ethical audit. This includes supporting sites to understand how ethical audits are conducted, through to providing guidance on remediating any issues raised. Our dedicated Technical and Supply Chain teams ensure all products undergo a rigorous approval procedure before reaching our customers. This includes a variety of quality, food safety, and traceability verifications.

Lovering Foods is a [Supplier Ethical Data Exchange \(SEDEX\) Member](#) and uses the [SEDEX Advance](#) platform as our main ethical monitoring tool to gain visibility of working conditions at processing sites. Circa **98%** of our current supplier base is registered on Sedex or participating in an approved alternative ethical scheme, such as the [Business Social Compliance Initiative \(BSCI\)](#) and all bar 4 of these first-tier suppliers have conducted an ethical audit. Suppliers have further awareness of the value and importance of participating in third-party ethical

audits with the aim of achieving best ethical compliance. Continuous monitoring of issues raised and the progress made to remediate these continue to be our priority, to ensure sustainable action is achieved.

Upon registering on Sedex, a desktop audit in the form of a 'Self-Assessment Questionnaire' (SAQ) is completed by the supplier. This information is used to risk assess the site along with customer specifications and risk assessment procedures to determine whether an on-site ethical audit is required. We expect all suppliers to conduct a third party ethical audit ([SEDEX Members Ethical Trade Audit \(SMETA\)](#); [BSCI](#); [SA8000](#)) from an accredited auditing body at a frequency determined by our customers, and, if necessary, suppliers will be given corrective measures to apply within a set timeframe. The first ethical audit is used as a benchmark to gauge progress overtime.

Lovering Foods have implemented an internal rating system to continuously improve tracking and monitoring to measure progress and understand the issues our suppliers face. We rate suppliers' ethical audits to allow us to work closely with sites that require more assistance, whilst monitoring progress throughout our supply chain.

▪ **Collaboration**

To confront the issues facing our industry, we work closely with our suppliers and customers, partner with a number of external organisations, and use our variety of third-party connections to continuously develop, evaluate, and improve our internal policies and procedures. We continue to be active members of the [Sustainable Seafood Coalition \(SSC\)](#), contributing to the establishment of UK-wide standards on seafood labelling, risk assessment, and fishery improvement efforts. We are also a Participating Company of the [International Seafood Sustainability Foundation \(ISSF\)](#), an interdisciplinary organisation working to improve sustainability and traceability in the tuna industry.

In addition, as active members of [SEDEX](#), we track suppliers' progress towards an independently verified ethical standard underpinned by the [ETI Base Code](#). We continue to develop our relationships with our customers by ensuring a clear understanding of ethical trade requirements and increase transparency and engagement with their ethical trade teams. Furthermore, Lovering Foods have become members of the Sedex Stakeholder Forum and actively participate in several working groups including Reporting and Metrics; and Self-Assessment Questionnaire review.

Lovering Foods are working to gain further insight into our supply chains by improving transparency through increased engagement with both suppliers and customers. We are informally leading a UK Alaskan Salmon ethics working group to further understand the challenges faced for UK customers sourcing Alaskan Salmon, and the lack of ethical documentation available. The group aims to collect data on the industry and processors to inform retailers' risk assessment processes to ensure ethical standards are maintained. Furthermore, we are considering tools beyond ethical audits to understand conditions within our supply chain and investigating worker voice gathering tools. We are investigating projects to further understand our supply chain, through worker voice technology and vessel tracking.

Our collaboration extends further through participation in conversations organised by groups such as the ISSF and SSC on the development and application of external risk assessment tools, such as the Seafish [Risk Assessment for Sourcing Seafood \(RASS\)](#) tool, and the inclusion of social criteria into the SSC's Code of Conduct. Throughout 2017-18, we have and continue to actively participate in the Sedex Stakeholder Forum working to improve the Sedex platform and its tools. We regularly attend seafood industry conferences and events including the [Seafish Common Language Group \(CLG\)](#) and the [Seafish Ethics Common Language Group](#). We sit on the steering committee of the [Seafood Ethics Action Alliance \(SEA Alliance\)](#), a working group established to provide a platform to discuss challenges and agree best practice solutions.

We continue to participate in Fishery Improvements Projects (FIPs) in Peru and Morocco and we are investigating further projects in South America and Africa. Our engagement with FIPs allows us to work alongside customers and suppliers. Lovering Foods are Marine Stewardship Council (MSC) Chain of Custody certified which ensures that products from MSC certified sustainable fisheries are traceable and separated from non-certified products.

▪ **Training**

The CSR Department is responsible for all aspects of ethical trade at Lovering Foods. As such, they maintain relationships with external organisations and attend relevant workshops and conferences, such as Stronger Together's 'Tackling Modern Slavery in Global Supply Chains' (London, October 2017); the SEDEX conference 'Going Beyond Compliance' (London, March 2018) and completed the SMETA Methodology Workshop (Peterborough, September 2017).

We believe that everyone in our company has a part to play in ensuring the amelioration of social conditions within our supply chains. Thus, information received from workshops, important news regarding ethics and sustainability, and updates on the progress Lovering Foods has made is shared with all relevant employees via email and face-to-face updates, and with customers through regular meetings. Internal tools have been developed to support the businesses understanding of ethical trade requirements including a customer policy table. This aims to put ethical trade into practice and ensures third-party ethical auditing methodologies are adhered to. As part of the induction process, new staff members participate in our Seafood Sustainability Workshop as well as our Modern Slavery Awareness Training. This training is in addition to a CSR overview provided as part of the company's onboarding schedule.

Next Steps

Over the upcoming financial year (1 April 2018 – 31 March 2019), we aim to develop and strengthen our responsible sourcing as follows:

- Achieve 100% of our active supplier base to be participating in an approved ethical scheme;
- Ensure all suppliers adhere to Lovering Foods Ethical Trade Policy as a minimum requirement and distribute guidelines and templates where applicable;
- Join amfori BSCI as a member to increase engagement with ~1/3 of suppliers whose preferred auditing scheme is BSCI;
- Begin mapping and benchmarking supplier ethical progress per site and region;
- Develop an internal employee strategy to continue to ensure sustainable and ethical sourcing is implemented throughout business processes;
- Integrate ethical processes into business and contract approval process;
- Improve and simplify internal communications including understanding of risks associated with suppliers;
- Begin to gather ethical conditions and issues-based metrics to support our supply chain understanding;
- Strengthen post-audit support for our suppliers to complement our overall audit support;
- Continue to expand our third-party engagement through participation in working groups and conferences around labour conditions and further collaboration with customers and suppliers to share best practice;
- Continue to visit relevant major seafood ports to expand our internal knowledge base and validate responsible sourcing claims;
- Continue extending our supply chain mapping to facilitate the identification of areas of risk.

Contact Information

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At Lovering 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.



John Sexton
Managing Director
Lovering Foods Ltd.