



Modern Slavery Statement May 2019

Introduction

The Fresh Direct Group is fully committed to ethical working practices, and, as a company, regards inhumane conditions such as slavery, worker exploitation, and human trafficking as completely unacceptable either within our own business or through our supply chains.

Given our global reach, we understand our responsibilities and have a zero-tolerance approach to modern slavery. We recognise that modern slavery, which can take many forms, is a crime, and we strive to act ethically and with integrity in all our business dealings and relationships, and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business, or in any of our supply chains.

The Fresh Direct Group has, for a number of years, had in place ethical trading standards to which each of our suppliers is required to adhere, as well as a set of values, which require us, among other things, to be the best we can be, and to always do the right thing. Our commitment to anti-slavery and human trafficking is further strengthened with the introduction of our Modern Slavery Policy which applies to all employees, officers, workers, contractors, suppliers and other business partners.

We are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. Our Board fully supports the aims of the Act and is committed to combating the risk of slavery and human trafficking in our business.

Organisation and Business Structure

Fresh Direct Group is a leading specialist supplier of chilled, frozen and ambient food products to the foodservice industry. The principal trading companies in the group are Fresh Direct (UK) Limited, M&J Seafood Limited, Wild Harvest Limited and Freshfayre Limited.

In 2016, the Fresh Direct Group was acquired by Sysco Corporation, the global leader in foodservice. As a Group, Fresh Direct employs around 2000 employees across the UK.

Our business is organised into various business units as follows:

- Fresh Direct UK;
- Fresh Kitchen;
- Fresh Prep;
- Roots of Oxford;
- Freshfayre;
- Wild Harvest;
- M&J Seafood

Our Supply Chains

Whilst many of the products Fresh Direct sells are sourced from the UK, we also source globally to support the range, quality, provenance, availability, and price requirements of our customers.

Prevention of slavery and human trafficking in the Fresh Direct Group

Right to Work Checks

All colleagues employed by the Fresh Direct Group who work on a temporary, fixed term or permanent basis are subject to a right to work check in accordance with UK legislation. A person is unable to commence work for the Fresh Direct Group unless they satisfy us that they are legally able to work within the UK. All managers receive training on conducting right to work checks and further guidance is provided to managers in a document known as the 'manager's toolkit'.

Resourcing

Where the Fresh Direct Group employs the services of an employment agency to source candidates for permanent or fixed term positions, we endeavour to only use agencies of good repute and who are listed on our preferred supplier list. The Fresh Direct Group requires the agencies to undertake the appropriate background checks on prospective colleagues, in conjunction with our own checks.

Agency Workers

Where the Fresh Direct Group uses temporary workers supplied through an employment agency, we expect and require the agency to undertake the appropriate checks. We operate a preferred supplier list for these agencies and those listed are expected to undertake the appropriate background checks on prospective colleagues and to comply with our Ethical Trading Code of Conduct, which incorporates compliance with the Modern Slavery Act and other critical legislation.

If the Fresh Direct Group identifies that an employment agency is not adhering to our standards, the agency will be removed from the preferred supplier list and will not be engaged in any further recruitment activity on any basis.

Whistleblowing policy

We have a whistle blowing policy in place which applies to all employees, casual workers, agency staff, contractors, subcontractors, agents, sponsors, suppliers or any other person associated with the Fresh Direct Group. Any colleague who has concerns about any aspect of the Fresh Direct Group business is able to disclose their concerns in accordance with the whistle blowing policy. It is anticipated that the policy will be replaced in 2019 with a "Sysco Code of Conduct". Training on the new Code of Conduct and the standards expected by the Fresh Direct Group will be provided to our colleagues. At the same time, an Ethics Line will be launched through which our colleagues, suppliers, customers and members of the public will be encouraged to report any concerns they have about any aspect of the Fresh Direct Group business. All concerns reported through the Ethics Line will be investigated thoroughly.

Prevention of slavery and human trafficking in Fresh Direct Group supply chains

Fresh Direct requires all suppliers to adhere to its latest Ethical and Social Responsibility Policy and Ethical Trading Code of Conduct and to meet Fresh Direct's technical requirements. Fresh Direct's standards are based on the standards set by the Ethical Trade Initiative ("ETI") and reflect the key elements of the International Labour Organisation (ILO) conventions. The Fresh Direct Group is committed to trading ethically and expects its suppliers to implement appropriately high standards.

Supplier adherence to our values

To ensure all those in our supply chain comply with our values we have in place a supply chain compliance programme.

Our risk framework has been developed, against which all new suppliers will be assessed and existing suppliers measured for compliance, to determine the level of ethical risk at each stage of the supply chain. Effective escalation processes are in place to support decision making should we become aware of non-compliance. Suppliers are required to undertake an independent ethical audit of their full supply chain should it be deemed necessary by risk assessment. The outcome of such an audit is used to determine whether we will work with a supplier.

The Fresh Direct Group would address any failure by a supplier to meet its standards on a case by case basis, however, suppliers who fail to meet Fresh

Direct's standards may jeopardise their ability to continue to do business with Fresh Direct.

A supplier's ethical performance will be monitored on an ongoing basis, at a frequency determined by the level of risk and vulnerability within their supply chain.

We will continue to review the effectiveness of these controls in reducing the risk of unethical practices.

Our Procurement, Technical, HR and Legal teams have the primary responsibility for ensuring supplier and contractor adherence to our values.

Due Diligence Processes

As part of our ongoing strategy to identify and mitigate risk we have systems in place to:

- Identify and assess potential risk areas in our supply chains;
- Mitigate the risk of slavery and human trafficking occurring in our supply chains;
- Monitor potential risk areas in our supply chains; and
- Protect whistle blowers.

Training

Fresh Direct Group policies and standards are readily available to colleagues through the HR department and notice boards. To ensure a high level of understanding of the new legislation and the risks of modern slavery and human trafficking in our supply chains and our business, we will provide training to our colleagues.

Reporting on our Progress

In the past twelve months, we have made progress in mapping our own business and key suppliers to identify those at a higher risk from Modern Slavery and we are in the process of finalising a risk assessment by region and sector. Our risk framework has been developed, against which all new suppliers will be assessed and existing suppliers measured for compliance, to determine the level of ethical risk at each stage of the supply chain. Escalation processes are in place to support decision making should we become aware of non-compliance. Suppliers are required to undertake an independent ethical audit of their full supply chain should it be deemed necessary by risk assessment. The outcome of such an audit is used to determine whether we will work with a supplier.

In collaboration with NSF International, Fresh Direct has prepared a number of audits that have been designed to assess suppliers of Fresh Direct against ethical standards set by the Sedex Members Ethical Trade Audit (SEDEX). It is anticipated that these audits will assist us in driving best practice in our supply chain and provide us with greater transparency into the labour standards, health and safety, environmental and business ethics adopted by our suppliers. We will continue to explore how such audits and enhanced due diligence can provide further transparency into our suppliers' ethical performance.

Fresh Direct has continued to provide training throughout the business to ensure that the legislation and new ethical requirements are understood and updates to our policies and standards are widely communicated.

A Modern Slavery working committee has been formed which comprises colleagues from our Procurement, Technical, Human Resources and Legal teams to review our Modern Slavery Statement and related policies and to consider what further improvements can be implemented by the business.

Further Steps

We recognise that more can always be done to tackle Modern Slavery and, as a business, we are committed to helping to increase awareness of the issues and a process of ongoing review of our practices and policies to combat the risk of slavery and human trafficking. We intend to take the following further steps to continue to combat slavery and human trafficking:

- We will be launching a new Sysco Code of Conduct which will include the introduction of an Ethics Line and the provision of further training to colleagues on the high standards that we expect as a business.
- Further training will be provided to our managers in the requirements of our Modern Slavery Policy. To assist those colleagues who are supplier facing, Fresh Direct is proposing to develop a list of 'red flags' to help our colleagues identify potential issues that may require further investigation.
- We will complete the review of the effectiveness of our supply chain controls in reducing the risk of unethical practices.
- We will implement the audits that we have commissioned in partnership with NSF International with selected suppliers.
- We intend to write to all of our suppliers who are identified as high risk, whether by virtue of the product category, location or otherwise to reiterate our commitment to a policy of delivering products that are sourced in an ethical and responsible manner and to ensure the suppliers are aware of our joint

responsibilities and our requirement for them to adhere to the practices and controls we put in place to ensure the welfare of those employed within their supply chains.

- We will undertake a risk based assessment to determine which of our suppliers will be required to undertake an independent ethical audit of their full supply chain.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015.



Rajesh Tugnait
Fresh Direct Group CEO
May 2019