

MODERN SLAVERY AND HUMAN TRAFFICKING ANNUAL STATEMENT FOR THE 2018 FINANCIAL YEAR

Published March 2019



This statement is made in accordance with Section 54 of the Modern Slavery Act 2015 and constitutes UCC Coffee UK Ltd.'s (trading as UCC Coffee UK & Ireland) Modern Slavery Statement for the 2018 financial year, ending 31st December 2018. This statement outlines the approach taken to ensure that modern slavery and human trafficking is not taking place in any part of our business or supply chains.

1. About us, our operations and our supply chain

UCC Coffee UK Ltd is the leading Total Coffee Solution within the UK retail, hospitality and foodservice markets. We create and manage coffee experiences tailored to our customers' needs, including: branded or bespoke coffee blends, professional coffee machines, tiered service packages, training and market insight support. Additionally, UCC Coffee UK Ltd owns several retail and out-of-home coffee brands, including Lyons, Coopers, Grand Café and Grand Crü.

UCC Coffee UK Ltd is part of the European Group of UCC Holdings Co Ltd and is supported by a diverse number of supply chains which enable delivery of the Total Coffee Solution. This includes sourcing raw coffee from a range of global commodity suppliers via our group procurement centre in Switzerland (UCC Coffee Services Switzerland) for manufacture within UCC roasteries; and directly sourcing, consolidating and delivering professional coffee machines, spare parts and ancillary products from original equipment manufacturers (OEMs) and suppliers based mainly in UK, Switzerland, Europe and the USA.

UCC Coffee UK Ltd employs over 500 members of staff of which circa 234 employees are based at sites in Milton Keynes, Dartford and Port Laoise (Ireland), and the remainder are field based.

2. Our commitment

UCC Coffee UK Ltd supports the basic and fundamental human rights of all individuals and does not condone any form of modern slavery, human trafficking or exploitation within its business and supply chains. We take appropriate action to ensure our employees understand our zero-tolerance policy and we are committed to working collaboratively with suppliers to ensure the sustained eradication of all global human rights abuses.

3. Risk control and policies

UCC Coffee UK Ltd possesses a comprehensive set of internal and external policies that mitigate risk of slavery and human trafficking. Firstly, our internal policies ensure that all employment practices reflect the UN Universal Declaration of Human Rights and national legislative requirements, along with our UCC Coffee values. These policies are managed by our Human Resources and Health and Safety teams, who ensure that policies are regularly monitored and updated accordingly. These policies take practical steps to ensure UCC Coffee UK Ltd does not knowingly facilitate modern slavery, including:

- Internal employment checks to assess employees' legal right to work are part of the recruitment and induction process.
- Prohibiting the retention of any employee identification, including passports or work permits.
- Publishing the Modern Slavery Policy, alongside associated responsibilities and compliance procedures, within the UCC Employee Handbook. This is provided upon employment and is available at all times via the UCC portal.
- Ensuring the National Living Wage and National Minimum Wage are adhered to or exceeded.
- Facilitating an Employee Assistance Programme that makes a 24/7 confidential helpline available for all employees who may have modern slavery concerns.

Additionally, in 2019 we will publish a Supply Chain Code of Conduct that requires our supply partners to conduct any business activities in a manner that safeguards and promotes best practice working conditions, including the prohibition of modern slavery and employment under the legal minimum age. These expectations are benchmarked and informed by several international standards and guidance documents, including the UN Guiding Principles on Business and Human Rights, The Core Conventions of the International Labour Organisation (ILO) and The Ethical Trading Initiative (ETI) Base Code.

For our coffee suppliers, UCC Coffee Services Switzerland (UCCCSS) provides a self-assessment questionnaire and uses traceability and operational risk assessment paperwork as a standard. Over 80% of our coffee is sourced from certified schemes which safeguard and develop social, environmental and economic standards in our coffee growing regions, including Fairtrade, Rainforest Alliance and The Soil Association.

4. Due diligence

Governance

Our corporate sustainability strategy is supported by governance at senior level, with Executive Sponsors from the UCC Coffee UK Ltd Leadership team overseeing the implementation of relevant policies and programmes. Our People Director is responsible for the social strand of this strategy, including policies related to modern slavery and social risk matters within our business operations and supply chains. Regarding our internal employment policies, UCC Coffee UK Ltd's Human Resources team conduct annual audits and site visits to ensure that our internal employment policies are effectively implemented and safeguarded. Our UK Supply Chain and Quality Assurance teams are responsible for governing our external policies, including our Supplier Approval process. These teams also work closely with UCC Coffee Services Switzerland (UCCCSS), who builds trust and working relationships with third-party certifications and regularly visits origins.

Supplier communication

UCC Coffee UK Ltd builds strong and collaborative relationships with our supply partners and original equipment manufacturers (OEMs). We are committed to ensuring that our corporate responsibility policies, including those related to modern slavery risks, are communicated and enforced throughout our supply chains. In 2019, we are strengthening this commitment through implementing our Supply Chain Code of Conduct, which explicitly defines our minimum expectations across our entire supply base. Within the social strand of this policy, UCC Coffee UK Ltd expects suppliers to take appropriate steps to ensure modern slavery does not occur within their business or supply chains.

Auditing

UCC Coffee Services Switzerland (UCCCSS) is certified to the BRC Agents and Brokers Issue 2 Standard, which ensures global standards regarding product safety, quality and legality of imported goods. Similarly, UCC Coffee Services Switzerland (UCCCSS) has established relationships with global commodity traders/exporters, intermediary cooperatives and growers to build long-standing and trusted relationships. This includes UCC origin teams based in Brazil and Geneva. For UCC Coffee UK Ltd, over 80% of our coffee is sourced via Fairtrade, Rainforest Alliance and The Soil Association Organic, whose standards include criteria relating to the prevention of modern slavery and human trafficking. Certified bodies conduct independent audits of the coffee chain, including coffee suppliers' farms, cooperatives, exporters and trading houses, to ensure that they comply with these ethical standards. As buyers, UCC Coffee UK Ltd regularly meets with certified bodies and trading houses, which include visits to coffee suppliers' farms and cooperatives. We are committed to paying a fair price for the coffee which gives farmers incentives not to use slave labour.

5. Staff training

All employees sign a statement to confirm that they have read and understood their employment rights and policies and are notified when these are updated. We are also improving wider staff training regarding the social risks within our supply chains. During 2019, we are introducing a Modern Slavery e-learning module onto our learning and development platform and this will be issued to key members of staff. This will enable our employees to better understand and recognise modern slavery risks that might occur within our business and supply chains and informs them of the appropriate actions if such issues are discovered. Completion of this training module will be monitored by our Human Resources department. Additionally, our Sustainability and Quality Assurance teams consistently review industry and customer standards and new employees in these teams are trained accordingly.

6. Measuring effectiveness

Our 2017/18 goals were to:

- 1. Ensure 80% of coffee purchased carries at least one certification.

Since 2016, we have driven year-on-year increases in the proportion of green coffee sourced from certified schemes, such as Fairtrade and Rainforest Alliance. In 2017/18, 82% of our green coffee was certified, an increase of 3% from 2016/17.

- 2. Build on our sustainability activities through investment in a senior role designed to push this agenda.

In July 2017, we appointed a senior manager to drive the development of our sustainability strategy, focusing on our most relevant social, environmental and economic challenges facing the products and marketplace we supply; the planet in which we live; and the people and communities we impact.

Our 2018/2019 goals are:

- 1. Maintain or increase the proportion of coffee sourced from certified schemes, in association with customer needs.
- 2. Ensure all relevant employees complete our Modern Slavery e-learning module.
- 3. Publish our Supplier Code of Conduct to ensure that the respect for human rights, business integrity and environmental responsibility is upheld throughout our supply chains.

**Approved by UCC Coffee UK Ltd Executive Board on 20/03/2019
and signed on their behalf by Elaine Swift, Managing Director**

