

# MODERN SLAVERY AND HUMAN TRAFFICKING ANNUAL STATEMENT FOR THE 2020 FINANCIAL YEAR

Published June 2021



This Modern Slavery and Human Trafficking Annual Statement is produced by UCC Coffee UK Ltd in accordance with Section 54 of the Modern Slavery Act 2015. The Statement outlines the steps we have taken to mitigate modern slavery and human trafficking risks in our business operations and supply chains during the year ending 31 December 2020. Like many others, our business has been challenged through 2020 by the global COVID-19 pandemic. We are sadly aware that the pandemic may have increased vulnerabilities to exploitation, and through this period, UCC Coffee Ltd have re-enforced our Modern Slavery commitment, through improvements in controls and due diligence measures.

## 1. Our organisation and supply chains

### Our organisation

UCC Coffee UK Ltd is the leading Total Coffee Solution provider within the UK retail, hospitality and foodservice markets. We employ around 500 members of staff to create and manage coffee experiences tailored to customers' needs, including own branded and bespoke private label coffee blends; supply and service of professional coffee machines, beverage equipment, and ancillary products; and provision of customer training and market insight support. More information about our business can be found at [www.ucc-coffee.co.uk](http://www.ucc-coffee.co.uk).

UCC Coffee UK Ltd is a registered operating business of UCC Europe Ltd, a leading private label coffee business with operations in France, the Netherlands, Spain, and Switzerland. Operating within a European Group enables UCC Coffee UK Ltd to leverage expertise, innovation, and experience of coffee to deliver market-leading products and services.

### Our supply chains

UCC Coffee UK Ltd takes pride in delivering our industry-leading Total Coffee Solution and this is supported by a diverse number of supply chains that vary in terms of products, geographies, spend and the level of influence we have upon them. Our supply chain and procurement activities fall mainly into the following areas:

- Sourcing raw green coffee from approximately 15 producing origins across Central and South America, Asia and Africa, through our European coffee procurement centre in Switzerland (UCC Coffee Services Switzerland).
- Purchasing of packaging materials, and other factory-related ingredients, goods, and services (including utilities) essential to the manufacture and distribution of our product range.
- Procuring, distributing, and servicing professional coffee machines and beverage equipment, including associated spare parts and ancillary products such as machine cleaning products.
- Indirect procurement of goods and services. Examples include legal and professional services; vehicle lease contracts; facilities management services and finished products and consumables to support our Total Coffee Solution.



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## 2. Our commitment

UCC Coffee UK Ltd respects 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. This commitment is expressed through a variety of policies, controls, and practices which are produced and implemented by UCC Coffee UK Ltd and UCC Europe Ltd.

We also recognise that modern slavery is a global issue and businesses can be inadvertently implicated within their business operations and supply chains. If we identify any instances of modern slavery in our supply chains, our approach will be to work collaboratively with our suppliers and business partners, to remediate and resolve the issue. A failure to remediate or demonstrate sufficient improvement may lead to disengagement of the business relationship.

## 3. Our policies and risk controls

UCC Coffee UK Ltd operates a range of internal and external policies and control measures that help mitigate and prevent risks of slavery and human trafficking. We have increased our actions to ensure our employees, suppliers, and business partners understand our commitment to the sustained eradication of human rights abuses and, through internal governance and review, we strive to continue learning and building rigour into our business policies and practices.

### Internal controls

As outlined in our 2019 statement, we take practical steps to ensure we do not knowingly facilitate modern slavery or human rights abuses. These include:

- Internal Human Resources (HR) policies ensure that all employment and recruitment practices reflect the UN Universal Declaration of Human Rights and comply with national legislative requirements, along with our organisational values.
- Our HR practices already include the right to work checkpoints, including evidencing of documents and prohibiting retention of identification. Bank details are checked to ensure they are in the same name as the employee/proof of right to work document. Through the COVID-19 pandemic, these checks were completed electronically, in line with government guidance, and will revert to face-to-face verification where appropriate when allowed.
- Our People support system contains all policy and employee support information, including commitments to Modern Slavery within the UCC Employee Handbook. Employees can also access the Modern Slavery training support material which is used alongside our Modern Slavery e-learning module.
- Our recruitment of permanent and agency labour is in line with the 'Employer Pays' principle. We work with a preferred supplier list of labour providers (online or agency) and all costs of recruitment are agreed in advance.

We also recognise that temporary, agency or migrant workforces can be vulnerable to modern slavery risks, and we continue to review the composition of our workforce profile. In 2020, less than 4% of the UCC Coffee UK Ltd workforce was from agency or contract labour providers. This slight increase in the number reported in 2019 is mainly due to organisational structure changes.

To build and strengthen our internal controls of responsible and ethical behaviour, our European Human Resources and Sustainability team commenced the development of a Group Code of Ethics and Behaviours Policy, for launch in 2021. As a European groupwide policy, we expect this to align with our Modern Slavery statement commitment.

### External controls

Green coffee is a key raw material to the delivery of our Total Coffee Solution and we recognise that coffee-growing countries, and the agriculture sector, can often have inherent social risks and vulnerabilities. Our European green coffee procurement centre, UCC Coffee Services Switzerland (UCCCSS), has additional controls such as sourcing from certified standards; selecting suppliers with integrated supply chains for added traceability and upstream supply chain visibility; conducting field visits during annual origin visits, and a supplier performance assessment process.

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Our UK BRC accredited roastery operates strict procedures for supplier approval and supplier risk assessment. We expect our suppliers to support working conditions that are safe, legal, and fair; in addition to required quality and food safety standards. Through this BRC approved process Modern Slavery and Ethical Trading Policies are requested from suppliers.

As the distributor of leading professional coffee and beverage equipment brands, UCC Coffee UK Ltd has long-standing and collaborative relationships with original equipment manufacturers (OEMs). These OEMs are mainly located in the UK, Switzerland, Italy, and the USA and follow their policies or country regulations to ensure the respect of human rights in all forms.

To strengthen external controls in our supply chains, in 2020 the UCC Europe Supplier Code of Conduct (SCoC) was launched to a range of priority tier-one suppliers from across our Europe-wide procurement categories. The SCoC was developed with external support, informed by international standards and guidance documents (such as UN Guiding Principles on Business and Human Rights and The Core Conventions of the International Labour Organisation). This supplier-facing policy sets out our expectations of responsible and ethical business practices which include the prohibition of modern slavery and child employment under the legal minimum age.

#### 4. Our due diligence approach

##### In our organisation

The Human Resources (HR) department is responsible for internal employment, labour and recruitment policies, and controls related to modern slavery. Management teams are accountable for the day-to-day implementation and execution across the business, in addition to checkpoints within the HR systems.

Regular site visits by HR teams to our business operations ensure these policies are effectively implemented and safeguarded, and specific governance committees meet regularly to review internal policy and strategy in action. In addition, our UK BRC accredited roastery is a member of SEDEX and has undertaken the SEDEX Members Ethical Trade Audit (SMETA) which uses the Ethical Trading Initiative (ETI) Base Code within its monitoring of labour standards.

##### In our supply chains

In 2020, over 80% of the green coffee sourced for UCC Coffee UK Ltd came from certified standards (including Rainforest Alliance and Fairtrade). These certified standards include farm and supply chain criteria relating to the prevention of modern slavery and human trafficking and include regular audit and compliance requirements to all certificate holders in the value chain. Representatives from UCC Coffee UK Ltd and our European Group regularly meet and collaborate with certified organisations and our suppliers to understand risks in supply chains, industry-standard developments, and the positive impact of interventions.

As an internal supplier to UCC Coffee UK Ltd and to help meet our supplier risk assessment process, our green coffee procurement centre, UCC Coffee Services Switzerland (UCCSS), is annually audited to the BRC Agents and Brokers Issue 2 Standard that ensures global standards regarding product safety, quality, and legality of imported goods.

Despite the challenges of the COVID pandemic, our Group Sustainability team successfully launched the UCC Europe Supplier Code of Conduct in 2020 to around 100 priority tier 1 suppliers (based on the type of sector, location, and size of category spend). For those related to UCC Coffee UK, this included green coffee suppliers and a selection of suppliers providing factory-related ingredients; goods and services; professional coffee machines, and beverage equipment. A self-assessment questionnaire also launched alongside the Code to help identify and assess risks, based on the core provisions of the policy document. Through 2021, we expect outputs of this process to strengthen our understanding of risks in our key supply chains and help drive mitigation and continuous improvement measures.

## 5. Raising awareness

To build increasing awareness and understanding of modern slavery, an additional 63 employees received training via the e-learning module in 2020. This builds upon those training in 2019 (96 employees) and included UCC UK team leader and supervisor roles.

Additionally, an external advisor delivered C-suite level training for the UCC Europe Board (including the UCC Coffee UK Regional Director) including Modern Slavery risk and governance responsibilities. The development of a capacity building and training strategy also commenced in 2020 based on four core principles – Raise Awareness, Enhance Learning, Improve Knowledge, Develop Expertise. The strategy will be further developed through 2021, based on a targeted learning and development approach, with a view to rolling out in 2022.

As continued commitment to supporting our new starters during the global pandemic period, we have continued to deliver 'Welcome Day' events via online platforms, especially ensuring their understanding of key HR and employee policies, given COVID measures of remote working environments.

## 6. Measuring effectiveness

The table below provides a brief overview of our progress towards the modern slavery commitments we made in our 2019 statement:

2020 Continuous improvement goals	Progress status	Progress summary
Maintain or increase the proportion of coffee sourced from certified schemes, in association with customer and own brand needs.	<b>Achieved</b>	<i>Partially achieved</i>
Facilitate the launch of the UCC Europe Supplier Code of Conduct to UCC Coffee UK Ltd priority suppliers and support the due diligence process.	<b>Achieved</b>	<i>This was launched by UCC Europe Group Sustainability team in 2020.</i>
Continue to raise employee awareness through extending the Modern Slavery e-learning module to all UCC Coffee UK Ltd managers and develop a progressive capacity-building strategy.	<b>Partially achieved</b>	<i>63 members of staff completed the e-learning module. Work started on the capacity-building strategy but was de-prioritised due to pandemic impacts.</i>

To continuously improve our commitment to managing and mitigating the risk of slavery and human trafficking in our business operations and supply chains, our 2021 goals include:

1. Maintain or increase the proportion of coffee sourced from certified schemes, in association with customer and own brand needs.
2. Complete social/ethical due-diligence of the UCC Europe Supplier Code of Conduct and integrate learnings into UCC Coffee UK internal and external control activities - including expanding its reach into supplier risk management practices.
3. Increase focus on Modern Slavery training and awareness, and complete development of a targeted learning Modern Slavery training strategy.

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**Approved by UCC Coffee UK Ltd Executive Board on 30/06/2021  
and signed on their behalf by Elaine Swift, Regional Director**

