



UCC EUROPE LTD MODERN SLAVERY AND HUMAN TRAFFICKING ANNUAL STATEMENT FOR THE 2020 FINANCIAL YEAR

Published: 15 September 2021

This Modern Slavery and Human Trafficking Annual Statement is produced by UCC Europe Ltd in accordance with Section 54 of the Modern Slavery Act 2015.

The Statement outlines the steps that UCC Europe Ltd has taken to mitigate modern slavery and human trafficking during the year ending 31 December 2020. The statement covers UCC Europe Ltd. For the UCC Coffee UK Ltd Modern Slavery Statement please visit www.ucc-coffee.co.uk/legal-docs

OUR ORGANISATION

UCC Europe Ltd ('the Company') is a leading private label coffee business within retail, hospitality and foodservice markets, with operations in United Kingdom, France, The Netherlands, Spain, and Switzerland (together 'the Group'). UCC Europe Ltd is headquartered in the United Kingdom, and is a subsidiary of the parent company, UCC Holdings Co Ltd. in Japan.

Across the Group, around 1500 members of staff are employed to create and manage coffee experiences tailored to customers' needs, including own brand and bespoke private label coffee products; supply and service of professional coffee and beverage equipment and ancillary products; and provision of customer training and market insight. This includes approximately 25 employees directly employed by the Company, who provide corporate management, support, and services to its European operating subsidiaries, as well as consolidated financial reporting of the Group.

OUR SUPPLY CHAINS

A range of supply chains are utilised across the Group, which vary dependent on product, geography, spend and level of influence we have upon them. Supply chain activities are managed through both a centralised and local-led procurement approach and fall mainly into the following areas:

- Sourcing green (unroasted) coffee for European operations, through our centralised coffee procurement centre in Switzerland (UCC Coffee Services Switzerland)
- Purchasing of packaging materials, and other operational/factory-related ingredients, goods, and services essential to the manufacture and distribution of our products



- Procuring, distributing, and servicing of professional coffee machines and beverage equipment, including associated spare parts and ancillary products such as machine cleaning products
- Indirect procurement of goods and services to support our operating and corporate business needs.

1. OUR COMMITMENT

UCC Europe 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 variety of policies, procedures, and controls, which are produced and implemented at both Company and local level within the Group.

We recognise that modern slavery is a global issue, and that businesses can be inadvertently implicated within their business structures and supply chains. Through internal governance and review, we strive to continue learning and building rigour into our business policies and practices and to help ensure our employees, suppliers, and business partners understand our commitment.

2. OUR POLICIES AND RISK CONTROLS

UCC Europe Ltd operates a range of range of internal and external policies and control measures that apply at Company, and/or local level with the Group.

In our organisation

Internal controls include recruitment and selection of employees to ensure that all persons employed or engaged to provide contracted labour for the Company or Group are suitable for appointment, appropriately qualified and can be lawfully employed. We work with a preferred supplier list of labour providers (online or agency) and all costs of recruitment are agreed in advance and in line with the 'Employer Pays' principle.

Across the Group, each local Human Resources (HR) function is responsible for internal employment, labour and recruitment policies and controls. Management teams are accountable for the day-to-day implementation and execution across the business, in addition to checkpoints established by HR and in accordance with local regulations. Through Group or local whistleblowing policy procedures, employees also have access to raise concerns and to report unethical or fraudulent conduct.



To build and strengthen our internal controls of responsible and ethical behaviour, development of a Group Code of Ethics and Behaviours Policy commenced in 2020, for internal launch in 2021. As a European groupwide policy, this will help support our Modern Slavery statement commitment.

In our supply chains

Green coffee is a key raw material in the delivery of the Group's business proposition, and we recognise that coffee-growing countries, and the agriculture sector, can often have inherent social risks and vulnerabilities.

To help control these risks, our European green coffee procurement centre, UCC Coffee Services Switzerland (UCCCSS), has additional measures such as sourcing from certified standards where requested; 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. In 2020, almost half of the green coffee sourced for customers across the Group were 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.

To strengthen our responsible business commitments, the UCC Europe Ltd Supplier Code of Conduct (SCoC) was launched in 2020 to around 100 priority tier 1 suppliers of the Group (selected by a risk-based approach including type of sector, sourcing location, and size of category spend). This policy document expresses the responsible and ethical standards expected by the Group and was developed in line with international standards such as the International Labour Conventions and UN Guiding Principles.

Notwithstanding the challenges of the COVID pandemic, a self-assessment questionnaire was issued with the SCoC to help identify and assess supply chain risks, based on the core provisions of the policy document. Through 2021, learnings and outputs of this process will be shared to help strengthen our Group-wide understanding of risks in our key supply chains and help drive mitigation and continuous improvement measures.

Other external controls within the local operations of the Group include supplier risk management policies and procedures required to meet operational accreditation standards (such as BRC/IFS); and where required, independent social compliance standards such as SEDEX.



3. RAISING AWARENESS

To build increasing awareness and understanding of modern slavery, a subsidiary of the Company, UCC Coffee UK Ltd, uses an independent e-learning module. Since 2019 over 150 employees have received training, including directors and managers (including those in procurement and customer facing roles), UCC Europe employees and key employees of our coffee procurement centre.

Additionally, in 2020 an external advisor delivered C-suite level training for the Board members of the Group, including Modern Slavery risk and corporate governance responsibilities.

It is intended that refresher training sessions will be held on a regular basis and further development of the training approach is a goal for FY2021.

4. MEASURING EFFECTIVENESS

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

- Maintain or increase the proportion of coffee sourced from certified schemes, in association with customer and own brand needs
- Complete the social/ethical due-diligence assessment from the launch of the UCC Europe Ltd Supplier Code of Conduct, and integrate learnings into internal and external control activities - including expanding its reach
- Increase focus on Modern Slavery and Human Rights Due Diligence across the Group, including development of training approach for personnel in key roles and internal
- Introduce the UCC Europe Code of Ethics and Behaviours Policy and launch to Group operations in local language

Approved by UCC Europe Ltd Board on 2 September 2021 and signed on their behalf by Paul Molyneux, CEO, UCC Europe Ltd.

A handwritten signature in black ink, appearing to read 'Paul Molyneux', with a long horizontal stroke extending to the right.

Paul Molyneux, CEO

5 September 2021