

MODERN SLAVERY AND HUMAN TRAFFICKING ANNUAL STATEMENT

UCC EUROPE LTD STATEMENT FOR THE 2021 FINANCIAL YEAR



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 2021. This statement covers UCC Europe Ltd. For the UCC Coffee UK Ltd Modern Slavery Statement please see the company website 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, the supply and service of professional coffee, beverage equipment, ancillary products and provision of customer training and market insight. The organisation includes approximately 30 people 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 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 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, a Group Code of Ethics and Behaviours Policy was launched in 2021. As a European groupwide policy, this has been communicated to all employees and underpins 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 2021, 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.

Whilst the COVID-19 pandemic limited annual origin visits in 2021, launching the UCC Europe Supplier Code of Conduct ensured our green coffee suppliers understood our business wide commitment to responsible and ethical business practices, and the policy provisions which includes the prohibition of modern slavery and child employment under the legal minimum age. This policy also makes up part of our standard purchase terms and is part of our contract template.

Through 2021, our UCC Europe Group Sustainability team have reviewed and shared the outputs related to the self-assessment questionnaire launched alongside the UCC Europe Supplier Code of Conduct. This process enabled a deeper assessment of tier 1 supplier policies, measures and controls, and highlighted opportunities for improvement in social compliance monitoring systems.

Other external controls are managed within the local operations of the Group and 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 awareness and understanding of modern slavery, a subsidiary of the Company, UCC Coffee UK Ltd, uses an independent e-learning module. Since 2019 over 230 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. In 2021 we also increased our focus through key employees from Group Sustainability, Human Resources and Coffee Procurement attending Business and Human Rights training programmes.

Automatic refresher training is built into our system and is tracked to ensure ongoing renewal of knowledge. It is intended that refresher training sessions will be held on a regular basis and further content has been developed for 2022.

4. Measuring effectiveness

The table below provides a brief overview of our progress towards the forward-looking goals we made in our 2020 statement:

2021 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	Achieved	The proportion of certified coffee sourced for Group operations increased in 2021vs 2020.
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.	Achieved	We have embedded learnings across the Group, and local technical teams have updated supplier ethical trade risk assessment protocols and accessibility of our supporting policies.
Increase focus on Modern Slavery and Human Rights Due Diligence across the Group, including development of training approach for personnel in key roles.	Achieved	A total of 233 members of staff completed the e-learning module in 2021, including 5 from the Company. Additionally, 2 representatives from across the Group attended a six-week accredited training programme on Business and Human Rights.

To continuously improve our commitment to managing and mitigating the risk of slavery and human trafficking in our Company, Group operations and supply chains, our 2022 goals include:

1. Maintain or increase the proportion of coffee sourced from certified schemes, in association with customer and own brand needs
2. Advance the UCC Europe group-wide social/ethical policies and due-diligence management systems, including the launch of a new external provider of international Whistleblowing services
3. Ensure all new employees in UCC Europe Ltd receive Modern Slavery Training and that we complete refresher training courses on a regular basis

APPROVED BY UCC EUROPE LTD ON 30 JUNE 2022

A handwritten signature in black ink, appearing to read "Paul Molyneux". The signature is written in a cursive style with a large, prominent loop at the end.

SIGNED ON BEHALF OF THE UCC EUROPE LTD BOARD BY PAUL MOLYNEUX, CEO, UCC EUROPE LTD