

# MODERN SLAVERY AND HUMAN TRAFFICKING ANNUAL STATEMENT FOR THE 2022 FINANCIAL YEAR

Published June 2023



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 2022.

## 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 over 550 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 18 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 side products and consumables to support our Total Coffee Solution.

## 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, taking practical steps to ensure we do not knowingly facilitate modern slavery or human rights abuses.

Through 2022, we have continued to evolve our practices and 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

Our Human Resources policies and controls support the recruitment and onboarding of new employees, ensuring right to work checks and includes ongoing alignment to the 'Employer Pays' principle for recruitment of permanent and agency labour.

We recognise that temporary, agency or migrant workforces can be vulnerable to modern slavery risks, and regularly review the composition of our workforce profile. Access to migrant workforce has also changed following new controls for immigration following the departure of the UK from the EU. New migrants (with the exception of Irish citizens) arriving in the UK are not authorised to work for us without a valid working visa.

In 2022, temporary, agency or contract labour made up less than 2% of the UCC Coffee UK Ltd workforce.

Overall, our assessment of the risk of modern slavery in our employment practices is low. However, in acknowledgement that residual risk is likely to arise from agency and temporary resourcing needs, we have strengthened our controls in this area as follows:

- All agencies used for temporary labour are subject to increased supplier risk assessment controls, including supplier trading and policy checks and onboarding to our system prior to any business transaction taking place. This also includes:
- All agencies are required to hold a current GLA (Gangmasters and Labour Abuse) licence and we keep copies on file.
- Terms of business must include temporary worker hourly pay and any worker associated costs for our approval.
- Agency sites are audited each year from an Ethical, Health & Safety perspective, giving us a good insight into their quality, working practices, and credibility of suppliers.
- On-site UCC management complete random monthly agency worker interviews, against a set list of questions, to assess any Modern Slavery risk or evidence of Modern Slavery.

In 2022 we reviewed our UCC Europe group ethical policies and due-diligence management systems. We launched a new group-wide whistleblowing service by Safecall in August.

This service is paid for by UCC and operates with strict rules around confidentiality and disclosure. These are explained to any employees who use it, in case an employee is not comfortable raising an issue through the internal process of contacting a line manager or HR.

Safecall is our appointed 3rd party whistleblowing hotline provider. This hotline enables our employees to Speak Up and report their concern anonymously.

### External controls

Our Supply Chain, Procurement and Technical teams are responsible for ensuring our supplier facing policies and practices are communicated and implemented effectively, meeting our customer standards, and external audit and accreditation requirements.

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), manages all green coffee sourcing activities and adopts a supplier relationship management approach, which includes selecting suppliers with integrated supply chains for added upstream visibility and traceability; and specialist importers who work directly with producers.

UCCCSS include our UCC Europe Supplier Code of Conduct in all green coffee sourcing contracts, which details 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.

Our BRC approved European green coffee procurement centre, UCC Coffee Services Switzerland (UCCCSS) have included our UCC Europe Supplier Code of Conduct in all green coffee sourcing contracts since 2021.

Our UK BRC accredited roastery operates strict procedures for supplier approval and supplier risk assessment. We expect all our suppliers to support working conditions that are safe, legal, and fair; in addition to required quality and food safety standards. As part of UCC's supplier risk assessment process, Modern Slavery and Ethical Trading Policies are requested from suppliers and our Ethical Policy is displayed at key employee rest locations, such as staff rest areas.

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, in addition to respecting UCC supplier facing policies.

## 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. Strengthened control measures are overseen by Human Resources Department, such as the onsite management agency worker interviews and whistleblowing helpline, and during 2022, no issues were identified.

As a member of SEDEX, the roastery of UCC Coffee UK Ltd complete the annual self-assessment questionnaire to ensure our ethical, health and safety, and employment and the site undertakes biennial SMETA audits. A continuous improvement approach is taken to minimise the occurrence of non-conformances.

## In our supply chains

In 2022, our European green coffee procurement centre (UCCSS) sourced the majority of our green coffee requirements from 10 approved coffee traders and suppliers. We also increased the proportion of green coffee sourced from voluntary sustainable standards to over 95%, principally using Rainforest Alliance and Fairtrade standards, which include strengthened farm and supply chain criteria relating to the prevention of modern slavery and human trafficking.

The UCC business is committed to supporting a sustainable coffee sector. In 2022, UCC Coffee UK Ltd sourced over 95% green coffee from voluntary sustainable standards, supporting our customers and our brands' sustainability commitments.

Following continuous improvement assessment of tier 1 supplier policies, measures and controls and to further our commitment to responsible and ethical business practices, additional control and due diligence measures have been introduced as part of UCC Coffee UK Ltd supplier risk management protocols. These now include a dedicated supplier ethical trade questionnaire, aligned to ETI base code, linked (where possible) to the SAQ of the SEDEX (Supplier Ethical Data Exchange) system, and a supporting risk-based supplier audit approach.

## 5. Raising awareness

Our Modern Slavery training strategy continued to be developed through 2022, to further enhance people's learning and understanding of Modern Slavery and play a part in helping to mitigate and eradicate forced labour across society.

UCC Coffee UK Ltd strive to ensure all employees receive some form of training or awareness building and in 2022 we achieved the following –

- Introduced Toolbox Talk for 80 staff in production and workshop roles, meaning every UK staff member has now completed some form of training on Modern Slavery
- Introduced Stronger Together e-learning as refresher training for all Line Managers / Head of Departments to continue to build on their current knowledge – 71 people have completed this training during 2022
- A further 135 employees completed the e-learning Modern Slavery module, including all new starters as part of their onboarding to UCC Coffee UK Ltd.

By the end of 2022, all UCC Coffee UK Ltd employees had completed some form of Modern Slavery e-learning since it was first launched in 2019.

As a key part of the group-wide UCC Purpose and Values roll-out in 2022, awareness of the Safecall whistleblowing service has also been promoted, via all internal communications channels including e-mail, intranet and in physical sites with posters.

## 6. Measuring effectiveness

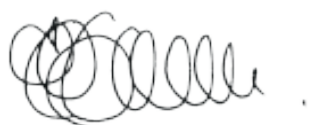
The table below provides a brief overview of our progress towards the forward-looking goals outlined in our 2021 statement:

2022 Continuous Improvement Goals	Progress Status	Progress Summary
Maintain or increase the proportion of coffee sourced from certified standards, in association with customer and own brand needs	Achieved	This was increased to over 95% of the coffee sourced for the UCC UK Ltd business

2022 Continuous Improvement Goals	Progress Status	Progress Summary
Extend reach of supplier risk management through implementation of dedicated ethical trade questionnaire to new and existing suppliers as part of our Quality & Technical responsibilities and strengthen supply chain risk and impact assessments.	Achieved	Introduced dedicated supplier ethical trade questionnaire, aligned to ETI base code, linked (where possible) to the SAQ of the SEDEX (Supplier Ethical Data Exchange) system, and a supporting risk-based supplier audit approach.
Continue to enhance controls associated with temporary labour, using our full year data to check for any risk insight and trends and conduct (where relevant) risk-based audits of labour suppliers	Achieved	From 2021 to 2022, use of temporary, agency or contract labour halved to 1.3%, due in part to completion of building works at our Dartford roastery and improvements in workforce planning. Supplier risk assessments, audits and random monthly interviews are now embedded as ways of working.
Engage in advancement of our UCC Europe group social/ethical policies and due-diligence management systems, including updating our group wide Whistleblowing service provider	Achieved	Safecall external whistleblowing provider was launched in August 2022, with supporting awareness tools to reach employees in office, workshop and production roles.
Increase focus on Modern Slavery training and awareness including – a. Implementation of New 'Toolbox Talk' sessions to shift working employees. b. Launch of the enhanced e-learning programmes for Line Managers/ Business Leaders	Achieved	Since launching Toolbox Talk, all groups of employees have now been reached by some form of Modern Slavery training. The new enhanced e-learning (Stronger Together) now gives us a tool to refresh employee awareness. So far 71 managers have undertaken this training, in addition to their initial on-boarding training.

To continuously improve our commitment to managing and mitigating the risk of slavery and human trafficking in our business operations and supply chains, our 2023 goals include:

1. Maintain or increase the proportion of coffee sourced from certified standards, in association with customer and own brand needs.
2. Continuously improve our supplier risk management including upgrade of SEDEX membership, strengthening and standardising our supply chain risk assessment capabilities.
3. Continue to apply our controls associated with temporary labour and work further on reducing our reliance on temporary labour.
4. Maintain focus on Modern Slavery training and awareness including –
  - a. Continue to refresh awareness among existing employees using the Stronger Together e-learning
  - b. Ensure all new starters complete the introductory Modern Slavery e-learning course or participate in Toolbox Talk.



Approved by UCC Coffee UK Ltd Executive team on 16th June 2023 and signed on their behalf by Elaine Swift, European Out-of-Home (OOH) Business Unit Director.