



UCC
Every coffee, every moment

MODERN SLAVERY STATEMENT

UCC Coffee Australia Limited & Toby's Estate Coffee Pty Limited

FOR THE FULL YEAR 2022

I am pleased to publish our third Modern Slavery Statement (under the Modern Slavery Act 2018 (Cth) Act) (Act), for UCC Coffee Australia Limited (UCC Coffee) and Toby's Estate Coffee Pty Limited (Toby's Estate) (MSS).

The following outlines the steps we have taken to mitigate modern slavery risks in our business, operations and supply chains in the 12 months post our last statement. We have made substantial progress and continue to make solid advancements towards strengthening our processes and controls regarding modern slavery risk mitigation.

We have implemented all planned improvements in controls and are pleased to exceed expectations on green coffee bean procurement resulting in a rise of certified levels to 96% of brokered purchases (as at end August 2023). We continue to challenge ourselves to increase certification levels to 100% and continue to work actively with our customers and farmers at origin to build awareness and reduce the risk of modern slavery across our supply chain and wider business.

We make this statement in accordance with section 13 of the Act. This Modern Slavery Statement (MSS) was considered and approved by resolution of the Governing Board for UCC Coffee and Toby's Estate on 06 September 2023 for the 12-month period post publication of our previous statement.

Dean Divehall, Chairman

1. OUR ORGANISATION AND SUPPLY CHAINS

Our organisation

As outlined in our last report, on 1st April 2022 Suntory Coffee Australia Limited was sold via transfer of 100% of shares to UCC ANZ Management Pty Limited (UCC ANZ) and was subsequently renamed UCC Coffee Australia Limited. UCC ANZ is a subsidiary of UCC Holdings Co., Ltd (UCC). UCC ANZ has 100% ownership of both UCC Coffee and in turn Toby's Estate. UCC ANZ is the reporting entity on behalf of UCC Coffee and Toby's Estate for the purpose of this MSS.

As UCC is a global coffee company, the transfer of ownership provides a unique opportunity for alignment across the end-to-end supply chain from bean to cup, to strengthen our ability to reduce risks relating to modern slavery and share best practices specific to the coffee industry. In 2022 we transitioned procurement of green coffee beans through to a centralized arm of UCC in Singapore (UCC Trading). This move provided increased controls including best in class industry specific risk assessments and origin audits.

This report covers both UCC Coffee and Toby's Estate, and their roasting operations in Melbourne and Sydney respectively. Both businesses are actively involved in the roasting and sale of fresh coffee to leading retailers and café operators across Australia. Incorporation for both Australian entities is in the state of New South Wales.

Our supply chains

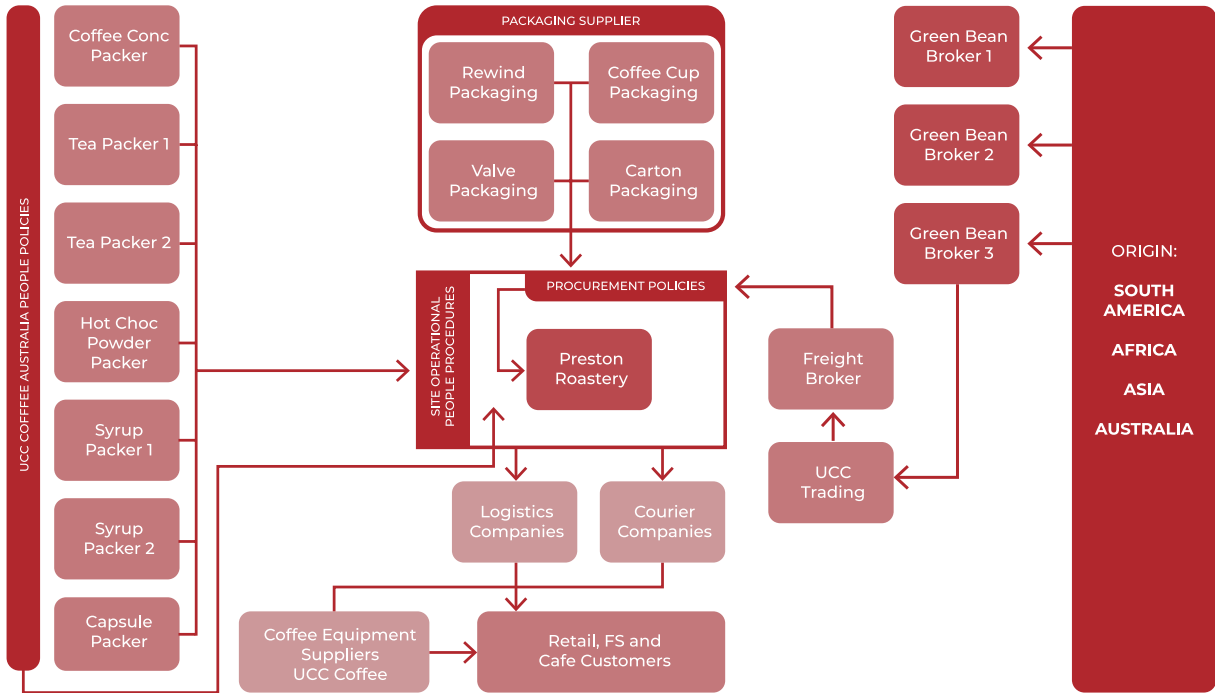
We operate in the coffee industry procuring and roasting green coffee beans for key accounts and café customers in both the food service and retail sectors. To support our coffee customers, we also sell and service coffee equipment. We operate across roasteries in Victoria and New South Wales along with secondary warehouse facilities in New South Wales, Queensland, and Perth.

Our operations include green coffee bean procurement, coffee roasting, packaging and branding, and supply chain logistics through to our customers supply chains. Our operations also include several contract packers used to offer a full portfolio of products to complement our roasted coffee proposition. In addition, we import, sell and service coffee machine equipment from Europe.

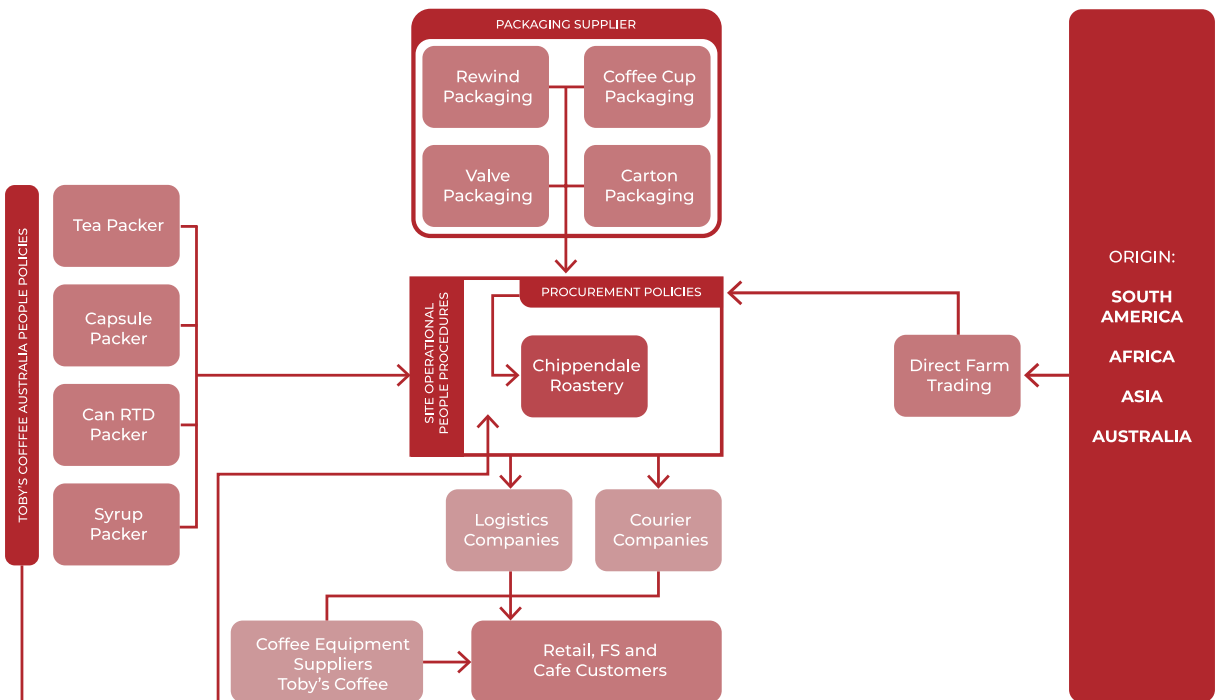
Our supply chain and procurement activities fall mainly into the following areas:

- Sourcing of green coffee beans from approximately 15 producing origins across Central and South America, Asia, Africa through a central procurement function that aligns with global UCC procurement.
- Purchasing of packing materials, and other factory related ingredients goods and services (including utilities) essential to manufacture and distribution of our product range.
- Procuring, distribution and servicing professional coffee machines and beverage equipment including the associated spare part and ancillary products such as machine cleaning products.

Company Structure and Supply Chain Overview - UCC



Company Structure and Supply Chain Overview - Toby's Estate



2. RISKS IN OUR SUPPLY CHAIN AND OPERATIONS

UCC Coffee and Toby's Estate respect the basic and fundamental human rights of all individuals and do not condone any form of modern slavery, human trafficking, or exploitation within their businesses and supply chains. We are committed to those rights as set out in the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights.

This commitment is expressed through a variety of policies, controls, and practices which are produced and implemented throughout the businesses. We also recognize 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 will lead to disengagement of the business relationship.

We see the current key risks in our supply chain and operations as being related to:

- The procurement of green coffee beans. These risks are decreasing due to the increase in the levels of certified green coffee beans we buy.
- The use of third-party labour hire staff used in our roasteries.

3. ACTIONS TAKEN TO MITIGATE RISK

The following actions were taken to address modern slavery risks during 2022:

Supply Chain:

1. We have increased our certified coffee blends to 96%. Working closely with customers and our procurement team we have transferred two key customers from non-certified to certified coffee.
2. We consolidated all our green coffee bean procurement to UCC Trading and began to transfer to a UCC global procurement process. This provides UCC ANZ with the ability to be part of the comprehensive supplier assessment and audit process for green coffee beans under UCC Trading such as:
 - a. Annual CSR supplier self-assessment for all green coffee bean suppliers. This approach ranks suppliers on an annual basis and is specifically designed for the coffee industry. Focus areas includes:
 - i. Human Rights
 - ii. Labour
 - iii. Environmental
 - iv. Anti-corruption

- b. Issuance of coffee specific expectations directed towards green coffee bean suppliers:
 - i. Responsible Procurement Principle
 - ii. Supplier Code of Conduct

We regard this bespoke approach to supplier approval and risk assessment as best in class for our industry.

- 3. We were certified to the latest Rainforest Alliance standard in our Preston Roastery and also our UCC Trading office was certified to the same standard.

Direct & Indirect Personnel:

Across our ANZ operations we employ (directly and indirectly) approximately 500 individuals. Since our last report we have completed the following regarding direct and indirect personnel:

- 1. We added a new requirement for third party labour hire organizations as a guide for contract agreements to ensure clear expectations were communicated regarding modern slavery risks which included:
 - a. Compliance for the right to work in Australia.
 - b. Prescreening and assessments to be formalized.
 - c. Meeting minimum labour award rates.
 - d. Specific clause relating to the Modern Slavery Act.
- 2. We reviewed and updated policies for: responsible sourcing, code of business ethics, code of conduct, privacy policy, disciplinary guidelines, respect at work policy, whistleblower policy.
- 3. We also implemented a formal training and acknowledgement process to ensure all policies were understood by all staff.
- 4. We formed a working group to focus on gender equality throughout the organisation that included gender pay gap assessments and focusing on increasing female leadership, including but not limited to Executive leadership representation.
- 5. We converted 36% of contract staff to permanent employees in our Preston roastery.

4. ASSESSING THE EFFECTIVENESS

Our main measure of effectiveness based on risk assessment is in the percentage of certified green coffee beans that are purchased; however, we consider several other areas as described below as key performance indicators:

The table below provides an overview of our key measures of effectiveness:

2022 continuous improvement goals	Progress Status	Progress Summary
<p>Maintain or increase the proportion of green coffee beans sourced from certified schemes, in association with customer and own brand needs</p>	<p>Achieved</p>	<p>During 2022 stewardship of certified green coffee bean programs and benefits with key customers secured agreement to move to certified from non-certified green coffee beans. This has resulted in our sourcing of certified green coffee beans to 96%</p>
<p>Continue to strengthen controls relating to management of third party labour hire organizations</p>	<p>Achieved</p>	<p>We converted 36% of our contractors to full time in Preston & launched a third party labour hire requirements document to support our contracts with these organizations</p>
<p>Strengthen procurement practices with suppliers</p>	<p>Achieved</p>	<p>We moved to an improved procurement governance process that provides specific coffee risk assessments</p>

5. ONGOING COMMITMENTS

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. Achieve 100% certification of green coffee beans by 2025.
2. Further leverage our UCC Trading controls via further integration and a focus on origin audits.
3. Continue to enhance controls associated with temporary labour and convert temporary to permanent employees where possible.

6. PROCESS OF CONSULTATION

In preparing this MSS, we have actively engaged and consulted with each of the entities owned or controlled, with a particular focus on:

- Procurement and green coffee bean supply chain managers
- Broader coffee business personnel
- People & culture and legal departments
- Third party labour hire providers
- Logistics partners
- Sustainability partners
- Senior managers within the Group

We continue to maintain a Modern Slavery working committee and all authorised Directors have reviewed this statement prior to its publication.

7. STATEMENT AS SIGNED

UCC Coffee and Toby's Estate make this statement in accordance with section 13 of the Act. This Modern Slavery Statement (MSS) was considered and approved by resolution of the Governing Board for UCC Coffee and Toby's Estate on the date below, for the reporting year 1 January - 31 December 2022 and signed by:



Dean Divehall

Chairman - UCC Coffee Australia

Dated: 06/09/2023

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