



MODERN SLAVERY STATEMENT

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

FOR THE FULL YEAR 2021

I am pleased to publish our second 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 initial statement. We have made substantial progress since our first statement, and have in the same period also transitioned to new ownership under UCC Coffee International. Like many other businesses, our business has continued to be challenged through 2021 by the effects of the global COVID-19 pandemic. We are aware that the ongoing nature of the pandemic may have increased vulnerabilities to exploitation, and through this period, UCC Coffee and Toby's Estate have reinforced our modern slavery commitments across our business and supply partners.

We have implemented all planned improvements in controls and have increased due diligence in relation to new green coffee bean procurement resulting in a rise of certified levels to 90% of purchases as at end September 2022. We continue to challenge ourselves to increase certification levels and to work actively with our 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 Australia and Toby's Estate on the 11 October 2022 for the 12 month period post publication of our initial statement.

Dean Divehall, Chairman

1. OUR ORGANISATION AND SUPPLY CHAINS

Our organisation

On 1st April Suntory Coffee Australia was sold via transfer of 100% of shares to UCC ANZ Management Pty Limited (UCC ANZ) and subsequently renamed UCC Coffee Australia. UCC ANZ is a subsidiary of UCC Holdings Co., Ltd (UCC). UCC ANZ has 100% ownership of both UCC Coffee Australia and in turn Toby's Estate.

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 the organisations' ability to reduce risks relating to modern slavery and share best practices specifically to the coffee industry.

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

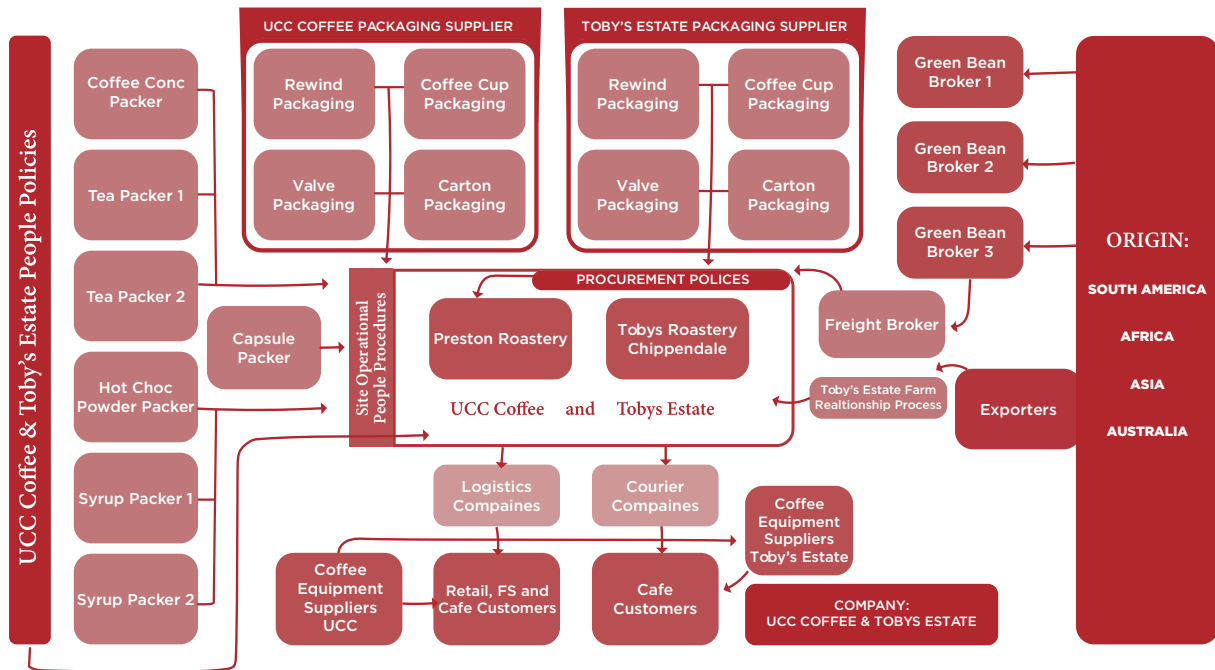
We operate in the coffee industry procuring and roasting coffee beans for key accounts and café customers in both the food service and retail sectors. To support our coffee customers, we also sell and service coffee equipment. We operate across roasteries in Victoria and New South Wales along with secondary 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 raw 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 (beginning 1st April 2022).
- Purchasing of packing materials, and other factory related ingredients goods and services (including utilities) essential to manufacturer 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



2. OUR COMMITMENTS

UCC Coffee and Toby's Estate respect the basic and fundamental human rights of all individuals and does not condone any form of modern slavery, human trafficking, or exploitation within its 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 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 will lead to disengagement of the business relationship.

3. OUR POLICIES AND RISK CONTROLS

UCC Coffee and Toby's Estate operate under a range of internal and external policies and control measures that help mitigate and prevent risks of modern slavery and human trafficking, taking practical steps to ensure we do not knowingly facilitate modern slavery or human rights abuses.

Internal policies regarding ethical sourcing and employment practices include:

- Code of Business Ethics Policy
- Anti-corruption Policy
- Whistle-blower Policy

- Privacy Policy
- Responsible Sourcing Policy

Alongside these internal policies we also subscribe to SEDEX (SMETA) and Supplier Workplace Accountability (SWA) programs by site.

Through 2021, 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 – Employment Practices

Our People and Culture (P&C) policies, controls and measures outlined above and in our 2020 statement in order to continue to support the rights and ethical treatment of both current and new employees. Recruitment and onboarding of new employees includes right to work checks while employee support and protection is provided through adherence to key policies and jurisdictional legislative/regulatory standards. Such standards are also required and assessed as part of ongoing customer compliance including ethical audits, employee interviews and review of key policies and processes.

As part of our commitment to ethical treatment of employees we have taken strategic action to move, where possible, from third party labour hire to direct permanent employees - ensuring that we can ensure direct adherence to the various policies and protocols discussed above.

Overall, our assessment of the risk of modern slavery in our employment practices is very low.

External controls – Supply Chain Practices

Our Supply Chain, Procurement and Technical teams are responsible for ensuring our supplier facing policies and practices are communicated and implemented effectively, meeting legislative requirements, ethical commitments, 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 UCC Coffee procurement team uses controls such as recognised third party ethical and responsible sourcing standards such as Rainforest Alliance and Fairtrade. In addition, it uses the SEDEX platform to manage suppliers and assess risk via the audits and category risk assessment tool available within SEDEX.

Whilst the COVID-19 pandemic limited travel and with it our ability to visit our origin partners we have since reinstated Origin visits and assessments across the Toby's Estate supply chain in line with border openings.

Our Melbourne SQF accredited roastery operates under strict procedures for supplier approval and supplier risk assessment in conjunction with our Procurement team and brokers.

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 Coffee and Toby's Estate supplier risk assessment process, modern slavery and ethical trading policies are now requested from suppliers.

As the distributor of leading professional coffee and beverage equipment brands, UCC Coffee and Toby's Estate have long-standing and collaborative relationships with original equipment manufacturers (OEMs). These OEMs are mainly located in Switzerland, Italy and Ireland 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 APPROACHES

In our organisation

The P&C 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 P&C systems. Regular site visits by P&C 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 the P&C Department, such as the onsite management agency worker interviews, and during 2021, no issues were identified. In addition, as part of transition to the new Rainforest Alliance Standard, the P&C team has formed a Gender Equality committee to develop programs to ensure gender equality across the business to align with the same programs expected for farmers at origin.

As a member of SEDEX, the roastery of UCC Coffee Australia (Preston) completes the annual self-assessment questionnaires to ensure due diligence to our ethical, health and safety, and employment practices and the site undertakes regular SMETA audits. A continuous improvement approach is taken to ensure any non-conformances are rectified and closed in a timely manner.

In our supply chains

In 2021, our green coffee bean procurement team centre sourced the majority of our green coffee bean requirements from our six (6) approved green coffee bean traders and suppliers. We also put agreements in place to increase the proportion of green coffee beans, sourced from voluntary sustainable standards, to over 90% (starting October 2022), 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. Through 2021 Toby's Estate began to restart origin visits to ensure the direct farmer relation was established after COVID-19 pandemic disruptions. To further our commitment to responsible and ethical business practices we continued to use SEDEX with all our suppliers and 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 2021, 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. All customer facing account teams were briefed on the 2020 MSS, and we engaged proactively and responded to queries for dozens of customers relating to the 2020 MSS, in addition to assisting key customers develop their own modern slavery statement.

The UCC Coffee and Toby’s Estate businesses are committed to supporting a sustainable coffee sector and we are proud to work alongside our suppliers and sector organisations to help mitigate modern slavery risks as well as other inherent social and environmental issues.

Internally, for the operation-based teams’ awareness was raised during the two key customer ethical programs where linkages were drawn with customer program requirements to the new Modern Slavery Act and statement, and our commitment to working collaboratively across our supply chain to identify and mitigate risk where possible.

6. MEASURING EFFECTIVENESS & ONGOING COMMITMENTS

The table below provides a brief overview of our progress towards the forward-looking goals outlined 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	During 2021 stewardship of certified bean programs and benefits with a key customer secured agreement to move to certified from non-certified beans. This will bring our sourcing of certified beans to over 90% for UCC Coffee (starting October 2022) from over 70% as reported in our previous statement
Review self-managed broker programs	Achieved	We reviewed two self-managed broker origins (India and Brazil) and in conjunction with the above goals have now secured agreement to move these to certified programs
Using the SEDEX program formally to manage supplier risk as part of supplier agreements	Achieved	In 2021 we maintained SEDEX supplier relationships with suppliers for 70% of our spend giving us access to risk assessment via the SEDEX risk assessment tool

To continuously improve our commitment to managing and mitigating the risk of slavery and human trafficking in our business 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. Extend reach of supplier risk management through continuous implementation of the SEDEX platform to strengthen supply chain risk assessments.
3. Continue to enhance controls associated with temporary labour and convert temporary to permanent employees where possible.
4. Fully execute the new Rainforest Alliance standard across the business with a particular focus on the Gender Equality program.
5. Increase focus on Modern Slavery training and awareness including – Launch the e-learning program for Line Managers/Business Leaders by leveraging UCC UK best practice on this initiative.

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 2021 and signed by:



Dean Divehall

Chairman - UCC Coffee Australia

Dated: 11/10/2022