

Modern Slavery Act 2022 Statement

This statement sets out the steps that we, Jacobs Douwe Egberts, have taken to mitigate the risk of slavery and human trafficking occurring within any part of our business or our supply chain during the financial year ending 31 December 2021.

This Modern Slavery Act statement is made by Jacobs Douwe Egberts Ops GB Ltd and Jacobs Douwe Egberts GB Ltd (together "Jacob Douwe Egberts" or "JDE").

Overarching statement

At JDE, we are driven by our passion for coffee and tea, respect for the environment, and care for people. We unleash the possibilities of coffee & tea to create a better future. We collaborate with members of the industry to improve the livelihoods of every community in which we operate from farmers and suppliers to our talented employees and the local communities in which our consumers enjoy millions of cups of our coffee & tea every day.

Unfortunately, slavery continues to occur in today's modern world and can often be hidden within the increasingly complex global supply chains. The term 'modern slavery' encompasses several practices and includes slavery, debt bondage, forced labour, child labour, and slavery-like practices and refers to situations of exploitation that a person cannot refuse or leave, because of threats, violence, coercion, abuse of power or deception. Criminal activity can also target vulnerable workers, threatening deportation, retaining passports, and withholding wages.

We are totally opposed to such abuses in our direct operations, our indirect operations, and our supply chain as a whole and are committed to the continual improvement of our policies, practices and programmes with respect to effectively combatting modern slavery.

We abide by the International Labour Organisation conventions and require all our suppliers to adhere to a comprehensive Supplier Code of Conduct. Further to this, in 2018 we launched **JDE Common Grounds**, a coffee supplier engagement programme, established in partnership with the Rainforest Alliance. The programme is designed to continuously improve the social, economic, and environmental conditions in origins where coffee is grown. In 2022, Common Grounds has become JDE Peet's overarching sustainability program, under which sits our responsible sourcing pillar.

Our responsible sourcing methodology has 4 steps:

- Creating an open dialogue with suppliers.
- Comparing supplier self-assessments with Rainforest Alliance origin issue assessments and independent third-party field assessments.
- Partnering with suppliers, non-governmental organisations (NGOs) and governments to implement projects to address the issues.
- Finally, continuously monitoring, evaluating, and learning from our progress.

One of the focus areas within our responsible sourcing pillar is "Equality of People" in which we address priority issues across 3 themes: Working Conditions, Gender and Youth Inclusivity and Child Labour. Through having awareness and practices that promote equal opportunities and improve working conditions, we can collectively create better conditions.

At JDE Peet's, we are committed to working with governments, NGOs, suppliers, farmer associations/groups and the entire coffee and tea supply chains to improve the working conditions for coffee and tea farmers throughout the world. We are also jointly addressing social and environmental challenges through impactful engagement with our partners. It is important to remember that the Common Grounds programme does not mean that all issues in the coffee supply chain are solved at once. The methodology is designed to identify issues that may be overlooked in more traditional sourcing models, and to jointly tackle them in a structured and collaborative way.

Our operations and supply chains

JDE Peet's (JDE's ultimate parent company) is a global coffee and tea business serving consumers in more than 100 markets. In 2021, we employed on more than 19,000 associates across more than 43 locations.

JDE Peet's purchases coffee and tea from many different suppliers including international coffee traders, local exporters, and farmer associations.

In 2022 JDE Peet's announced an acceleration to its previous responsible sourcing targets. JDE Peet's is now committed to working towards the following goals through the Common Grounds programme:

- Working towards 100% responsibly sourced green coffee and tea by 2025.
- Working towards 100% responsibly sourced palm oil by 2022 (estimate).
- Directly reaching over 1,000,000 smallholder coffee and tea farmers by 2025.
- Investing €150 million towards 100% responsibly sourced coffee by 2025.

In 2021 the Common Grounds programme ensured we:

- Supported global partnerships and origin programmes to address the most challenging coffee and tea sustainability issues.
- Purchased certified and verified coffee and tea with internationally recognised standards such as: UTZ, Rainforest Alliance, Fairtrade, 4C and the Ethical Tea Programme.
- Partnered directly with our suppliers to recognise issues where they may exist and commit to addressing them (such as working conditions and the protection of natural resources) via comprehensive Supplier Codes of Conduct.

Since 2018, the Rainforest Alliance has been supporting JDE in the design and implementation of Common Grounds and its predecessor, the Supplier Initiative. As well as designing the tools and approaches, they have supported the monitoring and evaluation of the implementation.

Through this process of continuous improvement, we ask our direct suppliers to respond to a self-assessment, inviting them to share the challenges they are aware of in their supply chain as well as recommend possible action plans to address these challenges. To complete our due diligence and risk mapping process we compare supplier risk assessments with independent Origin Issue Assessments conducted by the Rainforest Alliance and where needed carry out third party targeted assessments on the ground for a final independent opinion on the issues raised.

This triangulation exercise helps JDE to define priority areas to address in the form of collaborative continuous improvement projects. We partner with farmers, suppliers, NGOs and Governments to address priority challenges through corrective measures and remediation programmes. This assessment process is repeated every two years, allowing us to incorporate learnings for future interventions.

A previous example of this process through the Common Grounds programme, is the work carried out in November 2020 with The Coffee Alliance, which provided essential relief for smallholder coffee farmers and their families following Hurricanes Eta and Iota in Honduras. The Coffee Alliance, which JDE helps fund, brings together CoHonducade, Fundacion CoHonducade and USAID to promote sustainable coffee production, protect natural resources, improve socio-economic development, and foster climate change resilience. The essential relief provided by The Coffee Alliance included support with clothing, food, biosafety kits and personal care kits in the most affected areas (Lima, Chamelecon, San Pedro). The programme also carried out boat rescue missions and provided basic medical assistance, reducing the incidence of diseases.

Relevant policies

In keeping with our commitment to act with integrity in all our business dealings, many of our existing policies address the risks of slavery or human trafficking in any part of our business or our supply chains.

Our relevant policies include:

- Associate Code of Conduct
- JDE Supplier Code of Conduct
- Speak Up Policy
- Responsible Coffee Sourcing Principles

We require all our suppliers to adhere to these policies, or at a minimum their own comprehensive, analogous policies.

In 2021, we refined our JDE Supplier Code of Conduct with a clear commitment to comply with the OECD Guidelines for Multinational Enterprises, in addition to our commitment to the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. We reached out to more than 7,000 suppliers to highlight the importance of responsible sourcing practices and are applying various verification methods (from supplier self-assessments to quality conversations integrated into our commercial reviews

with suppliers) and recently became a member of Sedex, a platform that helps companies to manage and improve working conditions along global supply chains

In our Supplier Code of Conduct, which is available in 17 different languages, relevant sections cover: 'Health, Safety and Respect', 'Fair, Ethical Relationships with Others', 'Conflict of Interest Avoidance', 'No Corrupt Practices' and 'Good Corporate Citizenship'.

Our Codes of Conduct set out the behaviours we expect from associates and suppliers in their dealings with employees, colleagues, customers, consumers, suppliers, agents, intermediaries, advisers, governments and competitors. All associates and suppliers are expected to act with integrity and in accordance with the standards of behaviour set out in the Codes of Conduct.

We provide guidance and training to support associate understanding of expected behaviour, particularly in respect of their business decisions and the Code of Conduct. We encourage associates to raise concerns and we have a Speak Up Policy allowing associates, suppliers and third parties to report anonymously, or to seek advice or information on any actual or perceived illegal or non-compliant acts.

Freedom of association and the right to collective bargaining is a core labour standard that we respect as guided by the International Labour Organization (ILO). We apply our employment practices in line with, and in certain aspects, exceeding the requirements of local legislation.

Risk assessment and due diligence

The risk of slavery and human trafficking within our own organisation is mitigated because of strict policies and procedures as well as the oversight built into our business operations and the knowledge and skills of our staff. We assess risk based on several factors including geographical risk indices pertaining to human rights, the level of supply chain control, external governance factors and levels of political stability.

Our Supplier Code of Conduct enables us to monitor the social, environmental, and economic standards in our coffee bean and tea leaf supply chain, from farms through to the bean and leaf processing facilities that produce the finished products ready for shipping.

To influence further throughout the wider supply chain, we encourage our suppliers to evaluate their suppliers and sub-contractors against our requirements. Our sourcing decisions including the choice of suppliers includes a consideration of the sustainability practices and performance of that supplier. We believe that dialogue and engagement with suppliers is a better way to improve conditions at origin than to terminate, which means we then have no influence to drive improvement.

Training and awareness

General awareness training is available throughout the organisation relating to the Codes of Conduct. We further provide guidance and training to support employee understanding of expected behaviour, particularly in respect of their business decisions.

Through this training we ensure that associates can use Common Grounds to build upon JDE's rich legacy of public-private partnerships, supporting smallholder farmers for over 20 years in more than 15 countries working towards eradicating modern slavery in the supply chain.

Our Progress in 2021 and the future

Despite the challenging environment in 2021, we were able to increase the share of coffee, tea and palm oil that had a second or third-party sustainability certification or verification. In total, 30% of our coffee carried a sustainability certification or verification in 2021, as did 32% of our tea and 72% of our palm-based oils. We also completed an independent baseline assessment of tea production in Turkey, for tea sold under JDE Peet's Ofçay brand, which will act as the foundation to achieve 100% responsible sourcing by 2025 there. JDE Peet's grew the number of smallholder farmers reached since 2015 to 470,000 across 50+ active projects in 18 countries. In addition, a third round of supplier self-assessments was initiated, expanding the reach to 21 countries from which green coffee is sourced and achieving a 98% response rate. As JDE Peet's continue to strengthen its supplier engagement, they have developed long-term strategic partnerships with several key suppliers of green coffee.

In 2021 JDE Peet's became the first company to source coffee from Vietnam using new supply chain sustainability solution 'SourceUp'. SourceUp helps local stakeholders in producing regions to come together to work on sustainability, a collaborative effort called a 'Compact', and provides an online platform that links local compacts in agri-commodity sourcing areas with international markets. Businesses who source agricultural commodities can find Compacts that are aligned with their objectives and engage with them through sourcing commitments or by investing in funding, time, or expertise.

SourceUp was developed by IDH – the Sustainable Trade Initiative and partners including JDE, to meet the need for a sustainable landscape approach of sourcing of commodities while addressing priority social, environmental and economic issues at the farmer and jurisdictional level. SourceUp helps deliver on sustainability commitments through credible collaboration, allows monitoring of the progress of Compacts and Projects and supports due diligence by allowing committed buyers of commodities like coffee, palm oil, soy and timber access to critical data and insights through SourceUp to inform their sourcing decisions.

In 2021, Peet's Coffee, the U.S. subsidiary of JDE Peet's, reached 100% responsibly sourced coffee through its partnership with Enveritas, a non-government organisation that has developed a new, data-driven approach to sustainability assurance. Enveritas offers a different way of addressing sustainability - an approach where producers access free verification of their practices, while encouraging a deeper understanding and commitment to solving the most challenging sustainability issues. To date, Enveritas has verified more than 200,000 coffee farms around the world against a complete set of sustainability standards.

In 2022 JDE Peet's announced increased investment and accelerated sourcing targets, increasing its responsibly sourced coffee from 30% to 80% by the end of 2022, which will be

reached through leveraging the partnership with Enveritas across its broader coffee supply chain, allowing it to reach its ambition of 100% responsibly sourced coffee by 2025.

Effectiveness and performance review

We do not have key performance indicators specifically in relation to slavery or human trafficking as any instance would be expected to be a non-compliance and breach of employment laws, our direct employment practices, Code of Conduct and/or supplier standards.

However, the business practices that relate to the mitigation of slavery or human trafficking risk do have internal performance measures.

We monitor and review:

- Number of associates who have completed compliance trainings.
- Associate engagement scores.
- Issues raised through the Speak Up Policy.

We remain totally opposed to slavery and human trafficking abuses in our direct operations, our indirect operations, and our supply chain, and remain committed to continuously improving our policies, practices and programmes in an effort to effectively combatting it.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes JDE's slavery and human trafficking statement for the financial year ending 2021.



Gerassimos Sarafoglou
Director