

Modern Slavery Act 2019 Statement

This statement sets out the steps that we, JACOBS DOUWE EGBERTS (JDE), 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 2019.

This Modern Slavery Act statement was approved by the Board of Directors of Jacobs Douwe Egberts GB Ltd on behalf of the Group.

Overarching statement

Slavery and human trafficking are abuses of a person's freedoms and rights. We are totally opposed to such abuses in our direct operations, our indirect operations and our supply chain.

Sadly, we recognise that child labour issues do exist in some coffee growing countries, and we consider that this is the area of greatest risk of slavery and human trafficking within this industry, due to longstanding conditions in growing regions of both coffee and tea. These issues are complex, and will take multiple years to solve, requiring collective action from all members of the industry.

We abide by International Labour Organisation conventions and require all our suppliers to adhere to our Supplier Code of Conduct. Further to this, in 2018 we launched JDE Common Grounds which is 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.

The Common Grounds 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 in **JDE's Common Grounds** is "Equality of People" in which we address priority issues across 3 themes: Working Conditions, Gender and Youth and Child Labour. Through having awareness and practices that promote equal opportunities and improve working conditions, we can collectively create better conditions.

At JDE, we are committed to working with governments, non-governmental organizations (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 Business

JDE is a global coffee and tea business serving consumers in more than 100 markets. In 2019, we employed on average 16000 associates across more than 44 locations.

Our supply chains

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

Through the Common Grounds programme, JDE has three commitments with respect to coffee & tea sourcing:

- Working towards 100% responsibly sourced coffee & tea by 2025;
- Directly reaching over 500.000 smallholder coffee and tea farmers by 2025;
- Investing €10 million over 5 years to improve smallholder farmers' access to finance through the IDH FarmFit Fund.

The programme works by:

- Supporting global partnerships and origin programmes to address the most challenging coffee and tea sustainability issues;
- Purchasing certified and verified coffee and tea with internationally recognized standards such as: UTZ, Rainforest Alliance, Fairtrade, 4C and the Ethical Tea Programme;
- Partnering directly with our suppliers to recognise issues where they may exist and are committed to then address them, including working conditions and the protection of natural resources. JDE suppliers are required to support compliance with our Supplier Code of Conduct which prohibits illegal labour practices.

Since 2018, Rainforest Alliance has been supporting JDE in the design and implementation of **Common Grounds**. 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. We then compare supplier risk assessments with respective Origin Issue Assessments carried out by Rainforest Alliance and carry out third party targeted assessments at origin on the priority issues raised.

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

One such example of a continuous improvement project is in Masaka & Rwenzori in Uganda, where in November 2019, we started partnering with Hivos – Stop Child Labour, Kyagalani Coffee Ltd (supplier) and the Rainforest Alliance with co-funding from the Dutch Government. This project will run from 2019 – 2022, and the process includes:

- A baseline due diligence assessment in coffee communities in Masaka and Rwenzori where we source green coffee;
- Work at the community level in two regions, in the coffee regions of Greater Masaka and Rwenzori;
- An approach employed to tackle child labour and its root causes that is focused on involving all stakeholders within the area—including coffee exporter staff, teachers, parents, children, teacher unions, community groups, local authorities and employers.

The overall objective of the project is to address root causes related to education, poverty and harmful traditional practices by awareness creation on these themes, showcasing the value of education and reducing poverty by improving income from coffee. Combining social, educational and economic aspects in one project will ensure that we create an enabling environment for the long-term eradication of child labour in the area.

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:

- Code of Conduct
- Supplier Code of Conduct
- Speak Up Policy

In our Supplier Code of Conduct, 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 noncompliant 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 as a result 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 Common Grounds responsible sourcing programme enables us to monitor the social, environmental and economic principles 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. We believe that dialogue and engagement with suppliers is a better way to improve conditions at origin.

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.

Effectiveness and performance review

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 as a whole, and remain committed to continuously improving our policies, practices and programmes with respect to effectively combatting it.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 2019.

A handwritten signature in black ink, appearing to read 'GS', is positioned above the name and title of the signatory.

Gerassimos Sarafoglou
Director