



Fine Foods International (Manufacturing) Ltd / European Coffee
Corporation Ltd
Modern Slavery and Human Trafficking Statement 2020

Fine Foods International (Manufacturing) Limited
Chiltern Park, Dunstable, Beds LU5 4LT
T: +44 (0) 1582 478855 F: 44 (0) 1582 478866 E: enquiries@ffi-uk.com www.ffi-uk.com

Introduction

This is our third modern slavery statement and is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Fine Foods International Manufacturing Ltd (FFIM) has taken and is continuing to take to try and prevent modern slavery or human trafficking taking place within our business or supply chain. This statement also covers the requirement for European Coffee Company (ECC) which is a non-trading holding company.

Organisation Structure

FFIM is part of the Cafea Group which is a privately-owned group of companies based in Hamburg, Germany.

There are eight manufacturing sites within the group, the main focus being instant coffee, but other products such as liquid coffee, cappuccinos, hot chocolates, baby foods formula, creamers and coffee substitutes also feature. The packaging formats are varied and include; big bags, 25kg bag in box, tubs, tins, glass jars, individual sachets and pouches.

FFIM is based in Dunstable where it processes and packs instant coffee. The manufacturing site was purpose built in 1995 and carries out blending, agglomeration (granule-forming) and packing of instant coffees. The site has one agglomerator and four packing lines. The UK operation employs 61 staff in total, with 27 in production, operating a two-shift system, 5 days a week. Finished products are packed either into glass jars, composite tubs or flexible pouches. The company also packs instant coffee in 25kg boxes for other food manufacturers.

The company also sells products produced by other Cafea group companies and sourced from 3rd party suppliers to retail supermarkets, wholesale outlets and food services providers in the U.K. and Europe. These include instant coffees and cappuccinos, hot chocolates, drinking chocolates and liquid coffees.

Supply chains

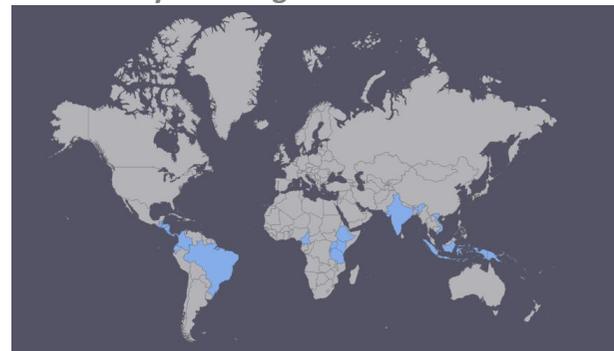
Coffee is our main raw material commodity followed by sugar and cocoa. We have identified greater risks among suppliers of commodities in the countries of origin and have therefore focused on these supply chains. Our main primary packaging*¹ is glass jars and plastic caps, but we also use big bags, 25kg bag in box, tubs, tins and pouches with supply coming mainly from the UK. We are directly connected to these suppliers, which means we have greater connection to the site and possibly more influence over labour issues. For finished pre-packed goods that we buy we rely on the packing sites to manage their suppliers for packaging and non-commodity ingredients.

Scope of the Supply Chain Mapping

	Component	Packing Site	Origin	In Scope 2019	In Scope 2020	Planned Scope 2021
	Coffee Raw Material	FFIM	Non-EU	Yes		
	Primary Packaging	FFIM	Mainly UK	No	Yes	
	Pre-Packed - Commodities	Non-FFIM	Non-EU	Yes		
	Pre-Packed - Packaging	Non-FFIM	Mainly EU	No plans		
	Pre-Packed - Non-commodity ingredients	Non-FFIM	Mainly EU	No plans		
	Secondary and Tertiary Packaging	FFIM	Mainly UK	No	Yes	

Coffee, sugar cane and cocoa are grown anywhere between the two tropics and sugar beet in more temperate climates, therefore our supply chain map covers Africa, Central and South America, Asia, Caribbean, Europe and Oceania.

Commodity Sourcing Countries



Coffee



Cocoa



Sugar

We have 38 direct manufacturing site suppliers from 12 countries, who in turn take supply from many other countries. At present our products contain ingredients whose origin can be traced back to one of 30 countries*².

*¹ BRC Global Food Standard Definition - The packaging that constitutes the unit of sale to the consumer or customer (e.g. bottle, closure and label of a retail pack or a raw material bulk container).

*² E.U has been counted as one country.

Relevant policies

The Cafea Group believes “Sustainability means doing business with decency and intelligence”. We believe sustainability ought to be second nature in the way we think and act.

»Nachhaltigkeit sollte in unserem täglichen Denken und Handeln eine Selbstverständlichkeit sein.«
 »Sustainability ought to be our second nature in the way we think and act.«

NINA ROTHROS - CAFEA GRUPPE / CAFEA GROUP

As a private label manufacturer, we actively offer our customers coffee from sustainable cultivation. We are UTZ, Rain Forest Alliance and Fairtrade certified. As part of the group’s Fairtrade and Organic activities, we have been helping coffee plantations worldwide for more than twenty years to switch over to organic cultivation combined with Fairtrade partnerships and long-term buying relationships.

FFIM Sustainability Plan 2020

At the start of 2020 we established a Sustainability Plan, an ongoing project caring for the planet and people. One of the main areas of focus was ‘Drive Ethical Sourcing’. We laid out our position based on the 2019 figures (below) and set targets for the end of 2020 (see Key Performance Indicators).

Drive ethical sourcing



FFIM has always set high standards for the way it conducts its business. Our operations are conducted with integrity, honesty, fairness and transparency and we have many policies and practices within the business to support this.

Ethical Policy

This policy details the main elements that reinforce our ethical approach such as; Cafea Group Ethical and Human Rights Statement, SEDEX, Modern Slavery Act, Stronger Together Initiative, Anti-bribery Policy and our Supplier Code of Conduct.

Code of Conduct

We operate a zero-tolerance approach to slavery and human trafficking and would expect our suppliers to comply with this standard. We have created a Code of Conduct that requires our suppliers agreement, which includes an obligation to register with SEDEX and to comply with the ETI base code. There is also a requirement to gain awareness of the Modern Slavery Act and supply chain issues with the aim to ensure that there is no modern slavery or human trafficking within our business, our supplier’s businesses or our supply chains.

SEDEX

FFIM has been committed to complying with the ETI base code since its launch, and have been members of SEDEX since 2005. We had our first ethical audit in 2004 and continue to undergo SMETA audits routinely, as do many of the other Cafea Group companies.

Supplier Approval and Management

When a potential new supplier is identified, they are sent our Code of Conduct and have to complete a Self-Assessment Questionnaire which asks for their SEDEX Company / Site code. It is a condition of supply that they register to SEDEX and link to FFIM. The current supplier based is also being contacted and encouraged to sign up to SEDEX as we move through the packaging tiers.

Fine Foods International (Manufacturing) Limited
 Chiltern Park, Dunstable, Beds LU5 4LT

T: +44 (0) 1582 478855 F: 44 (0) 1582 478866 E: enquiries@ffi-uk.com www.ffi-uk.com

Due Diligence Processes

All suppliers of raw material and primary packaging to FFIM have to go through a supplier approval process, which includes a questionnaire, certification and audit status.

FFIM supplier audits have been conducted in South America on key suppliers.

The primary packaging suppliers are audited on a risk-assessed basis by FFIM in person ^{*3}, this is primarily a food safety and quality audit but also covers ethical aspects such as policy details and evidence of any discrimination or restriction of personal rights.

Traceability exercises are routinely carried out with packaging suppliers and product suppliers to trace green beans back to the country of origin so that we have full visibility of the supply chain.

Approximately one quarter of our products are sold in compliance with Fairtrade or RFA standards, forced labour is prohibited in the Fairtrade Standard and the RFA Certification programme published this year has a “assess and address” approach to tackling human rights issues such as forced labour, which will not be tolerated on certified farms or in companies.

We subscribe to the principles of Stronger Together, a multi-stakeholder initiative aiming to reduce modern slavery, particularly hidden forced labour, labour trafficking and other third-party exploitation of workers within the supply chain.

FFIM are members of the British Coffee Association, an industry run body that works to keep members informed of many different topics relating to coffee. FFIM actively participates in the Association’s Sustainability Sub-group, covering topics such as sustainability, transparency, modern slavery and human rights.

We also subscribe to several industry newsletters and attend customer lead sessions covering such topics as Stronger Together and the Modern Slavery Act.

^{*3} when permitted – (COVID restrictions on some sites for 2020)

Risk assessment and management

Our supply chain is large and complex. We know that slavery, servitude, forced labour and human trafficking (Modern Slavery) is a global issue, existing in every region in the world and in every type of economy. No sector or industry can be considered immune or untainted. We all have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. To help us achieve this, we are targeting our actions where they can have the most impact by prioritising our risks, using RADAR from SEDEX.

RADAR, SEDEX risk assessment tool

Radar enables you to conduct a risk assessment of your business and supply chain, assessing risks by country and sector, and also by site.

The tool contains risk data based on independent and reputable sources that assess risks in the four SMETA pillars and 14 risk topics. Radar also includes site data that is based on information uploaded by suppliers, in their profile and Self-Assessment Questionnaire (SAQ), and from third-party audit reports. There are three tools:

Radar tool	Risk assessment stage	Informs next steps
Pre-screen	 	 
Risk assessment	  	 
Site assessment		 

RADAR Pre-Screen: Commodity Risk Assessment



Explores risk associated with commodities and their country of origin. Shows Top ten exporting countries by values and identifies if any of these are at risk of having Forced Labour, it also shows any additional countries that are at risk of Forced Labour for that Commodity.

Coffee

Outcome: No identified risk of forced labour in our supply chain.

Sugar

Outcome: No identified risk of forced labour in our supply chain

Cocoa

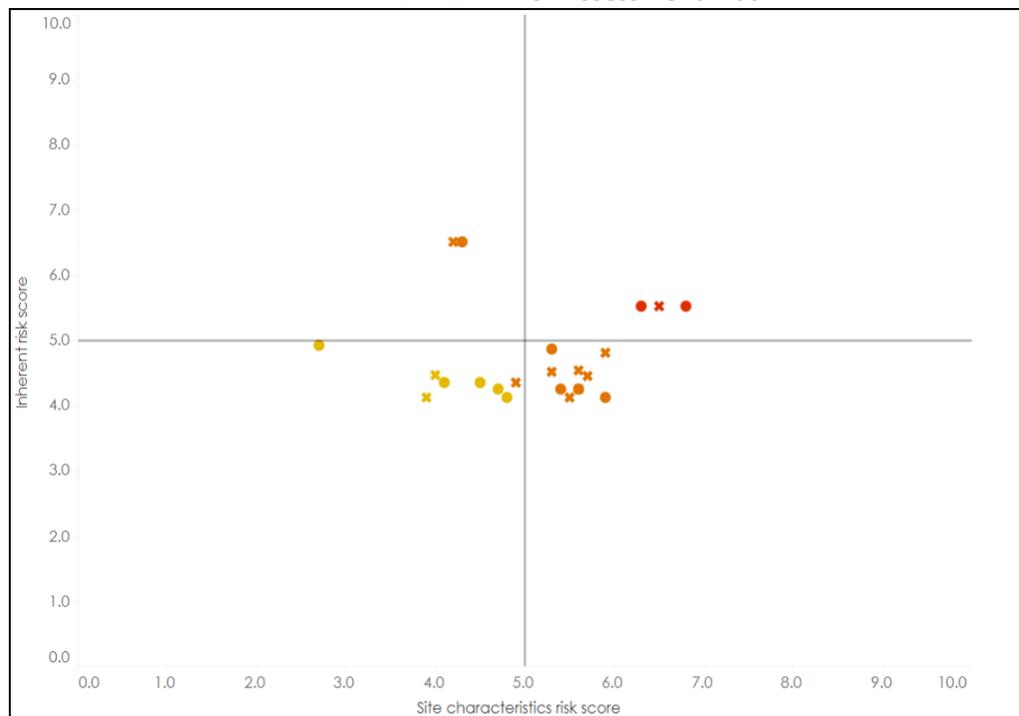
Outcome: Nigeria and Cote d'Ivoire show risk of forced labour and are in our supply chain, however the only cocoa we buy from these countries is Fairtrade certified and forced labour is prohibited in the Fairtrade Standard.

RADAR Risk Assessment: Matrix



The Risk Assessment Matrix – analyse your supply chain risks by comparing the inherent risk in which the supplier operates (e.g the country and sector) with the site risk (the specific characteristics of a supplier).

FFIML RADAR Risk Assessment Matrix

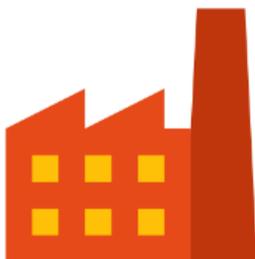


How to prioritise risk using the Risk Assessment Matrix



The RADAR risk assessment matrix shows the risk associated with each supplier. Some sites are lower risk than others, but operate in a high-risk environment; some sites are higher risk than others, but operate in a low-risk environment. It is considered best to put supplier risk first: We know that bad labour practices can occur even in countries where standards are good, and in a country where there are poor labour standards, a good supplier can be effective at managing risks. We are also more likely to have influence over a supplying site than a country or sector. Our matrix shows that three of our suppliers currently sit in the Critical Priority area, with high inherent and high site risk, we focused on these sites using the Site Assessment Overview.

RADAR Site assessment: Site Overview



The Site Assessment - analyse and understand the complexity of risk associated with a single site.

Whilst we haven't identified evidence of modern slavery, we are concerned that we have suppliers in the critical priority sector for labour standards. We cannot influence the inherent risk for the country on our own, but we can work with these suppliers to improve their site labour standards. The aim will be to reduce the risk score so that they move into the medium priority area, we will report on our progress in the next statement.

As the SAQ and SMETA audits focus on many areas to give the overall RADAR risk matrix position, we used the site assessment page for each of the three suppliers in the critical priority sector to see the scores, both inherent (Forced labour) and site based (Labour Standards).

These scores were then plotted onto the Risk Assessment Matrix:

- One of the sites inherent risk reduced enough to move into the high priority section, meaning that the inherent risk in that country is not related to forced labour.
- Two sites moved left giving a lower 'Site characteristic risk score', but remained in the critical area due mainly to the inherent forced labour risks associated with their location.

These three sites were audited during 2010 by FFIM, while this was predominately a technical audit, many ethical and social elements were observed and there was no indication of forced labour at that time.

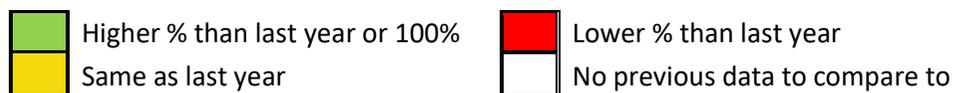
Using the site overview tool, we were able to review the most recent ethical audit findings as this is more representative than the SAQ as the auditor will have visited the site. One site has not had an audit, but the other two recently had audits and no non-conformances were raised relating to forced labour issues.

Key performance indicators

To demonstrate year on year progress of addressing risks and improving outcomes for workers in our business and supply chains, we will report on the below KPI's each year.

We will continue to encourage more of our suppliers to register with SEDEX and complete the SAQ which will give us access to the RADAR tool to help report the KPIs.

	Suppliers signed Code of Conduct %	Suppliers registered on SEDEX %	Suppliers linked to FFIM %	Suppliers (100% SAQ) %
Raw Material / Product 2019	25	84	52	26
Raw Material / Product 2020	25	100	88	63
Primary Packaging 2019	No data 2019			
Primary Packaging 2020	0	95	64	55



Key Points

We have more visibility in SEDEX this year for raw material and product suppliers. A good start for primary packaging suppliers with 95% registered in SEDEX. However, we need to put more emphasis on sharing our Code of Conduct with our suppliers.

	SEDEX RADAR %				
	Low Priority	Medium Priority	High Priority	Critical Priority	Unknown Priority
Raw Material / Product 2019	RADAR not available				
Raw Material / Product 2020	6	13	25	19	38
Primary Packaging 2019	No data 2019				
Primary Packaging 2020	32	0	23	0	45

Key Points

As RADAR was not available last year we are unable to comment on progress. However, going forward we aim to reduce the percentage of 'unknown priority' and 'critical priority' supplying sites.

The FFIM Sustainability Plan 2020

As previously stated we set targets for the year as part of our Sustainability Plan. The below target refers to SEDEX registration which we have met for raw material and products. We will continue the work in 2021 to cover packaging as well.



Training

We have trained key members of staff in Modern Slavery and Stronger Together using attendance of specific conferences on the subject, customer run briefings and email updates from various sources. This will continue in 2021.

A briefing to all staff and suppliers will be issued on the publication of the updated FFIM Modern Slavery Statement.

Plan for 2021

The scope of our Modern Slavery Statement will include the secondary and tertiary packaging suppliers. In the following years we intend to cover the entire scope of our business, encompassing, the remaining packaging, equipment, logistics, HR and IT.

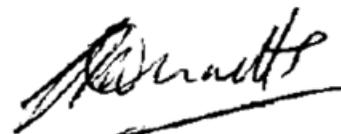
We will continue to encourage all our suppliers to register on SEDEX and complete their SAQ so that we can use the RADAR tool and show an improvement in our KPIs. The FFIM Code of Conduct will be re-issued to all our suppliers.

Finally, we will work with our critical priority suppliers to improve their site labour standards and report back on this in the next statement.

This statement was approved by the Board of the Cafea Group GmbH



Austin Sugarman



Gerald Annetts

Joint Managing Directors

Fine Foods International (Manufacturing) Limited
Chiltern Park, Dunstable, Beds LU5 4LT

T: +44 (0) 1582 478855 F: 44 (0) 1582 478866 E: enquiries@ffi-uk.com www.ffi-uk.com