

# UCC EUROPE CHILD LABOUR SUPPLY CHAIN POLICY

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## 1. Introduction

UCC Europe Ltd and its trading subsidiaries (together, 'UCC') believe operating responsibly and with integrity are fundamental to sustainable business growth. Our corporate values incorporate our ambition to contribute to building a more sustainable society. We recognise that the elimination of child labour contributes to the social sustainability of communities and are committed to preventing and addressing the use of child labour in our operations and supply chains.

UCC is committed to identifying any form of child labour in its operations and supply chain, and will act to prevent, mitigate, and remediate any instances. We respect the different cultures and values in the countries in which we operate and understand that views on child labour can vary due to social, economic, and cultural factors. We strive to work hard to understand and address the root causes of child labour within each operating context so that it can be effectively addressed.

We expect our employees, suppliers, and third parties that we work with to support our commitment to preventing and addressing child labour, and to respect this policy.

## 2. Law and standards

UCC is committed to respecting internationally recognised norms and complying with national laws related to human rights.

This policy is aligned to the UN Convention on the Rights of the Child (1989) and the ILO Conventions No. 138 on Minimum Age and No. 182 on the Worst Forms of Child Labor.

We abide by the laws in the jurisdictions in which we operate. Where applicable law conflicts with this policy or where local laws are not sufficiently enforced, we adhere to the more stringent standards and uphold international best practice. We expect and support our suppliers and business partners to do the same.

This policy relates to the due diligence and reporting obligations covering child labour required by Art. 964 j-k of the Swiss Code of Obligations and the Swiss "Ordinance on Due Diligence and Transparency in Relation to Minerals and Metals from Conflict-Affected Areas and Child Labour."

## 3. Scope of application

This policy applies to UCC Europe Ltd and its trading subsidiaries and all employees working at all levels, whether permanent, fixed term or temporary, including contractors. All employees are obliged to comply with this policy, but this policy does not form part of any employee's contract of employment, and it may be amended by UCC at any time.

### Suppliers

This policy sets out what is expected of our direct supplier partners including subcontractors ('Suppliers') from whom UCC directly purchases or contracts raw materials, finished goods, equipment and services. It applies to all workers and employees of Suppliers (including permanent, temporary, agency labour and migrant workers) and to Suppliers' business operations which supply UCC.

Through our engagement processes, UCC requires our Suppliers to acknowledge and commit to this Policy; respecting its provisions and working collaboratively with us to assure adherence and continuous improvements.

Responsibility for ensuring that the principles set out in this policy are upheld lies with the Executive Director for UCC. We also believe that preventing and addressing child labour is the responsibility of all employees, partners, and suppliers who work on behalf of UCC, and we encourage them to pro-actively engage on these issues.

#### **4. Defining Child Labour**

As defined by the ILO, child labour is 'work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.'<sup>1</sup> UCC does not employ children below the local minimum working age, or the ages set out in the ILO Minimum Age Convention (No.138)<sup>2</sup> (whichever is higher), or in the absence of law, under the minimum age for completing mandatory education.

Outside of the above, hazardous work and the use of labour that potentially detracts a young person's development, education, and welfare is strictly prohibited.

Hazardous work is defined by the ILO Convention 182<sup>3</sup> as the work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

#### **5. UCC Group's Human Rights Due Diligence**

UCC's due diligence approach has been developed in line with the OECD Guidelines for Responsible Business Conduct, the UNGPs, and ILO Child Labour Guidance Tool for Business.

UCC conducts ongoing risk assessments, with separate processes for the coffee and non-coffee supply chain. The higher risk suppliers will be subject to a further in-depth due diligence process to verify that they have adequate policies and procedures in place to mitigate human rights risk.

Where actual or potential impacts are identified, UCC is committed to working with suppliers to take corrective actions or remedy the impact.

Full details of this approach can be found in the annual Swiss compliance report.

#### **6. Engagement with Suppliers**

UCC commits to working collaboratively with our suppliers to address any challenges this policy or its provisions may present, so we can together reduce supply chain risks and drive continuous improvement beyond lawful compliance. We also encourage our suppliers to cascade the expectations of this policy through their supply chains.

Notwithstanding the above, UCC may consider disengaging with suppliers who cannot demonstrate to the reasonable satisfaction of UCC Coffee that they can commit to, and respect this policy and its provisions, or do not take appropriate measures to re-mediate material issues or risks identified. The UCC Supplier Code of Conduct reflects the provisions of this policy and is integrated into supplier contracts.

#### **7. Training and Communication**

##### **Communication**

Through a risk-based approach, UCC will implement a process of communication and engagement, to ensure awareness and acknowledgement of this policy, and to assess and monitor adherence. Suppliers are encouraged to put in place necessary tools, record keeping and internal management systems to demonstrate efforts and progress, and UCC reserves the right to assess adherence through independent third-party assessment.

This policy will be made available on UCC's website.

##### **Training**

Child labour is an on-going challenge and UCC will support employees with training to understand more about child labour and how, within their own roles, to manage child labour risks. Key employees have been given access to the Ardea International Business & Human Rights E-learning. UCC Europe (UCCE) and Swiss team were also provided with on-site child labour and human rights due diligence training.



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every moment**

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## 8. Reporting and Re-mediation on suspected cases of child labour

UCC Group operates a Whistle-blowing Policy which allows employees and contractors to raise concerns relating to child labour.

Employees are required to report actual or suspected incidents of misconduct and can do so in confidence, with protection against retaliation. Grievances can be filed via the whistle-blowing policy at the local levels.

The mechanism can be accessed via the UCC Staff Handbooks and employee communication channels (on-line and via notice boards in sites).

Within the supply chain, UCC is committed to addressing human rights impacts to which the company has caused or contributed to by providing for or cooperating in their re-mediation. In doing so, UCC will consult and engage with impacted rights-holders and their representatives in the determination of the remedy in human rights impacts. The ultimate goal of remedial action will be to seek to restore the affected person or persons to the situation they would be in had the adverse impact not occurred. At all stages of the process, UCC personnel must comply with the law and international guidelines on re-mediation where available.

In the event that our supplier due diligence process identifies a supplier that does not have adequate child labour risk management processes in place, the supplier will be sent corrective actions to strengthen processes and mitigate any risk.

## 9. Monitoring and Effectiveness

This policy will be monitored and reviewed annually to measure its progress and judge its effectiveness.

## 10. Compliance

Any breach of this policy will be confidentially investigated by the Company. Depending on the nature of the violation, the employee who breaches this policy may face disciplinary action and we may terminate our relationship with a supplier pursuant to this policy. In case of doubt, the employee should refer to the UCC Europe Code of Ethics and Behaviours, the supplier should refer to the UCC Europe Supplier Code of Conduct.

## 11. Governance

This policy has been approved by the Board of UCC Europe Ltd. and signed on its behalf by:

*Samuel Hadorn*

Samuel Hadorn  
CEO/Executive Director

1. What is child labour (IPEC) (ilo.org)
2. According to the ILO Minimum Age Convention (No.138), the base minimum age for admission to employment shall not be less than the age of completion of compulsory schooling and in any case, not less than 15 years old or 14 years old in certain developing countries. Local law may provide for a different minimum age to work, in which case the standard that provides the greatest protection must be followed.
3. Convention 182 – Worst Forms of Child Labour Convention, 1999 (No. 182) (ilo.org)