



# Modern Slavery Statement

ECOM Group – 2021

# Modern Slavery Statement

Modern slavery is a crime and a violation of the fundamental rights, freedoms and safety of people and communities. It exists in many forms, including child labour, human trafficking, forced labour and servitude, and impacts around 40 million people around the world<sup>1</sup>.

The ECOM Agroindustrial Corp. Ltd group of companies (“ECOM”) has zero tolerance for modern slavery in our organisation and supply chains. We are proud of the steps we have taken, and continue to take, to combat modern slavery in our supply chains.

This, our sixth modern slavery statement, provides background to our business and supply chains in the context of modern slavery prevention and describes our efforts in the financial year ending 31 December 2021 to combat modern slavery. We are satisfied with the effectiveness of the processes we have put in place and the measures we will continue to take to ensure that there is no modern slavery in our supply chains.

## About us

ECOM is a global commodity trading and processing group specialising in coffee, cocoa and cotton, in major producing and consuming countries, with ancillary agricultural operations in speciality commodities. ECOM has its head office in Switzerland but operates in over 40 countries, with over 5,400 permanent employees worldwide.

Our business is organised into three business units; (i) Integrated Supply Chain and Physical Trade; (ii) Market Trade and Business Support; and (iii) Production and Processing.

Our business activities are overseen by the Conseil d'Administration (Board of Directors) and dedicated sustainability leads are responsible for implementing, monitoring and reporting on relevant activities.

## Our approach

ECOM has a responsibility to safeguard the lives and livelihoods of the hundreds of thousands of people around the world who grow the cocoa, coffee and cotton that enter our supply chains.

We acknowledge that we operate worldwide in a number of high-risk countries for modern slavery. In addition, we employ temporary and seasonal workers, which we recognise further increases the risk of us operating supply chains susceptible to modern slavery.

We are committed to conducting our business with honesty and integrity and in accordance with the highest legal and ethical standards. We expect everyone we work with, including our employees and all partners, to uphold these values and share our commitment to doing business in a responsible, sustainable and ethical manner. We continuously work with our business partners, clients and suppliers globally to eliminate modern slavery from our supply chains and any part of our business.

ECOM seeks, as a minimum, to comply in all instances with applicable laws. In addition, we believe our products must be grown with care and respect for people and the environment, through working with farmers to improve their crops and livelihoods over the long term. As well as relevant local modern slavery legislation, we seek to comply with the [UN Guiding Principles on Business and Human Rights](#) (“**UNGPs**”). We closely follow, and look to stay ahead of, evolving human rights due diligence measures around the globe.

As a measure of our continued commitment to meeting our fundamental responsibilities in human rights, labour, the environment and anti-corruption, ECOM is in the process of joining the UN Global Compact in 2022.

Through ECOM's Sustainable Management Services (“**SMS**”), we collaborate with our supply chains at origin level and at other points to cultivate better farming practices and support farmers and communities, such as by recruiting farmers to programmes backed by ECOM and its clients. Our SMS initiatives also seek to expand the use of certifications and traceability, primarily within the cocoa and coffee markets, by helping clients to be certified through trusted initiatives (read more in the “Transparency and Traceability” section of this report).

<sup>1</sup> International Labour Organization and Walk Free Foundation. [Global Estimates on Modern Slavery](#). 2017

### Our policies and procedures

Our internal and external policies and procedures are core to advocating our global values of integrity, respect and ethical behaviour in all our internal and business relationships.

We implement and enforce a number of effective systems and controls to eliminate modern slavery, and regularly review and update these to reflect changing risks. These include:

- **ECOM Code of Conduct:** Our mandatory internal Code of Conduct sets out our expectations for employees, agents and representatives to share our commitment to doing business in a responsible, sustainable and ethical manner. We expect our employees, agents and representatives to act in accordance with our Code of Conduct, which, among other things, requires (i) eliminating child and forced labour, (ii) treating all people with respect, and (iii) acting to prevent harassment and bullying.
- **Supplier Code of Conduct:** To ensure all those in our supply chain and contractors comply with our values, we have in place a Supplier Code of Conduct. It goes beyond compliance with the law and aims to advance social and environmental responsibility, and highlights our commitment to eradicate modern slavery and the expectation on our suppliers to maintain the same high standards. We expect our suppliers to act in an ethical, responsible and sustainable manner in accordance with our Supplier Code of Conduct.
- **Environmental and Social Policies:** Our Environmental and Social Policies outline our commitment to improving our environmental and safety performance where possible, as well as our aim to improve practices in our supply chains, such as those related to working conditions, child labour, pesticide usage and deforestation in protected areas. Learn about our Social Environmental Management System in the section "Our supply chains and due diligence".
- **Ethics Concerns Policy:** We are committed to conducting our business with honesty and integrity and expect all our employees and partners to uphold the same high standards. As part of this commitment, we believe that any suspected wrongdoing should be reported as soon as possible. Our Ethics Concerns Policy sets out our mechanisms for reporting, resolving and investigating concerns relating to ethics and compliance practices which may include concerns about a danger or illegality that has a public interest aspect to it, or the conduct of an ECOM employee or partner.
- **Management:** Our managers are responsible for ensuring that employees under their supervision are familiar with our policies and for promoting compliance.
- **Internal audits:** To measure our progress, we conduct a periodic programme of internal audits. This ensures that local policies align with ECOM group policies.
- **Local expertise:** ECOM draws on high-level, first-hand knowledge and experience to ensure monitoring systems and engagement are at the highest level. Through board memberships, ECOM gains local and global insights while also amplifying its influence. For example, ECOM is a board member of the World Cocoa Foundation ("WCF") and the International Cocoa Initiative ("ICI"). ICI aims to safeguard child rights and contribute to the elimination of child labour by advancing good practices, building partnerships, and supporting the scaling-up of child-centred community development and responsible supply-chain management throughout the cocoa sector.

## Our supply chains and due diligence

Our global supply chains cover multiple geographies and stakeholders. ECOM is active throughout a variety of touchpoints along these chains, engaging with suppliers across key areas including:

- Origination
- Primary processing
- Export
- Secondary processing
- Merchandising.

ECOM is currently implementing a supplier due diligence platform to, amongst other things, capture supplier practices in relation to modern slavery as well as to record their adherence to our policies and codes. We have a range of due diligence toolkits designed to identify and assess potential risk areas in our supply chains to help us mitigate those risks, carry out targeted remediation, provide follow up monitoring and reporting as necessary.

As well as these toolkits, our Supplier Code of Conduct allows us the right to audit a supplier's practices to ensure compliance. If a violation of ECOM's Supplier Code of Conduct is identified during one of ECOM's monitoring exercises, ECOM has the power to terminate the business relationship.

Additionally, ECOM has developed a proprietary Social Environmental Management System ("**SEMS**") which is a management tool we use globally to assess environmental, safety and social compliance of owned or operated locations and anticipate and mitigate negative environmental and social issues in the supply chain.

We also foster long-term relationships and a culture of collaboration and education to advance positive and lasting change across supply chains. In addition, we train 100% of cocoa farmer communities in ECOM's origin-sourced cocoa supply chain in child protection and education.

ECOM will avoid buying from and selling to parties discovered to be acting in violation of national environmental and social legislation (specifically including improper labour practices).

We continually look to improve our monitoring and remediation systems for all areas at high risk of modern slavery, including introducing new technology to improve monitoring and working with experts.

## Transparency and Traceability

Traceability and transparency are fundamental to developing a clear view of supply chains. By providing verification of sustainable, ethical and responsible agriculture, certification schemes enable ECOM to be confident that certified suppliers use ethical and accepted methods and, in our view, are a highly effective way to eliminate modern slavery from our supply chains.

By working with recognized certification schemes, we can guarantee that such certified goods come from farmers whose rights are protected. These certification schemes include Fairtrade, which strictly prohibits slave and child labour, UTZ/Rainforest Alliance, several Organic-certified cocoa and coffee schemes, CAFE Practices and several other bespoke and niche schemes. ECOM's certificated cotton includes those covered by the Better Cotton Initiative (BCI), Cotton made in Africa (CmiA) and the U.S. Cotton Trust Protocol®. ECOM has systems in place for avoiding purchasing coffee from any farm on Brazil's Transparency List on Contemporary Slave Labour. ECOM also implements customer specific verification programs that ensure similar guarantees, all of which are verified by third party audits.

## Our training

ECOM has various initiatives to ensure a high level of understanding of the risks of modern slavery in our supply chains and our business.

We have raised, and continue to raise, awareness of the importance to ECOM of our philosophy with regard to modern slavery through effective communication and mandatory training. We are currently developing training to enhance the implementation of our supplier due diligence platform, which will reinforce our approach and encourage proactive reporting.

Other communication initiatives relate to our ECOM Supplier Code of Conduct and ECOM Code of Conduct as well as our activities in the identification, mitigation and eradication of modern slavery.

Within the cocoa and coffee markets, we provide annual training to our staff through ECOM's Sustainable Management Services ("**SMS**") initiatives at origin level and at other points in the supply chain. SMS looks to improve farmer yields through improving farming practices, coupled with the use of certification or traceability programs. Complementary traceability activities to the certification or verification programs enable greater transparency of our supply chains.

ECOM works closely with experts to train our staff in implementing an industry-leading child labour monitoring and remediation system as well as to take advantage of the learnings of their programs on child and forced labour.

### Collaboration with partners

ECOM strongly believes that cultivating industry relationships and collaboration with leading bodies is vital to enacting long-term positive impact and tackling modern slavery. Examples of such collaborations include:

- ECOM actively participates in, and contributes to, various organisations and initiatives that are attempting to eradicate abusive child labour. For example, ECOM is a founding member of two Jacobs Foundation-led innovative-pooled funding facilities designed to address some of the underlying causes of child labour in the Ivory Coast: Children’s Learning and Education Facility (“**CLEF**”) and Early Learning and Nutrition facility (“**ELAN**”).
- ECOM is an active participant in cocoa industry initiatives with numerous leadership roles, as well as being a signatory of various pre-competitive sector initiatives. ECOM is a signatory to two voluntary national initiatives, the Swiss Platform for Sustainable Cocoa and Beyond Chocolate (the Belgian initiative for sustainable cocoa); both of these include targets related to the eradication/reduction of child labour.
- ECOM employees serve on cotton industry boards and have been appointed to the boards of leading industry associations such as the International Cotton Association (ICA), the French Cotton Association (Afcot), Brazil’s National Association of Cotton Exports (ANEA), the American Cotton Shippers Association (ACSA) and Australian Cotton Shippers Association (ACSA Australia).
- ECOM is a board member of the WCF and ICI.

### How we measure the effectiveness of our activities

We use the following activities to measure the performance of steps taken:

- Targeted supplier spot checks in higher risk countries: This ensures greater efficiency and optimal use of resources in our auditing process.
- Key performance indicators: We anticipate that our new supplier due diligence platform will allow us to start generating key performance indicators, enabling us to meaningfully compare these from one year to the next.

- **Third-party certification and verification audits:** We regularly check the certification of suppliers by organisations such as those listed in the “Transparency and Traceability” section in this report.
- **Internal audits:** ECOM conducts a periodic programme of internal audits to ensure that local policies align with ECOM Group policies.
- **Whistleblowing:** ECOM has a procedure in place for resolving complaints (both internal and external), including those relating to modern slavery. ECOM will process any such complaint in line with this procedure; complainants are acknowledged and taken seriously; there is a mechanism in place to allow for the protection of a complainant and for any complaint to be made and handled anonymously. ECOM’s external complaints resolving policy (“Ethics Concerns Policy”) is publicly available on our website in four languages.

### Looking ahead

ECOM is excited about the implementation of its new supplier due diligence platform. While teething problems may be encountered, we firmly believe it will be an excellent base for KPI monitoring and risk mitigation. We will be working hard on the implementation of the due diligence platform and improving communication on remediation activities.

This statement is made pursuant to section 54(1) of the UK’s Modern Slavery Act 2015, the US’s Trade Facilitation and Trade Enforcement Act 2015, the California Transparency in Supply Chains Act 2010, the Australian Modern Slavery Act 2018, and the UNGPs, and it constitutes the ECOM Group’s modern slavery statement for the financial year ending 31 December 2021<sup>2</sup>.

Approved by the board of directors of ECOM Agroindustrial Corp. Ltd on 11 November 2022 and signed on its behalf by:

**Alain Poncelet**  
ECOM Chief Executive Officer

Date: 11 November 2022

<sup>2</sup> This statement applies to all the subsidiary organisations of ECOM Agroindustrial Corp. Ltd (details of which can be found on our website (<https://www.ecomtrading.com>), including the UK incorporated entities East Africa Coffee Co. LLP, ECOM Agrottrade Limited, ECOM Agrottrade Holdings Limited, Keynote Coffee Limited and Mercanta Limited and the Australian incorporated entities Condesa Pty Ltd and ECOM Commodities Pty. Limited.



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