



Modern Slavery Statement

ECOM Group 2023

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 50 million people around the world.¹

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 eighth 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 2023 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, including child labour, 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 and operates in over 40 countries, with over 6,000 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.

Having joined the [UN Global Compact initiative](#) (“**UNGC**”) - the largest voluntary corporate sustainability initiative in the world - in 2022, ECOM submitted its first Communication on Progress in 2023. This is an annual disclosure of ECOM's continuous efforts to integrate the ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption (the “Ten Principles”) into our business strategy, culture, daily operations and contribute to the United Nations goals, particularly in the Sustainable Development Goals. In line with the UNGC requirements, ECOM will continue to report, on an annual basis, its progress on implementing the Ten Principles.

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 and suppliers to be certified through trusted initiatives (read more in the Transparency and Traceability section of this report).

¹International Labour Organization, Walk Free Foundation and the International Organization for Migration. [Global Estimates on Modern Slavery, 2022](#)

Our Policies and Procedures

Our internal and external policies and procedures are ultimately overseen by the most senior management level at ECOM and 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](#). We updated our Supplier Code of Conduct in 2022 to have a greater focus on accountability and due diligence, amongst others.
- **Supply Chain Due Diligence Policy:** During 2023, ECOM formalised its due diligence procedures by developing a flowchart showing the elements of a proposed [Supply Chain Due Diligence Policy](#). Published in Q1 2024, the Due Diligence Policy is a key requirement for compliance with Swiss legal requirements, impending EU regulations and ECOM's various ESG auditors (Ecovadis, Sedex, etc.). It supports our ECOM Supplier Code of Conduct and formalises the process currently in place relating to our sustainable program farmers; yet it goes further in that it is required of all suppliers. It will be coupled with an internal standard operating procedure covering potential remediation steps in detail. The Due Diligence Policy was drafted in accordance with international best practice and guidance, and outlines ECOM's approach to identifying and acting upon, and preventing adverse human rights and environmental impacts across our own operations and supply chains. ECOM is aware of the interdependence between human rights and the environment, and the Due Diligence Policy is intended to act as our framework to respond to any potential or actual impacts.
- **Environmental and Social Policies:** We are committed to keeping social and environmental responsibilities at the core of our business, and continuously improving our performance. Our dedicated [Environmental](#) and [Social](#) Policies underscore our commitment and our aim to improve social and environmental practices in our operations and our supply chains, such as those related to working conditions, eliminating child labour, pesticide usage and deforestation in protected areas.
- **Speak Up 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 two sets of [Speak Up Policies](#) (one for internal use and one for public use) - both of which are available in six languages (English, French, Portuguese, Spanish, German and Dutch) - reinforce our commitment to ethical behaviour and encourage a culture where wrongdoing is safely reported at an early stage. Both policies are in compliance with the EU's 2019 Whistleblower Directive, and were slightly revised in 2023 to include reference to ECOM's new Speak Up reporting platform, which was launched in early December 2023. This third party platform is available to all our employees, suppliers, customers and any other interested third parties to report any grievances and/or ethical concerns they may have, and is accessible in over 70 languages on a 24/7 basis across the world. Reports can be made via a website, app or phone, and can be made in complete anonymity with minimal barriers to submission. Additionally, stakeholders may raise concerns through the more traditional route of email. The platform was launched internally to ECOM employees through the 2023 Anti-Bribery & Corruption Training, and will be further promoted to ECOM employees through trainings anticipated by ECOM's Human Resources team, in particular, anti-harassment training. ECOM is committed to investigating grievances thoroughly and efficiently, and will not tolerate any retaliation against any person who raises a concern.
- **Equality, Diversity & Inclusion Policy:** ECOM does not tolerate discrimination on the grounds of age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation. Our [Equality, Diversity and Inclusion Policy](#) applies to all areas of employment and reinforces our values and responsibilities. We strive to build a culture that values meritocracy, openness, fairness and transparency. ECOM is working continually to promote equal treatment and embrace diversity in employment. ECOM values people as individuals with diverse opinions, cultures, lifestyles and circumstances. We seek to support all individuals in reaching their full potential in the workplace, regardless of their gender. We recognise the breadth of experiences and perspectives that gender diversity brings to the workplace through creativity, innovation, problem-solving, decision-making, employee morale and retention.
- **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 experienced field staff and the engagement of local NGOs and training partners, field teams are equipped with the knowledge they need to better address issues in the supply chain.
- **Leveraging External Expertise:** 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.

In 2023, we formalised our due diligence procedures by developing a flowchart showing the key elements of a proposed Supply Chain Due Diligence Policy that was published in Q1 2024. The due diligence process recognises the interconnectedness of human rights and environmental issues, and guides us to take action where these risks are heightened. We conduct risk assessments, both at country and supplier level, to help us understand where our action would have the largest positive impact. As an origin-integrated company, we seek to listen to our stakeholders and ensure that the due diligence process is guided by local experiences. Continuous improvement and collaboration with all stakeholders is at the core of our due diligence work.

A fundamental part of our due diligence efforts is to better understand our suppliers and their sustainability practices. In 2023 we continued the rollout of our due diligence questionnaire to large suppliers via the bespoke Sourcemap platform. We rolled this out across 1,800 large coffee, cocoa and cotton suppliers. The self-assessment questionnaire requests information about suppliers' human rights and environmental policies and practices. Special focus is placed on suppliers' readiness for traceability/transparency and to risk factors around forced labour, child labour, deforestation and health and safety. It also covers certifications, environmental permits, and labour and wage practices, as well as checking suppliers' knowledge of and commitment to ECOM's Supplier Code of Conduct. ECOM also continued working on the configuration of the small supplier questionnaire (for roll out in 2024) and started refining the questionnaire to large suppliers in preparation for the second questionnaire rollout in 2024. This greatly enhances our processes of identifying and assessing potential risk areas in our supply chains to help us mitigate those risks, carry out targeted remediation and provide follow up monitoring and reporting as necessary.

The data from 2023 gives us a baseline set of data against which we can measure ourselves and our improvements year on year and puts us in a good position of preparedness for the anticipated public reporting required in Switzerland, the EU and elsewhere.

In 2024, we will be continuing this effort to assess the ethics and compliance of our direct suppliers, build action plans for improvement, and carry out virtual and onsite audits as needed. ECOM's capacity in this regard has been strengthened considerably by the hiring of a new ESG compliance manager.

As well as these toolkits, our Supplier Code of Conduct allows us the right to audit a supplier's practices to ensure compliance. Where human rights risks are identified, ECOM will put in place improvement plans to prevent and mitigate these risks from materialising. If a violation of ECOM's Supplier Code of Conduct is identified during one of ECOM's monitoring exercises, ECOM reserves the right to responsibly exit the business relationship.

Additionally, ECOM uses its own-developed proprietary Environmental and Social Management System ("ESMS") 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 our operations and supply chains.

We also foster long-term relationships and a culture of collaboration and education to advance positive and lasting change across supply chains. In 2023, 64% of our high-risk origin sourced supply chain has been reached for awareness raising on child protection, including Côte d'Ivoire, Ghana, Cameroon and Nigeria.

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.

One such system which ECOM utilises in its direct cocoa supply chain is the [Child Labour Monitoring and Remediation System \(CLMRS\)](#); a foundational system that identifies and monitors incidences of child labour as well as reducing those incidences through its monitoring. In 2023, ECOM's CLMRS enabled the monitoring of over 139,000 children across various regions. Through these efforts, the company identified and addressed more than 17,000 cases of child labour. The breakdown includes 13,090 cases in Côte d'Ivoire, 4,222 cases in Ghana, 134 cases in Cameroon, and 31 cases in Nigeria. This comprehensive monitoring and remediation process underscores our commitment to combating the persistent issue of child labour in cocoa-growing communities. ECOM is collaborating with independent experts to understand the root causes of child labour and forced labour in rural communities. ECOM recognises that these issues can arise from various factors, including a lack of career opportunities for young people, poverty and seasonal labour patterns, as well as the lack of access to quality education. The knowledge gained from these collaborations is shared with clients to encourage investment in prevention strategies in the regions where ECOM operates.

Examples of ECOM's projects in assessing child labour risks include the following:

- ECOM conducted a country risk assessment on child labour and forced labour across our 35+ sourcing countries, covering both our origin operations and partner supply chains. The risk assessment allows ECOM to design strategic interventions to mitigate the child labour and forced labour risks in our supply chains.
- In 2023, ECOM partnered with the RVO and its Fund Against Child Labour and innovation consultancy Propellerfish on a project to better understand how to keep children in cocoa communities out of hazardous activities. The project is co-funded by the Fund against Child Labour (FBK), part of RVO and in commission of the Dutch Ministry of Foreign Affairs. The project had two parts. The first was a deep dive into causes of child labour, conducted through a human-centred design approach to refine our CLMRS based on conversations with cocoa-growing communities. A series of focus groups and interviews were held with communities in Côte d'Ivoire at medium or high risk of child labour. Interviewees included children and young people, farming families, cooperative groups, village leaders, teachers, medical professionals and women's groups. From these discussions, Propellerfish attempted to understand the experiences of children growing up in cocoa communities and what causes them to fall into child labour. The insights enabled us to understand what interventions that focus on keeping children out of child labour would need to succeed.
- Lead for Ghana ("LFG"), ECOM and Mars Wrigley have joined forces on the Improving Educational Outcomes in Cocoa Communities Project, which aims to support education in cocoa-sourcing areas in the Ahafo, Central and Ashanti Regions. Through the project, LFG Fellows adopt a community-based approach to encourage ownership and collective action to influence key local stakeholders to improve teaching and learning outcomes. Together, our aim is to create enhanced educational opportunities for almost 1,500 children in Ghana while simultaneously addressing gender inequality and illegal child labour. The LFG Fellows also partner with ECOM to raise awareness around illegal child labour in cocoa farming communities, and work with the Ghana Education Service to ensure that teachers and headteachers in the selected schools benefit from the LFG model.
- Poverty is a significant issue in rural farming communities around the world. Poor productivity, local economic pressures and global factors, including commodity prices, all play a role. The more challenging it is for farmers to secure their income, the more they may need to turn to family members, including children, to work on their farms. These choices have impacts throughout producing communities. ECOM launched a Living Income project in Colombia alongside partners that will look to improve coffee farmer economic solvency through different actions aimed at bridging the living income gap.
- Through a GIZ (German development aid)-funded programme in Ethiopia, ICI carried out a child labour risk assessment within ECOM's coffee partner supply chains, aimed at better implementation of the activities and for child labour prevention actions.

Transparency and Traceability

Traceability and transparency are fundamental to developing a clear view of supply chains, as we can only change what we know. Traceability is a vital tool in supply chain oversight, to ensure we understand the risks and challenges that face our suppliers and the soft commodity industry as a whole. Traceability is not only essential for ECOM to comply with upcoming regulations from the EU and other countries, but it is also key to achieving our sustainability commitments.

ECOM collaborates with farmers and supply chain partners to strengthen traceability across highly complex global supply chains. We have partnered with BanQu for product traceability from farm to export for cocoa and coffee supply chains to be implemented in 2024. The platform provides an auditable chain of custody, increasing transparency and accessibility for our farmers and suppliers in remote locations with real-time, verifiable data down to the source. ECOM will be able to better track, inform and deliver sustainability initiatives for ourselves and our stakeholders and ensure ongoing sourcing compliance.

While we recognise that certification alone does not equate to sustainable production, we welcome the added assurance and transparency these programmes bring with their publicly available standards and auditing of suppliers against ethical and accepted methods of production, including practices to promote the elimination of modern slavery from the supply chain.

These certification schemes include [Fairtrade](#), which strictly prohibits slave and child labour, [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 [Better Cotton](#) (BC), [Cotton made in Africa](#) (CmiA), [Regenagri](#) 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 the eradication of modern slavery through effective communication and mandatory training. We are continuing to develop training to enhance the implementation of our supply chain due diligence policy and process, which will reinforce our approach and encourage proactive reporting and will be developing bespoke training on how to implement remediation programs, where necessary.

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.

In our cocoa and coffee operations, we provide annual training to our staff through ECOM's SMS initiatives at origin level and at other points in the supply chain. Working closely with farmers allows ECOM to better understand their context and any challenges they face. SMS aims 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 organizations 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 and Early Learning and Nutrition facility.
- 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 board member of both World Cocoa Foundation and the International Cocoa Initiative, which both have the addressing and prevention of child and forced labour as part of their organizational objectives. 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).

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 the annual rollouts of our supplier due diligence platform, Sourcemap, will allow us to meaningfully compare key performance indicators 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 ("[Speak Up policy](#)") is publicly available on our website in four languages.

Looking Ahead

We are excited to gain ever-clearer pictures of our supply chains as we further develop and embed our Supply Chain Due Diligence policy and processes across the Group, coupled with ongoing and future rollouts of our annual supplier due diligence platform, Sourcemap. These will help ECOM take effective action to combat modern slavery in our supply chains.

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 2023.²

Approved by the board of directors of ECOM Agroindustrial Corp. Ltd on 19 June 2024 and signed on its behalf by:

Alain Poncelet
CEO

19 June 2024

²This 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/global-offices>)), including the UK incorporated entities East Africa Coffee Co. LLP, ECOM Agrotrade Limited, Keynote Coffee Limited and Mercanta Limited and the Australian incorporated entities Condesa Pty Ltd and ECOM Commodities Pty. Limited.



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