



# Modern Slavery Statement

ECOM Group 2022

# 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.<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 seventh 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 2022 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 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 joined the UN Global Compact Initiative ("**UNGC**") in December 2022. The UNGC is a voluntary leadership platform (the largest corporate sustainability initiative in the world), for the development, implementation and disclosure of responsible business practices. With this, ECOM continues to demonstrate its commitment to align its operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption (the "Ten Principles") and to take action in support of UN goals and issues embodied in the Sustainable Development Goals. In line with the UNGC requirements, ECOM will be reporting, 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 to be certified through trusted initiatives (read more in the Transparency and Traceability section of this report).

<sup>1</sup>International 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.
- **Environmental and Social Policies:** During 2022, we prepared dedicated standalone [Environmental](#) and [Social](#) Policies, underscoring our commitment to improving our environmental and social performance wherever possible, as well as our aim to improve practices in our supply chains, such as those related to working conditions, eliminating 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.
- **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. In 2022, we published our [Equality, Diversity and Inclusion Policy](#), which 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. Our internal and external policies provide details for the reporting of discrimination, amongst others. 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 2022, ECOM worked with Sourcemap to launch a bespoke digital supplier due diligence platform (based on our developed due diligence toolkits), focusing on gathering information about the ESG practices of our suppliers. Topics covered include policies, practices, certification, licences, traceability and supply chain management, specifically evaluating suppliers' policies, risk assessments and actions regarding labour, human rights (including children) and the environment. The tool also records our suppliers' adherence to ECOM's policies and codes. 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 platform has been rolled out to over 1,200 large suppliers across cocoa and coffee, with further roll outs to additional cocoa and coffee suppliers, cotton, edible nut and seeds suppliers and small suppliers planned for 2023.

The data from 2022/2023 is expected to give us a baseline set of data against which we can measure ourselves 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 2023, 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. The scope of this will be enhanced by the development of our due diligence and child labour policies.

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 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 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.

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 2022, all cases of child labour identified in Ghana, Côte d'Ivoire and Nigeria through the CLMRS model have either successfully completed remediation programmes or have action plans in place. ECOM has supplemented the CLMRS model with investment in additional research and remediation measures into the root cause of child labour.

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

- ECOM implemented the Nigeria Resilient Cocoa Farmers Programme, with financing through the Netherlands Enterprise Agency (**RVO**). The programme assessed 15 cocoa-producing communities across three areas – evaluating the living income gap, child labour and deforestation risks. In 2022, the programme conducted a study with Solidaridad West Africa, looking at children's involvement in cocoa farming, with a particular focus on time spent performing farm activities, type of farm activities performed and the effect of cocoa-farming activities on children. The findings from the study will help identify target improvement areas for the next phase of the project.
- 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. 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), Product DNA and the [U.S Cotton Trust Protocol](#)<sup>®</sup>. 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 supplier due diligence platform, which will reinforce our approach and encourage proactive reporting and will be developing bespoke training on our due diligence policy and how to implement remediation programs, if 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.

Within the cocoa and coffee markets, we provide annual training to our staff through ECOM's 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 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 organisational 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), Brazil's National Association of Cotton Exports (ANEA), the [French Cotton Association](#) (Afcot), 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 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. The new platform was rolled out to over 1,200 suppliers across cocoa and coffee with further suppliers across all commodities to be onboarded throughout 2023.
- 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

We are excited to see how subsequent roll outs of our supplier due diligence platform will assist us in better understanding our supply chain. We will be working on enhancing these due diligence processes, including remediation activities.

ECOM, in underlining its commitment to eradicating modern slavery in all its forms (including child labour), is developing specific child labour and due diligence policies, to complement our existing group policies.

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 2022.<sup>2</sup>

Approved by the board of directors of ECOM Agroindustrial Corp. Ltd on 24 August 2023 and signed on its behalf by:

### **Alain Poncelet**

CEO

Date: 7 September 2023

<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/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.



Avenue Guillemin 16  
1009 Pully  
Switzerland  
[www.ecomtrading.com](http://www.ecomtrading.com)

