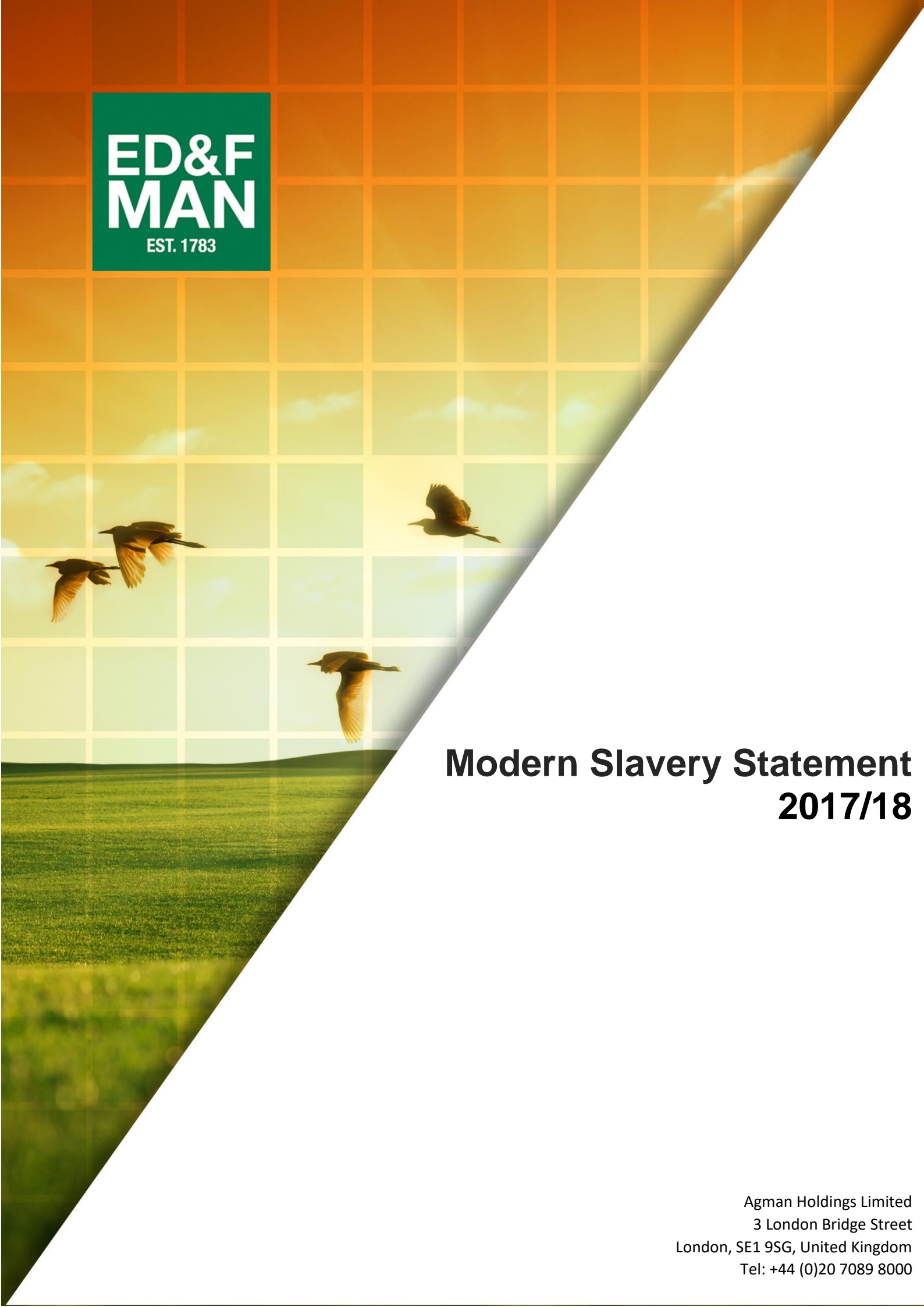




**ED&F  
MAN**  
EST. 1783



# Modern Slavery Statement 2017/18

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## ED&F Man

### Modern Slavery Statement 2017/18

#### Introduction

The ED&F Man Group welcomes the UK Modern Slavery Act and the responsibility it places on businesses to disclose publicly the steps they are taking to tackle forced labour and human trafficking.

ED&F Man supports the UN Convention on Human Rights and is committed to transparency in its supply chains and business operations.

This Statement is published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by ED&F Man and our businesses during year ending 30 September 2018 to prevent modern slavery and human trafficking in our business and supply chains.

The Report covers the following UK entities and all our global component businesses and wholly-owned subsidiaries:

ED&F Man Holdings Ltd / ED&F Man Fishoils Ltd / ED&F Man Liquid Products UK Ltd / ED&F Man Shipping Ltd / ED&F Man Sugar Ltd / Bauche SA Ltd

ED&F Man's Board has approved this statement and it is signed by Rafael Muguero, Chairman.

#### Our business

ED&F Man is a global agricultural commodities merchant and processor. We trade sugar, coffee, molasses, pulses and animal feed, and provide access to commodity and capital markets through our brokerage business.

We employ over 6,000 staff in 60 countries across Europe, South America, Asia, Africa and the Middle East. Our supply chains are extensive and global; we serve over 15,000 customers from over 14,000 suppliers.

Details on our international locations can be found on our website. Our Standards of Business Conduct are also published on our website.

#### Main developments in FY 17/18

We continued the work we do to ensure responsible trading, including work to prevent modern slavery and human trafficking, in our business and supply chains. This includes:

- ED&F Man trades in various commodities but only in our **Coffee** business, Volcafe, do we have a direct relationship with farmers and influence over their production processes. Volcafe operates The Volcafe Way, a global approach to sustainably sourcing high-quality coffee active in Africa, Asia and Latin America, the world's main coffee-producing countries and importing markets. The Volcafe Way draws on the expertise of our field teams, pooling their collective knowledge and experience and providing technical assistance to farmers through its farmer-support network, which aims to help them to improve — and to continually improve — their coffee quality,

farm productivity and yields. Volcafe Way Farmer Support Organizations provide coffee producers with agronomy and business training year-round. Over 250 of our employees work as field specialists in 10 origin countries supporting local coffee farmers and smallholders to adopt better farming practices including the fair treatment of employees and workplace health and safety. This help the farmers achieve higher yields and better-quality coffee, leading to a higher income and a more sustainable future for the farmers and their families.

- We also participate in industry discussions on sustainability. Volcafe Managing Director Trishul Mandana is a member of the Board of the Global Coffee Platform which was set up to improve the livelihoods of coffee farming families; the sustainability manager for Kyagalanyi, our coffee brand in Uganda, Anneke Fermont, plays an active role in the Rain Forest Alliance Standard Committee; and our Volcafe sustainability manager Reena Eddiks is joining the Sustainability Committee of the European Coffee Federation.
- Kyagalanyi Coffee in Uganda has been actively involved in the prevention of child labour in Uganda for several years. Working closely with UTZ certification, CEFORD (Community Empowerment for Rural Development), UNATU (Uganda National Teachers Union) and Hivos (Dutch NGO), Kyagalanyi has helped more than 500 children from poor families in the West Nile sub-region to go back to school. This achievement contributed to their nomination for a Rainforest Alliance Sustainable Standard-Setter Award in 2018. Kyagalanyi continues to work with its partners in West Nile and to identify cost-efficient strategies for eradicating child labour.
- For our **Sugar** and **Liquid Products** businesses, ED&F Man has been a member of Bonsucro, formerly known as the Better **Sugarcane** Initiative, since its inception and has had representatives on the Members Council and the Board. Currently, MLP's sustainability manager, Meredith Smith is an active member of the Bonsucro Member's Council where she is now serving as the Members Council Vice Chair and as a member of the Bonsucro Board of Directors. ED&F Man's Members Council representatives have been part of various committees and initiatives to improve compliance in sugar cane production and trade:
  - The Bonsucro Smallholder Advisory Committee which aims to make compliance work for vulnerable participants in the sugarcane supply chain.
  - The Buyer Accelerator Group which seeks to accelerate the pace and impact of improvement in sustainable sugarcane production and supply. As a dedicated member, ED&F Man actively supports improvements in the cane sugar and cane molasses supply chains with respect to human & labour rights, smallholder improvement, economic resilience and environmental stewardship.
  - The committee to update Bonsucro's Chain of Custody Standard
  - The committee to update Bonsucro's Code of Conduct and Grievance Process

## **Our policies**

### **Corporate Social Responsibility**

Our CSR Steering Committee is chaired by a board member and membership include our chairman and representatives from each of our main commodity businesses, coffee, sugar and liquid products, and our shipping business. Through their representation on the Committee we ensure that CSR is

embedded in our commodity teams who can then imbue their business unit with the values we promote and aims we have for this area of our work.

Our capital markets business is not a supply chain business.

### **Human rights**

Our group-wide CSR policy supports the UN's Universal Declaration of Human Rights. As a Group we commit that:

- All employees are employed of their own free will.
- Local communities can express their concerns to the company.
- We do not tolerate or condone human-rights abuses.
- We do not tolerate or condone corporal punishment or physical oppression.
- When we rely on security staff, we have appropriate standards of conduct and controls in place for them.
- We allow freedom of association - a person's right to join or leave a group - and collective bargaining - a group of employees' right to negotiate wages and employment terms.

### **Labour standards**

We support the principles of the International Labour Organisation's (ILO's) Declaration of Philadelphia that labour is not a commodity. As a Group we commit to:

- Comply with the national labour laws of all countries in which we operate.
- Pay at least local minimum wages.
- Provide clear terms of employment.
- Ensure working hours are reasonable and comply with national working-time regulations.
- Develop employees' skills through training.
- Ensure there is an effective grievance procedure available to employees.

### **Child labour**

We respect the ILO convention on child labour and children's right to an education. We also support the ending of harmful child labour. The following applies to all our companies.

- People aged below 18 are employed only in compliance with local law, UN guidelines and ILO conventions where they may only perform "light work", must be properly supervised, and their work must not interfere with their physical health or moral development
- We will not employ children under the age of 15.

Our Ugandan coffee company Kyagalanyi, part of Volcafe is a growing business and already responsible for exporting 15% of Uganda's coffee. Kyagalanyi is at the forefront of work to support the elimination of child labour in coffee production in Uganda, working with local NGO and teaching partners to support farmers to end child labour and secure certification for their coffee. Working also with sustainability partners UTZ and CEFORD, this partnership has co-produced an educational

documentary that is being used to show coffee producers why and how children should not be part of coffee production.

### **Our supply chains**

We are confident there is no slavery or human trafficking in our directly-managed organisation. However, as an agricultural commodities company that works extensively with partners, suppliers and customers across the world, parts of our supply network may be at risk of slavery and trafficking.

We work closely with suppliers to uphold proper practices in our supply chains. We require our suppliers to comply with our standards and to share our commitment to ethical business conduct - including signing and adhering to our Supplier Code of Conduct, which is available to read on our website.

Our Supplier Code of Conduct makes it clear that 'worker fees' - when workers pay employment agencies to get jobs - are not acceptable. We work to ensure this practice is neither introduced nor tolerated and will work with the relevant local authorities to address any misconduct.

Our **coffee** businesses have a direct relationship with farmers and influence over their production processes.

Our Volcafe Way Entrepreneur Agreement (Producer Agreement) requires that all participants in our coffee supply chains must agree to thirteen requirements and standards. We provide training on these, with our Field Team. There are sections in the Agreement that are particularly relevant to issues around prohibiting slavery and trafficking - number 6 on the fair treatment of workers, and number 7 on occupational health and safety. All Volcafe Way suppliers sign up to these.

To ensure compliance, all Volcafe Way suppliers receive a yearly visit to their farms and we evaluate them based on the Volcafe Way Checklist, looking at compliance against 29 indicators of social, environmental and agro-economic standards. Whenever we observe noncompliance, we make a risk assessment and then work with the farmer to produce an action plan and timeframe to address the issue.

Volcafe Way is our internal programme, but it is open to external verification if requested from our clients. This is to ensure transparency on the methodology and strengthen customer trust.

We reserve the right to have third-party auditors check our suppliers' standards.

### **Certifications**

External certification bodies regularly visit our trading and asset operations to check our certificates and adherence to standards ensuring product quality and product safety. These bodies include:

- Control Union
- SGS
- Lloyd's Register Quality Assurance
- Kiwa PAI
- Validus

Our **Shipping** business complies with the Maritime Labour Convention, which has set minimum age requirements and standards for employment and working conditions on ships. The Shipping business also makes sure its partners and contractors meet the International Transport Workers' Federation requirements, or the local country's equivalent.

Our **Fish Oil** business is certified under the International Fish Oil and Fish Meal Organisation's responsible sourcing scheme.

As a founder member of Bonsucro - originally known as the Better Sugarcane Initiative - we are helping set measurable social and environmental standards for producing **sugarcane** and ensure cane sugar and cane molasses are responsibly sourced.

In 2018 ED&F Man retained our multi-site Bonsucro certifications for both our **Sugar** and **Liquid Products** businesses for adherence to sustainable practices. The certification recognises our commitment to source sugar and molasses from certified suppliers that demonstrate sustainable farming and production practices. Independent certification bodies audited our activities, processes and documents for compliance to this standard, resulting in Bonsucro certification of our London, Singapore, Miami, Amsterdam, New Orleans and Mexico trading offices, and our operational assets including Ukraine (USC), Czech Republic (Man Ingredients), and Israel (Sugat).

We are now working on securing Bonsucro certification for our sugar mills in Mexico – Tamazula, Garza Xicotencatl and El Mante.

Our **Coffee** business, Volcafe, develops and operates certified and verified supply chains across all our origins. These include the Global Coffee Platform (4C), UTZ Certified, Rainforest Alliance, Nespresso AAA, Cafe Practices and a range of customer codes of conduct.

FLO-CERT, the independent certification body that checks products and supply chains practices against Fairtrade standards has said that Volcafe meets the following Fairtrade standards:

Trader – Payer

- Generic Fairtrade Trade Standard
- Fairtrade Standard for Coffee for Small Producer Organisations

And the following FLO-CERT certification requirement:

Trader – Payer

- FLO-CERT Public Compliance Criteria List – Trade Certification

Volcafe is UTZ-certified, which guarantees that our coffee is traceable from producer to roaster, and our products have been grown and harvested in a responsible manner.

Finally, ED&F Man is a supplier (B) member of Sedex, the Supplier Ethical Data Exchange, a not-for-profit organisation that lets businesses share information and promotes ethical and responsible business practices in supply chains.

### **Communicating our policies to our staff, suppliers and subcontractors**

Each director, manager, officer, employee and representative of the group is required to comply with our Standards of Business Conduct; these standards have been shared with our employees and are available in English, Spanish and Portuguese.

Managers at all levels are responsible for promoting a culture that:

- Supports the conduct of ethical business
- Encourages open communication
- Upholds our Standards of Business Conduct

### **Listening to our stakeholders**

We take all reports of possible wrongdoing seriously and we encourage anyone with concerns regarding ethics, compliance or other serious matters to raise them with their manager or by emailing [legal.csr@edfman.com](mailto:legal.csr@edfman.com).

Messages received on this address will be handled in accordance with our Whistleblowing Policy which is available to read on our website.