



2021-22 statement

COSTA COFFEE MODERN SLAVERY STATEMENT



COSTA
COFFEE



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Foreword

In 1971 the Costa brothers, Sergio and Bruno, founded Costa Coffee with an ambition to make great tasting coffee a part of everyday life. Over 50 years on, we remain committed to their vision and are more passionate than ever about inspiring the world to love great coffee.

We have emerged stronger from the COVID-19 pandemic and we know that it is thanks to our people that we can continue to source and serve perfectly crafted coffee all around the world. They live our values every day and are at the absolute core of our total coffee company. It is our commitment to them that we hold ourselves to the highest standards and promote their health, safety, and well-being.

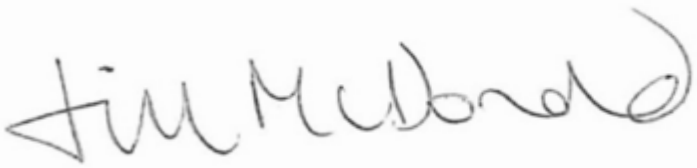
All of us at Costa Coffee know that your favourite coffee is more than a morning boost or moment of calm. It also has the ability to uplift the lives of the people who grow it, the expert baristas who craft it, the communities that enjoy it, and the environment we all depend on. We care about the journey our products travel before they reach us – and the impact they make along the way. That’s why we work closely with our suppliers, partners and NGOs to put plans and programmes into action to protect the rights of people across our supply chains, as well as the planet we all depend on.

This Modern Slavery Statement focuses on our continued work in the promotion of human rights and the prevention of modern slavery. Working alongside our non-profit partners, **STOP THE TRAFFIK**

and the Rainforest Alliance, we are pleased to share our continued progress. Over the past year we have taken significant steps, including providing bespoke training to our Store Manager population, using our store space to raise awareness among consumers of modern slavery, and progressing our consumer auditing programme.

As part of The Coca-Cola Company network, we have been able to further improve our own standards and expectations of our suppliers and partners relating to human rights. As we look to the future, we will continue to collaborate to improve awareness of the opportunities and risks across our business, supply chain, and wider industry. This will also enhance our own approach to help strengthen our own knowledge and plans, all underpinned by clear targets and governance.

As an organisation we have a zero-tolerance approach to any form of slavery, forced labour and human trafficking. For this reason, Costa Coffee fully supports the provisions set out in the Modern Slavery Act 2015. This statement meets the requirements of the UK Modern Slavery Act 2015. This statement has been published in accordance with Section 54 of the Modern Slavery Act, covering the period from 29th May 2021 – 27th May 2022, and has been approved by the Board of Costa Limited.

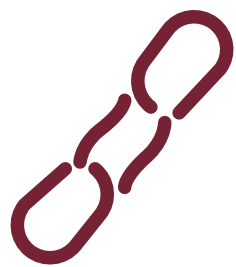


Jill McDonald
CEO Costa Limited, June 2022





2021-22 Highlights



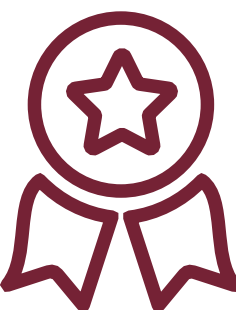
Supply Chain Risk Mitigation

Our supply chain risk assessments are in-depth reviews conducted with multiple partners and experts in human rights. Over the last year we have invested into developing a risk assessment that encompasses a diverse range of inputs to ensure that we gather the best picture of operations to aid mitigation and risk management efforts. Our greatest development this year has been within our auditing programme, which now aims to gather relevant audits from every in-scope supplier above £100,000 annual spend regardless of risk profile. This new aim has only been possible due to the solid foundation laid by our current risk-based approach.



Communities

We launched our first awareness-raising campaign with **STOP THE TRAFFIK**. This reached customers and communities across more than 2,700 of our UK&I stores.



Governance

We refreshed our Human Rights Working Group with new members to ensure full representation of our value chain. Any outputs from this group are now fed into the newly established Global Sustainability Steering Group.



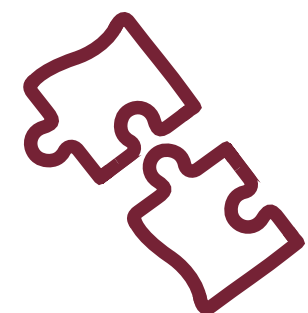
Partnerships

We continue to work closely with **STOP THE TRAFFIK** on our human rights strategy and continue to play an active role with the Rainforest Alliance, supporting the rollout of their new standard.



Key Performance Indicators

We recognise the importance of tracking our performance against our human rights commitments and put key performance indicators (KPIs) in place in our report last year which we have measured progress against this year.



Building Internal Understanding

We have launched our first team wide modern slavery training this year to be completed by all Store Managers in UK company-owned stores. This awareness training is a comprehensive e-learning module focused on how everyone at Costa is responsible for the prevention of modern slavery and the difference they can make through effective reporting of suspicions and spotting the signs.





2.1 Organisational Structure

3,900+

Coffee shops
Worldwide



£720
Million



Spent in joint
venture operations
on goods & services

13,500+

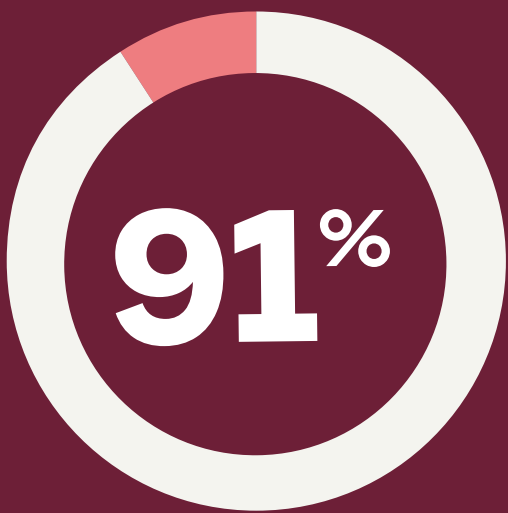
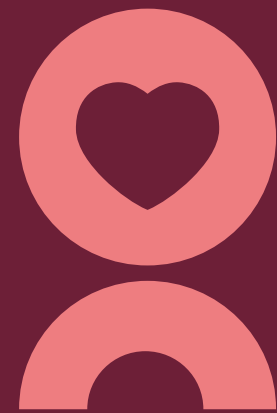
Costa Express
machines in
six regions



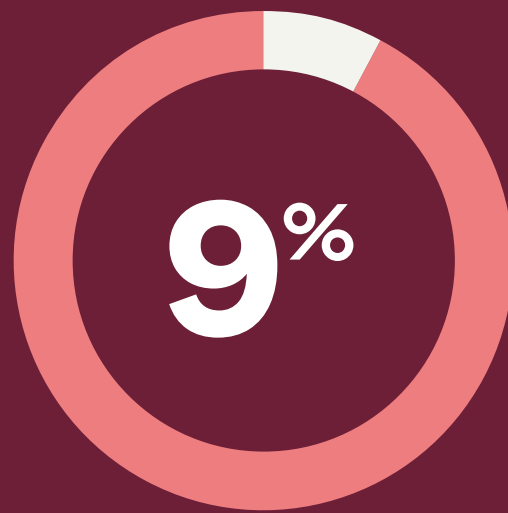
21,000

Team members
Worldwide

From the UK&I, China,
Poland, Latvia, USA,
UAE, Malaysia, Japan,
India, Mexico, Singapore,
Germany, Estonia, Greece,
Spain and Switzerland



Team members
work in our stores
Worldwide



Work in our
Support Centres
Worldwide

12,000

Costa Express
machines are
in the UK



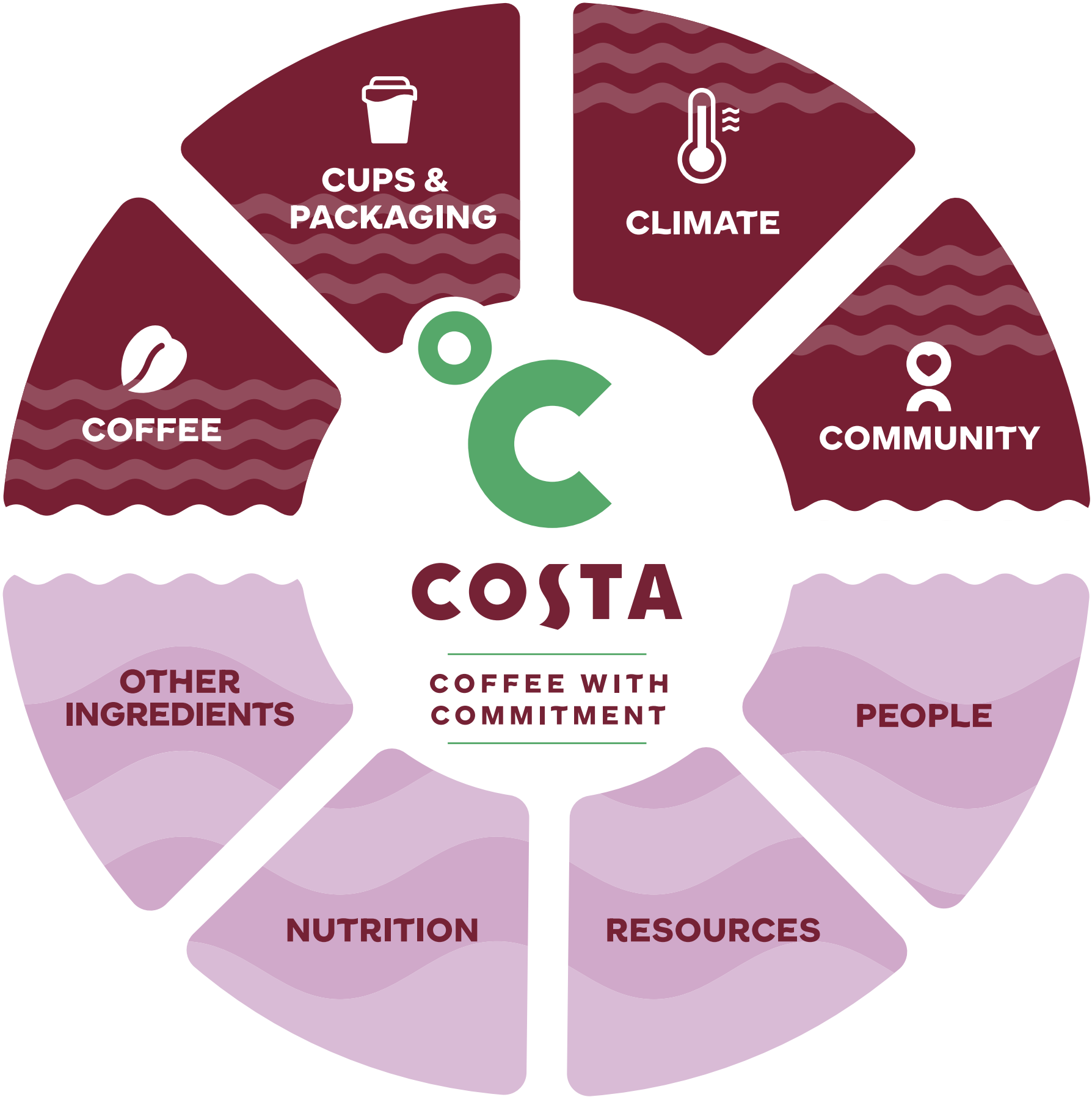


2.2. Coffee With Commitment

We understand the power that truly great coffee holds. It has the ability to uplift the lives of the people who grow it, the expert baristas who craft it, the communities that drink it, and the environment we all depend on.

In March 2022, we launched a new sustainability strategy, called Coffee with Commitment. This strategy is our action plan to drive positive change in the areas where we can have the greatest impact, and that matter most to our teams, suppliers, partners and our consumers. It builds on and replaces the progress achieved under our previous strategy, **Behind the Beans**.

Protection for human rights continues to form a key component of this refreshed strategy, which is made up of four key priorities supported by four foundational areas:



Our ‘Coffee’ priority is centred around a commitment to sourcing beans in a way that positively impacts nature and the lives of coffee farmers. We take great care and pride in the way we source our coffee beans. As a global total coffee company, we know that the choices we make have the potential to make a positive difference in the long run, which is why we source all our coffee to the Rainforest Alliance’s comprehensive sustainability standard.

Beyond coffee sourcing, our human rights programme is captured within our ‘People’ pillar with ongoing work around:

- Advocating for diversity, equity and inclusion; building teams that reflect the communities we serve.
- Collaborating with our partners and suppliers to protect human rights, across our own business as well as our supply chains.

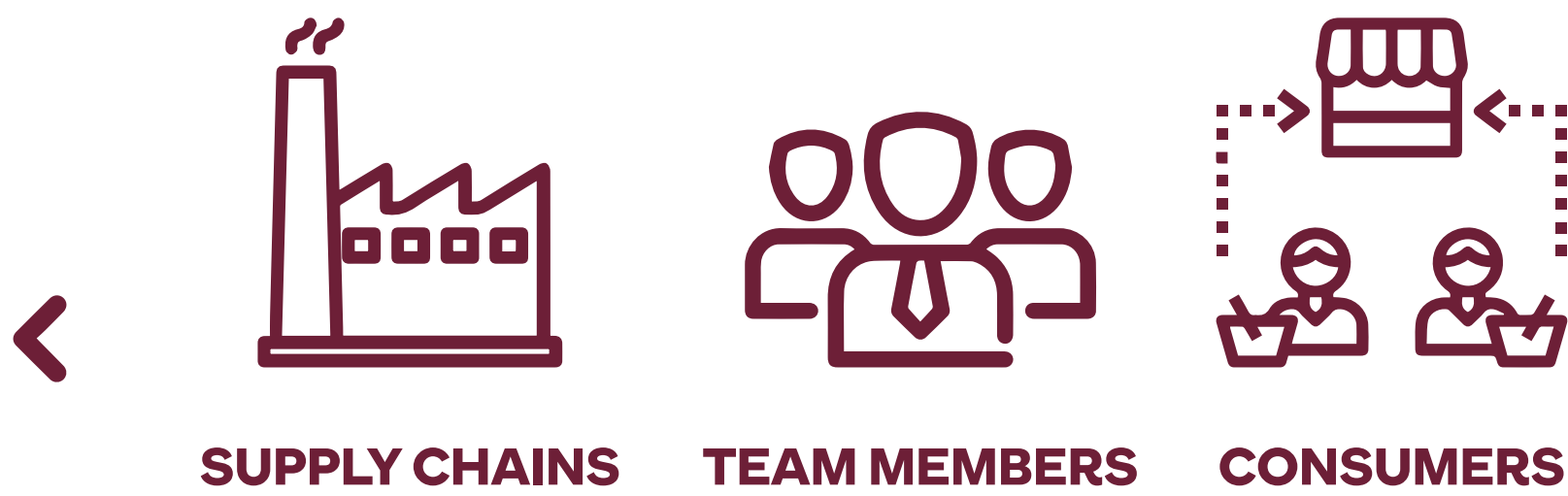
Coffee with Commitment helps us to play our part in creating a better future for the world. You can read more about our sustainability agenda [here](#).





3.1. Supply Chain Risk Mapping

Costa Coffee is committed to upholding human rights and preventing modern slavery and human trafficking throughout its operations. As a total coffee company and hospitality business, we recognise that we have three areas of potential risk:



We have included detail of our policies and our due diligence steps that we have taken to manage our risk within these key areas.

We first completed inherent and actual supply chain risk mapping with our partner, **STOP THE TRAFFIK** in 2019 (see our Modern Slavery Statement for 2019-2020 [here](#)). Inherent risk mapping involves an initial overview of supply chain risk, by evaluating suppliers’ sectors and countries of operation. Actual risk mapping reviews the high-risk suppliers identified in the inherent mapping, assessing how well they manage risk through tools such as audits and self-assessments. This process helped us target and prioritise mitigation efforts and ensure transparent reporting.

STOP THE TRAFFIK’s inherent-risk mapping process ranked each supplier on a scale of 1 to 5 based on their economic sector and

country of operations. These factors are measured by assessing the potential impact across several human rights issues, including but not limited to, women’s rights, corruption prevalence and modern slavery. All data gathered through 22 different data sources, was then further enriched with evidence from **STOP THE TRAFFIK’s** Centre for Intelligence Led Prevention.

This inherent risk mapping identified 188 Costa Coffee suppliers who operate in either a sector and/or country which has been classified as high risk for human rights violations, making up approximately £320 million of procurement spend, which is less than 50% of the total procurement spend. These high-risk suppliers are primarily located in sectors that manufacture food and beverages, as well as property and consumables, such as furniture. They also include corporate services, such as store fitouts, warehousing, and facilities services.

Following this, throughout 2020-21 we conducted an actual risk mapping with **STOP THE TRAFFIK**, prioritizing the top 100 of these 188 inherently high-risk suppliers. This assessed publicly available information, such as Modern Slavery Statements, and data disclosed to the Costa Coffee team, such as questionnaire responses and audit reports. This allowed us to review what steps had been taken by each supplier to manage their human rights risk and helped us to identify areas of concern which would require further engagement.

We identified which of our suppliers are deemed “significant risk”, as opposed to “unmanaged risk” or “managed risk”, in our human rights risk ranking. This means that they are classified as requiring regular monitoring through social audits of their businesses to verify if they are

meeting our ethical standards as we have identified areas of concern. We have conducted audits on these “significant risk” suppliers in the past year, which are detailed in the following section on our supply chains.

As a result of these findings, we launched our enhanced due diligence approach. This has formed our human rights due diligence programme, to ensure our ethical standards are being followed throughout our operations. This has included the relaunch of our ethical questionnaire and has enabled us to engage with key high-risk suppliers to encourage change.

We had originally planned to update our risk mapping in 2021, however, this was delayed due to the impacts of the pandemic causing fluctuations within our supply chain. With our supply chain stabilising, we will be revisiting our risk mapping. We will work with **STOP THE TRAFFIK** to assess our global value chain, capturing any emerging country or sector risks which may be affecting our current suppliers. In our next report, we will provide an update on any additional risks identified and how these have been or plan to be mitigated in line with our due diligence approach.





4.1. Coffee Supply Chains

4.1.1. Rainforest Alliance Certification

We depend on the farmers who grow our coffee to keep our business going. For this reason, we take our responsibility to them very seriously. This is why Costa Coffee only sources its coffee beans from **Rainforest Alliance Certified** farms and has a valid supply chain certification against the Rainforest Alliance Standard.



The **Rainforest Alliance** applies a detailed assurance system of **certification and auditing rules** covering human rights, social, environmental and economic criteria that is assessed by independent certification bodies via audits. The Assurance System of the new Rainforest Alliance 2020 Certification Program introduces numerous innovations to ensure that certification is more context-specific, data-driven, and risk-based. The 2020 Certification Program aims to promote a preventive approach instead of a reactive one, and the Assurance Rules have been developed within a risk-based framework to enable this approach. In this framework, data is collected at the beginning of the certification process, rather than at the end, allowing for risk analysis to be carried out. Providing actionable information for program users, the program takes this better use of data to introduce the use of ‘Risk Maps’. These are maps that are created through combining external data sources with location data, Rainforest Alliance data and specific sector data. The maps then provide risk levels of countries, organizations and farms (or farm units) for key sustainability topics – child labour, forced

labour, deforestation and sustaining natural ecosystems (protected areas). This risk map approach helps the certification bodies plan where an audit may need more focus.

4.1.2. Reviewing Risks

As a coffee company with global suppliers, we recognise the risk located within our supply chains. In addition to working with **Rainforest Alliance**, we have conducted an independent review of the key economic, environmental, and social risks to global coffee supply chains.

As a result of this risk review, we have a greater understanding of the nuanced risks which are threatening coffee supply chains globally. The risks identified have helped inform our enhanced due diligence systems and have been integrated into future risk reviews. It has given us greater visibility around the issues which may be impacting those in our supply chain, and we are working closely with our suppliers to understand where we can help to address them. This will continue to be an area of focus in 2022.

Costa Coffee only sources its coffee from Rainforest Alliance certified farms.





4.2. Policies

4.2.1. Supplier Guiding Principles

Costa Coffee is proud of our Responsible Sourcing Policy (RSP) – renamed ‘Supplier Guiding Principles’ (SGP) - which is in-line with the UN Guiding Principles on Business and Human Rights. The policy outlines the social, ethical and environmental standards to which we hold our direct suppliers and can be found on our website [here](#).



Last year, we updated our supplier requirements and added a provision into key supplier contract templates, that explicitly require suppliers to comply with our SGP, confirming their obligations on the following issues:

- Employment and forced labour
- Discrimination
- Freedom of association
- Regular employment
- Working conditions
- Humane treatment
- Child labour
- Dormitories
- Wages and benefits
- Ethical corporate practices
- Working hours and annual leave
- Environmental stewardship

4.2.2. Policy Updates and Achievements

With a drive to achieve best practice in our supply chain management, we have also been working closely with **STOP THE TRAFFIK** to enhance our procurement policies.

We expand upon the achievements of this enhanced due diligence process below. In 2022-23, we will be conducting a further review and revision of our policies in line with best practice with **STOP THE TRAFFIK**.

4.2.3 Incident Response

As we review and update our policies in the year ahead, we’ll also build in formalised incident response mechanisms for human rights and modern slavery incidents. Currently, our incident response plans can be summarised as follows:

Team member – we have processes in place that our teams follow in the event of a security or safety incident. This includes escalation routes, points of contact internally, and support for those affected by an incident via our Employee Assistance Programme.

Supplier – issues are escalated internally, depending on severity. The Supplier Guiding Principles outlines Costa’s right of access to supplier operations for auditing, including in response to being made aware of an incident.





4.3. Enhanced Due Diligence

In 2021, Costa Coffee worked closely with **STOP THE TRAFFIK** to modify and streamline our due diligence processes, clarify roles and responsibilities internally, and increase overall efficiency. This work began in 2019 following **STOP THE TRAFFIK’s** gap analysis of Costa Coffee’s supplier journey, from on-boarding to regular monitoring and evaluation.

This enhanced due diligence process has made significant steps forward in monitoring of our suppliers and maintaining ethical standards throughout our supply chain. The following improvements have stemmed from these findings:



4.3.1. Ethical Questionnaire

We have refined the ethical questionnaire that we require high spend suppliers to complete to verify that they meet our high expectations for ethical standards. If suppliers fail to meet our standards, we will work with them via a closely monitored remediation process to improve their practices. We understand that compliance with our Supplier Guiding Principles might not be immediately achievable, but we are committed to working collaboratively towards this goal.

Previously, all in scope suppliers were required to answer the same questionnaire; we now ask every supplier to answer a targeted questionnaire centred around the good or service they supply. This allows us to get a more nuanced understanding of the specific risk in each sector and target enhanced due diligence towards our highest risk.

Higher risk suppliers which were identified through **STOP THE TRAFFIK’s** risk mapping, i.e. those in food/drinks processing and production, manufacturing, facilities and services, logistics and freight, labour provision or construction, have to answer more questions than suppliers from low-risk sectors.



Process Diagram

These questionnaires have been translated into both Polish and Chinese – our two markets with significant numbers of company-owned stores – and have been shared with our Global Teams. This process ensures that Costa Coffee is doing its utmost to protect workers across our supply chain, around the world.

4.3.2. Supplier On-boarding Process - Monitoring and Auditing

To monitor that our supplier’s standards are in-line with our own, we are updating our vendor processes such that suppliers cannot be added to our approved vendor list without completing the ethical questionnaire.

As a result of our actual risk mapping, we have progressed into the first round of ethical audits with our suppliers, in addition to technical audits which are already carried out. Suppliers determined to be operating in high-risk sectors are now regularly monitored through social audits.

We have partnered with a global ethical audits specialist to support us in our supplier monitoring. These audits have begun in our UK&I suppliers, with work progressing into audits for Global Teams’ suppliers. Since implementing this ethical social auditing (SGP audits), we have completed additional due diligence, including audits across 95% of the suppliers previously identified as “significant risk”, which we have reported on in our key performance indicators. In 2022-23, we will further extend our audit programme with the support of our audit partner, which will enable us to engage with more suppliers across our global value chain.





4.4. Procurement and Sustainability Teams

Over the last year, our Global Procurement function has continued to work closely with the Global Sustainability team, aligning on objectives and collaborating to deliver our human rights programme.

This means that both teams are jointly responsible for the day-to-day operation of our due diligence procedures, with training provided to ensure clarity on processes and each person’s role within them.





5.1 Team Member Policies

Costa Coffee puts people at the core of everything we do, and therefore makes an extra effort to ensure our team members are at lower than typical risk of exploitation, trafficking, and modern slavery. Our store team members work closely together within our inclusive internal culture and spend much of their time communicating with our consumers.

We know that maintaining a fair and safe environment, which empowers and protects team members, is what allows us to deliver high standards for consumers every day. To achieve this, we abide by the following policies to ensure no form of labour exploitation touches our business.

We delivered comprehensive training for store team members in 2021-22, including online learning modules with focus on modern slavery. The training enables our team members to build good foundational knowledge of modern slavery and human trafficking, and is structured to include:

- Definitions of human trafficking, modern slavery and labour exploitation.
- How our teams might interact with exploitation, at work or in their daily lives.
- Hypothetical case study examples of human trafficking in the food and beverage industry.
- How to spot the signs of exploitation and report them to relevant parties.

So far, 1244 Store Managers in our UK company-owned stores have completed our training. As outlined in our key performance indicators (KPIs) below, we will focus on increasing the reach of our training in 2022-23.

We will also measure the efficacy of the training in improving the understanding of key issues and employee confidence with how to approach any concerns. This information will be used to renew and improve our training on an ongoing basis.

Next year, we will look to roll out the module to teams in our global markets whilst also providing additional languages for our UK teams. We always strive to make our training as accessible as possible for our team members, which contributes directly towards increasing their impact.





5.2. Code of Conduct

Our Code of Conduct ensures our team members have an ongoing awareness of the policies Costa Coffee has in place to support them. It is provided to all employees upon joining, and signposts to relevant policies including our Speaking Out, Grievance and Equal Opportunities policies. We have mandatory learning in place for team members to complete on an annual basis to ensure that the Code of Conduct is read and understood.

To read more about these policies, see our 2019-2020 Modern Slavery Statement, [here](#).



5.3. Human Trafficking Policy

This policy outlines what human trafficking is, how our business might be exposed to incidents, the types of activities to look out for associated with human trafficking and guidance about what our team members need to do if they have a suspicion of human trafficking within the business.

All team members and store managers have access to our Human Trafficking Policy, available to view via an internal online portal. Team members are encouraged to report any suspicions to our Safety and Security Team who will investigate further and, if appropriate, refer potential incidents to law enforcement.

5.4. Approach to Labour Agencies

Another way we mitigate against modern slavery risk is by avoiding labour agencies for temporary team members in our stores. While temporary team members are sometimes used in our Support Centres, all of them are sourced from one of our verified agencies which have been vetted by our People team.

Although our use of labour agencies is limited, we acknowledge that this still presents a potential modern slavery risk for our business. To mitigate against this risk and meet best practice, our People team regularly review our vetted agencies' recruitment procedures, grievance policies and payroll practices.

5.5. Additional Policies

Costa Coffee has several other policies that protect and inform our team members. Many of these foster a culture that is more resilient to criminal activity such as human trafficking. They have been briefly explained below, but for a more in-depth account please see our Modern Slavery Statement for 2019-2020, [here](#).

5.5.1. Grievance Policy

This policy supports and guides team members and managers, both in stores and support centres, regarding any concerns raised by a team member about their work.

5.5.2. Speaking Out Policy

This policy outlines the process we follow when our team members raise a concern about wrongdoing, danger, crime, or breach of Costa Coffee's Code of Conduct. Within our UK business, concerns can be raised through a confidential helpline run by Costa Coffee's Employee Assistance Provider, Hospitality Action. All our team members globally can also report grievances via **EthicsLine**, a third-party service available 24 hours a day in multiple languages.

5.5.3. Equal Opportunities Policy

This policy outlines our active commitment to providing equal opportunities and embracing diversity at Costa Coffee.

5.5.4. Right to Work

This policy covers legislation, what checks should be carried out, what happens when documents expire and how Costa Coffee will avoid discrimination during document checks¹.

5.5.5. Human Rights Policy

This policy outlines the ways that we respect and promote human rights at Costa Coffee, covering topics such as work hours, wages, freedom of association and forced labour.

¹Managers also have access to our **Employee Relations helpdesk** for further support and guidance.





5.6. Creating an Inclusive and Welcoming Culture

Our work on team member safety goes further than our policies, as we continually strive to foster a warm and safe environment that welcomes all team members. We passionately believe in the promotion of inclusion and diversity across the workplace, with the view that everyone should be able to bring their whole selves to work. In this spirit, we have four important team member led inclusion networks; **Shine, Inside Out, Belong and Together**. These networks promote LGBT+ inclusion, wellbeing (including mental health, disability and neurodiversity), culture and heritage, and gender balance, respectively.

An additional way we have developed a more open culture, is through the creation of our inclusion and diversity toolkit series. The first of these toolkits, titled ‘Disability and Wellbeing’, helps team members and line managers to learn more about certain health conditions, so that we can better support those we work with and the consumers we serve.

Actions such as these are key to enabling Costa Coffee to build inclusive communities where everyone feels welcome, trusted and respected. It is only by building such communities that we can cultivate a culture more resilient to issues such as modern slavery.



5.7. Costa Coffee Franchising Standards

At Costa Coffee we have a bold mission - to become the number one coffee brand in the world. As a franchisor we work together with our franchisees (new and existing) to take a consistent approach on human rights and modern slavery.

As part of this journey, we collaborate with our partners to provide shared learning for team members to ensure that everyone can develop and grow with Costa Coffee inclusively. This included store manager and team member training, brand inductions and coffee skills.

To support our partners with policies including ESG, we may specify from time-to-time rules on the prohibition of child labour and policies on environmental issues or ethical issues in relation to employees.

We believe this is the best way to drive growth under our Total Coffee Company strategy and will enable us to deliver on our purpose - serving more cups of great coffee, to more people, more often.

We maintain strong relationships with our franchise partners, creating sustainable foundations with them to provide transparency and trust.





6.1. Consumers

Costa Coffee recognises the sad reality that food and beverage sites can sometimes be used as a location for traffickers to groom or exploit victims. Addressing this risk was a key focus for us in 2021-2022 as we seek to ensure that our human rights work extends beyond our business to our communities.

We have a Human Trafficking policy which details how to spot the signs of trafficking and where to report concerns. Further information about this policy is available above.

With our partner, **STOP THE TRAFFIK**, we have launched our first ever awareness-raising campaign on human trafficking. To stop trafficking, communities must be resilient and risk aware, with an understanding of the signs and dangers of exploitation, as well as where to get help. With **STOP THE TRAFFIK**, we decided to use the reach afforded to us by the footfall in over 2,700 of our stores nationwide in the UK to launch a poster campaign. The posters explain key indicators of trafficking and a unique QR code directs customers to find out more about trafficking, the risks, the signs and what to do if they or someone else needs help.

STOP THE TRAFFIK
PEOPLE SHOULDN'T BE BOUGHT & SOLD

EXPLOITATION
CAN BE HIDDEN
IN PLAIN SIGHT

YOU CAN BE PART OF STOPPING IT

An estimated 130,000 people are trapped in human trafficking and modern slavery in the UK. There are a few things you can look out for to help you spot the signs of exploitation in your community.

Fear, Anxiety & Lack of Trust
A person in exploitation may be fearful or anxious around people. They may seem distrustful of authorities or distressed while in their presence.

Control & Coercion
Various tactics of control and coercion are used by exploiters. Some of these tactics (like violence) show visible signs, while others may be harder to spot. Exploiters may control access to finances, or use debt as a means of coercion.

Physical & Psychological Abuse
A person in exploitation may be coerced and controlled through abuse or threats of abuse. They may be visibly injured, and may seem withdrawn and unable to make eye contact.

Lack of Documentation
A person in exploitation may have had their identification cards or personal documents taken from them by an exploiter as a means of controlling their actions.

HAVE YOU SEEN SOMETHING THAT DOESN'T LOOK RIGHT?
DO YOU WANT TO FIND OUT MORE?

If you or someone you know is in danger or requires immediate assistance, please contact emergency services on 999.

You can find out more about available support by scanning the QR code.

SCAN HERE TO LEARN MORE
stopthetraffik.org

Scan me to learn more

Costa Coffee Modern Slavery Statement 2021-22

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7.1. Human Rights Working Group

A Human Rights Working Group was established in 2019 as part of an adjusted governance structure. This group brings together representatives from across the organisation, including from procurement, sustainability, legal and corporate affairs, in both our UK&I and global teams. The working group meets quarterly and is responsible for implementing policies, updating global guidelines, and assessing audit programmes.

Following **STOP THE TRAFFIK**'s risk review, identifying that our highest risk is located within our supply chains and our team members, the working group has prioritised these areas.

We refreshed our Working Group in 2021 to ensure that members are representative of Costa Coffee's value chain. Any outputs from this group are fed into a newly established Global Sustainability Steering Committee - a sub-committee of Costa Coffee's Global Executive. With the set-up of this group and the launch of Coffee with Commitment, human rights work-streams are being reviewed to ensure ownership and accountabilities. This will enable risks to be flagged quickly and for senior leadership to input into human rights related decisions where necessary.

7.2. Internal Handbooks

As part of our enhanced due diligence programme, we have created an internal handbook on our new human rights' due diligence processes. This handbook provides both our Procurement and Sustainability teams with in-depth guidance on how to carry out our enhanced due diligence procedures, outlining exactly what is required of them.

Our Roastery team have also developed our 'One Costa Governance' playbook, which outlines our vision for governance across our international coffee supply chain operations. It focusses on the alignment of legality, compliance, store and product standards across our global coffee supply chains.

Handbooks such as these are vital to supporting our internal governance processes and integral to our work in mitigating against modern slavery risk.





8.1. Procurement Team Training

STOP THE TRAFFIK delivered a training session for Costa Coffee’s Procurement team and F&B Teams in August 2020. The training combined awareness of the importance of human rights due diligence, with operational guidance on how the updated on-boarding procedures should be followed. 28 team members attended the session, from key procurement roles across global markets and goods, including senior managers who lead our Food and Beverage (F&B) and Goods Not for Resale (GNFR) procurement.

This training session provided knowledge of the new system, as well as illustrating why best practice is necessary and the impact each team member can have. This outlines the role that each individual plays in the due diligence system, including responsibilities around the supplier monitoring and auditing process. We will be providing additional training across our teams in the next year.

In 2022, we will focus on measuring the outcomes of our training. We will evaluate the effectiveness against the metric of how comfortable team members feel spotting the signs and addressing the risks of modern slavery.

8.2. Global Teams Training

As outlined above, this year we have developed and launched a digital learning module focused on modern slavery. This module has been created with a global audience in mind, with our UK Store Managers and Costa Express field teams as the first key learner groups.

In 2022-23, we will look to extend the reach of this module into our global markets, to ensure a consistent level of understanding around modern slavery in all markets in which we operate. Alongside our global roll-out, we will also be providing additional languages for our UK-based teams to ensure that our training is as accessible as possible.





9.1. STOP THE TRAFFIK

STOP THE TRAFFIK is a close partner of Costa Coffee and has been fundamental in the development of an expert-led approach to Modern Slavery and Human Trafficking across the organisation. As detailed throughout this document, our work with **STOP THE TRAFFIK** goes beyond ad hoc engagement and is a formalised partnership ensuring that Costa Coffee approach all elements of our work with a view to prevention and mitigation of modern slavery. We meet regularly to discuss issues arising and **STOP THE TRAFFIK** are present in our Human Rights Working Group. Some highlights of our work together include:

- Inherent and actual risk mapping of Costa Coffee’s global supply chain
- Collaborative development of the Costa Coffee UK&I human rights due diligence programme
- Creation of a campaign to raise awareness of spotting the signs of Modern Slavery within Costa Coffee stores

In 2022-23, Costa Coffee plans to collaborate with **STOP THE TRAFFIK** to revisit our supply chain risk mapping, develop additional training and continue the enhancement of our ethical processes in line with best practice.

“**STOP THE TRAFFIK** are thrilled to be continuing our partnership with Costa Coffee, building on the successes of previous years. Costa Coffee is committed to fighting modern slavery and exploitation with a clear dedication to going beyond compliance to establish global best practice in its business. Working collaboratively on a prevention campaign that involved placement of awareness raising posters with support information for vulnerable members of the community in every Costa Coffee store across the country has been a highlight of our work together this year.

We look forward to developing exciting new projects together in the coming year with more focus on communities and international response to the issues of modern slavery and human trafficking.”

Jason Nunn,
Director of Business Engagement at
STOP THE TRAFFIK





9.2. The Rainforest Alliance

Another of our most valued partnerships is with the Rainforest Alliance – a partnership that looks to protect human rights and enhance sustainability across our coffee procurement.

You can watch a video about our partnership with the **Rainforest Alliance** [here](#) and read further information on our partnership above.



People, Planet, Profit - How to summarise the impact of **Rainforest Alliance** Certification





9.3. Roundtable on Sustainable Palm Oil

Costa Coffee is a member of the **Roundtable on Sustainable Palm Oil (RSPO)**, a not-for-profit bringing together stakeholders from the palm oil industry to develop and implement global standards for sustainable palm oil. In order to be a member of the RSPO, Costa Coffee complies with set environmental and social criteria which help to minimize the negative impact of palm oil on the environment and communities.

9.4. Trade Associations and Industry Groups

We know how important it is to share best practice and improve our knowledge of the opportunities and risks relating to human rights and modern slavery.

As members of the **British Retail Consortium** and the **British Coffee Association**, we are able to access expert insight and up to date information about the issues most relevant to consumers and other businesses – including human rights, diversity and inclusion, and other key sustainability topics. Together, we work to achieve collective progress that benefits our communities, consumers and our team members.





10.1. Previous Targets

For full transparency, we have provided below an overview of the steps taken towards the targets we set last year and the targets from the previous year which required additional actions.

Risk Area	Next Step	Progress	What have we done?
Supplier	Percentage of in scope UK suppliers who have committed to comply with Costa Coffee’s Supplier Guiding Principles (SGP).		This metric was newly established, and we have identified a need to improve the processes in place and the visibility of the SGP to our suppliers. This will be a focus in the next year to build on the existing circa 20% of suppliers who have acknowledged the SGP so far.
	Percentage of UK suppliers classified as “significant risk” audited.		95% of our “significant risk” suppliers have completed an audit and we will continue to monitor the completion rates. Audits include either those completed by Costa Coffee or an in date SMETA audit.
Team Members	Review policy implementation.		Ownership of the implementation and management of our key policies has been established to ensure accountability. Later this year we will be performing an additional review of our policies in order to update as needed.
	Review and update team members KPIs.		Extended team member KPIs below for 2022/23, focused on measuring impact of interventions (beyond completion rates of training).
	Percentage and number of UK store team members who have completed human rights training within the last 2 years.		1244 UK&I Store Managers (83%) have completed training. We have expanded on this KPI below.
Consumers	Review risk of incidents and develop action plan.		Incident management process outlined above – further work to be done as part of refreshed risk review.
	Review and update consumers KPIs.		New KPI outlined below, focused on wider community engagement and prevention.
	Number of stores provided with awareness-raising resources to display.		100% of stores have been provided with awareness-raising posters developed with STOP THE TRAFFIK .

Complete

Substantial progress

Not Yet Started





10.2. Looking Forward to 2022-23

As we continue to develop our human rights approach, we have worked with **STOP THE TRAFFIK** to develop a set of KPIs which build on our 2021-22 targets, also included here, which align with best practice. The KPIs are focused on the effectiveness of our work to improve our reporting approach and transparency. In 2022-23, we will monitor and report on progress against the following:

Risk Area	KPIs	Commitments	Progress	Actions
Team Members	Percentage and number of UK store team members who have completed human rights training within the last 2 years.	90% of in scope team members completing training.	So far, 1244 UK&I Store Managers (83%) have completed training.	Expand training offering to other Costa Coffee markets.
	Average self-reported confidence of team members in understanding modern slavery, knowing the signs, and the ability to respond appropriately.	75% confidence target.	New KPI.	Survey team members on confidence metrics. Plan for training improvements based on responses.
Supply Chain	Percentage of in scope suppliers audited to Supplier Guiding Principles (SGP) or equivalent.	100% audited.		We will be working with an external agency to increase our audit capacity.
	Percentage of in scope suppliers who can demonstrate compliance with the SGP.	90%.		
Sector Impact	Costa Coffee presence at key industry bodies or initiatives relating to ethical practice	Involvement in all relevant areas.	We are currently members of the Rainforest Alliance ; British Coffee Association and Roundtable on Sustainable Palm Oil .	We are working with STOP THE TRAFFIK to identify key initiatives and industry bodies to join in the next year.





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