



2023 STATEMENT

# **COSTA COFFEE**

## **MODERN SLAVERY STATEMENT**



**COSTA**  
COFFEE



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Foreword

We are proud to be part of thousands of communities across the UK. In our nearly 2,700 UK-based stores, we host millions of unique coffee experiences every day, each made possible thanks to the passion of our 17,800+ UK team members, dedication of our franchise partners, and commitment of our suppliers.

People are at the heart of our business. Through 2023, we have continued to invest in our people and support the communities we are part of, including through our Community Grants programme and our fundraising for the Costa Foundation.

Alongside our people and community programmes, we also have continued to make progress within our supply chain human rights audit programme, for example improving our monitoring and reporting through our new supplier management dashboard. As an organisation, we prohibit all forms of modern slavery, forced labour and human trafficking.

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; it has been published in accordance with Section 54 of the Act, covering the period from 1st Jan 2023 – 31st December 2023 and has been approved by the Board of Costa Limited.

Philippe Schaillee  
CEO Costa Limited, September 2024



1. Organisation structure and supply chains

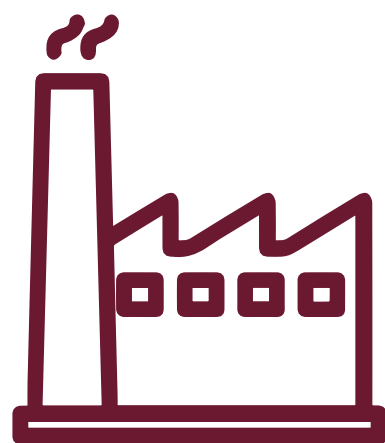
Costa Limited (Costa Coffee) has over **4,000 stores and almost 16,000 Costa Express machines in six regions:** UK and Ireland (UK&I), Europe, Middle East and North Africa (EMENA), Southeast Asia (SEA), India and Latin America. **We have over 2,800 stores and 14,000 Costa Express machines in UK&I alone.** Some stores are company-owned and some are franchised.

Worldwide, over **20,000 team members** are employed directly by Costa Coffee. **Over 90% of our team members work in our stores and under 10% work in our support centres,** constituting all global Costa Coffee employees from the UK&I, EMENA, SEA, India regions. **Within the UK we directly employ over 17,800 team members.** Over **90%** of our employees work in stores across the UK and under **10%** work in our support centres.

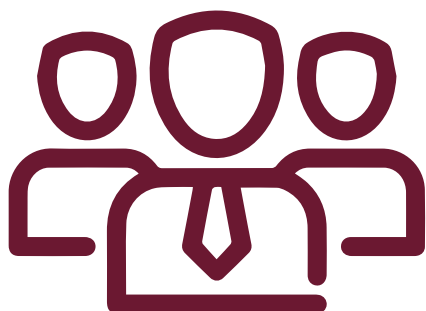
Our central procurement function has been restructured as global procurement, representing areas of direct procurement including **Food and Beverage**, and **Goods Not For Resale** which includes equipment, furniture and consumables in our stores, **IT and services** such as waste management and logistics.

2. Risk assessment and management

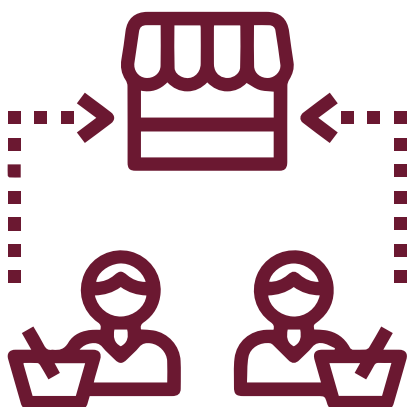
Costa Coffee is committed to upholding human rights and preventing modern slavery and human trafficking throughout our operations. As a total coffee company and hospitality business, we recognise that we have three areas of potential risk:



01  
SUPPLY CHAINS



02  
TEAM MEMBERS



03  
CONSUMERS AND OUR WIDER COMMUNITIES

In our previous statements available [here](#), we outlined the results of our risk mapping process with STOP THE TRAFFIK. This process helped us target and prioritise risk mitigation efforts and ensure transparent reporting. In 2023, we also worked with third-party advisors to conduct a risk review of our business and supply chains, to identify the ways in which Costa Coffee may impact the ability of rights holders to enjoy their human rights. The highest priority risks identified included child labour, forced labour and water rights.

We continue to draw upon the work of both the supply chain risk map and the overarching risk review as our auditing programme has dialled up in 2023.

2.1. Coffee sourcing and sustainability

We recognise that coffee growing countries and agricultural sectors often face inherent social risks and vulnerabilities. For this reason, we take our responsibility to them very seriously.

We select and approve tier 1 coffee raw material suppliers that meet our sustainable agriculture principles and supply chain policies. We use sustainability standards, which include farm and supply chain criteria relating to the prevention of modern slavery and human trafficking.

In collaboration with the Rainforest Alliance since 2008, Costa Coffee has been sourcing **Rainforest Alliance** certified coffee through our approved suppliers. In 2023, shortages of Rainforest Alliance Certified coffee beans meant that we sourced a percentage of non-Rainforest Alliance Certified beans for our UK market, following the temporary supply shortage process outlined by the Rainforest Alliance. These coffee beans were compliant with Costa Coffee’s sourcing principles and supply chain policies.

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. Find out more about the Rainforest Alliance 2020 Certification Program [here](#).







### 3. Policies in relation to slavery and human trafficking

#### 3.1. Supply chain policies

Costa Coffee requires suppliers to comply with our Supplier Guiding Principles (SGP) - which are in-line with the UN Guiding Principles on Business and Human Rights.

The SGP's outline the social, ethical and environmental standards to which we hold our direct suppliers to and can be found on our website [here](#). Our supplier contract templates require suppliers to comply with our SGP.

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.



#### 3.2. Team member policies

- **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 connects to other relevant policies. Compliance with the Code of Conduct is mandatory, and we have learning in place for all team members to complete on an annual basis to ensure that it is read and understood.
- **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. UK team members and store

#### 3.2.1. Incident response

Within our people policies, we outline the appropriate incident response and reporting mechanisms for human rights and modern slavery incidents. Country-specific reporting routes are also outlined within our team member learning module. Currently, our incident response plans can be summarised as follows:

- **Team member** – we have a clear incident management process, which our UK&I store teams follow in the event of a security or safety incident. This process includes clear points of escalation, including a dedicated phone line and email address that enables them to reach Costa Coffee's safety and security team. Any team members affected by an incident can also access support via our Employee Assistance Programme, provided by Hospitality Action.
- **Supplier** – any issues will be escalated within Costa depending on severity. The SGPs outline Costa Coffee's right of access to supplier operations including their entire supply chain for our own auditors or by third-party auditors engaged by Costa Coffee to assess compliance with the SGPs, including in response to being made aware of an incident.







## 4. Due diligence processes

### 4.1. Suppliers

For our tier 1 (direct) suppliers, we conduct a series of due diligence practices to ensure our supply chain parties meet our SGP requirements. This process begins at the earliest stages of selecting and on-boarding new suppliers and continues as a standard component of our ongoing supplier relationships.

#### 4.1.1 Supplier selection and on-boarding criteria

Our processes for new vendors help ensure that suppliers must commit to the SGP standard before we engage in a tender process. This commitment is captured within contracts as a mandatory requirement for all new suppliers.

#### 4.1.2 Supplier monitoring and auditing

We conduct social audits with our suppliers, as well as technical audits. Suppliers determined to be operating in high-risk sectors are monitored through SGP audits, with their audit cycle determined by the results of their most recent audit.

We have collaborated with a global social audits specialist to support us in our supplier monitoring across our global supply chains. Audits assess our suppliers against the SGPs, involving an on-site audit that typically lasts 1-3 days (depending on factors including the size of the supplier and number of employees).

In 2023, we launched a supplier monitoring dashboard to underpin the expansion of our auditing programme. The dashboard is a key tool that aims to enable us to regularly report internally on the progress of our programme, including to our senior team.

As of December 2023, more than 70% of in scope suppliers were actively engaged with our monitoring programme, with audits either completed or in progress.



### 4.2. Team members

Costa Coffee puts people at the core of everything we do. We know that maintaining a safe and inclusive 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 (in addition to our Code of Conduct and Human Trafficking Policy outlined above) to ensure no form of labour exploitation touches our business:

- Grievance Policy
- Speaking Out Policy
- Equal Opportunities Policy
- Right to Work
- Human Rights Policy

#### 4.2.1. Recruitment and approach to labour agencies

All team members within our company-operated stores and central support functions are directly employed by Costa Coffee. Within our detailed recruitment processes and due diligence practices, we ensure identity and right to work checks are conducted via a third party.

We also aim to mitigate modern slavery risk through

limiting use of labour agencies. Occasionally, we may need to use labour agencies for contract or temporary team members within our central function and support centres. All approved labour agencies used have been vetted by our people team, and we operate in line with the Employer Pays Principle.

#### 4.2.2. Costa Coffee franchising standards

As a franchisor, we work together with our franchisees in the UK to take a consistent approach on human rights and modern slavery.

We collaborate with our franchisees to provide shared learning for team members to ensure that everyone can develop and grow with Costa Coffee inclusively. This includes store manager and team member training, brand inductions and coffee skills.

We look to align with our franchisees on policies including environmental, social and governance (ESG).





## 5. Training on modern slavery and trafficking

### 5.1. Team member training

We delivered comprehensive training for store team members in 2023, including online learning modules with a focus on modern slavery. The training covers:

- 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.

This module is part of the learning provided to UK equity store managers; to date, more than 60% of store managers in the UK have completed this learning module.

### 5.2. Procurement and Supply Chain team training

In 2023, we conducted internal training sessions for those teams with a direct impact on the delivery of our human rights framework; our procurement, technical and food innovation teams.

These sessions have increased internal understanding of the SGPs; as a result, our processes for delivering the SGP audit programme run in a more efficient manner. This has also been reinforced by the increased resource allocated to the programme, with dedicated support from the Procurement team to manage ongoing conversations with suppliers about their audits.

## 6. Collaboration

- **The Rainforest Alliance** – we’re proud to collaborate with the Rainforest Alliance, working together to help protect human rights and enhance sustainability standards across our coffee procurement. We undergo independent audits to ensure our business operations continue to operate within their standard.
- **The Roundtable on Sustainable Palm Oil (RSPO)** – Costa Coffee is a member of the RSPO, which involves compliance with criteria that aim to minimise the impact of palm oil on the environment and communities. Our compliance is measured annually via an audit conducted by RSPO.
- **British Retail Consortium and British Coffee Association** – membership of these industry groups enables us to access expert insight and information about relevant sustainability issues, including human rights.
- **STOP THE TRAFFIK** – we have worked with STOP THE TRAFFIK, a global human trafficking prevention charity, on our human rights programme for several years, utilising their expertise to inform our strategic direction and development of processes and policies.

## 7. Measuring Progress and Program Effectiveness

During 2023, we prioritised and made progress in the following areas:

Focus Area	What we said we’d do	Progress
Team Members	Continue providing human rights training to our store teams and expand to our other Costa Coffee markets.	More than 60% of UK store managers (equity) have completed on-line learning module training since the module was introduced. It has now been integrated into UK Store Manager inductions.
Supply Chain	Reach 60% (in scope) supplier participation with SGP audit programme by end 2023 and launch internal dashboard.	Successfully launched dashboard and achieved over 70% participation by end 2023 (audit completed/ planned/scheduled).
Community and Sector Engagement	Help raise awareness and continued collaboration with industry and sector.	Continued to work with customers, industry and sector groups on a wide range of issues relating to ethical practices.

### 7.1. Looking forward

We will remain focused on mitigating key risks within our supply chains and operations, and continually assess our human rights approach and the key documents and controls that underpin it, to ensure that we continue to move our wider programme of work in the right direction and in alignment with wider business and legislative developments.

Our internal engagement activities will continue to build awareness of our policies, empowering team members to understand and identify the signs of human trafficking, modern slavery and labour exploitation, and we will continue to drive supplier participation and build capacity to support compliance to our Supplier Guiding Principles.