

our modern slavery statement 2023

our modern slavery statement

1 January 2023 – 31 December 2023

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and covers the period between 1 January 2023 - 31 December 2023. It sets out the steps taken by Fresh Trading Limited and its group companies (as listed in its annual accounts) including, innocent Limited and Fresh Trading Supply B.V. (together referred to as 'innocent').

this statement in a nutshell

Here at innocent, we aim to make healthy, tasty juices and smoothies in a way that helps people live well through the delicious goodness of fruit and vegetables. We aim to responsibly source and manufacture our products in compliance with our global policies and principles stated in this report.

We have a human rights policy and supplier guiding principles, based on international standards, which prohibits any form of forced labour and includes guidelines on matters like workplace health and safety and working hours. We put human rights standards into our supplier contracts. We visit our suppliers periodically to identify any risks of modern slavery, work collectively with our partners to set appropriate measures and provide human rights training to many of our employees.

structure and supply chain

Just over 800 people work at innocent. We're spread across offices in Amsterdam, Belgium, Rotterdam, Copenhagen, Dublin, Brussels, Madrid, Milan, Munich, Paris, Salzburg, Stockholm, Vienna and our London headquarters. Our structure comprises core group functions (like finance, sustainability and marketing) who work closely with regional functions which focus on the different markets where we sell our products. At the end of 2023, we had a group revenue of just under €522 million.

We are a wholly owned subsidiary of The Coca-Cola Company (TCCC). Although we follow the same policies and practices as TCCC, innocent has a separate operating model, unique to the chilled juice sector. Fresh Trading Limited is the parent company of the innocent group of companies and operates its supply chain through its Dutch subsidiaries, including operating a manufacturing site in the Netherlands, known as the "Blender".

We operate an end-to-end supply chain model, meaning we procure the raw ingredients and packaging that make our drinks; blend & bottle (partly at the Blender and partly outsourced to third party suppliers); and then distribute to our customers (mainly retailers) who then sell on to our drinkers. The most significant area where we use third party suppliers is for sourcing the ingredients for our drinks, who are located across the globe. We do not operate or own any farms

where the raw ingredients are sourced, these are owned and operated by our suppliers and/or their agents/sub-contractors. Other than the Blender, that can manufacture up to 60% of our production, we do not own, manage or control local bottling partners and factories. Our tier one direct suppliers are: direct ingredient, transport, warehousing, packaging and blending/bottling manufacturing suppliers (hereafter referred to as "Direct Suppliers").

We get the bulk of our ingredients from Spain, Brazil, Poland, Germany, Costa Rica and the Philippines. The ingredients are usually processed in the country where they have been picked. We work with 84 suppliers (61 ingredient suppliers and 23 intermediate processors). The ingredients are then blended in the Netherlands and Germany, with the drinks then bottled in Netherlands, Germany, Spain, the Philippines and the UK. We purchase packaging from sites in the UK, Austria, France, Portugal, Germany, the Philippines and the Netherlands. Our 13 logistics partners move our drinks and raw materials around, and we sell our drinks in 14 different locations across 18 markets in western Europe.

our commitment and approach

1. our commitment to tackling modern slavery

innocent understands and takes seriously its responsibility to people in our business, our supply chain and the communities touched by our direct and indirect operations.

Our commitment is reflected by the expectations set out in our human rights policy and supplier guiding principles which refer to internationally recognised standards. innocent prohibits the use of all forms of forced labour and any form of human trafficking. The processes we use are aligned to the UN guiding principles on business and human rights.

Our **human rights policy**, which lays out the standards we expect, is designed to make sure human rights are respected in our business and supply chains. We want to conduct due diligence on our supply chains and for them to be transparent, so we use periodic social audits to assess if the work is done in accordance with our expectations.

All the factories where our products are blended and bottled by third party suppliers must have a valid **Supplier Guiding Principles** (SGP) audit or equivalent social audit. The SGP apply to our supplier partners and independent bottlers and align with our overall vision for respecting human rights. At the end of 2023, 85% of these factories had an audit and 77% of Direct Suppliers were compliant with our policy. We're working closely with the remaining factories to ensure everyone is on the way to meeting our requirements.

2. how we manage things

Our cross-functional Sustainability Steering Committee (SSC) is responsible for signing off our sustainability strategy, monitoring progress and addressing challenges we face. This includes social sustainability and our approach to human rights. Because society is always changing, we need to keep updating the processes we use and it's the responsibility of the SSC to

make sure those processes stay relevant. We are working to re-establish our Human Rights Working Group (HRWG), which was paused due to changes in the supply chain and re-setting our processes. As previously, the HRWG will provide the forum to discuss human rights within our organisation and supply chains in greater detail and allow us to bring the relevant discussions to the SSC.

3. how we assess things

We have several ways of assessing risks of modern slavery in our supply chains, including:

- a. A group-wide risk assessment. This assessment covers our Direct Suppliers and will be repeated at least every three years. This includes analysis for forced labour risks and other human rights issues.
- b. Risk assessments happen both prior to partnering with new suppliers, and throughout our partnerships with our existing Direct Suppliers. This initial assessment includes modern slavery risk and draws on data and insights from external experts. Similarly, our sustainability risk assessment against major Direct Suppliers is completed annually and all high-risk supply chains are investigated. This covers modern slavery, child labour, labour practices, discrimination and bribery risks.
- c. Analysing the information presented in audit findings, visit reports and in responses to our Hero Supplier Programme (as defined below) questionnaire. We also regularly review external insights from NGO reports, media coverage and learn from our peers through conferences and working groups which feeds into our Human Rights Risk Tracker.
- d. From our risk assessment, we identify priority areas within our supply chain where modern slavery may be more prevalent, such as, agriculture, transport, warehousing, manufacturing and service providers to third party operated factories. The agricultural sector is the highest risk, with Brazil, India, Spain and the Philippines being the highest risk countries.
- e. We carry out independent, social compliance audits for majority of our Direct Suppliers and intermediary ingredient processors in high-risk countries.
- f. As further investigation has revealed high risk areas can be based on location, seasonality and harvest method of each ingredient we buy, we ask our suppliers to share information through a template that helps us get a clearer view of the risks. And our teams are provided with additional guidance on how to approach these visits.

4. how we react to things

1. We are committed to ensuring workers in our supply chain are respected. So we:
 - a. Include our human rights policy, supplier guiding principles and business code of conduct in our supplier contracts and purchase orders, with a right to terminate if the suppliers fail to comply.

- b. Use independently verified sustainable sourcing standards for key raw materials (agricultural ingredients and wood-based packaging) regardless of direct or indirect supplier relationships.
2. **We're aware that parts of our supply chain are considered a higher risk and we need to apply more diligence. So:**
 - a. We use an external consultancy to generate a 'higher-risk country' list, updated at least every three years.
 - b. When these sourcing regions are not banned but prompt the business to reflect properly on the risks identified, then we either seek an alternative source or proceed while assigning appropriate resources to address any systemic risks identified.
 - c. When approving a supplier in a 'higher-risk country' it must be signed off by our CEO.
3. **We also recognise that it's important that our employees have the appropriate resources and tools to identify human rights risks. So:**
 - a. New employees receive an introduction to human rights during their company induction.
 - b. In addition, those who interact more closely with our suppliers attend more detailed human rights training every two years, so that our due diligence tools are used consistently. At the end of 2023, 78% of those have completed advanced courses on how to spot and tackle human rights issues with suppliers.
 - c. Employees, excluding Blender frontline workers, have a Force For Good role on their annual personal objectives which for some employees may involve contributing to our human rights due diligence.
4. **We work with suppliers to combine our efforts in preventing modern slavery and stopping other adverse human rights impacts. We do this by:**
 - a. This year we re-launched our Hero Supplier Programme (HSP) to all Direct Suppliers. The HSP requires these suppliers to complete questionnaires about how they manage human rights on-site and in their supply chains processes (amongst other sustainability questions). We use the feedback we receive as a new benchmark to help inform our future human rights strategy and support these direct suppliers with more tailored guidance. This programme allows us to review performance and look for things we can improve in our supply chains. This year, 76.1% of Direct Suppliers completed the questionnaire.
 - b. Monitoring Direct Supplier performance, including objectives related to human rights, using what we call supplier 'My Roles' which are updated on an annual basis with our most significant suppliers.

5. We work on issues in our supply chain, where we recognise that collaborations need to extend beyond our company-supplier relationships. So:
- a. We're members of a number of collaborative working groups which generate insights and take action on preventing modern slavery. These groups give us access to best practice guidelines and broaden our horizons to new approaches we could adopt, while also providing a forum where concerns or risks can be discussed. These working groups are: (i) Spanish Ethical Trade Association, (ii) Food Network for Ethical Trade (iii) AIM-Progress (iv) Sustainable Juice Platform (SJP).
 - b. Through our membership of the Spanish Ethical Trade Association, we've been actively involved in the development of App Foros, a mobile app to support vulnerable workers in the agricultural sector in Spain. The tool provides workers with a better understanding of their rights and obligations as well as the wider job market. We've also been developing a workers' guide to complaint management mechanisms, known as Canal Foros.
 - c. Since 2019, we have partnered with the international civil society organisation Solidaridad and others, to support smallholder orange farms in Brazil. The project provides training on sustainable agriculture practices with a focus on good labour management. In 2023, training materials were developed and shared with 300 growers, with nearly 1,100 workers benefitting from the scheme.

tracking our progress

We have processes to track the effectiveness of our actions to address adverse humanrights impacts. These involve:

- a. Documenting adverse impacts within our supply chains on our issue log, alongside assigning actions to named individuals with deadlines and review dates. By December 2023, actions were being taken for all known issues related to human rights.
- b. Tracking the conformance of suppliers to our social compliance audit requirements. The suppliers audited are ingredient processing, direct packaging suppliers, bottlers, blenders, all European warehouses, outsourced packaging and intermediate ingredients processors in high or extremely high-risk countries. By December 2023, of 103 suppliers in scope, 85% of third-party bottling site/ factories had an in-date audit and 77% of these were compliant with our policy. Of the 23% non-compliant suppliers, 7.7% had an outstanding audit non-conformance (NC), 6.7% had no audit, and 8.6% had expired audits. We support our suppliers to maintain best practices and adhere to our business code of conduct. Where non-compliances are found we work closely with each of the sites so that we can get the issue remediated.
- c. We conform to international sustainability standards for indirect sourcing. Of our 120 ingredient supply chains, 98% of our ingredient volume was verified as meeting FSA bronze* or equivalent standard. For our packaging, 100% of on-shelf wood-derived packaging is FSC** certified.

- d. 77.9% of our employees in the supply chain and people team completed the human rights training program.

thanks for reading

This statement has been approved by the innocent board and we hope you've found it useful. If you have any thoughts or feedback for us, please get in touch by popping an email to hello@innocentdrinks.co.uk.



Nick Canney
CEO innocent drinks

*For farms growing our ingredients, we're using the Sustainable Agriculture Initiative (SAI) Platform's Farm Sustainability Assessment (FSA). The assessment is internationally recognised and covers both environmental and social standards including the prohibition of any form of forced and bonded labour. The FSA is a practical tool for understanding what's happening on farms and encouraging continuous improvement. To reach the bronze performance level, independent auditors will check farms (or groups of farms managed in the same way) to verify the practices in place. If a farmer already has certification that's been approved by SAI as equivalent to FSA bronze or above, or holds a certification included in our sustainable policy for agricultural ingredients, then we accept this as an alternative.

**All our wood-derived packaging that you see on shelf has been sourced from Forest Stewardship Council TM (FSC™) certified forests. The certification protects workers' rights and prohibits all forms of forced or compulsory labour.