



MODERN SLAVERY STATEMENT

Last revised: July 2024

1) Falcon's structure, its business and its supply chains

Falcon Coffees (referred to throughout as 'Falcon') is a green coffee trading company with a strategic focus on building ethical supply chains from where the coffee is grown to its point of final delivery. Our supply chains include Africa (e.g. Ethiopia, Rwanda, Uganda, DR Congo), Central America (e.g. Nicaragua, Honduras, Costa Rica, El Salvador), and South America (e.g. Peru, Brazil, Colombia).

We believe that working in coffee provides us all with a unique opportunity to build the blueprint for sustainable smallholder agriculture. Our business philosophy is based on the principal that by economically empowering smallholder farmers in coffee growing countries through training and market access, we improve the quality of their lives and strengthen their ability to make decisions about their own future. This, in turn, secures our supply of coffee and feeds the growth of our business.

2) The parts of Falcon's business and supply chains where there is a risk of slavery and human trafficking taking place

Coffee is produced in many of the world's poorest countries by people made vulnerable through poverty, conflict, lack of food security and lack of access to resources. We acknowledge that these are environments where forced labour and modern slavery flourish.

Coffee farming practices vary widely by country and some practices are more vulnerable to the exploitation of labour than others. Statistically, the risk of modern slavery or forced labour is lower on very small farms surrounding a family home in which family or neighbours can provide the needed labour. Conversely, the risk of modern slavery or forced labour is higher on very large plantations or other large-scale operations where the need for large amounts of temporary or seasonal labour are present.

Given this and the origins in which Falcon most frequently purchases coffee, temporary or seasonal labour in Brazil is the largest modern slavery and forced labour risk in our supply chain.

3) Falcon's policies in relation to slavery and human trafficking

Falcon is committed to ensuring that all workers in our global supply chains enjoy safe and fair treatment in their workplace. We have a zero-tolerance approach to modern slavery, and we're committed to:

- acting ethically and with integrity in all our business dealings and relationships;
- implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business, or in any of our supply chains



- ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our global supply chains.
- publishing a Slavery and Human Trafficking statement on our website for each financial year in line with our disclosure obligations under the Modern Slavery Act 2015.

We work closely with our partners in origin to expect the same high standards from all our suppliers and other business partners.

Within our Staff Handbook we have a whistleblowing policy which encourages all stakeholders in our business to disclose any concerns they have, including modern slavery or human trafficking, without fear of recrimination.

Should we identify supply chains where we believe that slavery or human trafficking exists, we will work closely with our long-standing partners in that origin to resolve the issue as quickly as possible. Should this not be successful, we will reassess whether we can continue to work with the supplier and likely discontinue our relationship with them.

4) Falcon's due diligence processes in relation to slavery and human trafficking in its supply chains (including the steps that it has taken to assess and manage that risk)

Our first step to ensure against forced labour in our supply chains is to regularly visit the suppliers from whom we source coffee. With a staff presence in Ethiopia, Peru, and Rwanda and strong multiyear partner relationships in many of the other origins in which we trade, we believe that over a two-to-three-year period we visit each of our supply chains. In 2024, one of our UK Specialty team started a new role in Central America to specifically increase regularity of supply chain visits and to assist in building digital traceability records in the region.

Additionally, Falcon has supplier guidelines which include an ethical code of conduct. These supplier guidelines are distributed to all our suppliers, and we require them to sign to verify that they comply with these guidelines on a regular basis. We have published our supplier guidelines including our ethical code of conduct on our website for public reference.

We also value and rely on third-party auditors that carry out annual audits on farmers, farmer groups, millers, exporters and traders. These third-party auditors work on behalf of internationally recognised seals of certification or verification. Examples of these seals or marks are Fairtrade, Rainforest Alliance, and CAFÉ Practices. All of these seals share common standards that comply with the International Labour Organisation's labour standards. By buying and selling coffees that carry these seals, we know that an internationally recognised third party auditor, representing that seal, has audited the supply chain participants.

5) Measuring effectiveness and demonstrating progress over time

We rely primarily on two sources of information as we monitor our supply chain for modern slavery and forced labour risks over time. Firstly, we rely on the results of third-party audits of the supply chains that



we work in. We maintain records showing the results of the third-party audits, as well as up to date certifications. In 2023, 72% of our coffee was sold under one of these seals. Additionally, we rely on the insights collected from our own supplier visits, which enrich our understanding of the unique operations of each producer we work with.

Key to the future monitoring against slavery or forced labour in our supply chains is traceability: verifying where the coffee came from down to a farmer level, ensuring a direct relationship with each of these farmers. We continue to develop a traceability platform that will allow full traceability across all our origins and supply chain partners. In 2023, 84% of Falcon's coffees were from sources that were either certified, verified, or traceable. We are focused on expanding the percentage of fully traceable coffees in 2024.

Additionally, In order to comply with the EU Deforestation Regulation (2023/1115, commonly known as "EUDR") that comes into effect on 31 December 2024, Falcon has purchased software which evaluates geolocation information for all the farms that sell coffee into the EU. This further enhances the traceability data that we are collecting in support of the work that we have already mentioned.

6) Training for staff

All staff receive a copy of the Staff Handbook when they join Falcon and this is sent out on a periodic basis as it is updated.

Falcon's ethos and commitment to ethical supply chains is communicated through regular group meetings and updates on origin countries that we work with.

Signed on behalf of the Board of Directors by:

Konrad Brits

CEO

Date: