



MODERN SLAVERY STATEMENT

Last revised: September 2018

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 (Ethiopia, Rwanda, Uganda, DR Congo), Central America (Nicaragua, Honduras, Costa Rica), and South America (Colombia, Brazil and Peru).

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.

Our business philosophy is based on the principal that by economically empowering small holder 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) 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 Whistle-Blowing 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.

3) Falcon's due diligence processes in relation to slavery and human trafficking in its supply chains

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, Uganda and Rwanda and strong partner relationships in many of the other origins in which we trade, we believe that over a two-year



period we visit each of our supply chains. During 2018 we will put in place a method to verify and monitor these visits.

We have supplier guidelines which include an ethical code of conduct. These supplier guidelines are sent to all our suppliers, and we will be asking them to sign to verify that they comply with these guidelines on a bi-annual basis. We will publish our supplier guidelines and ethical code of conduct on our website by the end of the year.

We 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 would be Fairtrade, Organic, 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.

In 2017, 66% of our coffee was sold under one of these seals. We believe that the amount of coffee purchased from a supply chain that holds a certification is much higher; we are calculating the exact percentage and will update our statement accordingly. In addition, 100% of coffee purchased from Rwanda, Ethiopia, Uganda and DR Congo (in total making up 45% of our volumes in 2017) is fully traceable back to farmer level.

Key to the future monitoring against slavery or human trafficking in our supply chains is traceability: verifying where the coffee came from down to a farmer level. We are in the process of building a traceability platform that will allow full traceability on the entire volume of coffee that we trade in any given year across all our origins and supply chain partners. We are building this focussing on three origins currently: Rwanda, Nicaragua and Peru, and will expand across all origins we trade with over the next few years.

Signed on behalf of the Board of Directors by:

Konrad Brits
CEO
Date: 10.09.19