

COTT UK Modern Day Slavery and Ethical Trading Statement

Introduction

This statement sets out Cott Beverages Ltd UK actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 January 2018 to 31 December 2018.

As part of the Food & Beverage manufacturing sector, the organisation recognises that it has a responsibility to take a robust approach to these issues. The organisation is absolutely committed to preventing modern slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking and that we trade ethically with our supply chain partners.

Organisational structure and supply chains

This statement covers the activities of Cott Beverages Ltd UK and Aimia Foods Ltd

- Cott and Aimia produces multiple types of beverages in a variety of packaging formats and sizes, including carbonated soft drinks, juice-based products, clear, still and sparkling flavoured waters, energy drinks and sports drinks, beverage concentrates, freezables and ready-to-drink alcoholic beverages, as well as hot chocolate, coffee, malt drinks, creamers / whiteners and cereals.
- Cott's large UK manufacturing footprint, broad distribution network, substantial research and development capability and high-level of quality and customer service enables Cott to offer its customers a strong value-added proposition of low cost, high quality products and services.

Countries of operation and supply

The organisation currently directly operates in the following countries:

- Cott Beverages and Aimia Foods Ltd operate in the UK. Cott has 6 manufacturing sites in the UK and Aimia Foods has 3 sites in close proximity - 2 manufacturing and 1 logistics.

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- Risk Assessment Audits are conducted on a basis and frequency dependent upon the level of risk each supplier is scored against (see risk assessments section below).
 - High risk suppliers – audited annually (or greater dependent upon risk score factor)
 - Medium risk suppliers – audited or audit questionnaire every two years
 - Low risk suppliers – audit questionnaire every three years

High-risk activities

The following activities are considered to be at high risk of slavery or human trafficking:

- Sourcing of fruit juice in high risk regions such as China, Bangladesh, India, Vietnam, African Nations, Indonesia and Malaysia.
- Sourcing of fruit juice in medium risk regions such as Eastern Europe, South America, Turkey, Middle East and South Africa.

Responsibility

The relevant leaders of the HR, Technical, Purchasing and Operations functions are responsible for the implementation, development and ongoing maintenance of the policy within their respective business units.

Responsibility for the organisation's anti-slavery initiatives is as follows:

- **Policies:** The Human Resources department are responsible for putting in place and reviewing policies in relation to anti-slavery. These policies were drawn up in consultation with external and internal legal counsel, applying the principles and protocols of Stronger 2gether.
- **Sedex:** Cott UK is a member of Sedex (Supplier Ethical Data Exchange) which is a web-based system for suppliers to share ethical trading information with their customers. We expect all our suppliers to have ethical processes and policies in place throughout their supply chain and manufacturing operations. As part of our commitment to ethical trading all our suppliers are requested to register with Sedex. We will monitor supplier compliance with this policy through the Sedex platform (where applicable) and /or through a range of other tools to support the risk management including the requirement for suppliers to provide reasonable information as evidence of compliance to the Modern Day Slavery Act and the ETI Base Code.
- **SMETA Audit:** Cott UK complies with the SEDEX members ethical trading audit's measurement criteria and implements best practice guidelines on Anti-Slavery provisions including employment is freely chosen, child labour & young workers and discrimination-free working practices.
- **ETI Base code:** Cott UK is an ETI member (Ethical Trading Initiative) and is compliant with the ETI Base Code, which is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice. As part of all Supplier's Ethical Requirements they must comply with the following:
 - registration on Sedex
 - Risk assessment of their supply chain for compliance to the ETI base code
 - Share ethical information for their supply chain
- **Risk assessments:** We assess all our suppliers through our robust risk-based systems and then monitor them accordingly. Our assessment tools determine the level of risk posed by each supplier, with the highest risk supplier sites being required to regularly demonstrate compliance via a third party independent ethical audit and to ensure any non-compliances are addressed within the timescales appropriate to the criticality.
- **Monitoring:** Through active monitoring we measure the performance of our Suppliers against the MDS Act and the ETI base code and identify emerging trends and corrective actions.

- **Investigations/due diligence:** Technical Audit, Purchasing, HR and Operations are responsible for any investigations, due diligence and corrective actions.
- **Training:** Key Managers will attend the “Tackling Modern Slavery in UK Businesses and Supply Chains” workshop at www.stronger2gether.org/training
- We have engaged with our Staff Council to ensure wider understanding for preventing and tackling hidden labour exploitation.
- Supervisors and Recruiters have been trained to spot the signs of hidden labour exploitation <http://stronger2gether.org/training>
 - A manager has been appointed at each operational site to be responsible for implementing processes and procedures for tackling hidden labour exploitation. In most cases this is the HR Manager for that site.
 - Ensure that all staff responsible for directly recruiting workers are trained on issues around third party labour exploitation and signs to look for and have signed appropriate Recruiter Compliance Principles.
 - Ensure that labour sourcing, recruitment and worker placement processes are under the control of trusted and competent staff members.
 - Encourage staff who are trained to adopt a proactive approach to reporting suspicions of hidden worker exploitation to the Gangmasters Licensing Authority (GLA) and police.
 - Provide information on tackling “Hidden Labour Exploitation” to our workforce in a variety of formats such as workplace posters, worker leaflets, induction, other training.

Support and Development

- We are committed to providing guidance and support, where and when appropriate, for our colleagues and suppliers to identify and resolve modern slavery, human trafficking and ethical issues. We encourage and support continuous improvement in supplier standards and we regularly measure supplier improvement.

Relevant policies

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing policy.** The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers or others who have concerns can use our independent confidential helpline www.ethicspoint.com and complete our confidential disclosure form.
- **Employee code of conduct.** The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation

strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.

- **Supplier/Procurement code of conduct.** The organisation is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. The organisation works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship. Modern Day Slavery and human trafficking is integrated into our commercial and supplier management activities and our commitment to the MDS Act forms a key part of our Corporate Responsibility programme. We recognise the need to communicate our commitment to key stakeholders including the public, our customers and our suppliers. We impress on our suppliers the high level of Supplier/Procurement code of conduct we expect from them in order for our relationship to commence and develop.
- We seek to develop long-term relationships with our suppliers based on the principles of fair, open and honest dealings at all times. Only suppliers that share these principles and can demonstrate compliance to ethical standards will be considered appropriate to trade with Cott UK.
- **Recruitment/Agency workers policy.** The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency. Cott UK carries out twice yearly audit questionnaires on every agency worker and also randomly selects individual workers for interview.

Due diligence

The organisation undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The organisation's due diligence and reviews include:

- mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking;
- evaluating the modern slavery and human trafficking risks of each new supplier;
- reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping;
- conducting supplier audits or assessments through Cott UK's Ethical Audit's and Agency Audits to ensure a greater degree of focus on slavery and human trafficking where general risks are identified;
- creating an annual risk profile for each supplier;
- taking steps to improve substandard suppliers' practices, including providing advice to suppliers through Cott UK's Ethical Audit's and Agency Audits and requiring them to implement action plans;
- participating in collaborative initiatives focused on human rights in general, and slavery and human trafficking in particular participation in "Stronger together" or "Ethical trading" initiatives;

- using SEDEX, SMETA, ETI Base Code and Cott Audits where suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular; and
- invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

Performance indicators

The organisation has reviewed its key performance indicators (KPIs) in light of the introduction of the Modern Slavery Act 2015. As a result, the organisation is:

- requiring all senior managers, key staff working in purchasing, supply chain managers and HR professionals to have completed training on modern slavery;
- developing a system for supply chain verification in place since 2015 whereby the organisation evaluates potential suppliers before they enter the supply chain; and
- reviewing its existing supply chains whereby the organisation evaluates all existing suppliers.

Training

The organisation requires all senior managers, key staff working in Technical Audit, Purchasing, Supply Chain and HR professionals within the organisation to complete training on modern slavery, human trafficking and ethical trading.

The organisation's modern slavery training covers:

- our business's purchasing practices, which influence supply chain conditions and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;
- how to assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- how to identify the signs of slavery and human trafficking;
- what initial steps should be taken if slavery or human trafficking is suspected;
- how to escalate potential slavery or human trafficking issues to the relevant parties within the organisation;
- what external help is available, for example through the Modern Slavery Helpline, Gangmasters and Labour Abuse Authority and "Stronger together" initiative;
- what messages, business incentives or guidance can be given to suppliers and other business partners and contractors to implement anti-slavery policies; and
- what steps the organisation should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the organisation's supply chains.

Awareness-raising programme

As well as training staff, the organisation has raised awareness of modern slavery issues by distributing flyers to staff/putting up posters across the organisations premises/circulating a series of emails to staff.

The flyers/posters/emails explain to staff:

- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within the organisation; and
- what external help is available, for example through the Modern Slavery Helpline.

Senior Management Team approval

This statement has been approved by the organisation's SMT members, who will review and update it annually.

Director's/Designated member's/Partner's signature - **HR Director**

..... / **Date:**

Director's/Designated member's/Partner's signature - **Technical & NPD Director**

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Director's/Designated member's/Partner's signature - **VP Operations**

..... / **Date:**

Director's/Designated member's/Partner's signature - **Purchasing Director**

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