



VOLCAFE

Compliance Report

Swiss Code of Obligations Art. 964 k and l.
Due Diligence and Transparency in relation to
Minerals and Metals from Conflict-Affected Areas
and Child Labour (DDTrO)

March 2024

1. Introduction

Our business

Volcafe, the coffee business of ED&F Man Commodities, is a leading green coffee trading company founded in 1851. We have operations in 15 origin countries and 10 destination countries. We work towards a thriving, sustainable coffee business for all. We hold a key position in the global coffee supply chain linking farmers in the field with roasters in the market.

Our destination offices source coffee from Volcafe entities in origin and third-party suppliers. Our origin operations source coffee directly from farmers, cooperatives, farmer associations and/or middlemen. In 11 of our 15 origin countries, our dedicated Volcafe Way field teams provide a range of support services to coffee producers. This includes the setting up and management of our own responsible sourcing value chains, including Volcafe Verified, Volcafe Excellence, Rainforest Alliance, 4C, Fairtrade, Organic, C.A.F.E. Practices and Nespresso AAA value chains.

Position on child labour

Volcafe has a zero-tolerance approach to child labour in our business operations. We support the ending of child labour in line with the ILO conventions (138 and 199), UN guidelines and local laws. We are committed to working with our partners towards the elimination of child labour from our value chains. We require our suppliers to comply with our standards and share our commitment to ethical business conduct, including signing our [Supplier Code of Conduct](#). Our [reporting mechanism](#) allows anyone to report suspicions of child labour.

Volcafe's Board of Directors approved the supply chain risk assessment measures implemented by the Company in relation to child labour for the financial year ending 30 September 2023.

2. Management system

Policies

As a company, Volcafe strives to meet ever higher standards for social responsibility, sustainability operations, health and safety, and other business fundamentals. Many of our policies and compliance efforts are developed at group level (ED&F Man Commodities) and can be found at www.volcafe.com/pages/policies-compliance. Our commitment on child labour is integrated in the following company policies and statements:

- ED&F Man Standards of Business Conduct
- ED&F Man CSR Policy¹
- ED&F Man Supplier Code of Conduct
- ED&F Man Modern Slavery Statement

Traceability systems

Volcafe's traceability systems include platforms to handle exports, purchasing and first-mile traceability solutions.

¹ soon to be superseded by Sustainability Policy

3. Risk assessment system

Volcafe’s Child Labour Risk Management Structure consists of two elements:

- (a) Dynamic child labour risk management system (the “**Policy Statement**”)
- (b) Child labour risk assessment (the “**Assessment Document**”)

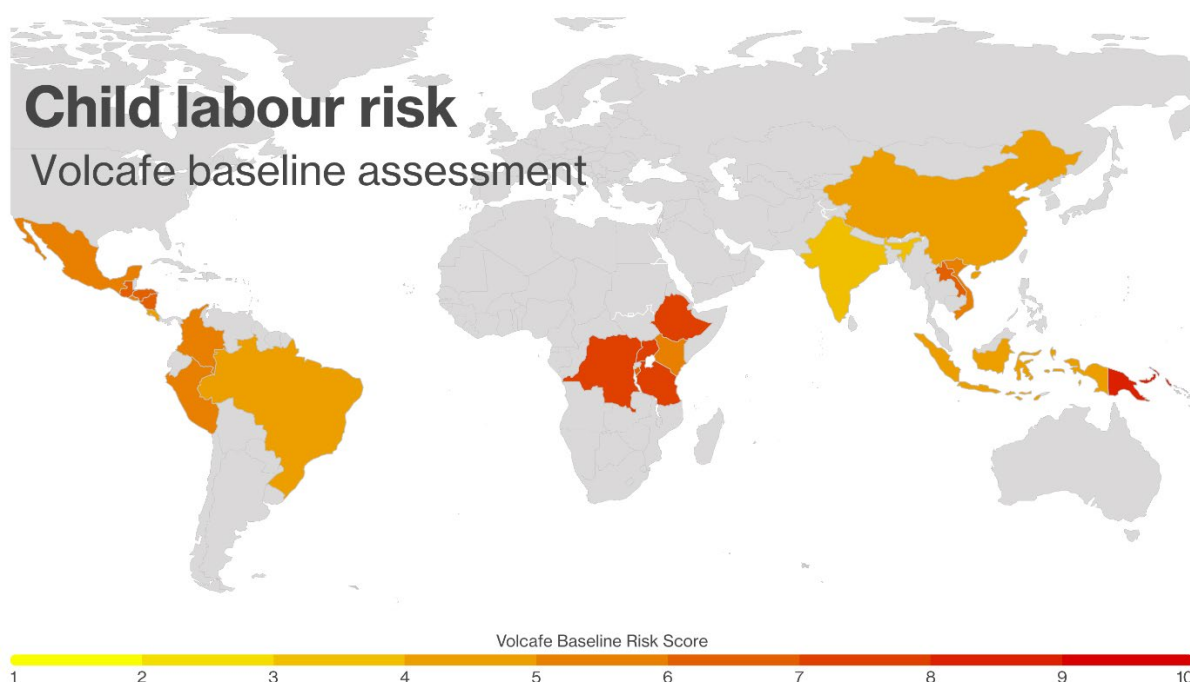
National and regional child labour risks are assessed by combining structural and in-practice risk assessments from independent parties with the deep insights that our origin teams have, using a two-step approach.

Baseline risk level












Volcafe’s global sustainability team uses two independent databases ([German Coffee Association](#) in collaboration with Global Risk Assessment Services – GRAS, and the [Rainforest Alliance](#)) to set a baseline risk level for each of our coffee origins. We allocate a risk rating (low, medium, high), following the scoring approach of the Rainforest Alliance. The map below summarises the findings for 21 coffee origins with which Volcafe has involvement.

Adjusted risk level

Volcafe origin teams may adjust the baseline risk level for their country and/or individual coffee regions in which they operate by providing a justification and independent child labour risk studies and/or third-party certification audit reports.



In focus: Risks in origins with Volcafe office and Volcafe Way field teams

	Country	German Coffee Association	Rainforest Alliance	Volcafe Baseline		Country	German Coffee Association	Rainforest Alliance	Volcafe Baseline
	Brazil	4.25	4.20	4.23		Kenya	6.75	5.20	5.98
	Colombia	5.00	6.10	5.55		Papua New Guinea	8.00		8.00
	Costa Rica		4.10	4.10		Tanzania	8.00	6.30	7.15
	Guatemala	5.50	7.10	6.30		Uganda	7.25	8.10	7.68
	Honduras	5.50	7.30	6.40		Vietnam	5.25	5.50	5.38
	Peru	5.75	5.50	5.63					

Child labour risk scores for Volcafe origins with Volcafe Way field teams. The Volcafe baseline risk score is calculated as the average of the child labour risk scores from the German Coffee Association, in collaboration with GRAS, and Rainforest Alliance. Risks are scored out of 10.

4. Taking action

Our Supplier Code of Conduct describes the environmental and social standards, including on child labour, that we expect our suppliers to uphold.

Volcafe uses an international grievance mechanism, Speak Up, that can be accessed by all its employees and stakeholders (<https://www.volcafe.com/pages/contact#concerns>). In addition, origin offices use local complaints systems that are accessible to all employees and stakeholders. Reported child labour cases are referred to existing regulatory systems.

Volcafe origin teams implement various activities to manage identified child labour risks, including prevention, awareness, identification, training, remediation and monitoring. The higher the risks, the more action our teams take. In our certified and Volcafe RS value chains, our efforts go down to individual farms.

In line with our sustainability strategy, Volcafe has partnered with customers, NGOs and local authorities to [address the root causes of child labour in various projects](#) – supporting farmers to improve their income and promoting access to education – while building approaches to identify, remediate and monitor cases. Volcafe is a member of the International Labour Organization’s Child Labour Platform (CLP) and participates in the ILO-led inter-agency project ‘*Ending Child Labour in Supply Chains. Addressing the root causes of child labour in supply chains through an area-based approach*’ that addresses the root causes of child labour in three leading coffee origins (Honduras, Uganda and Vietnam).

Working with partners, we have undertaken many projects to build and renovate schools in coffee regions, bringing safe education within reach of rural communities. To raise awareness among farmers, Volcafe Way farmer support field teams routinely underscore the need to prevent child labour at farms as part of our broader training and support programme.

5. Contact

For any queries, please contact the Volcafe Global Sustainability Team via sustainability@volcafe.com. Learn more about Volcafe at www.volcafe.com.