MODERN SLAVERY STATEMENT

Last revised: June 2023

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 originate in Africa (e.g. Ethiopia, Rwanda, Uganda,), 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 contribute to 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 labor than others. Statistically, the risk of modern slavery or forced labor is lower on very small farms surrounding a family home in which family or neighbors can provide the needed labor. Conversely, the risk of modern slavery or forced labor is higher on very large plantations or other large-scale operations where the need for large amounts of temporary or seasonal labor are present.

Given this and the origins in which Falcon most frequently purchases coffee, temporary or seasonal labor in Brazil is the largest modern slavery and forced labor 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. This has been more challenging in recent years due to the COVID pandemic and restrictions on travel but we have maintained close contact with all of our partners during this time. We resumed travel in 2022 and will be able to continue with visiting supply chains on a regular basis along with expanding our presence in key origins.

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 commit to complying with these guidelines should they wish to transact with Falcon. 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 labor 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 2022, over 73% 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 labor 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 2022, 85% 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 2023.

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: 22.6.2023