



**MODERN
SLAVERY** *Statement*



JBCCOCA

SAFEGUARDING HUMAN RIGHTS

MODERN SLAVERY STATEMENT

Introduction

This Modern Slavery Statement (henceforth referred to as the “Statement”) is produced under the provisions of the *UK Modern Slavery Act 2015* and the *Australian Modern Slavery Act 2018*. The Statement discusses JB Cocoa’s actions to address risks of modern slavery, and demonstrates our commitment to continue to do so throughout our global operations and value chains. Since 2020, JB Cocoa has set up a due diligence framework for human rights in cocoa.

Business Structure and Supply Chains

JB Cocoa is a global producer of premium cocoa ingredients that has been established since 2000s. From its beginnings in Asia, JB Cocoa’s worldwide operations now span the Americas, Europe and Africa, with a presence in more than 65 countries and more than 680 full time employees. Its annual cocoa processing capacity is at 180,000 MT.

The JB Cocoa brand of cocoa ingredients – mass, butter, powder are produced and sold by the Group, JB Foods Limited (SEX:BEW), which is listed on the Singapore Exchange.

JB Cocoa has incorporated subsidiaries and set up offices in the United States of America, Indonesia and People’s Republic of China, Switzerland, the Republic of Estonia and Côte d’Ivoire.

The Group has production facilities in Malaysia and Indonesia, and is the process of constructing a new plant in Côte d’Ivoire that is expected to be ready end 2024. In Malaysia, the plant is located in the Port of Tanjung Pelepas, and has a capacity of 120 000 MT of cocoa bean equivalent a year. In Indonesia, the cocoa bean processing facility is located in the Maspion Industrial Estate in Gresik, Indonesia, approximately 30km from the Surabaya port, and focuses on processing raw cocoa beans sourced domestically in Indonesia.

Cocoa beans constitute the largest category in volume and value of raw material purchases that are sourced globally, originating mainly from West-Africa and Indonesia.

Traceability and transparency remain paramount to achieving sustainability in the cocoa supply chain. JB Cocoa is mindful of the challenges to sustainable cocoa production such as deforestation, farmer

livelihoods, human rights issues and climate change. We are therefore committed to applying high standards of performance relating to human rights and labour practices, minimising environmental impact, ensuring health and safety, ethical business and quality in our value chain, from raw material sourcing to the distribution of final products to customers. Partners in the supply chain play a critical role in ensuring that JB Cocoa delivers against these standards.

Policies Pertaining to Modern Slavery and Human Trafficking

We take the position of zero tolerance of all forms of forced labour and child labour, including modern slavery. Our policies are aligned to:

- United Nations (UN) Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention of the Rights of the Child (CRC)
- International Labour Organization (ILO) eight fundamental conventions and declaration on fundamental principles and rights at work.

JB Cocoa's policies on human rights, child human rights and fair labour practices include:

- **Employee Code of Conduct** – lays out key principles guiding operations and applies to employees worldwide.
- **Supplier Code** – details JB Cocoa's standards, commitment and expectations of business conduct and ethics that suppliers are to comply with, including human rights and fair labour practices which also extends to child and forced labour.
- **Child Safeguarding** – recognises the duty of care to protect and safeguard children from intentional or inadvertent harm caused by JB Cocoa's activities directly or indirectly. Employees, suppliers, implementing partners, and contractors are expected to behave and act in accordance with international and national child safeguarding standards.

Risk Identification, Assessment and Due Diligence

JB Cocoa is aligned with The Organization for Economic Cooperation and Development (OECD) due diligence guidelines for responsible business conduct, and methodically identifies and assesses structural country, commodity and supplier risks, considering the likelihood of adverse impact on people, the environment and society. Social audits are also regularly conducted as part of JB Cocoa's commitment to this Statement.

Supplier Due Diligence

Supplier due diligence, including ESG assessment is conducted during onboarding. All suppliers are asked to sign our Business Code of Ethics, which has now been replaced by our Supplier Code and our Child Safeguarding Policy. Suppliers are assessed through a Self-Assessment-Questionnaire (SAQ), which scores respective suppliers' structural country and commodity risks. Suppliers' scoring would determine JB Cocoa's level of engagement with suppliers and partners, and would guide us in our support towards improvements in their practices. This includes training and supporting suppliers in implementing corrective actions following an audit. Suppliers unwilling to make the necessary changes to comply to our policies are excluded from our supply chain.

Risk of Child Labour in Cocoa and Our Sustainability Programmes

In cocoa producing countries, a major social risk in the cocoa supply chain is the use of child labour on cocoa farms, which is at a higher risk in the supply chain. Not all work done by children on cocoa farms are considered child labour, but when the tasks they do are hazardous (for example, carrying heavy loads, using pesticides or sharp tools), or when it prevents them from going to school, it becomes child labour.

It is important that child labour is not confused with slave or forced labour. Forced labour is work conducted involuntarily and under threat. Studies conducted suggest that less than 1% of the children in child labour are in or at risk of forced labour in Côte d'Ivoire and Ghana, and this risk should be managed.

Child labour is guided by three main international conventions: the International Labour Organization (ILO) Convention No. 138 concerning minimum age for admission to employment and Recommendation No. 146 (1973); ILO Convention No. 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labour and Recommendation No. 190 (1999); and the United Nations Convention on the Rights of the Child.

Root causes of child labour include poverty, weak institutional environments, weak enforcement of legal and regulatory frameworks, lack of access to quality education, deforestation, social attitudes and practices, as further described in a **recent study** commissioned by the EU. The reasons for child labour in cocoa are multi-faceted and need to be embedded within a functioning institutional support system and cannot be addressed by the industry alone.

Our programmes are often implemented through our business partners who work directly in the communities and with farmers who supply to us. JB Cocoa requires all our suppliers to implement monitoring systems for child labour and forced labour countries, and monitors their progress.

Training and Raising Awareness

In all of our direct supply chain sustainability programmes, we conduct training and awareness raising sessions at the community and farmer levels, including:

- Good agricultural, environmental and social practices adapted to the origin context.
- Deforestation prevention, forest and biodiversity preservation.
- Human rights sensitisation including forced labour, child labour, women and youth empowerment.

Upholding Labour Standards

To achieve sustainability in a holistic manner, we acknowledge the importance of respecting and upholding human rights. To that end, we are committed to comply with the labour standards of the countries and regions where JB Cocoa operates in, and establish integrity, fairness and a safe working environment for our employees, suppliers and partners in the supply chain.

JB Cocoa is registered as a Supplier Ethical Data Exchange (“Sedex”) member and our Malaysian and Indonesian operations are audited by external auditors to monitor our compliance with the relevant requirements on labour standards, health and safety, environment and business ethics.