hello

Back in 1999, innocent was founded by three friends who met at university. Ever since then we’ve been on a quest to make natural, delicious drinks that help people live well and die old.

We’ve come a long way since we started out selling smoothies at a music festival, and since the beginning we’ve focused on leaving things better than we found them. These days we’re one of the biggest juice and smoothie businesses in Europe with our little drinks sold across Europe. Nearly 500 people work for us in offices in Amsterdam, Copenhagen, Dublin, Madrid, Milan, Munich, Paris, Salzburg, Stockholm, Vienna and Fruit Towers (our headquarters) in London.

Our structure mixes core group functions (like Finance and Sustainability) with regional functions (like Sales and Marketing) which focus on the different markets where we sell our drinks. At the end of 2017 we had a revenue of about £370 million.

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how we work with suppliers

We work with suppliers for lots of things, from delivering fresh eggs to our office for breakfast to helping us out with our ads. The most significant area we use suppliers is to source our ingredients and help us make our drinks. We have an outsourced supply chain which means we don’t own the farms that grow the fruit & veg for our drinks, or the factories that blend and bottle them. We source ingredients from thousands of growers all over the world, with a lot of the ingredients coming from Brazil, Costa Rica, Germany, Italy, Spain and Thailand. We then blend and bottle them at sites in France, Germany, the Netherlands, Spain, Thailand and the UK. Once we’ve finished, we sell our drinks to supermarkets and lots of other places all across Europe, who sell them to our drinkers.

But there’s more to us than just the drinks. What’s equally important is how we go about making them. We have great ambitions to show the world that you can build a successful business that cares about more than just profit. We have five company values and one of them is to be responsible. That means we expect everyone who works for us to think carefully about how they do business on our behalf, and to do everything they can to help us leave things better than we find them.

Whilst we always try to do the right thing, we know we aren’t perfect. We really hate the idea of any form of slavery or trafficking being part of how our drinks are made. And whilst we’ve seen no evidence to suggest this is happening, we can’t be absolutely sure that it isn’t. Our supply chain includes thousands of farms, so it’s tricky to keep track of absolutely everything that goes on (much as we’d like to). To make sure we’re always holding ourselves to our own high standards, we’ve committed to putting together this annual statement (which captures our response to the UK Modern Slavery Act 2015). It shares what we’re doing to find and put a stop to any chance of modern slavery or people trafficking happening in our business or supply chains.

We’ll use our annual update to let you know what we’ve been up to since our last statement.
how we work on modern slavery

For us, getting to grips with modern slavery and people trafficking is part of a wider focus on safeguarding human rights within our business and supply chains.

That’s why we’ve set up a human rights working group which brings together people from our sustainability, people and supply chain teams. The group meets up every three months and it’s their job to develop our human rights strategy. This helps make sure we continue to protect and promote the rights of people in our business and supply chains. Our Head of Sustainability (also known as Rozanne) leads the group and ultimately our Board is responsible for compliance across the business and with suppliers.

As well as human rights, tackling environmental and social issues is part of our culture. Every single person at innocent works on the sustainability of our business and this is something we make official in our individual objectives.

our human rights strategy

We think it’s really important that our human rights strategy is guided by the impact we have on individuals rather than the risk to our business. If we keep improving the way we manage social risks in our supply chain, we’ll make life better for everyone in it. That’s why, on a chilly day in January 2018, our human rights working group got together to decide the most important areas for 2018 and beyond.

We mapped the severity of potential breaches in our human rights policy against the chances of breaches happening in our business and supply chains. We decided there would be even more emphasis on getting the basics right, by training our employees, collaborating with our supply chain and delivering our social compliance audit programme. In areas where auditing might not give us enough information, we decided to focus on three main issues: forced labour and modern slavery, child labour and diversity. For these issues, we’re working on projects which will deliver wider positive change, and we’ll use this report to outline our progress on forced labour and modern slavery.

our policies and contracts

Policies and contracts might not make for particularly good bedtime reading, but they are really helpful when it comes to setting expectations. Our human rights policy applies to our whole business and supply chain, and we have an ongoing audit programme (more on that later) to monitor compliance. The policy clarifies our position on diversity, freedom of association, workplace health, safety and security, working hours, wages and benefits, child labour and modern slavery. It also prohibits the use of all forms of forced labour including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking.
Our policy is guided by the Universal Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work and the United Nation Guiding Principles on Business and Human Rights.

We’re still in the process of rolling out a new approach to contract management for our suppliers. This will make sure all our ingredient processing, blending, bottling and packaging suppliers have signed a master services agreement (MSA). Amongst other things, the MSA has a section outlining our environmental, social and human rights requirements. It asks suppliers to share our code of business conduct with their employees and subcontractors to make sure they’re complying with it. We also aim to be fair with our suppliers and commit to pay them within 60 days of receiving an invoice.

In 2018, we also sent updated human rights guidelines from our CEO to senior members of all our main strategic suppliers. In the future, these guidelines will be included within our document management system so that all new suppliers are clear on our expectations for them when it comes to human rights. We want to make sure that every new and existing supplier receives and understands these guidelines, and we’re currently planning how we’ll manage the long-term monitoring of our suppliers against them. See appendix for the full list of these guidelines.

including our team

Everyone joining innocent has a company induction with their first three months here.

This induction covers three important things:

1. An introduction to everything we do on sustainability and everyone’s responsibility to be aware of our human rights policy, reporting any potential or actual breach of this policy if they see it.

2. Our company code of business conduct. We ask every new member of the team to read and comply with the code, which outlines our commitment to doing business in a fair way. This means treating everyone (and that means everyone) with honesty, integrity and respect.

   We also have a whistleblowing procedure for employees. If they see anything that they think goes against our code of business conduct, they should report it to one of our local ethics officers.

3. Training on human rights – but more on this later.

how we assess risks of modern slavery

We have a risk assessment process that we always go through before we source from a new supplier. It uses external risk mapping software and desk-based research to identify environmental and social issues that may be of concern for every ingredient we source.

The software identifies risk in the following areas:

- Biodiversity (including deforestation)
- Water stress
- Labour rights (including freedom of association, working hours, wages, workplace security and safety)
- Child labour
- Gender inequality and equality for other marginalised groups
• Land use conflict
• Community engagement
• Prevalence and vulnerability to modern slavery

We then ask potential new suppliers to complete a questionnaire to assess social and environmental risks. After that, we make sure that someone from our fruit or sustainability teams (or both) visits the supplier.

Our philosophy has always been to have ‘boots on the ground’, taking the time to visit suppliers and use all the things we learn to complete a full ingredient risk assessment to help validate our findings. Once we have all this information, we recommend which ingredients to source, from where, from whom, and what can be done to reduce any risks. Since we started innocent, we’ve always been aware that there are certain ingredients and regions we shouldn’t source from. Even when it makes financial sense, we will not source from a supplier if we don’t feel confident that the human rights of people working in their supply chains are being respected. Taking our time to research suppliers at the approval stage gives us the best chance of making sure we don’t introduce partners associated with human rights risks into our business.

changing the recipe for human rights

In 2017, our Product Development Team came up with a tasty new smoothie which included a few ingredients we had used before. One of those ingredients could only be sourced from a region that has a recent history of conflict and human rights abuses. While we wanted to make our new smoothie, we really didn’t want to source from an unethical region. So instead, our product developers adapted the recipe to include a different ingredient that could be sourced from one of our best suppliers in Spain. That’s just one example of how we’re making sure we only work with suppliers that respect the human rights of people in our mutual supply chains.

We asked some external experts for their help to map all the different parts of our business and supply chain where modern slavery could occur (from Finance to IT, Supply to Human Resources) then highlight the risk areas. Our highest risk areas are our ingredient supply chains and (to a lesser extent) the sites that blend and bottle our drinks.

The agricultural sector tends to be higher risk because our supply chains are all over the world and can be really complicated. The location, seasonality, crop-type and harvest method of each ingredient has a big impact on how likely it is that human rights violations will take place. In some countries forced labour is more prevalent, whilst seasonal crops that depend on temporary or migrant workers tend to carry greater risk. Brazil, India, Italy, Spain and Thailand are the highest risk countries for us. If you’re the proud owner of a great eye for detail, you’ll notice Spain has been added to this list since our statement in 2017. That’s because we buy a lot of stuff from Spain and flagged up some reports in the Spanish press about agricultural workers not being well looked after.

For each of these higher risk countries, we’re doing more in-depth research and developing action plans to better understand the likelihood of slavery occurring. We believe that to truly address environmental and social issues (modern slavery especially) it’s necessary to go beyond auditing. You can read more about the steps we’re taking to tackle modern slavery below.
how we join forces with others

We work closely with the Fruit & Nut Working Group, which is hosted by the Sustainable Agriculture Initiative (SAI). We’ve already been involved in some great projects (such as our strawberry project in Spain to improve water efficiency) and look forward to doing more to tackle issues such as modern slavery in high risk areas of our shared supply chains.

We also give 10% of our profits to charity, with a lot of it going to the innocent foundation. Since 2004 we’ve donated £7.8 million to the foundation to address hunger and food poverty. Poverty is one of the biggest causes of modern slavery and human trafficking.

into the spotlight

We recently joined Spotlight, an online tool designed by the Sustainable Agriculture Initiative Platform (SAI) to help members collaborate around common interests in agriculture. We’ve already used it to highlight the crops, regions and topics we want to learn more about to our 90+ fellow members. And we’re hoping we can join forces with those members to protect and promote human rights in our supply chain, helping us in our mission to leave things better than we find them.

the steps we’re taking to tackle modern slavery

It’s really important to us that our ingredient processing, blending, bottling, warehousing and packaging suppliers meet specific environmental and social standards. We put this in our contracts with them (and use audits that align with international standards) to make sure they make the grade. We know that audits aren’t going to instantly stop human rights abuses, but they can help us understand where suppliers are in terms of social compliance and the management systems they have in place. They also hit home the message that we’re serious about human rights and committed to protecting workers in our supply chains.

In some areas we need to do a lot more than auditing, so are currently working with a researcher from Imperial College London to explore new and exciting ways to put the theory into practice. The results of this research will be in our 2019 statement.

Our aim is to have all of the factories that process, blend or bottle our ingredients (and those that supply our packaging) audited against our Supplier Guiding Principles by the end of 2018. All new sites have to pass an initial risk assessment process and our policy states they will then be audited within six months of becoming an innocent supplier. The audit covers all key work-based human rights such as forced labour, child labour, freedom of association, discrimination, working hours and wages, health and safety, business integrity, grievance procedures and human rights management systems, as well as protecting the environment.
Suppliers can score red, orange, yellow or green on the audit and then have a fixed amount of time to close out any non-conformances. This can be up to six months depending on how severe the non-conformance is. Our suppliers are generally audited every three years unless they initially score red, in which case they are audited again the following year. So far we haven’t found any issues around forced labour, with most non-conformances linked to working hours and overtime, or health and safety. See our ‘how we measure performance’ section below to find out how we did in 2017.

For farm level suppliers, we’re using the Sustainable Agriculture Initiative’s (SAI) Farm Sustainability Assessment (FSA). The assessment is internationally recognised and covers both environmental and social standards, including the prohibition of any form of forced and bonded labour. The FSA is a practical tool for understanding what’s happening on farms and we use it in a way that builds relationships, structure and transparency into supply chains. However, using it to audit every single farm is not practical given the sheer number of farms we source our ingredients from. For that, we work with our supply partners to cluster similar farms into groups then audit a representative sample.

We also get some of our products from externally certified sources. For the past ten years all of our bananas have been Rainforest Alliance Certified™. So are the pineapples that go into our 100% pineapple juice. All of our primary wood and paper packaging is FSC certified. And many of the farms and suppliers we source from have Global Good Agricultural Practice (Global G.A.P), GLOBALG.A.P. Risk Assessment on Social Practice (G.R.A.S.P), ECOCERT, Organic or Fairtrade certifications. Just like audits, we know that certification isn’t going to fix everything, but it does help us get closer to where we want to be.

keeping tabs on the supply chain in Spain

In 2017, we added Spain to our list of high-risk countries for modern slavery. We had heard some media reports that suggested there were instances of labour exploitation in the Spanish agricultural industry. So we got some experts in to look at the situation. They found that whilst there were risks of labour exploitation, it was only in extremely rare cases that this was amounting to modern slavery. But we didn’t just want to take their word for it, so went out to Spain to visit our suppliers, the local government labour inspection agency (Inspección de Trabajo y Seguridad Social) and some NGOs working with migrants in Spain. Whilst we were out there, we found that lots of other companies were thinking about the same issues as us. So we joined a Spain Supplier Ethical Forum (Conexion Social) to help put on local workshops where suppliers can come together to discuss how to improve labour standards for agricultural workers. Whilst we’ve never seen any evidence of slavery in our Spanish supply chains, we know there’s still more to do and we’re working closely still more to do but we’re working closely with our Spanish suppliers to decide on our next move.
We know that the risk of modern slavery in our business and supply chains is constantly changing, so we’re putting measures in place that make sure the action we’re taking is having an impact. Since our last statement, we’ve chosen the indicators that we’ll use to assess our progress. We want to make sure that we stay flexible, so we may add indicators as we learn and do more work in this area.

**85%**

of suppliers audited to SGP standard

**41**

outstanding non-conformances from 10 suppliers

By the end of 2017, we had audited 97% of the 95 suppliers included in Phase 1 of our audit programme, who were either compliant or at various stages of closing out non-conformances. These suppliers included all of our ingredient processors, direct packaging suppliers, outsourced primary and secondary packaging suppliers, bottlers, blenders and our main UK warehouse. Our plan was to get this to 100% by the end of the year but we didn’t quite make it. We’re now working our socks off to meet a target of 100% audited and fully compliant suppliers by the end of 2018.

With the arrival of 2018, we started Phase 2 of our audit programme. This involved adding a new requirement that all European warehouses storing our finished products (on their journey from our bottlers to our customers) will also have to be audited against our Supplier Guiding Principles. As of May 2018, we have a total of 107 suppliers to be audited. 85% of them have completed audits and are either fully compliant or at various stages of closing out non-conformances. We’re working on the rest.
To assess the sustainability of the farms we source from, we use the Farm Sustainability Assessment (FSA) developed by the Sustainable Agriculture Initiative (SAI), which includes checking the way in which farms hire and treat their workers. We ask our suppliers to meet FSA Bronze level, or a mutually recognised standard. The SAI-FSA standard is relevant to any crop in any country, which means we can collaborate with other companies to make sure we’re all asking our suppliers to meet the same standards. When we say a supply chain is ‘fully compliant’, that means everyone has reached FSA Bronze level (at least) or its equivalent. The equivalent bit means that we recognise other standards that some farms already have, like Rainforest Alliance Certified™.

We’re aiming to train all of our suppliers to help them reach this standard. However, instead of just asking them to do it, we’re taking the time to meet with them in person to explain what it means, why we’re doing it, and how to get there. By putting time and energy into our supply chains now, we’ll be able to meet bronze standards today and even more sustainable standards in the future. After we’ve finished training, we ask each supplier to give us timed action plans that are unique to them. By involving our suppliers in the process and making them actively contribute, we think we stand a better chance of seeing meaningful improvements in our supply chain. Once we’ve agreed on a plan that meets our standards and feels realistic for our supplier, we sign them off as ‘working towards FSA Bronze’.

Note: The absolute numbers of supply chains may differ to the percentages shown as we will buy very different volumes from each suppliers, and percentages are based upon volumes purchased annually, which will fluctuate year-on-year.
In our last statement, we talked about an internal training workshop to upskill key people from across the business in modern slavery, as well as get their help on understanding key risk areas for innocent. We also mentioned that we had run a session with our directors to raise their awareness of modern slavery (and its legislation) and our approach to addressing human rights as a business.

Since then we’ve rolled out training for all our London-based employees, which has been made available for everyone virtually. This session covered the basics of our human rights policy and outlined everyone’s responsibility to understand and raise any concerns about breaches of this policy.

For employees in our supply chain and People Team (who need to be really confident in talking about our human rights policy and approach to modern slavery), we created a human rights training programme with help from an external expert trainer. This programme included an introduction to our whole policy and focused on important areas like modern slavery. It also included tips on how to talk about these issues with our suppliers and a question-reminder sheet which can be downloaded onto a phone to remind people what to discuss when visiting suppliers. We’re now working on an extension to this programme to make sure we involve all new employees using a ‘train the trainer’ model. Three volunteers from our supply chain team have just completed training and will now go on to train all future employees across our supply chain about human rights and how to talk to suppliers about these topics.

We’re also working on a pilot programme that will train our suppliers in human rights. With support from an external expert, we’ll look to build better collaboration and engagement between us and our suppliers, and also between our supply chain partners. We’ll pilot face-to-face and webinar training during summer 2018, and hope to have worked with more of our suppliers on this topic before the end of the year.
thanks for reading

This statement has been approved by the innocent Board and we hope you’ve found it useful. If you have any thoughts or feedback for us, please get in touch by popping an email to hello@innocentdrinks.co.uk or stopping by Fruit Towers.

Whilst modern slavery is a tough issue to tackle, it’s really important that we do. We look forward to another busy year doing everything we can to make sure it isn’t happening in our business or supply chains.

Douglas Lamont
CEO (aka chief squeezer)
innocent
These guidelines outline all the things we expect our supply chain to do, which means they must:

• Be fully compliant with the principles outlined in our human rights policy
• Make sure that this policy (or one of a similar standard) is embedded into their operations and supply chain
• Undertake due diligence along their supply chains to assess where human rights are most at risk, and take steps to reduce these risks
• Be fully compliant to an internationally recognised social compliance standard – in keeping with our supplier guiding principles
• Make sure that any factories in their supply chain are also fully compliant to an internationally recognised social compliance standard
• Be compliant with relevant human rights legislation in their country of operation (for example, the UK modern slavery act)
• Continue to work in collaboration with us, our suppliers and partners to make sure that our mutual supply chains are the best they can be in terms of human rights
• Attend training on our human rights policy to make sure our approaches are aligned