

Caffè Nero Modern Slavery Act Statement 2016

Our business

Caffè Nero Group Ltd is one of the leading coffee house operators in the world with 800 stores and 6,000 skilled baristas and support staff worldwide. We operate in the United Kingdom, Ireland, the USA, Turkey, the Middle East, Poland, and Cyprus.

We take our responsibility to be a fair and ethical company seriously. We try to think responsibly about our business and everything we do - how it impacts our local communities, our suppliers, our staff and the environment.

Our Approach to Eliminating Modern Slavery

In response to the Modern Slavery Act, we engaged with an external consultancy to undertake an exercise to better understand our potential exposure to modern slavery risks throughout our direct business and supply chain. For each business area we reviewed factors such as recruitment practices, working conditions, and geographical location. We are using this information to determine and prioritise practical and robust actions.

As a result of the exercise, we identified our supply chain as the business area with the highest potential risk. We therefore conducted an assessment to deepen our understanding of our supply chain, focusing initially on our purchase of green coffee, food, beverage and non-food products sold in our UK stores.

Through this exercise, we categorised our suppliers of these goods and related services as 'high', 'medium' or 'low' risk, based on a consideration of the following criteria:

- The potential modern slavery risk of the supplier's industry or product(s) we purchase; and
- The potential modern slavery risk of the country in which the supplier is based (using the 2016 Global Slavery Index).

The categorisation will enable us to prioritise the engagement and monitoring of higher risk suppliers, examine such suppliers in the future and develop the practical actions to reduce potential risk.

For our green coffee supply chain, these actions will complement our existing due diligence process with Rainforest Alliance. We are working towards complete certification of our beans - encouraging fair and sustainable working conditions for our farmers. Our certified suppliers are audited annually against rigorous social, economic and environmental criteria. We are also supporting our other suppliers to achieve certification. As part of this process, and in partnership with Rainforest Alliance, we have conducted baseline studies for some of our supplier regions to determine material risks. We also receive quarterly updates on farms working towards certification and compliance with our expectations.

In 2017 we will expand the assessment exercise to evaluate potential risks at our international stores and thereupon to develop any remedial actions required.

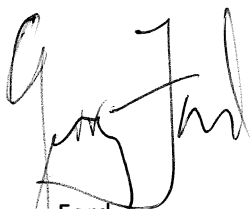


Our Commitment

We are committed to ensuring that modern slavery or human trafficking is not part of our business, including our supply chains. We will continue to review and strengthen our approach in the years to come.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31st May 2016. The statement has been approved by our board and will be reviewed and updated annually in accordance with the Act.

Signed,

A handwritten signature in black ink, appearing to read 'Gerry Ford', written over a faint, illegible stamp or watermark.

Gerry Ford
Chairman and CEO
Caffè Nero Group Ltd

December 2016

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