



Subway Systems Australia Pty Ltd

Modern Slavery Statement 2026

NG





Contents

1. Introduction..... 3

2. Structure and operations..... 3

3. Supply chain 4

4. Risks of modern slavery..... 4

 4.1 Geographic 5

 4.2 Industries 5

 4.3 Supplier management 6

5. Mitigating risks 7

 5.1 Supplier approval process and Code of Conduct 7

 5.2 Supplier auditing 7

 5.3 Franchisee auditing 8

 5.4 Training 8

 5.5 Overarching accountability 9

6. Remediation 9

 6.1 Other relevant policies and processes 9

7. Assessing our effectiveness against modern slavery risk mitigation 10

 7.1 Suppliers 10

 7.2 Other 10

8. Consultation 10

9. Conclusion 11

10. Statement approval 12



1

Introduction

This is the sixth Modern Slavery Statement ("MSS") published by Subway Systems Australia Pty Ltd ("Subway") in accordance with the requirements under the Modern Slavery Act 2018 (Cth) covering the reporting period 1 January 2025 to 31 December 2025. It outlines any improvements made in the past 12 months, as well as the approaches we continue to take to identify and mitigate modern slavery in our operations and supply chain. Subway continues to recognise the global challenge of preventing and eradicating modern slavery and human trafficking. Integrity in our operations, products and supply chain is of the utmost importance.

The reporting entities covered by this MSS are:

- Subway Systems Australia Pty Ltd (ABN 79 009 277 034) - the franchisor of the Subway® system in Australia;
- Subway Realty Pty Ltd (ABN 55 009 277 374) ("SRPL") - the affiliated leasing entity of Subway Systems Australia Pty Ltd; and
- Subway Franchisee Advertising Fund of Australia Pty Ltd (ABN 21 071 190 317) ("SFAFA") - an entity which manages the advertising and marketing fund for Australian Subway® franchisees.

Subway remains committed to ensuring its employees (both direct and indirect) and those employees engaged in its supply chain and operations network receive the same rights and freedoms as those championed for in Australia. As set out in our earlier MSS, Subway recognises there is an inherent risk of modern slavery across its operations, products and supply chain and continues its commitment to identifying and mitigating these risks as they emerge, and evolving its approach to identify and mitigate these risks accordingly.

In 2026, Subway continues to strengthen transparency across its supply chain, with supplier modern slavery disclosure increasing to 100% (from 76% in 2025), alongside enhanced identification and management of high-risk categories including packaging, seafood and fresh produce.

2

Structure & Operations

The Subway® franchise system first launched in Australia in 1988 and has been operating for 38 years. The Subway® franchise was founded in the United States of America in 1965 and in present day, Subway® serves freshly made sandwiches at a great value to millions of guests around the world in nearly 37,000 restaurants every day, with over 1,200 of those restaurants located in Australia.

Subway, as franchisor, supports franchisees and their business(es), in exchange for royalty and advertising fees, by providing:

- Product innovation and value;
- Restaurant operations guidance;
- Digital and information technology assistance;
- Development assistance;
- Leasing assistance; and
- Brand marketing and advertising.

Subway IP LLC ("SIP") licences the Subway® name, Subway® trademark and other trademarks and intellectual property rights to Subway for the Subway® franchise system in Australia. Subway is a wholly owned subsidiary of Subway International Holdings, LLC ("SIH"), an entity within the global Subway® Group.

There are various office locations worldwide for the Subway® Group with the global head offices located in Shelton, Connecticut, USA and Miami, Florida, USA. In Australia, our office is in Fortitude Valley, Queensland.

From an operational standpoint, Subway requires its franchisees in Australia, by virtue of the franchise agreement and operations manual, to use approved suppliers, products and services, to prepare, offer and sell the Subway® menu items in their Subway® restaurants. This is to help ensure a consistent guest experience and high quality of products served across all Subway® restaurants within Australia with suppliers that meet our specifications and Vendor Code of Conduct.



3

Supply Chain

As a global brand, Subway® has a diverse supply chain and operations. Subway® franchisees purchase product and equipment from numerous approved suppliers globally through organisations known as Independent Purchasing Cooperatives/Companies (IPCs), which operate across major regions supporting Subway® restaurants.

IPCs are broadly structured across two primary regional organisations:

- IPC Americas (covering North America and Latin America)
- IPC International (covering all regions outside the Americas, including Asia Pacific and EMEA)

Within IPC International, regional teams operate to support local markets, including Asia Pacific (APAC).

IPCs are franchisee-owned and operated organisations which identify product and supply chain partners for the Subway® franchise system. IPC International, procures the following products and services on behalf of Subway® franchisees in Australia:

- Food and beverage products, packaging, handling, preparation, and storage equipment;
- Restaurant development and construction resources;
- Restaurant technology services;
- Restaurant maintenance products;
- Restaurant apparel;
- Legal and human resource services;
- Delivery aggregator partners;
- Technology development partners; and
- Finance services.

Although the IPCs are franchisee-owned and operate independently of SIP, SIH and Subway®, and take their own measures to comply with all laws and legal obligations including modern slavery, Subway® remains committed to working closely with IPCs, including IPC International and its Asia Pacific operations, to help ensure suppliers and products are ethically sourced and meet high standards for quality and safety, as well as adhering to the Subway® Vendor Code of Conduct, which may be accessed here: <https://www.subway.com/en-us/sustainability/building-stronger-communities/serving-our-communities>.

Products and services are also procured by SFAFA on behalf of Subway® franchisees in Australia including:

- Marketing creative services;
- Digital media services;
- Media planning and booking services; and
- Public relations services.

4

Risks of modern slavery

Given the scale and complexity of its operations and supply chain matrix globally, Subway continues to recognise and acknowledge there will inevitably be modern slavery risks including but not limited to, involuntary servitude, forced labour, the worst forms of child labour and debt bondage.

Subway has taken a systematic approach to assessing risk and has categorised into three areas of focus: geographic, industries and supplier management systems.



4.1 Geographic

Subway and IPC International continue to endeavour to locally source ingredients, products, and equipment. However, if any of those items cannot be procured from a local source in terms of quality and value, they are sourced regionally or globally. Subway and IPC International recognise sourcing products from other countries, particularly those located within Asia Pacific, increases the risk of modern slavery due to several countries within Asia Pacific being deemed a high risk due to inadequacies in local governance, legislature and/or the inherent nature of the industries.

Subway and IPC International continue to use the above to understand, identify and minimise risks of modern slavery within the supply chain and operations. Subway and IPC International continue to evolve our approach as we gain a better understanding of those risks.

4.2 Industries

Subway and IPC International initially identified four industries which, when combined with their geographic origin present higher risks of modern slavery (particularly if located outside of Australia). These risks remain and we continue to acknowledge the reduced transparency a business has, the further down the supply chain it goes, and the difficulties that come with that.

In 2026, Subway enhanced its risk assessment through more detailed analysis of supplier questionnaire data, incorporating category-level reviews and increased focus on high-risk geographies and supply chain tiers. Through this, packaging, tuna and avocado were identified as high-risk categories due to complex multi-tier supply chains, reliance on labour-intensive production, and exposure to high-risk geographies. The table below has been updated since the 2025 MSS to include packaging as a fifth risk industry as well as identify priority areas for modern slavery risk mitigation within each industry.

The identified industries are:

Agricultural (Fresh Produce)	Subway relies on the agricultural industry for the production and supply of food and beverages served in Subway® restaurants in Australia. Due to the seasonal nature of work involved in growing, producing, and manufacturing food and beverages along with the labour force, the agricultural industry carries a higher risk of modern slavery. Priority area for modern slavery risk mitigation: Avocados.
Fishing	Subway relies on the fishing industry for supply of some of the food items served in Subway® restaurants in Australia. Due to long-established practices and lack of regulation, particularly in some South-eastern countries in the Asia Pacific region, the fishing industry carries a higher risk of modern slavery. Priority area for modern slavery risk mitigation: Tuna.
Packaging	Subway relies on the packaging industry for production and supply of all packaging used in Subway® restaurants in Australia. While Subway's direct suppliers are typically Australian-based, manufacturing and raw-material processing (paper, plastics, and aluminum) often occur offshore in regions assessed as higher modern slavery risk. The industry's reliance on low-skilled and migrant labour, combined with deep and opaque supply chains, means this risk is more likely to arise upstream than with Subway's immediate suppliers.

Textile Production	Subway relies on the textile industry for supply of apparel worn by persons working in Subway® restaurants in Australia and other textile items relating to the restaurant fit out. The apparel industry has for a long time been fraught with labour challenges, predominantly in poorer, less regulated countries. The repetitive and competitive nature of work involved in textile manufacturing along with the vulnerable nature of the workers, means the textile production industry carries a higher risk of modern slavery.
Quick Service Restaurant	Subway® franchisees in Australia rely on the workforce to assist them in operating a Subway® restaurant. Due to the vulnerability of the workers employed across the Quick Service Restaurant industry and the high attrition of workers, the risk of modern slavery remains, albeit low due to the measures in place to identify and mitigate that risk (see further below) in conjunction with Australian workplace legislation.

4.3 Supplier management systems

Subway and IPC International continue to assess modern slavery risk based on the shared existing human rights policies and processes of suppliers/businesses within our supply chain and operations. Supplier capability to address modern slavery risks varies across the network, with some suppliers demonstrating mature remediation frameworks, while others require enhanced oversight and engagement. Those suppliers who don't take a robust approach or independently review their anti-corruption or anti-slavery measures, are at a higher risk of modern slavery being present within their business and are therefore more closely monitored through our annual audit program.



Mitigating risks

5.1 Supplier approval process & Code of Conduct

Subway requires all approved suppliers to agree to, and comply with, our Vendor Code of Conduct ("Vendor Code"). Alternatively, an approved supplier must confirm that their own practices and policies meet or exceed those set out in the ("Vendor Code").

The Vendor Code requires all suppliers to comply with all laws and obligations relating to modern slavery and human trafficking in location/region/country in which they operate. The Vendor Code strictly prohibits any and all forms of modern slavery and human trafficking and also contains provisions on both anti-bribery and anti-corruption. The Vendor Code sets out the reporting process a person must take for a suspected violation of the Vendor Code.

5.2 Supplier auditing

Subway continues its commitment to identifying any emerging risks in conjunction with its regular food safety and quality assurance auditing activity. Subway works with supplier partners throughout its supply and operations network to mitigate any potential risks and gain further transparency. Supplier audits identify issues and drive remediation.

While modern slavery audits are not conducted directly by IPC International, Subway relies on supplier-led audit programs, including recognised third-party frameworks such as Sedex Members Ethical Trade Audit (SMETA) and Business Social Compliance Initiative (BSCI), to provide visibility into labour practices and identify risks across the supply chain. Separate to these audit processes, supplier questionnaire responses are collected to support risk identification and assessment.

Based on disclosures from major global suppliers, audit activity across the supply base is significant, with individual suppliers conducting hundreds to thousands of audits annually. When considering additional audit activity by mid-tier suppliers (where volumes are not disclosed but audit programs are confirmed), the total audit activity across the supply base is higher. These audits are typically focused on labour standards, working conditions, and worker welfare, and are supported by corrective action plans where non-compliances are identified. However, audit coverage and frequency vary across the supplier base, with more extensive, structured programs implemented by larger suppliers and more limited or ad hoc approaches observed among smaller suppliers.

Common audit findings across the supply base include issues related to working hours, wage compliance, and labour management practices, particularly in higher risk geographies and labour-intensive operations. These risks are particularly relevant within higher risk categories identified by Subway, including tuna, packaging, and avocados, where complex, multi-tier supply chains and labour-intensive production increase exposure to modern slavery risks. Suppliers operating within these categories are typically subject to more mature audit and due diligence frameworks, including third-party social compliance audits and enhanced monitoring controls.

During the reporting period, audit findings and supplier-reported issues highlighted areas requiring remediation, including a whistleblower report relating to a supplier winding up operations, where a worker sought remedy for unpaid wages, and a separate audit identifying non-compliance with working hours, including excessive overtime practices. In both instances, appropriate corrective actions were implemented. Third-party specialists were engaged to support remediation efforts for affected workers, while the supplier with working hours non-compliance introduced strengthened monitoring controls, including conducting factory visits three times per year to ensure ongoing adherence to labour standards.

In addition, high-risk audit findings for one supplier resulted in decisive action, including the discontinuation of business relationships where required standards were not met. These actions demonstrate Subway's commitment to ensuring that identified issues are effectively remediated and that preventative controls are strengthened to reduce the risk of recurrence across the supply chain.

While audit activity across key suppliers is significant, the reliance on supplier-led programs and the variability in audit maturity highlights an opportunity to further strengthen consistency in monitoring and risk identification across the broader supply base.

In 2026, Subway continued to strengthen its due diligence approach by enhancing supplier risk identification processes and working with suppliers to improve transparency, including increased reliance on supplier-level audit frameworks and risk-based monitoring of higher risk geographies.

5.3 Franchisee auditing

Subway continues its commitment to ensuring any person working in a Subway® restaurant receives their pay and wage entitlements according to Australian workplace law. Subway upholds this commitment by educating franchisees around their requirements as employers and assists by providing a template booklet called "You're Hired" which can be given by a franchisee to a new Sandwich Artist® to educate them on their rights under Australian workplace law and sets out some basic policies and procedures.

Subway reinforces the above by conducting both proactive and reactive employment audits of Subway® restaurants in Australia. Employment audits may include interviews with restaurant workers as well as reviews of employment agreements and payslips to identify any potential contraventions of Australian workplace law. Where an audit identifies potential contraventions or concerns in a franchisee's workplace practice, Subway works with the franchisee to rectify the identified issues and for the franchisee to remediate.

Additionally, a Subway® Workplace Hotline is available for restaurant workers (or their parent/guardian) to report any concerns they may have about their employment or treatment whilst working in a Subway® restaurant.

5.4 Training

Subway continues its commitment to raising and improving awareness of Modern Slavery (realising that, for many, this is a relatively unknown topic) by providing information about:

- What Modern Slavery and human trafficking is, while educating on other corporate social responsibility issues within the supply chain and restaurant operations; and
- The modern slavery risk within our system and to coordinate with IPC International to implement training within procurement programs.

Subway works in coordination with IPC International to support the integration of modern slavery awareness into procurement programs and supplier engagement processes. While IPC International does not directly conduct modern slavery audits, many suppliers within the network undertake their own third-party social compliance audits (such as SMETA, BSCI, or equivalent frameworks) and complementary due diligence activities, including supplier self-assessments and certifications.

Training approaches across the supplier base vary in maturity; however, a number of larger suppliers implement formal, structured training programs for employees and, in some cases, their own suppliers, alongside audit and monitoring frameworks. Subway® will continue to support the evolution of training across its system, with a focus on strengthening awareness, encouraging supplier-led capability building and promoting continuous improvement in identifying and mitigating modern slavery risks.

Survey results indicate a high level of governance maturity, with 89% of suppliers reporting the presence of a modern slavery or human rights policy and 93% confirming senior management or Board-level oversight. However, this contrasts with varying levels of training implementation, highlighting a gap between policy commitment and operational capability.

Larger, multinational suppliers typically implement formal and recurring training programs, including mandatory employee training and targeted training for supplier-facing roles. In contrast, smaller suppliers more frequently rely on ad hoc or informal awareness measures, with limited evidence of structured training or measurable outcomes.

This variation in training maturity indicates an opportunity for Subway to further support supplier capability building, particularly among smaller suppliers, to strengthen awareness and improve the identification and escalation of modern slavery risks.



5.5 Overarching accountability

Subway is committed to human rights and treating all people with dignity and respect and expects all employees, franchisees, and suppliers, regardless of cultural, social, and economic context, to uphold the same commitment.

The Vendor Code outlines our developed process for third party feedback or reporting of any concerns regarding modern slavery and human trafficking violations, or any other contraventions of the Vendor Code or any Subway® policy.

A person/entity may contact our Governance and Compliance team by emailing 'compliance@subway.com' with the subject heading of 'Report It'. Anonymous feedback can also be reported via speakup.subway.com, giving the reporter an option to submit a complaint via the portal.

All reported concerns are taken seriously and treated with the aim of ensuring confidentiality. We have a strict no tolerance for any retribution or retaliation taken against any person/entity who has, in good faith, reported a potential or real violation or any questionable behaviour of the Vendor Code or a Subway® policy.

Subway is continually reviewing its efforts to improve this reporting procedure and the avenues by which complaints/concerns may be raised.



Remediation

Subway reinforces its expectation of suppliers to self-monitor and demonstrate compliance with the Vendor Code. Any supplier, supplier representative or supplier employee who behaves in a manner that is unlawful and/or inconsistent with the Vendor Code or a Subway® policy may be placed on a probation program requiring rectification of their business practices and implement control measures to address the non-compliance and/or behaviour. In circumstances where the non-compliance and/or behaviour is severe in nature, Subway may suspend or cease engaging services of that supplier.

6.1 Other relevant policies & processes

Subway is evolving its other policies and processes which aim to mitigate modern slavery as we identify opportunities to strengthen our own policies and processes and learn from other organisations including:

- Anti-bribery, Fraud and Conflict of Interest policy
- Anti-discrimination policy
- Diversity and inclusion policy
- Bullying and harassment policy
- Ethics policy
- Whistleblower policy
- Grievance resolution process
- Franchisee business reviews and ongoing training with Subway® Market Operations Territory Managers
- Subway employee background checks and visa checks.



Assessing our effectiveness against modern slavery risk

7.1 Suppliers

As Subway continues to monitor and review the Vendor Code and auditing processes in conjunction with IPC International, it acknowledges that its journey to gain further transparency across the supply chain is a timeless one. Subway also acknowledges there is further opportunity within the journey to improve the ways in which we identify and mitigate the risk of modern slavery. Subway continues to take the following measures:

- Reviewing and updating all policies, codes, and procedures to ensure they meet best practice.
- Implementing additional scrutiny to modern slavery detection processes in supplier approval processes (where needed), as well as regularly requesting updated supplier questionnaires.
- Designating modern slavery auditing at production and manufacturing facilities outside of Australia (where needed).
- Ongoing training on modern slavery with internal and external stakeholders.
- Ongoing collaboration with industry experts on best practice, for example, with the Australian Retail Council (ARC), Franchise Council Australia (FCA), Australian Packaging Covenant Organisation (APCO), Australian Association of National Advertisers (AANA) and the Australian Influencer Marketing Council (AiMCO).
- Enhancing (if possible) remediation process for suppliers who do not adequately mitigate their risk of modern slavery or action identified examples of modern slavery within their operations.

7.2 Other ways Subway® has assessed the effectiveness of our actions include:

- Working closely with IPC International who conducts regular supplier business reviews to understand changing business conditions or situations that may impact our ability to identify the risk of modern slavery in a supplier's operations and how we might evolve our policies accordingly.
- Increased supplier engagement tracking (response rates).
- Structured remediation pathways.
- Analysis of supplier questionnaire responses to identify risk trends, gaps in controls, and areas requiring increased due diligence or support.



Consultation

In preparing this modern slavery statement, we have done extensive internal organisational consultation to verify processes and understanding and gather input on next steps on Subway's journey towards continuous improvement.

Additionally, in consultation with our procurement company IPC International, Subway requested updated Modern Slavery questionnaires from all suppliers to prepare this statement. At the time of submitting, Subway has received updated responses from 100% of suppliers, a 24% lift in participation since the last report.

Key progress since the 2025 report includes:

- 24% increase in supplier response rate achieving a 100% completion rate.
- High-risk categories formalised.
- Category-level deep dives completed.
- Audit frameworks expanded.
- Identified non-compliance and actioned as and where appropriate.

We recognise we have an important role to play in driving ethical sourcing and helping eliminate global modern slavery and that greater transparency, collaboration and education will help to overcome these challenges.



Conclusion

Subway recognises the issues surrounding modern slavery and human trafficking are continuously changing and developing. In 2026, Subway progressed from foundational risk identification to more detailed, category-specific risk analysis and supplier-level engagement, strengthening transparency and accountability across our supply chain.

We remain in the early stages of this journey toward robust mitigation processes and holistic governance and hold a continued commitment to further strengthening the due diligence approach within a complex business model. There is no single solution to ending modern slavery and Subway is committed to looking for ways to improve and strengthen how it identifies and mitigates modern slavery risks within its complex supply chain and operations.

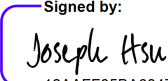
Looking ahead, Subway is committed to continuing its journey to a more robust strategy, with particular focus on the following areas:

- Continuing to work closely with internal and external stakeholders, namely IPC International to improve and support practices to mitigate the risk of modern slavery and human trafficking in our supply chain.
- Continuing to work with industry leaders and collaborative groups to understand their approaches to modern slavery and identify any opportunities we could implement to work towards best practice.
- Ongoing discussion of Modern Slavery updates during Subway quarterly meetings to be addressed as a priority.
- Increasing modern slavery awareness and education within the organisation with a focus on training new staff so that a base knowledge is held throughout the business.
- Review of our documentation, policies and codes to understand areas for improvement.
- Ongoing supplier audits focusing on policy implementation.



Statement approval

This statement was approved by the Board of Directors of Subway Systems Australia Pty Ltd on:

Signed: 
Signed by:
12AAFF85BA68477...

Joseph Hsu

Director - Subway Systems Australia Pty Ltd

Dated: 25-Jun-2026

This statement was approved by the Board of Directors of Subway Realty Pty Ltd on:

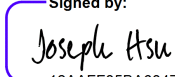
Signed: 
Signed by:
12AAFF85BA68477...

Joseph Hsu

Director - Subway Realty Pty Ltd

Dated: 25-Jun-2026

This statement was approved by the Board of Directors of Subway Franchisee Advertising Fund of Australia Pty Ltd on:

Signed: 
Signed by:
12AAFF85BA68477...

Joseph Hsu

Director - Subway Franchisee Advertising Fund of Australia Pty Ltd

Dated: 25-Jun-2026