



Restaurant Brands Australia

Modern Slavery Statement 2019

This statement is made on behalf of the following entities:

- (1) QSR Pty Ltd, ACN # 089 163 682 – reporting entity (“QSRPL”)
- (2) Restaurant Brands Australia Holdings Pty Ltd, ACN # 611 058 701 – reporting entity (“RBAH”)

collectively reporting as Restaurant Brands Australia for the purpose of this modern slavery statement.



Introduction

As a major employer of people within the fast-food industry we fully recognise the importance of protecting human rights. At Restaurant Brands Australia we acknowledge our responsibility and give our full commitment to mitigate any risk of exploitation of workers within our operations and our supply chain.

Our people are our future. We therefore strive to create a thriving and respectable environment for our workers, ensuring the highest ethical standards of employment and work conditions exist.

As a franchisee, we are to an extent governed by the supply chain infrastructure provided by the franchisor. We have been working closely with our franchisor and SEDEX over the last year to assess the risk within our supply chain. Our initial findings have highlighted key areas of risk within our business through geography and industry. High risk areas identified include sourcing from Asia and North America, along with the textile, agriculture, meat processing and construction industries. Many of our suppliers have provided their commitment to us through signing up with SEDEX and through contractual arrangements. The identification of these risks has helped define our Modern Slavery roadmap for 2020 and beyond.

Restaurant Brands Australia structure

Restaurant Brands Australia is a corporate franchisee and specialises in managing multi-site branded food retail chains. The group comprises:

- QSRPL, a New South Wales (NSW) based entity, established in 1999, owner and operator of multi-site branded food retail chains. QSRPL operates 63 KFC and 2 Taco Bell stores in NSW, employing approximately 4,600 restaurant staff, and
- RBAH, established in 2016, as an investment holding company with 100% ownership of QSRPL.

Both entities are part of a global business (Restaurant Brands New Zealand Limited) which in addition to the Australian investment, owns and operates multi-site restaurants in the New Zealand, Californian and Hawaiian territories.



Restaurant Brands Australia operations and supply chain

Restaurant Brands Australia operates a chain of quick service restaurants, employing staff to manage, prepare, cook, and serve meals to customers.

Restaurant Brands Australia conducts its business under the prescribed standards and policies established under the franchise agreements held with the respective brand franchisors, Kentucky Fried Chicken Pty Limited and Taco Bell Restaurants Asia PTE.LTD. The strength of these relationships remains key for the operations of the business to deliver customers a consistent standard of high-quality product. These franchisors are suppliers within the Restaurant Brands Australia supply chain, providing various services to support the brand including marketing, HR and operational support, IT systems and support, product development, core supply chain management, training, and development.

The supply chain is best categorised into “core” and “non-core” groupings.

The core group comprises the major food & packaging suppliers” critical for the operation of the KFC and Taco Bell restaurants. This ranges from the supply of Australian sourced chicken, beef and pork, fresh produce from Australian farms to locally supplied bread products, beverages, and seasonings, supported by a network of Australian based distribution services. The supply chain does include a variety of overseas sourced products including packaging, kitchen small-wares, a selection of sauces, rice and dessert ingredients, and staff uniforms, most of which are manufactured in China, South East Asia, and North America.

The non-core group of suppliers provide non-food goods and services to Restaurant Brands Australia. These suppliers are also predominantly Australian sourced. This includes facilities maintenance and cleaning services, telecommunication and IT services, home delivery services, various professional, building and construction services. The supply of restaurant equipment is ultimately sourced from overseas markets including USA, China, Italy, and Philippines.

As part of the respective franchise agreements, Restaurant Brands Australia is required to use “franchisor approved” goods and services to prepare, market and sell products in the restaurants. The franchisors conduct supplier accreditation and sourcing and purchasing negotiations for food and packaging items on behalf of franchisees. We will continue to partner with the franchisors to facilitate increased awareness, sharing of supplier risk assessments as facilitated within SEDEX, and alignment of actions to mitigate the risk of Modern Slavery for these suppliers with whom we have less direct responsibility for.



Potential risk of modern slavery in our operations and supply chain

Restaurant Brands Australia operates under a Group global risk management framework which involves the identification and assessment of risks and requires that management develop actions and controls to mitigate identified risks and the continued monitoring and reporting of the management of these risks.

During 2019 we conducted a review to consider the risk of modern slavery practices within the operations and supply chain. We considered risks that may be caused by, contributed to, or directly linked to Restaurant Brands Australia.

Operations

We acknowledge there is risk of employment of vulnerable workers within our industry, although we consider the risk of modern slavery within our operations to be low.

Restaurant Brands Australia is committed to ensuring that all its employees are treated fairly, provided a safe and well supported work environment and are paid correctly in accordance with legislation and established workplace agreements. There is an established "Open Door Policy" communicated on restaurant notice boards and employee pay-slips for employees who wish to raise questions or grievances about their employee entitlements, supporting direct contact with Restaurant Managers, Area Managers or the Human Resource team.

The business has established systems, policy, and procedures in place to ensure that employees satisfy the minimum requirements for employment, being of appropriate working age, and retain the necessary records to verify working entitlement as may be applicable to foreign workers. Restaurant Brands Australia provides ongoing training to its employees ensuring they are sufficiently skilled and supported to conduct their duties in the safest possible manner.

Third party audits are conducted on a regular basis with an emphasis on compliance with brand standards, food safety practices, whilst providing coaching and development opportunities for the restaurant employees.

Supply Chain

The supply chain review has initially focussed on the core group of food and packaging suppliers, with this review to be applied to the non-core group in 2020. The risk assessment considered the associated sector and industry risks, geographic risk, product, and services risk.

This review confirmed the majority of suppliers are considered low risk; however there are a few suppliers that operate in industries (agriculture, meat processing, manufacturing, and textiles) and geographic territories (China, South East Asia) which do have a higher risk of modern slavery.



The supply categories for uniforms, chicken and meat processing, fresh produce, and packaging have been assessed as medium risk, and are to be prioritised for further due diligence. This will include consultation with the franchisors to determine the supporting steps Restaurant Brands Australia will undertake in our capacity as franchisee and customer, to assist in addressing the potential risks of modern slavery.

Actions taken to address risk of modern slavery practices

The key actions include:

- Building Modern Slavery awareness with training provided by the franchisor to Restaurant Brands supply chain team and to the key food and packaging suppliers.
- Update on employee policy and procedures with the introduction of a formal Whistleblowing Policy providing a confidential helpline to support employees to disclose any malpractice, misconduct, conflicts of interest, or concerns regarding modern slavery. This is supported with the ongoing communications for the “Open Door Policy” encouraging staff to escalate concerns or grievances with employee entitlements.
- Update to contracts and Supplier Code of Conduct to specifically address compliance with modern slavery legislation, illegal workplace practices and illegal workers.
- Increased key supplier engagement with multiple supplier site visits undertaken during the year.

Measuring effectiveness of actions

With the focus on Modern Slavery being relatively new, we have had limited ability to monitor the effectiveness of our actions to date. Results to date include the number of training sessions completed, successful implementation of actual policy changes, number of suppliers assessed, site visits completed and supplier engagement events.

The way we will be measuring effectiveness going forward will include a reporting framework by which the Modern Slavery Working Group will report bi-monthly on the progress of actions taken to assess and address modern slavery risks into the Internal Audit & Risk Committee. This reporting will include measures of:

- suppliers onboarded to SEDEX,
- suppliers issued with updated agreements and Code of Conduct
- number of additional risk assessments on core and non-core suppliers
- number of complaints raised through the Whistle blower or Open-Door mechanism
- number of actions taken to work with franchisor and suppliers to improve their ability to respond to modern slavery risks.



Consultation among entities included in this report

The reporting entities covered by this Modern Slavery statement share the same directors and a common Company Secretary who is actively involved in the Modern Slavery statement process. The ongoing assessment, due diligence, actions, and monitoring of results will continue to be performed on behalf of both entities.

Any other information

Restaurant Brands Australia will continue to collaborate with the franchisor groups to ensure the focus on Modern Slavery risks is a fundamental part of establishing and maintaining a healthy supplier relationship. We continue to have representation on franchisor "Supply Chain Councils" which convene on a regular basis, in partnership with the relevant franchisor and other franchisees, to further this cause.

Future roadmap

Over the next year we are focussed on continuing this very important journey, with the following areas taking priority:

- Establish a Modern Slavery working group reporting into the Internal Audit & Risk Committee to monitor and report progress on key actions
- Registration with SEDEX to formally engage with our major supply partners and further expand upon the initial risk review undertaken including the non-core suppliers
- Review and update the various governance, policy, and procedure documents to incorporate Modern Slavery risks and requirements
- Raise greater awareness amongst key internal stakeholders by provision of further training and support, with emphasis on establishing procedures to engage with suppliers who have been assessed as a medium risk.

This statement was approved by the Board of Restaurant Brands Australia Holdings Pty Ltd.

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Ashley Jones

Chief Executive Officer