



QUALITY INGREDIENTS TO THE FOOD INDUSTRY  
Frutex Australia Pty Ltd | www.frutex.com.au | ph (612) 95026500 | fx (612) 95026511  
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## Frutex Australia Modern Slavery Act Annual Statement 2020 Modern Slavery Act 2018 (Cth)

### 1. Identifying the reporting entity

This is Frutex Australia Pty Ltd ATF The Frutex Australia Trust (ABN 35 050 854 034) (**Frutex**) first Modern Slavery Statement provided under the Modern Slavery Act (Cth) 2018 (the Act). It represents Frutex' reporting obligations for the financial year ending 30 June 2020.

Frutex is committed to establishing a framework and process to minimise any instances of modern slavery including improving its sourcing practices in its global supply chain. Together with customers and suppliers, Frutex endeavours to meet the collective responsibility of ensuring basic human rights are protected, through ethical business practices. The purpose of this statement is to set out the approach and processes implemented by Frutex to minimise such risks.

Modern Slavery is a global human rights issue requiring an aligned global approach by industry, civil society and government to effectively abolish such practices. Occurring in various forms it includes (but is not limited to) forced labour, child labour, debt bondage, domestic servitude and human trafficking.

Frutex has always had the highest regard for human rights and will not tolerate any form of modern slavery. As such, Frutex is committed to continuous and ongoing improvement, in conducting due diligence to identify and mitigate risks encountered in its supply chain. Frutex is in the initial compliance phase of its modern slavery minimisation policy. It recognises the extent of how far reaching the intricacies of modern slavery extend, and intends to improve on its efforts year on year.

### 2. Describe the structure, operations and supply chains

#### Overview and structure

Frutex is a privately owned business that commenced operations in 1968. Frutex is a food ingredient company supplying a diverse range of food ingredients to a cross section of manufacturers and food service businesses in Australia. Operations include:

1. Sourcing
2. Processing
3. Steam sterilisation
4. Spice seasonings
5. Manufacturing fruit blends.

#### Area of Operations and Supply Chains

Frutex head office which includes its warehousing, distribution, manufacturing facilities located in Sydney, Australia. [www.frutex.com.au](http://www.frutex.com.au).

Frutex imports raw materials from over 62 countries supplying the Australian market nationally. It exports to about approximately 10 countries globally. Frutex has 185 workers operating from its Kingsgrove head office in its operational sourcing and supply of raw materials, both domestically and globally with an annual turnover in excess of AUD\$100m.



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Frutex operational supply chain as a food supplier carries inherent characteristics of risk exposing it to the potential risk of modern slavery. An assessment has been completed and will be refined to identify and prioritise risk mitigation imperatives.

**3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls**

A continual and ongoing risk assessment process has had a multifaceted approach including analysing its inventory by product, region and spend and cross referencing that information with the US Department of Labour 2018 report. The purpose of this process has been, to consider which part of its supply chain is at a higher risk of modern slavery. It has considered the impact of factors such as seasonal cycles, and/or workforce characteristics like migrant or seasonal outsourced labour.

**4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls**

Frutex utilises a number of brands operationally and in the market, as set out below.



Frutex has many longstanding relationships with its suppliers which are an integral part of Frutex' capabilities as a major food ingredient supplier in Australia. As a result, Frutex benefits from working in close collaboration with its supply partners to transparently investigate remedy and review any issues.

As part of its day to day business practices Frutex utilises:

- clear supply contracts
- adequate lead times
- on time payment of supply contract
- Frutex management to Supplier management communication by phone and email.
- Frutex management is accessible to its suppliers 24/7.

As the next part of this journey, Frutex has commenced its risk assessment for this first statement with its top 50 products globally and top 50 products domestically of Tier 1 suppliers.



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As part of Frutex' ongoing commitment to its modern slavery minimisation journey it has implemented a Modern Slavery Policy which supplements its human resources employment and work health policies and procedures.

In addition to its Modern Slavery Policy, Frutex has submitted to its suppliers its Ethical Sourcing and Supply Code of Conduct and Modern Slavery Declaration, with the expectation that such policies will be adhered to, as a pre-cursor to the suppliers' continuing business relationship with Frutex.

Having factored the Ten Principles of the UN Global Compact (set out below) into strategies, policies and procedures, Frutex demonstrates an established culture of integrity as a corporate citizen.

Training, awareness and capacity building was implemented for key staff, who attended training sessions in embarking on the risk management process. This includes analysing Frutex global supply chain and the effects and its impact. Frutex will continue to invest in additional training and consultation, to ensure that it stays abreast of ongoing developments in this constantly evolving area.

The risk of modern slavery in employment practices is also vigilantly conducted within Frutex' own employment site practices. A verification of workers' personal identification documents are cross referenced with photo identification and the worker visa status. Where a worker is a non-Australian resident or non-Australian citizen, they are required to provide Frutex with an updated Vevo statement from the Australian Department of Home Affairs website.

**5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks**

As part of its Modern Slavery Management Plan, Frutex has undertaken an internal risk analysis of its supply chain as referenced. Following its annual internal audit, Frutex will implement any recommendations as made by its ethical compliance officer based on reasonable timelines.

Frutex consulted with Be Slavery Free and undertook the Sedex Modern Slavery training program to avail itself of the necessary information required, to comply with the Modern Slavery Act.

Having considered the highlighted risk countries, as outlined in the US Department of Labour 2018 report, Frutex is mindful of maintaining supply relationships with suppliers who are not referenced in that report. Working closely with its suppliers through its ongoing consultation process, Frutex will endeavour to achieve continuous improvement year on year by extending its assessment of Tier 1, suppliers through its risk management practice. This will be achieved through the raising of awareness throughout its operations, training, and formalisation of ethical sourcing policies and procedures.

As part of its modern slavery minimisation journey Frutex' road map for the next three years includes:

- building on what has been currently implemented
- delve deeper into our Tier one supply chain
- clarifying further future initiatives as additional information transpires
- assessing the effectiveness of what has been achieved year on year

**6. Describe the process of consultation with any entities the reporting entity owns or controls**

This does not apply to the Frutex Group.

**7. Any other relevant information**

**The impact and effect of Covid19 on the Frutex Supply Chain**

The impact of Covid19 on the supply chain highlighted the uncertainty in the global market, with increased lead times and availability an essential requirement to be factored for forward planning. Frutex Australia has the capability with its strong supply relationships to react, adapt and plan for future global disruptions.

Frutex is a longstanding player in the Australian Food Industry and with its established supply relationships has demonstrated its resilience, by forward planning and increasing its stockholdings.

This has been achieved by drawing on a global supply chain, without compromising the standards expected under the Modern Slavery Act. This encompassed:

- increasing its orders and stockholding
- sourcing from alternate countries
- creating multiple source points

With experienced leadership and world class storage, handling and manufacturing capacity, Frutex will continue its operations through Covid19 and any other pandemics which may arise.

**Going forward**

Building on from its inaugural Modern Slavery Statement the initiatives road mapped for the coming year include:

- engaging external employment lawyers to assess and review all pay grades and rates for site staff are fully compliant and the review of all employment contracts
- additional consultation with Be Slavery Free
- staff training
- supplier training and awareness
- raising community awareness running a modern slavery seminar with the local affiliated high school that Frutex sponsors.

This Statement is made pursuant to section 14(1) of the Act and approved by Panagiotis Magiros as owner, CEO and Sole Director of Frutex Australia Pty Ltd ATF The Frutex Australia Trust (ABN 3505085403)

Panagiotis Magiros CEO  
30 June 2020

