



# **GUZMAN Y GOMEZ™** *Mexican Kitchen*

## **Modern Slavery Statement 2021**

This statement is made in accordance with the *Modern Slavery Act 2018* (Cth) and constitutes GYG's modern slavery statement for the financial year commencing 1 July 2020 and ending 31 July 2021.

## FROM OUR FOUNDER

Guzman y Gomez was founded on the belief that fast-food shouldn't have to be bad food, and our people are at the heart of bringing this mission to life every single day.

Since 2006, we've always said that we will never compromise on our people and we will never compromise on our food. This ethos continues to be intrinsic to GYG. With more than 17 million Australians eating fast-food daily, we take great pride in our social responsibility to serve the freshest, cleanest food available with the best quality ingredients sourced from our network of long-standing suppliers.

From every crew member, every member of our network operations and every long-standing supplier, we have always endeavoured to respect the human rights and welfare of everyone in the GYG family. We are proud to provide our first modern slavery statement as we continue to grow as a business and reinvent fast-food.



A handwritten signature in black ink, which appears to read 'Steven Marks'. The signature is fluid and cursive, written on a white background.

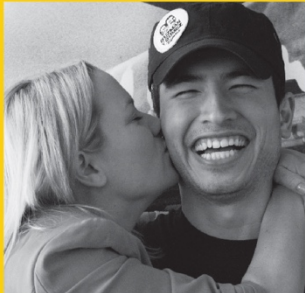
**Steven Marks**  
Founder and CEO

# AT GYG THIS IS HOW WE ROLL...



**IT'S ALL ABOUT  
THE FOOD!**

**OUR FOOD IS WHAT SEPARATES US  
FROM ALL OTHERS. EXECUTION MUST BE  
PERFECT - EVERY ORDER, EVERY DAY!**



**MAKE EVERY CUSTOMER  
LOVE US**

**WE CONTROL OUR CUSTOMERS EXPERIENCE.  
MAKE IT MEMORABLE, EVERY TIME!  
AND DON'T FORGET...OUR SMILES ARE CONTAGIOUS!**



**BE REAL**

**WE SAY (WITH RESPECT) WHAT WE THINK  
AND WE DON'T MAKE EXCUSES**



**GOT YOUR BACK**

**WE ARE IN THIS TOGETHER.  
WE TAKE CARE OF EACH OTHER - ALWAYS!**



**IT'S UP TO US!**

**THE FUTURE IS OURS TO DOMINATE!**

# LET'S ROLL!



## Introduction

Guzman y Gomez Mexican Kitchen is committed to preventing acts of modern slavery and human trafficking from occurring within in its own business and in its supply chains and expects the same high standards from all its franchisees, contractors, suppliers, and other business partners.

This statement has been prepared to comply with section 16 of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**). It sets out how Guzman y Gomez (Holdings) Ltd<sup>1</sup> (**GYG**) and its subsidiaries<sup>2</sup> (collectively the **GYG Group**) manage and minimise the risk of modern slavery and human trafficking in its business and supply chains and how the GYG Group complies with the *Modern Slavery Act*.

This is the first modern slavery statement for GYG and has been prepared in respect of the financial year ending 30 June 2021.

<sup>1</sup>As at 30 June 2021, GYG is the only company within the GYG Group that has a consolidated revenue of over AUD100 million and is therefore the only company required to file a modern slavery statement. Despite this, as part of the GYG Group's ongoing commitment to preventing slavery in its business and operations, this statement explains the steps that the GYG Group is collectively taking to reduce the risks of modern slavery.





<sup>2</sup>As at 30 June 2021, GYG's Australian subsidiaries are Guzman y Gomez Franchising Pty Ltd, Guzman y Gomez Restaurant Group Pty Ltd, Guzman y Gomez Leasing Pty Ltd, Guzman y Gomez Pty Ltd; and its American subsidiaries are Guzman y Gomez Corp, Guzman y Gomez Naperville LLC and Guzman y Gomez Willowbrook LLC.



## Key Achievements

To ensure that the GYG Group takes proactive action to minimise the risks of modern slavery and human trafficking, GYG has consulted with all its operational subsidiary companies in relation to the development of GYG's modern slavery programme, has assessed the modern slavery risks that arise across the GYG Group, and has established systems to reduce and mitigate these risks.

Some key achievements of the GYG Group over the past 12 months include:

-  We have undertaken a comprehensive risk assessment across the entire supply chain operations and have commenced building a 2-year road map on how we will minimise the risk of modern slavery practices in our operations and supply chains
-  We have deployed an external anonymous whistle-blower platform
-  We have established a modern slavery working group to formulate the steps taken by the GYG Group in reducing modern slavery risks in our business and operations and upskilling our business units on the importance of modern slavery awareness
-  We have commenced updating all existing contracts with our suppliers to include a requirement for them to comply with modern slavery laws to ensure there is transparency and legitimacy in their operations



## Our Business

The GYG Group operates a Mexican fast-food chain under the name “Guzman y Gomez Mexican Kitchen”, founded and headquartered in Sydney, Australia. Our passion is creating delicious food out of ethically sourced, real ingredients. Since our inception in 2006, we have seen significant growth, having expanded to Japan, Singapore, and the United States of America (USA).

At the date of this Statement, there are 139 Guzman y Gomez restaurants in Australia, 14 in Singapore, 5 in Japan and 1 in the USA. We operate our business through both corporate owned and franchisee operated restaurants, with 38 corporate owned stores (including the USA) and 121 franchised stores (including Singapore and Japan). In Australia, the GYG Group proudly employs 2174 employees.

Whilst the GYG Group is not reporting on the actions of its individual franchisees, they are the most important aspect of the GYG brand. We aim to partner with the best franchisees, who believe in and uphold our values and standards and we hold them to these standards. Our franchised stores operate under franchise agreements and work closely with the GYG family to deliver our passion for food, culture, and people.

Over the course of the last financial year, in developing our modern slavery policy and this inaugural statement, we have actively consulted and engaged with key business areas across our subsidiary companies responsible for procurement, risk and legal.

**38**

Corporate Restaurants

**121**

Franchised Restaurants

**2174**

Corporate Employees





## Our Operations and Supply Chain risk profile

Our business is organised into various business units, including, non-exhaustively, restaurant operations, development (real estate and construction), marketing, franchising, human resources, technology, finance, legal and risk and supply chain. The GYG Group operates in the quick service restaurant sector. A number of our suppliers and third-party business partners are large companies with established corporate social governance policies and structures, including in relation to modern slavery. This affords the GYG Group some assurance in engaging in those commercial relationships.

We are conscious that the supply chains for the food, beverage and agriculture sector has an inherently higher risk of modern slavery due to the nature of the work necessary in the production, processing, packaging and transport of the product. Further, we recognise that modern slavery risks are predominant during the production, packaging, and processing stages, which is when the highest amount of seasonal-based skilled labour is required. We are also aware of the risk of modern slavery in the construction of GYG restaurants, the offshore sourcing of clothing for uniforms and the harvesting and production of coffee.

At GYG, fresh, quality produce is central to our ethos. We source the bulk of our fresh produce through a central, large, and sophisticated, Australian supplier, who deals directly with the primary Australian suppliers on our behalf.





## **Actions taken to identify and combat slavery risks**

We have undertaken a risk identification assessment to assess the GYG Group's operations and supply chain. The assessment involved a thorough review of our supply chains in relation to each of our business units to assess and categorise our vulnerability to modern slavery practices occurring in connection with our operations.

We have assessed our more pertinent risks of modern slavery practices as arising in relation to the construction of GYG's stores, our procurement of fresh food and produce, and our sourcing of clothing for uniforms. Based on our assessment, the countries in which we operate in, and engage most of our tier 1 suppliers, are considered a low risk for modern slavery. Notwithstanding this, the GYG Group recognises that, according to the 2018 Global Slavery Index, the Asia Pacific region had the second highest prevalence of modern slavery in the world. The GYG Group assesses and manages those risks by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which GYG operates, including developing and implementing the policies, processes and actions discussed further below.



## **Actions taken to assess and address the risks of modern slavery in our business and supply chains**

### **Established systems**

GYG has in place systems to:

- establish and assess areas of potential risk in our business and supply chains
- monitor potential risk areas in our business and supply chains
- reduce or mitigate the risk of slavery and human trafficking occurring in our business and supply chains
- provide adequate protection for whistle-blowers

### **Policies and procedures**

GYG is committed to preventing acts of modern slavery from occurring in our supply chains or in any part of our business. As part of our modern slavery risk assessment, and development of our wider modern slavery programme, the GYG Group has enacted a Modern Slavery Policy. Our Modern Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships, and to implementing and enforcing effective systems and controls to reduce the risk of slavery taking place in our supply chain.

Our Modern Slavery Policy exists alongside our Whistleblowing Policy. GYG encourages its employees to feel confident about raising their concerns by being able to access a reporting and investigative mechanism that is objective and confidential, where they know that they are protected from reprisal for doing so. We have in place an external hotline and platform for any employee to use and where they can anonymously raise concerns relating to labour conditions and/or workplace grievances.

Stringent employee onboarding procedures are in place across the GYG network including collection of documents showing eligibility to work in Australia and completing VEVO checks.

In addition to the above, GYG has various workplace policies and procedures in place to support modern slavery compliance, including:

- workplace health and safety policies and programmes applicable to all its restaurants, along with mandatory training for new employees to ensure safe and proper working conditions
- a grievance policy to support and guide any crew wanting to report a grievance through the options available to them, including anonymously
- a workplace bullying policy which prohibits workplace bullying, harassment, sexual harassment and discrimination and provides support and guidance on a process for reporting concerns
- a free employee assistance provider which provides free and confidential external counselling for employees for any work or personal issues
- a child employment guide for all Queensland restaurants regarding the safe employment and working conditions of minors pursuant to the *Child Employment Act 2006* (Qld)
- performance management and disciplinary framework to hold staff accountable to GYG policies and procedures

Over the course of the next financial year, we are:

- building a national child employment framework around working with minors in our restaurants to ensure ongoing compliance across the network
- working with our time and attendance providers to build rules around the rostering of minors in accordance with this framework

## **Education and training**

We are investing in educating our staff to recognise the risks of modern slavery and human trafficking in our business and supply chains.

Over the course of the next financial year, GYG will deliver training programs where employees will be encouraged to identify and report any potential breaches of GYG's Modern Slavery Policy. Employees will be taught the benefits of stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate slavery and human trafficking from our business and supply chains.

## Supplier obligations

As part of our initiative to identify modern slavery and mitigate associated risks in our business and supply chain we have introduced modern slavery compliance clauses into our supply contracts. These clauses require suppliers to comply with all applicable modern slavery laws, maintain their own policies and procedures in relation to modern slavery and carry out due diligence on their supply chain. The clauses also require suppliers to:

- notify GYG as soon as they become aware of any actual or suspected breach of modern slavery laws
- represent and warrant compliance with modern slavery laws

Moving forward, these modern slavery clauses will be progressively rolled out to existing suppliers and all suppliers will undergo regular formal reviews (including audits and site visits) to assess performance against, and compliance with, these policies.

We visit our primary suppliers' farms and production facilities. These visits are not only important from a quality control and compliance perspective, but also to maintaining a presence with agribusiness down the GYG supply chain and to demonstrate our commitment to ethically sourced fresh products. A significant focus of these visits is to engage with and observe workers and their working conditions.

## Franchisee oversight

Since 2017, we have undertaken comprehensive employment and workplace law compliance audits for all franchisees. Whilst these franchised stores do not form part of GYG Group's operations for the purpose of reporting under the Modern Slavery Act, GYG is committed to preventing modern slavery practices from occurring in connection with its business, including by maintaining appropriate oversight over its franchisees.

Through the franchise agreements, we impose, and enforce, mandatory workplace compliance obligations on our franchisees.

We provide extensive training to franchisees on their legal requirements with respect to workplace laws. Franchisees are educated on labour and employment laws. All training resources are also hosted on GYG's intranet, and updated periodically, so that they can be accessed anytime with real time and current information. The GYG Group employees undertake annual refresher training sessions on all staff policies.



## Assessing the effectiveness of our actions


GYG has appointed external counsel to conduct an externally facilitated review to bring insights on the ways that we can combat slavery and human trafficking from within.

We frequently review our workplace policies and procedures to ensure they are current and compliant with workplace laws. We will continue to actively engage with our suppliers to identify and rectify modern slavery risks within their businesses.

To assess the effectiveness of our actions, each year we will also evaluate the following key performance indicators (*KPIs*), namely:

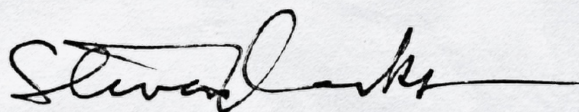
- the percentage of precedent contracts containing modern slavery compliance clauses
- the percentage of employees trained on modern slavery
- the number of suppliers and subcontractors that have been vetted for ethical labour practices

Over subsequent reporting periods, we will continue to review and enhance these KPIs and develop further metrics to assess the effectiveness of our actions, in line with our commitment to continuous improvement.



This Statement is made in accordance with the *Modern Slavery Act 2018* (Cth) and constitutes GYG's modern slavery statement for the financial year commencing 1 July 2020 and ending 31 July 2021.

This statement was approved by the Board of Directors of GYG, in their capacity as principal governing body of GYG on 23 December 2021.



**Steven Marks**  
Founder and CEO  
Guzman y Gomez (Holdings) Ltd ACN 125 554 743  
Date: 24 December 2021

