



COLLINS FOODS LIMITED

**MODERN SLAVERY
STATEMENT**



2024

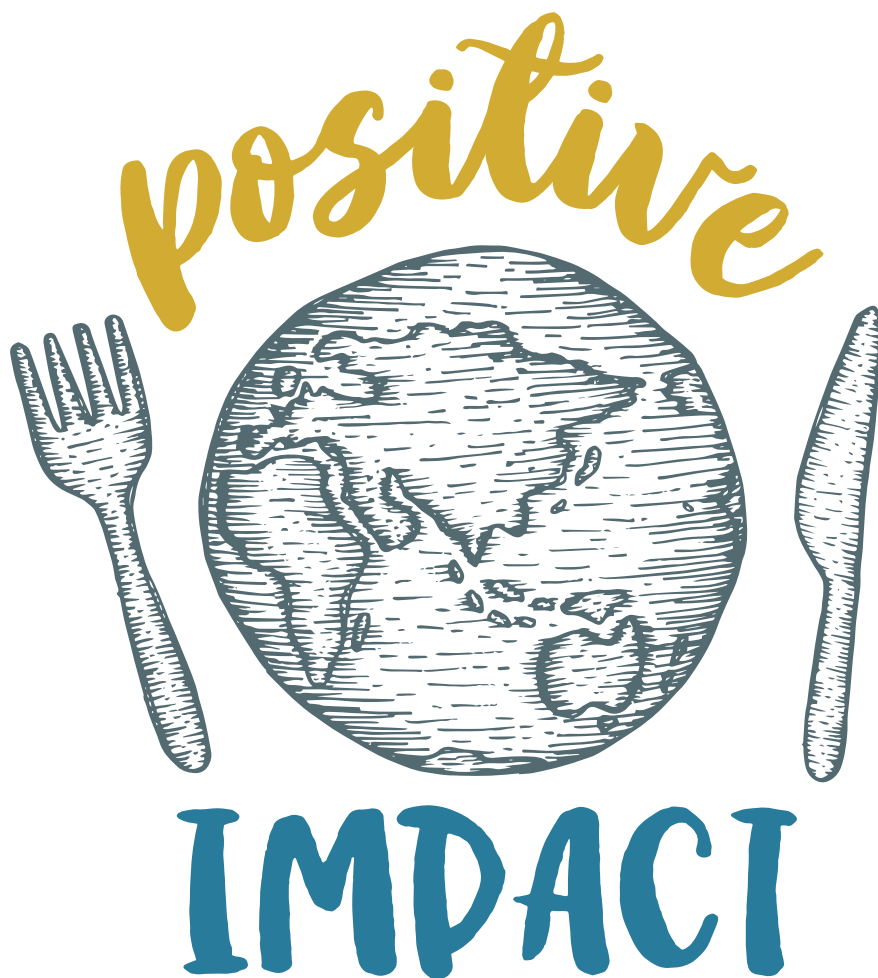




RESTAURANTS *done* BETTER.

COLLINS FOODS LIMITED
ACN 151 420 781

**COLLINS FOODS LIMITED
ACKNOWLEDGES THE
TRADITIONAL OWNERS AND
CUSTODIANS OF THE LANDS ON
WHICH WE OPERATE. WE PAY
RESPECTS TO ELDERS PAST,
PRESENT AND EMERGING.**



⇒ *Our Vision*

THE WORLD'S TOP
Restaurant
OPERATOR.

**WE CREATE UNMATCHED
EXPERIENCES FOR OUR
CUSTOMERS & PEOPLE.**

CONTENTS

Introduction	2
About Collins Foods	3
Our Operations	4
Overview of Our Supply Chain	5
Supply Chain in Operation	6
Risks of Modern Slavery in Our Operations	7
Risks of Modern Slavery in Our Supply Chain	8
Assessing Effectiveness of Our Actions	13
Focus Areas for the Next 12 Months	14
Consultation Process	15
Conclusion	15

Introduction

This Modern Slavery Statement (Statement) is prepared by Collins Foods Limited (CFL) and its owned or controlled entities (Group) pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)* (the Act).

This Statement relates to the reporting period that commenced on 1 May 2023 and ended on 28 April 2024 (Reporting Period).

We are committed to conducting business to the highest possible ethical standards as set out in our Group Code of Conduct and Ethics and Integrity Policy. We will not tolerate any form of human rights abuse, including modern slavery, forced labour or human trafficking in our operations or supply chain. Our business is intrinsically tied to the health of the planet, the resilience of our food system and the welfare of our people, which is evidenced by the initiatives that are outlined in our Sustainability Report 2024.

This Statement describes the risk of modern slavery in the operations and supply chains of the reporting entities, and their owned or controlled entities, during the Reporting Period and details the steps taken to assess and address this risk.

This joint Statement reports on the activities of CFL and has been reviewed and approved by the Directors of each of the following reporting entities¹:

1. Collins Foods Limited (ACN 151 420 781)
2. CFG Finance Pty Limited (ACN 151 677 351)
3. Collins Foods Holding Pty Limited (ACN 113 801 648)
4. Collins Foods Finance Pty Limited (ACN 113 833 391)
5. Collins Foods Group Pty Limited (ACN 009 937 900)
6. Collins Restaurants Queensland Pty Limited (ACN 009 988 381)
7. Fiscal Nominees Company Pty Limited (ACN 166 936 278)
8. Collins Restaurants West Pty Limited (ACN 009 701 179)
9. Collins Restaurants South Pty Limited (ACN 612 129 781)

This Statement should be read in conjunction with the modern slavery statement submitted by our **KFC Australia Franchisor**² — **KFC Australia Modern Slavery Statement** (for the period ended 31 December 2023).



- 1 Collins Foods Limited is the ultimate holding company of the Collins Foods Group, with all other entities listed above being 100% owned subsidiaries responsible for the operations of franchised restaurants or restaurant support services.
- 2 KFC Australia is part of YUM! Brands Inc. and is the franchisor of the KFC brand in Australia. CFL does not own any shareholding in YUM! Brands Inc. or KFC Australia.



About Collins Foods

Collins Foods is a multinational owner and operator of almost 400 restaurants. We have been in business since 1968 and are proud of our long history and growth in the QSR sector.

As an employer of over 20,000 people in Australia, Germany and the Netherlands, we are committed to ensuring equal opportunities for our workforce.

Six core values underpin everything we do. Our ongoing efforts to assess and address any potential modern slavery risks in our operations and supply chains are consistent with our values and our mission of 'Restaurants Done Better.'

Our website www.collinsfoods.com provides further insights into our operations, suppliers and our aspirations to be the World's Top Restaurant Operator by creating unmatched experiences for both our customers and people.

OUR VALUES



We are deeply committed to the wellbeing, development and safety of our people, and treat them as our family.



We are passionate about our customers. We work together to create unrivalled experiences.



'Being Brilliant at the Basics' is in our DNA — we are fanatical about driving performance and getting it right every time.



This is our company. We treat it like our own and take complete accountability for results.



Life is too short to stick with the status quo. **We think big and take bold moves** to make sure we are better tomorrow than today.



Our people, our communities, and our planet deserve our wholehearted commitment.

Our Operations

Collins Foods is a multinational restaurant operator of brands within the YUM! Brands Inc. portfolio — Kentucky Fried Chicken (KFC) in Australia, the Netherlands and Germany, and Taco Bell in Australia.

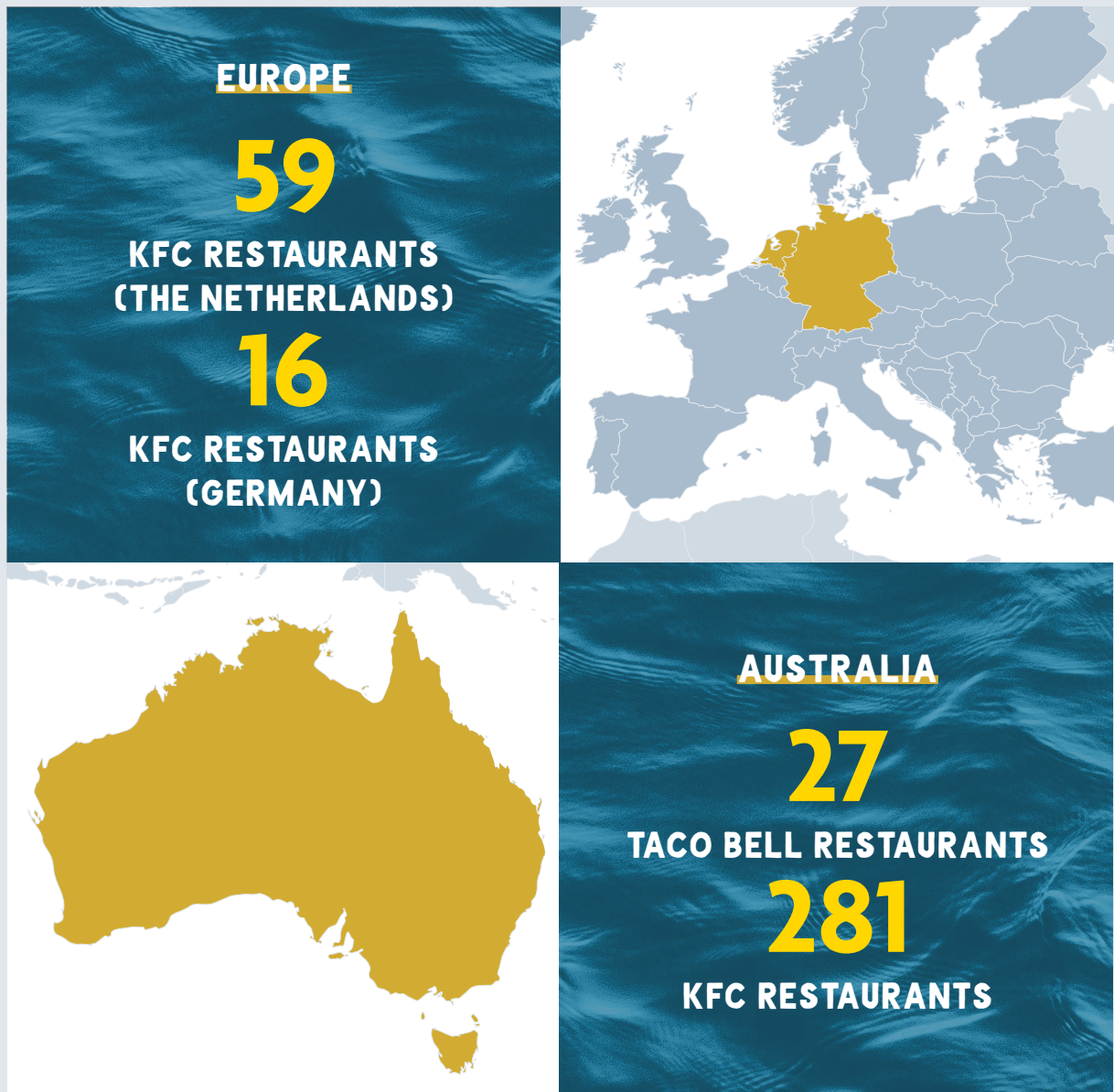
In Australia, for our KFC restaurants, we operate as a franchisee of YUM! Brands Inc. Our relationship with YUM! Brands Inc. is based around a “Franchise Partnership Pact”. This pact sets out principles for all interactions within our business. We are provided with marketing, food innovation, supply chain and information technology services in exchange for service fees.

For our Taco Bell restaurants, we are a franchisee of Taco Bell International, with our franchisee-franchisor relationship operating in a similar manner to that of our KFC restaurants.

In Germany, we own and operate restaurants through a franchise agreement with YUM! Brands Inc., which is similar to that in place in Australia.

In the Netherlands, we are a franchisee of YUM! Brands Inc., as well as a corporate franchisor, supplying and providing support to restaurants owned and operated by Collins Foods, as well as those owned and operated by others.

In 2023, we ceased our operations with Sizzler Asia and no longer have any commercial interests in Asia.



Overview of Our Supply Chain

In accordance with our franchise agreements, we are required to use goods and services that have been approved by our franchisor to prepare, market and sell products in our restaurants.

This ensures quality and consistency of products sold throughout the franchise system for both KFC and Taco Bell.

YUM! Brands Inc. conduct the sourcing and purchasing negotiations for food, packaging, equipment and other items on our behalf, which means supply and distribution arrangements are limited to approved supply and distribution partners of YUM! Brands Inc.

Our supply chain is made up of **'core suppliers'** that provide critical products and services to our restaurants, such as food and beverage products, packaging, uniforms, distribution partners and delivery aggregators.



**KFC
AUSTRALIA**

KFC AUSTRALIA

The supply chain for core items is co-ordinated by KFC AU Franchisor, which conducts sourcing and purchasing negotiations for core supply chain items.

Our KFC AU Franchisor also provides us with certain advertising and marketing services, the provision of IT equipment and services for our restaurants.



**KFC
EUROPE**

KFC EUROPE

Our Europe KFC restaurants' core suppliers are managed by KFC EU Franchisor.



**TACO
BELL**

TACO BELL

Our core suppliers are managed in partnership with our Franchisor, Taco Bell International, who manages the sourcing and purchasing negotiations, while we manage daily quality and service delivery performance.

The remainder of CFL's supply chain comprises various 'non-core suppliers' that provide products and services such as restaurant equipment, construction, maintenance, marketing, IT, tax and legal consulting, and cleaning services.



Supply Chain in Operation

There are many players involved in our operations as we work to be the world's top restaurant operator. The diagram below outlines the typical principal inputs required to serve our chicken and tacos across the jurisdictions in which we operate.



Risks of Modern Slavery in Our Operations

We recognise that the food industry is a high-risk sector for forced labour. We acknowledge that there is an inherent risk of employment of vulnerable workers due to the nature of our industry and the risks surrounding wage compliance.

We require that team members working in our restaurants and our restaurant support centres must be:

- a) treated fairly and with respect;
- b) of working age and be working of their own free will; and
- c) paid in accordance with the relevant award and applicable legislation.

One of our core values is *'People at the Heart'* (refer to page 3 for details of all our values), and we are dedicated to supporting cultural diversity, positive mental health and ensuring our workplaces are safe, happy and welcoming.

Collins Foods has two Diversity and Inclusion (D&I) councils — one in Australia, in its third year of operation, and one in Europe, established May 2024. These D&I councils provide an opportunity for diversity and inclusion to be considered as part of day-to-day operations and create a safe forum where issues can be openly discussed.

We annually assess diversity-related, measurable objectives such as gender diversity and the gender pay gap, which is also reported annually to meet our commitments under the *Workplace Gender Equality Act (2012)* (WGEA). These and more details on our initiatives to support all vulnerable workers can be found in our 2024 Sustainability Report and WGEA report, both published on our website.

CFL has the following policies and procedures in place to outline and reinforce the expected appropriate behaviours and practices of all our employees and contractors:

- Group Code of Conduct
- Ethics and Integrity Policy
- Group Speak Up Policy
- Discrimination, Harassment and Bullying Policy
- Grievance Resolution Procedure
- Recruitment and Employment of Young Workers Policy
- Diversity and Inclusion Policy
- Paid Parental Leave Policy
- Domestic and Family Violence Policy
- Supply Chain Management Code of Conduct
- Procurement Policy and Manual



Risks of Modern Slavery in Our Supply Chain

Our core suppliers comprise major food, packaging, and distribution suppliers that are critical for the operation of our restaurants.

For our Australian restaurants, approximately 98% of all food supplies are sourced locally — this ranges from the supply of Australian sourced chicken and beef, fresh produce, bread products, beverages, and seasonings. The supply chain also includes a variety of overseas sourced products for our Taco Bell restaurants, for example sauces sourced from Mexico.

Both KFC Australia Franchisor³ and KFC Europe Franchisor⁴ perform risk assessments of food and paper suppliers and require all food and paper suppliers to register on Sedex.⁵ These categories of procurement have increased risks of modern slavery in their supply chains by virtue of their industry risk (e.g. agriculture, manufacturing, and transport) and country risk in some instances.

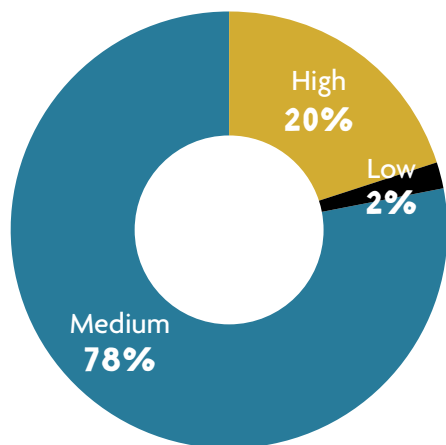
Suppliers assessed as a high-risk for the potential of modern slavery within their operations or supply chain

are required to have a third party Sedex Members Ethical Trade Audit (SMETA)⁶ completed, with any findings monitored by both our Franchisors in Australia and Europe. All supply partners are asked to review their data captured in Sedex and provide regular updates to our KFC franchisor supply chain teams with respect to where risks have been identified and how these have been addressed or mitigated. This information forms part of the quarterly supplier business reviews.

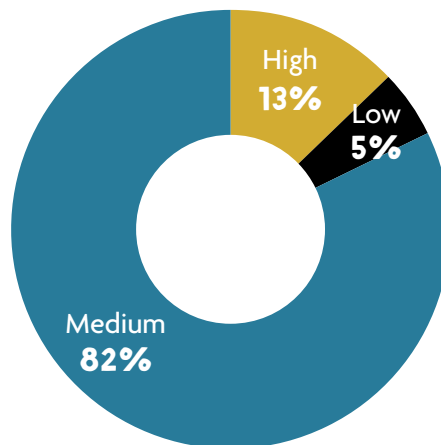
Most core suppliers for our Taco Bell restaurants are the same as our KFC Australia core suppliers. These suppliers are already registered on Sedex with our KFC AU Franchisor and therefore we leverage these due diligence controls and risk mitigants where applicable. We request any suppliers that are independent to the KFC brand, to register on Sedex.

In relation to delivery aggregator services, we acknowledge the potential modern slavery risks within their operations and supply chains. These relationships, contracts, and the review of their performance are managed by our Franchisors, and we rely on the assessments and actions taken by them.

CORE SUPPLIERS AUSTRALIA



CORE SUPPLIERS EUROPE



Slightly higher proportion of Australian core suppliers are rated as a high-risk compared to Europe core suppliers, due to majority of these suppliers being within the agriculture sector, which has a high inherent risk for modern slavery. Further to this, most of our European core suppliers operate out of countries rated as low or medium risk (refer to country of origin graphic on page 9).

³ KFC Australia is part of YUM! Brands Inc. and is the franchisor of the KFC brand in Australia

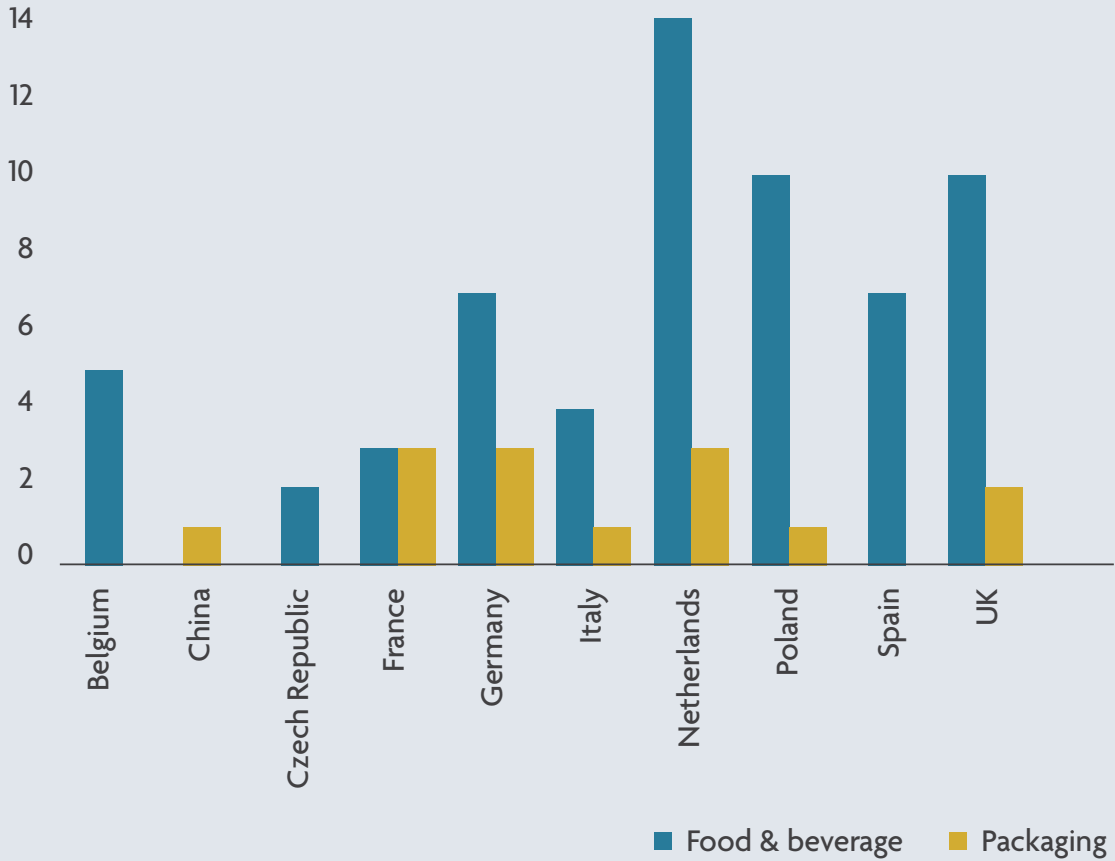
⁴ KFC Europe is part of YUM! Brands Inc. and is the franchisor of the KFC brand in Europe

⁵ Sedex is a responsible business trade membership organisation acting to improve working conditions in global supply chains by helping businesses achieve end-to-end supply chain transparency. For more information, refer to <https://www.sedex.com>

⁶ <https://www.sedex.com/solutions/>

For our European restaurants, the core suppliers have a wider geographical dispersion. A snapshot of the country of origin and Sedex rating for these suppliers is set out below.

EU CORE SUPPLIERS — COUNTRY OF ORIGIN



Based on location of suppliers' operations/production facilities

COUNTRY	SEDEX RISK RATING
Belgium	Medium
China	High
Czech Republic	Medium
France	Medium
Germany	Medium
Italy	Medium
Netherlands	Low
Poland	Medium
Spain	Medium
UK	Medium

NON-CORE SUPPLIERS

Non-core suppliers make up **45% (AU)** and **38% (EU)** of our total supply chain, providing non cost-of-sales goods and services. We initially conduct an inherent modern slavery risk assessment based on sector and supplier country of domicile, the risk relating to the product and services provided, and the annual procurement spend. Subsequent to this, if the supplier joins or is an existing Sedex member, the relevant forced labour and labour standards risk assessment data within the Sedex platform is used to determine the risk rating of the relevant supplier.

At this stage we have limited visibility in relation to our non-core supply chain beyond tier one.

We recognise the need to improve our visibility beyond tier one⁷ in future Reporting Periods. Details of our future initiatives to further progress our maturity can be found on page 14 of this Statement.

As part of the supplier onboarding process, CFL reviews the results of the Approved Supplier Questionnaire which provides information on the suppliers' accredited food safety system, risk management, customer complaints, auditing, insurances, and information on where the products are manufactured.

As at the end of the Reporting Period the risk profile of our non-core suppliers for both our Australia and European operations was as follows:

Australia Non-Core Suppliers

SUPPLY CHAIN CATEGORY	HIGH	MEDIUM	LOW
Construction and Maintenance	–	100%	–
Corporate and Other Services	–	7%	93%
Equipment	–	100%	–
Payroll and HR Services	–	–	100%
Rental and Utilities	–	8%	92%
Royalties and Marketing	–	–	100%
Waste, Pest, Cleaning and Landscaping	25%	72%	3%

Europe Non-Core Suppliers

SUPPLY CHAIN CATEGORY	HIGH	MEDIUM	LOW
Construction and Maintenance	–	98%	2%
Corporate and Other Services	–	–	100%
Equipment	–	100%	–
Payroll and HR Services	–	–	100%
Rental and Utilities	–	–	100%
Royalties and Marketing	–	30%	70%
Waste, Pest, Cleaning and Landscaping	26%	71%	3%

ACTIONS TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

In accordance with the risk appetite set by the CFL Board, the Group has no appetite for any form of modern slavery or other unethical behaviour in our operations or supply chain.

In seeking to identify the modern slavery risks in our operations and supply chain, we align our assessment with the United Nations Guiding Principles (UNGPs) on the potential for our business to cause, contribute to, or be directly linked to modern slavery.

Operations

Utilising CFL's risk assessment framework, we have assessed there to be a low risk of modern slavery occurring amongst our team members employed across our restaurants and support centres in Australia, Germany and the Netherlands. This is supported by *The Global Slavery Index*⁸ which rates the prevalence of modern slavery in these countries as low. This does not mean our business operations in these locations are absent from risk nor that we are less rigorous with our due diligence processes in those regions. It is also noted that this "low risk rating" differs to the Sedex ratings as stated on page 9, due to these ratings based on all industries and not just food, beverage and packaging suppliers, which is the case for the Sedex ratings presented.

⁷ The direct suppliers of the final product or service

⁸ <https://www.walkfree.org/global-slavery-index/>

The Group has a robust framework in place for communication and training on workplace rights and conditions and requires compliance with all relevant labour legislation in each country that we operate. This is supported by relevant policies and procedures (refer to listing on page 7) which are reinforced by relevant training and internal and external reviews.

CFL has identified that on certain occasions some employees may have been entitled to receive additional allowances. We continue to review historical employment and wage data for the seven-year period from 1 May 2017 to 28 April 2024 to determine whether and in what circumstances employees may have been entitled to receive allowances or other entitlements during this period which have not been paid.

Our franchisors in both Australia and Europe co-ordinate third party audits across our restaurants that verify that the brand standards and food safety practices are adhered to by all KFC and Taco Bell restaurants. These audits are carried out on a quarterly basis. The auditors have powers to inspect files on team members and can conduct random checks to ensure that team members are of working age.

In the past 12 months we delivered modern slavery training to supply chain and procurement teams in Australia and Europe to support in the risk analysis of suppliers. In addition we rolled out Annual Modern Slavery Awareness training to all Restaurant Support Office team members.

CFL's board and management adopt high standards of corporate governance consistent with the ASX Corporate Governance Principles and Recommendations as described in our annual corporate governance statement published on our website.

Supply Chain

Both our KFC AU Franchisor and KFC EU Franchisor are members of Sedex, which we leverage to drive Sedex registrations by supply partners. We continue to evolve and mature modern slavery due diligence processes by requesting high-risk non-core suppliers join the Sedex platform, complete questionnaires on modern slavery practices, and if required, complete a third-party Sedex Members Ethical Trade Audit.

One of the primary means by which we assess and address the potential risk of modern slavery arising in our supply chain is through our contracting process with our suppliers. We recognise that our leverage with suppliers is strongest at the time of negotiating a contract. We use a contractor manager system, Rapid Global, to onboard suppliers, which requires suppliers to acknowledge our Supply Chain Code of Conduct. Our Supply Chain Code of Conduct outlines the rules and standards of conduct that apply to third parties in the Group's food production and supply chain. It prohibits unlawful use of child labour and forced labour.

During the Reporting Period, we continued registering our Australian and European operations suppliers on Sedex, including food and beverage suppliers, packaging, distribution partners and uniform providers and material non-core suppliers. Suppliers are required to complete self-assessment questionnaires.

To manage performance, audits of key suppliers are conducted annually by KFC AU and EU Franchisors, which includes a review of the supplier's internal processes and site visits, as required. Feedback is provided to suppliers to support and drive continuous improvement.

CFL continues to develop and improve its due diligence processes around assessing suppliers at on-boarding should they not be a member of Sedex, one example of this is detailed in the case study overleaf.

Remediation

Employees can escalate to their manager if they have any concerns or issues in relation to modern slavery, or if they wish to remain anonymous, employees and third parties are able to report via CFL's independently operated Whistleblower system. This process is outlined in the Group Speak Up/Whistleblower Policy and the Grievance Resolution Procedure that allows staff to raise concerns in a confidential and anonymous manner.

If we did find that our business had caused or contributed to modern slavery, we would take guidance from the United Nations Guiding Principles (UNGPs), which provides that businesses in this situation need to remediate the impact by taking a person-centred approach protecting the safety, privacy and wellbeing of the affected person.

The process consists of:

1. Gathering evidence, physical and written, and assessing the extent and verified or unverified instance of modern slavery;
2. Escalating it to the relevant bodies within the organisation and authorities such as police if necessary;
3. Undertaking a full investigation of the situation including reviewing all evidence;
4. Implementing an appropriate corrective action plan, which may include contract termination with a supplier and/or worker compensation; and
5. Reviewing the effectiveness of our process and actions to ensure that modern slavery risks are proactively mitigated and prevented where possible.

CASE STUDY:

BACK UP ENERGY BATTERIES

During the reporting period, Collins Foods Europe opened KFC Den Bosch, and part of the project required the sourcing and installation of batteries as back up energy supply as a solution to the electricity grid capacity constraints in the Netherlands.

The identified battery supplier was not a Sedex member and therefore additional due diligence was performed prior to engaging the supplier and procuring the batteries.

A risk assessment was performed by the risk and compliance team to assess the inherent modern slavery risks relating to the supplier and relevant battery components. Further enquiries and information were requested from the supplier, including but not limited to, Human Rights/Modern Slavery policies, details on location of manufacturing sites, origin of battery components and audit results from any recent social compliance audits or certifications.

Results of the due diligence processes provided CFL with reasonable understanding and visibility into the supplier's operations, supply chain and battery components. CFL is now working with the supplier to onboard them onto the Sedex platform.



Assessing Effectiveness of Our Actions

As part of embedded corporate governance and risk management processes, we monitor the effectiveness of our modern slavery approach and are committed to continuous improvement.

During the Reporting Period, we have not identified any issues that could be linked to modern slavery.

The below provides a summary of the progress made on the key focus areas for this reporting period, as disclosed in our last statement:

ACTION	ACTION DETAILS	PROGRESS MADE
Partnering and Consultation	Further consultation and collaboration with our suppliers, business peers and industry bodies to help educate, improve processes and reduce modern slavery risks. A formalised structure to coordinate anti-slavery efforts will be set up with our Franchisors.	<p>Collaboration sessions were held during the reporting period to discuss approach and risks in the QSR industry. Attendees included fellow franchisees, franchisor and Sedex.</p> <p>CFL also attended food and beverage ethical sourcing forums hosted by Sedex to foster better engagement and understanding around modern slavery risks and supplier engagement.</p>
Modern Slavery Working Group	Establish a committee to drive the design and implementation of CFL's Modern Slavery Strategy and enhance human rights/modern slavery disclosures within CFL's Annual Sustainability Report.	As part of the business's ESG Council, modern slavery was added as a standing agenda item with key focus on risk identification, improvement in supplier engagement and future social and ethical initiatives and metrics.
Supply Chain Mapping	We will further map our supply chains to gain a comprehensive understanding of the potential risks and identify areas for improvement. Areas of focus will be suppliers who provide goods and services in relation to restaurant construction, maintenance, delivery aggregators and waste and pest management services. With the target to have these suppliers signed up to the Sedex platform in the next 12 months.	Linked to 360 supplier sites on Sedex platform during the reporting period which will support better understanding and risk assessment of CFL's supply chain.
Ethical Audit Framework	Develop and roll out CFL's supplier audit framework policy and processes, leveraging on the expertise of Sedex and embedded due diligence process of our Franchisors.	The framework and associated processes still under review with further consultation sessions held during the year with our Franchisor and Sedex.
Supplier Capacity Building	We will work closely with our suppliers to provide training and support to improve their labour practices and ensure compliance with our ethical standards through webinars and training sessions facilitated by Sedex and our Franchisors.	CFL attended food and beverage ethical sourcing forums hosted by Sedex, which were also attended by some of CFL's suppliers. These helped to improve the understanding of due diligence requirements and improved collaboration.
Education and Training	Continue to train and develop our people to have a better understanding of modern slavery risks, to help identify potential risks within our operations and when interacting with our supply chain. Leveraging our partnerships with Sedex and our Franchisors to help support our supply chain and elevate their maturity in relation to the management of modern slavery risks.	<p>Annual Modern Slavery Awareness training rolled out to all Restaurant Support Office team members.</p> <p>Modern Slavery Risk Management included as part of senior leadership onboarding.</p> <p>Supply Chain Risk and Due Diligence training provided to Supply Chain and Procurement teams across both Australia and Europe.</p>

Focus Areas for the Next 12 Months

At CFL we are committed to the continuous improvement in our approach and maturity around addressing modern slavery risks within our operations and supply chains.

Our focus during the next reporting period will be:

ACTION	DETAILS
Supplier Visibility Beyond 'Tier 1'	Continue to encourage new and existing suppliers to register with Sedex and with assistance of Sedex commence mapping supply chain beyond 'Tier 1'. TARGET: 70% of all "Core Suppliers" are registered on Sedex.
Supplier Grievance and Complaint Enhancement	Roll out of a new whistle blower and grievance reporting system, that allows suppliers to anonymously report modern slavery risks or non-compliance in both Australia and Europe via mobile app. TARGET: Implemented across 50% of our Australian and European suppliers.
Delivery Aggregators	Educate our delivery aggregators on modern slavery risks, provide training and guidance on good governance practices. TARGET: All delivery aggregators inducted into the Sedex system.
Industry Collaboration	Continue to develop relationships and partnership with both Australia and Europe Franchisors, formalise Australia KFC Franchisee Working Group and, with support of Sedex, attend relevant food and beverage forums and training sessions. TARGET: Quarterly KFC Australia Franchisee Modern Slavery Meeting. Formalise 'ethical sourcing' reviews with KFC Europe Franchisor.



Consultation Process

This statement has been prepared in consultation with all reporting entities, as listed on page 2.

Executives performing group level functions across our Group have provided input in relation to our operations, procurement, and supply chain.

This Statement has been prepared in consultation with the CFL Executive Management team. We have engaged with our franchisor in Australia, Kentucky Fried Chicken Pty Limited, which is also required to comply with the *Modern Slavery Act 2018* (Cth). We also engaged with our KFC Europe Franchisor that is required to comply with the UK laws on modern slavery.



**Robert Kaye SC
Chair**

15 October 2024

Conclusion

Collins Foods is committed to gaining further visibility into the risks of modern slavery in our operations and supply chains and to embed processes within our business to strengthen our management controls to mitigate these risks.

This Statement was approved by the Board of Collins Foods Limited, the parent entity of the reporting entities and the directors of each of the reporting entities. The Statement has been signed by a member of the Board of Collins Foods Limited on behalf of all reporting entities.





COLLINS FOODS LIMITED