



Modern Slavery Statement - 2019/2020

Gourmet Food

1 Introduction

This statement is made by the reporting entities of the Gourmet Food Group pursuant to the *Modern Slavery Act 2018* (Cth) and sets out the actions taken by it and its subsidiaries (together, “us”, “we” and “our”) to assess and address modern slavery and human trafficking risks in our business and supply chain for the financial year ending 30 June 2020 (Reporting Period).

Gourmet Food Group consists of the following registered entities. The reporting entities under the Modern Slavery Act are asterisked:

- MaxFoods Pty Ltd, registered in Australia*;
- Fine Food Holdings Pty Ltd, registered in Australia;
- Gourmet Food Finance Pty Ltd, registered in Australia*;
- Gourmet Food Holdings Pty Ltd, registered in Australia*;
- Gourmet Food Operations Pty Ltd, registered in Australia*; and
- Gourmet Food New Zealand Limited, registered in New Zealand.

Gourmet Food Group recognises that there is a legislated and corporate responsibility to identify and mitigate risks of modern slavery within our supply chain. We also recognise the importance of ensuring that our people are treated with respect and is within their rights to a happy and safe workplace where they are adequately compensated for their work. We endeavour to work with suppliers and customers that share these values.

This Statement sets out the actions we have taken in respect of the Reporting Period to assess, address and mitigate modern slavery risks in our business. The supplier risk management process we have developed includes:

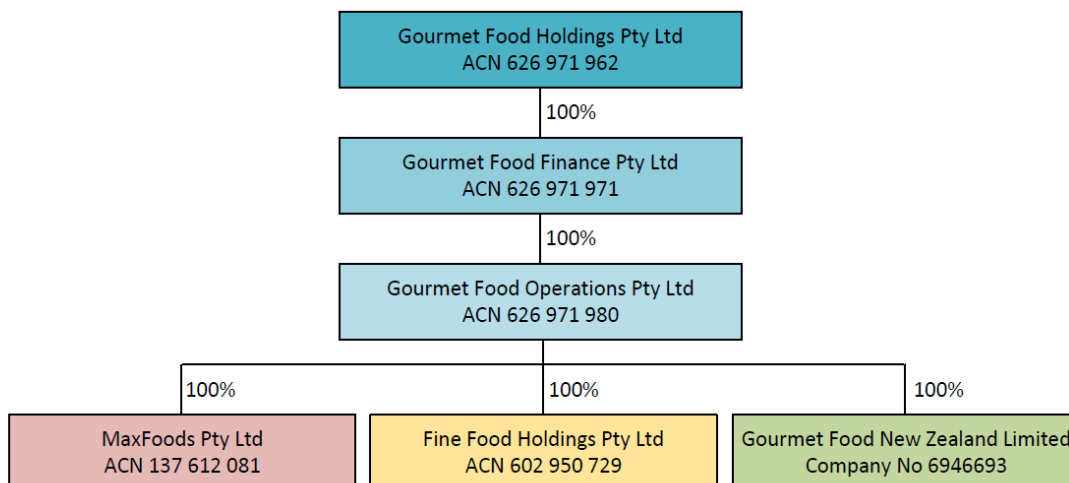
- the identification of suppliers for review based on annualised spend from the Reporting Period;
- the application of a risk rating methodology to identify at-risk suppliers;
- issuing questionnaires to at-risk suppliers;
- the assessment of the answers to the questionnaires and gathering of information as part of the above process and applying an overall modern slavery risk rating as well as actionable steps to manage low, medium and high risk suppliers;
- management of suppliers based on the allocation of the risk rating;
- the prioritisation of high risk suppliers initially; and
- the consideration of alternative suppliers, where existing suppliers’ risks cannot be satisfactorily mitigated.



2 Description of our business structure:-

2.1 Our structure

Gourmet Food Group has a relatively simple corporate structure, which is illustrated below.



Our trading entities are MaxFoods Pty Ltd and Fine Food Holdings Pty Ltd, which manufacture or import the products we distribute.

2.2 Our Operations

As Australia's 'entertaining' specialist, we have a focus on quality, especially in two key entertaining categories: best-in-class packaged seafood and premium style crackers. Our primary operations involve the production and manufacture of a diverse range of premium cracker products and the importation and resale of premium packaged seafood products globally.

MaxFoods Pty Ltd operates the 'Ocean Blue' and 'Clearly Premium' Brands. Fine Food Holdings Pty Ltd operates the '2's Company', 'OB finest', 'Crispbic' and 'Olina's Bakehouse' brands.

Our employees are primarily located in Australia, with a small number of workers in New Zealand. The majority of our workforce is located in Victoria and based in our head office at 10 Fox Drive, Dandenong South Victoria 3175. Their employment conditions are in compliance with local laws and regulations including any applicable awards. Over 98% of our workforce is permanent and have been with the business for over 12 months.

The majority of our employees are production/warehouse staff located in our manufacturing site in Dandenong South. A number of other employees are also located in the same office performing a management role, with a number of other staff employed as field sales which are scattered throughout various states in Australia and New Zealand.

2.3 Production processes

Fine Food Holdings Pty Ltd manufactures premium crackers, wafers, and snacking products. Our customers are primarily blue chip and independent supermarket chains. The manufacturing process includes procurement of raw materials (including agricultural products), mixing, baking, slicing and packaging products for consumption. Finished products are despatched by our warehouse team and delivered through third party logistics



providers. The majority of products are manufactured at our manufacturing site, which was constructed specifically for our operations.

MaxFoods Pty Ltd imports and resells packaged seafood products and sugar free biscuits mainly from European suppliers. Products are shipped and received, stored and despatched into our third party logistics providers in Sydney (Australia) and Auckland (NZ), with the help of our import agents. Our customers are blue chip and independent supermarket chains. Other suppliers include logistics and smaller operational suppliers. These relationships are normally governed by supply contracts, which are longer term but may be reviewed annually for any amendments.

2.4 **Our supply chain**

As a manufacturer and importer of food products, we procure from a range of local and international suppliers, each of whom also have their own supply chains.

Our largest supplier spend is on purchasing packaged seafood products, which are all procured from 9 primary overseas suppliers primarily located in Scandinavia. Alongside seafood suppliers, we engage various seafood processing companies which are also primarily located in Europe.

The majority of our raw materials are sourced from suppliers in Australia, however these suppliers may source ingredients from overseas, and we also directly engage some overseas suppliers other smaller products. Raw materials sourced from Australia include nuts, seeds, fruits, flour, honey and cheese, while overseas suppliers primarily provide us with seeds and dried foods including nuts, fruits and herbs.

Aside from suppliers in the food processing and importing industry, we also engage companies in the packaging, logistics and labour hire industries. Further procurements include our lease of premises, utilities and services such as gas, electricity, cleaning and financial services such as tax and insurance. Other suppliers include capital purchases suppliers (repairs and maintenance, capital asset acquisition) as well as other general operational and non-operational/corporate suppliers. In 2020, a large portion of our procurement spend was in relation to projects and capital expenditure.



3 Description of the risks of modern slavery practices in our business

3.1 Our operations

We operate our own manufacturing facilities within Australia, which is generally assessed as a low risk jurisdiction for modern slavery. Nonetheless, we recognise that modern slavery risks can be present in any business, irrespective of a low country risk profile. The food processing industry is associated with increased modern slavery risks by virtue of the reliance on base skilled workers, young workers and migrant workers supporting the factory and warehouse operations. However, we consider that the modern slavery risks in our operations is low given the stringent legal framework in Australian and New Zealand that governs worker entitlements and conditions.

3.2 In our supply chain - agricultural and food industry

As a manufacturer of food products, we have numerous suppliers in the food industry being primarily wholesalers of agricultural products. The agricultural industry has been identified as a high risk sector for modern slavery, with key risk factors such as the prevalence of base-skilled and migrant workers, the prevalence of contract labour arrangements, and high risk product categories.

Our agricultural suppliers are primarily located in Australia, which is considered a low risk jurisdiction for modern slavery. We recognise that there are modern slavery risks in the Australian agricultural sector, which is heavily reliant on contract labour and migrant and foreign workers.

The most common international locations of our agricultural suppliers are Canada, China, India, Turkey, Vietnam and the USA. Of these locations, China, India, Vietnam and Turkey have been assessed as having a higher risk of modern slavery.¹

High product risks exist specifically in relation to our purchase of fruit and nuts from Turkey and Vietnam, which have both been reported as having risks of child labour in the production of those products.²

Another portion of our yearly spend is on finished biscuit products, which we procure from Spain. Spain was assessed by the Global Slavery Index as having low to moderate modern slavery risks, with an estimated prevalence of 2.27 people per 1000 living in modern slavery and ranking 124 out of 167 on the 2018 prevalence index.³ Combined with the high risk of modern slavery found in the broader food industry, we consider this product to be of moderate risk. This risk however may be mitigated by the fact that we primarily engage with a small number of suppliers for biscuit products, allowing us to work closely with those suppliers to assess and address modern slavery risks.

We also recognise that each of our suppliers have their own supply chains. We do not typically have visibility of these suppliers, but recognise that the supply chains of our suppliers may expose us to modern slavery risk in the later tiers of our supply chain.

3.3 In our supply chain – fishing industry

As a manufacturer of packaged seafood products, we purchase significant amounts of fish from suppliers.

¹ According to the Global Slavery Index

² USA Department of Labour report -

https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2020_TVPRAListOnlineFinal.pdf

³ <https://www.globallslaveryindex.org/2018/data/country-data/spain/>



Fish has been identified as a product that has a high risk of modern slavery. The Global Slavery Index highlighted in its 2018 report that the fishing industry was prone to modern slavery, however the countries at highest risk are largely located in Southeast Asia.⁴

We procure the vast majority of fish from European countries, with the majority of our fishing suppliers being located in either Norway or Denmark, which were assessed by the Global Slavery Index as fishing countries with a low risk of modern slavery.⁵

Some of our fishing suppliers have operations in higher risk jurisdictions such as Indonesia and Ecuador, however these make up a smaller portion of our procurement spend on fish products.

As such, while some risks exist in relation to the fishing industry, we consider the product risk of fish products in our supply chain to be moderate overall, as the majority of our suppliers operate in low risk jurisdictions.

We also engage a number of seafood processing companies. Seafood processing is considered a particularly high risk industry, however the majority of our suppliers in this industry operate in low risk jurisdictions - Denmark, and Europe. Despite this, we are cognisant of risks in relation to our seafood processing suppliers located in Indonesia, which have comparatively higher risk profiles.

3.4 In our supply chain - other industries

Apart from fishing and agricultural products, our yearly procurement spend largely went towards Australian suppliers in various industries including packaging, logistics and labour hire. We recognise that there are increased modern slavery risks associated with the labour hire industry, irrespective of the country risk profile, due to a combination of factors such as the:

- prevalence of outsourcing
- reliance on a migrant workforce with limited local language competency and temporary visa arrangements, particularly in the agricultural sector
- multiple sub-contracting arrangements with informal agreements
- low barriers for entry for labour hire providers
- dangerous or substandard working conditions, including:
 - workers are not paid fairly or withheld entitlements
 - workers may be required to work excessive hours
 - workplace safety concerns

We have also identified that there is risk in the logistics companies that transport our products internationally. As with all businesses, there is also an inherent risk in the IT hardware that we use to operate our business.

⁴ <https://www.globallslaveryindex.org/2018/findings/importing-risk/fishing/>

⁵ <https://www.globallslaveryindex.org/2018/findings/importing-risk/fishing/>



4 Actions taken to assess and address the risks, including due diligence and remediation processes

We have considered our key supplier relationships from the Reporting Period to identify potential modern slavery risks within our supply chain with a particular focus on our raw materials suppliers.

We have adopted a framework for our supply chain risk identification and management to ensure that we approach the risk assessment in a systematic and predictable way, year-on-year. This assessment was undertaken in relation to suppliers with an annual spend of in excess of \$100,000.

Our risk assessment process involved review of the industry and jurisdiction (where known) risk, known existing risks through our dealings with the suppliers (through existing site tours) and any known risks associated with the products provided/sourced.

These were identified primarily to be raw materials and fish importers and processors and labour hire companies. Questionnaires were sent out with responses received and are being assessed including any accompanied documentations/ policies/ controls documentation. The process is ongoing.

In respect of the at-risk suppliers, and a number of other key suppliers, we requested to see their Modern Slavery Policies, any SEDEX reports (if applicable), quality or workplace audit findings (if applicable) and liaised with our contacts to understand their supply chain and their risk management processes. This process is ongoing.

Where we identify high risk suppliers, we will attempt to work with them to develop appropriate controls in their business. Where we can conclude that the risk is adequately controlled, we will approve them for ongoing procurement on the condition that they are monitored year-on-year for changes to their risk profile. In situations where we consider there to be inadequate controls and policies in place, we will request that the supplier provide us with a plan for improvement, which is to be reviewed at least annually. We will also consider sourcing from alternative suppliers, if we consider that a suppliers' modern slavery risks are not being adequately addressed, despite our attempts to work with a supplier.

In FY20, we did not have to discontinue a supplier relationship as a result of the risk assessment process.

Our Whistleblower Policy is published on our website (<https://gourmetfood.com.au/whistle-blower-policy/>) which provides a grievance mechanism for third parties, including our suppliers and their workers.

5 Assessment of the effectiveness of our actions

Considering that this is the initial application of our framework for modern slavery risk assessment, we focussed our efforts on assessing the suppliers who were high risk based upon their industry and jurisdiction

Due to the restrictions in place, as a result of the COVID-19 pandemic, we have had to rely on the results of previous supplier visits, verbal conversations with suppliers (as opposed to in person meetings on site) and representation either through ongoing discussions or through assessment of their responses to our modern slavery questionnaire, as well as requests for policies, procedures and any related audit outcomes conducted by reputable third parties (eg SMETA/ SEDEX audits).

We are still developing the means by which we will assess the effectiveness of the steps that we have taken to manage the modern slavery risks we have identified. This process will



include assessing the performance of our at-risk suppliers against any undertakings they provided and review the adequacy of the controls that have been put in place.

6 Any other relevant information

We collaborate with our customers as part of a collective effort to address modern slavery risks including by responding to relevant questionnaires and undertaking audits.

7 Consultation & Approval

Gourmet Food Holdings Pty Ltd and its subsidiaries are managed by the same core team comprising the Chief Operating Officer, Chief Financial Officer and Financial Controller. This team has kept, and continues to keep, the board informed of the reporting requirements and actions taken and future goals.

This statement was approved by the Board of Gourmet Food Holdings Pty Ltd on behalf of each of the reporting entities in the Gourmet Food Group on 26 March 2021.

Signed,

A handwritten signature in blue ink, appearing to read "Cameron Buchanan", is written over a horizontal dotted line.

Cameron Buchanan
Director
26 March 2021