



FY22

MODERN SLAVERY STATEMENT

This statement is made in accordance with the Modern Slavery Act 2018 (Cth) reporting on the financial year commencing 1 July 2021 to 30 June 2022. It covers all activities undertaken by Guzman y Gomez (Holdings) Ltd and its subsidiaries¹ (collectively the GYG Group).

¹ As at 30 June 2022, 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.

INTRODUCTION

Guzman y Gomez was founded on the belief that fast-food can be clean, fresh and healthy, 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 Guzman y Gomez. 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.

The impacts of COVID-19 over the last two years have been significant for the people in our restaurants and supply chain. We have taken steps to reduce the risk to people throughout our business and worked to support areas hit hardest by closures due to the pandemic.

This year also saw unprecedented rain across Eastern Australia, disrupting people. Significantly impacting their homes and livelihoods. It also created disruption to GYG, limiting access to some restaurants and creating shortages throughout our supply chain. Through these events, we have worked to keep our people front of mind in our decisions as a business, to minimise the impact on employees, franchise partners and suppliers.

This is Guzman y Gomez's second Modern Slavery Statement, outlining our progress in identifying, managing and mitigating the risk of modern slavery in our operations and supply chain.

This statement was approved by the Board of Guzman y Gomez.



Steven Marks
Founder and CEO of Guzman Y Gomez

ABOUT GYG

The GYG Group operates a Mexican fast-food chain under the name “Guzman y Gomez Mexican Kitchen”, founded and headquartered in Sydney, Australia.

By the end of June FY22 we grew to 168 restaurants across Australia, Singapore, Japan and the United States of America (USA). Our restaurants are a combination of corporate owned (46 stores) and franchise (122 stores).

- Australia** 149
- Singapore** 14
- Japan** 4
- United States of America** 1



OUR OPERATIONS

To ensure consistency throughout our restaurants, we support the entire network from planning, construction, design and opening through to supply chain and overall operations.

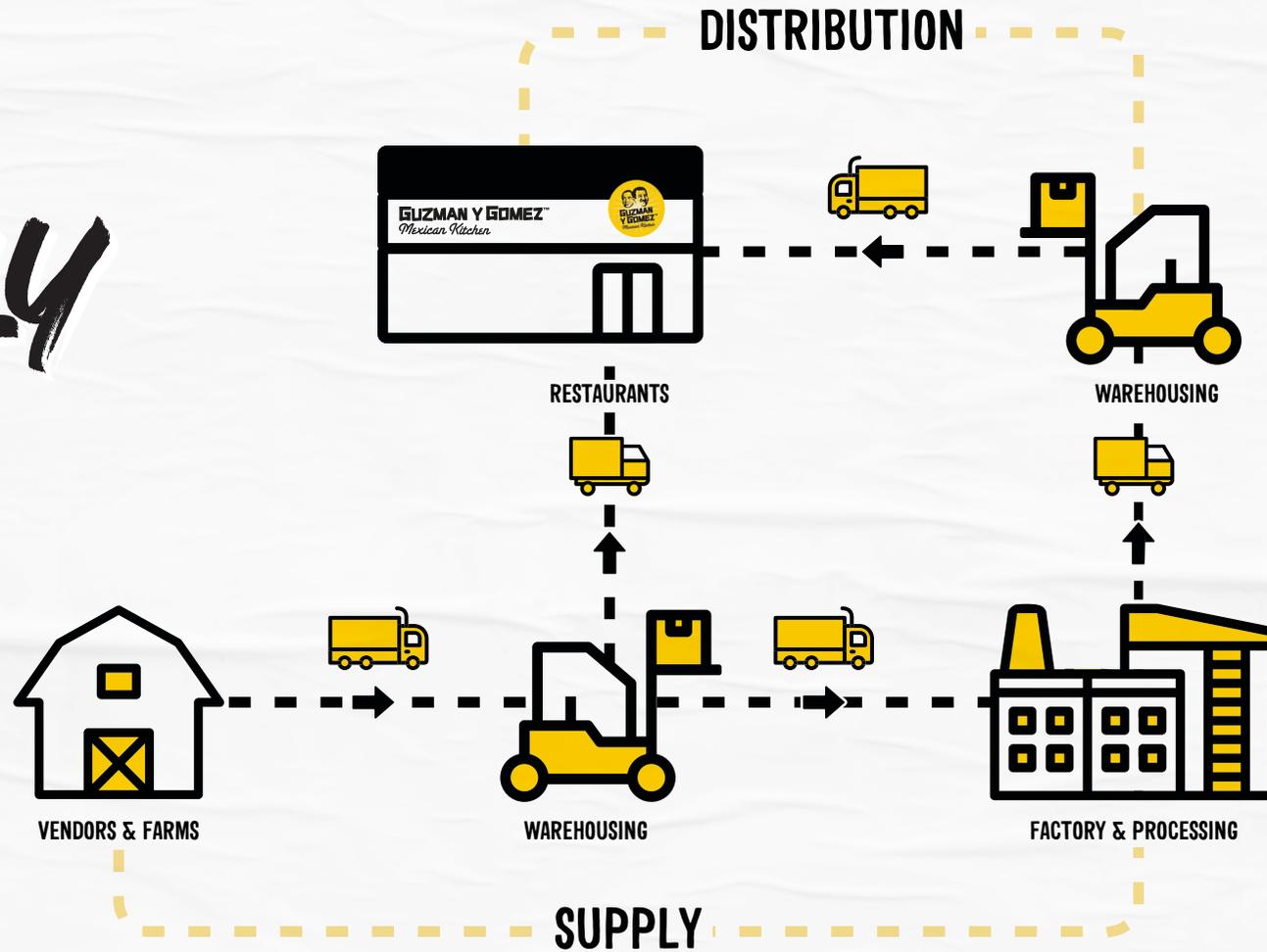
Our teams in Australia who contribute to this include, development, restaurant solutions, product development, marketing, legal, supply chain, sustainability, information technology, finance and people.

Across Australia and the USA we directly employ 2,700 people and have 4,800 working through our franchise restaurants.

OUR SUPPLY CHAIN

We source from a variety of suppliers for the best ingredients to bring healthy, fresh fast-food to our restaurants.

The primary countries we source from include, Australia, New Zealand, Mexico, China and Malaysia.



PLANNING



PRODUCT QUALITY & DEVELOPMENT

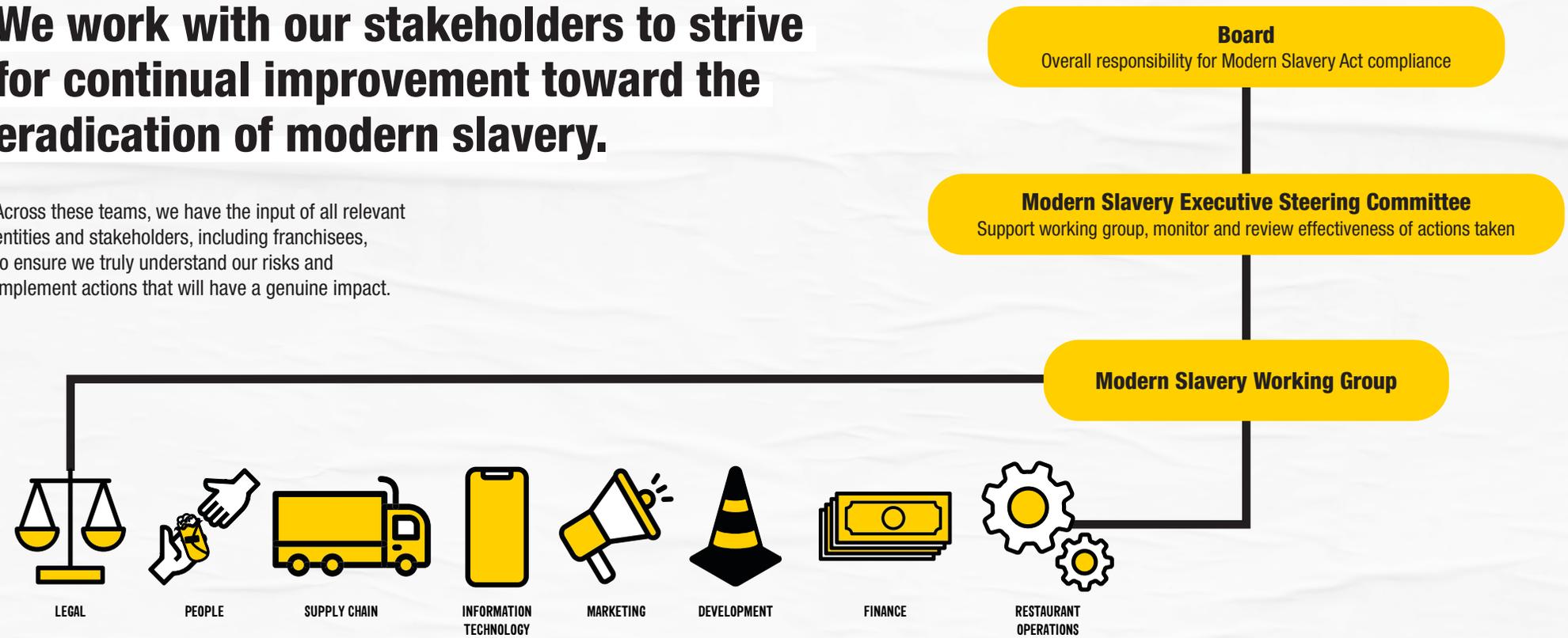


CULINARY

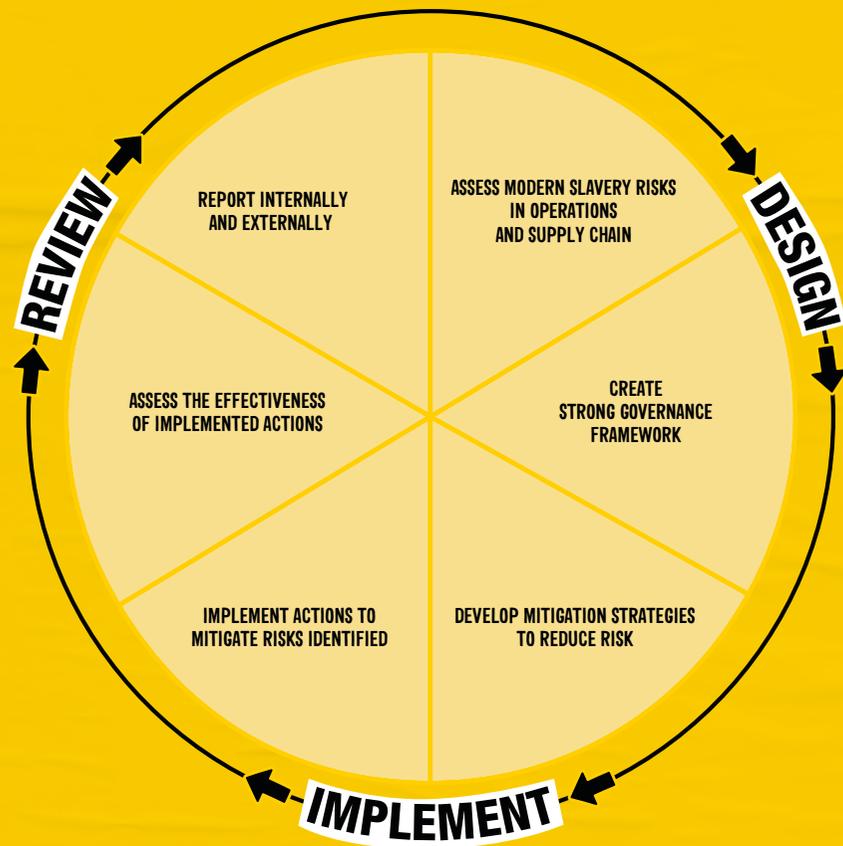
COLLABORATION & GOVERNANCE

We work with our stakeholders to strive for continual improvement toward the eradication of modern slavery.

Across these teams, we have the input of all relevant entities and stakeholders, including franchisees, to ensure we truly understand our risks and implement actions that will have a genuine impact.



ACTIONS TAKEN IN FY22



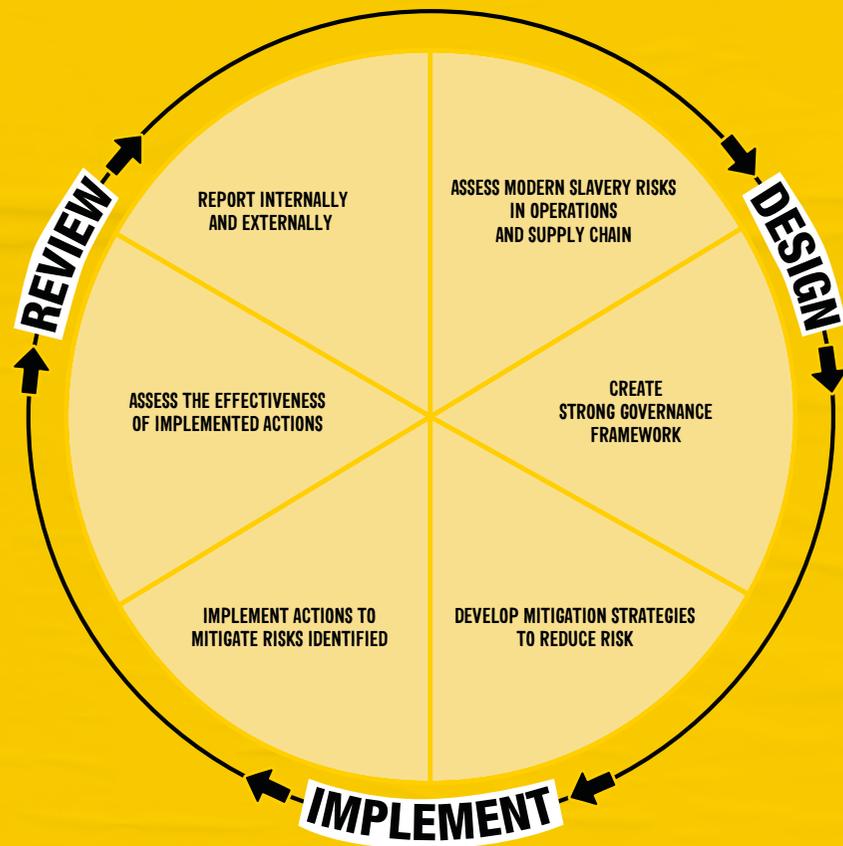
DESIGN

- Created a Modern Slavery Steering Committee to oversee modern slavery risk across the business. This Committee will meet on a quarterly basis to monitor the effectiveness of actions taken by the Modern Slavery Working Group and address any questions or concerns that have been escalated.
- Developed our Modern Slavery Policy to set the standards we will accept from our stakeholders and published this policy on the external GYG website.
- Conducted a deep dive risk assessment of all supplier categories identified as high-risk in relation to modern slavery.
- Enhanced the Modern Slavery Working Group to ensure all relevant teams participate. This group is comprised of representatives from Risk & Legal, Finance, Sustainability, Supply Chain, Development, Restaurant Operations, People, IT and Marketing. The Working Group is responsible for performing regular risk assessments, identifying mitigating actions where risks are found and monitoring the effectiveness of those actions to consider improvements over time.

IMPLEMENT

- Developed modern slavery contract clauses into our standard contract templates and commenced incorporating them into new contracts.
- Upgraded and reconfigured payment systems to reduce the risk of non-compliance with employment laws and industrial instruments. Introduced a requirement into the Master Franchise Agreement that all new franchise restaurants must use our external payroll provider.
- Conducted extensive due diligence for a third-party provider to manage all repairs and maintenance of both corporate and franchisee restaurants. Our agreement with this third-party includes clauses that require them to implement, maintain and keep up to date their policies and processes in relation to Modern Slavery Laws. This third-party publishes modern slavery statements in compliance with the Modern Slavery Act 2018 (Cth), providing information on their detailed approach to reducing the risk of modern slavery in their operations and supply chain.

ACTIONS TAKEN IN FY22



IMPLEMENT (cont.)

- Delivered training for employees from high-risk areas of the business, including senior leaders and representatives from the People Experience, Operations, Development, IT, Finance, Marketing, Supply Chain, Restaurant Solutions, Risk, Legal and Payroll teams. This was delivered by an external law firm and was recorded for anyone in the business to watch.
- Continued the development of our national child employment framework with the extended roll out of child employment guides in NSW, VIC and WA.
- Developed a detailed Recruitment Services Agreement, which requires recruitment agencies to comply with the conditions of. This agreement requires agencies to comply with the Modern Slavery Act 2018 (Cth).
- Implemented an external Whistleblower hotline that manages all anonymous concerns raised. Detail on our Whistleblower policy and how the hotline works was provided to all employees. Each restaurant was provided with collateral to communicate the policy, which is also available for them to re-order if needed. Details of the external hotline are available to all employees on the GYG intranet, Viva GYG.

REVIEW

- Designed key metrics to enable us to measure the effectiveness of the actions we've put in place to facilitate continuous improvement moving forward.
- Published the first GYG Modern Slavery Statement in Dec 2021.

MEASURING THE EFFECTIVENESS OF OUR ACTIONS

We want to ensure we have appropriate measures in place to reduce the risk of modern slavery across our operations and supply chain.

We are supporting progress to eradicate modern slavery and have put in place measures to assess the effectiveness of our actions.

Our Whistleblower program was established in FY22 and communicated across Head Office and our network of restaurants. We will engage external guidance/review to monitor the use of this platform and assess its effectiveness as it relates to human rights concerns.

We also developed modern slavery clauses and included these clauses in one major supplier contract.

The training delivered to employees included 17% of Head Office employees. As we continue to deliver training, we will monitor the proportion of head office and restaurant employees to ensure everyone receives some form of training. Going forward, we will also be looking to provide education and training opportunities for other stakeholders across our value chain and will begin to capture the proportion of these stakeholders who receive this information, as we progress.

RISK ASSESSMENT

At GYG, we're committed to making progress to eradicate modern slavery in all its forms.

We support the UN Guiding Principles on Business and Human Rights and respect internationally recognised human rights. Continuing our work from FY21, we broadened our risk assessment in FY22.

Using a risk-based approach based on our knowledge of our industry across the categories below, GYG reviewed our highest risk supplier categories identified in FY21 across the property, food, beverage and agriculture sectors.

MODERN SLAVERY RISK FACTORS



Vulnerable Populations

Migrant workers,
base-skilled workers



High-Risk Business Models

Labour hire and outsourcing,
franchising, seasonality,
aggressive pricing



High-Risk Geographies

Conflict, weak rule of law,
corruption, displacement, state
failure to protect human rights



High-Risk Categories

Services procurement, goods not
for resale, raw materials

DIRECT RISKS

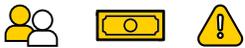
KEY

-  Vulnerable Populations
-  High-Risk Business Models
-  High-Risk Geographies
-  High-Risk Categories

Through our risk assessment, we assessed our operations across the four risk factors and identified both direct and indirect risks of modern slavery as set out on the following pages.

CATEGORY	RISK FACTOR	INHERENT RISK
Branded and unbranded goods not for re-sale	   	Company merchandise can be sourced from high-risk geographies with weak labour laws, lack of freedom of association or a living wage. This creates reputational risk if items manufactured are found to be associated with modern slavery practices.
Security	  	Security services are performed through base-skilled labour, often obtained through sub-contracting arrangements, increasing the risk of modern slavery.
Cleaning	  	Cleaning services are also performed through base-skilled labour and tend to employ vulnerable populations. Cleaning companies often have high-risk business models to remain competitive.
IT Equipment	  	The raw materials sourced for the manufacturing of IT Equipment are primarily from high-risk geographies.
Contracting	  	The use of contractors and sub-contractors to provide services, increases the risk of modern slavery as the agency may take advantage of the person being hired by paying them less than agreed with GYG or not ensuring safe working conditions.

INDIRECT RISKS THROUGH OUR SUPPLY CHAIN

CATEGORY	RISK FACTOR	INHERENT RISK	WHAT DOES THIS MEAN FOR US?
Franchisees		Franchising creates an opportunity for alternative processes that are out of the direct control of GYG.	All franchisees operate under the Master Franchise Agreement that require them to operate to the high standards set by GYG. The majority of franchisees are not large enough to reach the Act's reporting threshold of \$100 million annual consolidated revenue. One major franchisee does publish modern slavery statements in compliance with the Modern Slavery Act 2018 (Cth), providing information on their detailed approach to reducing the risk of modern slavery in their operations and supply chain.
Security and Equipment installation and maintenance		Security, installation and maintenance services are performed through base-skilled labour, often obtained through sub-contracting arrangements, increasing the risk of modern slavery.	Security and equipment installation and maintenance contracts are coordinated through a third-party provider with strict due diligence procedures for corporate restaurants.
Cleaning		Cleaning services are also performed through base-skilled labour and tend to employ vulnerable populations. Cleaning companies often have high-risk business models to remain competitive.	GYG sources cleaning services from a variety of suppliers.

CATEGORY	RISK FACTOR	INHERENT RISK	WHAT DOES THIS MEAN FOR US?
Construction labour		Construction provides often seasonal work, base-skilled labour and third-party labour hire, heightening the risk of modern slavery. Often migrant labour is exploited through this type of employment.	GYG engages with construction contractors via a third-party for all new restaurants.
Manufactured products: HVAC, electrical		Producing more intricate electrical products requires multiple components. This leads to cascading and inter-related supply chains in their procurement.	GYG purchases HVAC and other electrical products from Australian suppliers.
Construction materials: bricks, cement, rubber, timber, glass, paint, piping, steel, tiles, ceramics		Many of the materials used in construction come from regions with increased risk of modern slavery.	All construction materials used in our restaurants are sourced through construction contractors.
Coffee & cocoa		Coffee and cocoa are sourced from regions where there are known associations with child labour.	Coffee and cocoa used in products on our menu are sourced from areas with modern slavery risk.
Direct sourced seasonal fruit & vegetables		The seasonality and short-term nature of the work required to pick fruit and vegetables attracts migrant workers who may be exploited if they do not know their rights in Australia.	GYG uses a third-party supplier who sources directly from farms as well as from fruit and vegetable wholesale markets in each metropolitan area around Australia.
Base-skilled processing & packaging labour		Processing and packaging products uses base-skilled labour and sometimes seasonal migrant labour, depending on the product, creating an increased risk of modern slavery.	GYG deals with reputable suppliers with relevant certifications and has access to all manufacturing and packing facilities to verify compliance with our policies should the need arise.
Ports, truck drivers		Ports and delivery services can lead to subcontracting arrangements increasing modern slavery risk.	GYG uses a third-party to warehouse to distribute products to our restaurants.

FUTURE INITIATIVES

DESIGN

- Update Modern Slavery Policy to be incorporated into a broader human rights and ESG framework.
- Meet regularly with working group to identify opportunities for improvement
- Continue to assess stakeholders throughout our supply chain

IMPLEMENT

- Ongoing development of training materials to include both online and face to face modern slavery training
- Develop a modern slavery questionnaire to capture information from suppliers
- Send modern slavery questionnaire to suppliers identified as higher risk

REVIEW

- The Modern Slavery Steering Committee will meet regularly to monitor the effectiveness of actions in place
- Develop internal dashboard for key metrics

APPENDIX 1

MAPPING TO THE LEGISLATION

CRITERION	SECTION	CRITERION	SECTION
Identify the reporting entity	Title (p 0)	Describe how the reporting entity assesses the effectiveness of these actions	Measuring the effectiveness of our actions (p 8)
Describe the reporting entity's structure, operations and supply chains	About GYG (p 2-4)	Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Collaboration & Governance (p 5)
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Risk Assessment (p 9-12)	Provide any other relevant information	Introduction (p 1)
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Actions taken in FY22 (p 6-7) Future initiatives (p 13)		