



Advanced Fresh Concepts Pty Ltd (ACN 605 455 936)

Modern Slavery Statement FY24

1. Introduction

This statement is made in accordance with the requirements under the *Modern Slavery Act 2018* (Cth) (**Act**). This statement sets out the actions taken by Advanced Fresh Concepts Pty Ltd ACN 605 455 936 (**AFC, our and/or we**), an entity incorporated in Australia, to address modern slavery risks in our operations and supply chain during our financial year ending 31 March 2024.

As one of Australia's largest sushi franchise businesses, we appreciate our responsibility to operate within the spirit and letter of the law and to maintain high ethical standards wherever we conduct business. AFC does not condone or tolerate efforts or activities to achieve results through illegal or unethical dealings anywhere in the world.

AFC's suppliers know that AFC is concerned not only with results, but also with how those results are achieved. We expect all our suppliers to conduct their businesses with the same high standards. We will actively seek business relationships with suppliers who share our values and promote the application of these high standards among those with whom they do business.

Criteria required under the Act	Reference in this statement
<i>Identify the reporting entity</i>	2
<i>Describe the reporting entity's structure, operations, and supply chain</i>	2
<i>Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls</i>	2-4
<i>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</i>	4-6
<i>Describe how the reporting entity assess the effectiveness of these actions</i>	6
<i>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)</i>	6

2. **AFC's structure, operations and supply chains**

AFC has over 199 franchisees that operate 218 locations in five (5) states and two (2) territories across Australia. AFC's reputation is built on providing convenient, restaurant quality sushi and Asian meal solutions at affordable prices, using the highest quality ingredients (**Products**).

Advanced Fresh Concepts Corporation (**AFCC**) is an American company founded in 1986 operating over 4,000 independently owned and operated food service counter locations in retail establishments throughout the United States, Canada and Australia.

AFCC wholly owns AFC (the Australian entity), Advanced Fresh Concepts Franchise Corporation (**AFCFC**) and Advanced Fresh Concepts Distribution Corporation (**AFCDC**). AFCFC and AFCDC are both American entities. For the purpose of this statement, we have referred to AFCC and its controlled entities AFC, AFCFC and AFCDC as the 'AFC Group'.

Although the AFC Group is recognised globally for pioneering its sushi bar program across a wide range of market segments, AFC (the Australian entity) does not own or control any other Australian entities and AFC is the only reporting entity covered in this statement.

AFC is represented by the brands Sushi Izu and Sunrise Sushi in Australia. Sushi Izu is exclusive to sushi bar operations inside Woolworths Supermarkets and Metro locations. Sunrise Sushi represents AFC products sold through its wholesale operations.

In the 2024 financial year, AFC directly employed approximately 110 people in various head office support roles, throughout our wholesale operations and within our sushi bar operations across Australia. AFC's franchisees employed more than 500 people across Australia during that same period.

AFC's largest category of spend during financial year 2024 was on seafood. The supply chain of products and services that contribute to our operations include:

- a. Core suppliers of:
 - Food
 - Packaging
 - Operating supplies
 - Kitchenware
 - Uniforms
- b. Service providers of:
 - Equipment
 - Information technology
 - Print and marketing services

3. **The risks of Modern Slavery Practices in our operations and supply chains**

In seeking to identify the modern slavery risks in our operations and supply chain, AFC has looked at risks that may cause, contribute to, or be directly linked to modern slavery, in the following manner:

- a) operations may directly result in modern slavery practices;
- b) operations and/or actions in our supply chains contribute to modern slavery; and
- c) operations, products or services are connected to modern slavery through the activities of another entity, including business partners.

3.1 Our operations (and those of our franchisees)

We have assessed our operated and franchised sites in Australia as low-risk of modern slavery based on their jurisdictional location and operating practices.¹ All franchisees in the AFC network are required to carry out a mandatory 10-day training program when they are on-boarded. Through this program, franchisees are provided with a broad range of training which includes:

- **Workplace Obligations and Responsibilities** – the purpose of AFC conducting this training is to assist our franchisees to understand and meet their workplace obligations. This allows our franchisees to be aware of ethical business practices and the standards of behaviour required. We issue our franchisees with a USB drive that contains industry award, industry pay guide, Fair Work Handbook, and other workplace documents; and
- **Woolworths Code of Conduct** and **Supermarket Rules** – as we sell products inside Woolworths and our employees operate within the Woolworths premises, we distribute these documents to relevant stakeholders. These documents outline guiding principles on how our team must conduct themselves whilst working alongside Woolworths Group team members and the standards expected in a retail setting among customers.

AFC engages a third-party industry body to conduct a sample of surveillance workplace audits at various intervals throughout the year. The results of these audits are shared with AFC at the completion of the audit and enable AFC to identify and address any workplace inadequacies. In the instance AFC observes a franchise partner is not implementing the correct business practices, AFC will consult the franchise partner(s) to remedy any identified compliance issues immediately. This process allows AFC to oversee workplace practices and promotes transparency throughout its internal operations.

Considering the points and actions mentioned above, we have assessed the risk of modern slavery occurring in our direct operations and workplaces as low. This is due to our high regard for compliance with legal frameworks that regulate employment practices, and the fact that we do not use third party labour hire in our operations. Our employees are all located in Australia and subject to Australian employment contracts, are all paid in accordance with all laws and in accordance with market conditions in which they work, and we have in place processes to ensure that employees are legally entitled to work, including that they are of legal working age.

3.2 Supply chain

We recognise the inherent risk of exposure to the threat of modern slavery and labour exploitation within food and agriculture supply chains, from production and processing to packaging and transportation.

To address this risk, AFC responsibly sources food ingredients, packaging, and other operating supplies used in our operations from our trusted supply chain partners. Over 57% of our annual spend on ingredients is sourced from local Australian suppliers. This includes key ingredients such as Tasmanian Salmon, Chicken, Produce, Rice, and Beef are all sourced locally.

The following table outlines the top 10 countries based on spend from which AFC sources products and the risks identified with sourcing products from each of those countries based on the Global Modern Slavery Index:²

¹ <https://www.globalslaveryindex.org/>, Walk Free Foundation

² <https://www.globalslaveryindex.org/>, Walk Free Foundation

Rank	Country	% of spend	Prevalence of people living in modern slavery	Estimated Proportion living in modern slavery	Government response score
1	Australia	57.7%	41,000	1.6/1000	66.7%
2	Vietnam	13.6%	396,000	4.1/1000	47.4%
3	China	9.1%	5,771,000	4.0/1000	39.7%
4	Taiwan	5.9%	40,000	1.7/1000	47.3%
5	Japan	5.2%	144,000	1.1/1000	43.6%
6	Thailand	4.6%	401,000	5.7/1000	55.1%
7	USA	2.0%	1,100,000	3.3/1000	66.7%
8	Indonesia	0.8%	1,091,000	6.7/1000	50.0%
9	Netherland	0.5%	10,000	0.6/1000	66.7%
10	India	0.2%	11,000,000	8/1000	46.2%

AFC procures from countries which demonstrate to have a strong government response in relation to modern slavery. AFC does not procure from suppliers located in countries that have a high prevalence of modern slavery in comparison to other countries in the world.³

We continue to consider and implement measures to assess products imported through suppliers that have been classified as a higher risk. These measures may include discussions with manufacturers of certain imported products to conduct third party SEDEX Members Ethical Trade Audit, or similar certified ethical audits.

4. Actions taken by AFC to assess and address modern slavery risks

There are several actions we have taken to assess and address the risks of modern slavery throughout our operations and supply chain.

4.1 Employee education and compliance

AFC has and will continue to provide employees and management with specific training related to identifying and reporting human trafficking and slavery for those employees and contractors linked directly to supply chain management.

Throughout this financial year, employee training has been adjusted to incorporate the standards set out in our newly established Business Code of Ethics, and this training is now included as part of employee onboarding processes. This enables our employees to familiarise themselves with the conduct required in respect of all of their dealings, communications, relationships and practices.

³ <https://www.globalslaveryindex.org/>, Walk Free Foundation

AFC expects all employees to comply with all applicable laws and regulations in the conduct of our business activities. This extends to laws regarding modern slavery or human trafficking in the respective countries in which we do business.

AFC has employee policies and procedures in place with respect to the hiring of employees, to ensure that slavery, forced labour or human trafficking is not occurring in AFC's hiring process or employment relationships.

4.2 Conduct and Rules

AFC has continued to develop and distribute our Business Code of Ethics (**Code**). This Code outlines the standards of behaviour and conduct AFC expects from all of its employees, franchisors, franchisees, directors, agents and contractors. All stakeholders bound by the Code are required to comply with any applicable legislation in relation to modern slavery. AFC will closely monitor compliance with this Code and take appropriate remedial action where necessary in relation to any non-compliance.

In addition to our Code, our Sushi Izu franchisees are required to adhere to the Woolworths Code of Conduct and Supermarket Rules, ensuring that they meet Woolworths' standards and conduct requirements. These documents assist in protecting our workers against unethical business practices and conduct.

4.3 Partnering with suppliers and customers

AFC partners with well-developed and established suppliers who focus on providing locally grown produce. AFC has fostered a positive and collaborative relationship with its suppliers and maintains an active dialogue with these suppliers and clients. For example, AFC responds appropriately to all modern slavery questionnaires and queries from its suppliers. This two-way relationship is a key requirement to address, manage and reduce modern slavery risk in our operations and supply chain.

4.4 Managing supplier contracts

AFC has commenced including modern slavery compliance requirements into its supply agreements. The inclusion of these provisions into our commercial agreements aims to ensure AFC, and the suppliers with which it partners, are compliant with all applicable governmental, legal, regulatory, and professional requirements.

4.5 Due diligence

AFC conducts due diligence on all of its suppliers before they are introduced to the supply network. AFC distributed its modern slavery supplier checklist (**Checklist**) to every supplier of our raw materials. This assisted AFC to assess the practices of our suppliers and promoted greater transparency over our supply chain.

AFC continues to evaluate the procedure to audit suppliers to ensure compliance is maintained in relation to relevant legislation as well as AFC's standards and expectations in relation to modern slavery.

AFC intends to continue addressing modern slavery risks and concerns relating to its direct suppliers and its indirect suppliers. AFC intends to continue to focus on its direct suppliers and the responses in which AFC received to its Checklist and consequently implement further actions to expand to its indirect suppliers.

4.6 Senior Leadership Group

ACF's senior leadership group comprises of AFC's senior leaders across various departments of the organisation (**Group**).

The Group, in addition to the preparation and consultation of AFC's modern slavery statement, identifies and addresses any modern slavery risks or concerns in AFC's operations and supply chain (i.e., remediate any incidents if, and when they arise). The Group aims to reduce or mitigate the risk of modern slavery, develop programs, practices, and procedures to enhance AFC's response to modern slavery.

4.7 Reporting concerns

To address individual concerns, we have a complaints and grievance procedure at every operation. This allows community members and other interested stakeholders, such as our suppliers, to raise issues directly with our operations anonymously.

AFC continues to make a consistent effort to respond and resolve complaints and grievances as soon as possible. We report our recorded complaints and grievances in our Communities and Society document which forms part of our Annual Reporting Suite. This enables AFC to keep accurate records of any reported grievances and ensure they are addressed appropriately.

5. How we assess the effectiveness of our actions to address the risks of Modern Slavery

The assessment of the effectiveness of our modern slavery actions is addressed by the way of monitoring any reported incidences and assessing trends in reported grievances. This enables AFC to implement relevant remediation actions where necessary to ensure compliance and governance across all operations. AFC encourages all employees to report any suspected activities or incidents relating to illegal practices, including modern slavery. AFC ensures that the contact details to report are easily accessible to all employees.

6. Process of consultation with our related entities

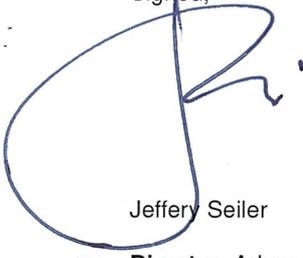
AFC, the entity giving this statement, has consulted with the relevant stakeholders of the organisation to ensure they are aware of AFC's obligations under the Act and the activities outlined in this statement.

The AFC Group will continue to collaborate with internal and external stakeholders to enhance our ability to identify and address modern slavery risks if and when they arise.

This statement was approved by the Board of AFC (which is the only reporting entity covered by this statement).

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Signed,

A handwritten signature in blue ink, appearing to be 'J. Seiler', written over a large, faint circular stamp or watermark.

Jeffery Seiler

Director, Advanced Fresh Concepts Pty Ltd ACN 605 455 936