

Modern Slavery

Modern Slavery in the Snack Foods Industry: Addressing Risks and Implementing Solutions

Modern slavery is a grave concern with significant impacts on people and industries worldwide, including the snack foods industry in Australia. SnackBrands Australia acknowledges the potential risk of modern slavery within its supply chains and operations. Key areas where these risks could arise include:

1. **Raw Material Sourcing:** Snackbrands Australia sources diverse raw materials such as potatoes, oils, spices, flavours, nuts, and packaging materials from countries where modern slavery may exist. Risks arise when suppliers employ forced labour, child labour, or engage in human trafficking.
2. **Manufacturing Facilities:** Snackbrands Australia manufactures finished goods and outsources some products nationally and internationally. Risks can arise if these facilities do not adhere to ethical labour practices, such as fair wages, safe working conditions, and prohibiting forced labour.
3. **Transportation and Logistics:** The transportation and logistics sector is crucial in the snack industry's supply chain. Risks of modern slavery exist when transport providers or intermediaries exploit workers, particularly in regions with weak regulatory oversight.
4. **Subcontracting and Sub-tier Suppliers:** Risks can emerge through subcontracting arrangements where suppliers further down the supply chain may not adhere to responsible sourcing practices. Lack of visibility and control over these sub-tier suppliers makes compliance challenging.

To mitigate these risks, SnackBrands Australia has partnered with SEDEX (Supplier Ethical Data Exchange), an online platform for monitoring and assessing supply chains for responsible sourcing practices. SEDEX helps Snackbrands Australia gain visibility into suppliers' practices, identify potential modern slavery risks, and work towards eradicating them.

Additionally, Snackbrands Australia has implemented the global Intersnack Responsible Sourcing Policy (RSP) and Supplier Code of Conduct (SCoC). These policies outline expectations and standards regarding ethical labour practices, including the prohibition of modern slavery. They serve as guidelines for suppliers to ensure compliance and enable Snackbrands Australia to hold them accountable.

Snackbrands Australia is establishing robust monitoring and auditing mechanisms, conducting regular supplier assessments, providing training and capacity-building

initiatives, and fostering collaborative relationships with suppliers. This holistic approach, combined with external parties like SEDEX, will help identify, address, and prevent modern slavery in the SnackBrands Australia supply chain.

Consultation Process: Modern Slavery

The consultation and development of the statement regarding modern slavery and responsible sourcing within SnackBrands Australia involve supply chain, procurement, and the executive team. The process includes:

1. **Internal/External Assessments:** Snackbrands Australia initiates internal assessments to evaluate current practices and identify potential modern slavery risks. This involves engaging relevant departments and external auditing parties, especially for overseas suppliers.
2. **Research and Benchmarking:** The company conducts research and benchmarking to understand industry practices, legal requirements, and global standards concerning responsible sourcing and combating modern slavery. This shapes the approach and policies related to SEDEX, RSP, and SCoC.
3. **Stakeholder Engagement:** Snackbrands Australia engages with various stakeholders to gather insights and learnings. This includes consultation with suppliers and the global Intersnack company, providing valuable input on identifying risks and shaping the company's approach.
4. **Policy and Code of Conduct Development:** Based on assessments and stakeholder engagement, SnackBrands developed the global Intersnack Responsible Sourcing Policy and Supplier Code of Conduct, outlining commitments to preventing modern slavery and standards expected from suppliers.
5. **Collaboration with SEDEX:** Snackbrands Australia partnered with SEDEX to implement systems and tools for monitoring and assessing suppliers' ethical practices. This involves setting up SEDEX accounts, training employees, and establishing data-sharing mechanisms.
6. **Drafting the Statement:** Snackbrands Australia has drafted a comprehensive statement on modern slavery and responsible sourcing, highlighting commitments, objectives, and actions to combat modern slavery.
7. **Internal Review and Approval:** The statement undergoes review and updating involving key stakeholders to ensure accuracy, clarity, and alignment with the company's values, goals, and legal requirements.
8. **External Validation:** Snackbrands Australia seeks external validation through independent audits, certifications, or partnerships with organizations

specializing in responsible sourcing and modern slavery prevention. This enhances credibility and transparency.

9. **Communication and Implementation:** Once finalised and approved, Snackbrands Australia communicates the statement to all relevant stakeholders and develops implementation plans to integrate responsible sourcing practices into daily operations.
10. **Ongoing Monitoring and Evaluation:** Snackbrands Australia establishes systems to continuously monitor and evaluate supply chains and operations for modern slavery risks. Regular assessments, audits, and performance reviews identify areas for improvement and corrective actions.

The specific processes will vary based on the supplier's size, structure, industry requirements, and existing sustainability practices.

SnackBrands Australia: Company Structure and Supply Chain Operations

Company Structure

SnackBrands Australia has a well-defined structure for its operations and supply chain processes. Key components include:

1. **Procurement:** The dedicated procurement team sources raw materials and ingredients from suppliers. Collaborating with the quality and innovation product development team, they ensure the quality and availability of ingredients. Procurement also establishes relationships with reliable suppliers.
2. **Manufacturing:** Snackbrands Australia converts raw materials into finished salty snack products at their own production facilities and through third-party contract manufacturers. The manufacturing team oversees production planning, quality control, and maintenance of machinery and equipment.
3. **Quality Control:** Ensuring snack products meet company standards and comply with food safety regulations is crucial. The quality control team conducts regular inspections, performs tests, and maintains rigorous quality control measures throughout the production process.
4. **Distribution and Logistics:** An efficient distribution and logistics network delivers products to retail outlets across Australia. This includes warehousing, transportation, and order fulfilment operations. Snackbrands Australia operates its own distribution centre and partners with third-party logistics providers.

5. **Sales and Marketing:** The sales and marketing team promotes Snackbrands Australia products and drive sales. They develop marketing strategies, manage advertising campaigns, and work closely with retail partners to ensure product visibility and availability. They also analyse market trends and consumer preferences to identify opportunities for new product development.
6. **Supply Chain Management:** Coordinating activities from raw material delivery to final product distribution is critical. This includes demand forecasting, inventory management, production planning, and establishing effective communication channels with suppliers, manufacturers, and distributors.
7. **Innovation, Research, and Development:** To stay competitive, Snackbrands Australia invests in product development (NPD) to innovate and create new snack products. The innovation/NPD teams develop new flavours, improve product formulations, and explore packaging innovations, collaborating with the marketing team to identify consumer trends and preferences.
8. **Sustainability and Social Responsibility:** Snackbrands Australia prioritises sustainability and social responsibility in its operations and supply chains. This includes implementing eco-friendly packaging solutions, sourcing ingredients from sustainable and ethical sources, and supporting local communities through initiatives like fair trade practices or charitable partnerships.
9. **HR and Finance:** HR and Finance teams ensure employees are treated according to legislative obligations and company values. HR partners with employee unions on matters related to employment terms, safety, and wellbeing.

Measuring Progress

SnackBrands Australia is committed to measuring the effectiveness of its modern slavery statements. By employing third-party SEDEX and its own internal Responsible Sourcing Programme, including the Snackbrands Australia Supplier Code of Conduct, the company has a roadmap to highlight and address potential areas of concern.

Internal training and using SEDEX as a platform for awareness among the procurement team and external-facing teams help identify and address potential modern slavery concerns. The statement measures against factors such as:

1. Employment is freely chosen
2. Freedom of association
3. Safe working conditions

4. No child labour
5. Living wages are paid
6. Reasonable working hours
7. No discrimination
8. Regular employment
9. No harsh or inhumane treatment

SnackBrands Australia ensures efficient functioning of its operations and supply chain by focusing on procurement, manufacturing, quality control, distribution, sales and marketing, supply chain management, innovation, new product development, and sustainability. These functions strive to meet consumer demands and deliver high-quality snack products to the market while monitoring, investigating, and acting on potential modern slavery within the supply chains.

This statement has been approved by the Intersnack ANZ Regional Leadership Team in their capacity as principal governing body of Intersnack ANZ.

Signed by, on behalf of, Intersnack ANZ

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Kurt Preshaw

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