

Modern Slavery Statement 2021

Beak & Johnston Pty Ltd

FY2020-2021



The Board of Directors approved this Statement on 23rd February 2022, on behalf of Beak & Johnston Pty Ltd pursuant to the Modern Slavery Act 2018.

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1. INTRODUCTION

Our Approach & Values

This is the second Modern Slavery Statement for the Beak & Johnston Pty Ltd Group. It outlines steps we have taken since our first statement to identify and mitigate risks in modern day slavery within our own operations and our supply chain.

Food manufacturing, more specifically, value-added convenience food, depends on ingredients and packaging that are appealing to the end consumer. **We strive to “improve everyday lives with delicious inspiring food.”**

We acknowledge that the situation of the global pandemic has added additional complexities to our supply chain and therefore we are committed to understand our supply chains and the challenges it may face. We will do everything in our ability to identify and mitigate modern slavery risks.

We underpin this commitment through our B&J Values:



PEOPLE MATTER - We are totally committed to the safety and wellbeing of our colleagues. It is our no.1 priority. All our decisions are founded on colleague involvement. We are focussed on colleague development, and we promote a highly engaged culture



COLLABORATE FOR SUCCESS - We embrace cultural diversity and creativity. We understand and respect the unique contributions of our colleagues and suppliers. We celebrate new ideas because they strengthen our competitive edge. Through teamwork everyone wins.



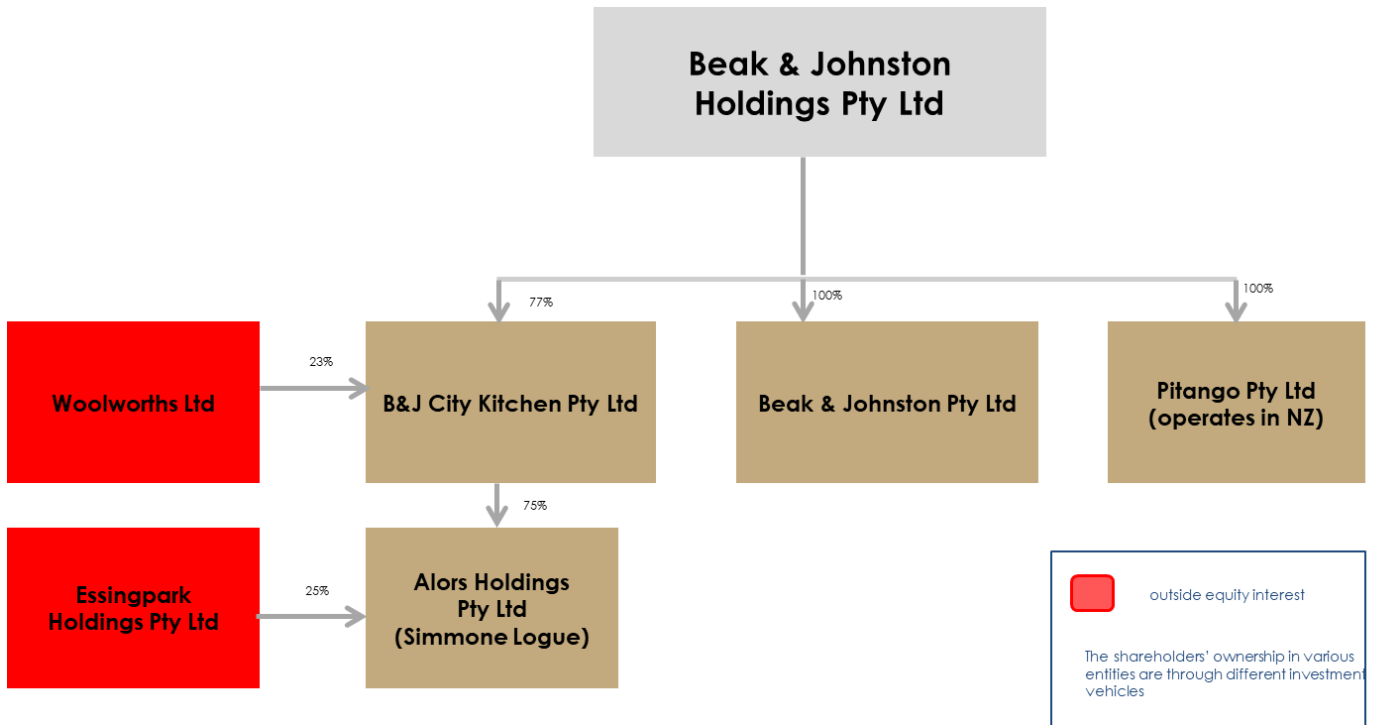
ACT WITH INTEGRITY - We are responsible in pursuing the expectations of all stakeholders. Understanding what's expected helps us demonstrate responsible behaviour. We hold ourselves accountable for constructive dialogue and listening. We act with authority and make empowered decision.



CREATE A BETTER FUTURE - We seek opportunities for success & strive for innovation. Our vision is driven by financial strength, flexibility, & new thinking. We believe considered risk taking is part of our enterprising spirit. We are accountable for delivering our productive future.

2. OUR BUSINESS STRUCTURE

Beak & Johnston Pty Ltd is a leading food manufacturer in Australia. Our company structure is made up of several trading entities



We employ 670 staff across the group with two manufacturing facilities in Sydney and one facility in Auckland, New Zealand. Our Auckland operations manufactures soups and slow cooked ribs under our Pitango and Beak & Sons brands.

Beak & Johnston Holdings Pty Ltd is the reporting entity for the purposes of the Australian Modern Slavery Act. For this statement we have excluded our New Zealand operations from our report.

Partnerships

Woolworths Ltd remains to have a 23% share in the B&J City Kitchen Pty Ltd entity. The Human Rights team within Woolworths continues to consult with Beak & Johnston and provide guidance to a framework for identifying and assessing modern slavery risks in our operations and supply chain.

Our Brands

Beak & Johnston Pty Ltd manufactures the following brands:



Brands make up 20% of our business and the remaining 80% is predominantly retail private label. Our distribution channels are 10% Foodservice and 90% retail.

Our Supply Chains

Our supply chain is made up of a large diverse group of business partners and stakeholders. Our finished products are all distributed within Australia across various retail and foodservice channels. Currently Beak & Johnston exports a handful of frozen SKUs under the Strength Meals Co. brand to New Zealand for sale in Countdown.

Our principle raw materials are predominantly Australian made or produced, apart from spices and some dry ingredients such as starches. Over the last 3 years Beak & Johnston have focussed on working with Australian packaging suppliers to produce more of our packaging locally. We use substantial amounts of cardboard, plastic (PP, PET, CPET) trays and pots, foil trays and films in our operations. Currently, 20% of our packaging volume is imported from abroad. We continue to work with suppliers to further reduce this proportion.

Pressures on the Supply Chain during the pandemic

Despite the majority of our supply base being local, we were still impacted during increased lockdowns and staff absences as a result of isolation periods. This was significantly improved when some state governments started to reduce the isolation period from 14 days to 7 days, especially for workers in “essential industries” such as food production and warehousing. Our local supply of meat proteins was particularly hard hit with a number of abattoirs and slaughtering sites not able to meet forecasted demands. Fortunately, these pressures were relatively short lived, and supply usually recovered the following week.

Our global supply base, which is mainly for our primary packaging items such as trays and lidding films, was impacted due to an increase in demand. Whilst the production facilities of these manufacturers were not as heavily impacted, issues with logistics caused some challenges. Disruptions at ports added significant delays for shipping and we saw our lead times for some packaging items increase from 8 to 16 weeks. In addition to becoming more adaptable, we have taken a decision to bring some of our packaging manufacturing supply into Australia to help reduce the lead times back in line to our business needs.

3. IDENTIFYING RISKS & MITIGATION

Risks in our own operations

The risk of modern slavery in our own operations remained low for the reporting period. We have strong auditing programs as part of our retailer Terms of Trades and made ourselves visible on SEDEX to any customer that requires visibility.

We continue to run regular colleague communication and engagement sessions. Our participation rates are regarded as industry leading. We receive regular feedback from our colleagues during the sessions and act on these. A good example will be the improvement of our staff lunchrooms facilities as illustrated below.

Downstairs Oasis!



This investment improves our work space to ensure our teams proudly enjoy the environment.

Upstairs Lunch Room



The upstairs lunch room has also been modernised, and the fun part is the new games room! Come along to socially interact over table tennis or fuse ball and have fun!

Games Room



The B&J Hub

We believe that feeling engaged at work is a key priority to the success of our organisation.

To support this, we launched our exclusive program called the **B&J Hub**. The **B&J Hub** is the go-to place for all things **Beak & Johnston**. Whether it is to recognise a colleague, keep up to date with company news, learn more about our **Beak & Johnston** colleague benefits and policies or want to take advantage of great discounts.



The **B&J Hub** enables colleagues to:

- Communicate and connect! The Connect+ app also hosts the **B&J Newsfeed**.
- Celebrate our people. It includes functions such as “Employee of the Month” and “Star Awards”.
- Save money on our everyday purchases through discounts at over 300 retailers nationwide.

Risks in our ingredient and packaging supply chains

During our first Modern Slavery Statement we identified that there is a need to have better visibility of what the supply chain looks like for our suppliers. This will allow us to risk assess any potential modern slavery risks further upstream to our operations.

We generated a self-audit questionnaire with eight questions based on guidance documents for identifying and mitigating modern slavery risks. The survey was sent out to all our 188 suppliers across ingredients and packaging categories.

We achieved a 34% participation rate with 63 suppliers fully completing the questionnaire.

Supplier Country of Origin	Number of responses	Percentage
Australia	59	94%
China	3	5%
Finland	1	1%
Total # responses	63	

Results of the assessment

It was reassuring that all our suppliers that responded to the survey have “developing” to “high” visibility of their supply chain.

We were also pleased to learn that a third of our suppliers that responded are required to submit their own Modern Slavery Statement.

14% of suppliers are aware of low skilled migrant workers in their supply base, however all of these respondents have provided policies and evidence to demonstrate that this is monitored effectively.

Area of mitigation or risk	% of suppliers that responded
• Organisation required to submit their own Modern Slavery Statement	33
• Policies in place to deal with Modern Slavery	70
• Policies in place to deal with Modern Slavery	70
• Dedicated person or team to deal or oversee Modern Slavery risks	77
• The organisation is providing specific training in Modern Slavery risks	59
• The organisation is screening their supply base for Modern Slavery risks	68
• The organisation is aware of low skilled migrant workers in their supply bases and have policies in place to monitor the associated risks	14

As noted in our previous statement, a proportion (15%) of our raw material suppliers also supply directly into the Australian retail market and are therefore visible on Ethical Sourcing risk platforms.

For suppliers sourced through the Beak & Johnston Supplier Assurance Program, a modern slavery risk assessment is incorporated into our approval process for all new suppliers to the Group. This is aimed at identifying potential risks in our suppliers’ supply chains.

Impact of COVID-19 to our own Operations

Beak & Johnston was one of the first food manufacturing businesses in Australia to publish its COVID safe plans and controls. At an early stage of the pandemic, we published our internal Covid Response framework which was designed to be one level higher than the recommended local government guidelines.

Through the various waves of increased Covid cases B&J always maintained supply. At the peak of the Omicron wave, a reduced list of core, low complexity product SKU’s was agreed with our customer base. This guaranteed supply and the business was recognised by numerous customers for being able to keep the convenience food sector shelves stocked.

Like most of the country, we are predicting the shortage of skilled factory labour to be a significant issue for 2022/2023. We have appointed additional staff to assist with recruiting and retaining talent for our business.



4. NEXT STEPS

We will continue to conduct bi-annual staff surveys to ensure we do the right thing for our colleagues and act where improvements can be made.

Our plan is to continue focussing on our supply base and to work with our suppliers to improve the participation rate of the Modern Slavery survey. Our goal is to have a minimum 50% participation rate, with the aim to increase this by 10% for every survey.

The results of the surveys will be used to further understand our end-to-end supply chain to identify and further mitigate any potential risks relating to Modern Day Slavery.

Hereby signed,



Ray Hanly
Group CEO Beak & Johnston Pty Ltd
On behalf of the Board of Directors for Beak & Johnston Pty Ltd
23 February 2022