



Mayers Fine Food and Arla Foods Mayer Australia Pty Ltd Modern Slavery Statement

Overview

F Mayer (Imports) Pty Ltd (ABN 51 000 697 889), trading as Mayers Fine Food

Arla Foods Mayer Australia Pty Ltd (ABN 78 167 620 706)

Reporting Period: 1 July 2020 to 30 June 2021

This Modern Slavery Statement is prepared and issued by F Mayer (Imports) Ltd, trading as Mayers Fine Food (“**FMI**”) on behalf of itself and its group entity, Arla Foods Mayer Australia Pty Ltd (“**AFMA**”) and is made pursuant to the Modern Slavery Act 2018 (Cth) to identify and assess modern slavery risks within operations and supply chain. It has been prepared in consultation with AFMA and addresses each of the mandatory reporting criteria for each entity. FMI and AFMA operate from the same sites, have the same policies and processes, operate in the same sector and have the same customer base, therefore the decision was made to produce a single, consolidated statement to address their modern slavery risks. Both companies are committed to upholding fundamental human rights and reducing the risk of modern slavery practices within each entity.

Modern Slavery

The term “Modern Slavery” describes a range of situations where coercion, threats or deception are used to exploit victims for labour or services and undermine their freedom. These situations include slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour and the worst forms of child labour.

In Australia, forced labour has been found in a range of industries, such as agriculture and construction, contract cleaning and domestic work. Migrant workers or those on temporary visas are more vulnerable often because they are in remote and regional areas where they are more dependent on their employer. Common products such as electronics, bricks, clothing, and seafood have been associated with modern slavery in supply chains.

Structure, Operations and Supply Chain

Founded in 1957, FMI is a 100% Australian family-owned private company operating in the field of international import and national distribution of fine foods to, amongst others, supermarkets, wholesalers, hotels and restaurants, delicatessens, manufacturers, shipping providers and airline caterers. It employs over 170 employees as well as engaging contractors and has 13,000 sqm of warehouse space at its head office in Sydney, NSW and 24,000 sqm at its secondary site in Melbourne, VIC.

AFMA is a 49% owned subsidiary of FMI, formed as part of a joint venture with Arla Foods a.m.b.a (“**Arla**”), a large Danish dairy co-operative, for the purpose of growing our presence in the dairy category

in the Australian market. AFMA employs 4 full time staff in Sydney and engages FMI as an operational/logistics service provider.

As referred to above, FMI and AFMA operate from the same sites, adopt the same policies and procedures, and have, overall, the same customer base. Both companies operate in the field of purchasing, direct employment of workers, distribution, marketing, and sales. Both companies reiterate our respect for human rights, whilst acknowledging the role we must play in eliminating any form of violation within our operations and those of our supply partners.

FMI and AFMA's supply chains include the importation of food from various long-term suppliers and manufacturers based in Europe, Asia and America and the subsequent warehousing and distribution of food products to its customers.

In addition, the supply chains include other services that contribute to their operations, such as:

- third party storage providers, freight forwarders and transport companies;
- waste management and cleaning companies;
- supply of warehouse equipment (forklifts, packaging materials);
- supply of office equipment (computers, phones, furniture, stationary); and
- supply of professional services (e.g. accounting/legal/recruitment/printing).

Risks of Modern Slavery in Operations and Supply Chains

FMI and AFMA adhere to a set of policies and procedures (including a Code of Conduct) which set out expected behaviours and rights. We provide training on all policies to all employees. Through these, we hope to instil an understanding and a culture whereby employees can identify and act upon potential breaches of human rights.

We recognise that the due diligence of our suppliers in our supply chains is important to ensure we do business with like-minded businesses who share our values and are committed to the same social, ethical, and moral obligations and high-quality standards to which we hold ourselves.

In our food importing supply chains, a modern slavery risk may exist dependent on the nature of the product and its country of origin.

Our principal products sourced in the businesses are:

- cheese/butter
- still and sparkling mineral water
- chocolate
- seafood
- pasta
- coffee
- patisserie
- cured meats
- general groceries

The modern slavery risks associated with the supply chains for the above food types could include:

- shipping and freight channels;
- operation in a high-risk sector (such as fish, chocolate, coffee or agriculture); and/or
- being located in a high-risk geographic location (due to local governance issues, impact of conflict, inequality, lack of basic social needs, e.g. clothing sourced from Asia, cocoa sourced from Africa).

In terms of modern slavery risks in our operations, Australia sources 73% of its laptops and mobile phones from China and Malaysia, both of which have a large manufacturing industry which has been

accused of exploiting workers. This is therefore an identifiable risk.

There is also a risk with suppliers that procurement is driven by profit rather than purposeful consideration. However, with most professional third-party service providers being Australian businesses, the risk of modern slavery practices within these supply chains is considered relatively low.

Actions to Eliminate Risk

In the reporting period covered by this statement, we have taken a number of steps to address and assess the risks of modern slavery practices occurring in our operations and supply chains.

Our Operations

We believe the risk of modern slavery in our directly employed workforce is low. The Australian labour market is heavily regulated.

However, during the reporting period, to mitigate any risks of modern slavery occurring in our operations:

- We have revisited and updated our company policies and procedures to ensure we outline and reiterate our approach to reducing the risk of modern slavery within our companies. Relevant policies include our Code of Conduct, recruitment policy, whistleblower policy, discrimination and equal opportunity policies. Through these policies, staff are given an avenue to confidentially report misconduct and unlawful practices.
- In addition to updating the policies, we have run company-wide training sessions for all FMI and AFMA employees to ensure they understand their content, and have included training as part of the new employee induction process.
- Our payroll team comply with the relevant modern award or enterprise agreement that each worker is engaged under. This ensures employees are paid correctly in accordance with their award or agreement.
- We run reference checks on all new workers to ensure they have a right to work in Australia and are the correct age and plan to bring that process in-house in FY22 to assume even greater control.
- We have formed a working committee for assessing modern slavery risks and have started planning compulsory staff training on modern slavery risks and awareness which will be rolled out progressively in FY22 to ensure all staff act in accordance with legislation and policies, have access to information and support and can feel empowered in actively contributing to the reduction of modern slavery practices. In addition, those in key procurement roles will be enrolled in more detailed online modern slavery training to further their knowledge.

Our Supply Chains

Pursuant to our first modern slavery statement, our initial scoping exercise included mapping out our supply chain and assessing the potential risk of modern slavery by reviewing country and industry risk indicators provided by expert organisations such as the Ethical Trade Initiative. Via this process, we identified that some of our overseas suppliers operate in a high-risk sector and/or high-risk location. We also initiated a Modern Slavery Questionnaire to send to all suppliers to assess the risk of modern slavery.

Ensuring that the agricultural materials for our products and procurement of high risk products, such as seafood and coffee, are responsibly produced is a challenge given that we may not always have direct contact with the farmers or the secondary tier suppliers themselves.

However, in the reporting period, we have taken the following steps to ensure we mitigate any risk of modern slavery incidences occurring in our supply chains:

- We have subsequently incorporated the Modern Slavery Questionnaire into our New Product Development Process to ensure that every time a new product is set up, we insist that the

supplier completes the questionnaire and we in turn then assess their risk in terms of modern slavery. A product cannot be set up without a response from the supplier. In addition we conduct VACCP (Vulnerability Assessment Critical Control Points) assessments on our main suppliers on annual basis.

- We have created an Approved Suppliers Spreadsheet of all suppliers, whereby we can see at any point in time who our suppliers are and the level of risk they pose. On the spreadsheet we have included whether the supplier is a member of SEDEX, a link to their modern slavery statement, their questionnaire responses and the level of risk of their country/industry. Based on the answers, we can decide as to whether we require any form of remediation to lower the risk, and detail what that remediation is.
- We have become a member of SEDEX. ZC414760880
- We ensure we do not set unrealistic costs targets and/or delivery timeframes that could only be achieved through worker exploitation.

Going forward, we plan to audit this spreadsheet on an annual basis to track our performance and, in circumstances where we identify areas which might have a high level of modern slavery risk, we will increase our level of due diligence, reduce the potential of engaging with supply chains which are not aligned with our modern slavery policy, and encourage all levels of operations and supply chains to be proactive in reducing modern slavery practices.

As stressed, we like to build long-standing relationships with our suppliers and, pending the ability to travel, we aim to visit them, to understand more about their sites, their practices and their cultures. Despite the inability to travel in the reporting period, we have ensured we maintain regular communication via phone/video conferencing.

Remediation

In terms of remediation processes, in the event that FMI and/or AFMA identify a potential occurrence of modern slavery in our supply chains, we are prepared to work with urgency and carry out or enforce corrective measures. We will engage with the supplier to ensure they rectify the issues within a specified time period and set clear targets to monitor the effectiveness of the step taken to ensure that no further incidences occur. If a supplier is not willing or able to address a breach/non-compliance, we will take steps to remove them from our supply chains, either temporarily or cease business dealings altogether. We have had one occurrence where a supplier of cleaning materials refused to complete the Modern Slavery Questionnaire, despite several requests to do so, and as a result, we ceased to trade with them and sourced a more ethical and collaborative supplier.

The Impact of COVID-19

FMI and AFMA are deemed essential services as a provider of food and beverage products to the Australian market. In ensuring we deliver such products, we have had to protect the safety, health and wellbeing of our staff. We adapted our ways of working to enable office-based staff to work from home and implemented COVID-19 safety protocols at our sites to protect those who could not work from home.

We have maintained regular communication with the entire workforce, including issuing regular newsletters and ensuring transparency in communication of business decisions. In terms of employee wellbeing, we planned a number of initiatives which were rolled in out in the FY22 reporting period (virtual cooking classes and online mental health training) and will continue to prioritise the health and wellbeing of our staff in difficult times.

Assessing the Effectiveness of Actions Being Taken to Assess and Address Modern Slavery Risks

The success of FMI and AFMA's modern slavery management is dependent on maintaining, reviewing and developing current systems, policies and procedures. Over the FY22 reporting period, we will continue to assess ways in which risks of modern slavery practices can be further reduced. As referred to above, we will conduct an audit of our Approved Suppliers Spreadsheet and amend if we can see room for improvement and also conduct further due diligence of high-risk suppliers if deemed necessary.

Now that we have a modern slavery working committee set up, we will establish a process for feedback between key business units (e.g. procurement, shipping, HR, finance) on potential modern slavery issues.

We will maintain transparency in employment conditions and ensure workers are educated with regards to their rights. We will encourage a culture of feedback and communication and evaluate feedback so that we can work towards addressing any identified risks and maintaining a culture of compliance across operations and supply chains.

We are committed to respecting human rights and will continue working closely with our suppliers, customers and other stakeholders to continually manage and enhance our approach to mitigating modern slavery risks.

At the time of this report, based on the processes we have in place, we have not identified any incidence of modern slavery.

Approval

This statement has been made on behalf of FMI and AFMA. A process of consultation with the senior management team, Boards of Directors and HR was carried out in the drafting of this statement.

Signed on behalf of F Mayer (Imports) Pty Ltd



Date: 07/09/2021

Robbie Mayer



Date: 08/09/2021

Sam Mayer



Date: 08/09/2021

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Date: 08/09/2021

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Signed on behalf of Arla Foods Mayers Australia Pty Ltd



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