

E 1852

LANGDON

A WORLD OF TASTE

H.J. Langdon & Co Pty Ltd

Modern Slavery Annual Statement

2019-2020

Introduction

This is the first Modern Slavery Statement from H.J. Langdon & Co Pty Ltd (ABN 89 006 641 701) Under the Modern Slavery Act 2018 Australia. This report was prepared for fiscal year 2019-2020.

The purpose of this statement is to comply with reporting requirements under the Australian Act to demonstrate an understanding of risk within our organisation and extended supply chain for Modern Slavery and the measures taken to address those risks.

This statement has been approved by the Board of H.J. Langdon & Co Pty Ltd (referred to in this statement as the “Company”).

The Company is committed to socially and ethically responsible conduct of its operations at all administration, sales and production sites and is compliant to the Modern Slavery Act passed in Australia in September 2018.

We recognise that our corporate and social responsibilities reside as much in our supply chain as they do in our own activities. Therefore, we continually seek to ensure the ingredients and services we source are ethically produced. We do this by working with our suppliers to positively influence our social, ethical and environmental performance. The Supplier Ethical Data Exchange (SEDEX) program is a platform we use to assess supplier adherence to these standards to assess their social and environmental aspects.

The Company is a family owned business. Our supply partners and processes are an extension of our business and the protection of human rights across our wide reaching supplier base is paramount.

The food ingredient supply chain globally is a highly complex arrangement. The International Labour Organisation reported the Food, Beverage and Agricultural (FBA) industry is at higher risk for modern slavery practices. The Company is committed to ensuring every effort is made to stamp out human rights abuses within our supplier base.

About H.J. Langdon & Co Pty Ltd

H.J. Langdon & Co Pty Ltd, a fifth-generation family owned business, was established in Melbourne, Australia in 1852. It is one of the region’s leading distributor and importer for a wide range of food ingredients sourced from Europe, Africa, U.S.A, South America and Asia. We have a growing blending and packing facility for intermediate and finished food blends for further processing by food manufacturers and some ready retail foods.

The Company also has offshore entities currently in New Zealand, U.K, Ireland, Thailand and Singapore. The Company has approximately 150 Australian employees with departments managing supply chain

www.hjlangdon.com

H.J. LANGDON & CO PTY LTD / ABN 89 006 641 701

activities through procurement, finance, transport, warehouse, production, regulatory affairs and quality assurance.

The Company's supply chain includes a mixture of food ingredient manufacturers and traders. Our key product categories are herbs, spices, functional ingredients, flavours colours sweeteners, frozen, herbs, fruits vegetables, dried fruits and nuts, seeds ancient grains beans and pulses, dehydrated vegetable ingredients, botanicals teas and organics.

The end product which the Company trades or blends has come from a complex supply chain which extends from agricultural growing, harvesting, primary processing to more highly refined and processed conditions. Other items are synthetically produced, plated, or blended to achieve specification. These items are globally procured with a complex web of processors, sellers, and re-sellers where contributions to the final product might come from numerous suppliers and geographical locations.

Potential Risks of Modern Slavery

The Company has a strong reputation in supplying high quality, ethically sourced ingredients supported by global certifications. As part of our ethical sourcing programme, we recognise the Modern Slavery Act 2018 and have conducted an assessment on risk to Modern Slavery within our supply chain.

We recognise modern slavery to be forced labour, human trafficking and slavery and slavery like practices. The food supply chain is complex and global, and some commodity items may be higher risk than others due to the loss in visibility of the supply chain or the geography (origin) in which they are derived from. Furthermore, the FBA sector employ low based skilled workers that are often short term or seasonally employed. We understand key risk indicators for modern slavery to be;

- Countries marked by conflict
- Countries with state imposed force labour
- Countries with higher migrant populations or base skilled workers
- Operations that rely on third party labours sources
- Complex supply chain across several high risk geographic areas (raw material supply)

The Company operates its largest warehouse and manufacturing facility in Derrimut, Victoria and operates 2 other warehouses in Australia (Truganina, VIC and Berrinba, QLD) and another in New Zealand. All other international operations use reputable third party warehouses. Our own supply chain represents a low risk. The Company complies with all relevant employment legislation to ensure their Australian and overseas employees are paid above the minimum wage with all employment entitlements and that all working conditions (safety, inclusion) are compliant.

The Company recognises the main exposure to modern slavery risk is that of its ingredient supply chain.

Actions to address Modern Slavery Risks

Policy Review

The Company has in place formal policies addressing Code of Conduct, Corporate Social Responsibility and Ethical sourcing and Confidential Reporting (Whistleblower policy). In response to the Modern Slavery Act 2018, these policies and supporting procedures were expanded to highlight processes to

LANGDON

A WORLD OF TASTE

help identify modern slavery risk and continuously improve our corporate and socially responsible supplier base. This includes;

- Corporate Social Responsibility and Ethical policy
- Ethical Sourcing and SEDEX Membership base
- Anti-slavery Principles Commitment Form (A.S.P.C.F)
- Vendor Assurance Procedure
- Key Performance reporting
- Modern Slavery Training Module

Training and Awareness

A Modern Slavery Training module was developed and shared with all procurement and technical employees for both the Australian and offshore subsidiaries to understand the impact of the Modern Slavery Act 2018.

Supplier Approval

The Company's vendor assurance process employs the Supplier Ethical Data Exchange (SEDEX) program to assess supplier adherence to these standards, to assess social and environmental aspects. To reaffirm our supplier's commitment to modern slavery existing and new suppliers for the Company and suppliers of the offshore entities were asked to acknowledge and sign the Companies Anti- Slavery Principles Commitment Form (A.S.P.C.F) or supply a copy of their own Corporate Social Responsibility policy which shows their commitment to improving their ethical supply chain operations.

The Anti- Slavery Principles Commitment Form outlines that suppliers will:

- *be aware of and uphold all relevant laws and regulations, operate in a safe and healthy working environment, and*
- *will not engage in forced labour, bonded labour, slavery, human trafficking, or child labour.*
- *The supplier will conduct business lawfully, ethically and with integrity offering reasonable working hours and wages for all our employees.*

Risk Assessment

A risk process was established to identify risk within our supply chain. It is based on;

- SEDEX data
- return of the A.S.P.C.F form
- higher risk commodities and geographical locations at risk to modern slavery reported by Global Slavery Index 2018.

This process will help grade our supplier base and promote socially responsible suppliers over others. Suppliers at risk will be supported if they can demonstrate a commitment to addressing risks for modern slavery practices.

Assessing effectiveness of our actions

We shall monitor the effectiveness of our actions to mitigate modern slavery risk in our supply chain through our Quality Management and Vendor Management system.

Policy changes to reflect our commitment to the Modern Slavery Act 2018, are measured annually as part of our internal auditing program. Audits measure compliance and recognise opportunities for improvement.

Reports of noncompliance received or emerging concerns which indicate a concern for modern slavery practices are managed through our Regulatory risk team. All risk reviews are reported quarterly for management review for wider communication and feedback on any actions.

We have Key Performance Indicators (KPI) established to measure compliance. The following performance indicators will be monitored and reported in response to modern slavery.

| Performance Indicator | Financial year 2019-2020 | Measure of Competency |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Majority of H.J. Langdon & Co Pty Ltd Australian and offshore procurement, sales and technical employees trained in the Modern Slavery Training (MST) Module. | Majority of employees from specific departments have been trained in the MST Module | Awareness of the legislation – Training Log Understand the intent of the Modern Slavery Act. – Competency assessment Annual refresher |
| Majority of suppliers that have acknowledged commitment to Anti-Slavery Principles Commitment Form. | Majority of existing suppliers have returned signed ASPCF. All new suppliers have returned signed ASPCF for 2020. | Copy of signed documented evidence of improving supply chain operations as per Anti-Slavery Principles Commitment Form. KPI reporting monthly tracking returns |
| Modern Slavery Risk assessment - Establish a tangible risk assessment approach that can be incorporated into the Vendor Assurance program. | Tool has been developed. 2020-2021 implementation. | KPI tracking of progress for existing suppliers. New suppliers incorporated in Mandatory Vendor Assurance risk assessment |

Consultation and Next steps

H.J. Langdon & Co Pty Ltd is a collaborative organisation. Further development and continuous improvement of our Corporate Socially Responsible agenda including modern slavery is managed through consultation with all key stake holders in our supply chain. This includes key operational team members within the Company and external processes and supply partners.

Over the next reporting period, we will;

- Implement our Modern Slavery Risk Assessment
- Continue to develop our awareness of modern slavery throughout the organisation
- Continue to develop our Corporate Socially Responsible agenda

Approval

This statement was approved by the Board of H.J. Langdon & Co Pty Ltd and signed by a responsible member of H.J. Langdon & Co Pty Ltd on 9th March 2021.

A handwritten signature in black ink, appearing to read 'C. Langdon', with a long horizontal line extending to the right.

Christopher Langdon

Director & CEO of H.J. Langdon & Co Pty Ltd

26/04/21