



**HELLO
FRESH**

**Modern Slavery
Statement 2022**

Contents

Executive Summary	3
Introduction	4
Our Structure, Operations and Supply Chain	5
Operations	
Supply Chain	
Risks of Modern Slavery Practices in HelloFresh’s Operations and Supply Chain	7
Risks in our Operations	
Risks in our Supply Chain	
Actions taken by HelloFresh to address risks of Modern Slavery Practices	10
Policy Framework	
Risk Identification & Notification	
Supplier Relationships	
Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices	12
Process of Consultation	

Executive Summary

At HelloFresh,
our mission is to
change the way
people eat forever.

HelloFresh was founded in 2011 as one of the first innovators of the meal-kit industry. Our mission is to change the way people eat forever. Our meal kits contain nearly everything required to create varied, nutritious meals at home, helping our customers save time on shopping and meal planning. We also offer a wide range of ready-to-eat meals, snacks, and pantry items. As part of the world's largest meal-kit company by sales, HelloFresh Australia and YouFoodz recognise the importance of ensuring that we understand our supply chain thoroughly in order to detect, assess and remediate any risks of modern slavery practices at every level. With our extensive network of direct and indirect suppliers that play an important role in delivering fresh and healthy products to millions of households across Australia, we understand the contributions we must make to ensure that the many individuals involved are employed in safe and secure conditions, and that they are remunerated fairly.

During 2022, the scale of this mission continued to grow, as we served even more households across Australia via our HelloFresh, EveryPlate and YouFoodz brands, and as we navigated various challenges throughout 2022 including supply chain interruptions, workforce shortages and changing macro-economic conditions. Despite these challenges, we have remained committed to sustainable growth without jeopardising our high standards for safety, security and fairness that are expected of ourselves, as well as those engaged in our supply chain.

We acknowledge that across a vast supply network that is continually growing and developing to meet the significant demands of HelloFresh, the risk of modern slavery practices occurring within some part of our supply chain does exist, especially where suppliers from a wide range of industries converge to provide inputs into our products. As a result, we must continue to be diligent and proactive to develop open and transparent relationships with all our suppliers, in order to minimise this risk to the greatest extent that we can.

This Modern Slavery Statement outlines the actions taken to assess and address modern slavery risks in our business operations and supply chain for the year ended 31 December 2022, as well as the road ahead.



Introduction

Grocery Delivery E-Services Australia Pty Ltd, ACN 155 437 620 (HelloFresh Australia) is a company incorporated in Australia. Our registered office is located in Sydney, New South Wales. HelloFresh Australia forms a part of the HelloFresh group of companies worldwide, and is a wholly-owned subsidiary of its German parent company, HelloFresh SE.

Effective 27th October 2021, YouFoodz Holdings Pty Ltd (previously YouFoodz Holdings Limited) and its controlled entities (YouFoodz) was acquired by Cook E-Services Australia Pty Ltd, a wholly-owned subsidiary of HelloFresh Australia. This statement is given pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act), covering the activities of the following entities for the year 1 January 2022 to 31 December 2022:

- Grocery Delivery E-Services Australia Pty Ltd
- Cook E-Services Australia Pty Ltd
- YouFoodz Holdings Pty Ltd
- YouFoodz Pty Ltd
- IDK Pty Ltd
- Fresh Four Pty Ltd
- YouFoodz IP Pty Ltd
- YouJuice Pty Ltd

This statement has been approved by the directors of HelloFresh Australia.

HelloFresh Australia continues to support the objectives of the Modern Slavery Act, and, as part of our mission to embed the values of sustainability, ethical behaviour, strong governance and transparent oversight in all our our business practices, we are committed to addressing, and striving to eliminate the risk of Modern Slavery Practices in our business and throughout our supply chain.

Our Structure, Operations & Supply Chain

Operating in Australia since 2012, HelloFresh is the leading provider of home-delivered meal kits to consumers nationwide.

In collaboration with our extensive network of suppliers, we source ingredients and packaging materials, and provide customers with pre-portioned ingredients as part of a wide variety of carefully curated recipes, for them to cook at home. In addition, we also offer to our customers a wide range of ready-to-eat meals, snacks, juices and other pantry and grocery items

As part of our commitment to providing the highest quality product offering to our customers, HelloFresh continues to heavily invest in its operational capabilities, including with the construction of a new production facility for YouFoodz in Brisbane during 2022, in addition to existing HelloFresh facilities in Sydney, Melbourne and Perth. Long term investments in HelloFresh's operational capabilities across Australia have significantly increased our capacity to serve customers, and has led to the continued expansion of the HelloFresh Australia workforce, which now exceeds 2,000 employees Australia-wide.

Our Structure, Operations & Supply Chain

Operations

HelloFresh's operations revolve around the fulfilment and delivery of weekly meal box subscriptions for our customers, entailing a weekly cycle involving the procurement of various bulk and pre-portioned and packaged ingredients as well as packaging and insulation materials. The delivery and storage of inbound materials is coordinated at our distribution centres to facilitate the pick-and-pack and sorting process before our products are distributed to customers through a network of refrigerated line-haul and last mile delivery providers.

The operations of YouFoodz, incorporating the necessary processing, cooking and manufacturing steps to produce complete, ready-to-heat meals, rely on the same fundamental model of primarily fast moving, short shelf life inbound goods, that are transformed into a finished product, and packaged for delivery via a refrigerated delivery network.

In both instances, our operations and supply chain varies significantly from that of a traditional grocery or food retailer, and the fast-moving nature of our operating model requires high levels of co-ordination and integration with our network of suppliers. We heavily rely on our suppliers to work in a flexible and agile manner with us, and as such we have a strong focus on developing long-term strategic relationships with our suppliers, ensuring that they can not only meet our operating requirements, but can conform with ethical trading requirements and our global standards for quality, safety and sustainability. In addition, the parallels between HelloFresh and YouFoodz allow for strengthened relationships with the suppliers of the group, a significant portion of whom supply to both HelloFresh and YouFoodz, allowing for both operational efficiencies and mitigating risks within our supply chain.

Supply Chain

HelloFresh and YouFoodz work with a vast array of suppliers to facilitate their operations, and these can be broadly categorised into Upstream, Downstream or Indirect suppliers.

Upstream

Upstream Suppliers are those who supply HelloFresh with raw materials and pre-production goods for further input, packing, processing and delivery by HelloFresh. These include suppliers of the following categories of products:

- Meat & Protein
- Fruit & Vegetables
- Spices, Sauces and Condiments
- Packaging Materials
- Recipe Cards & Other In-box materials
- Inbound Freight Providers

Downstream

Downstream Suppliers are those who provide inputs into HelloFresh and YouFoodz products from the raw materials stage through to end-delivery to the customer. This includes (but is not limited to) the following:

- Logistics and Outbound Freight Providers
- Labour Hire Providers
- Food Preparation Service Providers
- Equipment & Maintenance Providers
- Utility Providers

Indirect

Indirect Suppliers are those who do not directly contribute to the fulfilment of HelloFresh and YouFoodz orders, but are necessary to the operation of a certain function of the business, or provide ancillary support to the business. Indirect Suppliers include:

- Cleaning & Pest Control Providers
- IT Providers
- Various Tech & Software Suppliers
- Insurance Providers
- Consultants, Advisers and Professional Consultants
- Property Development and Leasing Providers
- Suppliers of Marketing Services

Risks of Modern Slavery Practices in HelloFresh's Operations and Supply Chain

Risks in our Operations

The operations of HelloFresh and YouFoodz are generally considered to have a low risk of modern slavery practices, primarily due to their localised workforce, strong oversight and control over major contracting arrangements, and strong supplier selection methods and policy framework to manage relevant risks. The Ethical Trading principles and expectations of suppliers, that are standardised across the HelloFresh group globally, are enshrined in contracts between HelloFresh and suppliers, and in relevant supplier documentation and manuals.

HelloFresh Australia's workforce is almost entirely localised within Australia, and comprises workers either directly employed by HelloFresh Australia, or workers contracted through a small network of trusted suppliers, working within HelloFresh premises, and with full transparency and oversight of working conditions, rates of pay, entitlements and hours of work.

For employees of HelloFresh and YouFoodz, a strong HR and recruitment governance framework ensures that all entitlements, conditions and rates of pay are subject to either the National Employment Standards, or the relevant award or other instrument. Employee conditions and rates of pay are regularly independently reviewed and audited. HelloFresh Australia maintains transparent relationships with its employees and contractors, as well as Fair Work Australia and other regulatory bodies.

Where HelloFresh Australia engages operational personnel via third parties, including third-party labour-hire providers, we employ a range of controls to ensure that conditions are consistent with those experienced by our own employees, and described above. These controls include an on-site induction process (consistent with HelloFresh staff), independent time tracking and pay rate calculations performed by HelloFresh, and regular review activity with labour-hire providers.

Risks of Modern Slavery Practices in HelloFresh's Operations and Supply Chain

Risks in our Supply Chain

Upstream

HelloFresh Australia's Upstream Supply Chain consists of a large network of suppliers who supply a wide range of goods, and in doing so employ varying degrees of labour resources across many geographical regions. For these reasons, a tiered approach to assessing the risk level of each of our Upstream Suppliers is necessary in order for us to conduct a reasonable assessment of our supply chain, and to prioritise our efforts to address any risks of Modern Slavery Practices.

In connection with the HelloFresh Group's preparation for compliance with the German Supply Chain Due Diligence Act (which takes effect on 1 January 2023), and as part of the ongoing development of a comprehensive Ethical Trading Program across the group, a globally-standardised approach has been developed to categorise suppliers and assign a risk rating, with respect to the risk of various modern slavery and human rights practices, which allows for the prioritisation of more thorough assessments, monitoring and remedial or corrective action where necessary.

This risk assessment consists of two parts, an inherent risk assessment (part one), and a concrete risk assessment (part two), both of which are described in more detail below:

Part One - Inherent Risk Assessment

The Inherent Risk Assessment is intended to assign each of our suppliers with a risk score from low to medium to high in order to segment our supplier base into risk categories and to identify relevant risk areas as well as sectors and business areas with increased risk for the further in-depth risk assessment. To do this, we used a tool developed for us by an external consultant company which is based on inherent country and sector risk data from Sedex. At the time of publishing, this inherent risk assessment has been performed. On this basis we have identified different potentially relevant risk areas, also including child labour, discrimination, health & safety and working hours.

Part Two - Detailed Risk Assessment

For the identified business areas and sectors with an increased inherent risk, we will proceed to conduct a more thorough risk assessments. This will also include a Sedex assessment for prioritised suppliers within risk sectors and business areas based on self-assessment questionnaires or information gathered from responsible sourcing platforms. This process is also taking place during 2023, and will be addressed in further detail in future statements.

Risks in our Supply Chain

Factors that influence the risk rating of upstream suppliers include:

- Supplier Country Origin
- Sector and Commodity Risk
- Reliance on HelloFresh
- Annual Expenditure
- Supplier size/industry presence
- SAQ results

Based on the risk assessment, High Risk suppliers will be subject to Preventive Action and/or Corrective Action Programs, which will include:

- Supplier Audits
- Supplier Undertaking and Commitments
- Supplier executive declarations with respect to labour practices

The continued growth of HelloFresh and YouFoodz, as well as their increased market presence and buying power, has led to the continued development of long term strategic relationships with reputable suppliers, increasing the level of transparency into the operations, practices and risks involved with major suppliers, and heightened HelloFresh's level of influence with respect to compliance with its own strict standards and policies concerning labour practices.

Indirect

In terms of its network of indirect suppliers of goods and services, HelloFresh considers the key risk areas to be those involving the outsourcing of labour, especially where there is limited transparency surrounding the working conditions, entitlements and fair treatment of the workers engaged in the relevant supply chain. HelloFresh considers this risk to be amplified where the labour is engaged either overseas, where employment conditions may not be as strong as in Australia, in industries demonstrating a history of dangerous work, or unscrupulous employers, where the work is not performed under the direct supervision of HelloFresh personnel, or a combination of these factors. The relevant suppliers where these risks may be present in HelloFresh's supply chain include:

- Logistics and Delivery
- Labour providers
- Construction contracts for Distribution centres
- Offshore Customer Care staff
- Cleaning & maintenance staff

The indirect suppliers of HelloFresh and YouFoodz are subject to the same standard risk assessment procedures as direct suppliers. The expanded presence of HelloFresh and YouFoodz across Australia has allowed for the vast majority of the above-described functions to be performed either in-house by the group's own workforce, or under the direct supervision of HelloFresh management, leading to a lower level of risk overall.

Actions taken by HelloFresh to address risks of Modern Slavery Practices

HelloFresh has continued to adopt a holistic approach to addressing risks of Modern Slavery Practices in its supply chain, building upon a strong policy and governance framework, supplemented by practical guidance and training for internal and external stakeholders. Over the year, the HelloFresh group has focused on significant developments to its Ethical Trading program, which includes a documentation framework consisting of a strengthened Ethical Trading Policy, more detailed contractual terms with respect to Ethical Trading and modern slavery practices, a group Human Rights Policy Statement as well as resources and guidance materials to assist suppliers in complying with the program. In addition to enhanced documentation, HelloFresh has taken practical steps including the risk assessment outlined above, and expansions to our Whistleblower Policy and platform to facilitate the reporting and investigation of Ethical Trading Concerns. Each of these measures are described in further detail below.

Policy Framework

As described in previous iterations of HelloFresh Australia's Modern Slavery Statement, the implementation of the Group's International Ethical Trading Policy was an important step to provide suppliers with a standardised, comprehensive and board-endorsed collection of HelloFresh's values and expectations with respect to supplier behaviour, practices and standards. During 2022, updates were made to group's the Ethical Trading Policy to provide clearer standards to suppliers with respect to human and labour rights (including modern slavery practices), and in addition, a strengthened contractual clause binding HelloFresh suppliers to the Ethical Trading Policy has been reflected in HelloFresh's standard terms with suppliers. Among other things, these contractual terms provide HelloFresh Australia with the ability to:

- Require suppliers to provide HelloFresh with appropriate documentation and evidence of controls with respect to Ethical Trading Policy conformance;
- Compel suppliers to register with the Sedex platform for the purpose of verification, data collection and monitoring;
- Carry out its own inspection at suppliers' premises;
- Commission a third party to conduct an external audit of the premises or operations of a supplier
- Require suppliers to participate in relevant training relating to HelloFresh ethical standards

In addition to the standards outlined in the Ethical Trading Policy, and the related contractual commitments, HelloFresh has provided a detailed FAQ document to suppliers to serve as practical guidance material to assist them with adherence to our standards, and to clearly communicate our expectations for risk management and the handling of any suspected or actual breaches of our policies.

The Ethical Trading Policy is supplemented by HelloFresh's existing policy and corporate governance framework, including its global employee Code of Ethics, outlining values and expectations of every HelloFresh employee to not only act in a sustainable and ethical way in line with HelloFresh's values, but to also report instances of non-compliance with the Ethical Trading Policy and Code of Ethics by any HelloFresh employee or supplier.

The strong expectation of immediate notification of unethical practices, including any Modern Slavery Practices, is embedded in the following policies:

- Human Rights Policy Statement
- Group Guideline, Anti-Corruption
- Whistleblower Policy
- Indirect Procurement Policy
- Employee Handbook

Actions taken by HelloFresh to address risks of Modern Slavery Practices

Risk Identification and Notification

HelloFresh Australia has continued to focus on development of reporting channels for suspected unethical supplier practices and risks of Modern Slavery Practices. In addition to maintaining a current Whistleblowing Policy, and an active Whistleblowing System, through which internal or external stakeholders can report suspected breaches of HelloFresh policies by an employee or supplier, including its Code of Ethics or Ethical Trading Policy, comprehensive investigation training has been provided to HR and relevant staff, to ensure that reports received via the Whistleblowing System are thoroughly investigated and resolved.

At the time of publishing enhancements of the Whistleblowing System have been implemented, including an expansion of reporting channels via the whistleblowing platform, and inclusion of whistleblower instructions and our whistleblower policy in Ethical Trading documentation provided to suppliers in order to make the platform available to a wider share of relevant stakeholders.

Supplier Relationships

As described in the overview of our operations and supply chain, due to the level of integration and co-ordination required from many of our suppliers, HelloFresh Australia enjoys strong and transparent relationships with its supplier network, and as part of assessing supplier suitability from operational, safety or quality perspectives, we generally gain strong insights into their facilities and operating models. In terms of upstream suppliers, this often involves regular visits to suppliers' premises.

In terms of the workforce engaged in the fulfilment of HelloFresh and YouFoodz products, this remains closely controlled by HelloFresh, with workers engaged in HelloFresh facilities being either directly employed, or engaged by trusted third-party labour providers. We have continued to develop strong controls with respect to our third-party workforce, maintaining full visibility over pay and conditions, using an integrated time and attendance system, and with independent verification over rates of pay and entitlements.

Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices

The enhancement of HelloFresh's Ethical Trading Program is an effective measure at addressing the risk of modern slavery practices within our supply chain, as it provides for explicit and binding commitments from suppliers, and equips HelloFresh with more robust powers to assess and investigate any modern slavery risks, and to take preventative or corrective action where appropriate. The expansion of relevant commitments in HelloFresh's contractual terms ensures that the relevant ethical standards are non-negotiable and provides HelloFresh with a greater level of confidence that these standards can be enforced.

Additionally, following the completion of the two components of the risk assessment described earlier in this statement, HelloFresh will be in a position to more reliably measure the effectiveness of actions taken as a result of the risk assessment, including:

- Number of incidents reported via Whistleblowing System and closure of cases with corrective actions
- Number of site visits performed as part of supplier onboarding process
- Number of site audits conducted as a result of perceived Modern Slavery Risk
- Supplier Sedex membership statistics
- Volume of suppliers referred for Preventive or Corrective Action Programs as a result of HelloFresh and YouFoodz risk assessment process, and the outcomes of these programs

As part of the ongoing plan to utilise internal and external measures to collect information, seek verification and independently measure and test, HelloFresh and YouFoodz will continue to dedicate resources where the risks of Modern Slavery practices exist, and are most prominent, and undertake actions to prevent and/or correct their occurrence wherever necessary.

Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices

Process of Consultation

The HelloFresh Group is a worldwide group of companies operating in a number of jurisdictions, of which HelloFresh Australia is one component. As such, the measures that have been, and continue to be developed to address Modern Slavery Risk in supply chains around the world have been made on a consultative basis, ensuring that a single set of principles and values are communicated to our suppliers worldwide.

YouFoodz Holdings Pty Ltd and its controlled entities are controlled by HelloFresh Australia. Since October 2021, both HelloFresh Australia and YouFoodz have been engaged in an integration process, whereby business practices, processes and operational methods are shared. In terms of supplier engagement and addressing the risks of Modern Slavery Practices, YouFoodz will be subject to the HelloFresh Group's Ethical Trading Policy, and will follow the same process with regards to risk assessments and supplier relationship management. The relevant operational teams are working together on a regular basis in line with this approach, and management personnel of both entities have consulted with one another to align on the relevant objectives and measures.

Statement of Approval

This statement has been reviewed and approved by the principal governing body of Grocery Delivery E-Services Australia Pty Ltd, Directors Thomas Giesel and Thomas Rutledge, on 29 June 2023, and is signed by Thomas Rutledge in his capacity as Responsible Member. Grocery Delivery E-Services Australia is a wholly-owned subsidiary of HelloFresh SE and this statement was prepared in consultation with, and approved by HelloFresh SE on 29 June 2023.



Thomas Rutledge

Director - Grocery Delivery E-Services Australia Pty Ltd