



# ***YOUFOODZ MODERN SLAVERY STATEMENT 2021***

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YOUFOODZ HOLDINGS LIMITED AND YOUFOODZ PTY LTD



# Contents

Chief Executive Officer's message	2
Our operations	3
Our supply chains	4
Risk assessment	5
Actions to mitigate exposure	7
Measuring effectiveness	9
Our progress to date and future commitment	10
Consultation with controlled / owned entities	11
Statement of approval	11

## Statement on the reporting entity

This statement is a joint statement made by Youfoodz Holdings Limited (ABN: 38 635 434 801) (previously Youfoodz Holdings Pty Limited) and Youfoodz Pty Ltd (ABN: 72 160 909 893), with their registered offices at 52 Pritchard Rd, Virginia, Queensland.

Youfoodz Holdings Limited is the parent of other Youfoodz Australian entities: IDK Pty Ltd, Youfoodz IP Pty Ltd, Fresh Four Pty Ltd and Youjuice Pty Ltd.

Youfoodz Holdings Limited, Youfoodz Pty Limited and the entities outlined above are collectively referred to in this statement as "Youfoodz".

This statement is made in accordance with section 14 of the Modern Slavery Act 2018 (Cth) (the "Act") to cover the financial year ending 24 June 2021 ("Reporting Period" or "FY2021").

### APPROVAL

On 27 October 2021, Youfoodz was acquired by Cook E Services Australia Pty Ltd, an indirect wholly owned subsidiary of HelloFresh SE ("HelloFresh"). As a result, this statement has been approved by the current board of directors of Youfoodz, who were appointed to the Youfoodz board as of that date.

# CHIEF EXECUTIVE OFFICER'S MESSAGE



This is Youfoodz second Modern Slavery Statement, which outlines the progress we have made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

Since Youfoodz was launched in 2012, we have delivered over 80 million meals to customers across Australia. Over that time, our customer base and offering has rapidly expanded, and so too has our supply chain. In serving our customers, we understand that this must never come at the cost of the safety, security and fair compensation for the work of anyone involved in our business.

Given Youfoodz existing controls and policies, together with the risk assessments we have undertaken to date, we believe the risk of slavery in our business is low. We cannot be complacent however and are committed to continually improving our approach to reducing slavery-related risks in our operations and supply chains.

During FY2021, Youfoodz implemented a range of initiatives to improve the way we identify, manage and mitigate against the risks of modern slavery practices. These included, amongst other aspects:

- Deepening our understanding of our supply chain through initiating a modern slavery self-assessment questionnaire programme, initially involving larger Youfoodz suppliers (by volume);
- Reviewing our standard supplier contractual terms and incorporating undertakings to address modern slavery obligations and controls;
- Implementing mandatory training (achieving a 100% completion rate) in respect of modern slavery practices for those employees managing higher risk activities, in particular the procurement team; and
- Assessing and, where appropriate, updating or releasing new corporate policies and procedures, such as Youfoodz Whistleblowing Policy (initially released in December 2019; updated in October 2020).

These actions have been undertaken against the backdrop of extraordinary conditions created by COVID-19. We recognise the potential impact this has had on the risks of modern slavery within many supply chains and the challenges presented by lock-downs, shifts in productions, and stricter health and safety protocols. In response, we have sought to work closely with our suppliers during this time, while also creating a safe and flexible working environment for our employees.

As we continue to seek to further strengthen our safeguards, we have identified certain areas of focus and improvement for FY2022. And following the recent acquisition of Youfoodz by HelloFresh we look forward to aligning with their global policies and best-practices governing modern slavery.

We are proud of our growing position in the Australian market, and particularly of the relationships we have cultivated with local growers and suppliers to date. We look forward to continuing to work collaboratively with them in striving to eliminate the risk of modern slavery.



**Lance Giles**

*Founder, Managing Director and Chief Executive Officer*

# OUR OPERATIONS

Youfoodz designs, manufactures and distributes ready-made meals, snacks and drinks. These goods are distributed via our direct to consumer (B2C) or retail (B2B) divisions.

Youfoodz is headquartered in Brisbane, Queensland. Almost all of our employee base is located in Brisbane, Australia, and we engage with a large number of vendors in our supply chain, the vast majority being Australian based.

## MANUFACTURING

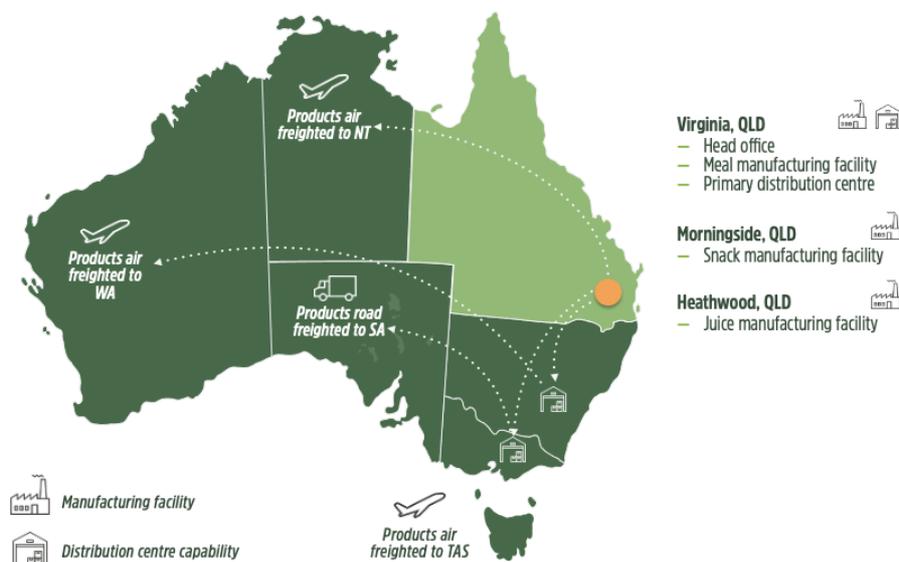
Youfoodz manufactures its products in-house from three facilities located in Brisbane. The three facilities are dedicated to the production of ready-made meals, snacks and drinks.

Youfoodz regularly sources over 300 unique product ingredients from a network of primary producers and other trusted wholesale suppliers. We seek to source the majority of ingredients locally, with over 90% of ingredients used in the manufacture of our products being sourced from Australian producers and suppliers.

## DISTRIBUTION LOGISTICS

Fulfilment of B2C and B2B orders is undertaken via a combination of Youfoodz in-house trucking fleet and drivers (for delivery within Queensland metropolitan regions) and outsourced long haul and 'last mile' delivery (for other regions) by an independent third-party logistics partner which has experience and appropriate scale to provide reliable deliveries to customers.

Youfoodz also leverages the national distribution centres and packing capabilities of our third-party logistics partner in Melbourne and Sydney. The distribution centre in Sydney services Youfoodz customers in New South Wales and Western Australia. The distribution centre in Melbourne services Youfoodz customers in Victoria, Tasmania and South Australia.



# OUR SUPPLY CHAINS

Youfoodz supply chains depend on people's dedication to grow, harvest and process raw food ingredients. Our breadth of business means we source significant quantities of raw materials, goods and services, including food ingredients, packaging, machinery and equipment, consumables, transport and logistics services.

Youfoodz works with approximately 140 vendors, with the majority (over 90%) of our annual expenditure with producers and suppliers based in Australia.

As a ready-made meal production and distribution company, our supply chain primarily includes the purchase of goods and services needed for our day-to-day operations, including:

GOODS	SERVICES
<ul style="list-style-type: none"><li>• Food / ingredients including fresh produce and meat;</li><li>• Packaging materials;</li><li>• Kitchen equipment;</li><li>• Information technology and communications equipment;</li><li>• Print and promotional goods;</li><li>• Office supplies; and</li><li>• Corporate and safety clothing, and related accessories.</li></ul>	<ul style="list-style-type: none"><li>• Food preparation services;</li><li>• Distribution delivery services;</li><li>• Property services (including facilities management, utilities, cleaning, waste management and security);</li><li>• Consulting and other professional services; and</li><li>• Advertising and marketing services.</li></ul>

Youfoodz holds strong relationships with its suppliers, some of which have been supplying Youfoodz with produce since our company's inception. These suppliers include wholesalers and direct from primary producers.

# RISK OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAIN

Youfoodz considers the risk of modern slavery within our direct business operations to be low. However, we recognise through our supply chains, we can be exposed to instances of modern slavery.

## RISKS IN OUR OPERATIONS

The operations of Youfoodz are considered to have a low risk of modern slavery practices for the reasons set out below.

Youfoodz workforce is almost entirely localised within Australia, and comprises workers directly employed by Youfoodz.

For employees of Youfoodz, a strong HR and recruitment governance framework is in place to ensure transparency around all entitlements, conditions and rates of pay. Youfoodz employees are employed either by common law contract or under Award conditions. Award employees are engaged under the *Food, Beverage and Tobacco Manufacturing Award 2020* and the *Clerks - Private Sector Award 2020*, their union body is the United Workers Union with whom our employees are free to associate. Youfoodz maintains transparent relationships with its employees and contractors, as well as Fair Work Australia and other regulatory bodies.

Youfoodz has long serving and committed staff and labour hire agencies are not used. Should there become a need to utilise labour hire agencies, the agency would be selected amongst other factors to ensure that they comply with the Queensland Labour Hire Licensing Act (2017) ensuring that workers are protected from exploitation by labour hire agencies.

Finally, as an "essential service" operating during the COVID-19 pandemic we acknowledge there is the potential for a heightened risk of exploitation for employees. As described later in this statement, during this time we implemented and have strictly maintained appropriate health protocols, together with flexible working practices, where possible, to support a safe working environment for our employees.

# RISK OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAIN (cont'd)

## RISKS IN OUR SUPPLY CHAIN

As reported in our 2020 Modern Slavery Statement, during that year Youfoodz undertook a preliminary risk assessment on our operations and supply chain to identify potential modern slavery risks. This assessment took into account several factors, including the geographic location of the supplier, industry in which the supplier operates and the nature of the products or services provided.

The following direct and indirect risks were identified:

YOUFOODZ RECOGNISES EXPOSURE OR BREACH RISK OF THE ACT IN OUR INDUSTRY THROUGH INDIRECT MEANS SUCH AS:	POSSIBLE DIRECT RISKS IDENTIFIED IN OUR SUPPLY CHAIN ARE:
<ul style="list-style-type: none"> <li>• Migrant labour;</li> <li>• Refugees;</li> <li>• Child labour;</li> <li>• Contract labour;</li> <li>• Lack of human resource;</li> <li>• Consumable purchases including tea and coffee; and</li> <li>• Corporate clothing, PPE and stationery.</li> </ul>	<ul style="list-style-type: none"> <li>• Supply of raw materials and products (such as fruit, vegetables and protein) to Youfoodz by third parties, including their use of temporary and / or seasonal workers;</li> <li>• Cleaning services contracted by Youfoodz;</li> <li>• Labour hire agency employees working with Youfoodz (when and if used); and</li> <li>• Third party logistics and delivery employees delivering Youfoodz products.</li> </ul>

Overall, with over 90% on average of our annual supplier spend being with companies based in Australia, we assess there to be a low risk of modern slavery practices in our supply chain. Despite this, we recognise the agriculture and food production industries are some of the most at risk for exposure to modern slavery practices.

During the 2021 Reporting Period, in order to progressively develop a more comprehensive supply chain map to better understand the geographic location and nature/origins of products and services sourced, Youfoodz commenced a modern slavery self-assessment questionnaire programme, initially involving larger Youfoodz suppliers (by volume).

In 2022, we intend to further expand our questionnaire programme to capture a greater component of our supply chain, with a view to: deepening our understanding of second-order producers (for example where wholesalers are involved); assessing overall supplier policies, procedures and compliance with the Act; and strengthening the risk grading of our own supply chain.

# ACTIONS TAKEN BY YOUFOODZ TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES

**YOUFOODZ RECOGNISES THAT IN ADDRESSING RISKS OF MODERN SLAVERY IN OUR SUPPLY CHAIN, THE APPROACH MUST BE HOLISTIC, INVOLVING A STRONG POLICY AND GOVERNANCE FRAMEWORK, GUIDANCE AND TRAINING FOR EMPLOYEES, AND CLEAR STANDARDS FOR OUR SUPPLIERS.**

## POLICY FRAMEWORK

Youfoodz' corporate policies are made available to all employees and stakeholders via our website. The policies that describe our expected behaviours, together with our approach to the identification of modern slavery risks and steps taken to prevent slavery in our operations, that were in place for all or part of the Reporting Period are:

POLICY / PROCEDURE	PURPOSE
Anti-Bribery and Corruption Policy	<ul style="list-style-type: none"> <li>Affirms that Youfoodz does not tolerate, and will not tolerate, any form of bribery and corruption within its business</li> <li>Released October 2020</li> </ul>
Bullying, Harassment, Discrimination and Equal Opportunity Policy	<ul style="list-style-type: none"> <li>Affirms that Youfoodz is committed to providing a safe, flexible and respectful environment free from all forms of discrimination, bullying, harassment and victimisation for its employees and others closely associated with its work</li> <li>Released October 2020</li> </ul>
Code of Conduct	<ul style="list-style-type: none"> <li>Outlines a minimum set of standards and behaviour required of all Youfoodz Employees, Contractors and Directors</li> <li>Released October 2020</li> </ul>
Recruitment and Selection Policy	<ul style="list-style-type: none"> <li>Outlines commitment to recruiting, selecting and appointing the most suitable candidates to identified vacancies, consistent with the vision, values and objectives of the Company and adhering to all legal requirements</li> <li>Released June 2019</li> </ul>
Whistleblower Policy	<ul style="list-style-type: none"> <li>Encourages the reporting of suspected unethical, illegal, fraudulent, corrupt or dishonest conduct and shall ensure that those who promptly report may do so with confidence and without fear of intimidation, ramifications or adverse consequences</li> <li>Available to any Youfoodz officer or employee (past or present), and any individual who supplies, or is an employee of a supplier (past or present)</li> <li>Released December 2019; updated October 2020</li> </ul>

# ACTIONS TAKEN BY YOUFOODZ TO ADDRESS RISKS OF MODERN SLAVERY PRACTICES (cont'd)

## STAFF TRAINING

We continue to implement new programs to increase employee awareness and engagement regarding modern slavery.

During the 2021 Reporting Period, Youfoodz implemented mandatory training (achieving a 100% completion rate) in respect of modern slavery practices for those employees managing higher risk activities, in particular the procurement team.

This training seeks to assist employees in identifying the risks of modern slavery, understanding Youfoodz policies and procedures governing modern slavery, the standards expected of suppliers together with supplier onboarding due diligence, and how to report any concerns that employees may have.

In addition to modern slavery training, Youfoodz employees are required to complete modules on Youfoodz' Bullying, Harassment, Discrimination and Equal Opportunity Policy policies during induction, as well as undertaking annual refresher training.

In 2022, Youfoodz intends to extend modern slavery training to all corporate staff as part of the on-boarding process.

## COVID-19

The health and safety of our people and our customers is our number one priority. In response to COVID-19, we implemented and have strictly maintained appropriate protocols to help maintain a safe working environment for our team. Where possible, we have also incorporated flexible working arrangements for our office staff. No individual is ever pressured to work in an unsafe environment at Youfoodz.

## SUPPLIER ARRANGEMENTS

As part of our supply chain onboarding and review processes, all new suppliers, as well as renewing suppliers, are subjected to our due diligence process, prior to onboarding or contract award. Our sourcing practices include continual assessment of product category, product origin and known industry standards.

During the 2021 Reporting Period, in addition to initiating self-assessment questionnaires to assist Youfoodz in deepening its understanding of its supply chains (as previously described), we undertook a review of Youfoodz standard supplier contracts. As a result, we incorporated an undertaking in our standard supplier contracts that all service suppliers and third-party logistics providers adhere to Youfoodz standards of supplier conduct and values, including in relation to our policy of ending modern slavery.

We favour working with suppliers to resolve or substantially mitigate issues instead of ending the relationship with the supplier because of the potential adverse effects on the livelihood of the supplier's employees. Achieving this takes time and Youfoodz is committed to working with its suppliers to eradicate modern slavery from its supply chain.

# MEASURING EFFECTIVENESS

## ASSESSING EFFECTIVENESS OF OUR CONTROLS TO MITIGATE EXPOSURE TO MODERN SLAVERY.

Youfoodz conducts annual supplier reviews and determines supplier eligibility based on performance criteria KPIs including compliance, quality, reliability along with social and ethical responsibility.

Suppliers found to be lacking any of these criteria maybe removed from the Youfoodz supply chain.

During the 2021 Reporting Period, Youfoodz identified and approved the following KPIs to assess the company's effectiveness in ensuring that modern slavery is not taking place in any part of its business or supply chain.

It is intended that these will be reported to the Board and reported in future Modern Slavery Statements.

AREA	METRIC
Supplier reviews	<ul style="list-style-type: none"><li>• Number of suppliers with modern slavery warranties included in their respective supply contracts</li><li>• Number of suppliers which have completed due diligence questionnaires</li></ul>
Training	<ul style="list-style-type: none"><li>• Number of people who have received modern slavery training</li></ul>
Reporting and monitoring mechanisms	<ul style="list-style-type: none"><li>• Number of reported issues concerning modern slavery</li><li>• Number of reported issues escalated to the Board of Directors</li></ul>

# PROGRESS TOWARDS OUR COMMITMENTS

We are proud of our progress to date, but we recognise there is more to do.

Youfoodz is committed to working collaboratively with our suppliers, customers, employees and external stakeholders to increase our understanding of modern slavery risks and how we can address them.

We continue to monitor progress against our FY2021 commitments have identified priorities for FY2022:

COMMITMENT	STATUS	COMMENT
Team member training on modern slavery, prioritising those managing higher risk categories		<ul style="list-style-type: none"> <li>Mandatory annual training module implemented for the procurement team, achieving a 100% completion rate</li> <li>To be continued into FY2022 and beyond</li> </ul>
Develop and set key performance indicators to measure the effectiveness of our actions to assess and address modern slavery risks		<ul style="list-style-type: none"> <li>KPIs identified and approved for monitoring and reporting</li> <li>To report against progress from FY2022 onwards</li> </ul>
Conduct a group-wide review of standard contracts to embed modern slavery clauses		<ul style="list-style-type: none"> <li>Included relevant modern slavery clause in new contracts during FY2021</li> <li>This is amber as it will be continued into FY2022 as contracts come up for renewal</li> </ul>
Issue self-assessment questionnaires to selected suppliers (initially focussing on larger Youfoodz suppliers by volume)		<ul style="list-style-type: none"> <li>Commenced programmes in FY2021</li> <li>This is amber as completion and return rates were impacted by COVID-19. We plan to work collaboratively with our suppliers during FY2022 to improve return rates</li> </ul>
Expanding modern slavery awareness across all staff		<ul style="list-style-type: none"> <li>New initiative for FY2022</li> <li>Mandatory modern slavery training to be implemented for all corporate staff as part of on-boarding process</li> </ul>
Expanding Youfoodz self-assessment questionnaire programme to capture a broader range of suppliers		<ul style="list-style-type: none"> <li>New initiative for FY2022</li> <li>Self-assessment questionnaire programme to be expanded to better assist in mapping Youfoodz supply chain and supplier risk grading by country for future reporting</li> </ul>

 Green - Complete
  Amber - Partially complete
  Blue - New for FY2022

# CONSULTATION PROCESS

The same policies, practices and procedures regarding responsible business, ethics and compliance apply to all entities within the Youfoodz group. Youfoodz has communicated with the entities which we own and control regarding this statement and our approach to modern slavery noting that those entities are subject to the same policies and processes as set out in this statement.

In addition, in preparing this statement, relevant employees of Youfoodz were consulted and provided with an opportunity to review the statement. This statement has been reviewed and approved by the Executive Team and the Youfoodz Board of Directors.

# STATEMENT OF APPROVAL

The Boards of Directors of Youfoodz Holdings Limited and Youfoodz Pty Ltd have approved this statement which is signed on their behalf by Lance Giles as their designated Director and Responsible Member, on 17 December 2021, and the information in this statement is accurate as at that date.

**SIGNED FOR AND ON BEHALF OF YOUFOODZ HOLDINGS LIMITED**

**SIGNED FOR AND ON BEHALF OF YOUFOODZ PTY LTD**



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Lance Giles  
*Director*  
*Youfoodz Holdings Limited*



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Lance Giles  
*Director*  
*Youfoodz Pty Ltd*

