

McCain Foods (Aust) Pty Ltd

Modern Slavery Statement FY22



**Sustainability, Human Rights,
and Dignity in our Supply Chain**

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Foreword

As a leading producer of prepared potato and appetizer products, and a family-owned company, McCain holds its commitment to protecting human rights in its business at the core of its operations. Addressing modern slavery and the exploitation of human rights across the global supply chain is a critical priority, particularly because the bulk of ingredients come from farmers and suppliers of agricultural products.

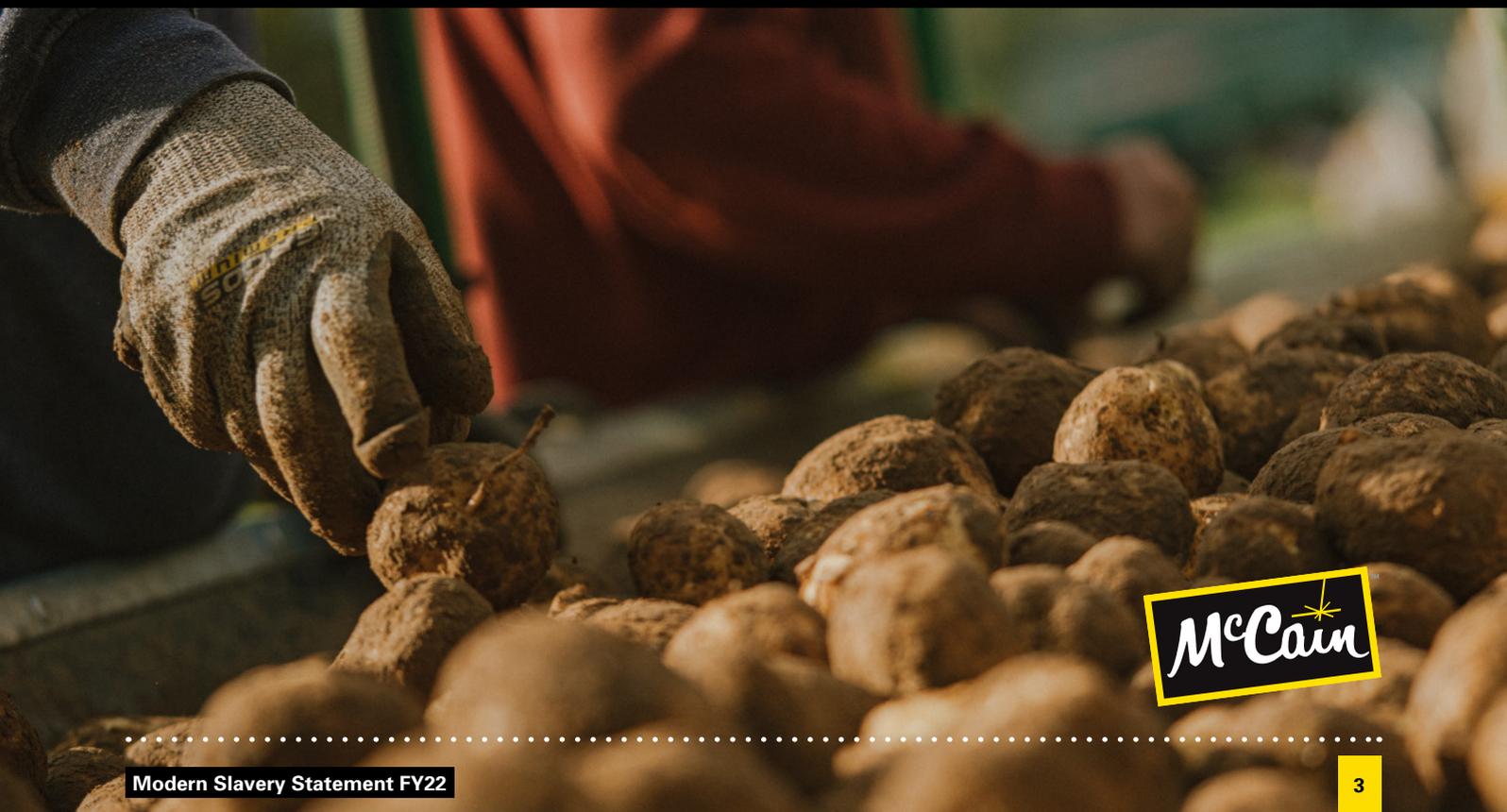
McCain Foods Limited (“**McCain**”, “**it**” or “**its**”) is a purpose-driven business on a journey to make delicious, planet-friendly food. McCain’s shared values - Family, Authentic, Quality and Trusted - are critical to the direction of decisions made regarding supply chain and procurement around the world.

A number of appropriate company policies and processes, including the **McCain Code of Conduct** and **Supplier Code of Conduct**, are in place to support identification and management of risks globally. Following the introduction of the Modern Slavery Act 2018 (Cth) in Australia and similar legislation elsewhere, McCain continues to sharpen its focus on protecting the human rights of workers and the integrity of its supply chain. McCain sees this as an opportunity to use its global scale to act as a more powerful force for good, locally and more broadly.

“McCain holds its commitment to protecting human rights in its business at the core of its operations”

During the financial year ending 30 June 2022 (FY22), McCain continued to progress the development of a robust framework of guiding principles to ensure that business practices are a part of the solution to eradicate modern slavery. In Australia, the Modern Slavery Committee has built on this foundation to comprehensively and effectively address regional risks.

In addition to looking at the global policies and programs currently in place at McCain, this report outlines the status of initiatives in development of McCain Foods Aust (Pty) Ltd (ACN 000 629 587), an entity registered in Australia (“**McCain Foods ANZ**”, “**us**”, “**we**” or “**our**”), to tackle modern slavery, including developing and rolling out appropriate employee training programs, increasing the scope of our assessment of suppliers, and placing a greater emphasis on identifying and addressing modern slavery risks in our indirect supply chain.



McCain Foods (Aust) Pty Ltd Modern Slavery Statement

This statement is published in accordance with the Modern Slavery Act 2018 (Cth). It sets out the actions taken by McCain Foods ANZ, to address modern slavery risks in our supply chain over the financial year ending 30 June 2022 (FY22).



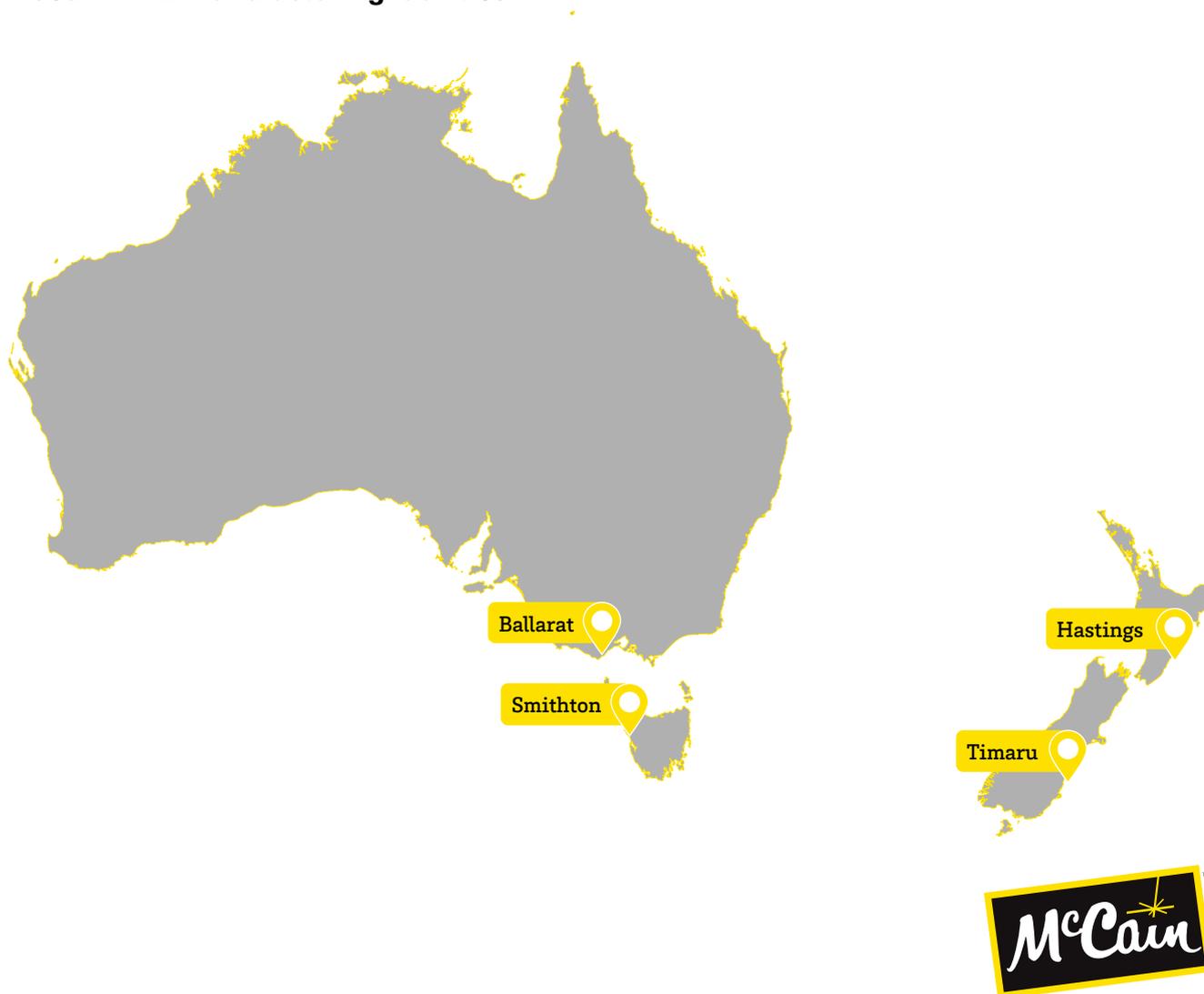
Structure, Operations and Supply Chain

McCain is a global brand; the head office of McCain Foods Limited, the Canadian parent company of McCain Foods ANZ, is located in Toronto, Canada.

McCain is a privately owned, multi-national leader in the frozen food industry, manufacturing quality products including French fries, appetizers, pizzas, vegetables, desserts, and prepared foods. McCain also owns companies in complementary industries, such as agriculture and transportation.

In Australia, McCain Foods ANZ is a significant player in the frozen foods category, manufacturing and selling frozen foods ranging from vegetables, vegetable-based products (such as French fries and sweet potato fries), complete meals, pizzas and snack food through quick service restaurants, foodservice businesses, and retail supermarkets. We sell our products throughout Australia and New Zealand and beyond into Asia and the Middle East.

McCain ANZ manufacturing facilities



In FY22, our portfolio of controlled entities included McCain Finance (Aust) Pty. Ltd. (ACN 067 367 882), Weyville Holdings Limited (NZ co. no. CH 459976), McCain Foods (NZ) Limited (NZ co. no. CH 358737), Grower Foods Limited (NZ co. no. CH 838659), and McCain Foods Taiwan Ltd., and all the entities together in the McCain Foods ANZ group are referred to as “our Group” for the purposes of this statement.

In FY22, our Group directly employed approximately 1,170 people across Australia and New Zealand, and engaged thousands more indirectly through our logistics and supply chain. We are a trusted supplier to hundreds of hospitality establishments – restaurants, pubs, and clubs – as well as hospitals, aged care facilities, tourism operations, and many more foodservice businesses.

We are proud of our place in the Australian and New Zealand markets, and particularly of the relationships we have cultivated with local growers. McCain Foods ANZ sources the overwhelming majority of our produce locally and we are committed to working with our farmers to support their day-to-day practices, as well as investigating ways to support new and innovative farming methods, including regenerative agriculture.

“We are proud of our place in the Australian and New Zealand markets, and particularly of the relationships we have cultivated with local growers.”

The supply chain¹ of products and services that contribute to our operations includes raw agricultural materials – the top category being potato – and other commodities, including frying oils and dairy.

In FY22, our Group’s largest category of spend was on agricultural products and specifically potatoes - procuring from 273 growers: 133 potato growers and 140 vegetable growers (pea, green beans, sweetcorn and carrot) - from Australia and New Zealand, while other ingredients, raw materials, packaging and finished goods were sourced from more than 114 suppliers in 18 countries.



¹McCain differentiates procurement based on direct and indirect goods and services. Direct procurement involves the purchasing of goods, materials, and services directly associated with the production of products (e.g. raw potatoes, ingredients, spices, packaging), whereas indirect procurement refers to expenses incurred for materials, services, and maintenance required to operate the business (e.g. manufacturing equipment, maintenance costs, and consultancy costs).

Key Areas of Focus in FY22

In FY22, McCain Foods ANZ continued to focus on the specific risk areas identified in its earlier modern slavery statements. However, in light of the business disruptions caused by the ongoing COVID-19 pandemic and global and local supply chain challenges, which are further described below, the business had a reduced capacity to undertake all of the planned actions during FY22.

We remain committed to identifying and reducing risks of modern slavery across our supply chain, and acknowledge that meaningful outcomes cannot be achieved overnight. Over the past decades, McCain has implemented global policies and processes reflecting its corporate values, including protecting human rights and reducing the risk of modern slavery in its operations and supply chain. McCain Foods ANZ has placed additional targeted emphasis on this critical area of corporate responsibility since the introduction of the Modern Slavery Act 2018 (Cth).



Risks of Modern Slavery Practices in our Operations and Supply Chain

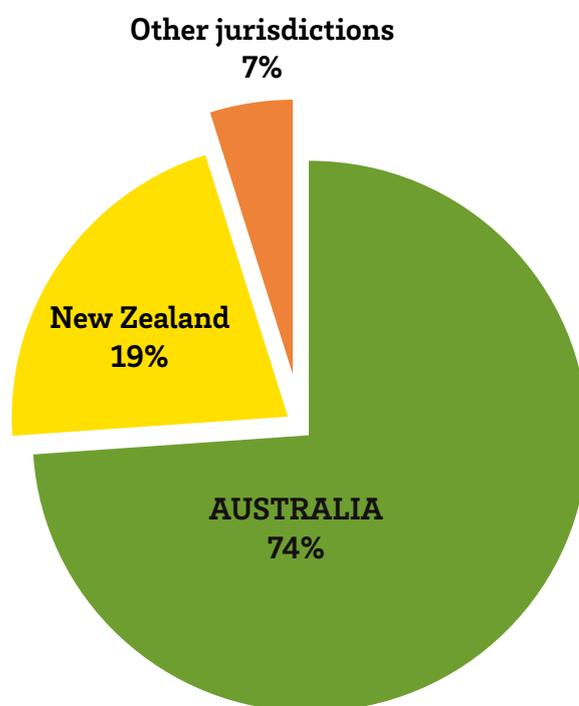
As a family-owned business, McCain has always operated according to its core values. McCain understands that there is an inherent risk of exposure to the threat of modern slavery and labour exploitation in food and agriculture supply chains, from production and processing to packaging and transportation. The diversity and scale of McCain's supply network means that these risks are particularly relevant to McCain companies around the world, and McCain understands that it has an important responsibility and an opportunity to be an agent for positive change in the industry.

That is why McCain has invested significant resources into developing a robust **McCain Code of Conduct** and **Supplier Code of Conduct** to govern its own actions and those of its partners and suppliers, drawing upon international standards and best practices in human rights and sustainability.

The **Supplier Code of Conduct**, which sets stringent standards of ethical conduct for McCain's suppliers, is founded upon McCain's values, as well as applicable laws around the world.

In FY22, we identified that the overwhelming majority of our direct supply chain spend in ANZ was sourced from suppliers operating in countries that have a very low risk score based on the Global Slavery Index, with only approximately 2% of our total direct supplier spend for FY22 attributable to suppliers operating in medium or high risk countries².

Percentage of direct supplier spend based on country of origin



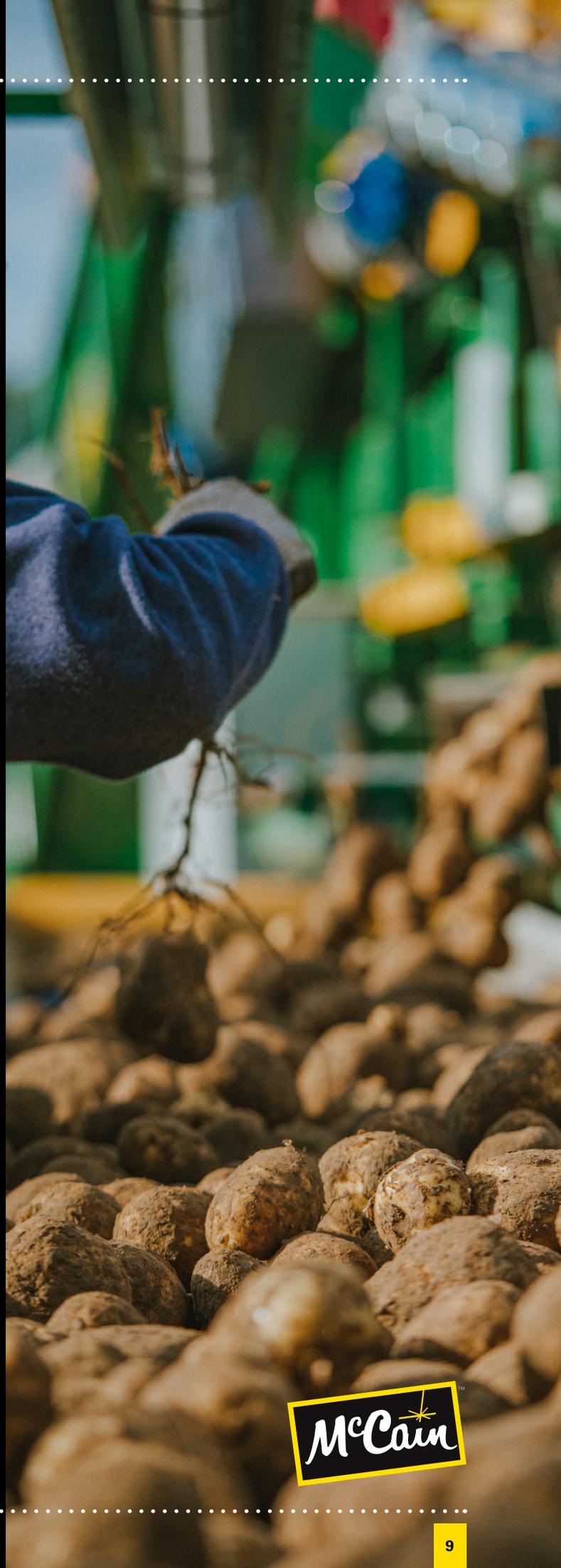
² <https://www.globalslaveryindex.org/>

Impact of COVID-19 and Supply Chain Disruptions

McCain acknowledges that the ongoing COVID-19 pandemic and the associated lockdowns, both in Australia and around the world, continued to cause disruption to our business in FY22. In addition, the business faced a number of global and local supply chain challenges caused by, among other things, port congestion, severe weather impacts, decreased availability of labour and increased customer demand.

At all times, McCain Foods ANZ has continued to prioritise the safety of our workers, including maintaining the provision of personal protective equipment for our employees working in production facilities, implementing COVID-19 safety protocols, and complying with government requirements in the face of lockdowns and border restrictions. The business also continued to champion mental health and well-being of our employees, including by raising awareness and providing resources to employees, such as the launch of our new Employee & Family Assistance Program which includes access to a digital well-being platform, and the roll out of an online learning module designed to expand awareness of the importance of mental health.

McCain recognises that the impacts of COVID-19 and supply chain disruptions may increase the vulnerability of workers in our supply chain to modern slavery. In FY22, the business took steps by pro-actively reaching out to our supplier network to work with them to manage business disruptions and mitigate risks, both to our business and to the business and operations of our suppliers, in the face of these ongoing challenges. McCain Foods ANZ also wrote to our supplier network to reiterate our expectations of our suppliers around social accountability, upholding human rights and our focus on reducing the risk of modern slavery in our operations and supply chain.



Actions We Take to Assess and Address Risks

1. McCain Policies

McCain believes that strong internal policies and systems are a key aspect of managing and mitigating the risk of modern slavery in its operations and supply chain. We expect the same level of diligence in regard to the protection of human rights from our suppliers as from our employees, which is one of the ways we can leverage our global scale to help maximize the positive impact of McCain. We are committed to protecting human rights in our business and supply chains and have zero tolerance for human rights abuses.

Prior to the enactment of the Modern Slavery Act 2018 (Cth), McCain has had a longstanding set of policies in place that are regularly reviewed, to assess and address applicable risks. These include **McCain's Code of Conduct**, Anti-Corruption Policy, **Supplier Code of Conduct** and our Whistleblower Policy (Policies).

These Policies and other programs - such as McCain's Global Sustainability Strategy and commitments - ensure that team members and suppliers are dedicated to managing social, ethical, and environmental issues in a responsible manner consistent with McCain's global values.

McCain values learning and transparency. All employees and suppliers are made aware of the expectation that they will familiarise themselves with – and comply with – applicable policies. In addition, all employees are required to undertake an annual recertification of the Code of Conduct as part of their employment.

These Policies are regularly monitored and updated to ensure McCain approaches all social, ethical, and environmental responsibilities in an appropriate and agile manner. In FY22, McCain commenced a comprehensive review of our Supplier Code of Conduct, with a view to update and refresh it in the next calendar year to include, among other things, a section specifically related to modern slavery risks and our expectations of suppliers regarding the elimination of modern slavery.

2. Modern Slavery Committee

In FY20, McCain Foods ANZ established a Modern Slavery Committee for Australia and New Zealand, comprising senior leaders from departments including legal and compliance, procurement, human resources, supply chain, commercial, agriculture, and safety (Committee). The Committee continued to meet during FY22.

The Committee's remit, in addition to the preparation of this modern slavery statement and the ensuing actions, includes:

- Identifying and addressing any modern slavery risks present in our operations and supply chain
- Immediately driving action to remediate any incidents if and when they may be identified
- Identifying means to reduce or mitigate the risk of modern slavery
- Developing programs, practices, and procedures to enhance our response to modern slavery
- Operating as a group of thought leaders for McCain on the important issue of modern slavery, to ensure our people understand that our company's exposure to farming, packaging, and logistics raises the possibility of modern slavery within our supply chain – and what we all must do to mitigate the risk, identify issues when they arise, and take immediate action where appropriate.

The Committee has raised awareness of modern slavery risks - and our response to those risks - through our various divisions, and through an employee training and compliance program, as outlined below.

In FY22, the Committee met on a regular basis (at least bi-monthly) to discuss the progress of the actions taken to address the specific risk areas identified.



Actions We Take to Assess and Address Risks

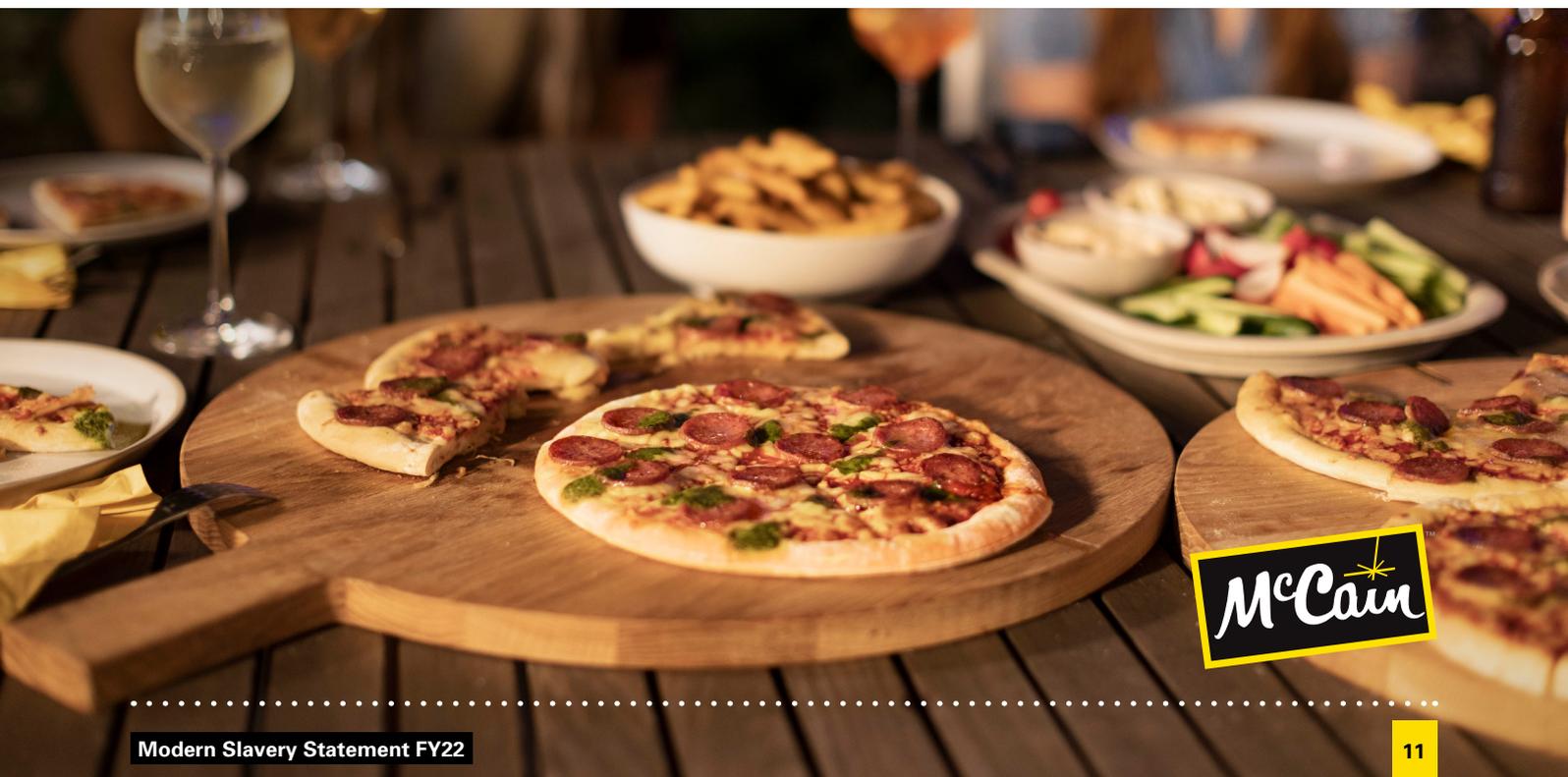
3. Risk Mapping and Due Diligence

McCain Foods ANZ conducts due diligence on all of our suppliers before they are introduced to the supply team. Our initial risk mapping exercise undertaken in FY20 identified freight and logistics suppliers as a higher risk category that would benefit from increased guidance on McCain's expectations regarding the elimination of modern slavery. In FY22, we worked closely with our freight and logistics providers to maintain open and daily communications, adjusting operations volume to match available resources in light of supply chain disruptions across Australia and New Zealand, in conformance with our obligations under chain of responsibility laws and the Act.

In FY22, we also successfully updated and rolled out new Supplier Expectations Letters, incorporating a Social Accountability statement. In addition, we pro-actively engaged with our supplier network – and in particular, our raw materials suppliers – to understand their risks and contingencies amidst the ongoing COVID-19 pandemic and supply chain challenges.

We continue to evaluate and look to improve our processes, by incorporating specifically tailored questions designed to determine the risk of modern slavery throughout the operations and supply chains of our suppliers. McCain Foods ANZ remains committed to improving our actions to assess and address the risks of modern slavery throughout our Group's operations and supply chain, based on gaps identified to date, including:

- Updating all of our New Supplier Evaluation Surveys, incorporating an assessment of certain aspects of modern slavery for all suppliers
- Documentation updates to ensure modern slavery risk mitigation components are incorporated, as appropriate, and gaps are addressed
- Exploring further ways to capture supplier information around their business practices and operations, including by engaging with third party organisations who provide risk management services to support our existing supplier due diligence processes



Actions We Take to Assess and Address Risks

4. Employee Training and Compliance

McCain has dedicated an entire section of the company intranet site to its focus on sustainability actions, including the thriving rural communities in which McCain operates and the long-term, trusted connections to growers, thus providing a natural forum to educate on risks, mitigation efforts, and other information about modern slavery. In FY22, McCain released its 2021 Sustainability Progress Update which further describes the actions and initiatives behind the business' global commitments to ethical, sustainable operations and planet-friendly food. In FY22, our Group continued to progress its sustainability goals by:

- continuing to upskill growers on regenerative agriculture practices and measure adoption;
- committing to the Australian Food Pact as Founding Signatories, driving towards halving food waste in Australia by 2030;
- implementing a cogeneration system at our Timaru plant designed to reduce CO2 emissions, and reducing the amount of waste that goes to landfill;
- launching the McCain ANZ employee volunteer program 'Chips In' and completing over 340 hours of volunteering in the first year; and
- donating over 470,000 meals to foodbanks and local community food relief organisations.

McCain engages in best practices in recruiting and hiring to ensure that all employees are appropriately on-boarded and employed in accordance with applicable laws. As described above, during the COVID-19 pandemic, McCain has consistently taken significant actions to ensure the health and safety of employees and applicable third parties.

Our ANZ employee on-boarding experience includes training on modern slavery to improve employee awareness of the topic and how it relates to our business. We have developed a module on modern slavery in our standard compliance program, which all new and current employees are required to complete.

5. Partnering with Organisations

McCain Foods ANZ has an ongoing dialogue with a number of our key suppliers and customers regarding the manner in which we can collectively address and reduce the risk of modern slavery. In FY22, in response to our initial risk assessment of our supplier network, the Committee commenced exploring options to engage third party organisations to support a comprehensive deep-dive into our entire supply chain.

As the importance of assessing and mitigating modern slavery risks in the food manufacturing industry receives more global attention, McCain remains keen to explore the possibility of partnering with other organizations/NGOs to obtain access to authoritative materials, information and guidance on best practices.



Actions We Take to Assess and Address Risks

6. Managing Supplier Contracts

McCain Foods ANZ maintains standard procurement terms and conditions for transactional matters and negotiated master service agreements for ongoing relationships. Over the course of FY22, we continued our project to update all of our new indirect procurement service agreements and successfully completed the update of all grower contractual arrangements, to mitigate modern slavery risks, so as to educate and ensure that our business partners have a clear understanding of McCain's expectations. In addition, McCain Foods ANZ offered additional financial assistance to growers in response to severe weather impacts experienced by growers during the planting season.

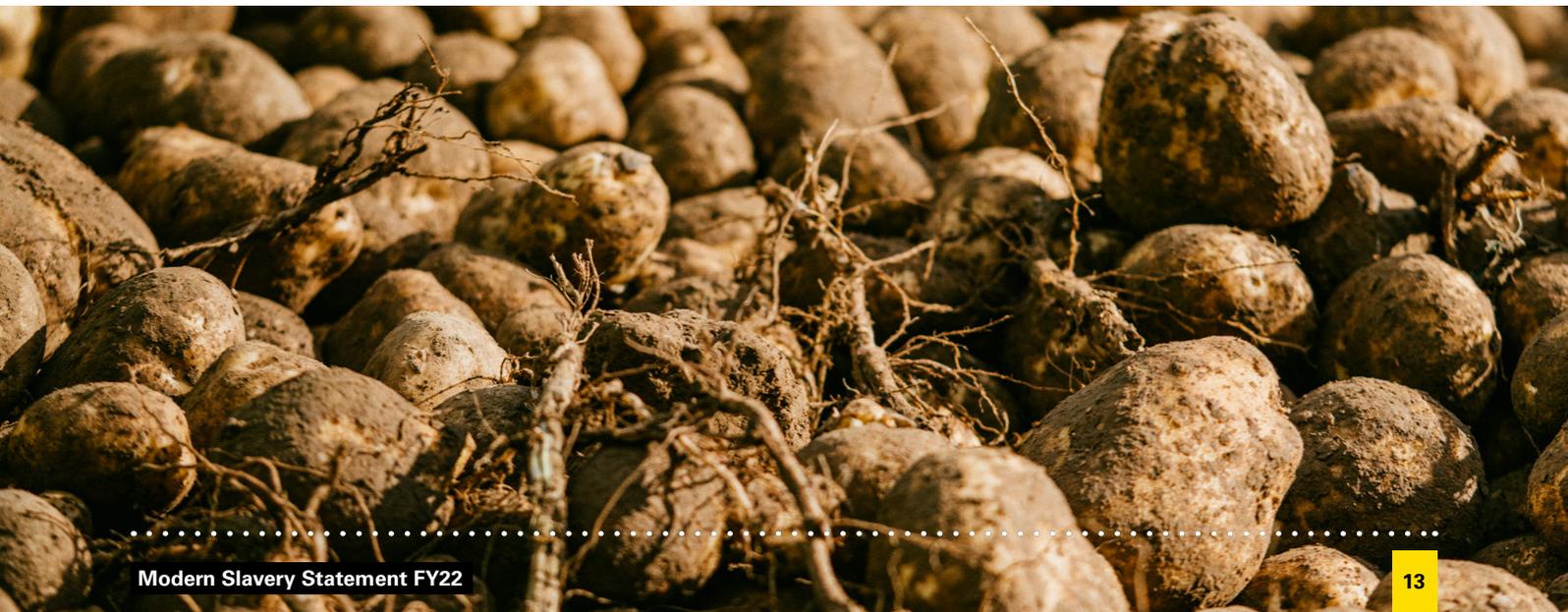
If a supplier is found to be in breach of the terms stipulated in their contract with us, including those relating to compliance with the **McCain Supplier Code of Conduct**, we are able to take corrective action and suspend or terminate the contract with that supplier.

We take any breach of the **McCain Supplier Code of Conduct** - or any other breach involving a risk to human rights - seriously, addressing it promptly and with the ultimate goal of reducing or removing the risk altogether (for example, where appropriate, the removal of a supplier from our supply chain).

7. Reporting Concerns

Employees are encouraged to report any occurrences of modern slavery identified or suspected. They also have the option of reporting under our existing Whistleblower Policy or the **Code of Conduct**.

For employees who wish to make an anonymous complaint to an external service, McCain retains an independent external service provider which is authorized to receive whistleblowing reports in relation to its global business (contact details are contained in the **Code of Conduct** and the Whistleblower Policy). All reports received by the external service provider are reported to McCain's Director, Global Legal & Compliance and escalated to its Chief Human Resources Officer and Chief Legal Officer as appropriate. As at the date of this statement, no reports or complaints have been received through this service in respect of actual or suspected modern slavery occurrences in ANZ.



Further Actions We Will Take to Assess and Address Risks

As noted above, the impact of COVID-19 and various supply chain challenges have had a negative impact on our ability to progress the initiatives identified to strengthen our stance against modern slavery risks in our supply chain during the FY22 period. However, we remain

committed to progressing these actions which were commenced in FY22, and commit to continuously engaging in risk assessment of our supply chain to identify any new or developing areas of risk in the business.

1. Increasing the Assessment of Suppliers

The Committee will continue its investigations and review of the modern slavery risks in our direct and indirect supply chains and determine appropriate remediation action. This may involve the replacement of high-risk suppliers with suppliers presenting a lower risk of modern slavery in their operations, business, and supply chains. The Committee has commenced exploring third party support options to optimise processes for collecting and assessing relevant data from suppliers in order to understand the supplier risk profile across the wider business.

The significant, tangible action represented by replacement of these suppliers will continue to reinforce to all our staff and suppliers that we will not tolerate modern slavery in our supply chain. We will also investigate establishing specific auditable recordkeeping requirements for suppliers in respect of workplaces, high occupancy worker residences, payroll, and other, as applicable.

2. Training

McCain Foods ANZ has rolled out a modern slavery training module to increase employee awareness and engagement regarding modern slavery. The Committee will consider the appropriateness of additional, tailored training to relevant stakeholders within the business. This subsequent training may focus on function-specific skills, including how to identify the existence of modern slavery in a supply chain and how to uphold the high standard of requirements that McCain Foods ANZ has adopted for all our suppliers to help us proactively manage modern slavery risks. Where appropriate and feasible, McCain Foods ANZ may also offer training modules to suppliers.

3. Audits

McCain periodically monitors compliance with the Policies and will formally and informally monitor and evaluate progress regarding our approach to modern slavery as part of the regular monitoring process. Specific auditing of certain relationships, such as with our growers, will become an increasing focus for us. In addition to auditing the supply contracts of our raw supply with our farmers to ensure the appropriate contractual commitments are incorporated, we intend to also formally audit 10% of our McCain Foods ANZ grower base (by volume) per annum and send a questionnaire to all other ANZ growers annually.

4. Deep-dive into Indirect Supply Chain

In FY23 and beyond, as our response to modern slavery risks develops and matures, the Committee will continue to develop processes and procedures that are most effective to assess the potential risk within our indirect supply chain. We will report progress via this statement as applicable.



How We Assess the Effectiveness of Actions We Take to Address Modern Slavery Risks

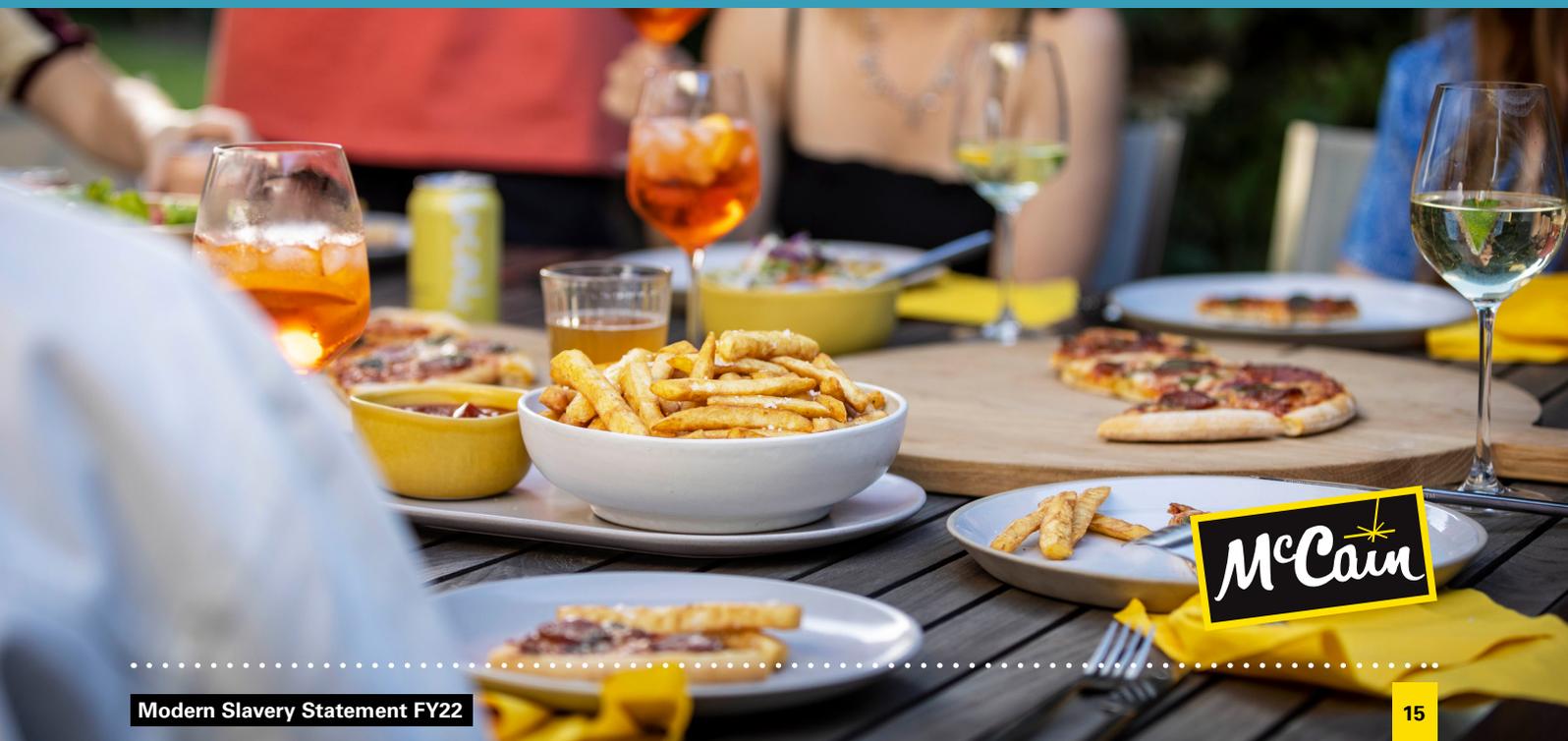
McCain's belief that 'good ethics is good business' has guided it from farm to fork, and is the basis of its values. On this basis, McCain has built relationships with growers spanning generations, is recognized for its commitment to sustainability and work in local communities, and has been able to successfully implement innovative regional initiatives around the world, including in Australia and New Zealand.

We are able to regularly review our grower assessment processes through these strong relationships and regular contact with growers – our largest single source of supply. In FY22, we completed the update of all our grower contractual arrangements across Australia and New Zealand, so that they contain specific provisions and obligations to our growers regarding modern slavery.

McCain's existing Policies are monitored regularly and we will conduct regular audits of the modern slavery programme, both internally as directed by Internal Audit and/or the Committee, and, where appropriate, externally via independent auditing services.

McCain Foods ANZ will continue to evaluate suppliers and their practices, using and regularly reviewing a scoring matrix to best assess the effectiveness of our due diligence.

The effectiveness of actions taken to address modern slavery risks will be measured by certain quantitative metrics as appropriate, which may include: the number of individuals trained, contracts signed with appropriate modern slavery provisions, and the number of audits or investigations undertaken in response to identification of high risk suppliers, the number of calls to our whistleblower line and any investigations launched.



Consultation Process with our Subsidiaries

The members of our Group are wholly-owned by McCain Foods ANZ and the same management team oversees all businesses within the Group. Accordingly, consultation with these entities has occurred as part of the process.

This statement was approved by the Board of McCain Foods (Aust) Pty Ltd.

Signed,



Frank Calderone

Director, McCain Foods (Aust) Pty Ltd

Date: 20 December 2022

