



YOUFOODZ MODERN SLAVERY STATEMENT 2020

YOUFOODZ HOLDINGS LIMITED AND YOUFOODZ PTY LTD



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INTRODUCTION

Youfoodz is a socially responsible organisation and is committed to preventing and addressing modern slavery, as defined in the Modern Slavery Act 2018 (Cth) (the “Act”), in our supply chains and business operations.

Modern slavery and human trafficking is unacceptable within our organisation.

Often the crimes of modern slavery are not easily visible. Successfully tackling the challenges of modern slavery requires strong management, collaboration and openness within our business and supply chains - as well as through our interactions with our customers, community and key stakeholders.

This statement, pursuant to the Act, sets out the actions taken by Youfoodz to address modern slavery and human trafficking risks in our business and supply chains. It outlines our efforts to:

- Detect the risk of modern slavery and human trafficking across our business and supply chains; and
- Ensure we have in place the most appropriate responses to those risks.

Given the nature of our business, and the risk assessments that we have undertaken to date, we believe that the risk of slavery and human trafficking 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.

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 Pty Limited was incorporated on 9 August 2019. In September 2019, Youfoodz Pty Limited was restructured, resulting in Youfoodz Holdings Pty Limited acquiring all the shares in Youfoodz Pty Limited (along with other companies in the Youfoodz group). On 23 September 2020, in preparation for listing on ASX, Youfoodz Holdings Pty Limited converted to a public company. Youfoodz Holdings Limited subsequently listed on ASX on 8 December 2020.

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 Act to cover the financial year ending 25 June 2020 (“Reporting Period”).

OUR OPERATIONS

Youfoodz designs, manufactures and distributes ready-made meals, snacks and drinks. These goods are distributed via our direct to consumer 'B2C' service or to business customers via our 'B2B' department.

Youfoodz was founded in 2012 and has grown to hold a substantial share of the Australian ready-made meal market. Since inception, the company has delivered over 60 million ready-made meals to our B2C, B2B and corporate customers.

Our organisation, which is headquartered in Brisbane, Queensland, employs approximately 460 employees (full time equivalent basis), and engages with approximately 75 vendors in our supply chains.

MANUFACTURING

Youfoodz manufactures its products in-house from three facilities located in Brisbane, Queensland. 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

For home delivery and business orders within Queensland metropolitan regions, orders are picked and packed at Youfoodz' primary manufacturing site in Virginia. Youfoodz then utilises its in-house trucking fleet and drivers to deliver products directly to the doorstep of home delivery customers (in accordance with their delivery instructions) or to distribution centres or retail outlets of business customers.

For home delivery and business orders outside of Queensland metropolitan regions, Youfoodz outsources long haul and 'last mile' delivery to 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 its independent 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.

EMPLOYEES

As at 25 June 2020, the Youfoodz team consisted of approximately 460 employees (full time equivalent basis or FTE), employed on a full-time, part-time and casual basis, with approximately 98.5% based in the greater Brisbane area. Youfoodz is split into two key segments: Production Employees (representing approximately 53% of FTEs) and Non-Production Employees (representing approximately 47% of FTEs).

Youfoodz employees are employed either by common law contract or under Award agreements. 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.

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 75 vendors, with the majority (over 90%) of our annual c.\$95 million spend with companies 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">• Food / ingredients including fresh produce and meat;• Packaging materials;• Kitchen equipment;• Information technology and communications equipment;• Print and promotional goods;• Office supplies; and• Corporate and safety clothing, and related accessories.	<ul style="list-style-type: none">• Food preparation services;• Distribution delivery services;• Property services (including facilities management, utilities, cleaning, waste management and security);• Consulting and other professional services; and• Advertising and marketing services.

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.

Given the breadth of our supply chain, continual risk assessments are undertaken to identify potential exposure or breach risk of the Act.

RISK ASSESSMENT

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.

In the 2020 financial year, a preliminary risk assessment was undertaken on the Youfoodz 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. We are aiming to progressively develop a more comprehensive supply chain map to better understand the geographic location and nature/origins of products and services sourced.

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:

- Migrant labour;
- Refugees;
- Child labour;
- Contract labour;
- Lack of human resource;
- Consumable purchases including tea and coffee; and
- Corporate clothing, PPE and stationery.

POSSIBLE DIRECT RISKS IDENTIFIED IN OUR SUPPLY CHAIN ARE:

- 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;
- Cleaning services contracted by Youfoodz;
- Labour hire agency employees working with Youfoodz (when and if used); and
- Third party logistics and delivery employees delivering Youfoodz products.

Going forward our approach to preventing and mitigating the risk of modern slavery in these areas will include:

- Undertaking further supplier due diligence and monitoring ongoing adherence to Youfoodz' values and the Act;
- Providing employee training; and
- Maintaining adequate reporting and monitoring mechanisms.

ACTIONS TO MITIGATE EXPOSURE

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.

In order to assess whether or not particular countries are considered high risk in relation to slavery or human trafficking we refer to the Global Slavery Index.

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.

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, Youfoodz is committed to working with its suppliers to eradicate modern slavery from its supply chain. Going forward, all contracted service suppliers and third-party logistics providers will be required to supply Youfoodz with their own policies and statements supporting adherence to the Act, or provide a warranty as to their compliance with the Act.

In addition to the above, Youfoodz has in place a range of policies and procedures, including training, that support its monitoring and reporting of modern slavery risks. Refer to the following pages for further discussion.

RELEVANT POLICIES AND PROCEDURES

YOUFOODZ HAS IMPLEMENTED A POLICY FRAMEWORK AND OPERATING PROCEDURES TO ENSURE THAT OUR EMPLOYEES CLEARLY UNDERSTAND OUR EXPECTATIONS, PLUS PROVIDE THEM WITH OUR COMMITMENT TO HOW THEY WILL BE TREATED BY YOUFOODZ.

Youfoodz' corporate policies are made available to all employees and outline expected behaviours.

While certain of these policies and / or procedures were in place during the Reporting Period, a number were identified and developed during the Reporting Period and have since been released.

The policies that describe our expected behaviours, together with our approach to the identification of modern slavery risks and steps taken to prevent slavery and human trafficking in its operations, are:

POLICY / PROCEDURE	PURPOSE
Anti-Bribery and Corruption Policy	<ul style="list-style-type: none">• Affirms that Youfoodz does not tolerate, and will not tolerate, any form of bribery and corruption within its business• Released October 2020
Bullying, Harassment, Discrimination and Equal Opportunity Policy	<ul style="list-style-type: none">• 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• Released October 2020
Code of Conduct	<ul style="list-style-type: none">• Outlines a minimum set of standards and behaviour required of all Youfoodz Employees, Contractors and Directors• Released October 2020
Recruitment and Selection Policy	<ul style="list-style-type: none">• 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• Released June 2019
Whistleblower Policy	<ul style="list-style-type: none">• 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• 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), to Youfoodz• Released December 2019; updated October 2020

RELEVANT POLICIES AND PROCEDURES *(cont'd)*

STAFF TRAINING

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

During the Reporting Period, modern slavery training was delivered to the senior executives of Youfoodz, including the CEO, Chief Operating Officer (responsible for Supply Chain), Head of Procurement and the Chief People Officer.

Youfoodz intends to incorporate modern slavery training components in its employee on-boarding and annual employee training in the 2020-2021 financial year, prioritising those people managing higher risk activities.

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 are removed from the Youfoodz supply chain.

OUR PROGRESS TO DATE AND FUTURE COMMITMENT.

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, customer, employees and external stakeholders to increase our understanding of modern slavery risks and how we can address them.

The next steps to be taken include the following:

- Issue Self-Assessment Questionnaires to suppliers of high-risk products;
- Add a modern slavery clause into supplier contracts for products or services with a higher level of modern slavery risk;
- Team member training on modern slavery, prioritising those people managing higher risk activities; and
- Develop and set key performance indicators to measure the effectiveness of our actions to assess and address modern slavery risks.

CONSULTATION WITH OWNED OR CONTROLLED ENTITIES

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, on 31 March 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



Lance Giles
*Managing Director and CEO
Youfoodz Holding Limited*



Lance Giles
*Director
Youfoodz Pty Ltd*

