

# MODERN SLAVERY STATEMENT

REPORT FOR

FINANCIAL YEAR ENDED

30 JUNE 2021



Australian Health & Nutrition Association trading as Sanitarium Health Food Company (**Sanitarium**) (ABN 63 096 452 872) publishes this Modern Slavery Statement (**Statement**) pursuant to the Modern Slavery Act 2018 (Cth).

This Statement covers the reporting period from 1 July 2020 to 30 June 2021 (**current reporting period**) and it is Sanitarium's second Statement, the inaugural Statement for FY19/20 having been submitted with the Australian Border Force in 2020.

Since the publication of its first Statement, Sanitarium has continued taking positive steps to assess the risks of modern slavery in its supply chains and operations. Sanitarium is cognisant of the fact that modern slavery can take different forms and given its complex supply chain network, is a risk that requires a systematic approach to mitigation.

The purpose of this Statement is to document Sanitarium's approach to ensuring its business operates in a way that is proactive in its efforts to address modern slavery.

Sanitarium remains committed to minimising modern slavery risks in its supply chains and continues to build on the steps it has already taken in order to achieve this aim.

## REPORTING ENTITY

1. Sanitarium is registered as an Australian Public Company with annual revenue that exceeds \$100 million. Sanitarium is wholly Australian owned and operated and is a registered charity with the Australian Charities and Not-for-profits Commission.
2. Sanitarium has approximately 900 direct employees, all of whom are based in Australia.
3. Sanitarium does not own or control any other entities.

## STRUCTURE AND OPERATIONS

4. Sanitarium is a manufacturer and wholesaler of a variety of health food products, which are all plant-based or vegetarian. The main Sanitarium brands include Weet-Bix, Up & Go and So Good. Sanitarium is proud to be able to contribute to the health and wellbeing of Australians by continuing to create great breakfast cereals, dairy free milks, spreads and vegetarian foods.
5. Sanitarium enjoys being able to give back to the community by contributing to a number of charitable activities including educational and community programs which improve the health and wellbeing of Australian communities.

## SUPPLY CHAINS

6. Sanitarium has supply chains that are specific to its manufacturing activities, for example, suppliers of raw materials and also supply chains relevant to its general business activities.
7. Sanitarium procures a range of raw materials, the vast majority of which are from within Australia, including its supply of wheat.
8. Aside from wheat, Sanitarium's supply chains consist of a range of suppliers who supply a variety of goods and services including other raw materials such as sugar and dairy products, packaging materials, transport, machinery, and business services such as marketing and computer software and services.

## SANITARIUM'S RISKS OF MODERN SLAVERY PRACTICES IN ITS OPERATIONS AND SUPPLY CHAINS

9. While Sanitarium considers its overall risk of modern slavery to be relatively low, it accepts that there is a risk of modern slavery deeper within its supply chains and operations, which is more difficult to identify.
10. In the previous reporting period, as identified in Sanitarium's inaugural Statement, Sanitarium conducted a thorough analysis of its supply chains by combining raw trade data drawn from multiple sources and across a number of countries and industry sectors, and overlaying the data with a number of international standards on modern slavery. Further analysis was then undertaken on suppliers identified as potentially high risk. Sanitarium was able to liaise directly with the potentially high-risk suppliers identified, and as a result of further due diligence, was pleased to be able to confirm that despite initial concerns, the suppliers could be re-classified as low risk.
11. As introduced in Sanitarium's inaugural Statement, Sanitarium has developed a robust Modern Slavery Framework (**framework**) which acts as a guide to Sanitarium's compliance with modern slavery legislation and enables a systematic approach to reducing the risk of modern slavery. Sanitarium has followed the steps outlined in the framework for this current reporting period.



12. Due to changing markets, suppliers and risk factors, Sanitarium applies its framework for each reporting period. This means that Sanitarium undertook a further review of its top suppliers for this reporting period, as identified by expenditure and followed the steps from the framework anew. The approach to review raw trade data and analyse certain risk factors including the industry and geographic location of the suppliers, remain unchanged.
13. The screens across the data are also unchanged and includes whether:
- the supplier itself is a reporting entity
  - Sanitarium has undertaken an audit on the supplier
  - the supplier is a SEDEX member
  - the supplier was reviewed in the last reporting period and identified as low risk
  - there is publicly available information about the supplier or provided by the supplier to indicate it is a low-risk supplier
  - Sanitarium has its own intelligence that indicates the supplier is low risk.
14. For the current reporting period, the process followed by Sanitarium has the following results:
- of the suppliers that were reviewed, the vast majority were identified as being low risk due to one or more of the above screens being applicable
  - Sanitarium identified four suppliers as potential high risk.
  - Sanitarium has undertaken further assessments of these suppliers including engaging in direct correspondence with them to request completion of a Modern Slavery Declaration (**Declaration**). The purpose of the Declaration is to obtain information such as whether that supplier is actively addressing modern slavery risks in its own operations and supply chains. Consistent with the approach throughout this Statement, Sanitarium has maintained the anonymity of its suppliers who have completed a Declaration, which ensures that commercial confidence is preserved and maximises the likelihood of meaningful participation by suppliers in modern slavery risk assessment and mitigation activities.

## ACTIONS TAKEN BY SANITARIUM TO ASSESS AND ADDRESS THESE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

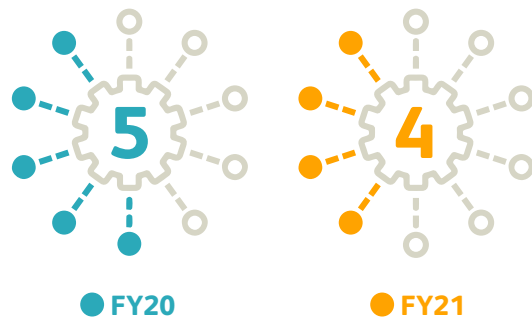
15. In addition to the updated assessment and analysis of Sanitarium's supply chains as described above, Sanitarium has taken a number of steps during the current reporting period to address the risk of modern slavery in its operations.
16. In its previous Statement, Sanitarium reported that its focus in that reporting period was three-fold; developing its Framework, using the Framework and taking a number of other steps which included establishing a Modern Slavery Oversight Committee (**Committee**), internal training and a policy review.
17. Sanitarium now reports on those focus areas as follows:
- The Framework has been embedded in Sanitarium's processes and is fundamental in assisting Sanitarium to keep working towards its commitment to minimise modern slavery and will develop organically over time.
  - The Committee, which comprises five senior members of Sanitarium, is an integral part of the modern slavery process. Each reporting period, the Committee meets to discuss the results of the assessment (as described above) and to make recommendations to the business on appropriate risk mitigation strategies. The Committee then provides an annual modern slavery report to the Audit, Risk and Compliance Committee and the Board.
  - Following an initial rollout of targeted modern slavery training in the last reporting period, Sanitarium has continued to increase employee awareness about the prevalence and nature of modern slavery risks by providing tailored annual training to all employees in key roles. Sanitarium recognises that the higher the level of institutional knowledge and vigilance about the risks of modern slavery, the more effective it will be in its ongoing commitment to minimising such practices in its supply chains and operations. It is therefore committed to providing such training on an annual basis and additionally as and when the need may arise, for example new starters in key roles.

18. During the last reporting period, a comprehensive policy review was undertaken, and key updates were incorporated into Sanitarium's suite of internal policies. Where relevant, Sanitarium ensures that any new policies include appropriate modern slavery provisions.
19. Finally, Sanitarium ensures that each of its suppliers is provided with a copy of its Supplier Code of Conduct, which details the standards it expects suppliers to adhere to.

### HOW SANITARIUM ASSESSES THE EFFECTIVENESS OF THESE ACTIONS

20. A key indicator of the effectiveness of the actions taken by Sanitarium is that the vast majority of the suppliers that were assessed were determined to be low or no risk, with only four identified as potentially high risk and requiring further investigation.

#### Potentially High Risk Suppliers Identified



21. Following the thorough analysis of its supply chains, Sanitarium is confident that the steps it has taken to mitigate modern slavery risks are working.
22. A further indication that the steps Sanitarium has taken have been effective is the awareness that the business, as a whole, now has about modern slavery generally. This means that modern slavery is a real consideration for employees undertaking procurement activities.

### ANY OTHER RELEVANT INFORMATION

23. COVID-19 has interrupted travel both domestically and internationally and that has, in turn, curtailed Sanitarium's regular review and audit processes. Once COVID-19 restrictions diminish and travel is again authorised by Sanitarium, the procurement and related teams will again conduct on-the-ground supplier reviews, assessments and audits in accordance with their policies and procedures.
24. Sanitarium is also considering, in consultation with the Committee, how to incorporate an additional review mechanism for parts of Sanitarium where purchasing decisions are not made by the procurement team.



**SANITARIUM  
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COMMITTED**  
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**IT HAS ALREADY TAKEN**  
**IN ORDER TO ACHIEVE**  
**THIS AIM**



*This statement has been endorsed by the Board  
of Australian Health & Nutrition Association Limited.*



**KEVIN JACKSON**  
*Chief Executive Officer and Board Member*  
8 November 2021