



MODERN SLAVERY STATEMENT FY21

The following statement sets out the actions taken by Vesco Foods to address modern slavery risks in our business and supply chain for the financial year ending 30th June 2021.

Introduction

This is Vesco Foods' first Modern Slavery Statement provided under the Commonwealth Modern Slavery Act 2018 ('Act').

The purpose of this statement is to outline Vesco Foods' approach to establishing and ensuring robust frameworks and processes are in place to minimise the risk of modern slavery in our business operations and supply chain.

Vesco Foods recognises that modern slavery can occur in many forms, including slavery, servitude, human trafficking, forced marriage, forced labour, debt bondage, child labour, and deceptive recruiting for labour or services.

We are fully committed to the highest ethical standards across our business and will not tolerate or support any form of modern slavery within our operations or supply chain.

About Vesco Foods

Vesco Foods are a privately owned leading national food manufacturer with operations in Perth and Brisbane. Proudly Australian-owned, we have been supplying quality, nutritious frozen meal solutions to Australia, Asia, and the Middle East for more than 40 years. Since opening our doors in 1974, Vesco Foods has evolved into one of Australia's most innovative and progressive manufacturers. Our product range covers all meal occasions, from pasta dishes, pizzas, roasts and desserts to curries, plated meals, bakes, snacks, and sauces.

Vesco Foods have formed long-term partnerships with some of the world's best-known brands, as well as an array of leading retail, private-label, and international export clients. In Australia this includes major retail supermarkets, exports, food service, retail, petrol stations and convenience markets.



Organisational Structure, Operations and Supply Chain

Vesco Foods is owned by Heat to Eat Holdings Pty Ltd, which is in turn majority owned by funds advised by Catalyst Investment Managers Pty Ltd, a leading Australian mid-market private equity firm.

Vesco Foods manufactures and distributes frozen meals from our Perth and Brisbane factories, including from some offsite cold storage facilities in Perth and Brisbane. Vesco Foods directly employs 660 people, as well as utilising short-term specialist contractors, and 3PL providers.

Raw materials and packaging for Vesco frozen meals are sourced from over 250 Australian and international suppliers, and includes product categories such as protein, dairy, vegetables, pasta, flavours, inner cartons and sleeves, trays, outer cartons, and film.

Potential Risks of Modern Slavery

As Vesco Food's first Modern Slavery Statement, we have conducted a preliminary assessment of risk to inform and prioritise supplier engagement and modern slavery risk mitigation activities over the next 12 months. While modern slavery risks can arise in the supply chains of most businesses, we recognise that key risk indicators are commonly associated with the food industry, including:

- Prevalence of base-skilled workers, with high population of migrant backgrounds.
- Common utilisation of third-party labour arrangements.
- High-risk product and service categories (e.g. raw material supply).
- Operations within high-risk geographies (e.g. areas where human rights and other regulatory frameworks are weak).

Other than some 3PL warehousing arrangements in Perth and Brisbane, Vesco Foods owns and operates its own manufacturing and distribution facilities within Australia. As a locally based, highly regulated and auditable compliance environment (for example, in respect of prescribed pay rates, working conditions, and safe systems of work), Vesco Foods' finished goods supply chain represents a low level of modern slavery risk.

Similarly, where Vesco Foods' operations are supplemented by contract labour and services, such arrangements are formed with established and reputable local suppliers with comparable risk profiles.

Within its external supply chain, Vesco Foods' highest area of modern slavery risk lies in the area of raw materials. While Vesco Foods deals with reputable suppliers, the extended and offshore nature of some raw material supply may mean the originating source/supplier is not always readily and directly known or visible to Vesco Foods.

Actions to address Modern Slavery Risks



Vesco Foods has in place formal policies that promote ethically and legally compliant business conduct. These policies, which mitigate the risk of human rights violations that support modern forms of slavery, include:

- Supplier Code of Conduct & Ethical Standards
- Employee Code of Conduct
- EEO Policy
- Whistle-blower Policy

The Whistle-blower Policy is further enabled by an independent 'hotline' that provides anonymous reporting of unethical or improper business conduct or practice.

Vesco Foods' "Supplier Code of Conduct & Ethical Standards" will require all our suppliers to provide a signed declaration of their acceptance, including a willingness to be audited by Vesco Foods OR our appointed external parties against their compliance to the standards. The Supplier Code of Conduct & Ethical Standards expects all Vesco Foods' suppliers to:

- Protect the environment
- Ensure animal welfare
- Respect human rights
- Prohibit the practice of forced labour, bonded labour, slavery, and human trafficking
- Prohibit the practice of child labour in contravention of international Guidelines
- Prohibit the use of unauthorised sub-contracting
- Ensure reasonable working hours and wages
- Allow workers the right to freedom of association and collective bargaining
- Provide safe and healthy working conditions
- Conduct business lawfully and with integrity
- Operate with appropriate management systems including grievance and remedy procedures

Vesco commits to working with suppliers under a model of continuous improvement. Intentional disregard for the provisions of the Supplier Code of Conduct & Ethical Standards or failure to work toward meeting set targets may directly impact the Supplier's business relationship with Vesco.

Vesco Foods' Supplier Code of Conduct & Ethical Standards draws on internationally recognised and publicly available materials including standards, guidelines, and additional information, most notably from The International Labour Organisation, Ethical Trade Initiative, Suppliers Ethical Data Exchange, Verite, SA8000, Business Social Compliance Initiative, Global Social Compliance Program, Fair Labour Association, Worldwide Responsible Accredited Production, Initiative Clause Sociale, and the Electronic Industry Citizenship Coalition Guidelines of Conduct.

As a member of SEDEX (Supplier Ethical Data Exchange), Vesco Foods aim to use this platform and associated independent tools to help assess our supplier performance. Our goal is for all high-risk suppliers to be registered with the SEDEX platform. Where we become aware of ethical issues within



our supply chain, we seek to engage with our suppliers directly. We favour working with suppliers to resolve or mitigate issues and where concerns are confirmed, we look for a clear roadmap for positive resolution including implementation of a corrective action plan within a defined period and verification of completion. Where suppliers fail to adequately engage or take the necessary steps to remedy the issues identified, we will take action up to and including termination of the business relationship.

We participate in annual online assessments through SEDEX and subscribe to onsite external audits against the SMETA 4Pillar which encompasses labour standards, health and safety, business ethics and environmental assessment.

In 2020, Vesco Foods continued to be members of multi-stakeholder initiatives that are engaged in the protection and promotion of human rights, the elimination of forced labour, and protection of the environment such as the Roundtable on Sustainable Palm Oil (RSPO), signatory to the Australian Packaging Covenant, RSPCA approved farming and Sustainable Fishing agreement.

Vesco Foods take pride in our involvement in local communities throughout Australia, and we strive to support those most vulnerable and in need. We regularly donate meals to local and national organisations for the homeless. This includes providing for organisations such as Manna and the Victory Life Centre. Vesco Foods are also heavily involved with the Biggest Morning Tea, an annual charity event that feeds many Australians in need.

Assessing the effectiveness of our Actions

We monitor the effectiveness of our actions to remove the risk of modern slavery from our operations and supply chain by:

- Investigating any reports received from employees, the public, or law enforcement agencies that indicate the existence of modern slavery practices
- Having our policies, procedures, and practices subject to external ethical auditing. Vesco Foods is subject to SMETA (SEDEX Members Ethical Trade Audit) auditing, which assesses our operations against Labour, Health & Safety, Sourcing, Environment and Business Ethics standards
- Remediation and management reporting of breaches identified by internal/external audit programs or Whistle-blower sources
- Engagement with stakeholders on modern slavery issues or concerns, including procurement team members, suppliers, third-party auditors, and customers
- Periodic corporate social responsibility risk assessment of our supplier base

Our Future Commitments

Over the next 12 months, our key focus areas for continuous improvement will be:



- Awareness and capacity building for team members on modern slavery risks and issues
- Engaging with key suppliers to gain greater transparency of modern slavery risks and their mitigation activities
- Distributing Vesco Foods' Supplier Code of Conduct & Ethical Standards to our suppliers, and obtaining a signed declaration from suppliers acknowledging our standard
- Assessing improvements to existing supplier assurance processes

Approval for this Statement

This statement is made pursuant to the Australian Modern Slavery Act 2018 (Cth). It has been approved by the Board of Vesco Foods' parent company, Heat to Eat Holdings Pty Ltd (ACN 165 321 237) on 17th March 2021.

Signed:

A handwritten signature in dark ink, appearing to read "Bernie Pummell".

Bernie Pummell
Chief Executive Officer / Managing Director