

Laurent Group FY22 Modern Slavery Statement

PROVENCE GROUP HOLDINGS PTY LIMITED

ACN 650 515 549

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Provence Group Holdings Pty Ltd | ABN 66 650 515 549

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1 Introduction

This statement is prepared on behalf of Provence Group Holdings Pty Limited, Provence Midco Pty Limited, Provence Bidco Pty Limited, Laurent Bakery Group Pty Limited and Laurent Bakery Retail Pty Limited (collectively, **Laurent**) under section 14 of the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2021 to 30 June 2022.

Laurent is committed to upholding human rights and eliminating modern slavery in its operations and supply chain. Laurent has outlined the steps it is taking to address modern slavery in this statement.

2 Laurent's Structure, Operations and Supply Chain

2.1 Structure

Laurent is an Australian proprietary company limited by shares. Its registered office is First Floor, 610 – 612 Burke Road, Camberwell Victoria 3124. Laurent is a wholesale and retail bakery that specialises in large-scale commercial production of artisanal and speciality varieties of bread, pastries, other baked goods and foodstuffs.

Laurent started as a single café in Melbourne in 1993. Since then, Laurent has grown to 18 cafes and state-of-the-art production facilities. Laurent employs over 500 people, largely based in Victoria. The majority of its personnel are employed directly by Laurent, and the balance are contracted through labour hire and service providers. These personnel undertake a range of functions including retail, production, transport, packing, administration and sales.

2.2 Operations

Laurent uses traditional French artisan baking techniques in an automated and large-scale environment. Currently, Laurent's production facilities produce high quality stone-baked and fermented sourdough breads, in addition to quality cakes, pastries and other baked goods.

Laurent's core business activities encompass sourcing and importing ingredients, producing baked goods and other foodstuffs, retail activities associated with its cafes in Victoria, supplying products to third-party retailers, and exporting products for sale in international markets.

Further information on Laurent's principal business activities is available on the business' website: <https://www.laurent.com.au/>.

2.3 Supply Chains

In this reporting period, Laurent had over 500 suppliers. These suppliers were predominately located in Australia, with a small number of suppliers located across Europe, Asia, North America and South America.

The key categories of goods and services procured by Laurent include but are not limited to:

- ingredients for bakery items and foodstuffs, including flour, sugar, eggs, cocoa, coffee beans, seeds and nuts, fruit, olives, dairy products, poultry and meat;
- plant and equipment for bakery production facilities;



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- packaging and freight distribution;
- electrical goods;
- IT equipment and office furniture;
- cleaning, plumbing and electrician services;
- rented premises; and
- uniforms and laundry services.

Laurent's raw materials and ingredients are predominately sourced in Australia, with some primary ingredients sourced from suppliers overseas.

Procurement relating to facilities maintenance, administration, logistics, transport, vehicles, packaging, freight and storage services are predominantly sourced from suppliers based in Australia, as is retail equipment, IT equipment, and electrical goods.

Laurent's plant and equipment, and associated maintenance services, are procured domestically, as well as from across Europe and Asia.

The lower tiers of Laurent's supply chain will include, for example, producers of raw materials and ingredients in countries of origin, which are then supplied to Laurent via some of its first-tier suppliers. Such raw materials and ingredients include cocoa and coffee beans, rice used to produce rice flour and fresh fruit used in frozen fruits and purees. Some of Laurent's first-tier suppliers engage third party auditors to assess human rights considerations surrounding raw materials and ingredients. The lower tiers of Laurent's supply chain present higher modern slavery risks and therefore are an area of focus in future reporting periods.

3 Assessing risks of modern slavery

In this reporting period, Laurent has engaged external expert counsel to undertake a preliminary modern slavery risk assessment of its suppliers, including a review of FY22 supply chain data. This assessment focused on the risks of modern slavery practices within both Laurent's operations and supply chain, against the following matrix:

- **Commodity risks:** certain products imported or sourced from overseas by Laurent or its suppliers are likely to be associated with elevated risks of modern slavery due to production practices and labour practices in the extraction or production of ingredients or raw materials. High risk products include IT equipment, cotton, cocoa and coffee beans, tea, rice products, and certain nuts and fruit.
- **Industry or sector risks:** suppliers may be considered high risk if they operate in sectors or industries where modern slavery practices are more prevalent due to reliance on complex labour contracting arrangements, vulnerable worker populations or isolated or dangerous working conditions. Relevantly for Laurent's suppliers, this would include the Australian fresh food sector and horticultural industry. Similarly, commercial cleaning and international freight and logistics are also associated with a high risk of modern slavery because of vulnerability of these workers, as well as the risk that multiple tiers of contracting obscures oversight of labour conditions.



- **Geographic risks:** suppliers that operate in or source materials from jurisdictions associated with a high occurrence of modern slavery practices as indicated by the Global Slavery Index (GSI) may be considered high risk.
- **Workforce risks:** some personnel employed or contracted by Laurent or its suppliers may be vulnerable to modern slavery practices both overseas and within Australia, particularly workers contracted through labour hire providers, migrant or base-skilled workers, seasonal workers or workers who are provided with accommodation and/or transport as part of their compensation package.

(a) Risk focus areas

Using this modern slavery risk matrix, Laurent has identified four categories of its first-tier suppliers that carry elevated risks of modern slavery. These are:

- food products, including ingredients and foodstuffs;
- third party labour, including cleaners and factory staff (food production and warehousing);
- Personal protective equipment (PPE); and
- Freight, logistics and packaging.

In this reporting period Laurent has focused on identifying elevated-risk categories of Tier 1 suppliers. In future reporting periods Laurent will focus its efforts on engaging with any suppliers identified as high risk, to better understand, identify, assess and address modern slavery risks in its operations and in lower tiers of the supply chains.

Food products

Laurent's aim is to use the most premium raw ingredients in its artisanal baked goods and accordingly, it selects suppliers who source the highest quality ingredients available in Australia and internationally.

Supply chains for the ingredients used in manufacturing artisanal baked goods carry some heightened risks of modern slavery because of the known presence of modern slavery practices in:

- the countries of origin where cocoa and coffee beans, rice flour, nuts, fruits and vegetables are sourced; and
- the horticultural industry, in particular fresh fruit and vegetable picking, in Australia.

Laurent is aware that some of its first-tier suppliers procure raw materials from high risk jurisdictions including Sri Lanka, Vietnam and China. There are also significant and well-documented modern slavery risks associated with the Australian horticultural industry and horticultural supply chains. These risks arise primarily as a result of the Australian horticultural sector's reliance on base-skilled, temporary, casual, seasonal and migrant workers, particularly from Asian and Pacific Island countries. The use of work-for-accommodation schemes for workers employed on remote or isolated farms can result in limited oversight and protection of workers' rights which heightens the risks of modern slavery.



Laurent has conducted two in-person site audits with its supplier of olives based in South America to ensure that the suppliers' operations met its expectations of ethical conduct. These audits were conducted prior to the FY22 reporting period. However, are still considered relevant given the existing supplier relationship.

More recently, Laurent have begun engaging with suppliers of coffee beans and chocolate products to understand what steps they are taking, or able to take in future reporting periods, to identify, assess and address modern slavery risks in their own supply chain, including whether the ingredients used are UTZ certified and whether coffee beans are Fair Trade certified. Further to this engagement, Laurent will seek to progressively move all coffee supply to Fair Trade in future reporting periods and continue to engage with suppliers as to their sourcing of cocoa and coffee beans.

Third-party labour

The following categories of personnel contracted through labour hire providers to work in Laurent's bakery production and retail operations may be exposed to risks of modern slavery practices:

- o commercial cleaners; and
- o factory-based workers in food processing and production roles.

Workers engaged through labour hire providers in Australia face higher risks of modern slavery, in part because these arrangements often operate at low-cost margins and rely on more vulnerable worker populations, including base-skilled workers, migrant workers and foreign workers on temporary visas, or via multiple tiers of contracting that obscure labour conditions.

One of Laurent's key cleaning service providers has an annual reporting requirement to the Labour Hire Authority and complies with its requirement.

Laurent uses Supplier Ethical Data Exchange (SEDEX) to conduct SEDEX Members Ethical Trade Audit (SMETA) audits. This an internationally recognised social compliance audit. In January 2021, Laurent's bakery facilities were subject to SMETA Pillar 4 audits. See section four below for more detail on how the results of the SMETA audits are used to assess and address modern slavery risks inherent in high-risk components of Laurent's workforce.

PPE

Laurent requires personal protective equipment (PPE) (including rubber gloves, hair nets, and face masks) to ensure its products and facilities meet the highest applicable health and safety standards.

It is understood that Laurent's suppliers source PPE products from overseas jurisdictions with higher modern slavery risks. For example, the business is aware that the rubber gloves sourced from its Australian supplier are manufactured in China, which is identified as a high-risk jurisdiction in the GSI.

Laurent acknowledges that its procurement of PPE, in particular single use rubber gloves and surgical masks, presents elevated modern slavery risks as the ongoing COVID-19 pandemic has created a surge in demand for those products and, as a result workers involved in the manufacture of those products have been, and continue to be, exposed to increased risks of modern slavery practices.



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Laurent is committed to engaging with its PPE suppliers in the next reporting period to conduct additional due diligence to assess the risks of modern slavery associated with the products procured.

Freight, logistics & packaging

The modern slavery risks relevant to freight distribution and packaging are located in the lower tiers of Laurent's supply chain over which the business has limited visibility.

Freight distribution, including international shipping and transport, is known to be a high risk industry for modern slavery practices, due to the interaction with overseas jurisdictions with less stringent regulation, legislative protections and oversight of workers' rights, and reliance on foreign workers and labour hire arrangements.

Similarly, the packaging for the products Laurent sells to retailers and consumers and exports to other jurisdictions are sourced from Australian companies. However, Laurent is aware some of this packaging is manufactured in China and therefore also presents elevated risks that suppliers source the majority of their packaging materials from China, or from suppliers in locations currently unknown to Laurent. It should be noted that a significant proportion of Laurent's packaging is provided by a key customer in their own-brand. This retailer submits their own modern slavery statement under the Act. It is also understood that this retailer has a well-established ethical sourcing program, which Laurent has reliance on for managing risks for the contracted packaging.



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4 Actions to assess and address the risks of modern slavery in Laurent's operations and supply chain

(a) Laurent's policies and processes

A key element of addressing modern slavery risks in Laurent's operations and supply chain is ensuring the business has the appropriate governance and policy frameworks in place. In this reporting period Laurent focused on understanding modern slavery and building internal capabilities around management and governance of modern slavery risks. During the reporting period, Laurent's Group Financial Controller and Group Internal Auditor attended a modern slavery governance roundtable with other reporting entities, including its supplier of chicken products.

Next steps

Laurent is taking proactive steps to ensure its training, governance framework, policies and processes effectively assess and address modern slavery risks that may manifest within its operations and supply chain. In future reporting periods Laurent intends to:

- Update Laurent's Code of Conduct to explicitly address modern slavery as applicable to all employees, contractors, senior management and directors.
- Develop and roll-out modern slavery training for the most relevant Laurent employees, including the Board and senior management. The business will also look to develop targeted training programs for employees involved in procurement, recruitment and any other relevant roles.
- Engage in capacity building with relevant employees in procurement, risk and compliance to ensure that they have the skills, knowledge and resources to identify, assess and address modern slavery risks within Laurent's workforce, operations and supply chain. Laurent will look to ensure a member of its permanent staff has accountability for monitoring and managing modern slavery risks arising in its operations.
- Develop and implement a grievance mechanism for employees to report issues relating to modern slavery whilst maintaining their anonymity. In the longer-term, Laurent will consider the extension of a grievance mechanism to contractors and/or suppliers.
- Review Laurent's supplier onboarding and procurement practices and further progress the business' ethical sourcing commitments as part of a procurement policy.

(b) Due diligence processes

Having appropriate due diligence processes to support supply chain mapping and identifying the key risks involved in Laurent's operations and supply chain is critical to addressing modern slavery risks. Currently, Laurent conducts SMETA audits of its workforce and labour hire employees every two years, and requires the business' first-tier suppliers to provide details of any independent audits and/or monitoring they conduct on their supply chains.

Supply chain mapping



During the reporting period, Laurent has reviewed the supply chains of the business' top 100 suppliers (by spend). This review provided a foundation for identifying and analysing high risk supplier categories, as identified in the 'Assessing risks of modern slavery' section above, and informed the 'next steps' for Laurent's modern slavery risk assessment, management and mitigation outlined in this section.

Employee onboarding

As part of Laurent's employee onboarding, Laurent confirms the employee's visa status and visa conditions using the Australian Government's Visa Entitlement Verification Online (VEVO) system. Laurent checks and records the visa status and conditions of its employees on its internal database. Laurent acknowledges that this is the first step in identifying those in the higher risk population, more susceptible to modern slavery practices. The business is currently considering how to better use this information to strengthen support and protections of those identified as higher risk.

Supplier onboarding & auditing

As part of Laurent's onboarding for labour hire providers, Laurent requests the labour hire company to provide documents and information required to complete SMETA Pillar 4 audits (i.e. payslips and visa status confirmation). Laurent's right to access this information is contained in the terms and conditions which is provided to labour hire providers and forms part of Laurent's contracting process. During supplier onboarding, Laurent also confirms that the business' labour hire providers are licenced by the Victorian Labour Hire Authority and comply with any applicable reporting obligations.

In addition to these processes, Laurent also issues a 'New Supplier Checklist' to any new supplier being onboarded. The checklist requires new suppliers to confirm their workplace health and safety arrangements, the frequency of VEVO checks on employees and payroll audits, and requests new suppliers to provide copies of employee payslips, licences and visa information.

- As noted above, since 2021 Laurent's bakery facilities have been audited by SEDEX under the SMETA Pillar 4 audit scheme, which assesses Laurent's operations to ensure the business is engaging in ethical trading practices. The most recent audits occurred in January 2021 and the business' overall results were positive. The audits identified some areas for improvement which the business will focus on across FY23 and future reporting periods.

As noted in the section three above, Laurent also engages with some of its higher risk suppliers on an ad hoc basis. Laurent has conducted in-person audits of the business' supplier of olives on two occasions. The business has also commenced engaging with Laurent's suppliers of cocoa and coffee beans, to gain greater visibility over their supply chains.

Next steps

Laurent is committed to addressing improvements highlighted in its latest SMETA audit and implementing additional due diligence measures which consider and assess modern slavery risks. The next SMETA audit will occur in January 2023 (during the next reporting period).

In future reporting periods Laurent intends to do the following.



- Build on the business' initial supply chain mapping exercise and identification of Laurent's potentially high-risk suppliers, by developing and undertaking a modern slavery due diligence program (for example, through supplier questionnaires, audits or informal conversations). Some activity on this point has already been initiated. Laurent invested in the creation of new supplier checklists in FY22 and has commenced using these during onboarding practices in the FY23 reporting period.
- Review the business' high risk supplier arrangements and consider appropriate methods to address and mitigate modern slavery risks (including through the inclusion of standard contractual clauses relating to modern slavery, requiring suppliers to sign up to supplier minimum standards or a supplier code of conduct, and/or incorporating access to suppliers' facilities to undertake periodic audits into contracts with high risk suppliers).
- Engage with suppliers sourcing PPE or raw materials and ingredients from high-risk jurisdictions to improve the business' oversight of the risks of modern slavery present in Laurent's supply chain and to work collaboratively with suppliers to address and mitigate these risks.
- Engage with Laurent's cleaning service providers to explore whether they would be willing to apply for certification with the Cleaning Accountability Framework (CAF).

5 Effectiveness

Laurent is in the earlier stages of developing its modern slavery program and is currently considering measures to monitor and assess the effectiveness of the actions the business takes to assess and address modern slavery in Laurent's operations and supply chains.

Developing and implementing measures and frameworks to assess effectiveness will be undertaken in future reporting periods. The measures and frameworks being explored and under consideration include:

- monitoring the number of supplier contracts which incorporate modern slavery clauses and/ or supplier minimum standards or a supplier code of conduct, including as part of contract renewal processes and on-boarding processes for new suppliers;
- monitoring the responses provided by suppliers to Laurent's 'New Supplier Checklist' and recording corrective actions that Laurent takes with new suppliers to rectify deficiencies in their internal systems;
- implementing a review process to track and compare hours worked against visa entitlements on a periodic basis, identifying any issues and the rate of rectification of these issues in internal systems;
- developing and then monitoring the completion of modern slavery training by Laurent employees, including contractors located overseas; and
- developing a more formalised tracking program to demonstrate progress of Laurent's Modern Slavery program, to assess the success of and accountability for modern slavery risk assessment and risk management/ mitigation.



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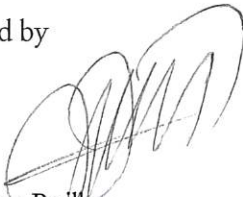
It is recognised that Laurent is beginning its journey to address modern slavery risks within its operations and supply chain. Laurent is committed to improving its progress during each reporting period to mitigate and ultimately prevent the occurrence of modern slavery in its operations and supply chain. Laurent looks forward to sharing the steps it has taken to further develop the business' modern slavery risk management program and to assist its suppliers in addressing the risks of modern slavery in the next reporting period.

6 Consultation

Laurent has sought supply chain information from and consulted with key suppliers and relevant management personnel across the business in relation to the business' supply chain management processes and policies in preparing this statement.

This Modern Slavery Statement was approved by the board of Provence Group Holdings Pty Limited, on 20th December 2022.

Signed by



Laurent Bollon
Chief Executive Officer and Director



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