



MODERN SLAVERY STATEMENT

SCALZO FOODS 2024

This statement has been created to address “Modern Slavery Act 2018 (The Commonwealth Act)” and “The Modern Slavery Act (NSW act)” for Scalzo Foods.

The legislation has been set out to address the risk of modern slavery practices occurring in the operations and supply networks of goods and services in the Australian market.

Scalzo Foods has developed a plan to:

Identify key risk origins and industries we work within.

Raise awareness with our key stakeholders.

Work on continuous improvement in our operations and supply networks.

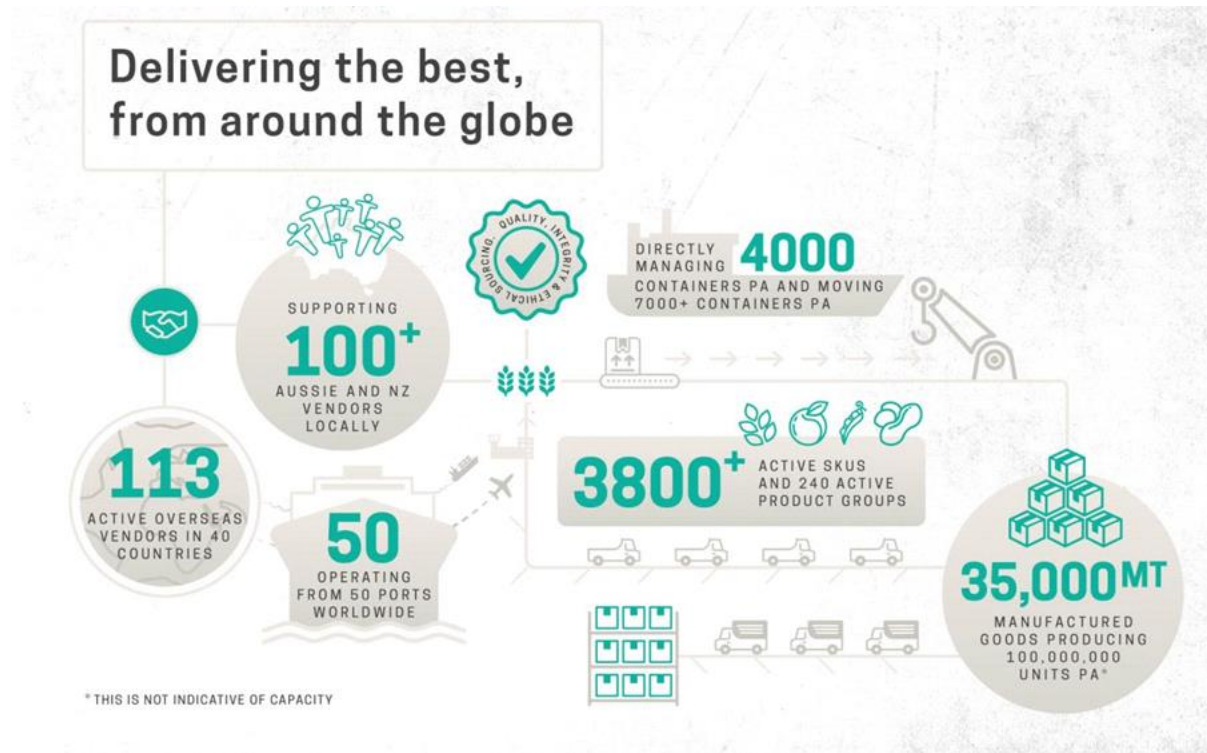
Scalzo is committed to do business the right way. We hold the highest level of respect for human rights in our operations and supply networks.

Scalzo opposes slavery in all forms. This statement will outline steps taken by Scalzo Foods to identify and minimise the risk of slavery occurring in our operations and supply networks.

We recognise that the supply networks we operate within are extremely complex. We are on an ongoing journey to identify and mitigate risks within our operations and supply networks and we are committed to continuous improvement.

OUR BUSINESS

Scalzo Foods is a privately owned business that began operations in 1977. Our capabilities in ingredient supply and manufacturing expertise have fuelled our development. We're an agile, growth-orientated food business that focuses on innovation and adding value to drive mutually beneficial partnerships.



Our head office is located in Melbourne and we have a further network of offices, warehouses and production facilities across Australia and New Zealand. Our team consists of over 300 employees.

Since 1977, we've been busy building close working relationships with an international network of suppliers across 40 countries. We also work with over 100 suppliers in Australia and New Zealand.

We treat our suppliers the way we like to be treated ourselves. We search for supplier partners that share similar ethics and values.

As representatives of Scalzo, we strive to operate with honesty, fairness and loyalty. We actively seek suppliers who share our core values and commitment to excellence.

Our Scalzo Foods Vendor Assurance Program delivers additional peace of mind. The adherence to strict quality and ethical standards translates to the highest quality ingredients and products. Our strict auditing program ensures we understand risks in our operations and supply networks and we work with our suppliers to uphold the same core values.



Given the vast volume we import, we believe that our business should create a positive impact on the communities we work within.

The scale of the volume we import contributes to many of our suppliers:

- Sustainable farming programs.
- Community education programs.
- Initiatives to improve quality of life.

MODERN SLAVERY IN OUR SUPPLY NETWORKS:

OUR HIGH-RISK REGIONS:



Based on the analysis conducted it was concluded that the countries highlighted above were deemed to be high risk for Modern Slavery and that our priority begins within these regions.

RISK TYPES:

Modern slavery risks vary from country to country, influenced by factors such as economic conditions, legal enforcement, cultural norms, and governance standards. These include Child Labour, Forced Labour, Human Trafficking, Supplier Chain Exploitation and many more. It is important that our business (Scalzo Foods) has a good working partnership with our suppliers to build robust due diligence and ethical sourcing practices to prevent these types of modern slavery risks within our operations and supply networks.

OUR COMMITMENT:

Scalzo opposes modern slavery of all forms and upholds the highest level of respect for human rights. A risk analysis was conducted across all origins and industries we buy from. This analysis categorised our suppliers into High, Medium and Low risk.

We have built this plan with assistance from the below resources:

- Outsourced expert advice from [ViaAdvisery](#).
- Considering the country of origin ranking and relevant data available on the [Modern Slavery index](#).
- Researching industries to determine any industry specific modern slavery risks - [Walk free foundation](#).
- Consulting our key stakeholders and our own experience to analyse potential supply chain risks.



Our supplier base has been notified of the new legislation and our audit schedules have been updated.

Our audit checklists and new supplier approval documentation have been updated to include a review of human rights.

Our internal policies to address modern slavery have been updated and sit within the company statements below:

Vision and values statement (**Section No.:** 3.1.1)

Business Ethics and procedures (**Section No:** 3.1.2)

Program to Introduce new suppliers (**Section No.:** 2.2.2)

Our “Human rights agenda” Sits with the Modern Slavery team (Vendor Assurance Manager, Head of People Quality and Safety, Product Managers, People, Safety and Environment Manager).

Scalzo foods are a member of the SEDEX platform and have undergone a SMETA audit.



Our values are aligned with internationally recognised organisations:

- [United nations declaration of human rights](#)
- <http://www.ilo.org/declaration/lang-en/index.htm>
- <https://www.ethicaltrade.org/eti-base-code>

ACTIONS UNDERTAKEN 2024:

Scalzo Foods has implemented actions to oppose Modern Day Slavery through the following ways:

- Code of Conduct Policy training is rolled out to all employees within the business annually.
- Supplier Approval Program which ensures all new suppliers are assessed through Scalzo Supplier Questionnaires prior to final approval.
- Supplier questionnaires which require all Suppliers to provide information related to Ethical Trading and Modern-Day Slavery. These are completed by all new and existing suppliers every 3 years.
- Implementing an Environmental Management System to adopt sustainability practices within our framework. The final audit to be completed in first quarter of 2025.
- Whistleblower Policy is available to all employees to provide feedback on any aspect of the business practices and supply networks that may be illegal, unethical or undesirable conduct and practices.
- New Supplier Master Specification updated with reference to Modern Slavery & Responsible Sourcing clauses. This needs to be acknowledged and signed by all new Suppliers prior to final approval.
- Updated Procurement Contract terms to include references to Modern Slavery clauses.
- SMETA audits for all our sites that also covers the processes within our Supplier Networks. All Scalzo sites completed the 2024 SMETA audits and meet all of the requirements.
- Supplier Audits and visits conducted during the period 2024 across multiple countries including China, South America (Peru, Bolivia and Paraguay) and Vietnam. Audit included risk assessing the supplier networks for any Modern Slavery risks.

MEASURING EFFECTIVENESS:

Scalzo Foods plans to measure effectiveness of the actions implemented to oppose Modern Day Slavery through the following ways:

- Through ongoing SMETA audits conducted at all Scalzo manufacturing sites covering processes within our Supplier Networks.
- Undertaking annual Self-Assessment Questionnaires on the SEDEX Platform.
- Member of Roundtable on Sustainable Palm Oil initiatives to eliminate forced labour and promote human rights. RSPO audits conducted and certified for all Scalzo sites.
- MSC Certified for chain of custody of Sustainable fish sources and measures in place to eradicate forced and child labour in the fisheries and seafood supply networks.
- Member of the Rainfall Alliance responsible for sourcing Cocoa and Tea products.
- Rainfall Alliance audits conducted and certified for all Scalzo sites.
- In-depth Vulnerability assessments of product groups based on country of origin, historic incidents, economic market conditions, geographic complexities in the supplier chain and ease of substitution using RASFF Portal.
- Annual TACCP (Threat assessment) of our supplier chain from start to end (farm to factory) considering malicious threats, adulteration and food defence.

- Grievances Policy include Modern Slavery breaches internally and externally in our supplier networks. Remedial measures in place to address these breaches and report on any modern slavery incidents identified in our operations and supply chains.
- Continuing to constantly review and refine our risk assessment processes based on countries of origin of our raw materials and emerging modern slavery issues.
- Scheduling in supplier risk assessment audits for 2025 covering both quality and modern slavery.

CONSULTATION & CONTINUOUS IMPROVEMENT:

- We have prepared this statement in consultation with all entities involved across the Scalzo Trading Co Pty entities. We have implemented actions and due diligence in our practices within our Supplier Networks, Procurement, Quality Department, Corporate offices and our Manufacturing sites to include responsible sourcing and ethical code of conduct in all our activities.
- Monitor ongoing risks to our operations and supplier networks through consultation with our suppliers through the assessment of supplier questionnaires and scheduled supplier audits and visits.
- Due diligence and risk assessment of our labour hire recruitment agencies through agreed contract terms and auditing of recruitment practices. The labour hire agency must be licensed under the Australian Labour Hire Licensing Act 2018.
- All our employees responsible for working with suppliers are being trained in ethical sourcing. This specialised training provided by CIPS Australia educates the team to identify and mitigate labour related sourcing risks.



- We recognise and understand that many upstream inputs into our products and suppliers' facilities may also hold human rights abuse risks. We have added these upstream inputs onto our risk agenda with an emphasis in this area as part of ongoing review of our supply networks.
- We will be working closely with our operations and supply networks, customers and the Food & Beverage Importers Association to achieve continuous improvement.

This statement was reviewed and approved by the Scalzo Board of Directors on the 16th of December 2024.



Quin Scalzo
Executive Director

