



Marquis Group

Modern Slavery Statement

Introduction

This Modern Slavery Statement (Statement) is made pursuant to section 14 of the *Modern Slavery Act 2018* (Cth) (Act). This Statement is provided by Marquis Macadamias Ltd and Marquis Marketing Pty Ltd (together referred to as the Marquis Group for the purposes of this statement) and addresses the operations and supply chains of those entities and their subsidiaries.

In accordance with the Act, this Statement sets out the steps the Marquis Group has taken from 1 April 2019 through 31 March 2020 (FY20) to identify and assess the risks of modern slavery in our business and supply chains.

The Marquis Group is fully committed to operating responsibly and establishing and adhering to the highest ethical standards across our group. We will not tolerate any forms of slavery or human trafficking in our business.

About the Marquis Group - structure, operations, and supply chains

Marquis Macadamias Ltd (**Marquis Macadamias**) was established in 1983 and is owned by 180 macadamia grower shareholders from across New South Wales and Queensland. Marquis Macadamias is a vertically integrated growing, processing, and wholesaling operation and is the largest processor of macadamias in Australia, processing approximately 48% of the Australian crop.

Marquis Macadamias procures raw macadamia nut in shell (NIS) from its growers which is processed at either its Lismore or Bundaberg processing facility. Both the Lismore and Bundaberg facilities run 24 hours a day, five days a week during the harvest season, which generally spans from April to the end of November each year. Staff numbers can peak at approximately 350 people, with 50 permanent staff and the balance made up of seasonal staff.

Marquis Macadamias operates only in Australia, and as a result, the majority of suppliers with which we have a contractual relationship are also Australian although we acknowledge that they may have suppliers from overseas. In addition, Marquis Macadamias procures product other than NIS or processed nut products either directly or indirectly from suppliers that are domiciled internationally, including in the USA, China, South Korea, Singapore, and Indonesia.

Marquis Marketing Pty Ltd (**Marquis Marketing**) was established in 2011 as the marketing arm of the Australian operations. Marquis Marketing started procuring macadamia products from

processors in South Africa and Kenya and quickly established itself as the market leader in macadamia quality and reliability. Marquis Marketing was a wholly owned subsidiary of Marquis Macadamias Ltd during the reporting period but currently Marquis Macadamias Ltd and Global Macadamias Marketing Pty Ltd each own 50% of the shares. Marquis Marketing Pty Ltd sells macadamias to 29 countries from Australia, South Africa, and Kenya.

Marquis Marketing Pty Ltd (South Africa) is a wholly owned subsidiary of Marquis Marketing. It is domiciled in South Africa and carries out sales and marketing functions in South Africa.

The Marquis Group had consolidated revenue of \$200.4 million and currently has consolidated net assets of \$45.46 million as at financial year end of March 2020.

The Marquis Group supply chain is not extensive but relatively complex. We have over 485 suppliers across the group. Our most significant category of suppliers includes 380 growers who supply the raw NIS in Australia, and processor suppliers of macadamias in South Africa and in Kenya.

Other key categories include items required to process, package, and sell macadamia nuts around the world. This includes suppliers supporting our two processing sites in Lismore and Bundaberg, including processing equipment and materials, cleaning, packaging, transport and logistics, marketing, and corporate services to support the business.

While most of our suppliers are based in Australia, we also procure a range of goods for the processing plants from suppliers which are located in the US China, South Korea, Singapore, and Indonesia. The remaining suppliers are located in Australia but may source materials from overseas.

Agriculture is an industry well known to have a high risk of modern slavery in Australia and elsewhere. This risk is heightened where there is reliance on seasonal workers, often recruited through labour hire companies, and workers are arriving in Australia from overseas. The Marquis Group often directly recruits up to 350 temporary workers in a season and is conscious of the risks involved. We are committed to focussing our efforts to address modern slavery in the seasonal workforce in our business and assisting the businesses of our farmer owners and suppliers to do the same.

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Governance of modern slavery risk management

The boards of the Marquis Group entities have ultimate responsibility for the oversight of compliance with modern slavery obligations. In order to strengthen oversight and implementation of effective policies and procedures the boards have delegated some of their authority to the following committee:

1. Remuneration Committee:
 - a. Oversight of Marquis' approach to managing modern slavery risk in the workplace

While the Marquis Group is beginning our journey of modern slavery supply chain risk transparency, we have a long-standing commitment to human rights and the prevention of forced labour. Our Code of Conduct and other labour related policies, approved by the various boards, incorporate commitments by the business to respect human rights, to ensure workers have the right to freedom of association and collective bargaining, and to prohibit forced, bonded, indentured or child labour.

We have established systems where workers are able to lodge complaints and where necessary disciplinary action can be taken, this includes our direct employees and our contractors.

We assess and audit both general factory suppliers and suppliers of macadamia (growers) with a supplier questionnaire. All suppliers (growers included) are required to complete assessment forms and are subject to an audit before receipt of goods. These forms include questions on food safety issues, quality management systems and the general nature of the suppliers' businesses.

We have identified that while we have commitments to respecting human rights, our continuous improvement efforts over the next 2 years year will focus on an explicit condemnation of modern slavery, and the implementation of rigorous processes to address risks of modern slavery in our supply chain and operations. As a result, we have committed in the next reporting period to:

1. review and Modify group policies and procedures where required.
2. update supplier engagement and policies.
3. engage with suppliers on the identified risk areas.
4. engage with employees and stakeholders in the group; and
5. build awareness of Modern Slavery Risks both internally and externally.

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Assessing the Effectiveness of our actions:

Marquis is committed to collaboration and stakeholder engagement as critical components to eliminate modern slavery. The Board will review, assess, and address the objectives of the Modern Slavery policy annually or more frequently as required. The company will also evaluate a range of considerations to address the risks of modern slavery in the company's operations and supply chain including:

- training of employees;
- anonymous Employee surveys;
- review of labour legislation and applicable awards;
- assessment of training for Marquis Group suppliers;
- review and updating of supplier questionnaires; and
- supplier audits and spot checks.

Consultation and approval

In the process of developing this Statement, the Marquis Group entities have shared information regarding their operations and supply chains in order to incorporate those into the high-level risk assessment. The Statement has been circulated for review and comment by the boards of Marquis Macadamias Ltd and Marquis Marketing Pty Ltd (including Marquis Marketing Pty Ltd South Africa) and was approved by each of them on 10th December 2020



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