

1884 Pty Limited

Modern Slavery

Statement 2023

1. Introduction – about 1884 Pty Limited

1884 Pty Limited ('1884 Pty Limited'), ABN 83 114 980 880 is a private company limited by shares and was registered in Australia in 2005. Our primary place of business is situated at 1-3 Smail Street, Ultimo, New South Wales. 1884 Pty Limited does not employ any people.

Background to Modern Slavery and the Act

In 2018 the Australian Government passed the Modern Slavery Act 2018 (Cth) (the Act) which requires companies with a revenue of over \$100 million to annually report on the risks of modern slavery within their operations and supply chains, in a modern slavery statement. Furthermore, the Act requires these companies to outline the actions they have taken and plan to take to address these risks.

The Act defines modern slavery as including eight types of serious exploitation:

- 1) Trafficking in persons.
- 2) Slavery.
- 3) Servitude.
- 4) Forced marriage.
- 5) Forced labour.
- 6) Debt bondage.
- 7) Deceptive recruiting for labour or services; and,
- 8) The worst forms of child labour which means situations where children are subjected to slavery or similar practices or engaged in hazardous work.

This is our fourth modern slavery statement and covers the period January 2023 to December 2023.

2. 1884 Pty Limited's structure, operations and supply chains

1884 Pty Limited is the holding company for two other Australian registered companies:

- 1) Stuart Alexander & Co Pty Ltd ('**SACO**'), ABN 43 000 058 677.
- 2) Stuart Alexander (Australia) Pty Limited, ABN 89 086 731 731.

This Statement, which is intended to meet the requirements of the Act, describes the steps taken by 1884 Pty Limited and the above two entities that it owns or controls, in minimising the risk of modern slavery occurring in our business and supply chain.

SACO is the only other operating entity controlled by 1884 Pty Limited with an annual revenue of more than \$100 million and is therefore also a Reporting Entity. 1884 Pty Ltd and SACO have the same Board and the day-to-day activities of SACO are managed by SACO management.

For purposes of the Act, this is a Joint Statement as provided for in Section 14 of the Act, submitted by 1884 Pty Limited (ABN 83 114 980 880), on behalf of 1884 Pty Limited and SACO (ABN 43 000 058 677). For purposes of this Statement, we refer to SACO as the operating company of the Reporting Entities.

We continue to understand and accept that modern slavery happens at the most extreme end of the working spectrum, and it involves the gravest abuses of human rights and serious crimes, having severe and often lifelong consequences for its victims. The term modern slavery is used to describe situations where there is coercion, threats or deception.

Overview of our business and operations

SACO established in 1884 and registered in Australia in 1946, employs 117 people. SACO is one of Australia's largest privately-owned companies that imports, markets and distributes premium global brands including: Chupa Chups, Fisherman's Friend, Mentos, TABASCO and MONIN throughout Australia.

Stuart Alexander (Australia) Pty Limited was registered in Australia in 1999 and has a Distribution Agreement for the distribution of Ocean Spray products in Australia. Ocean Spray, established in 1930, is a grower owned co-operative of 700 Cranberry Growers and 50 Grapefruit growers sourcing crops from USA, Canada and Chile. Sold in four different formats around the world - as a drink,

sauce, whole berries and dried fruit – Ocean Spray is the number 1 Cranberry Juice and Dried Cranberry brand in Australia.

3. Risks of modern slavery practices in our operations and supply chains

At SACO we are guided by **our values**:

Be Brave:

We're a small business so we can be agile and bold. We are trusted and empowered to try, to risk, to question, challenge, discuss and decide.

Own it:

We work together to do the right thing, we take responsibility for our actions and outcomes, we own our decisions, and we learn from mistakes.

Share it:

We share our knowledge, information and experience, our friendship, our time, the company's history and our key learnings.

Say it simply:

We communicate clearly, honestly, respectfully and simply.

Care:

We care about ourselves, our colleagues, our careers, our brands and the community.

These values are the foundation of how we behave and interact with each other, our principals, customers, suppliers, shareholders and other stakeholders. When viewed together, our values are intended to reflect the priorities of the business and to provide guidance in decision making.

Our Whistleblower policy ensures all employees can raise concerns of any illegal conduct or serious wrongdoing, without being subject to victimization, harassment or discriminatory treatment. Matters that should be reported include amongst others an act, omission or course of conduct that constitutes an offence or any illegal activity, and an act omission or course of conduct that is oppressive, improperly discriminatory or grossly negligent. We have extended matters to be reported to include modern slavery, namely, to Uphold the principles of human rights in so far as it relates to Modern Slavery.

As we understand it and for purposes of this Statement, and consistent with our prior modern slavery statements, the risks of modern slavery practices '*means the potential for the reporting entity to cause, contribute to or be directly linked to modern slavery through its operations and supply chain*'. We consider the risk of causing, contributing to or being directly linked to modern slavery within our immediate business operations to be low risk. Our human capital operates in an industry that is covered by relevant pay awards, which provides for minimum pay rates and conditions of employment, including entitlements and leave.

We understand and appreciate the potential risk of modern slavery within our suppliers and their respective suppliers, particularly our overseas suppliers, and hence the most significant risk is being potentially *directly linked* to modern slavery. This may occur in:

- 1) Countries and Regions which are known to be at high risk of modern slavery or reported to have high prevalence of modern slavery by international organisations or NGO's.
- 2) Sectors and Industries that may have high modern slavery risks, because of the characteristics, products and processes.
- 3) Products and Services may be at high risk of modern slavery because of the way they are produced, provided or used.
- 4) Entities that may have higher risks of modern slavery because they have poor governance, weak rule of law, internal conflict, migration flows or a track record of human rights violations.

We have identified and this has remained constant, that our primary risk of modern slavery in our supply chain for our overseas suppliers, rests in the provision of coffee, cocoa and the associated ingredients present in chocolate products. We have limited knowledge of suppliers to our own suppliers and hence the risks of modern slavery within their own suppliers' operations. However, our relationship with our suppliers is based on trust and confidence built up over a considerable number of years, that they conduct their business with honesty and integrity, and in an ethical manner.

We have approximately 300 Vendors across our business and the associated entities, the majority of whom rest with SACO.

The said top vendors (suppliers) primary source of business with us includes the manufacturing, marketing, distribution and selling of food and beverage products. This has remained consistent during the current reporting period January 2023 to December 2023..

4. Actions taken to assess and address modern slavery risks, including due diligence and remediation processes.

SACO has entered into documented Distribution Agreements with our major suppliers/top spend vendors and signed by both parties to the Agreement. Our recent Distribution Agreements that have been drafted by SACO now includes a Modern Slavery Clause:

- 1) The Supplier acknowledges that SACO is obligated to comply with the Act.
- 2) The Supplier must ensure that it takes reasonable steps to comply with the Act and must not do anything or omit to do anything that would cause Sturt Alexander to contravene the Act.
- 3) The Supplier agrees to provide SACO with any information that it reasonably requires to assist it to comply with its obligations under the Act, as and when reasonably requested by SACO including details of:
 - i. The structure, operations and supply chains of the Supplier.
 - ii. The risks of modern slavery practices in the operations and supply chain of the Supplier and any entity that the Supplier owns or controls.
 - iii. The actions taken by the Supplier and any entity that the Supplier owns or controls, to assess and address those risks, including due diligence and remediation processes.
 - iv. How the Supplier assesses the effectiveness of such actions.
 - v. The Supplier process of consultation with any entities that it owns or controls.
- 4) The Supplier acknowledges that all information provided under the Modern Slavery clause will be complete and accurate. The Supplier must immediately notify SACO if any of the information ceases to be accurate at any time during the term of the Agreement.
- 5) The Supplier agrees to allow SACO upon written request to audit any of the Suppliers documentation at its premises, during business hours, to the extent reasonably necessary to ensure compliance with the Act and the clause of the Agreement.

The Distribution Agreement is required to be completed in all cases where a contract is renewed and when we take on board a new supplier.

SACO has continued to engage a third-party consulting services firm to assist in performing a modern slavery risk assessment of our operations and supply chain and creating a modern slavery risk assessment framework, including the drafting of our annual modern slavery statement. This framework continues to be utilised to provide a reliable and prescriptive approach to assessing the risks presented by suppliers and informing of the actions we have taken as recorded in this Statement.

The assessment comprised the following steps, which is on-going:

- 1) Data gathering and conducted a gap analysis between existing processes and Modern Slavery requirements.
- 2) Supplier profiling, determining risk criteria and evaluation methodology. This included a review and consideration of existing knowledge of suppliers from SACO's supplier vetting process.
- 3) Conducted a targeted Supplier Risk Assessment.

- 4) Development of a Modern Slavery Framework in line with our corporate and risk strategies.
- 5) Development of an implementation roadmap.
- 6) Drafting of our first Modern Slavery Statement.

The following actions have been completed and continue to be implemented:

- 1) Conducted a risk assessment over our current Suppliers in terms of our payment data, for the 12-month period January to December 2022. We did not repeat this desk top review for the current reporting period as our suppliers have remained the same and we have not taken on any new independent suppliers.
- 2) Identify existing risk management policies and procedures within SACO and determined whether this can be broadened to include the risks of modern slavery, through ethical sourcing, quality standards or other compliance reporting.
- 3) Consider the use of our Modern Slavery Questionnaire by SACO, for distribution to and completion by our relevant at-risk Suppliers. Perform a risk assessment of any new suppliers and, where required, requesting selected current Suppliers and all new Suppliers complete our Modern Slavery Questionnaire.
- 4) Seek assurance from our Suppliers as to compliance with the modern slavery requirements as provided for in our Distribution Agreement.
- 5) Request information from our Suppliers that we reasonably require in order to assist us in complying with our obligations in terms of the Act, as and when requested by us.

In conducting a risk assessment of existing risk management policies and procedures, we have continued to review all relevant policies for SACO including: Code of Conduct for Employees; Whistleblower policy; and Distribution Agreements with Suppliers.

In summary, whilst completing this risk assessment, SACO considered risks that may potentially cause, contribute to or be directly participating in modern slavery practices, consistent with the Act and the *Commonwealth Modern Slavery Act 2018, Guidance for Reporting Entities*. These risks areas included: Financial; Industry; Country (geographic location); Good and Services; the use of Sub-Contractors; and evidence that the Supplier has submitted a modern slavery statement if applicable.

These Suppliers were then given a risk rating of either low, medium or high based on their score across the four key risk areas.

None of our top 50 Suppliers were determined to be at a high risk of modern slavery, and only one supplier at medium risk, which was addressed by us.

Our review further identified that 17 of our 50 top spend Suppliers have submitted a Modern Slavery Statement in Australia or abroad (international companies). This provides us with added assurance that SACO is doing business with companies who uphold the principles of modern slavery compliance. SACO may consider the provision of a modern slavery questionnaire to high spend Suppliers who may not have been required to provide a Modern Slavery Statement due to their geographical location.

In addition to potentially at-risk vendors, the provision of our modern slavery questionnaire now forms part of our new vendor process and further supplements our updated Distribution Agreement with our Suppliers, which makes provision for the Act and the requirements to comply.

Our modern slavery questionnaire provides for several enquiring modern slavery related questions, including supporting documents where applicable and deemed necessary. The questions include a risk rating for ten relevant modern slavery questions. We deemed this to be a significant process in identifying and where applicable, eradicating human trafficking and modern slavery, where there is any suggestion or suspicion that this may be occurring. However, we had no reason to believe this was actually occurring in the operations and supply chain of any of our Suppliers.

In our current reporting period, we continued to take steps to steadily review and improve our modern slavery internal controls and procedures, to monitor their effectiveness, and respond to areas that are not, including how we engage with our Suppliers, policy updates and reviewing of our procedures where required.

This includes the distribution of our modern slavery questionnaire to several selected Suppliers across numerous geographical locations and countries. Most of our Suppliers are located and conduct business in countries at low risk of modern slavery, including: the Netherlands; United Kingdom; Belgium; Switzerland; USA; Germany; France; and Italy. When the completed modern slavery questionnaires have been received from our Suppliers, we provide them to our third-party external consulting services firm for further examination and a second risk rating.

Based on the past responses, we determined the following:

- 1) Overall, our Suppliers are at moderate to low risk of modern slavery. None are rated at high risk to modern slavery.
- 2) Where applicable Suppliers have submitted either a UK or Australian modern slavery statement to the relevant regulators/ authority.
- 3) Our Suppliers have a number of policies and procedures in place, many are publicly available documents, that positively address the risks associated with modern slavery, including: Ethical Trading Policy; Supplier Code of Conduct; Quality Management System and Supplier Audit Procedures; Policy that includes Child Labour, Forced Labour & Freedom of Association; Position Statement on Human Rights, that includes staff Code of Conduct; On-Site audits as part of the supplier assessment prior to engagement; and a member of the Sedex Members Ethical Trade Audit, that provides for an ethical audit methodology report.
- 4) Where suppliers of our Suppliers operate in high-risk countries or high-risk industries, which occurs in a low percentage of instances, our Suppliers have addressed this within their own quality Management System and Supplier Audit Procedures, and their Supplier Code of Conduct, where applicable.
- 5) We have identified areas of focus, considering our Suppliers provide us with additional documents in support of the information provided including: updating their Code of Conduct policy; Managing & Mitigating risks of modern slavery; Staff Handbook; and UN Global Compact, Communication on Progress annual report. We have to date not requested any additional information from our Suppliers, as the results indicate our Suppliers are taking reasonable steps within their control to minimize their exposure to modern slavery.
- 6) The results are consistent with our previous desktop reviews, which provides further information confirming our Suppliers are taking positive and meaningful steps to address modern slavery risks, and that we are monitoring and taking further action where deemed necessary.

5. Assessing the effectiveness of our actions

The actions taken by us to date in this reporting period as well as our previous reporting periods, has allowed us to consider and plan essential parts of operations and supply chains to improve our understanding of potential modern slavery risks. This included changes to our Distribution Agreement, Policy review and updates, the drafting of a modern slavery questionnaire; distribution and receipt of completed modern slavery questionnaires; and detailed review and examination of same.

While assessing our high spend Suppliers is an effective mechanism to determine our exposure to modern slavery, the supplier questionnaire and continual assessment and due diligence where required, of our supply chain is necessary to ensure that we are meeting our obligations with regards to modern slavery compliance. Where deemed necessary and achievable, all existing at-risk Suppliers will be requested to complete the modern slavery questionnaire, and it is a requirement moving forward that all new Suppliers also complete the questionnaire.

SACO intends to continue use the information obtained from the above processes, to build transparent and collaborative relationships with our Suppliers. This will further safeguard our expectations of reporting of modern slavery risks within our Suppliers supply chain, that this has been clearly communicated to us, and that we have satisfied ourselves that modern slavery risks have been and are being effectively managed by our Suppliers.

We continue to steadily review and improve our modern slavery internal controls and procedures to monitor their effectiveness, and respond to areas that are not, including how we engage with our

Suppliers, policy updates and reviewing of our procedures where required. Although we are not aware of any modern slavery having occurred within our operations and supply chain, and that of our Suppliers that has been determined by us as recorded in our Actions taken above, we understand our visibility is still in the development stages and needs to be further developed. As a result, the ability to assess the effectiveness of our response, is also in the development stage. We believe that the growth of stronger modern slavery assessment processes will occur, as our initiatives are further incorporated within our operations and supply chain, and more information becomes available for the actions we have taken and implemented to date.

6. The process of consultation with the entities owned or controlled by the reporting entities

Our approach and development of meeting modern slavery reporting requirements and actions taken and to be taken, continues to be headed by SACO's Chief Financial Officer supported by our Management Consultant. This statement has been distributed to all stakeholders and agreement has been confirmed on the content and approved for submission.

7. Our Next Steps

Over the next reporting period and beyond, the reporting entities intend to continue to proactively work towards reducing the risks of modern slavery within our operations and supply chain and expect our Suppliers to adopt a similar approach.

To further develop and improve on the steps we have taken as recorded in this statement, we will be paying particular attention to the following areas, where practical to do so and reasonably achievable:

- 1) Add Modern Slavery as a standing agenda item in Quarterly Supplier meetings.
- 2) Continue to access the responses provided by Suppliers and conduct further due diligence and investigative processes where medium or high risks of modern slavery has been determined.
- 3) To encourage all Suppliers to meet modern slavery requirements and to promote best practice and continuous improvement.
- 4) Any team member visiting a Supplier Factory is required to complete a high-level check-list and report back to the Executive Leadership Team.
- 5) To continue to monitor any changes to the Modern Slavery Act and adjust our processes accordingly. This may include certain process implementations such as a due-diligence system that meets the requirements in rules made under s 25 of the Act, and an explanation of activities taken by us in accordance with that system in future Modern Slavery Statements.

The Board of 1884 Pty Ltd has approved this statement on 16th September 2024.

Signed by:



Garry Browne (Chairman)