



**HELLO
FRESH**

**Modern Slavery
Statement
2020**

Contents

Executive Summary	3
Introduction	4
Our Structure, Operations and Supply Chain	5
Operations	
Supply Chain	
Risks of Modern Slavery Practices in HelloFresh’s Operations and Supply Chain	7
Risks in our Operations	
Risks in our Supply Chain	
Actions taken by HelloFresh to address risks of Modern Slavery Practices	9
Policy Framework	
Risk Identification & Notification	
Supplier Relationships	
Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices	11
Process of Consultation	

Executive Summary

At HelloFresh,
our mission is to
change the way
people eat forever.

As our customer base, geographic coverage and product offering expands, so too does our supply chain, adding to the vast number of individuals that play an important role in delivering fresh and healthy ingredients to millions of households in a safe and convenient way. We understand that our mission must never come at the cost of the safety, security and fair compensation for the work of anyone involved in our business or supply chain. We know how important it is to understand all aspects of our business operations and supply chain so that we can detect, assess and remediate any risks of modern slavery practices at any level of our supply chain

We acknowledge that across a vast supply network that is continually growing, and involves suppliers from a wide variety of industries, the risk of modern slavery practices occurring within some part of our supply chain does exist, and we must be diligent and proactive to develop open and transparent relationships with all our suppliers, in order to minimise this risk to the greatest extent that we can.

This Modern Slavery Statement outlines the actions taken to assess and address modern slavery risks in our business operations and supply chain for the year ended 31 December 2020, as well as the road ahead.



Introduction

Grocery Delivery E-Services Australia Pty Ltd, ACN 155 437 620 (HelloFresh Australia) is a company incorporated in Australia. Our registered office is located in Sydney, New South Wales. HelloFresh Australia forms a part of the HelloFresh group of companies worldwide, and is a wholly-owned subsidiary of its German parent company, HelloFresh SE.

This statement is given pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act) and covers the activities of HelloFresh for the year 1 January 2020 to 31 December 2020.

This statement has been approved by the Directors of HelloFresh Australia.

HelloFresh strongly supports the objectives of the Modern Slavery Act, and, as part of our mission to embed the values of sustainability, ethical behaviour, strong governance and transparent oversight in all of our business practices, we are committed to addressing and striving to eliminate the risk of Modern Slavery Practices in our business and throughout our supply chain.

Our Structure, Operations & Supply Chain

Operating in Australia since 2012, HelloFresh is the leading provider of home-delivered meal kits to consumers nationwide.

In collaboration with our extensive network of suppliers, we source ingredients and packaging materials, and provide customers with pre-portioned ingredients as part of a wide variety of carefully curated recipes, for them to cook at home.

As part of our commitment to providing the highest quality product offering to our customers, HelloFresh has made significant investments in establishing the business processes and operational infrastructure to facilitate our growth and expansion. This includes a workforce of over 1,200 staff across Australia, the construction of refrigerated packing and distribution centres in Sydney and Perth, a fully integrated distribution and logistics chain, and a robust tech platform to facilitate our continually evolving operations.

Our Structure, Operations & Supply Chain

Operations

HelloFresh's operations revolve around the fulfilment and delivery of weekly meal box subscriptions for our customers, entailing a weekly cycle involving the procurement of various bulk and pre-portioned and packaged ingredients, as well as packaging and insulation materials. The delivery and storage of inbound materials is coordinated at our distribution centres to facilitate the pick-and-pack and sorting process before our products are distributed to customers through a network of refrigerated line-haul and last mile delivery providers.

The fast-moving nature of HelloFresh's product offering means that we rely on building both strong relationships, and a structure of coordination amongst our suppliers at different stages of the chain to ensure a high-quality final product and a smooth production and distribution process. HelloFresh focuses on developing long-term and mutually beneficial relationships with all of its suppliers, and works closely with them to ensure they meet HelloFresh's global standards of quality, safety and sustainability.

Supply Chain

HelloFresh works with a vast array of suppliers to facilitate its operations, and these can be broadly categorised into Upstream, Downstream or Indirect suppliers.

Upstream

Upstream Suppliers are those who supply HelloFresh with raw materials and pre-production goods for further input, packing, processing and delivery by HelloFresh. These include suppliers of the following categories of products:

- Meat & Protein
- Fruit & Vegetables
- Spices, Sauces and Condiments
- Packaging Materials
- Recipe Cards & Other In-box materials
- Inbound Freight Providers

Downstream

Downstream Suppliers are those who provide input into HelloFresh products from the raw materials stage through to end-delivery to the customer. This includes (but is not limited to) the following:

- Logistics and Outbound Freight Providers
- Labour Hire Providers
- Equipment & Maintenance Providers
- Utility Providers

Indirect

Indirect Suppliers are those who do not directly contribute to the fulfilment of HelloFresh orders, but are necessary to the operation of a certain function of the business, or provide ancillary support to the business. Indirect Suppliers include:

- Cleaning & Pest Control Providers
- IT Providers
- Various Tech & Software Suppliers
- Insurance Providers
- Consultants, Advisers and Professional Consultants
- Property Development and Leasing Providers
- Suppliers of Marketing Services

Risks of Modern Slavery Practices in HelloFresh's Operations and Supply Chain

Risks in our Operations

The operations of HelloFresh are considered to have a low risk of modern slavery practices for the reasons set out below. HelloFresh Australia's workforce is almost entirely localised within Australia, and comprises workers either directly employed by HelloFresh Australia, or workers contracted through a small network of trusted suppliers, working within HelloFresh premises, and with full transparency and oversight of working conditions, rates of pay, entitlements and hours of work.

For employees of HelloFresh, a strong HR and recruitment governance framework ensures that all entitlements, conditions and rates of pay are subject to either the National Employment Standards, or the relevant award or other instrument. Employee conditions and rates of pay are regularly independently reviewed and audited. HelloFresh Australia maintains transparent relationships with its employees and contractors, as well as Fair Work Australia and other regulatory bodies.

Risks of Modern Slavery Practices in HelloFresh's Operations and Supply Chain

Risks in our Supply Chain

Upstream

HelloFresh is actively engaged in a thorough assessment of its upstream supply chain to assess and measure the existence of Modern Slavery Risks. Globally, the group is developing a consistent approach to assessing risk, and will then be in a position to engage particular cohorts of suppliers more frequently, and in more detail, to properly measure the level of risk across the Supply Chain as a whole.

For HelloFresh Australia, the risk assessment as it pertains to upstream supply chain will be focused on providing a risk rating for each supplier based on;

- Geographical risk, and
- Sector risk associated with the category that the goods and/or services are sourced from

HelloFresh will continue the process of assigning risk ratings to each of its direct suppliers, noting that the vast majority are located in, and operate within Australia, thus carrying an inherently lower risk of Modern Slavery Practices, by assessing a number of criteria relevant to each one, and will continue to develop its scope of documentation and enquiry relating to suppliers across the spectrum of risk. HelloFresh will subsequently consider suppliers at earlier stages of the value chain to determine the extent that the wider group of indirect suppliers impacts the risk rating of direct suppliers to HelloFresh.

Indirect

In terms of its network of indirect suppliers of goods and services, HelloFresh considers the key risk areas to be those involving the outsourcing of labour, especially where there is limited transparency surrounding the working conditions, entitlements and fair treatment of the workers engaged in the relevant supply chain. HelloFresh considers this risk to be amplified where the labour is engaged either overseas where employment conditions may not be as strong as in Australia, in industries demonstrating a history of dangerous work, or unscrupulous employers, where the work is not performed under the direct supervision of HelloFresh personnel, or a combination of these factors. The relevant suppliers where these risks may be present in HelloFresh's supply chain include;

- Logistics and delivery
- Labour providers
- Construction contracts for distribution centres
- Offshore Customer Care staff
- Cleaning & maintenance staff

Actions taken by HelloFresh to address risks of Modern Slavery Practices

HelloFresh understands that in addressing risks of Modern Slavery Practices in its supply chain, the approach must be a holistic one, involving a strong policy and governance framework, supplemented by practical guidance and training for internal and external stakeholders. This guidance should inform relevant stakeholders on how to identify, highlight and work towards remediating risks of Modern Slavery Practices. This framework is reinforced by the mechanism and process for HelloFresh to take meaningful action, should evidence of Modern Slavery Practices, or an unacceptable risk of such practices, be discovered.

Policy Framework

As of November 2020, HelloFresh has implemented its International Ethical Trading Policy, a board-endorsed document applying to HelloFresh's supply chain and operations in all jurisdictions worldwide. The document was developed as a result of collaboration and consultation between a range of business stakeholders, and considers corporate governance, supply chain and operations, food safety and quality assurance, legal compliance, human resources and sustainability perspectives. The policy represents a comprehensive set of HelloFresh values and standards with respect to labour conditions, employment and contracting practices, and workers' rights within HelloFresh and all parts of its supply chain.

The Policy outlines HelloFresh's expectations of all of its suppliers and the abilities of HelloFresh to monitor, visit and audit suppliers and engage in corrective actions or escalation in necessary circumstances.

The Policy is being embedded into HelloFresh's supplier onboarding and on-going operating processes, with the goal being that every business engaged in an agreement for the supply of goods or services to HelloFresh acknowledges the policy, signs in agreement and complies with the policy on a continuous basis.

The Ethical Trading Policy is supplemented by HelloFresh's existing policy and corporate governance framework, including its global employee Code of Ethics, outlining values and expectations of every HelloFresh employee to

not only act in a sustainable and ethical way in line with HelloFresh's values, but to also report instances of non-compliance with the Ethical Trading Policy and Code of Ethics by any HelloFresh employee or supplier.

The strong expectation of immediate notification of unethical practices, including any Modern Slavery Practices, is embedded in the following policies:

- Group Guideline, Anti-Corruption
- Conflict of Interest Policy
- Indirect Procurement Policy
- Employee Handbook
- Gifts & Entertainment Policy

Risk Identification and Notification

HelloFresh is focused on continuous development of reporting channels for suspected unethical supplier practices and risks of Modern Slavery Practices. As at the time of preparing this statement, HelloFresh has rolled out its global Whistleblowing System, a tool by which internal or external stakeholders can report suspected breaches of HelloFresh policies by an Employee or Supplier, including its Code of Ethics, or Ethical Trading Policy.

Incidents that are reported through the Whistleblowing System are directed to the local compliance team for the relevant jurisdiction, to be actioned and/or escalated depending on the substance of the report and nature of suspected breach.

Under HelloFresh's Ethical Trading Policy, a range of investigation and remediation options are available to HelloFresh, and can be triggered by a report made through the Whistleblowing System.

In addition to reactive-based risk mitigation through the Whistleblowing System, HelloFresh will continue to develop its supply chain risk matrix, so that more regular monitoring and audits can be undertaken with particularly risky suppliers, as is allowed for under the Ethical Trading Policy.

Actions taken by HelloFresh to address risks of Modern Slavery Practices

Supplier Relationships

In developing and maintaining its workforce, the preference of HelloFresh Australia is to have direct relationships with its workers, or a relationship containing as few intermediaries as possible. To the extent that HelloFresh can retain control over the remuneration, working conditions, treatment and standards of its workforce, we can mitigate the risk of Modern Slavery Practices as much as possible. The following are areas in which HelloFresh retains a very high degree of transparency, influence and oversight of employment practices in its supply chain:

Logistics

The last mile delivery function of HelloFresh nationwide was brought in-house in 2018. As such, HelloFresh has direct relationships with all delivery contractors, control over rates, working hours, scheduling and conditions, as well as providing channels for complaints handling and dispute resolution.

Pick & Pack Labour Hire

Through strong relationships with a very small number of reputable labour hire providers, all pick & pack labour hire is engaged in distribution centres controlled and run by HelloFresh, ensuring we retain full control and oversight over working conditions, shift lengths and work health and safety. In addition, HelloFresh has transparency over pay and shift records, and performs verification procedures to ensure all staff are remunerated in line with award rates.

Customer Care Support Team - Manila

In 2018, the decision was made to employ all customer care staff working in Manila via a HelloFresh-owned subsidiary, to ensure that all employment practices, payroll and working conditions are kept in line with HelloFresh global standard. These staff support HelloFresh worldwide, including HelloFresh Australia.

Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices

HelloFresh acknowledges that the recent developments to its internal policy and compliance framework, with respect to the assessment of Modern Slavery Risks, will require ongoing monitoring, measurement, and refinement based on their success, as well as any changes in perceived risk within the business' supply chain as these measures are more widely integrated.

HelloFresh will measure its success in addressing and mitigating risks of Modern Slavery Practices within its supply chain by monitoring metrics such as:

- Percentage of suppliers signing off on Ethical Trading Policy
- Number of incidents reported via Whistleblowing System and closure of cases with corrective actions
- Number of site visits performed as part of supplier onboarding process
- Number of site audits conducted as a result of perceived Modern Slavery Risk
- Volume of high-risk suppliers according to risk matrix, and any action taken to reduce volume of supply from high-risk suppliers

In terms of actively implementing direct relationships with key elements of our supply chain, HelloFresh is working to ensure that workforce elements of the business that would ordinarily be most susceptible to Modern Slavery Risk, are closely controlled, monitored and managed in-house by HelloFresh, so that there is complete oversight, and any instances of risky practices can be quickly identified and effectively mitigated. This approach has proven effective and HelloFresh can be confident of a relatively low risk of Modern Slavery Practices in these areas of the business.

Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices

Process of Consultation

The HelloFresh Group is a worldwide group of companies operating in a number of jurisdictions, of which HelloFresh Australia is one component. As such, the measures that have been, and continue to be developed to address Modern Slavery Risk in supply chains around the world have been made on a consultative basis, ensuring that a single set of principles and values are communicated to our suppliers worldwide.

Through the development of the Ethical Trading Policy, Whistleblowing Tool and Code of Ethics, input has been sought from each jurisdiction represented by HelloFresh, as well as a range of business stakeholders across these jurisdictions.

In determining, from a local perspective, which parts of our supply chain carry risk of modern slavery practices, input was sought from various local business leaders to perform an analysis of our supply environment and overall supplier base.

As a growing global business, HelloFresh is committed to presenting a “united front” in mitigating the risk of Modern Slavery Practices to the greatest extent possible, in order to uphold its role as a positive contributor to the business community, and in concert with its ambitions for sustainability, inclusivity and diversity, act as a good corporate citizen worldwide.

Statement of Approval

This Statement has been reviewed and approved by the principal governing body of Grocery Delivery E-Services Australia Pty Ltd, Directors Thomas Griesel and Thomas Rutledge, on 29 June 2021 and is signed by Thomas Rutledge, in his capacity as Responsible Member. Grocery Delivery E-Services Australia Pty Ltd is a wholly owned subsidiary of HelloFresh SE and this statement was prepared in consultation with, and was reviewed and approved by, HelloFresh SE on 29 June 2021.



Thomas Rutledge

Director - Grocery Delivery E-Services Australia Pty Ltd