Modern Slavery Statement 2022

Contents

1. Introduction

Welcome to the Restaurant Brands Australia (**RBA**) Modern Slavery Statement for 2022.

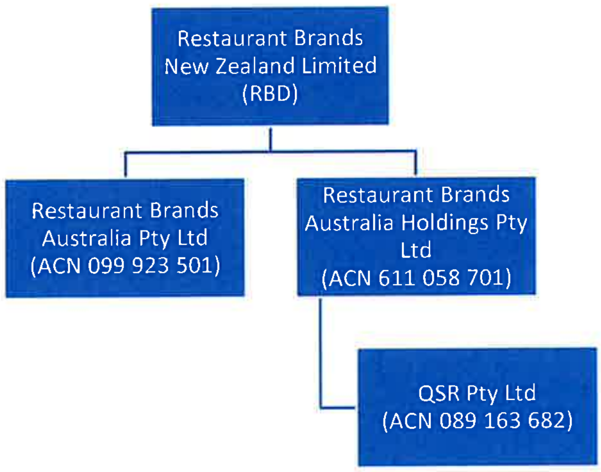
This statement has been produced in accordance with the requirements of the *Modern Slavery Act 2018* (Cth) (the **Act**) and covers the reporting period 1 January 2022 to 31 December 2022 (the **Reporting Period**). This statement is made as a joint statement under section 14 of the Act, covering the reporting entities QSR Pty Ltd (ACN 089 163 682) (**QSRPL**) and Restaurant Brands Australia Holdings Pty Ltd (ACN 611 058 701) (**RBAH**). It also covers Restaurant Brands Australia Pty Ltd (ACN 099 923 501) (**RBAPL**) (not a reporting entity under the Act), which is the wholly owned subsidiary of Restaurant Brands New Zealand Limited (also not considered a reporting entity under the Act). RBA will be used in this statement to refer to all the entities covered by this statement, except where context requires otherwise. Our business structure is described further at section 2 below.

As a leading employer in the fast-food industry, we value the protection of human rights. At RBA, we wholeheartedly recognise our responsibility to respect human rights. Our business staunchly opposes the exploitation of any workers and is committed to ensuring a safe and ethical work environment for all.

In this statement, we set out our framework for identifying, assessing and addressing the risk of modern slavery within our operations and supply chain. This statement forms part of our ongoing journey to ensure continuous improvements are made to our due diligence, risk evaluation and other measures to address modern slavery, building on our previous statement(s).

2. Description of Structure

The RBA corporate structure during the Reporting Period is depicted below and is unchanged from our 2021 Modern Slavery Statement. RBA is one of four regional divisions which collectively form the global enterprise known as the Restaurant Brands Group, led by Restaurant Brands New Zealand Limited (**RBD**). RBD is a publicly listed entity on the NZX and ASX. The other regional divisions own and operate multi-site restaurants in New Zealand, California, and Hawaii. RBD does not have business operations in Australia and is not considered a reporting entity under the Act.



3. Description of Operations

QSRPL is a corporate franchisee of KFC and Taco Bell, whose brands are globally owned by YUM!. RBA is the third largest YUM! franchisee in Australia. In the Reporting Period RBA's operations continued to be divided between QSRPL, RBAH and RBAPL as follows:

- QSRPL was established in 1999 and is based in New South Wales (NSW). It owns, operates and manages the 72 franchisee KFC and 11 Taco Bell restaurants in NSW and is responsible for the employment of approximately 4,700 restaurant staff.
- RBAH was established in 2016 as an investment holding company with complete ownership of QSRPL. RBAH does not have any distinct operations or supply chain.
- RBAPL was established in 2002 and operates the Restaurant Support Centre, based in Sydney, for all stores being operated and managed by QSRPL. The functions being performed by RBAPL include financial, IT, operations support, payroll, property and development, and human resources-related services.

In order to operate the 83 franchise restaurants, RBA enters into franchise agreements with Kentucky Fried Chicken Pty Ltd (KFC Aus) and Taco Bell Asia Franchising, LLC (Taco Bell Asia). These are described further below at section 4.

RBA's operations fall broadly into the following categories:

- **Employment of restaurant staff:** QSRPL is responsible for recruiting, engaging and the payment of its restaurant staff across KFC and Taco Bell restaurants.
- **Cleaning and maintenance of restaurant:** general cleaning and maintenance is performed by restaurant management and staff. Additional cleaning or maintenance is managed through RBA's supply chain and its franchise agreements.
- **Restaurant services:** QSRPL is responsible for managing the servicing of equipment, cash collection and the deployment of various programs and software for running its franchisee restaurants (all of which is carried out by outsourced providers).
- **General support services:** as described above, RBAPL is responsible for the Restaurant Support Centre which provides financial, IT and other operational support which are not otherwise provided under the franchise agreements.

4. Description of Supply Chain

RBA categorises goods and services procured as part of its supply chain as:

- **Core suppliers**: suppliers which provide goods and services to our franchisee restaurants, in accordance with franchise agreements (e.g. including cost of food and store supplies and delivery aggregators).
- **Non-core suppliers:** suppliers which provide other goods and services to RBA (e.g. including utility costs, IT & telecommunications).

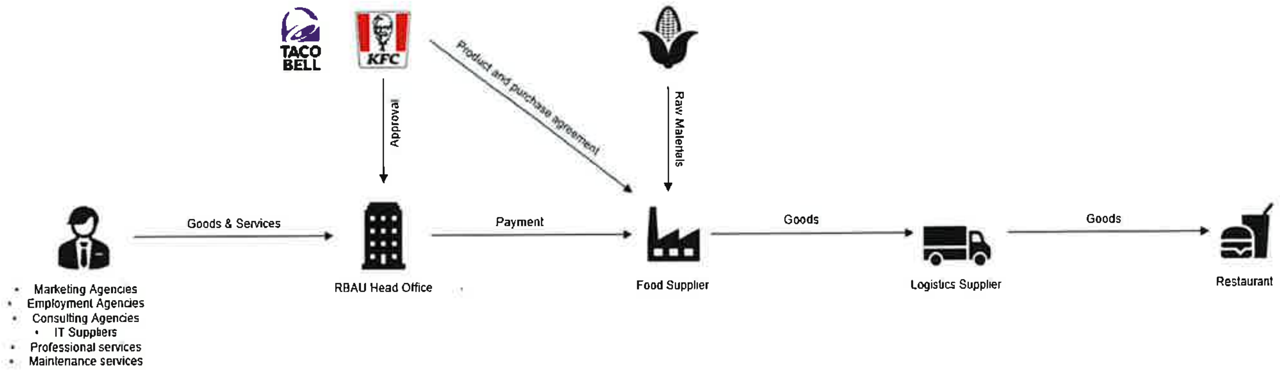
During the Reporting Period, RBA's main categories of procurement were as follows:

- Cost of Food & store supplies 48.3%
- Franchisor Fees 16.3%
- Property rental & outgoings 11.3%
- Building & construction 10.9%
- Repairs & Maintenance 4.5%
- Utility costs 2.7%
- Delivery aggregators 1.6%
- IT & Telecommunications 1.5%
- Professional Services 1.2%
- Group Management Fees (paid to RBD) 0.5%
- Professional Services 1.2%
- Other 1.2%

RBA is required to conduct its business under the prescribed standards and policies established under the franchise agreements. The strength of these relationships is crucial to deliver customers a consistent standard of high-quality product. KFC Aus and Taco Bell Asia are suppliers within the RBA supply chain, providing various services to support RBA's franchisee restaurants, including marketing, restaurant IT systems and support, product development, supply chain management and quality assurance programs. In addition, RBA is required to use 'franchisor-approved' goods and services to prepare, market and sell products in the restaurants. The distribution of RBA's supply chain through its franchise agreements (i.e. RBA's core suppliers) during the Reporting Period is depicted below.

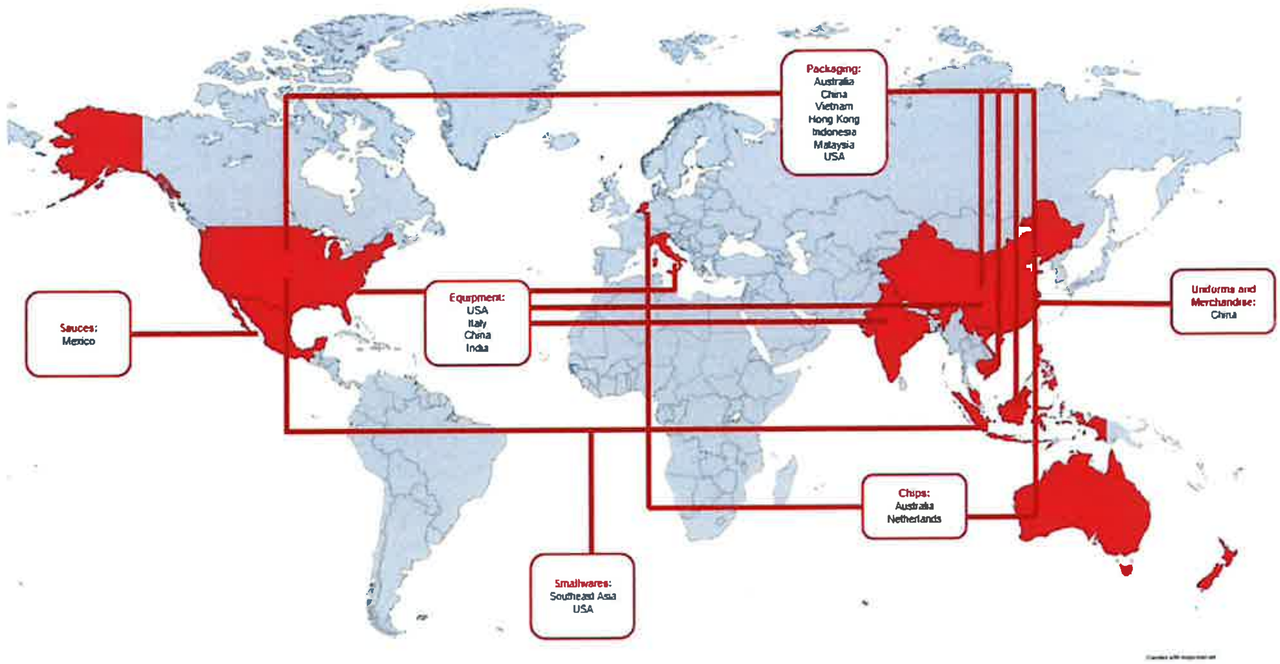
Category of Core Suppliers	KFC – Unique Suppliers	Taco Bell and KFC Common Suppliers	Taco Bell – Unique Suppliers
% of Spend on Core Suppliers	14.4%	83.5%	2.1%
Number of Core Suppliers	14	22	12

Diagram of Supply Chain for our KFC and Taco Bell stores:



In the case of Taco Bell, most purchasing agreements are handled directly between RBA and the Supplier

A breakdown of RBA's supply chain, depicted by country of origin and product or service supplied, is depicted below.



4.1. KFC Aus supply chain

RBA's KFC franchise agreements require the purchase and supply of specified goods related to cooking, food preparation, staff uniforms, cleaning and ultimate food presentation required to provide KFC products to customers. The suppliers designated by KFC Aus in respect of these goods are predominantly sourced in Australia (chicken, fresh produce, bread, beverages, seasoning) and supplied through Australian-based logistics and distribution services. Goods including packaging, kitchen small wares, some sauces, and staff uniforms are sourced and manufactured overseas, predominantly in China, Southeast Asia and North America. Restaurant equipment is sourced from jurisdictions including the USA, China and Italy. KFC Aus also engages delivery aggregators such as UberEats, Menulog and Door Dash under master agreements.

RBA continues to be a member of various forums operated by KFC Aus, including a Supply Chain Council. Through this forum, RBA is involved in the strategic direction for the supply of core products and services across the KFC Aus business. RBA has been kept informed of KFC Aus modern slavery risk management strategy and measures taken in respect of new suppliers proposed by KFC Aus to be a core supplier. RBA pays fees to KFC Aus for the provision of supply chain marketing, IT and brand audit services including operational compliance reviews related to the RBA franchisee restaurants.

4.2. Taco Bell supply chain

The Taco Bell supply chain is significantly smaller than the KFC supply chain, accounting for 2.1% of RBA's spend on unique core suppliers during the Reporting Period. RBA operates its Taco Bell restaurants in accordance with its Taco Bell franchise agreements, which require the purchase and supply of specified goods related to cooking, food preparation, staff uniforms, cleaning and ultimate food presentation required to provide Taco Bell products to customers. The Taco Bell supply chain primarily includes:

- Food predominantly sourced in Australia (beef, chicken, fresh produce, dairy, bread, beverages) and supplied through Australian-based logistics and distribution services.
- Goods including packaging, kitchen small wares, sauces and deserts, and staff uniforms sourced and manufactured overseas, predominantly in China, Southeast Asia and North America.
- Restaurant equipment sourced from jurisdictions including the USA, China and Italy.

RBA continues to participate in the Taco Bell Asia's Supply Chain and Marketing review forums. Through these reviews, RBA is informed of supplier assessments and performance in respect of core suppliers. RBA franchisee restaurants manage pricing, daily administration of suppliers and restaurant IT services directly with relevant suppliers and vendors.

RBA franchisee restaurants also pay royalties to Taco Bell Asia pursuant the RBA-Taco Bell Asia franchise agreement.

5. Risks of modern slavery

RBA's modern slavery risks can be separated into three categories:

- **Operational risks:** these are related to RBA's direct operations, as described above.
- **RBA supply chain risks:** these are related to the suppliers with which RBA contracts directly and are not managed under franchise agreements.
- **Franchise supply chain risks:** these are related to the suppliers from which RBA is required to purchase goods and services in accordance with the franchise agreements it has in place with KFC Aus and Taco Bell Asia.

Where suppliers supply only to KFC franchisee restaurants, or to both KFC and Taco Bell franchisee restaurants, they are covered by the modern slavery processes of KFC Aus. KFC Aus has developed risk assessment and mitigation processes related to modern slavery risks in its supply chain, and RBA KFC franchisee restaurants are regularly audited by KFC Aus, and any concerns communicated with RBA. Suppliers which only supply to Taco Bell franchisee restaurants and/or directly to RBA are covered by RBA's modern slavery processes (described in more detail in section 6 below).

As described above, RBA is regularly informed and provided with oversight of any actions taken by KFC Aus in respect of assessing and addressing the modern slavery risks which may be present in core suppliers. RBA is also involved in decision-making related to core supplier management. The risk assessment below therefore takes account of risks as assessed through the franchise relationship with KFC Aus, as well as RBA's own assessment of its inherent risks of modern slavery.

5.1. Operational risk

The risks of modern slavery in RBA's operations during the Reporting Period are described below.

- **Employment of restaurant staff:** RBA identifies this as its primary inherent risk area because of the high percentage of young workers employed in franchisee restaurants. The franchisee restaurants employ high school and university students, and other young workers who may be subject to visa conditions regarding the number of hours per week they can work.
- **Cleaning and maintenance of restaurant:** the inherent risk associated with cleaning and maintenance is the same as employment of RBA restaurant staff, as day-to-day performance of general restaurant cleaning and maintenance is often performed by staff in accordance with their employment terms.
- **Restaurant services:** RBA considers the inherent modern slavery risks in the operational management of restaurant services by QSRPL to be low. The inherent modern slavery risk in the restaurant services provided by third parties are considered to be elevated and are discussed in the next section on supply chain risk.
- **General support services:** RBA considers the inherent modern slavery risk to be low, as Restaurant Support Centre staff are fully salaried, directly engaged by RBAPL, and provided with labour entitlements as enshrined in Australian law.

5.2. Supply chain risk

Our four largest categories of procurement during the Reporting Period were food and store supplies (which are managed through our franchise agreements and the franchisors' supply chain processes), franchisor fees (as described above), property rental and outgoings (related to RBA's restaurant and office buildings), and building and construction.

In respect of its franchise supply chain risk, RBA acknowledges the risks of modern slavery prevalent in the agriculture, meat production and the textile and packaging industries. Although most of the franchise supply chain is sourced from Australian suppliers, RBA is aware that some of the jurisdictions from which these goods are sourced (e.g. China and Southeast Asia) carry higher risks of modern slavery. RBA also understands the modern slavery risks present in the Australian agricultural and food industries. RBA works with the franchisors to assess and address these risks, as described in further detail at section 6.

Additionally, RBA acknowledges that building and construction related to expanding and refurbishing RBA franchisee restaurants carries an inherent industry-related risk of modern slavery. During the Reporting Period, RBA undertook various upgrades and refreshing of some of its franchisee restaurants, which included repainting, the addition of technological assets such as digital drive-thru menu boards, upgrades to signage, flooring and internal décor. We acknowledge that there is an elevated risk of modern slavery associated with goods required for such upgrades, given the inherent modern slavery risks associated with goods such as timber, granite and other stone, as well as technological hardware and components, depending on the regions from which these goods are sourced.

There is also a high level of inherent risk of modern slavery associated with labour in the construction industry. RBA has long-term relationships with its building and construction suppliers and engages such suppliers through a tender process. RBA considers that the risks of modern slavery associated with its building and construction suppliers are relatively low, given its oversight of these suppliers through long-term relationships. However, RBA is committed to improving its actions to address modern slavery risks associated with building and construction, in particular the procurement of construction materials.

Restaurant services are delivered by the deployment of hardware and software which are managed and maintained through the RBA Restaurant Support Centre, or otherwise provided by KFC Aus in respect of KFC franchisee restaurants. RBA is aware of the use of an offshore call centre by the supplier of hardware and software for KFC and Taco Bell restaurants, which presents a higher risk of modern slavery occurring in RBA's tier 2 supply chain.

6. Actions to assess and address modern slavery risks

During the Reporting Period, our key actions to assess and address the modern slavery risks described above in our operations and supply chains include the following actions, which are described in more detail below:

- Successfully registered with Sedex and have commenced onboarding core suppliers to view their self-assessment questionnaires and Sedex Members Ethical Trade Audits (SMETA) audit results.
- Delivered senior leadership training on Modern Slavery.
- Incorporated Modern Slavery risk assessments within RBA's broader Environmental, Social and Governance framework.
- Reviewed internal policies to ensure they address modern slavery risks in our internal operations.
- Mandated that a condition for any new core supplier brought into RBA's supply chain needs to have been assessed via Sedex before a supply agreement can be completed.

6.1. Actions taken to assess and address operational risks

With over 4,700 staff across the group, RBA recognises the importance of addressing modern slavery risks in respect of employment. RBA takes the following actions to mitigate these risks:

- We have thorough onboarding processes for all new employee, which includes verifying their identity (including legal working age) and their visa status for working in Australia.
- All staff are covered by an Enterprise Agreement or the Modern Fast-Food Award. The KFC and Taco Bell Enterprise Agreements set out the standard terms and conditions for employment and pay within the restaurants covered by these agreements. This is supported by workforce management systems that monitor staff attendance and working hours to ensure our staff are paid in accordance with the relevant Enterprise Agreement and the Modern Fast-Food Award, as well as work hours as permitted by visa requirements (if relevant). KFC Aus and Taco Bell International periodically audit all RBA franchisee restaurants, and these audits can include the inspection of staff files and checks to ensure that Enterprise Agreement entitlements are being met, and that staff are of legal working age.

- Staff also have access to an employee self-service portal to be able to contact payroll with changes or queries on their pay should there be any discrepancies.
- RBA has a suite of policies which set out and protect the rights of staff, including:
    - **Ethical Conduct Policy**: Provides a clear framework to enable employees to make decisions and undertake their responsibilities in an ethical manner that is consistent with RBA's values, business goals and legal/policy obligations and thereby enhance performance outcomes for RBA.
    - **Young Worker Employment Policy**: Ensures that all staff, in particular young workers, are performing work in a safe environment. Due to the nature of the work in RBA's business, it has strict supervision and minimum age of employment requirements that apply to young workers, so that young workers are not performing roles involving cooking and more dangerous processes.
    - **Equal Opportunity Policy**: Ensures a healthy and safe workplace that provides employment opportunities based upon the ability, performance and potential of an individual regardless of sex (including pregnancy), marital status, religion, race, colour or nationality, sexual preference, gender identity, physical or intellectual disability, carer's responsibilities, social origin, political opinion, industrial activity, gender identity, intersex status, breastfeeding or age.
    - **Whistle-Blower Policy**: Encourages staff to disclose any malpractice, misconduct, or conflicts of interest of which they become aware. It provides protection for employees who report allegations of malpractice, misconduct, or conflicts of interest; and ensures that all allegations are thoroughly investigated with appropriate action taken to remedy any harm or loss from such misconduct or malpractice, where necessary. This may include disciplinary proceedings against the person responsible for the conduct, and the referral of the matter to appropriate authorities.

6.2. Actions taken to assess and address supply chain risks

As described above, RBA works closely with KFC Aus and Taco Bell Asia in respect of goods and services which are approved and required as part of the franchise agreements for RBA's franchisee restaurants. In relation to modern slavery:

- KFC Aus takes charge of sourcing and purchasing negotiations for the items necessary to deliver core products in franchisee restaurants, including onboarding core suppliers onto the Sedex platform. RBA's supply chain department is also responsible for purchasing and pricing agreements, and supply performance, in respect of Taco Bell products and franchisee restaurants.
- All franchisee restaurants and approved suppliers are periodically audited by KFC Aus and Taco Bell Asia to ensure brand standards and food safety practices are being maintained.
- RBA is generally informed of audit and onboarding results through communication with KFC Aus and Taco Bell Asia, as well as through the respective Supply Chain forums. These forums provide an opportunity to share knowledge about suppliers, and allows RBA to leverage any risk mitigation processes of its franchisors.

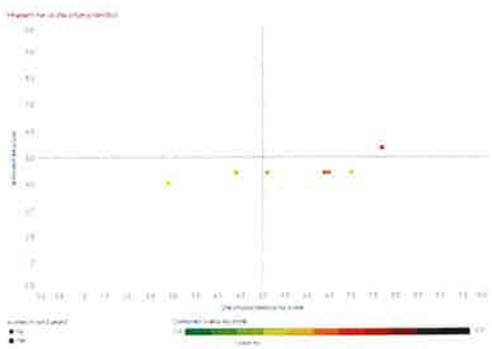
Independently of actions taken by KFC Aus and Taco Bell Asia, RBA began using the Sedex platform during the Reporting Period to engage with its core suppliers and review risk assessments and self-assessment questionnaires completed by these suppliers. Through its own use of Sedex, RBA can also onboard non-core suppliers and decide to mandate a SMETA audit for such suppliers.

7. How we assess the effectiveness of our actions

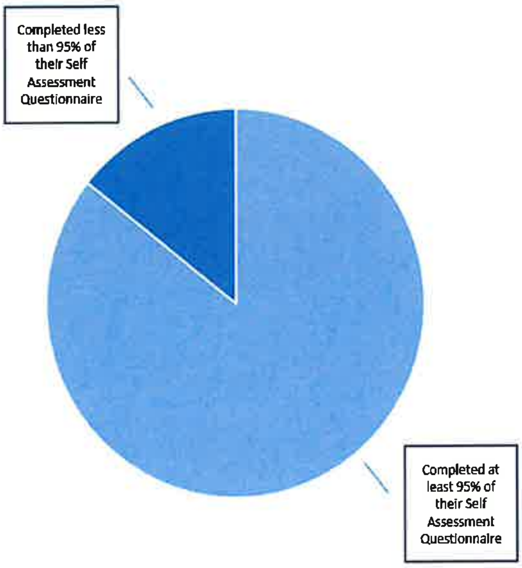
RBA understands that it is early in its modern slavery mitigation journey, and it is committed to developing its own broader systems of modern slavery risk assessment and management, in addition to maintaining strong collaborative relationships with franchisors.

Through use of the Sedex platform during the reporting period, RBA has engaged with its major core suppliers and recorded the following results:

Inherent risk vs. site characteristics risk



4 out of 7 connected suppliers have directly connected with RBAU and have completed a SMETA audit within the past 24 months



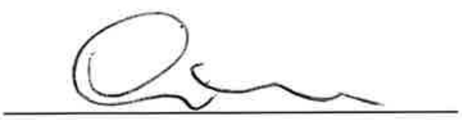
RBA is aiming to onboard most of its core suppliers, prioritised by spend, through the Sedex platform by the end of 2024. This should help RBA better assess the effectiveness of our actions going forward.

We will continue to partner with the franchisors to facilitate increased awareness and build understanding of supplier risk assessments and actions to mitigate the risk of modern slavery for these suppliers with whom we have less direct engagement and therefore leverage for.

8. Consultation and Approval Process

To prepare this statement, the Company Secretary has liaised with all relevant business functions in each of the entities covered by this statement, including consultation with the RBAPL Senior Management group.

This statement has been approved by the Boards of QSR Pty Ltd (ACN 089 163 682) and Restaurant Brands Australia Holdings Pty Ltd (ACN 611 058 701), as the reporting entities covered by this joint statement.



Ashley Jones, President