



**HELLO
FRESH**

**Modern Slavery
Statement 2021**

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	10
Policy Framework	
Risk Identification & Notification	
Supplier Relationships	
Assessing the Effectiveness of Action taken by HelloFresh to address risks of Modern Slavery Practices	12
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.

2021 saw HelloFresh's mission become even more critical, and more impactful to Australian consumers, as the impacts of Covid-19 both accelerated demand for home-delivered food and groceries, and while businesses adapted quickly to a number of workforce and supply chain impacts, as well as navigating an array of guidance, controls and orders from various levels of government, designed to keep employees, suppliers and customers safe.

In addition, the acquisition by HelloFresh of the YouFoodz Group during 2021 amplified this impact, as the HelloFresh Group became even more responsible for meeting the needs of more customers than ever before in its history.

We acknowledge that across a vast supply network that is continually growing and developing to meet the significant demands of HelloFresh, the risk of modern slavery practices occurring within some part of our supply chain does exist, especially where suppliers from a wide range of industries converge to provide inputs into our products. As a result, we must continue to 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 2021, 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.

Effective 27th October 2021, YouFoodz Holdings Pty Ltd (previously YouFoodz Holdings Limited) and its controlled entities (YouFoodz) was acquired by Cook E-Services Australia Pty Ltd, a wholly-owned subsidiary of HelloFresh Australia. This statement is given pursuant to section 14 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act), covering the activities of the following entities for the year 1 January 2021 to 31 December 2021:

- Grocery Delivery E-Services Australia Pty Ltd
- Cook E-Services Australia Pty Ltd
- YouFoodz Holdings Pty Ltd
- YouFoodz Pty Ltd
- IDK Pty Ltd
- Fresh Four Pty Ltd
- YouFoodz IP Pty Ltd
- YouJuice Pty Ltd

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

HelloFresh Australia continues to support 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 our 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.

As part of our commitment to providing the highest quality product offering to our customers, HelloFresh continues to heavily invest in its operational capabilities, with the construction of a new refrigerated packing and distribution centre in Melbourne during 2021, in addition to existing facilities in Sydney and Perth. This investment significantly increases HelloFresh's capacity to serve its customers, and has led to the creation of over 300 jobs, with new employees across all business departments joining its now 1,500-plus Australian workforce.

During 2021, HelloFresh Australia acquired the YouFoodz Group, a market-leading producer of ready-made meals, selling to consumers via both home-delivery, as well as its expansive network of retail partners, incorporating over 800 YouFoodz employees into the HelloFresh group. YouFoodz operates out of its purpose built manufacturing and distribution facilities in Brisbane, with an integrated supply chain working to serve customers across Australia.

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.

The operations of YouFoodz, while inherently different to HelloFresh's, incorporating the necessary processing and manufacturing steps to produce complete, ready-to-heat meals, rely on the same fundamental model of primarily fast moving, short shelf life inbound goods, that are transformed into a finished product, and packaged for delivery via a refrigerated delivery network. The parallels between HelloFresh and YouFoodz allow for strengthened relationships with the suppliers of the group, a significant portion of whom supply to both HelloFresh and YouFoodz, and an integration in the way-of-working, as well as the standards set across both businesses, in terms of quality, safety, workforce, sustainability and ethical trading.

Supply Chain

HelloFresh and YouFoodz work with a vast array of suppliers to facilitate their 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 inputs into HelloFresh and YouFoodz 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
- Food Preparation Service Providers
- Equipment & Maintenance Providers
- Utility Providers

Indirect

Indirect Suppliers are those who do not directly contribute to the fulfilment of HelloFresh and YouFoodz 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 and YouFoodz are considered to have a low risk of modern slavery practices, primarily due to their localised workforce, strong oversight and control over major contracting arrangements, and strong supplier selection methods and policy framework to manage relevant risks. The Ethical Trading principles and expectations of suppliers, that are standardised across the HelloFresh group globally, are enshrined in contracts between HelloFresh and suppliers, and in relevant supplier documentation and manuals.

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 and YouFoodz, 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.

Throughout the Covid-19 pandemic, significant pressure has been placed on our workforce and supply chain through increased customer demand, coupled with labour shortages and other supply challenges. Volatility in the supply of labour has led to inherent risk increases across our supply chain, as our reliance on workers and labour hire agencies has fluctuated, and has been subject to frequent changes.

Despite these risk factors, HelloFresh and YouFoodz have been careful to closely manage customer demands such as to not introduce any undue risks into their operations. These have included maintaining strong oversight over working hours, award wages, penalty rates and overtime, and facilitating employee leave entitlements and benefits over-and-above what is required under relevant awards and employment legislation.

In addition, distribution centres have operated in accordance with all relevant Covid-19 restrictions and guidance published by relevant authorities at all times. Significant investments have been made to provide staff with relevant PPE, access to vaccinations, leave entitlements and benefits to ensure that the impacts of Covid-19 on our workforce are minimised.

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

Risks in our Supply Chain

Upstream

HelloFresh is in the process of performing a thorough assessment of its upstream supply chain to assess and measure the existence of Modern Slavery Risks. Globally, the HelloFresh group has developed a standardised approach to performing risk assessments on the supply chains of all of its global entities that is in line with the Supply Chain Due Dilligence Act (Germany), and consideration has been given to the Modern Slavery Act in the development of this method.

For HelloFresh Australia and YouFoodz, this risk assessment will result in suppliers being classified into the following risk categories:

The continued growth of HelloFresh and YouFoodz, as well as their increased market presence and buying power, has led to the continued development of long term strategic relationships with reputable suppliers, increasing the level of transparency into the operations, practices and risks involved with major suppliers, and heightened HelloFresh's level of influence with respect to compliance with its own strict standards and policies concerning labour practices.



This classification will be based on factors including:

- Supplier Country Origin
- Sector and Commodity Risk
- Reliance on HelloFresh
- Annual Expenditure
- Supplier size/industry presence

Based on the risk assessment, High Risk and Major risk suppliers will be subject to Preventive Action and/or Corrective Action Programs, which will include:

- More thorough supplier questionnaires and declarations
- Supplier Audits
- Supplier Undertaking and Commitments
- Supplier executive declarations with respect to labour practices

Risks in our Supply Chain

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

The indirect suppliers of HelloFresh and YouFoodz will be subject to the same standard risk assessment procedures as direct suppliers. The expanded presence of HelloFresh and YouFoodz across Australia has allowed for the vast majority of the above-described functions to be performed either in-house by the group's own workforce, or under the direct supervision of HelloFresh management, leading to a lower level of risk overall.

Actions taken by HelloFresh to address risks of Modern Slavery Practices

HelloFresh is continuing to adopt a holistic approach to addressing risks of Modern Slavery Practices in its supply chain, building upon a strong policy and governance framework, supplemented by practical guidance and training for internal and external stakeholders. The group is focused on its guidance informing relevant stakeholders on how to identify, highlight and remediate risks of Modern Slavery Practices. HelloFresh has been engaged with suppliers to communicate its mechanisms and processes to take meaningful action, should evidence of Modern Slavery Practices, or an unacceptable risk of such practices, be discovered.

Policy Framework

As described in HelloFresh's previous Modern Slavery Statement, the implementation of the Group's International Ethical Trading Policy was an important step to provide suppliers with a standardised, comprehensive and board-endorsed collection of HelloFresh's values and expectations with respect to supplier behaviour, practices and standards. Since the policy's implementation, it has been embedded into HelloFresh's standard contractual terms, and suppliers are contractually required to adhere to the requirements and expectations outlined in the policy, as well as provide assurance that their suppliers involved in HelloFresh's supply chain are also compliant with the policy.

It is a key objective of HelloFresh that 100% suppliers have provided their written agreement to the Ethical Trading Policy, and are made aware of their obligations, and the expectations of HelloFresh.

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 continues to focus on development of reporting channels for suspected unethical supplier practices and risks of Modern Slavery Practices. In addition to maintaining a current Whistleblowing Policy, and an active Whistleblowing System, through 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, comprehensive investigation training has been provided to HR and relevant staff, to ensure that reports received via the Whistleblowing System are thoroughly investigated and resolved.

Additionally, enhancements of the Whistleblowing System are in progress, including access details and instructions to be disclosed to all suppliers via the Ethical Trading Policy, for wider circulation to relevant stakeholders, as well as roll out of additional reporting channels (email, phone number, SMS etc).

Actions taken by HelloFresh to address risks of Modern Slavery Practices

Third Party Data Collection

In addition to its own risk assessment methodology, and beyond preventative measures and corrective processes already described in this statement, HelloFresh is, where possible, collecting third party verification of its suppliers practices, and to enhance the risk assessment process, as well as providing a basis for resource allocation to investigating and mitigating risks.

Currently the primary source of information is Sedex Supplier membership data which, while not solely relied on, provides a base indication of external verification and/or audit of a supplier's labour practices, and can provide HelloFresh with a level of assurance that modern slavery risks associated with a member supplier are inherently lower. As at the end of 2021, a significant proportion of HelloFresh's direct supplier base hold Sedex membership, and it is an ongoing objective for the entire direct supplier cohort of HelloFresh and YouFoodz to be Sedex certified.

Supplier Relationships

HelloFresh and YouFoodz continue to maintain a directly-controlled workforce to perform many of their critical operational and business functions, via either direct employment, or close relationships with reputable partners, in all cases where work is performed in HelloFresh Group facilities and independently monitored by HelloFresh or YouFoodz management, in HelloFresh mitigates the risk of Modern Slavery practices to the greatest extent possible by retaining complete oversight over the remuneration, working conditions, treatment and standards of its workforce. Key initiatives in this respect during 2021 include:

- Transitioning to an internal workforce in HelloFresh's Perth distribution centre, which was the last remaining facility to use solely third-party labour in its pick and pack and storage functions
- Diversification of labour agencies used for capacity management in all distribution centres - driven as a result of COVID-19 impacts and labour shortages, HelloFresh has significantly reduced its reliance on individual agencies
- Enhanced controls for remuneration of third-party provided workers, including integration into HelloFresh time and attendance systems, and independent verification of rates and entitlements paid
- Standardised onboarding procedures and inductions for all HelloFresh-employed and Third party workers at all HelloFresh distribution centres, to ensure that relevant HelloFresh group work standards, safety information, and expectations are consistently communicated to all workers
- Continuous engagement with last-mile logistics providers to ensure workloads, safety standards, scheduling and remuneration are appropriately managed

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

HelloFresh and YouFoodz will continue to measure their success in addressing and mitigating risks of Modern Slavery Practices within their 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
- Supplier Sedex membership statistics
- Volume of suppliers referred for Preventive or Corrective Action Programs as a result of HelloFresh and YouFoodz risk assessment process, and the outcomes of these programs

HelloFresh and YouFoodz have confidence that the measures implemented to date will continue to have an impact in terms of mitigating the risk of Modern Slavery Practices in their Supply Chain. Ultimately, through the described combination of internal and external measures to collect information, seek verification and independently measure and test, HelloFresh and YouFoodz will continue to dedicate resources where the risks of Modern Slavery practices exist, and are most prominent, and undertake actions to prevent and/or correct their occurrence wherever necessary.

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.

As of 27 October 2021, YouFoodz Holdings Pty Ltd and its controlled entities are controlled by HelloFresh Australia. Since October 2021, both HelloFresh Australia and YouFoodz have been engaged in an integration process, whereby business practices, processes and operational methods are shared. In terms of supplier engagement and addressing the risks of Modern Slavery Practices, YouFoodz will be subject to the HelloFresh Group's Ethical Trading Policy, and will follow the same process with regards to risk assessments and supplier relationship management. The relevant operational teams are working together on a regular basis in line with this approach, and management personnel of both entities have consulted with one another to align on the relevant objectives and measures.

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 Giesel and Thomas Rutledge, on 29 June 2022, and is signed by Thomas Rutledge in his capacity as Responsible Member. Grocery Delivery E-Services Australia is a wholly-owned subsidiary of HelloFresh SE and this statement was prepared in consultation with, and approved by HelloFresh SE on 29 June 2022.



Thomas Rutledge

Director - Grocery Delivery E-Services Australia Pty Ltd