



Modern Slavery Statement

July 2020 - December 2021

Gourmet Food

1 Introduction

This joint statement is made by the reporting entities of the Gourmet Food Group pursuant to the *Modern Slavery Act 2018* (Cth) (*Modern Slavery Act*) and sets out the actions taken by the Gourmet Food Group (together, "us", "we" and "our", also "GF") to assess and address modern slavery risks in our business and supply chain in the period from 1 July 2020 to 31 December 2021 (Reporting Period).

The Gourmet Food Group operated on a July-June financial year. Due to our acquisition by Mondelez Australia Pty Ltd (Mondelez Australia) in April 2021 (detailed below), there was a consequent mismatch in reporting periods, as we now mirror the calendar year end adopted by Mondelez Australia. With the permission of the Australian Border Force, we have delayed our latest modern slavery statement until now.

Gourmet Food Group consists of the following registered entities. The reporting entities of the Gourmet Food Group under the *Modern Slavery Act* are asterisked:

- Gourmet Food Holdings Pty Ltd, registered in Australia*;
- Gourmet Food Finance Pty Ltd, registered in Australia*;
- Gourmet Food Operations Pty Ltd, registered in Australia*;
- Fine Food Holdings Pty Ltd (Fine Food), registered in Australia*;
- MaxFoods Pty Ltd (MaxFoods), registered in Australia* – part of the Gourmet Food Group up until 1 November 2021 only, when it was sold to a separate consumer goods business (see below for further details); and
- Gourmet Food New Zealand Limited, registered in New Zealand.

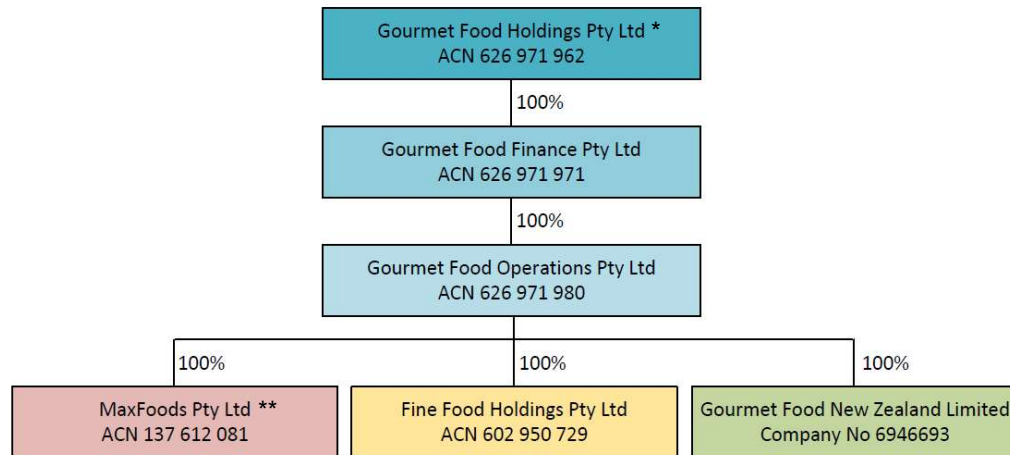
Gourmet Food Group recognises that there is a legislative and corporate responsibility to identify and mitigate risks of modern slavery within our operations and supply chain. We also recognise the importance of ensuring that our people are treated with respect and enjoy their rights to a safe workplace where they are adequately compensated for their work. We endeavour to work with suppliers and customers that share these values.

This Statement sets out the actions we have taken in respect of the Reporting Period to assess, address and mitigate modern slavery risks in our business.

2 Description of our business structure

2.1 Our structure and an overview of our trading entities

During the Reporting Period, Gourmet Food Group had the corporate structure as illustrated and annotated (with asterisks) below.



* On 1 April 2021, Mondelēz Australia acquired 100% of the ordinary share capital and preference shares in Gourmet Food Holdings Pty Ltd. Mondelēz Australia is an indirect subsidiary of Mondelēz International, Inc. (Mondelēz International), a global food company headquartered in Chicago, Illinois, United States. While Gourmet Food Group is wholly owned and operated by Mondelēz Australia, as Gourmet Food is a different brand with distinct systems and policies from Mondelēz Australia, separate modern slavery statements will be published for each group for the time being, as we work towards an integrated approach with Mondelēz Australia in future years.

** On 1 November 2021, 100% of the ordinary share capital in MaxFoods was sold to a third party (MaxFoods Buyer).

Our trading entities for the Reporting Period are Fine Food and (up until 1 November 2021) MaxFoods, which manufacture or import the products we distribute.

Fine Food manufactures premium crackers, wafers, and snacking products. Our customers are primarily blue chip and independent supermarket chains. The manufacturing process includes procurement of raw materials (including agricultural products), mixing, baking, slicing and packaging products for consumption. Finished products are despatched by our warehouse team and delivered through third party logistics providers. The majority of products are manufactured at our Australian manufacturing site, which was constructed specifically for our operations.

During its time in the Gourmet Food Group, MaxFoods imported and resold packaged seafood products and sugar free biscuits (the latter of which was transferred to Fine Food before MaxFoods' divestment), mainly from European suppliers. Products were shipped and received, stored and despatched into our third party logistics providers in Sydney (Australia) and Auckland (NZ), with the help of our import agents. Our customers were blue chip and independent supermarket chains.

2.2 Our operations – including employment

As Australia's 'entertaining' specialist, we have a focus on quality. We are a fast moving consumer goods business, operating in the import and production of packaged foods.

MaxFoods is a packaged seafood business. During its time in the Gourmet Food Group, its primary operations were the importation and resale of premium packaged seafood products globally, including the brands 'Ocean Blue' and 'Clearly Premium'.



Prior to its divestment from the Gourmet Food Group, MaxFoods also had an imported biscuits business, primarily under the 'Gullón' and 'Belmont' brands. This was transferred to Fine Food before the MaxFoods business was sold.

Fine Food produces premium cracker products, including the 'OB finest', 'Olina's Bakehouse', 'Crispbic' and following the transfer from MaxFoods, the 'Gullón' and 'Belmont' brands.

Our employees are primarily located in Australia, with a small number of workers in New Zealand. The majority of our workforce is located in Victoria and based in our head office at 10 Fox Drive, Dandenong South Victoria 3175. Their employment conditions are in compliance with local laws and regulations, including any applicable awards. Over 79% of our workforce has been with the business for over 12 months.

The majority of our employees are production/warehouse staff located in our manufacturing site in Dandenong South. A number of other employees are also located in the same office performing a management role, with a number of other staff employed as field sales which are scattered throughout various states in Australia and New Zealand.

While the MaxFoods business was part of the Gourmet Food Group, it operated out of a Sydney warehouse, with two employees based in Sydney, Australia to manage the seafood business. Those employees and the MaxFoods assets were transferred to the MaxFoods Buyer on 1 November 2021 as part of the MaxFoods sale.

We operate our own manufacturing facilities within Australia, which is generally assessed as a low risk jurisdiction for modern slavery. Nonetheless, we recognise that modern slavery risks can be present in any business, irrespective of a low country risk profile. The food processing industry is associated with increased modern slavery risks by virtue of the reliance on base skilled workers, young workers and migrant workers supporting the factory and warehouse operations. However, we consider that the modern slavery risks in our operations is low, given the comparatively stronger legal framework in Australia and New Zealand (as compared to other jurisdictions) that governs worker entitlements and conditions.

2.3 In our supply chain

As a manufacturer and importer of food products, we procure from a range of local and international suppliers, each of whom also have their own supply chains.

While operating MaxFoods, our largest supplier spend was on purchasing packaged seafood products, which were procured from suppliers primarily located in Scandinavia. Alongside seafood suppliers, we engaged various seafood processing companies which are also primarily located in Europe and Asia. Most of MaxFoods' total spend for the Reporting Period was seafood suppliers and processing companies. Other suppliers included logistics and smaller operational suppliers. These relationships were usually governed by supply contracts, which were of longer term, but could be reviewed annually for any amendments.

Considering the divestment of MaxFoods and the seafood business, our largest supplier spend for Fine Food throughout the Reporting Period was on labour hire services.

The majority of Fine Food's raw materials are sourced from suppliers in Australia, however these suppliers may source ingredients from overseas, and we also directly engage some overseas suppliers of other smaller products. Raw materials sourced from Australia include nuts, seeds, fruits, flour, honey and dairy products, while overseas suppliers primarily provide us with seeds and dried foods including nuts, fruits and herbs.

Aside from suppliers in the food processing and importing industry, we also engage companies in the packaging and logistics industries. Further procurements include our lease of premises, utilities and services such as gas, electricity, cleaning and financial services



such as tax and insurance. Other suppliers include capital purchases suppliers (repairs and maintenance, capital asset acquisition) as well as other general operational and non-operational professional/corporate suppliers such as creative agencies, IT services, management consultant services and technical services.

3 Description of the risks of modern slavery practices in our business, including risk assessment exercise

For the Reporting Period and in preparing this statement, we conducted a desktop modern slavery risk assessment of the top 10 suppliers for both Fine Food and (up until 1 November 2021) MaxFoods businesses.

Our methodology involved assessing our top 10 suppliers for each business against their location/source country, industry, products/supplies and cost. We then compared these findings against government-sourced data or industry bodies (eg. the Global Slavery Index) to determine the resulting inherent risk rating for each supplier.

3.1 MaxFoods Pty Ltd (up until 1 November 2021)

Seafood and Seafood Processing

As noted above, during the period in which we owned and operated MaxFoods, most of MaxFoods' total purchases for the Reporting Period were on seafood suppliers and processing companies. While the substantial majority of our seafood processing and procurement occurred in the lower risk countries of Norway and Denmark,¹ we note that a small proportion of our seafood processing suppliers had operations in Poland (moderate), Indonesia (moderate) and Spain (high – for the fishing industry), regions assessed to have moderate to high risks of modern slavery.²

We acknowledge that fishing and fish products have been identified as having a potentially higher risk of modern slavery. While some risks exist in relation to the fishing industry, we considered the product risk of fish products and processing in our supply chain to be lessened, as the majority of our suppliers at the time operated in lower risk jurisdictions.

Logistics and Transport

Other than seafood products or processing, MaxFoods' top 10 suppliers included logistics providers (including shipping) and bakery product manufacturing (covered in the Fine Food section) during the Reporting Period.

For our logistics procurement, we acknowledge the higher inherent risk of modern slavery that this sector presents. Transport and logistics operators can be subject to long hours, overnight work and a higher risk of transportation accidents. Further, seafaring transport workers (of which we have some suppliers) face particular vulnerabilities, similar to those of fishing workers (eg. poor weather, lack of access to medical care).³ This risk is mitigated by the operating jurisdiction of these transportation companies being Australia, a lower risk jurisdiction.

¹ <https://www.globallslaveryindex.org/2018/findings/importing-risk/fishing/>.

² <https://www.globallslaveryindex.org/2018/data/maps/#prevalence> and <https://www.globallslaveryindex.org/2018/findings/importing-risk/fishing/>. See also the recent Human Rights Law Commission report 'Paper Promises? Evaluating the early impact of Australia's Modern Slavery Act': see <https://www.hrlc.org.au/reports/2022/2/3/paper-promises-evaluating-the-early-impact-of-australias-modern-slavery-act>.

³ According to Verite, 'Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains': see <https://www.verite.org/wp-content/uploads/2017/04/EO-and-Commodity-Reports-Combined-FINAL-2017.pdf>.



As the MaxFoods business ceased being a part of the Gourmet Food Group on 1 November 2021, we do not consider the overall profile of MaxFoods' operations and supply chains to be relevant to us on a go-forward basis. However, consistent with Mondelez International's commitment to the United Nations Guiding Principles on Business and Human Rights, we would consider our remediation obligations if a historical modern slavery incident came to light within the timing of our operation of MaxFoods.

3.2 Fine Food Holdings Pty Ltd

Labour hire services

As noted above, our largest supplier spend for Fine Food throughout the Reporting Period was on labour hire services. We recognise that there are increased modern slavery risks associated with the labour hire industry, irrespective of the country risk profile,⁴ due to a combination of factors such as the:

- prevalence of outsourcing
- reliance on a migrant workforce with limited local language competency and temporary visa arrangements, particularly in the agricultural sector
- multiple sub-contracting arrangements with informal agreements
- low barriers for entry for labour hire providers
- dangerous or substandard working conditions, including:
 - workers are not paid fairly or withheld entitlements
 - workers may be required to work excessive hours
 - workplace safety concerns

We did not detect any modern slavery concerns within our labour hire workforce during the Reporting Period.

Agricultural products

As a manufacturer of food products, we have numerous suppliers in the food industry being primarily wholesalers of agricultural products. The agricultural industry has been identified as a high risk sector for modern slavery, with key risk factors such as the prevalence of base-skilled and migrant workers, the prevalence of contract labour arrangements, and high risk product categories.

Our agricultural suppliers are primarily located in Australia, which is considered a low risk jurisdiction for modern slavery. We do recognise that there are modern slavery risks in the Australian agricultural sector, which is heavily reliant on contract labour and migrant and foreign workers.⁵

Other international locations of our agricultural suppliers include Turkey, Germany, New Zealand, Vietnam, South Africa, the USA, China, India, Bulgaria, Thailand and Ukraine. Of these locations, Turkey, Vietnam, South Africa, China, India, Thailand and Ukraine have been assessed as having a higher risk of modern slavery.⁶

⁴ See, for example, Commonwealth of Australia, 'Hidden in Plain Sight, Final Report of the Inquiry into Establishing a Modern Slavery Act in Australia': https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/024102/toc_pdf/HiddeninPlainSight.pdf;fileType=application%2Fpdf.

⁵ According to the recent Human Rights Law Commission report 'Paper Promises? Evaluating the early impact of Australia's Modern Slavery Act': see <https://www.hrlc.org.au/reports/2022/2/3/paper-promises-evaluating-the-early-impact-of-australias-modern-slavery-act>.

⁶ According to the Global Slavery Index; alongside our internal risk assessment profiles.



High product risks exist for fruit and nuts from Turkey and Vietnam. It has been reported that there are risks of child labour in the production of these products in those jurisdictions.⁷

Biscuit products

As mentioned above, the 'Gullón' and 'Belmont' businesses operated by MaxFoods were transferred to Fine Food before the divestment of the MaxFoods business from the Gourmet Food Group. We identified that finished biscuit products accounted for a small portion of MaxFoods total purchase spend for the Reporting Period (up until 1 November 2021).

Some of our finished biscuit products are procured from Spain, which was assessed by the Global Slavery Index as having low to moderate modern slavery risks, with an estimated prevalence of 2.27 people per 1000 living in modern slavery and ranking 124 out of 167 on the 2018 prevalence index.⁸ Combined with the high risk of modern slavery found in the broader food industry, we consider finished biscuit products from Spain to be of moderate inherent risk. This risk may be mitigated by the fact that we primarily engage with a small number of suppliers for biscuit products, allowing us to work closely with those suppliers to assess and address modern slavery risks.

For Fine Food, according to our risk assessment methodology described above, approximately a third of total supplier purchase spend (excluding biscuit products) for the Reporting Period went to inherently high risk services and goods, including agricultural products and labour hire services. Another approximate third of spend went to low risk goods and services, such as Australian-based packaging suppliers, site leases and professional services.

3.3 **Other risks**

As with many businesses, we also acknowledge that modern slavery risks can arise in 'hidden' functions which support the primary business (for example, in cleaning, facilities operations, IT hardware).

Each of our suppliers have their own supply chains. We do not typically have visibility of these suppliers, but recognise that the supply chains of our suppliers may expose us to modern slavery risk in the deeper tiers of our supply chain. We attempt to understand the secondary/tertiary suppliers of our higher risk contracts and continue to uplift this process (eg. through the implementation of audit rights into supplier contracts under the Procurement Policy).

While our statement is largely focused on our supply chains and operations, we are also cognisant of product stewardship and the modern slavery risks our customers may have. Many of our customers are large and sophisticated entities with their own modern slavery policies, programs and frameworks, which we endeavour to comply with at all times.

4 **Actions taken to address the risks**

4.1 **Supplier communications**

In addressing risks of modern slavery, we acknowledge that one method to reduce the risk of modern slavery is to change suppliers (where possible). We did not have to discontinue or change a supplier relationship in the Reporting Period due to the identification of modern slavery risks. Following our planned integration with Mondelez Australia, in future reporting periods we aim to include anti-slavery provisions within our supplier contracts, providing another mechanism to address modern slavery risks in our supply chain.

⁷ USA Department of Labour report -

https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2019/2020_TVPR_A_List_Online_Final.pdf.

⁸ <https://www.globalslaveryindex.org/2018/data/country-data/spain/>.



We also acknowledge the potential modern slavery risks labour hire can present. We believe our risk is lessened by maintaining a strong relationship with our labour hire providers, including an account manager on site each day (from a provider) to support workers and open lines of communication with our operations team. For example, one of our key labour hire agreements includes obligations on the supplier to ensure that they comply with all applicable laws, regulations and procedures, including but not limited to any occupational health and safety, workers compensation, superannuation, employment, discrimination and migration laws. Going forward, we intend to take steps to further align with the practices adopted by Mondelez Australia.

4.2 Procurement Policy

Continuing from supplier relationships, we recently updated our Procurement Policy in December 2021. The Procurement Policy ties the corporate and social responsibility expectations of Gourmet Foods to Mondelez International policies and standards (for example, suppliers may be required to submit a “Third Party Ethical Practices Audit” (Sedex Member Ethical Trade Audit – SMETA), or similar) based on risk assessments conducted by Gourmet Food.

The Procurement Policy also requires Gourmet Food to complete a supplier due diligence process to evaluate suppliers and assess risk, including modern slavery risks. For example, a component of this due diligence process includes Restricted Party Screening, where Gourmet Food must screen a potential supplier (before entering a contract) against a register of prohibited parties that present a higher risk to the Gourmet Food business. As the Procurement Policy was implemented in December 2021 (at the end of this Reporting Period), Gourmet Food will endeavour to uplift our supplier due diligence process to match this policy requirement in future reporting periods.

4.3 Modern Slavery Policy

We also updated our Modern Slavery Policy in March 2021. The Policy outlines our commitment to addressing modern slavery risks within our business and supplements our employment policies and standards. The Policy outlines the ways in which we seek to address modern slavery risks, including:

- seeking to ensure our employees are engaged voluntarily and paid at least minimum wage;
- annual assessment of our operations for modern slavery risks;
- seeking contractors and suppliers who uphold our commitments to address modern slavery risks, including requirements to comply with our policies and contractual terms regarding modern slavery controls and procedures;
- undertaking supply chain due diligence to identify and address any modern slavery risks;
- making our whistle-blower mechanism available to our suppliers and their workers where appropriate; and
- engaging with persons that may be impacted by modern slavery and working with our suppliers to remedy any adverse impacts.

Prior to the roll out of the Modern Slavery Policy, our managers received a training session in February 2021 covering the basis of the policy and its implementation within the Gourmet Food Group.

4.4 Whistleblower Policy



Our Whistleblower Policy is published on our website (<https://gourmetfood.com.au/whistle-blower-policy/>). It provides a grievance mechanism for third parties, including our suppliers, their workers and labour hire contractors. The Whistleblower Policy outlines an example list of eligible disclosures, including any criminal acts. Potential indicators of modern slavery, whether past, current or future, may be reported in accordance with the Whistleblower Policy (as provided for in the Modern Slavery Policy, referenced above). The Whistleblower Policy also outlines how we will handle any reports made using the policy, including investigation procedures and outcomes. There is periodic training provided to both employees (on their rights and obligations under the policy) and eligible recipients/those dealing with reports (on how to handle, respond and address reports).

5 Assessment of the effectiveness of our actions

Our initial application of our framework for modern slavery risk assessment focused on assessing the suppliers who were high risk based upon their industry and jurisdiction. In this Reporting Period, we have focused on managing the transition to our new ownership structure and preparing for our eventual integration with the Mondelez Australia compliance framework, including on matters such as modern slavery. We have been benchmarking our current controls on the Mondelez International standards (eg. through the adoption of our Procurement Policy, incorporation of anti-slavery provisions in future contracts) and will continue to develop the means by which we will assess the effectiveness of the steps that we have taken to manage the modern slavery risks we have identified.

6 Consultation & Approval

Gourmet Food Holdings Pty Ltd and its subsidiaries are managed by a core team including the Director, Supply Chain and Head of Finance and Integration. This team has kept, and continues to keep, the Board informed of the reporting requirements and actions taken and future goals. In preparing this statement, we also consulted with relevant personnel from our procurement and HR teams, as well as external subject matter experts.

We have also consulted with the MaxFoods Buyer in respect of references to MaxFoods within this statement for the Reporting Period.

This joint statement was approved by the Board of Gourmet Food Holdings Pty Ltd on behalf of each of the reporting entities in the Gourmet Food Group on 30 June 2022.

Signed,

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A handwritten signature in blue ink, appearing to read "Darren O'Brien".
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Darren O'Brien
Director of Gourmet Food Holdings Pty Ltd (ACN 626 971 962)
30 June 2022