

MODERN SLAVERY REPORT 2019 -2020

MONDE NISSIN AUSTRALIA



Contents:

Statement Endorsement

1. Company Introduction
 - 2.1 Company Structure
 - 2.2 Company Operations and Supply Chain
 3. Modern Slavery Risk Assessment
 4. Actions taken to Control Risks Identified
 5. Assessment of Effectiveness
 6. Consultation
 7. Future Planning
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Statement Endorsement:

Within the food and beverage industry the vast majority of companies now operate within the global market place more than ever before. With this, and with the focus to provide customers and consumers competitive prices, unfortunately modern slavery risks are apparent.

At Monde Nissin Australia our vision of being “Simply Good for People and Planet” is ingrained within our culture and as such we are committed to ensuring human rights and fair labour practices are upheld within our business and within our supply chain.

We fully support the Modern Slavery Act and associated mandatory reporting and look forward to building our business and supply chain sustainably within these requirements.

The Monde Nissin Executive Leadership team has reviewed and approves this statement, our Modern Slavery 2019 – 2020 report, and I sign on their behalf.



Hadrianus S
Chief Executive Officer
Monde Nissin Australia

1. Company Introduction

Monde Nissin Australia (MNA) sources, manufactures, stores and distributes some of Australia's most loved brands, including Nudie, Black Swan, Wattle Valley, Peckish and Quorn. We understand the importance of corporate social responsibility and human rights and work together to ensure our vision of:

'Simply Good for People and Planet'

Is reflected in activities we undertake as well as across our supply chain.

Our company values reflect our belief in the rights of all individuals to have fair and just working conditions:

Care; Teamwork; Excellence; Fun



Care

We are passionate about the work we do, and act with integrity and honesty. We value and support each other with empathy and genuine respect, creating a workplace that is mentally and physically safe.



Teamwork

We respect and acknowledge all team members ideas and always have each others backs. We communicate openly, aligned to achieve our common goals, celebrating wins along the way.



Excellence

We plan for success through considered and balanced decision making. We operate with discipline, attention to detail and agility and have the courage to speak up to understand the WHY.



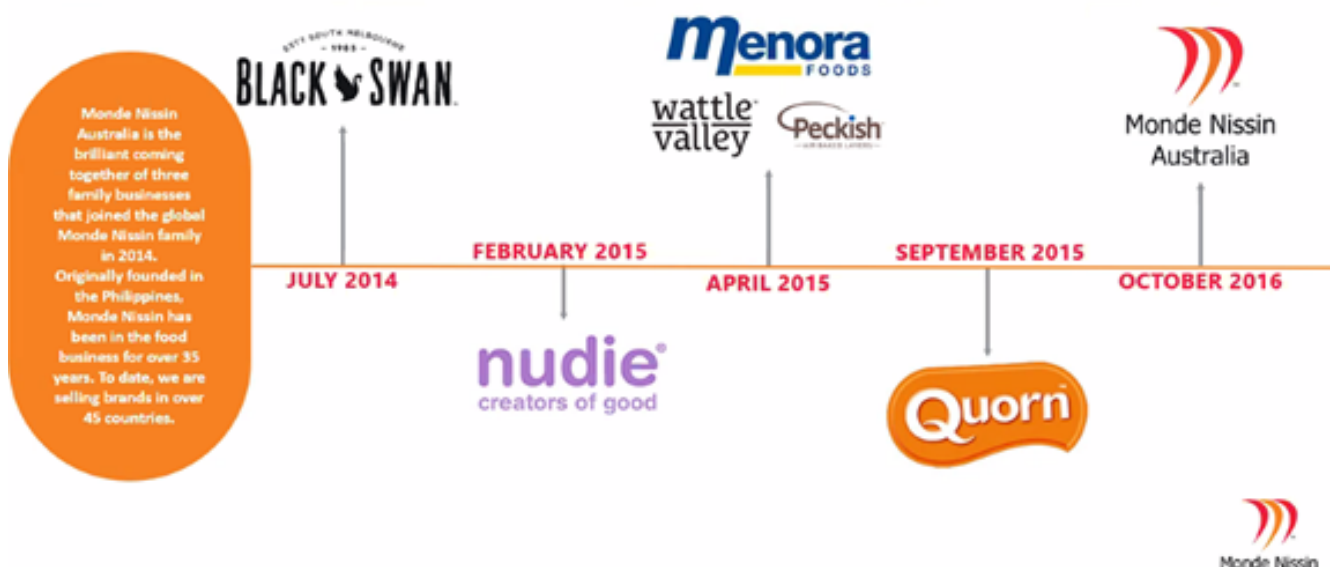
Fun

We recognise each others wins, big or small and celebrate with our colleagues. We have a laugh and don't take ourselves too seriously or worry about things we can't control.

2.1 Company Structure

Monde Nissin Australia Pty Ltd (ABN 25 169 518 325) is an Australian Private Company that has been operating since 2014. We currently employ 384 individuals across VIC, NSW, WA & QLD, with the majority of employees in VIC and NSW.

OUR BUSINESS HISTORY



The following business units make up Monde Nissin Australia:

- Black Swan
- Nudie
- Novus Manufacturing
- Menora
- Business Excellence (Safety, Quality, Sustainability)
- Finance
- People and Culture

2.2 Company Operations and Supply Chain

Operations

Monde Nissin Australia core operations consist of procurement of both raw materials and retail food products, food processing and production, food storage and distribution. Currently our retail products are distributed domestically and into 45 international markets. Other core operations include the employment of 384 employees across the business.

Monde Nissin Australia Head Office:

- Mulgrave Victoria

Production - we operate 3 manufacturing sites:

- Clayton South Victoria - Black Swan
- Cheltenham Victoria - Novus Manufacturing
- Eastgardens New South Wales - Nudie

Warehousing and Distribution - we operate 3 Distribution Centres:

- Noble Park Victoria
- Smithfield New South Wales
- Perth Airport Western Australia

Supply Chain

The Monde Nissin Supply Chain includes the procurement of raw materials, finished products and services:

We source a wide range of raw materials, the majority of which are procured from domestic suppliers. These include:

- Fruit Juices
 - Dairy product, including Australian Cream Cheese and Milk Powders
 - Primary and Secondary packaging materials
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We also procure finished retail product from both domestic and international (East and South East Asia; UK and European Union) suppliers, including:

- Rice Crackers
- Meat Replacement Products
- Dairy products, including butter, cheese and dairy based deserts
- Condiments, including mustards, sauces and jams

The services we procure are mainly domestic and include:

- Domestic and International logistics and transport services
- Laboratory testing services
- Cleaning services

For all materials and services sourced our procurement team, in consultation with subject matter experts within the business, ensure safe, quality and continuous supply from reputable companies.

3. Modern Slavery Risk Assessment

Through risk assessment of the complete Monde Nissin Australia supply chain, we have determined that the higher risk lies with MNA contributing to, or being linked with modern slavery, as opposed to directly causing modern slavery incidents.

The lack of risk of MNA directly causing Modern Slavery was determined due to our strong People & Culture Team. This team is resourced to ensure that we meet and exceed all local employment condition laws, such as minimum wage requirements, leave benefits, working conditions, etc., as well as upholding our company values. As the vast majority of our employees are hired directly by Monde Nissin Australia we are confident the risk of Modern Slavery within our Organisation is low.

Although the industry and products within our supply chain are not considered high-risk for modern slavery, as we source from a wide range of countries a level of risk is present.

On review of our supply chain the risks we have identified are:

- Sourcing materials from within countries where the legal framework for modern slavery is not as developed as Australia;
 - Sourcing materials with cost targets and delivery timeframes may have a negative impact on effect to suppliers in terms of reducing labour conditions;
 - Unknown risks due to the depth of our supplier chain, e.g. second and third tier suppliers where no direct relationship has been established.
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4. Actions Taken to Control Identified Risks

Supplier Base

As the highest risks we have identified are due to MNA contributing to or being linked to causing Modern Slavery we have focused on gaining information on our supplier base.

In order to clearly scope the risk, we have identified suppliers by the types of materials and services they supply, their geographical location and any known entity governance risks.

Using the Global Slavery Index resources, we have been able to identify countries that we source directly from to objectively reference the level of risk from that world area.

By carrying out this supplier assessment activity we were effectively able to identify higher risk suppliers (contract-manufactured goods produced in South East Asia), through to lower risk suppliers (Australian based raw material suppliers).

In order to gain information on our suppliers labour practices we requested all of our suppliers identified as moderate and higher risk to join SEDEX (one of the world's leading ethical trade membership organizations) to which we are members.

Through gaining access to suppliers SEDEX data we were able to gain an understanding of their practices and in many cases re-classify their risk score to a lower level. Where residual risk remained, we have worked with suppliers to undergo SMETA (SEDEX Members Ethical Trade Audit) assessments to further understand practices and close any gaps.

In order to better understand the depth of our supply chain all suppliers deemed higher risk have been contacted directly to request detail on subcontracting services that exist within our supply chain. Initial assessment indicates that no significant manufacturing practices are subcontracted by our suppliers, but further work is required to determine if additional action is necessary (see 7. Future Planning).

MNA Internal

At MNA we have a compliance and governance framework to control direct modern slavery risks within the business. This includes action at the policy and procedure level such as:

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- Employee Code of Conduct
 - Whistler Blower Policy
 - Anti-Corruption and Bribery Policy
 - Equal Opportunity and Anti-discrimination Policy

As well as compliance to all local employment laws as mentioned above.

Further to this we have engaged an external consultant to ensure payroll best practices are in place. We are committed to addressing any improvement opportunities from this review.

We also have procurement practices that ensure MNA minimizes any impact that may contribute to Modern Slavery such as:

- Developing strategic partnerships with all key suppliers ensuring governance and risk mitigation for MNA and supplier;
- Setting realistic manufacturing and delivery timeframes based on known performance;
- Engaging external subject matter experts to identify and drive improvement in responsible sourcing practices, including environmental, social and community based initiatives

5. Assessment of Effectiveness of Control Measures

MNA acknowledges that we are at the early stages identifying Modern Slavery risks and implementing actions to control. We are committed to continuing and building on these exercises to better understand risks and reduce the chance of Modern Slavery occurring within our business or supply chain.

We regularly review our supplier risk assessment and associated processes ensuring it captures all new suppliers as part of our supplier qualification and onboarding processes.

We will continue to roll out SEDEX to our supplier base and use clear metrics, such as percentage of suppliers with SEDEX relationship to MNA, to ensure we are increasing and understanding our supplier base ethical performance knowledge. Where possible we will use SMETA audits and their findings to further measure risk and the effectiveness of implemented control measures.

Internally we conduct anonymous staff satisfaction surveys where all feedback is assessed and considered as part of our ongoing continuous improvement programme.

6. Consultation

To compile this report a large number of departments within the business have been consulted and provided valuable input. This includes, but is not limited to:

- Executive Leadership Team
- Group Leadership Team
- People and Culture
- Safety and Sustainability
- Quality Assurance
- Procurement
- Business Excellence
- Operations

7. Future Planning

Monde Nissin Australia is committed to developing a robust system to effectively identify, assess and control modern slavery risks. As such we have initiated a company wide project relating to Business Sustainability. One key deliverable of this project is a supply chain social risk assessment, highlighting high risk categories to address as part of Monde Nissin's response to the Modern Slavery Act.

Furthermore, In the coming 12 months we plan to:

- Continue the roll out of SEDEX to our supplier base;
 - Review, strengthen and formalize our supplier code of conduct in respect to Modern Slavery requirements; and
 - Continue to work with our suppliers to ensure thorough understanding of depth of supplier chain and to increase their awareness and knowledge on modern slavery risks.
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