



Modern Slavery Statement
Year Ending 2 August 2020



Reporting Entity

This Statement describes the actions taken by The Arnott's Group to address modern slavery risks in our business and supply chains in the year ending 2 August 2020 pursuant to the requirements of the *Modern Slavery Act 2018* (Cth). In this Statement, The Arnott's Group refers to Snacking Investments Holdco Pty Ltd (ACN 634 908 482) and its related bodies corporate, as defined in Section 50 of the *Corporations Act 2001* (Cth). This Statement is given by Snacking Investments Holdco on behalf of itself, as a reporting entity, and the other reporting entities in The Arnott's Group.¹

¹ This Statement is made for the following reporting entities within The Arnott's Group: Snacking Investments Holdco Pty Ltd (ACN 634 908 482), Snacking Investments MezzCo Pty Ltd (ACN 634 908 795), Snacking Investments MidCo Pty Ltd (ACN 634 908 893), Snacking Investments Bidco Pty Ltd (ABN 18 634 909 032), Chesapeake Holdco Pty Ltd (ABN 17 635 109 081), Chesapeake Bidco Pty Ltd (ABN 50 635 108 851), Campbell Australasia Pty Ltd (ABN 28 004 456 937), Arnott's Holdco Pty Ltd (ABN 80 007 245 105), Arnott's Pty Ltd (ABN 41 000 003 001) and Arnott's Biscuits Limited (ABN 44 008 435 729). This Statement predominantly describes the operations of Arnott's Biscuits Limited and Campbell Australasia Pty Ltd, being the only reporting entities that operate The Arnott's Group's business in Australia.

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Statement by the CEO

Millions of Australians have grown up with Arnott's over the past 155 years. For them, The Arnott's Group is more than a food company, it is a part of Australia's history and a national icon.

Consumers rely on our food being of a high quality. Employees rely on us for a safe and supportive workplace. Supermarkets and retailers expect us to meet the needs of their customers, profitably. Farming communities rely on us to thrive. And Australians everywhere connect with each other over our biscuits, snacks and meals.

We understand our responsibility to set and meet, high standards of quality, safety and wellbeing. At The Arnott's Group, we stand for:

1. Fostering equality, diversity and sustainability.
2. High performance with integrity.
3. Balancing decisions from our head and heart.
4. Delighting our consumers every time.

During the reporting period, our commitments to these standards included strengthening our plans to eliminate modern slavery in our supply chains. As well as upholding fairness, dignity and respect for our employees, we partnered with suppliers and customers to uphold human rights within our supply chains.

The Arnott's Group has always engaged in responsible sourcing and supply chain management, and is pleased to publish our inaugural **Modern Slavery Statement**.

Undoubtedly there is more to be done, but The Arnott's Group is committed to addressing and eliminating modern slavery risks within our supply chains.



Chief Executive Officer
Director, Snacking Investments Holdco Pty Ltd



1. Structure, Operations and Supply Chains

In Brief

The Arnott's Group portfolio of brands continues the 155-year legacy of the Arnott family, providing quality, great-tasting food to create delicious moments for consumers across the world. Employing over 3,500 people in markets across Asia Pacific, The Arnott's Group is headquartered in Sydney, Australia with operations in Auckland, New Zealand and bakeries in Western Sydney, Brisbane, Adelaide and Indonesia. In addition, our portfolio includes Campbell's products in Australia, Malaysia, Hong Kong and Japan, with manufacturing operations for these products in Shepparton, Australia and Malaysia. We source direct inputs to our products, and other goods and services for our operations, from suppliers all over the world.

Structure

Snacking Investments Holdco Pty Ltd (ACN 634 908 482) is an Australian private company which owns the key reporting entities within The Arnott's Group:

- Arnott's Biscuits Limited (ABN 44 008 435 729), which operates the biscuits and snacks portfolio; and
- Campbell Australasia Pty Ltd (ABN 28 004 456 937), which operates the juice, soup and stock portfolio.

These two companies essentially operate as a single business using the same policies and processes and under the management of the same leadership team.

The registered office for all reporting entities in The Arnott's Group is in North Strathfield, New South Wales.

Snacking Investments Holdco also owns The Arnott's Group operating entities in Hong Kong, Indonesia, Japan, Malaysia and New Zealand. Snacking Investments Holdco does not itself carry out The Arnott's Group's business activities.

Until 24 December 2020, the operating reporting entities were owned by the United States-headquartered Campbell Soup Company. Since that time, The Arnott's Group has been under the ownership of KKR investment funds.





Brands

The Arnott's Group's portfolio of brands includes household names like Tim Tam, Shapes, Iced VoVo, SAO, Vita-Weat, Salada and Tiny Teddy. In addition to biscuit brands, the portfolio includes Country Ladle and Real Stock products, and the Campbell's and V8 brands for soup, stock and juice products under licence by Campbell Soup Company.

Operations

The Arnott's Group undertakes a range of activities in pursuit of our business objectives and standards. These include:

- Direct and indirect employment in manufacturing, field sales and corporate activity.
- Production of biscuits, snacks, meals, soup, stock and juices.
- Development of new food products.
- Merchandising services at customer retail premises.
- Product distribution, purchasing, marketing, sales and exports.
- Operation of The Arnott's Foundation, a charitable arm supporting community initiatives.

The Arnott's Group's geographic staff profile is shown below:²

Country	Number of employees
Australia	1,985 ³
Hong Kong	35
Indonesia	937
Japan	21
Malaysia	520
New Zealand	203

² Approximate employee numbers (excluding casual employees) as at 1 August 2020.

³ Of this number, 1,749 were employed by Arnott's Biscuits Limited and 148 were employed by Campbell Australasia Pty Ltd.



Supply Chains

During the reporting period, The Arnott's Group's Australian operations sourced inputs for our products directly from approximately 140 suppliers.⁴ These included ingredients such as flour, dairy, salt, flavours, juice concentrates, vegetables, spices, fruits, yeast, diced tomato and tomato paste, sugar and other sweeteners, cereals, malt, cocoa, nuts, eggs, chocolate, and oils, as well as packaging such as paper, plastic and adhesives. We procured other goods and services from approximately 1,630 other, indirect suppliers, including maintenance and operations, marketing, logistics, capital, human resources, corporate, IT and telecommunications, and utilities services.

The Arnott's Group is committed to local manufacturing, with more than 99% of products sold in Australia made in Australia using local and imported ingredients. Locally sourced ingredients include:

- Flour and grains from the Darling Downs, Moree, Riverina and South Australia.
- Dairy products from Victoria and Tasmania.
- Sugar from North Queensland.

Despite unprecedented pressure on suppliers due to COVID-19 and the 2019-20 bushfires, The Arnott's Group purchased over \$110 million in fresh ingredients domestically. Over 72,000 tonnes of Australian flour, 23,000 tonnes of Australian sugar and 4,400 tonnes of Australian and New Zealand-made dairy products came into our manufacturing facilities.

Our Australian business also procured goods and services from Belgium, Brazil, Canada, Chile, China, Costa Rica, Denmark, Egypt, France, Germany, Greece, India, Indonesia, Italy, Malaysia, Mexico, New Zealand, Norway, Philippines, Singapore, Spain, South Korea, Switzerland, Taiwan, Thailand, The Netherlands, Turkey, UK, USA and Vietnam during the reporting period.

Our arrangements with key ingredient suppliers are generally longer-term contracts, although we do utilise short-term arrangements as necessary. We also work with an Australian co-manufacturer to make one product line.

⁴As at the end of the reporting period, we had approximately 230 suppliers of direct inputs to production. This included 140 whom we engaged directly, with the remainder engaged through a distributor.

2. Assessment and Mitigation of Modern Slavery Risks

In Brief

The Arnott's Group takes a strong stance against modern slavery. We prohibit the use of all forms of forced labour and restrictions on free movement. We do not tolerate child labour in our own operations or those of our suppliers. As part of our ongoing commitment to human rights:

- We are working with suppliers to secure their commitment to responsible sourcing, including in relation to modern slavery.
- We have partnered with one of the world's leading ethical trade membership organisations, Sedex, to gain greater visibility of the risks associated with suppliers around the world. This will enable us to prioritise high risk suppliers to evaluate more closely and make more informed decisions about our supply chain.
- We acknowledge the risks of modern slavery practices in the production of key ingredients, namely cocoa and palm oil, and have arrangements in place to purchase these from certified or recognised responsible sources.

Our Actions

During the reporting period, The Arnott's Group improved our ability to identify and address modern slavery risks in our business.

A new working group was established by representatives from the Supply Chain, Legal and Corporate Affairs business units to invest in education about modern slavery risks, analyse where these risks may be present in our operations and supply chains, and explore ways in which we can eliminate these risks over time. The working group took a number of actions which are outlined below.

Reinforcing our commitment to human rights.

- We published a new Human Rights Policy, guided by international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights. Our Human Rights Policy stipulates the strong stance we take against all forms of forced labour, human trafficking and child labour.

- The policy is available on our website and all directors, officers and employees of The Arnott's Group are expected to comply.

Setting and communicating responsible sourcing expectations of suppliers.

- Updated our Responsible Sourcing Supplier Code (RSSC) to address our separation from the Campbell Soup Company, as well as strengthen our requirements in relation to modern slavery risks.
- Established a target for all direct input suppliers to confirm their agreement to comply with their obligations under our RSSC, or alternatively, undertake to comply with their own, comparable responsible sourcing code.
- Distributed our RSSC to all suppliers of direct product inputs for the Australian business, seeking their agreement to comply. We also took preliminary steps for the same process of engagement to be implemented with the suppliers to our Indonesia and Malaysia businesses (see section below on consultation with our Asian businesses for details).

Utilising Sedex to help identify modern slavery risks in relation to our suppliers.

- Implemented the ethical data platform provided by Sedex (known as Sedex Advance) on which buyers, suppliers and auditors can store, share and report relevant supply chain information.
- Sought to establish relationships with each of our suppliers on Sedex Advance. A relationship on Sedex Advance enables us to have visibility of the supplier's overall risk score which is determined from a combination of inherent risk (based on their location and industry), results of a comprehensive supplier self-assessment questionnaire and any audit results uploaded to the platform.

Requiring suppliers to warrant they do not engage in modern slavery practices

- Our purchase order terms and conditions, and services agreements now require suppliers to warrant that they do not engage in modern slavery practices.

Enhancing avenues for reporting modern slavery concerns.

- We updated our whistleblowing policy and reinforced the protections available to those who report concerns relating to our business.
- We implemented an online whistleblowing platform, Whispli, which enables the reporting of any concerns anonymously.

Key Risks Identified

The risks of modern slavery practices are varied across The Arnott's Group's business. To identify modern slavery risks in our operations and supply chains, we considered:

- sector and industry risks;
- product and services risks;
- geographic risks; and
- entity risks.

Our focus during the reporting period was on risks relating to suppliers of direct inputs into our products and labour at our sites. The risks we identified, and the actions we have taken to assess and address those risks, are described in the table below.

1. Risk of causing modern slavery practices.

Consistent with the UN Guiding Principles on Business and Human Rights, we have taken action to prevent the risks in this category.

Description

Actions

Employment of labour in our factories in Malaysia.

We directly employ a significant number of foreign workers in our manufacturing site in Malaysia. We recognise the risks associated with employment of foreign workers, including the risks of forced and/or exploited labour.

- We pay the workers in accordance with a union-negotiated collective labour agreement.
- Where housing and transportation is provided for these workers by third party vendors, we review suitability and safety on a monthly basis.
- Where we provide housing for these workers directly, we ensure suitability and safety in accordance with clear guidelines, including in relation to safety requirements and bedroom and bathroom occupancy ratios.
- We request workers' passports only as needed to renew relevant work permits. We never hold passports as a condition of employment or otherwise.

Employment of labour in our factories in Indonesia.

Our workforce is composed of Indonesian nationals. We recognise that the limitations of local law enforcement and socio-economic factors contribute to the higher risks of modern slavery in Indonesia.

- As part of the processes of some of our key customers, our site has been the subject of a number SMETA audits which involve an assessment of working conditions and payment of wages. We take all corrective actions to address non-compliances identified through such audits.

2. Risk of being directly linked to modern slavery practices.

Consistent with the UN Guiding Principles on Business and Human Rights, we have sought to leverage our supply chain relationships to influence the entities causing risks in this category to act. In some circumstances we have established alternative business relationships that do not present inherent risks.

Description

Actions

Use of cleaning services. We engage third parties to provide cleaning services at most of our sites. We recognise that cleaning services often involve lower wages and manual labour and therefore have inherently higher risks of modern slavery practices.

We have taken action to address this concern in relation to our Australian sites as a priority:

- The tender process for cleaning service providers for our Australian sites requires service providers to respond to a set of questions relating to payment rates, payroll function, record keeping, prior investigations, court orders for compensation, registration with industry associations, processes for payment in accordance with applicable laws and instruments and use of subcontractors.
- We require providers of cleaning services to give satisfactory answers to these questions before contracting with them.

Sourcing of cocoa from West Africa. We source cocoa liquor, butter and powder from several regions including Asia and West Africa and blend it in-house to make the signature chocolate for our biscuits. We recognise that West Africa faces some of the worst challenges in terms of poverty, child labour, forced labour and trafficking.

Since 2010, as part of our ethical sourcing programme, when we purchase cocoa liquor from West Africa, it is only certified West African cocoa liquor. In August 2019, our ethical certification body for West African cocoa liquor transitioned from Fairtrade to UTZ. We remain committed to only purchasing cocoa liquor from this region that is certified to be produced in a socially and environmentally responsible way, with funds used to make positive changes for the communities and families growing cocoa in West Africa. We are managing modern slavery risks in relation to our other cocoa product suppliers in the same way as we are for other direct input suppliers (as described under “Our Actions” above) and will take appropriate further action, such as to require ethical sourcing certification, as needed.

Sourcing of tomato paste.

We use tomato paste in several soup and juice products. We recognise that the industry, product and geographic risk indicators for modern slavery practices are high in relation to tomato paste production.

During the reporting period, we ceased purchasing tomato paste from a geographic region which human rights organisations associate with high risks of modern slavery.

2. Risk of being directly linked to modern slavery practices.

Consistent with the UN Guiding Principles on Business and Human Rights, we have sought to leverage our supply chain relationships to influence the entities causing risks in this category to act. In some circumstances we have established alternative business relationships that do not present inherent risks.

Description

Actions

Sourcing of dry yeast. We source dry yeast, used in several products, from various suppliers, including from a region which has been associated with high risks of modern slavery.

Although we have no knowledge of our supplier engaging in modern slavery practices, our relationship with this supplier is subject to due diligence and risk assessment. The supplier is part of a major UK-based global food company that has made public statements about its comprehensive efforts to eliminate modern slavery in its operations and supply chains.

In addition, the supplier's Australian-owned parent has acknowledged and agreed that it, and its business divisions, will comply with our RSSC or their own equivalent codes. We have also requested a Sedex relationship and are focussed on establishing this as a priority.

Use of a co-manufacturer in Turkey. Our Malaysia business uses a co-manufacturer for dry pasta products. The co-manufacturer is in Turkey near the Syrian border. We recognise the risk of modern slavery practices given the ongoing conflict in Syria.

Despite inherent risks, we do not currently have specific concerns about our supplier engaging in modern slavery practices.

The supplier is a Sedex member.

In addition, the supplier provided the results of a Workplace Conditions Assessment conducted by independent auditor, Intertek, during the reporting period with 100% scores in the areas of Labour and Wages & Hours, and an overall score of 94%. We have also since procured the supplier's acceptance of our RSSC.

Use of a co-manufacturer in Oman. Our Malaysian business uses a co-manufacturer in Oman for mayonnaise and ketchup products. We recognise the risk of exploitation due to the kafala system used to monitor migrant workers in that country.

Our relationship with this co-manufacturer is subject to an ongoing due diligence and risk assessment. Currently we have no knowledge of the supplier engaging in modern slavery practices.

The supplier is part of a large global food group which is on the Sedex platform.

In addition, the supplier provided the results of a Workplace Accountability Assessment conducted by independent auditor, SGS, during the reporting period which found no cases of non-compliance with human rights, workplace and business integrity standards or management systems. We have since also procured the supplier's acceptance of our RSSC.

2. Risk of being directly linked to modern slavery practices.

Consistent with the UN Guiding Principles on Business and Human Rights, we have sought to leverage our supply chain relationships to influence the entities causing risks in this category to act. In some circumstances we have established alternative business relationships that do not present inherent risks.

Description	Actions
Sourcing of palm oil. We use palm oil in our biscuit products. We recognise that palm oil has been associated with child and forced labour and other human rights abuses.	<ul style="list-style-type: none">• We and our supplier are active members of the Roundtable on Sustainable Palm Oil (RSPO).• Our supplier complies with RSPO requirements and works with a third-party NGO to trace our supply back to the mill.• As part of our ongoing commitment to eliminate exploitation of local communities and workers in the communities in which our palm oil supply originates, we only source palm oil from Peninsular Malaysia.

Consultation and Approval

Our Asian Businesses

The Arnott's Group's actions to eliminate modern slavery have been led by the working group at our headquarters in Australia. We commenced our efforts in this first reporting period with the Australian business, which accounts for approximately 68% of our group revenue. The Australian business also engages the largest number of suppliers.

However, the scale of our individual businesses does not reflect the risks of modern slavery associated with them, and we recognise the risks may be higher in relation to our Asian businesses. The working group has therefore prioritised subsequent work on our businesses in Indonesia and Malaysia where we operate manufacturing sites. We are now working with our teams in Indonesia and Malaysia to initiate the same actions as those undertaken in Australia.

The working group is supporting local teams in Asia to engage with key suppliers (including co-manufacturers) to our Asian manufacturing sites on our responsible sourcing requirements. We have agreed consistent communication regarding our RSSC to our suppliers across Australia, Indonesia and Malaysia, and produced a local language version of the RSSC for use by

our Indonesia business. We also worked with our teams in Indonesia and Malaysia to identify the risks of modern slavery specific to their respective businesses. The key identified risks have been listed in the table above.

Non-Operating Reporting Entities

Our consultation process did not involve the non-operating entities owned or controlled by the reporting entities, including the non-operating reporting entities which exist only as holding companies.

Reporting to the Board

All reporting entities in The Arnott's Group ultimately report to Board of Snacking Investments Holdco. The Board has established an Audit, Risk and Compliance Committee which, among other responsibilities under its Charter, is required to monitor and review the effectiveness of the management of the group's material risks. The Committee meets at least four times a year, providing a forum for the reporting of key risks affecting the business. The transparent reporting of these risks empowers the Committee to provide direction on our modern slavery risk management strategy as needed.

3. Measuring Our Effectiveness

The Arnott's Group is committed to uncovering and eliminating all forms of modern slavery in our supply chains. This complex task requires us to meaningfully assess the effectiveness of our actions on reducing modern slavery practices over time. During the reporting period, our working group as regularly tracked progress against our modern slavery action plan. Our focus has been on understanding the key risks in the supply chains of our Australian businesses and ensuring our suppliers share our commitment to fighting modern slavery. Key measures of effectiveness in this period have been:

- **The number of our suppliers who confirmed their agreement to comply with our RSSC or their equivalent code.** Of active suppliers of direct product inputs in this reporting period, 82% had either confirmed agreement to our RSSC or undertaken to comply with their own, comparable responsible sourcing code.
- **The number of our suppliers who are on the Sedex platform and with whom we have a Sedex relationship.**

As at the end of the reporting period, all suppliers of direct inputs (including those we engage through a distributor) were either already Sedex members or had accepted our relationship request on the platform.

We will similarly track and report these numbers in relation to suppliers of indirect inputs for the Australian business and suppliers to our businesses in Asia as we continue our process of supplier engagement.

The Arnott's Group recognises that written commitments and desktop risk ratings do not always reflect the situation on the ground. Supplier engagement and use of Sedex Advance have been essential to establishing the baseline from which we pursue further actions. As we build a more comprehensive understanding of modern slavery risks in our business, we will be able to prioritise action with suppliers who present concerns. We expect this action to include conducting our own responsible sourcing audits where necessary.



4. The Road Ahead

Like many Australian companies, The Arnott's Group is at the start of our journey in uncovering and combatting modern slavery in our operations and supply chains. However, each step can have a real and meaningful impact on human rights and wellbeing. We are unwavering in our commitment to continually improve our operations and supply chain processes and practices.

Some actions we anticipate taking in future reporting periods include:

- Implementing formal training on modern slavery to skill relevant employees.
- Engaging with suppliers of indirect inputs to our Australian business, and direct suppliers to our Asian businesses, regarding our responsible sourcing requirements.
- Reviewing our procurement policies and processes to establish clear guidelines for risk assessment and related conditions of supplier engagement.
- Establishing a process to ensure new suppliers agree to comply with our RSSC as a minimum condition of engagement.
- Leveraging Sedex's engagement program to encourage current and prospective suppliers to join Sedex Advance.
- Undertaking SMETA audits of our key sites to enable customers to carry out their own modern slavery risk assessment of our business.
- Actively and regularly promote our whistleblowing platform to Arnott's Group employees as a safe, anonymous way to report concerns, including in relation to modern slavery.
- Expanding the coverage of our whistleblowing platform to enable suppliers and other third parties to report any modern slavery concerns.
- Developing a procedure for responding to modern slavery cases that we become aware of.

For more information about The Arnott's Group corporate social responsibility commitments, please visit:

<https://www.arnotts.com/our-commitments>.

Approval

This Statement was approved by the Board of Snacking Investments Holdco Pty Ltd (ACN 634 908 482).

