

MODERN SLAVERY STATEMENT

REPORT FOR

FINANCIAL YEAR ENDED

30 JUNE

2024



Australian Health & Nutrition Association trading as Sanitarium Health Food Company (**Sanitarium**) (ABN 63 096 452 872) publishes this Modern Slavery Statement (**Statement**) pursuant to the Modern Slavery Act 2018 (Cth).

This Statement covers the reporting period from 1 July 2023 to 30 June 2024 (**current reporting period**) and it is Sanitarium's fifth Statement. Sanitarium recognises that changes in how we do business and how we operate impact our supply chains and that focus is required to assess the risks of modern slavery through such changes.

The purpose of this Statement is to document Sanitarium's approach to ensuring its business operates in a way that is proactive in its efforts to address modern slavery.

Sanitarium remains committed to minimising modern slavery risks in its supply chains and continues to build on the steps it has already taken in order to achieve this aim.

REPORTING ENTITY

1. Sanitarium is registered as an Australian Public Company with annual revenue that exceeds \$100-million. Sanitarium is wholly Australian owned and operated and is a registered charity with the Australian Charities and Not-for-profits Commission.
2. Sanitarium has approximately 1100 direct employees, all of whom are based in Australia.
3. Sanitarium does not own or control any other entities.

STRUCTURE AND OPERATIONS

4. Sanitarium is a manufacturer and wholesaler of a variety of health food products, which are all plant-based or vegetarian. The main Sanitarium brands include Weet-Bix, UP&GO, So Good, The Alternative Dairy Co. and Vegie Delights. Sanitarium is proud to be able to contribute to the health and wellbeing of Australians by continuing to create great breakfast cereals, dairy free milks, spreads and vegetarian foods.
5. Sanitarium enjoys being able to give back to the community by contributing to a number of charitable activities including educational and community programs which improve the health and wellbeing of Australian communities.

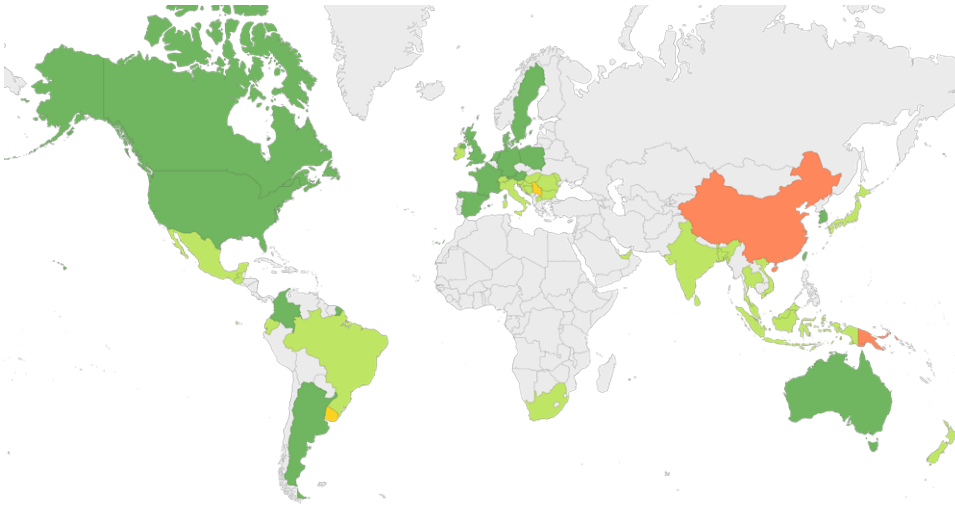
SUPPLY CHAINS

6. Sanitarium has supply chains that are specific to its manufacturing activities, for example suppliers of raw materials, and also supply chains relevant to its general business activities.
7. Sanitarium procures a range of raw materials, the vast majority of which are from within Australia, including its supply of wheat.
8. Aside from wheat, Sanitarium's supply chains consist of a range of suppliers who supply a variety of goods and services including other raw materials such as dairy products, flavours, vitamins, packaging materials, transport, machinery, and business services such as marketing and computer software and services.

SANITARIUM'S RISKS OF MODERN SLAVERY PRACTICES IN ITS OPERATIONS AND SUPPLY CHAINS

9. While Sanitarium considers its overall risk of modern slavery to be relatively low, it accepts that there is a risk of modern slavery deeper within its supply chains and operations, which is more difficult to identify.
10. Our suppliers operate, produce, and source across several different sectors, and these suppliers operate in different regions and countries. Some of these sectors, regions and countries can be described as high-risk, based on a range of factors known or potential links to modern slavery practices.

11. The geographical regions where our supply chain partners operate are shown in the map below, with risk grading provided by the iPRO Modern Slavery Assessment Tool (the 'Platform').



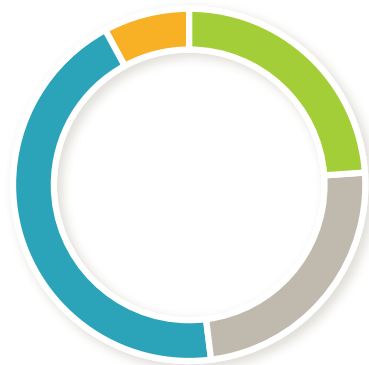
12. Sanitarium's Modern Slavery Framework (the 'Framework') outlines the process that we use to assess Sanitarium's compliance with modern slavery legislation and enables us to follow a systematic approach to reducing the risk of modern slavery. For 2024 Sanitarium revised its Framework to reflect a new, strengthened supplier assessment process.
13. For the reporting period, Sanitarium conducted a thorough analysis of its supply chains by the assessment and screening process outlined below. Sanitarium was able to then undertake further targeted assessment and mitigation measures. This included liaising directly with the potentially high-risk suppliers identified and supporting those suppliers with actions to seek to rectify and address potential risks.
14. Consistent with the approach throughout this Statement, Sanitarium has maintained the anonymity of its suppliers who have completed an assessment, which ensures that commercial confidence is preserved and maximises the likelihood of meaningful participation by suppliers in modern slavery risk assessment and mitigation activities.

ENHANCED ASSESSMENT AND SCREENING PROCESS

15. Sanitarium has implemented a third-party tool, the iPRO Modern Slavery Assessment Tool, to assess modern slavery risks in our supply chain. We engaged iPRO during the reporting period to conduct a bulk assessment of some of our suppliers. A screen of our suppliers identified these suppliers as highest need based on factors such as total spend, whether suppliers were modern slavery reporting entities themselves, and whether suppliers were one-off or recurring. We intend to carry this process forward as part of the regular assessment of our supply chain, and thereby grow our assessment and screening process to progressively include a greater number of our suppliers over time.
16. Participating suppliers completed a self-assessment questionnaire online and their responses were assessed to determine their modern slavery risk scores and associated risk category. Each supplier is assigned one of the following risk categories:
- High-risk (high levels of inherent risk)
 - High-risk (inadequate risk control)
 - Medium-risk (partial risk control)
 - Low-risk (adequate risk control)
 - Low-risk (low levels of inherent risk)
17. In order to assign a risk category, the Platform evaluates a supplier's responses for risks inherent to that supplier's operations, production, and sourcing. This is referred to as the Inherent Risk Score, and includes considerations such as geographical, type of goods, industry sector, and workforce parameters.
18. The Platform also assesses the Unmitigated Risk Score which is based on a supplier's policy and procedure responses on the questionnaire, and measures whether they were categorised as having inadequate, partial, or adequate risk control.
19. Sanitarium can then track its overall Aggregated Inherent Risk Score and an Aggregated Unmitigated Risk Score for that part of the overall supply chain that was assessed using the Platform.

20. For the current reporting period, the process followed by Sanitarium commenced during the reporting period, continued after the reporting period and concluded prior to this report being published. The results were as follows:

- 26.3% were identified as Low-Risk (no inherent risk)
- 23.2% were identified as Low-Risk (adequate risk control)
- 43.2% were identified as Medium-Risk (partial risk control)
- 7.4% were identified as High Risk (inadequate risk control)
- 0% were identified as High-Risk (high levels of inherent risk)



- Low Risk (No Inherent Risk)
- Low Risk (Adequate Control)
- Medium Risk (Partial Risk Control)
- Medium High Risk
- High Risk

ACTIONS TAKEN BY SANITARIUM TO ASSESS AND ADDRESS THESE RISKS, INCLUDING DUE DILIGENCE AND REMEDIATION PROCESSES

21. Based on the outcome of the assessment and screening measures through the Platform, Sanitarium undertakes further scrutiny of the highest risk suppliers and makes further risk-based assessments for possible mitigation actions.

- Suppliers that completed the self-assessment were given action items to complete post-assessment. The action items provided to each supplier were based on their responses to the questionnaire, and if implemented, will reduce the unmitigated risks identified during the assessment.
- Action items were also aggregated, giving Sanitarium a focused view of the most impactful actions that could be taken by suppliers across the supply chain.
- We have started rolling out a supplier follow-up initiative to further discuss the action items and address the risks identified through the assessment. We have formally engaged with the initial seven potentially high-risk suppliers and all of these suppliers have undertaken to consider the issues flagged in the assessment. One supplier, after updating their policies, resubmitted their assessment and is no longer categorised as high-risk. Another supplier, following internal review, was able to provide answers to questions initially unanswered, and as a result is no longer categorised as high-risk.

22. In addition to the updated assessment and analysis of Sanitarium's supply chains as described above, Sanitarium has taken several steps during the current reporting period to further mitigate the risk of modern slavery in its operations.

- Supplier Documentation - Sanitarium ensures that each of its raw material and packaging suppliers is provided with a copy of its Supplier Code of Conduct, which details the standards it expects suppliers to adhere to. Any supplier could be subject to Sanitarium audits and/or selected for further modern slavery-related assessment at any time.
- Supplier Assistance - we assist the higher risk suppliers with information on adequate policies and procedures necessary to mitigate inherent risks in their businesses. Some of the policies we are encouraging suppliers to assess include:
 - o Supplier modern slavery risk compliance policies.
 - o Recruitment policies.
 - o Risk identification and assessment processes.
- Training – during the year, Sanitarium conducted targeted modern slavery training for 28 employees. These employees typically cover the major areas of the business that are likely to be involved in procurement and other areas that could intersect with modern slavery.

- Framework Review – as noted above, Sanitarium has reviewed and updated its Framework as part of a scheduled review in FY24. The Modern Slavery Oversight Committee will review the Framework further during 2027 and recommend changes to the Board if required.

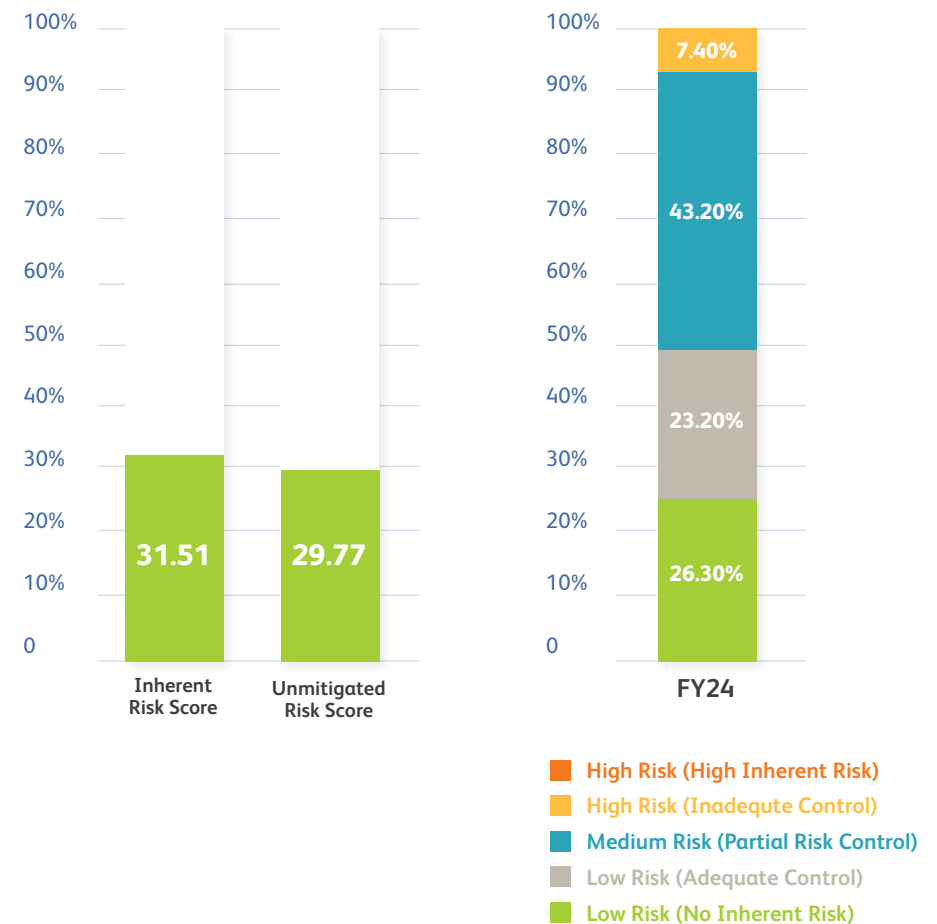
HOW SANITARIUM ASSESSES THE EFFECTIVENESS OF THESE ACTIONS

23. As this is the first year we have used the assessment and screening Platform to conduct our assessments and due diligence, we will be able to objectively measure the effect when the assessments are completed during the next reporting period. The ability to utilise the KPIs from the Platform to assess the effectiveness of our actions over time is a significant enhancement to our modern slavery processes.
24. Sanitarium remains confident that the steps it has taken to identify modern slavery risks in its supply chains are working. A key indicator of the effectiveness of the actions taken by Sanitarium is that the majority of the suppliers that were assessed were determined to be low to medium risk.
25. A further indication that the steps Sanitarium has taken have been effective is the awareness that the business, as a whole, now has about modern slavery generally. This means that modern slavery is a real consideration for employees undertaking procurement activities.

CRITERIA 7: ANY OTHER RELEVANT INFORMATION

26. No additional information is available for this reporting period.

AGGREGATE RISK SCORES





**SANITARIUM
REMAINS
COMMITTED
TO MINIMISING
MODERN SLAVERY
RISKS IN ITS SUPPLY
CHAINS AND CONTINUES
TO BUILD ON THE STEPS
IT HAS ALREADY TAKEN
IN ORDER TO ACHIEVE
THIS AIM**



*This statement has been endorsed by the Board of
Australian Health & Nutrition Association Limited.*

Kevin Jackson
Chief Executive Officer and Board Member
24 October 2024

Australian Health & Nutrition Association Limited,
trading as Sanitarium Health Food Company.

ABN 63 096 452 872