



# KB Food Company

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## Modern Slavery Statement

FY2022  
1st January - 31st December 2022

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# Introduction

KB Australia Holding Pty Ltd (KB) is the reporting entity under the Modern Slavery Act 2018 (Cth). KB is a wholly owned subsidiary of the KB Food International Holding Pte Ltd, a company registered in Singapore. KB has its head office and registered address in Perth at 23 Catalano Road, Canning Vale, Western Australia 6155.

KB reaffirms its commitment to eradicating modern slavery from its operations and supply chains worldwide through compliance with the Modern Slavery Act 2018 (Cth). This third Modern Slavery Statement reports on actions taken to address modern slavery risks in KB's business and supply chains for the financial year ending 31 December 2022.

KB recognises the severity of human rights breaches such as forced labour, servitude, child labour, deceptive recruitment, and debt bondage and continues to address these issues through industry standards and the UN Guiding Principles on Business and Human Rights (UNGPs). KB's vision and values aspire to be the preferred seafood supplier, working ethically, sustainably, and responsibly with internal and external suppliers.

This statement has undergone extensive consultation with key KB stakeholders, external advisory review and approved by the principal governing body of KB Australia Holding Pty Ltd on 14 June 2023.

# Our Values

**RESPECT** we support, encourage and appreciate all team members and stakeholders.

**CREATIVITY** we focus on looking for alternative ways to solve problems, generate new ideas and concepts to make a positive difference.

**INTEGRITY** we do the right thing even when no-one is watching and deliver on our promises.

**ACCOUNTABILITY** we uphold the highest standards and take ownership for all of our actions.

**COURAGE** we pursue our duties and responsibilities with determination and tenacity. We embrace speaking up and being heard.



# CEO Message



As the CEO of KB, I want to take a moment to address the issue of Modern Slavery in the industries we operate in as we published our third Modern Slavery Statement. As a responsible organisation, we are committed to eradicating modern slavery practices from our operations and supply chains, and to continually improving our efforts in this regard.

Modern Slavery remains a pervasive issue across industries, including the seafood sector, and we recognise the importance of transparency and accountability in addressing this complex challenge. Since our last statement, we have made progress in assessing and addressing the risks associated with modern slavery practices within our organisation and throughout our supply chains.

Our commitment to combating modern slavery starts with robust due diligence processes. We have continued to map and assess our supply chains, working

closely with our suppliers to ensure their compliance with our strict ethical standards. By engaging in open and constructive dialogue, we aim to foster a culture of transparency and collaboration that strengthens our collective efforts against modern slavery.

In the face of this issue, we have continued to address with all our suppliers to ensure their compliance with KB's Approved Supplier Program and Responsible Sourcing policies to prevent and address modern slavery risks and breaches of human rights. We expect our suppliers to adhere to these principles and actively promote them within their own operations.

In 2022, we supported our suppliers through risk assessments, process implementation, and maintaining business continuity despite pandemic-related supply chain disruptions and labour shortages. Both our operating sites in Australia underwent their first social compliance SMETA 4 Pillar audits, which provided valuable insights into the risks and social responsibilities expected from all stakeholders in our supply chain, aligning with KB's supplier engagement practices.

In conclusion, as the CEO of KB, I reaffirm our unwavering commitment to combating modern slavery practices in all aspects of our operations. We remain resolute in our pursuit of ethical and sustainable practices, and we acknowledge that our journey towards eliminating modern slavery is ongoing.

We are committed to continue doing everything we can to ensure that our products are free from exploitation and that the workers who produce them are treated with dignity and respect. We are actively working with our suppliers to identify and address any instances of Modern Slavery in our supply chains, and we will continue to make this a top priority moving forward.

At KB, we firmly believe that everyone deserves to be treated fairly and with respect, and we will do our part to make this a reality.

**Tim Storey**  
Chief Executive Officer  
14 June 2023

This statement was approved by the principal governing body of KB Australia Holding Pty Ltd on 14 June 2023 and is signed by Tim Storey, CEO.

# Structure, Operations, and Supply Chains

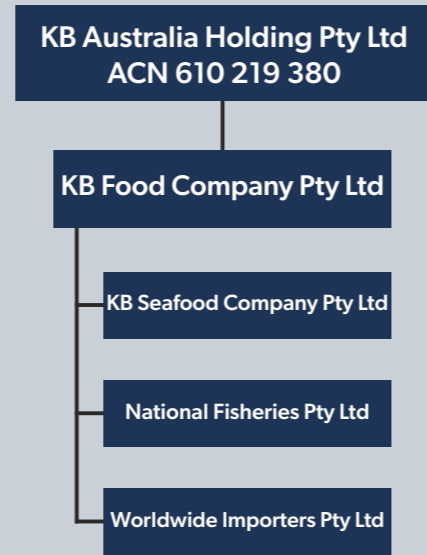
## Structure and Operations

KB is a major Australian seafood company with operations spanning the entire supply chain, from catching and processing to import, exporting, and wholesaling.

Wholly owned Australian entities include KB Food Company Pty Ltd, KB Seafood Company Pty Ltd, National Fisheries Pty Ltd and Worldwide Importers Pty Ltd.

KB's head office is in Canning Vale, Western Australia and is part of the privately-owned KB Food International Pty Ltd based in Singapore.

KB has two seafood operating sites, Canning Vale, WA and Coolaroo, VIC: employing up to 243 employees across Australia.



Canning Vale, Perth



Coolaroo, Melbourne

KB has an established office in Thailand where it partners with some of the region's largest food processors. KB's brands include KB Seafood Co, Just Caught Frozen Seafood, KB's and By George. KB supplied over **28,500 tonnes** of seafood annually to leading food service operators and major supermarkets. In 2022, KB spent **\$396 million** on goods and services from **691 tier one suppliers** sourced from **19 countries and regions**.



## Supply Chain

KB's supply chain consists of procuring goods and services from local (Australia) and international (overseas countries) suppliers to meet the demand of the customers. KB has a complex supply chain where goods and services are procured from both from local (Australia) and international (overseas countries) suppliers to meet the demand of the customers.

KB's supply chain consists of three categories/types:

Categories/Types	Suppliers providing
Goods for resale (GFR)	GFR1 - All goods under KB's and customers' own brands
	GFR2 - All goods under suppliers' proprietary brands
Goods/services not for resale (GNFR)	All goods and/or services not intended for sale to customers
Indirect suppliers	All goods and/or services to KB's suppliers

KB procures 61% of its materials from Australia, with a remaining of 39% from overseas. All KB's service providers are based in Australia. In 2022, KB sourced goods and services from 19 countries and regions, with the highest spend in Australia, Vietnam, Norway, Thailand, and Taiwan.

KB T1 Suppliers Spend FY22

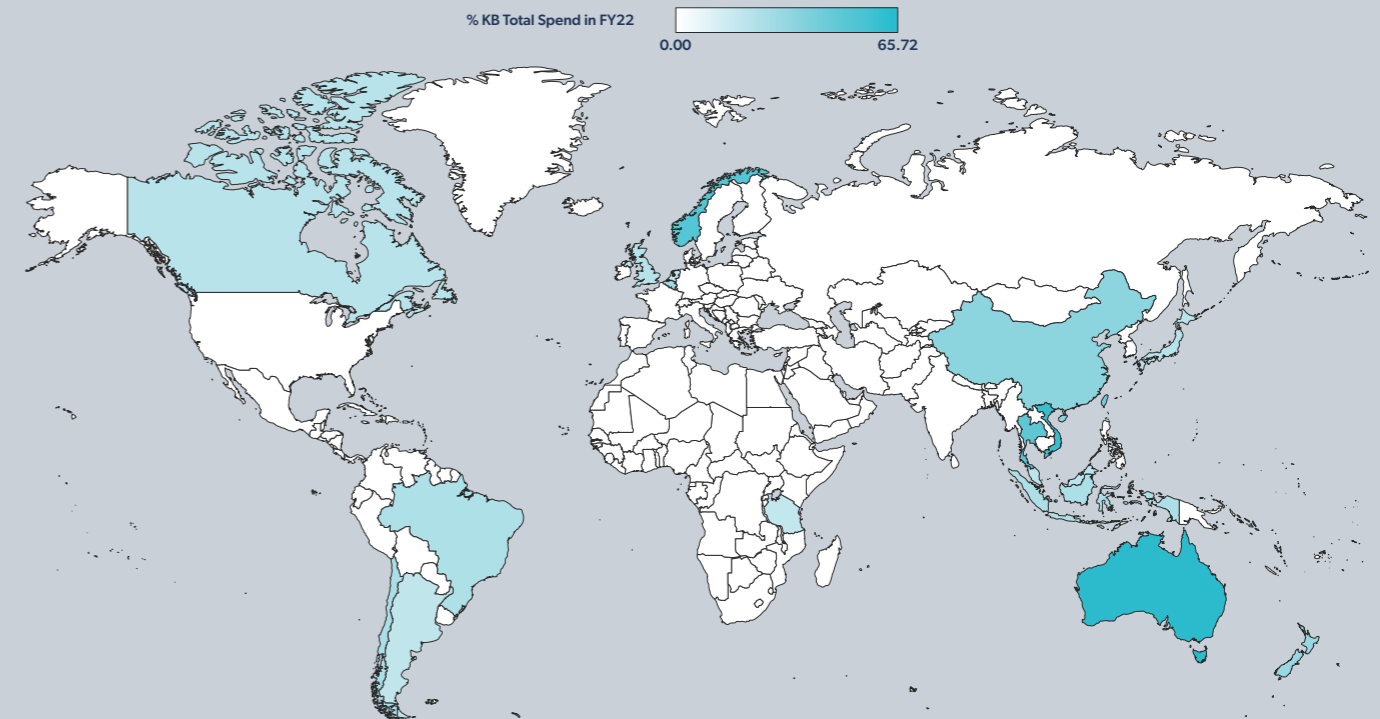


Figure 1 - This map visually represents the countries and regions where KB's T1 Suppliers are located with the % total spend in 2022.

Suppliers are selected based on key criteria including pricing, quantity, quality, lead times, availability, accreditations, ethical sourcing, and commitment to KB's values. They undergo evaluation through our approved supplier program, which includes requirements to manage and mitigate modern slavery practices.

KB maintains partnerships with suppliers who adhere to ethical sourcing practices, including third-party ethical/social compliance audits.

KB prioritised building strong relationships with its internal and external business partners. In FY22, KB actively engaged with Tier 1 (T1) GFR suppliers and provided support to those identified as not fully compliant, helping them meet KB's requirements. Further information can be found in the relevant section of this statement.

# Risks of Modern Slavery Practices

## Operations & Supply Chain

In the seafood industry in Australia, the following types of modern slavery are considered most relevant:

- **Forced labour:** Individuals being compelled to work through coercion, threats, or physical force. In the seafood industry, this can include situations where workers are deceived, trapped, or forced to work under exploitative conditions, often with little to no pay.
- **Debt bondage:** Workers are trapped in a cycle of debt that they cannot repay, often resulting from excessive recruitment fees or deceptive lending practices. In the seafood industry, this can be prevalent among migrant workers who are brought into the country and then forced to work to repay their debts.
- **Human trafficking:** Recruitment, transportation, and exploitation of individuals through force, fraud, or coercion. In the context of the seafood industry, this can occur when individuals are trafficked across borders and subjected to forced labour or other forms of exploitation.
- **Child labour:** Employment of children in work that is harmful to their physical or mental development. In the seafood industry, child labour can involve children being engaged in hazardous work, working long hours, or being deprived of education and basic rights.
- **Working and living conditions:** Exploitative working and living conditions can be considered a form of modern slavery. This includes inadequate wages, poor housing, unsafe working environments, and denial of basic labour rights in the seafood industry.

KB recognises these forms of modern slavery can overlap, and individuals may be subjected to multiple types of exploitation simultaneously. Addressing these requires comprehensive efforts and collaboration across the seafood industry to ensure ethical and responsible practices are implemented and enforced throughout the supply chains.



### KB's Operations

The risk of modern slavery within KB's own operating facilities is deemed low as majority of KB's team members are covered by enterprise agreements and employment contracts. Further details of the verification process can be found in the Actions Taken section.

### KB's Supply Chain

KB acknowledges the presence of modern slavery risks in certain geographical locations where KB and KB's suppliers operate. These risks are prevalent worldwide, particularly within labour-intensive, low-profit industries where cost reduction is a driving factor. Factors such as political and social conflicts can contribute to unrest, extreme poverty, and migration in search of employment opportunities. Unfortunately, this displacement can expose vulnerable individuals to human trafficking and exploitative treatment due to their desperate circumstances.

KB conducted ongoing risk assessments of modern slavery risks within the supply chain, utilising information from the Sedex platform to identify high-risk countries, sectors, and suppliers. In 2022, KB has started looking at service provider with elevated risk of modern slavery such as labour hire agencies for its operating facilities. The insights provided by the Sedex platform have guided KB on focussing in areas to enable best outcome. KB will continue assessing all its high-risks products and services as part of the ongoing actions.

This assessment provides supplier's social compliance status, determined by internal and external audits, and evaluate the risk levels based on the country of origin, considering national policies and wealth/institutional capacity.

Figure 1 above (page 7) shows the ranking of top five countries and regions from which KB purchased goods or services from in FY2022 from top % (highest spend) to bottom % (lowest spend).



# Impacts of COVID-19

In 2022, KB and the global industry experienced some ongoing COVID-related challenges, including labour shortages and supply chain disruptions. These disruptions included shipment backlogs, container congestion, reduced production capacity, and limited social compliance audits due to travel restrictions.

As the pandemic situation evolves, the industry continues to adapt to changing circumstances, implement mitigation strategies, and seek opportunities for recovery and growth. Despite these challenges, KB worked collaboratively with suppliers and customers, maintaining transparent communication, and managing expectations.

## Highlights in 2022:

**KB operating sites performed their first SMETA 4Pillar audit.**

**KB discontinued purchasing goods from suppliers who have not demonstrated a commitment to align with KB's expectations.**

**KB has worked on further improvements with the modern slavery education/training.**

**KB conducted a review and implementation of internal grievance mechanisms at its operating sites.**

**KB introduced the employee assistance program (EAP).**

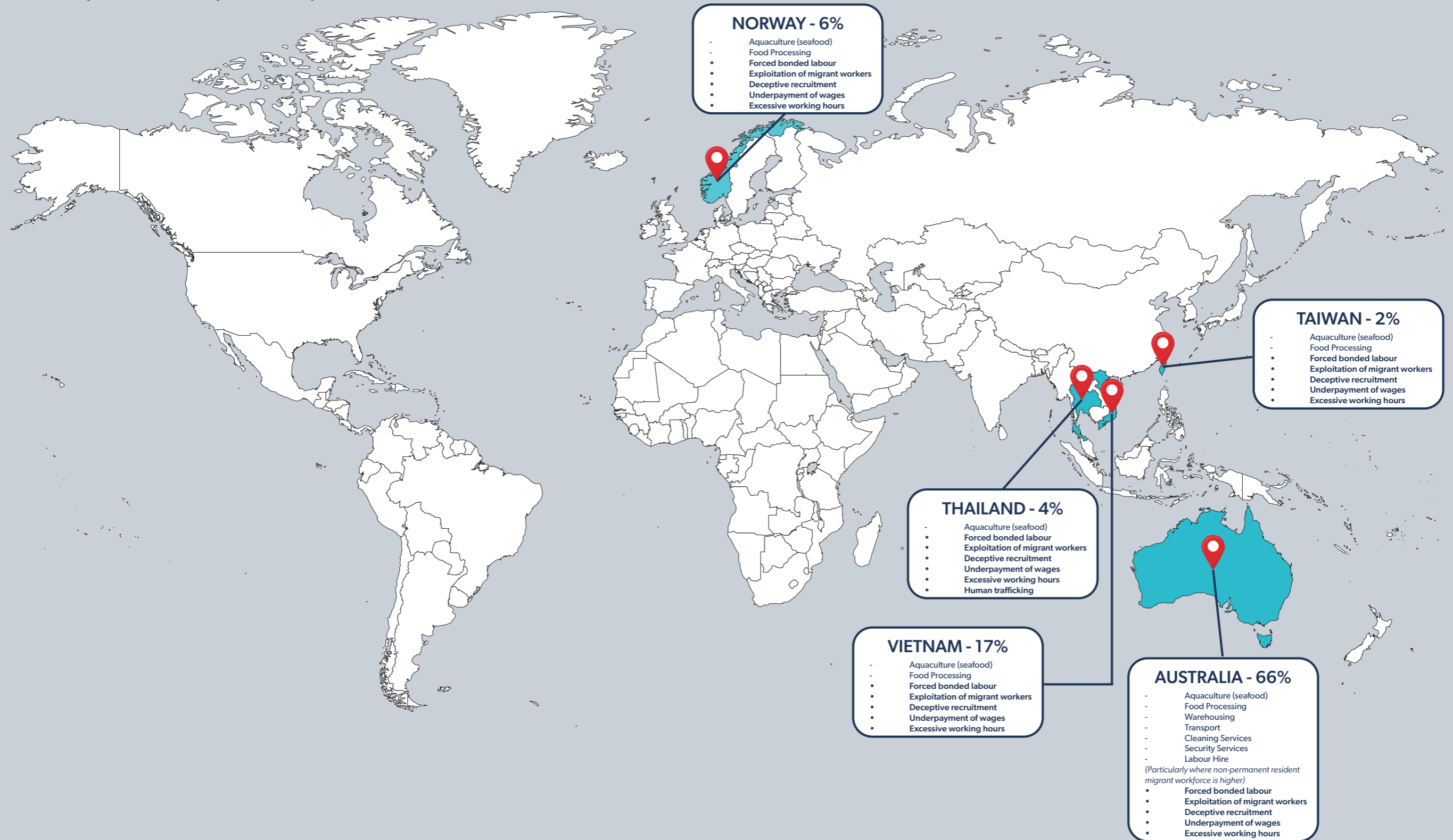
**KB's Whistle blower policy was implemented.**



# Risks of Modern Slavery Practices

## Operations & Supply Chain

Figure 2 – This map visually represents the countries and regions and sectors most prevalent in KB’s supply chain and the associated Modern Slavery Risks or indicators of modern slavery in 2022.



# Actions Taken

## Risk Assessments

In 2022, KB continued its risk assessment process to ensure social compliance, ethical practices, and prevent any violations of human rights within its own operations and supply chains. This process has allowed KB to map its operations and supply chains, providing valuable information for detailed risk assessment. Factors were considered to mitigate country-level risks based on internationally recognized standards, tailored to the specific business being assessed. For instance, a supplier located in a high-risk country without strong relevant national laws but with robust policies, ethical practices (including anti-modern slavery measures), and verification by an independent third-party auditing body, would receive a medium risk rating.

The following were some of the key tools utilised to assist KB's risks assessments:

**References:**

- **Sedex**

<https://www.sedex.com/>

- **The Global Slavery Index**

<https://www.walkfree.org/global-slavery-index/>

<https://www.walkfree.org/reports/global-estimates-of-modern-slavery-2022/>

- **Organisation for Economic Co-operation and Development (OECD)**

<https://www.oecd.org/investment/due-diligence-guidance-for-responsible-business-conduct.htm>

- **International Labour Organisation (ILO)**

<https://www.ilo.org/global/lang-en/index.htm>

- **Verite Forced Labour Commodity Atlas**

<https://verite.org/commodity-atlas/>

- **Supplier's 3rd Party Audit Reports**

via Sedex

- **Supplier's Self-Assessment Questionnaire (SAQ)**

via Sedex SAQ

via KB's own SAQ



Sedex is one of the world's leading ethical trade service providers, working to improve working conditions in global supply chains. KB is a member of Sedex and is also mindful that not all the suppliers are members of Sedex, hence used KB's own SAQ to assist with this process. From the results of the questionnaires, KB was able to gauge the level of risk associated with each of its supplier and manage the risks accordingly.



# Governing Policies and Procedures

In 2022, KB and the global industry experienced some ongoing COVID-related challenges, including labour shortages and supply chain disruptions. These disruptions included shipment backlogs, container congestion, reduced production capacity, and limited social compliance audits due to travel restrictions.

As the pandemic situation evolves, the industry continues to adapt to changing circumstances, implement mitigation strategies, and seek opportunities for recovery and growth. Despite these challenges, KB worked collaboratively with suppliers and customers, maintaining transparent communication, and managing expectations.

KB Policies	Purpose
Code of Business Conduct	Provide a set of guidelines and principles that outline the expected behaviour and ethical standards for employees and stakeholders. It serves as a framework for guiding decision-making and actions, ensuring that individuals within KB act in an ethical and responsible manner. The Code of Business Conduct helps promote transparency, integrity, and accountability, fostering a positive organisational culture and maintaining trust with all KB's internal and external stakeholders. It covers areas such as conflicts of interest, compliance with laws and regulations, fair competition, confidentiality, responsible use of resources, and treatment of employees, among other important aspects of ethical business practices.
Fraud, Bribery and Corruption	Promote ethical conduct, integrity, and compliance with relevant laws and regulations. It sets clear expectations for employees, contractors, and other stakeholders regarding their responsibilities in preventing and reporting fraudulent behaviour, bribery attempts, and instances of corruption.
Workplace Health & Safety	KB's commitment to providing a safe and healthy work environment for its employees, contractors, visitors, and other stakeholders. This policy sets the framework for managing and promoting occupational health and safety within the organisation. It establishes the organisation's commitment to comply with relevant laws, regulations, and standards related to workplace health and safety.
Responsible Sourcing	Outlines the specific requirements for suppliers regarding worker welfare, health, safety, and environmental impacts; Forming an integral part of KB's commitment in promoting KB's annual Modern Slavery statement.
Approved Supplier	Overarching program that manages the approval of suppliers within KB, looking at compliance in food safety, quality, regulatory and responsible sourcing. Expectations are conveyed to all suppliers (current and potential) as part of the onboarding process.
Whistle - Blower	Framework that encourages and protects individuals who report suspected wrongdoing or unethical behaviour within the organisation. Aims to create a safe and confidential environment for whistle-blowers to come forward without fear of retaliation.
Grievance, Dispute and Compliant	Provides a mechanism on how KB team member can lodge a grievance, dispute and/or complaint, ensuring problems and grievances are resolved promptly.

# Surveillance

KB maintains alignment with the UN Guiding Principles on Business and Human Rights, setting clear expectations for both its operations and suppliers. Suppliers within KB's supply chains are required to conduct thorough reviews of their operations and supply chains to identify any existing or potential risks related to modern slavery or human rights violations.

KB is conscious of the continuing challenges in the prevention of modern slavery within its own operations and supply chains, throughout the reporting period KB kept:

## Supply Chain

- Conversing with all suppliers, especially high-risk suppliers regarding KB's expectations
- Identifying and assessing current and potential modern slavery risks and human rights impacts with existing suppliers and during the onboarding process for new suppliers, thereby mitigating risks
- Assessing suppliers' performance against KB's expectations through external auditing bodies and/or internal auditors, including monitoring their timely execution of required actions.
- Participating in the Sedex industry working groups with experts to discuss current social compliance issues and attempt to resolve as a group.
- Providing pertinent training sessions on modern slavery requirements for both internal and external stakeholders.
- Working with KB's retail customers with emerging insights, areas of focus and working together to mitigate any modern slavery risks.
- Building stronger relationships with stakeholders by fostering trust, enabling regular open conversations with suppliers about challenging social compliance issues.
- Updated with external resources such as ILO (International Labour Organization)
- Reporting on KB's own actions, plans and commitment each year via the annual modern slavery statement.
- KB has continued with the previous approach of discontinuing partnerships with suppliers that have not been committed to comply with KB's expectations in mitigating risks of modern slavery breaches.



## Own Operations

- KB ensures all team members are provided with employee contracts and are covered by relevant agreements such as Enterprise Agreements, or the Fair Work Modern Award, based on their role and work location. All KB team members have the freedom to voluntarily resign from the company.
- KB compensates employees that work outside regular hours accordingly with the relevant penalty rates.
- All overtime hours are voluntary and are monitored regularly to ensure there is no breach of working excessively and is within the legislation.
- KB's Recruitment and Selection policy ensures a fair approach to the recruitment and selection process in the line with equal opportunity principles whilst making sure candidate's age and working rights comply with legislation.
- During the reporting period, KB operating sites attempted their first SMETA audits in 2022, there were a lot of learnings derived from the exercise, especially in the space of labour hire agencies.
  - KB collaborated with third-party auditors to address and implement best practices for social compliance within KB's operating sites such as recruitment processes with applicable laws with KB own hiring and labour hire agencies.
  - All findings were communicated to key stakeholders and actions established to resolve the opportunities raised during the audit.
- KB operating facilities undergo other social compliance audits which look at labour standards (ensuring there is no breach of human rights) such as BAP (Best Aquaculture Practices) and MSC/ASC (Marine Stewardship Council/Aquaculture Stewardship Council)



- With the multiple verification controls, KB operating sites present low risks to any modern slavery and human rights breaches.
- KB conducted refresher training to all new and current team members on its Code of Business Conduct and Fraud, Bribery, and Corruption policies to ensure all the relevant key stakeholders remain complying to KB's values on a day-to-day basis.
- KB revised its grievance mechanism in 2022 and implemented an improved policy on managing grievances. Part of this process involved the creation of a whistle-blowing policy. The policy is part of KB's internal reporting mechanism and will be further improved in 2023 to include enabling external stakeholders (all workers within KB's supply chain) reporting.



### Supplier Engagement

KB still believes that a collaborative approach is crucial for achieving successful and sustainable outcomes under the Modern Slavery Act. Therefore, KB continued to actively engage with both internal and external suppliers within its own operations and supply chain to gain agreement on the requirements.

During the reporting period, KB continued with focussing on suppliers with the highest level of assessed risk. Discussions were carried out with KB's Procurement, Sales, Compliance teams and the relevant suppliers. These discussions were generally focused on the commitment the suppliers can meet especially through the pandemic event, ensuring no risk of breaching modern slavery or human rights requirements.

KB encourages all suppliers to work with KB for KB's agenda to be successful. In FY22, KB continued to organise industry best practice training sessions for all its suppliers in China, organised by one of the largest retail groups in Australia as it was a great success in the previous year. Again, the sessions were translated to the relevant language and suppliers that attended were very satisfied with the content and support provided.

KB's plan is to strengthen its relationship with all its suppliers, working with all suppliers to create transparency and an open environment. Additional support has been provided to suppliers that are currently not fully compliant with all KB requirements. Agreed and established action plans have been monitored with the suppliers and KB's procurement team to ensure progress is made. Further to this, during the reporting period, KB identified suppliers who needed assistance with third-party audits and provided financial support to encourage their participation. KB believes that these audits will not only educate suppliers on best practices but also assist in mitigating human rights breaches.

**Case study: This is an update on the one of the cases reported in KB's previous statement FY21.**

**The ongoing industrial challenges faced with KB's Thailand suppliers is the excessive hours worked. The Thai labour laws and the ETI guidelines differ.**

**FY22, KB continued with its collaboration with one of the major retailers and the suppliers to address challenges by prioritising health and safety whilst working on the agreed action plan to address excessive working hours. KB's Asia team provided a significant amount of support with mediating with all the stakeholders to ensure compliance with ethical practices and prevent any potential modern slavery breaches. One of the suppliers was able to provide alternate solutions with the working hours and progress is monitored ongoing. If this method enables reduction of working hours, KB is happy to share this with other suppliers as an alternative way of resolving the issue ongoing.**

**While this situation did not involve a direct modern slavery breach, it exemplifies KB's commitment to ensuring supplier compliance with ethical practices, thereby reducing the risk of modern slavery practices. KB values the commitment provided by the suppliers with this ongoing challenge and worked closely to ensure the best outcome is achieved.**



## Effectiveness of the actions taken

KB has set up several processes on assessing the effectiveness of actions:

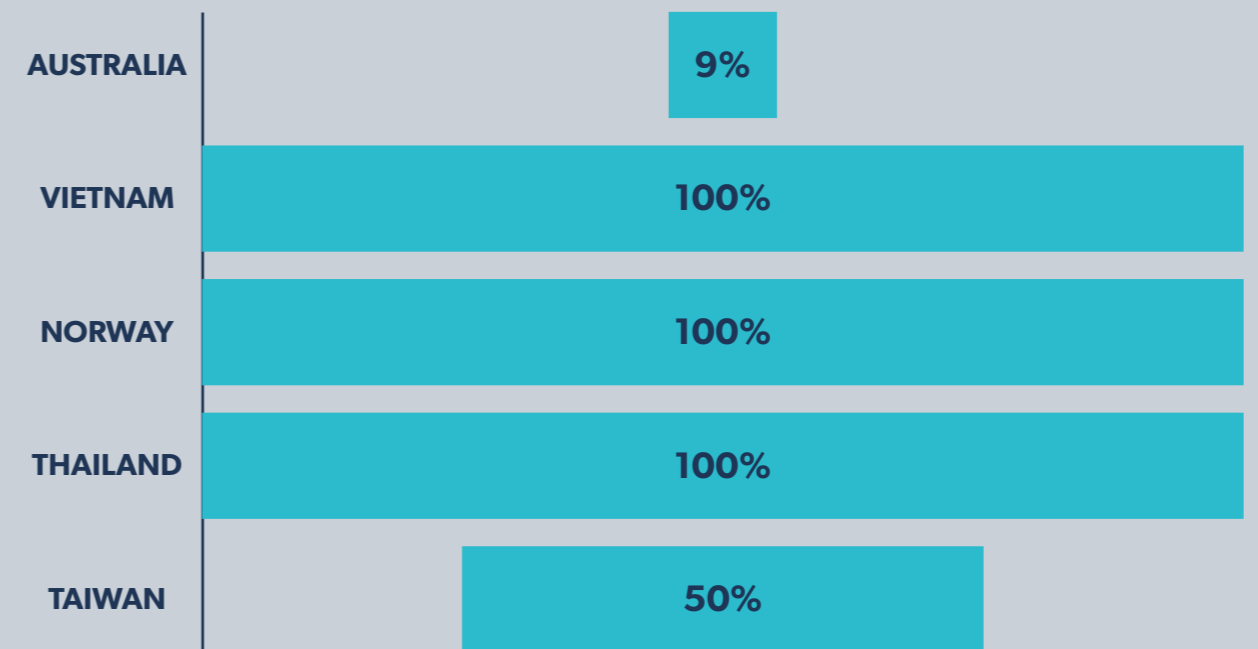


### Social Responsibility Ethical Audits

KB's expectations for all suppliers include the participation of social responsibility ethical audits, which provides an indicator of risks of breaches to modern slavery and human rights practices. For the suppliers that are currently not audited by third-party auditing bodies, KB conducts a second-party audit using the SMETA 4 Pillar scheme.

FY2022 has shown some improvements in the top four countries where majority of KB suppliers are based. The effort placed on moving the expectations for the suppliers have shown its effectiveness in three of the countries from a year-on-year perspective. The challenge for FY23 is to increase the service providers focus in Australia to ensure they are on board with KB's compliance to the Modern Slavery Act agenda.

**% of second & third-party ethical audit completion - KB's top 5 countries and regions (highest \$ spent) supplying goods and services in FY22**



Slight decrease in % of Australian suppliers with third-party/second party audits, due to increase in suppliers however not all are fully verified (FY21 13%).



Increase in Vietnam, Norway, and Thailand with number of suppliers fully participating in their third-party social compliance audits (FY21 Vietnam 87%, Norway 83%, Thailand 75%). Taiwan is the new contender for the top 5 KB suppliers spend in FY22.

**Figure 3 - This graph represents KB's top 5 countries and regions spend and the % of suppliers that undergo social compliance audits (second- and third party) in 2022.**



### Training Requirement and Compliance

All KB team members are updated with KB's commitment to anti-modern slavery practices.

During the SMETA audits conducted at each of the operating sites, all team members were made aware of the purpose of the audit and part of the verification process on how KB complies with social and ethical responsibilities, health and safety regulations, labour, and environmental laws. The audit findings did not show any signs of modern slavery or human rights breaches; however, they did identify opportunities where KB can improve in.

As part of efforts to enhance education, KB conducted a review of modern slavery training and ETI base code training for all internal team members. Both training modules are now accessible online for all KB staff and form part of the onboarding process. Following initial training, team members will undergo bi-annual refresher courses. KB will monitor the effectiveness of the training and share the requirements with external stakeholders. In FY23, one year after implementation, KB will explore the possibility of translating the training into other languages.

Furthermore, the KB executive leadership team will allocate resources to provide whistle-blowing training, focusing on the appropriate management of incidents that are raised.

During the reporting period, KB remained committed to sharing training opportunities with its suppliers. KB made all relevant tools and resources provided by industry leaders available to its suppliers (when feasible), ensuring they have access to optimal options for mitigating social compliance risks, including modern slavery and human rights risks.

Building upon the initiatives launched in FY20, KB continued leveraging support from its Asian team to assist suppliers operating in high-risk areas. This ongoing collaboration has proven effective, particularly with challenging suppliers such as those in Thailand facing issues related to excessive overtime hours.



### Verification

Internally, KB's management team continued with conducting formal reviews of high-risk suppliers twice a year as per schedule established previously. During the reporting period, the focus was on suppliers' progress in addressing agreed-upon actions. KB recognises the ongoing crisis and its impacts and has provided ongoing support to suppliers to the best of its ability.

KB's internal operations have benefitted from the experience and insights gained through audits conducted at KB's operating sites. This has allowed the management team to explore opportunities for improvement and gain clarity and understanding on how to address challenges from the suppliers' point of view.

From external stakeholders' perspective, in FY22, KB conducted regular reviews of suppliers, with a focus on high-risk ones, considering the disruptions caused by the pandemic and economic conditions. While challenges were identified due to supply chain disruptions, KB reaffirmed the importance of social responsibilities to prevent modern slavery breaches. Although some objectives were partially completed or delayed due to the pandemic and the current economic issues, there were no instances of modern slavery breaches found, thanks to ongoing communication between KB and its suppliers.



## Process of consultation with other entities

Since KB's owned or controlled entities primarily serve corporate or financial purposes and are not actively engaged in business operations, it was deemed unnecessary or unproductive to consult with those entities.



# Moving Forward - KB's three-year plan

KB embarked on its journey to enhance the ethical and social compliance of its internal operations and supply chain, culminating in the publication of its inaugural modern slavery statement in 2020.

FY22 was the third year of the rolling three-year plan, KB was able to continue with the ongoing improvements and executed the agreed key actions such as:

- Successfully communicate to all its stakeholders on the commitment to compliance to the Modern Slavery Act 2018 (Cth), focussing on the T1 GFR suppliers
- Ongoing progress tracking on the agreed action plans with all the high-risk suppliers
- KB revised its key governing policies and implemented new policies to improve on the monitoring of the compliance for its own operations and external stakeholders.
- KB's supplier approval process includes the requirement of supplier's commitment towards KB's modern slavery compliance agenda.
- Reviewed and completed modern slavery requirements training materials (modern slavery and ETI Base code) for all KB team members.
- Implemented grievance, dispute, and complaints policy.
- Initiated internal reporting for the Whistle-blowing policy.
- Completed KB's first external SMETA audits at both operating sites.
- Made some progress with the T1 GNFR suppliers in the past two years, however recognised from risks perspective, they are categorised as low.

## FY23 (Fourth year)

- Engage T1 suppliers in discussion about expectations for their supply chains (T2 and T3) regarding ethical sourcing policies.
- Continuously review and update training materials, internal and external stakeholders
- Allocate additional resources for assisting with monitoring and improving KB's agreed actions.
- Establishing a governance structure and form a working group with key internal stakeholders.
- Evaluate the current supplier Self-Assessment Questionnaire.
- Gain insights from KB's operating sites through SMETA audits
- Expand the scope to include other sustainability standards incorporating social compliance/responsibility, such as Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), and Best Aquaculture Practices (BAP)



## FY24 - 25 (Fifth to sixth year)

The rolling three-year plan involves a continuous review process aimed at achieving positive year-on-year results by enhancing the risk ratings of suppliers.

- KB will strive for ongoing enhancements by adopting industry best practices to foster greater transparency.
- KB will also prioritize its lower risk suppliers for both goods for resale (GFR) and goods not for resale (GNFR).
- Regular reviews of the latest news and reported incidents will be conducted to ensure that key learnings are communicated to KB's operations and supply chain.
- KB is exploring the concept of Environmental, Social, and Governance (ESG) and developing a comprehensive sustainability plan that encompasses general social compliance.





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