

Chobani®

Modern Slavery Statement 2023





Reporting entity

Chobani Pty Ltd (ABN 53 096 731 467) is the reporting entity for the purposes of the *Modern Slavery Act 2018 (Cth)* ('the Act'). Chobani Pty Ltd's registered office is located at 18-20 Quality Drive, Dandenong South, VIC, 3175.

This Statement relates to operations of Chobani Pty Ltd only, not its parent company Chobani Global Holdings, LLC (or any other entities comprised in the broader Chobani Global Holdings, LLC group outside of Australia), which was formed and is headquartered in the United States of America (USA). As such, references to 'Chobani' denote the Australian business entity (Chobani Pty Ltd) and no other Chobani entity.

This Statement covers the reporting period 1 January 2023 to 31 December 2023 pursuant to the Act.

To find out more about our company, visit www.chobani.com.au

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At Chobani, our commitment to making a positive impact extends beyond crafting delicious and nutritious food - it's at the heart of everything we do. Guided by our founder Hamdi Ulukaya's vision, we believe that business can be a force for good, driving meaningful change in our communities and beyond.

In 2023, we demonstrated our ongoing commitment to addressing modern slavery risks within our operations and supply chain. Specifically, we invested significant time and resources into the development of a comprehensive new Responsible Sourcing Program ('Program') which is designed to improve our capability and how we identify and mitigate modern slavery risks throughout our supply chain.

In this Statement, we share the progress we've made over the past year and outline our plan for the future. Our focus remains on evolving and adapting our practices to ensure continuous improvement and to better meet the needs of our stakeholders, while upholding our commitment to playing a role in improving the livelihoods of those within our supply chain.

As we look ahead, we recognise the need to deliver even more. We remain committed to investing in our people and working with our supply partners to implement our new Program (as defined above). When delivered effectively, it will ensure we adhere to our obligations under the *Modern Slavery Act 2018 (Cth)*, while elevating our broader operations to have a positive impact on all those who are involved in producing our products.



About Chobani

Our Structure

Chobani is a subsidiary of Chobani Global Holdings, LLC, a limited liability company formed in Delaware in the USA, with its headquarters in New Berlin, New York. Chobani Global Holdings, LLC is part of the food and drink manufacturing industry, producing and selling yogurt, oat milk, creamers and, under the La Colombe brand, ready to drink coffee and on-premise cold-pressed coffee beverages. Chobani Global Holdings, LLC has its own products (and constituent ingredients) which are separately formulated, sourced, and manufactured. Its products are manufactured in the USA and are currently distributed in North, South and Latin American markets.

Founded by Hamdi Ulukaya, Chobani (a privately held company) made its mark in Australia in 2011 with the acquisition of Victorian dairy company Bead Foods. In November 2011 the first pot of Chobani yogurt, which was flown in from the USA, was sold in Australia. Subsequently, local production kicked off in our Dandenong South (Victoria) factory in August 2012. Chobani operations in Australia are therefore largely standalone and the products we produce, using the materials we source, are made available for sale within Australia, New Zealand, and certain Asia-pacific markets.

Our Operations

At Chobani, our core business is producing and distributing food and drink products, primarily yogurt, under the Chobani and Gippsland Dairy brands, as well as non-dairy products, such as oat milk, under the Chobani brand. Our mission has always been about making better food for more people, and we do this by making delicious, nutritious, natural products, and ensuring they are widely accessible to different consumers, in different markets, and through different channels.

You can find Chobani's products on the shelves of major retailers across Australia, including Woolworths and Coles, as well as in independent retailers and foodservice establishments. Additionally, our reach extends beyond Australian borders, with exports reaching New Zealand, China, Singapore, Hong Kong, Thailand, Malaysia, Indonesia, Vietnam, and the Maldives.

The thriving manufacturing hub of Dandenong South has been our home since day one. All our operations, including production, distribution, commercial, and administration are centralised at this site. Chobani had relationships with co-manufacturers for some products during the reporting period, all of which are located in Victoria.

Our Team

Our dedicated team brings together expertise spanning manufacturing, logistics, operations, project management, research and development, quality and food safety, ESG, sales and marketing, as well as corporate support functions of legal, strategy, finance, IT, people & culture, and communications.

Operating within the framework of all relevant laws, integrity is paramount in everything we do. Each member of our team is engaged with clear and comprehensive contracts in line with National Employment Standards under the *Fair Work Act 2009 (Cth)* and/or applicable industry awards and requirements.

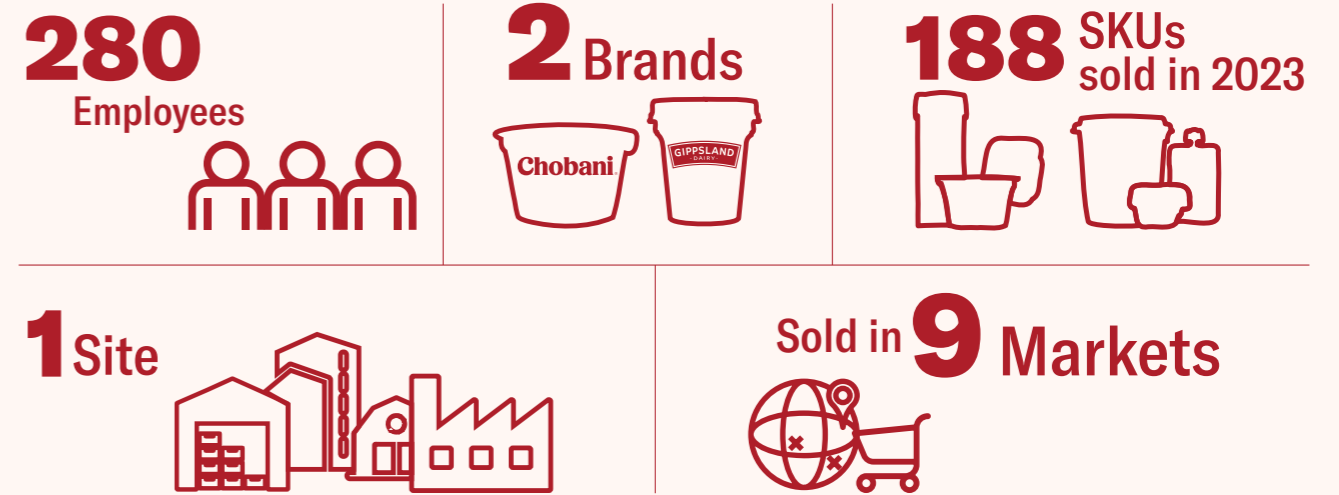
Recognising the challenges of a 24-hour production schedule, we prioritise the welfare and wellbeing of our employees, implementing appropriate shift structures and pay schedules to ensure their safety and security. In 2023, the 7 x 12-hour shifts per fortnight roster was replaced by a 6 x 12-hour shifts per fortnight roster. The additional day is now used for staff training in areas such as health, safety, quality, and team building.

As at 31 December 2023, Chobani had 280 employees, all of whom were employed in Australia. Of these employees:

- 257 were permanent full-time employees;
- 20 were permanent part-time employees; and
- 3 were casual employees.

To manage fluctuations in demand and resourcing gaps, we occasionally engage contract workers through reputable third-party labour providers. As at 31 December 2023, Chobani had 39 temporary contract workers. We recognise the potential risks associated with third-party recruitment agencies, particularly in lower-skilled roles, and require labour hire agencies to adhere to all legal requirements.

Chobani supports Freedom of Association, with 148 of our employees covered by an Enterprise Agreement with one major union providing representation, however, employees are free to associate with any union of their choosing. As at 31 December 2023, 48 of our employees were union members.



All figures above relate to Chobani Pty Ltd only, not Chobani Global Holdings, LLC.



Our Supply Chain

Our supplier partners play a key role in supporting our ongoing efforts to identify and address modern slavery within our supply chain.

We categorise our suppliers into two categories: direct and indirect suppliers. Direct suppliers are those providing the raw ingredients and packaging used in products. This category includes co-manufacturers that use a combination of Chobani products and their own directly sourced goods, such as packaging or food-ingredients, and then supply us with finished products. Indirect suppliers encompass all other suppliers of goods and services supporting our operations.

In 2023, Chobani engaged with a total of 574 tier 1 direct and indirect suppliers. Tier-1 suppliers are those with whom we transacted during the financial year, including both recurrent suppliers and those with whom we had a single transaction.



Table 1: Chobani's 2023 spend by category

	Share of spend		Share of spend
Direct category total	70.7%	Indirect category total	29.3%
Milk products	38.9%	Freight	8.1%
Packaging	14.8%	Marketing	3.2%
Non-dairy food ingredients	14.5%	Property	3.1%
Co-manufacturing	2.5%	Capital investments	2.3%
		Other	12.6%

Direct suppliers

In 2023, Chobani engaged with a select group of 38 direct suppliers, with a focus on sourcing products that meet the highest standards of quality and integrity. Direct suppliers include milk and other dairy ingredients, fruit, dry food ingredients, oats, packaging, enzymes and cultures, and co-manufacturing services.

While the number of suppliers in this category was relatively small, they played a significant role, contributing to more than 70% of our total spend in 2023.

Milk products are our largest individual spend, representing 55% of the direct supplier category and 38.9% of our overall business expenditure. We procure our milk through a third-party broker, who in turn primarily sources it from Australian Dairy Farmers Corporation (ADFC) farms in the Gippsland region of Victoria which is, in relative terms, close to our production facility.

Fruit products constitute approximately 10% of our total spend, while other ingredients such as sugar, cultures, enzymes, and dry mix-ins make up 4.5%. Packaging accounted for 14.8% of our total spend in 2023.

Indirect suppliers

In 2023, the indirect supplier category accounted for just under 30% of our annual spend. We worked with a total of 536 indirect suppliers during this period. The largest component within this category was downstream freight, representing 8.1% of our annual expenditure. Other significant expenses included marketing, property, capital goods, utilities and maintenance, which collectively made up 13% of annual spend. The remaining portion of our expenditure was distributed across various other categories including legal, recruiting, audit, consulting, and systems. Indirect suppliers include freight, utilities, maintenance and cleaning, capital goods, administration, labour hire, technology, marketing, and textiles.

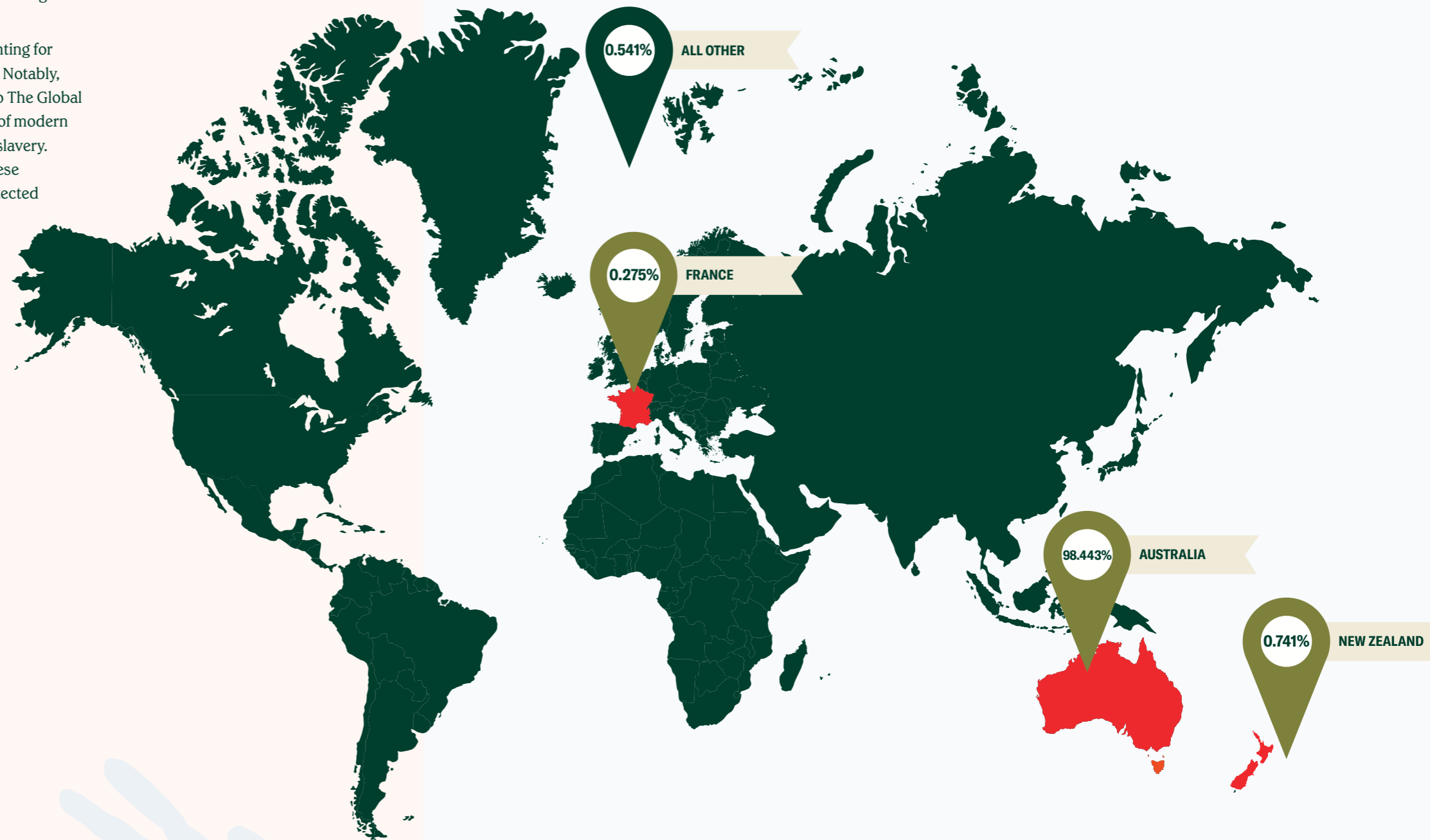
Our tier 1 suppliers by country

During the reporting period Chobani directly sourced goods and services from 20 different countries. Given the perishable nature of the majority of our product range, we prioritise supply chains that are closer to home. Our focus remains on supporting Australian-based businesses and fostering collaborative relationships with local suppliers. As such, 98.4% of our direct spending was with Australian-based suppliers, marking a slight increase from 97.9% in 2022.

Outside of Australia, New Zealand was the next largest supplier origin accounting for 0.7% of our spend, followed by France and Germany, each representing 0.3%. Notably, these three countries have a lower prevalence of modern slavery according to The Global Slavery Index 2023. Though most of our spend is in countries with a low risk of modern slavery, we do also directly source from countries with a high risk of modern slavery. We recognise our responsibility to undertake appropriate due diligence of these suppliers to identify and prioritise our response to any human rights risks detected in our supply chain.

Table 2: Chobani's 2023 spend by tier 1 supplier location

Country of origin	Percent of annual spend
Australia	98.443%
New Zealand	0.741%
France	0.275%
Germany	0.257%
Singapore	0.113%
USA	0.094%
Japan	0.041%
PRC	0.011%
Italy	0.009%
Hong Kong	0.004%
India	0.003%
Taiwan	0.002%
Malaysia	0.001%
Thailand	0.001%
Ireland	0.001%
South Korea	0.001%
Philippines	0.001%
Indonesia	0.001%
Canada	0.0006%
Vietnam	0.0004%





Chobani's modern slavery risks

The phrase 'modern slavery' describes a range of practices that seriously exploit individuals for the purpose of personal or commercial gain. While there is no globally agreed definition of 'modern slavery', the *Modern Slavery Act 2018 (Cth)* defines it by reference to domestic criminal law legislation and international instruments as including the following types of serious exploitation:

- trafficking in persons;
- slavery;
- servitude;
- forced marriage;
- forced labour;
- debt bondage;
- deceptive recruiting for labour or services; and
- worst forms of child labour, where children are subjected to slavery or similar practices, or engaged in hazardous work.

The complexity of our operations and depth of our supply chain exposes us to a range of potential risks of modern slavery. In 2023, we initiated a significant project aimed at comprehensively understanding these risks and evaluating how our actions (including new product development and procurement strategies) may impact our risk profile. Throughout the reporting period no actual or suspected incidences of modern slavery were detected in our supply chain or operations.

Risks in our operations

In December 2023, we conducted our annual Self-Assessment Questionnaire (SAQ) in Sedex for our Australian operations. The risk assessment questions are based on international labour standards, such as those set out by the International Labour Organization (ILO) and interpreted by the Ethical Trading Initiative (ETI)'s Base Code. This risk assessment survey allows businesses to self-assess and provide insights about their business by responding to questions related to labour practices, health and safety, environmental impact, and ethical business conduct. The assessment considers both the inherent risks associated with our industry and geography, as well as the effectiveness of our management controls in mitigating those risks. Using our responses from the SAQ, Sedex's risk assessment tool determined Chobani's operations have suitable management controls in place to mitigate our modern slavery risks.

Risks in our supply chain

As a food and beverage manufacturer operating from a single site but with extensive global supply chain, we recognise that our modern slavery risks are more likely to occur in our broader supply chain rather than our own operations. To gain deeper insights into these supply chain risks, we partnered with local ESG specialist Fair Supply to conduct a comprehensive risk assessment.

Fair Supply’s assessment encompassed all our direct and indirect suppliers, evaluating them for modern slavery risks. Its approach analysed various factors such as geography, industry, sector, and supply chain tier (up to 10 levels deep). Additionally, Fair Supply conducted detailed assessments of key inputs like milk, fruit, stevia, cacao, and palm oil, identifying specific risks associated with supply of these ingredients.

The outcomes of this assessment informed the development of our new supplier risk matrix which is detailed in Table 3. This matrix, which sets out risks relative to our business and supply chain only, supports our future due diligence activities, enabling us to prioritise our efforts where they can have the greatest impact on identifying and mitigating modern slavery risks across our supply chain.

Table 3: Chobani’s supplier risk matrix

High-Risk Industries	Medium-Risk Industries	Low-Risk Industries
<ul style="list-style-type: none"> • food & agriculture • renewable energy • textiles, clothing, and footwear • labour hire 	<ul style="list-style-type: none"> • cleaning • packaging • transport • chemicals • electronics • repairs / maintenance • construction • manufacturing • machinery • waste & recycling services • cultures and enzymes • third-party logistics services with off-shore workers 	<ul style="list-style-type: none"> • food products – oats • professional and research services • government services • education providers • post and telco services • building leases (Australia) • utilities services





Actions taken to identify, assess, and address modern slavery risks

Chobani is committed to upholding human rights and combatting modern slavery, both within our operations and throughout our supply chain.

During the reporting period we executed various due-diligence activities, as outlined in Table 4. To enhance clarity and coherence in our reporting moving forward, we have adjusted our approach to align with the due diligence framework set out in our new Program, described in this section. This strategic shift will facilitate streamlined progress tracking for each due diligence activity in future Statements, enabling us to effectively showcase advancements made.

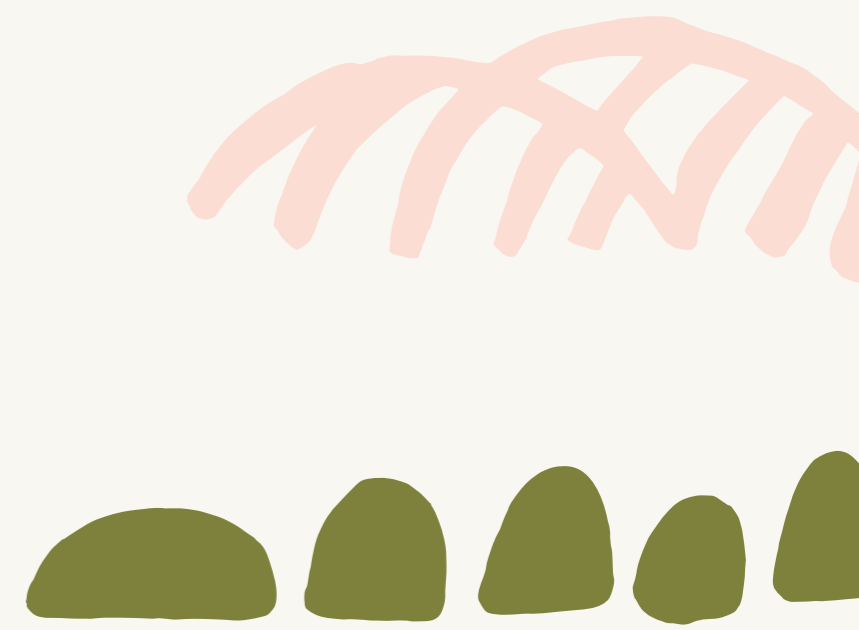


Table 4: Chobani's Responsible Sourcing Program scope and progress

Objective	Comment	Status
SAQs	<p>21 direct and indirect suppliers (several with multiple sites) were linked with Chobani on Sedex. Of our direct suppliers, 51% were linked on the platform, providing coverage for 89% of our total direct supplier spend in 2023.</p> <p>While we made significant progress in spend coverage, our aim is to further enhance transparency. We are committed to having all direct suppliers linked on Sedex and having completed an up to date SAQ within the next reporting period.</p>	●
Supplier specific desktop auditing	<p>In collaboration with Fair Supply, we conducted desktop audits of various suppliers:</p> <ul style="list-style-type: none"> • fruit (3 suppliers); • milk and other dairy products (5 suppliers); • dry ingredients (1 supplier); • sugar (1 supplier); and • cultures & enzymes (5 suppliers). <p>These audits provided valuable insights that identified areas for due diligence engagement in 2024 and contributed to the development of our new Program.</p>	●
Ingredient specific desktop auditing	<p>In partnership with Fair Supply, we conducted due diligence through ingredient and goods-specific desktop audits. This involved examining more than 100 individual ingredients listed in Chobani's products. Elevated risks were identified in several categories, including food ingredients (e.g., milk, fruit, stevia). These findings are instrumental in shaping how we categorise and prioritise suppliers and industries for further engagement.</p>	●
Internal SAQ	<p>To capture and account for changes in our operations, such as new employees, new activities or new policies, our team updates and completes our SAQ annually. This process is crucial for evaluating our progress and identifying opportunities for improvement. Our Sedex SAQ was completed in December 2023, and the results are openly accessible to linked suppliers and customers, ensuring full transparency. This assessment revealed a low combined risk for our operations.</p>	●
Collaborative training and awareness raising	<p>We collaborated with Fair Supply to deeply engage with relevant staff within our business to develop a new comprehensive Program tailored for Chobani. Through this process, our team gained valuable insights into key issues and opportunities associated with modern slavery assessment and due diligence.</p> <p>Additionally, key members from our Procurement and ESG teams completed training on Sustainable Sourcing in Food and Fibre via a micro-certificate course developed and delivered by SAI Global and UniMelb. This six-week course equipped them with essential fundamentals, trends, and proven models to assess, develop and undertake due diligence activities aimed at enhancing supply chain ESG practices.</p>	●

● Complete ● In progress

Table 4: Chobani's Responsible Sourcing Program scope and progress (Cont'd)

Objective	Comment	Status
Other - safety, wellbeing, and employee engagement	<p>In 2023 we implemented initiatives aimed at enhancing safety, wellbeing, and engagement of people in our operations, including:</p> <ul style="list-style-type: none"> • launched our Families Policy which includes paid parental, compassionate, and grandparents leave, and paid leave for family planning; • launched our Employee Assistance Program with Modern Health; • engaged Community Corporate in developing our Diversity, Equity, and Inclusion strategy; • elevated our Respect at Work policies, including Sexual Harassment; • developed new Bullying, and Speak up policies, to be launched in 2024; • launched our online learning platform Chobani Learning; and • engaged Culture Amp to conduct two engagement surveys across our entire employee population to consult and gather feedback on how our people are experiencing the business. 	●



Assessing the effectiveness of actions

At Chobani, we are committed to continuously improving how we identify and manage modern slavery risks. Evaluating the effectiveness of our processes is fundamental to our modern slavery due diligence framework.

Each year we also undertake an independent third-party review of our Modern Slavery Statement to ensure compliance with legislation and identify opportunities for improvement in the year ahead. During our 2023 review, we identified several areas for improvement, culminating in the development of our new Program (described in Criteria 3 and 4).

In 2024 and beyond, our focus is on embedding the new Program within our business. We anticipate that insights gained from the inaugural year will inform adjustments to the Program and plan for subsequent years, ensuring our ability to adapt to changes in our business, operating context, and supply chain.

In our previous report, we committed to improving on our past efforts, including developing a roadmap to address issues outlined in that Statement. A summary of our progress on last year's commitments is outlined in Table 5.



Table 5: Our progress in 2023

What we said we would do	What we did during the Reporting Period	Status
Audit our suppliers with a valid Sedex membership that were not linked with Chobani's profile	Conducted an audit of all direct suppliers from whom we made a purchase during the reporting period. However, only 51% of our direct suppliers were linked on the Sedex platform. While this provided coverage for 89% of our total direct spend in 2023, our goal for 2024 is to increase our suppliers on the platform to at least 90%.	●
Increase Direct suppliers onto the Sedex platform	During the reporting period, we added two additional suppliers to Sedex.	●
Assess options to engage with other high-risk suppliers to bring them onto the Sedex platform	Evaluated the risk in our supply chain and recommended which suppliers we should prioritise for due diligence. Our assessment identified suppliers that should be engaged with to join Sedex and link with our profile.	●
Investigate a third-party supplier auditing approach	This recommendation was considered and integrated into our new Program as a due diligence activity to undertake in 2024.	●
Investigate the certification of more high-risk ingredients in our products	This recommendation was considered and integrated into the second year of our action plan. Products or services eligible for potential certification will be determined by our activities in 2024.	●
Scope a sustainable packaging roadmap that includes considerations for modern slavery	Developed and endorsed a Sustainable Packaging Roadmap, to fulfill our commitments to the 2025 National Packaging Targets. Using the Supplier Risk Matrix (table 3), the modern slavery risks associated with packaging were determined to be of moderate concern, and as such, our packaging suppliers will undergo further due diligence detailed in Criteria 4.	●
Scope an ethical sourcing roadmap to address issues outlined in our previous Statement	Developed a new Program that includes a comprehensive three-year action plan to address modern slavery risks in our supply chain.	●
Introduce Lean Manufacturing principles into our operations to monitor and address any potential environmental and occupational health and safety issues	Initiated and monitored the implementation of Lean Manufacturing practices within our operations. Lean manufacturing can contribute to improved worker wellbeing by focusing on efficiency, collaboration, safety, and employee empowerment.	●
Formally embed focus on ethical sourcing into the business	Established Responsible Sourcing as a new strategic pillar within our Sustainability strategy and developed the new Program to support our elevated focus.	●
Review and update our policies, including grievance procedures, Whistleblower Policy and our code of conduct	Partnered with our US business and enlisted the expertise of Fair Supply to develop a new Supplier Code of Conduct tailored for Chobani globally.	●

● Complete ● In progress

Note: In our 2022 Statement, we included outlined commitments regarding waste, packaging, and emissions. However, in this Statement, we have opted not to delve into those areas to maintain a concentrated focus on our modern slavery response. For sustainability updates, please visit our website.

A new approach from January 2024

At the conclusion of the 2022 reporting period, we commissioned an external review of our existing responsible sourcing program and practices and recognised the opportunity to enhance our processes and progress going forward. To elevate our future due diligence efforts, we partnered with Fair Supply in 2023 to collaboratively design our new Program. This Program was designed during the reporting period for this statement but commenced delivery in January 2024, immediately following the reporting period for this Statement.

For an organisation of our size, the development of the Program was a significant undertaking and we allocated key resources and investment to ensure it can be appropriately delivered. It formed a key part of our activity and response to modern slavery risks during the 2023 reporting period. To demonstrate our commitment to improvement, we have chosen to describe our new approach in this Statement and the initial steps taken to implement the Program, acknowledging these have occurred after the reporting period but before submission of our Statement.

Our new Program provides a comprehensive framework to conduct due diligence activities aimed at addressing modern slavery risks. These due diligence activities include:

- issuing and reviewing self-assessment questionnaires (e.g., Sedex SAQs);
- periodic supplier monitoring;
- collaborative training and awareness raising (including for non-reporting entities);
- supplier-specific and ingredient-specific desktop auditing;
- targeted supplier disclosure requests;
- collaborative supplier engagement;
- periodic individual supplier monitoring;
- on-site auditing / worker interviews (e.g. SMETA audits);
- supplier third-party certification;
- developing long-term anti-slavery supplier partnerships; and
- pre-screening suppliers through a new supplier onboarding process.

If indicators or instances of modern slavery are identified during these due diligence activities, the Program sets out preventive measures and supplier requirements for remediation, such as developing and implementing a Corrective Action Plan (CAP) within an agreed timeframe. These CAPs are based on the severity of the non-conformance. Subsequently, we will collaborate closely with our suppliers to ensure any remediation actions are closed-out and verified.

Demonstrating our commitment to delivering the new Program, we have chosen to highlight some key actions already taken after the reporting period but prior to submission of this Statement. These include:

- recruited a new dedicated full-time resource to deliver the Program;
- assessed new freight suppliers for modern slavery risks using our new pre-screening tools;
- commenced review of policy framework, including our Grievance Mechanism, Whistleblower Policy, and Code of Conduct;
- commenced delivery of our new monitoring and compliance program, including linking with additional suppliers on Sedex, improving Sedex compliance with SAQs, and reviewing available SMETA audits;
- established a new cross-functional Responsible Sourcing Working Group, reporting into our Senior Leadership Team;
- developed guides to support suppliers with our updated Sedex and audit requirements; and
- requested evidence from suppliers of stevia confirming sourcing location, to ensure it is not sourced from China's Xinjiang region, an area identified as having a high risk of forced labour and exploitation of the Uyghur population.

The development of our new Program marks a significant step for Chobani in addressing modern slavery in our supply chain. The outcomes of this initiative, including a three-year Action Plan, have established a clear roadmap for implementing specific, measurable, achievable, relevant, and time-bound due diligence activities from 2024 to 2026.

As a result of this effort, and in addition to the actions already completed or commenced following the Reporting period but prior to submission of this Statement (described in Criteria 5) in 2024, we plan to:

- embed the new Program and updated policies;
- conduct an international product supply chain visibility assessment on high-risk ingredients;
- review supplier SAQ responses and prioritise next steps for action including audits and remediation;
- provide modern slavery training for our Senior Leadership Team and Procurement team;
- host a key supplier roundtable to identify support needs and capacity-building opportunities;
- commence desktop auditing of our tier-2 suppliers (priority areas);
- facilitate Australian milk industry workshop focused on current modern slavery issues;
- explore a long-term industry collaboration and anti-slavery partnership;
- evaluate progress from year 1 and update the Program for 2025; and
- rollout our supplier pre-screen for new tenders.



Consultation

Chobani Pty Ltd does not own or control any other entities, as such no consultation with other entities was required or took place.

Approval of Statement

This Statement was approved by Chobani Pty Ltd.'s board of directors (as the principal governing body of that entity) on 28 June 2024.

Scott Hadley
 Managing Director
 Australia/New Zealand
 Chobani Pty Ltd
 28 June 2024

Reporting criteria

Mandatory criteria	Reference in this Statement
1. Identify the reporting entity	Page 2
2. Describe the reporting entity's structure, operations, and supply chain	Page 6
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities the reporting entity owns or controls	Page 10
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes	Page 17
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks	Page 20
6. Describe the process of consultation with any entities the reporting entity owns or controls	Page 25



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