



Modern Slavery Statement

FY23





Introduction

This is Vitaco Health Group's first Modern Slavery Statement, prepared in compliance with the Australian Modern Slavery Act (Cth) (Act).

This statement applies to **Vitaco Health Group**, and all its subsidiaries, including the Australian reporting entity Vitaco Health Australia Pty Limited (ACN 073 560 737). The Vitaco Group of companies is held by Zeus Investment Limited, a Hong Kong incorporated entity. This statement describes the actions taken to assess and address modern slavery risks in our operations and supply chains during the financial year ending 31st December 2023.

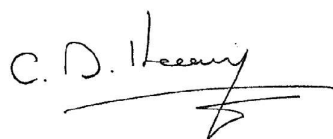
The Vitaco Health Group Registered Office is:

Vitaco Health Group
4 Kordel Place,
East Tamaki,
Auckland
New Zealand

At Vitaco, we acknowledge our responsibilities in addressing modern slavery. We understand that business practices may cause or contribute to, modern slavery within the supply chain or operations of a business. This statement outlines the ongoing measures we are taking to mitigate the risks of modern slavery and human trafficking across our supply chain and business activities.

Consultation and guidance for this report was provided by Go Well Consulting Ltd, Auckland New Zealand.

This statement has been reviewed and approved by the Vitaco Health Group Board, and signed by Craig Kearney the Chief Executive Officer and Board member of the Vitaco Health Group on the 9th December 2024.



Craig Kearney
Chief Executive Officer





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Letter from the Chief Executive

Empowering healthier lives is Vitaco's Vision. Our ultimate goal is to improve the overall health of our consumers. We also aspire to enhance the health of our employees because they work at Vitaco. Additionally, we want our business to have a positive influence on the health and wellbeing of people within our supply chains. Our work to mitigate risks of modern slavery within our operations and supply chains is an essential aspect of our corporate responsibility to human rights.

As a growing global company, we understand the need for continuous vigilance to ensure exploitation or forced labour does not exist in our complex supply chain.

In the past year Vitaco has introduced new policies, surveyed suppliers and enhanced compliance requirements to ensure transparency with our business partners.

This report provides progress, challenges and future goals. The work completed in the last twelve months has confirmed the importance of ensuring raw material, co-manufacturing and supply chain partners always meet Vitaco's standards of human rights compliance.

Reviewing partnerships will be ongoing and in the next 12 months further supplier surveys will be undertaken. During 2025 internal training will be conducted to ensure our leaders, the procurement function and talent teams understand current issues relating to ethical sourcing and they are well placed to identify potential modern slavery issues.

We understand the fight against modern slavery is not won by a single business rather all businesses are accountable and a collective commitment to human rights is required. Vitaco is committed to a future where modern slavery no longer exists. We will continue to evolve our approach and welcome the opportunity to engage with stakeholders and share insights that will help us collectively tackle modern slavery.

Craig Kearney
Chief Executive Officer



Vitaco Health Group Structure



Our Operations

The Vitaco Group specialises in developing, manufacturing, and distributing products in the nutrition, health and wellness sectors. Established as Healtheries in 1904, Vitaco has expanded over the years, acquiring six other brands before officially becoming The Vitaco Group in 2007.

Vitaco is home to Australia and New Zealand's most trusted sports nutrition, supplements and health food, brands – Musashi, Nutra-Life, Healtheries, Athena, Aussie Bodies and Balance. We also contract manufacture products for high quality, carefully selected supplements and sports nutrition brands such as Wagner and INC.

Vitaco products are produced through a mix of in-house and contract manufacture. Our business operations are conducted from head offices in East Tamaki, Auckland, New Zealand and in Sydney, New South Wales, Australia. We own our distribution centre in East Tamaki, Auckland and work with two third party distribution centres in Christchurch, New Zealand and Melbourne, Australia.

Vitaco's success is achieved through its people and their dedication to empowering healthier lives. With over 500 people working in New Zealand and Australia, our people excel at their work and are passionate about our products, our consumers, our customers and our business. All our people are given an employment contract, whether they are permanent, fixed term or casual and they are required to uphold our Code of Conduct. This document highlights our position and expectations for all our staff on matters of conflicts of interest, security, legal obligations, safety, confidentiality and raising concerns. This sits alongside our Health and Safety Policy, Fair Treatment Policy, Harassment and Bullying Policy and our **Whistleblower Policy**. We continuously monitor and manage any breaches or concerns in these areas.

At Vitaco, we prioritise the safety of our employees by providing a Whistleblower Policy to ensure the team have opportunities to raise concerns confidentially throughout their time with us.



Our People

Australia:

Total Employees 67

Full Time Employees 61.5



New Zealand:

Total Employees 526

Full Time Employees 479



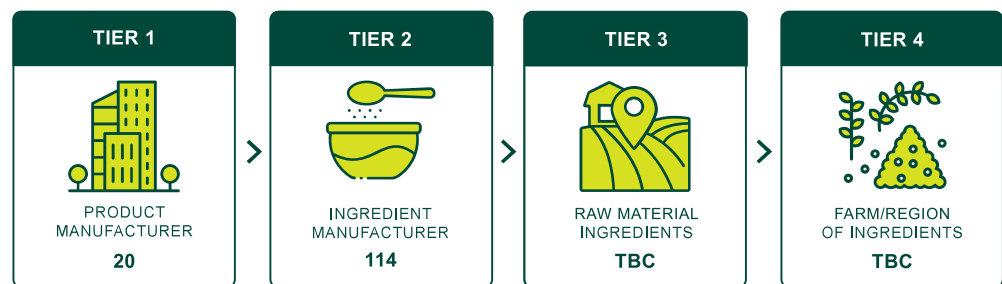


Our Supply Chain

Vitaco products are manufactured both in our own manufacturing sites, and through our network of global suppliers. Our products are distributed through our own distribution centres and two third-party logistics providers.

In the last 12 months, we have worked with a total of 134 suppliers across 12 countries, to create our portfolio of 514 products.

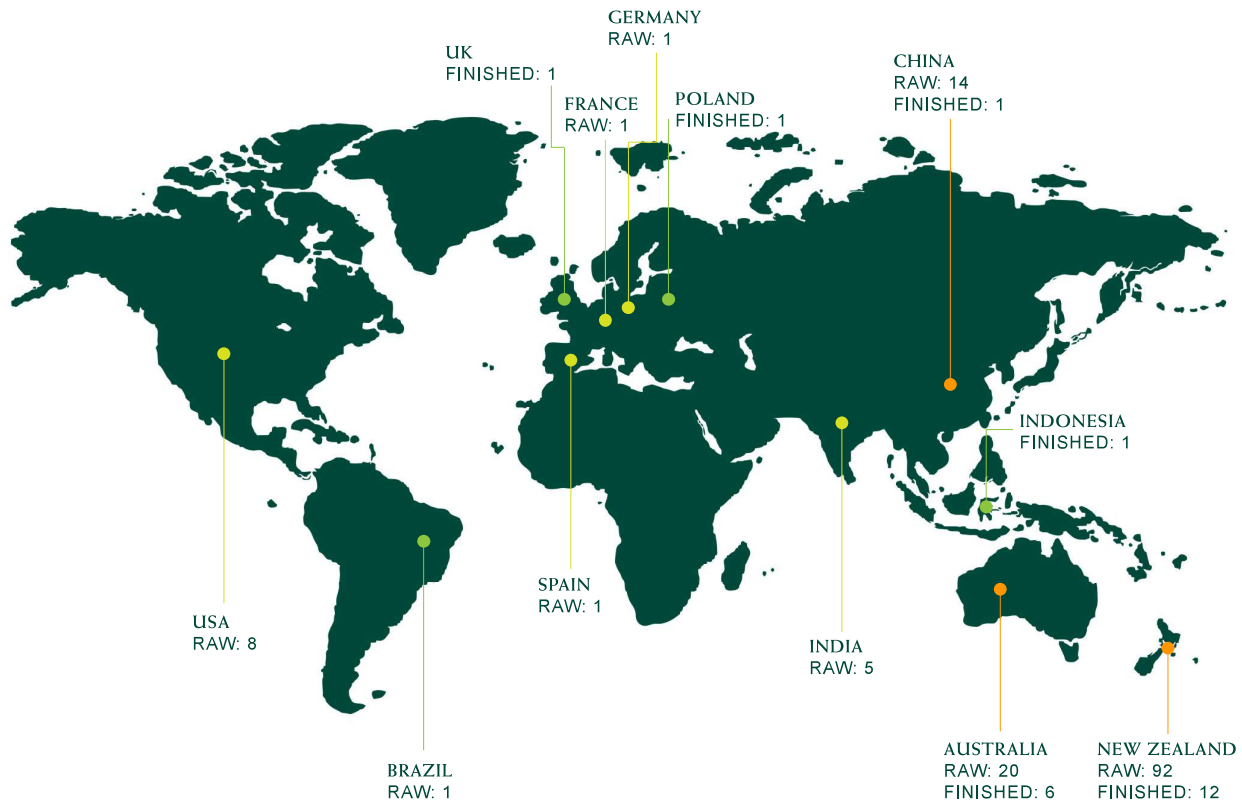
We refer to our suppliers by their 'tier' or 'level' in the supply chain. Our tiers can be split by the following:



Currently 82% of our products are manufactured at our own factories in Auckland, New Zealand and the remaining 18% of our products come from 20 contract manufacturing partners. We have direct relationships with all our Tier One and Tier Two suppliers. However, we recognise the importance of full supply chain transparency, to enable us to have greater visibility to identify and mitigate human rights and modern slavery risks further down the supply chain. We are dedicated to continuously improving our processes and will strive towards full transparency in all tiers of our supply chain in the coming years.

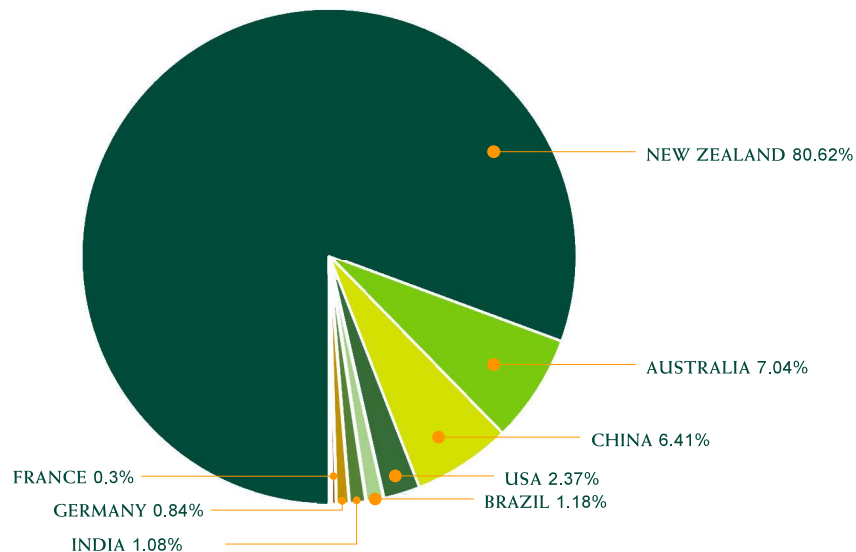
Below is a map of our suppliers of finished products and ingredients we know to date.

Map of Suppliers of Finished Products and Ingredients



Key	Suppliers Of
●	FINISHED PRODUCTS
●	RAW INGREDIENTS
●	FINISHED PRODUCTS & RAW INGREDIENTS

Tier 2: Raw Ingredient Suppliers By Country Spend





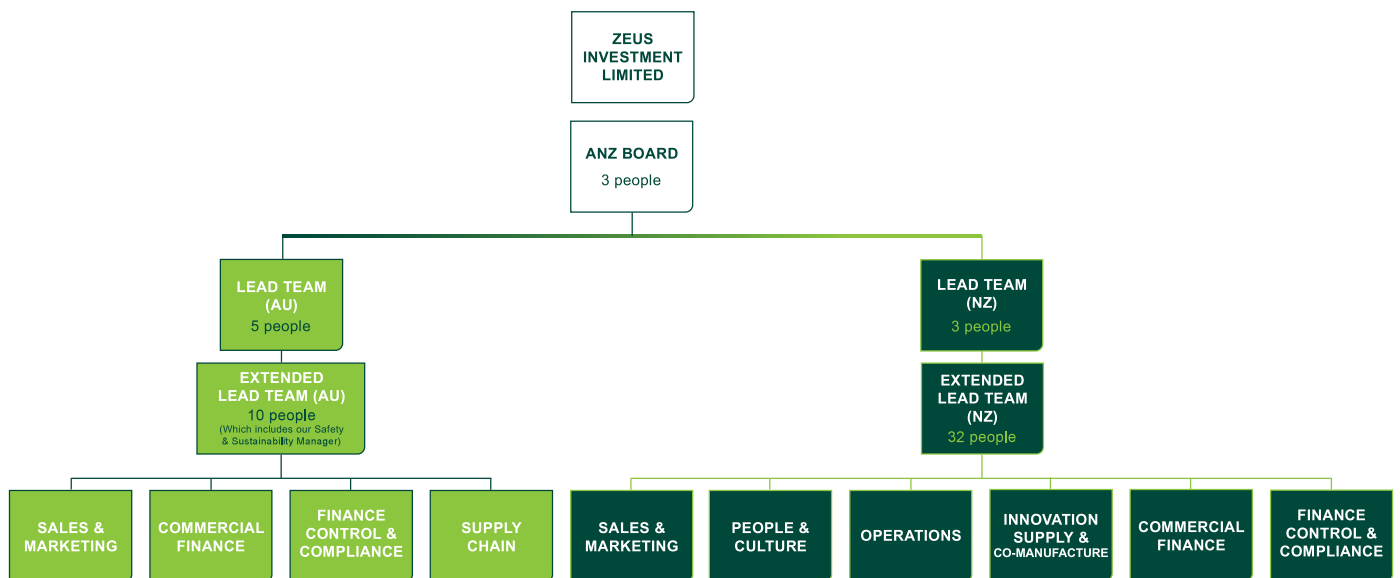
Our Governance

At Vitaco, our Governance Structure outlines the roles and reporting processes for how we manage and monitor modern slavery. The Board are accountable for overseeing our modern slavery actions and ensuring that human rights standards are maintained at all levels of the organisation.

We promote transparency and encourage all team members and stakeholders to report any instances or concerns regarding modern slavery through our established Governance Structure and **Whistleblower Policy**.

Our Sustainability and Procurement Teams are dedicated to mitigating social responsibility and environmental risks within our supply chain. They collaborate closely with the rest of the Vitaco team and our suppliers, to ensure thorough due diligence to proactively identify and address potential risks before they arise.

Our Governance Structure



Modern Slavery Risks in our Operations & Supply Chain



At Vitaco, we acknowledge our responsibilities in addressing modern slavery. We understand that business practices may cause or contribute to modern slavery within the supply chain or operations of a business.

We have reviewed our current practices and identified the following possible risks of modern slavery in our operations and supply chains.

What is Modern Slavery?

Modern slavery encompasses various exploitative labour practices such as servitude, forced labour, human trafficking, debt bondage, forced marriage and child labour. It also includes deceptive recruitment and other forms of exploitation.

In 2021, the Global Slavery Index estimated that around 50 million people were trapped in modern slavery, a 10 million person increase since its previous report in 2018.

At Vitaco, we are committed to upholding the fundamental human right to freedom from slavery and ensuring that everyone involved with our business is treated with respect and dignity.

Our Operations

Vitaco's head offices are based in New Zealand and Australia, where the risk of modern slavery is relatively low due to strict employment laws. However, we recognise this does not completely eliminate the risk of modern slavery occurring in our operations.

We have identified the following areas where modern slavery risks could occur in our operations:



Third-Party Operational Suppliers



We currently procure the services and products of 91 suppliers for our operations, including for our head offices and manufacturing sites. We recognise that some of the products and services we procure may have a heightened risk of modern slavery occurring. We have identified these supplier groups as:

- Security services
- Cleaning services
- Laboratory and research services
- Air conditioning services and products
- Catering services
- Industrial equipment services and products
- Stationery products
- Waste and recycling services
- Contract Labour

Vitaco do not directly employ the people who perform these services or make these products, therefore they could fall outside of the scope of our policies and standards regarding human rights. Also, due to the physical and casual nature of many of these services, there is a higher risk of migrant work being used to help companies reduce costs, or the services being sub-contracted out to other less regulated companies.

Third Party Warehousing and Distribution



Due to the regional spread of our sales channels, we work with two independent third-party distribution centres in Christchurch, New Zealand, and in Melbourne, Australia.

As we do not own these sites or directly employ their workers, we have reduced visibility over their recruitment and employment practices. There is a possible risk that workers may have been contracted through temporary contracts or migrant work, which could lead to slavery practices, such as debt bondage.

Freight Suppliers



We are aware of the heightened risk of slavery practices in international freight and logistics services. Due to the physical, temporary and global nature of the roles involved in the shipping industry, slavery-like practices may get lost between jurisdictions and go unreported.

Vitaco utilise the freight services of eight service providers in New Zealand and Australia. Six out of our eight suppliers have published their own Modern Slavery Statements and are pro-actively working to identify and mitigate any cases of modern slavery in their operations and supply chains. The two freight providers who have not published a statement are smaller service providers based in New Zealand.



Our Supply Chain

At Vitaco, we are fortunate to own and operate our manufacturing facilities in Auckland, New Zealand, where we produce 82% of our products. Health and safety training and monitoring is completed at our facilities on a regular basis and we employ all our permanent workers directly.

We do source some temporary labour to help in our production and manufacturing departments. This is arranged through one long-standing third-party provider who provide their workers with a contract and whose practices are regularly reviewed. We therefore consider the risk of modern slavery happening in our own manufacturing sites to be low.

We also use 20 third-party contract manufacturers, who manufacture 18% of our products. These suppliers have a heightened level of risk to us as we do not directly own or control the recruitment or standards at these facilities however, these sites undergo regular quality and standards audits by Vitaco.

Raw Materials



Over 87% of Vitaco's raw materials are sourced from New Zealand and Australian suppliers. While we acknowledge that modern slavery can occur in any country, the stringent labour and environmental laws in these countries, coupled with our strong relationships with these suppliers, suggest a lower risk. However, we recognise that these suppliers may obtain materials from other countries further down the supply chain and that supply chain transparency is crucial to accurately assessing and managing these risks.

We have reviewed globally recognised resources such as *The Global Slavery Index*, *Labour Rights Index*, Transparency International and *Anti-Slavery International* to review the risks of our other sourcing countries and have identified China, India and Brazil are the countries with a higher risk of modern slavery occurrences.



China



China has been referred to as “*the world’s sole manufacturing superpower*”, making up 35% of global gross production. However, alongside the innovative technology and fast production that China offers, according to the Global Slavery Index, there are currently over five million people in modern slavery in China as of 2023. Incidences of modern slavery in China include ***forced labour***, debt-bondage, ***human trafficking***, child labour and other exploitative practices.

China is Vitaco’s third largest raw material supplier and our largest sourcing country outside of Australia and New Zealand. This makes China our highest risk sourcing country.

India



India is one of the world’s largest producers of agricultural and food products in the world. In 2022-2023 agricultural exports totalled ***\$52.50 billion USD***. However, with agricultural work comes heightened risks of modern slavery practices and despite the Indian government’s efforts to improve regulations targeting human trafficking, child and bonded labour, reports of such practices have ***increased***.

India supply Vitaco with key ingredients for some of our most popular products and due to the vast distances and regional agricultural work involved in sourcing our products, India will remain a high-risk sourcing country for us.

Brazil



Brazil boasts some of the world’s most diverse landscapes and wildlife, including the Amazon Rainforest and numerous indigenous communities. Unfortunately, reports of modern slavery practices such as forced labour and human trafficking persist to this day in Brazil’s agricultural regions.

In recent years, the Brazilian government has intensified its efforts to combat modern slavery, resulting in numerous successful ***raids and prosecutions***. They have pledged to strengthen labour inspection policies, update the list of companies and individuals involved in modern slavery, and establish a new secretary dedicated to eradicating this illegal practice.

Vitaco has only one main supplier in Brazil and while this country is designated as high risk for modern slavery practices, we work closely with our supplier to ensure their sourcing practices meet our Code of Conduct and responsible sourcing standards.

Spotlight On: Whey Protein

Whey is the liquid remaining after milk has been curdled and strained. It is a byproduct of the manufacturing of dairy products. Whey protein is used in many health supplement products to help promote weight loss, increase muscle mass and lower heart disease **risk factors**.

The International Labour Organisation places agriculture, alongside forestry and fishing, as the sector with the **fourth highest** proportion of victims of forced labour worldwide. There is a risk that workers can be employed on temporary contracts and be forced to work in harsh conditions, for long hours, and very little pay.

At Vitaco, whey protein is the largest raw material we procure. Our largest whey protein supplier is Fonterra, who publish their own **Modern Slavery Statement** and have undertaken thorough actions to help reduce any cases of modern slavery on their farm operations.



Photo credit: Towfiq Barbhuiya



Spotlight On: Cocoa

Cocoa is an essential commodity, cherished worldwide for its role in producing chocolate and is used in some of Vitaco's most popular products. However, despite its significance in global trade and cultural heritage, the history and farming practices of cocoa are marred by a high risk of modern slavery.

At Vitaco, we have recognised that cocoa is one of our highest risk raw ingredients. Therefore we work with suppliers that use some of world's largest and well-regarded cocoa manufacturers, all of whom have thorough sustainability and human rights policies. Our suppliers are also members of the ***Rainforest Alliance***, a non-profit organisation that is working to build an alliance to protect forests, improve the livelihoods of farmers and communities, promote their human rights, and help them mitigate and adapt to the climate crisis. We recognise that there will still be potential risks of modern slavery occurring on cocoa farms and will work to dive deeper into the visibility of our cocoa supply chain going forward.



Photo credit: Tope A. Asokere



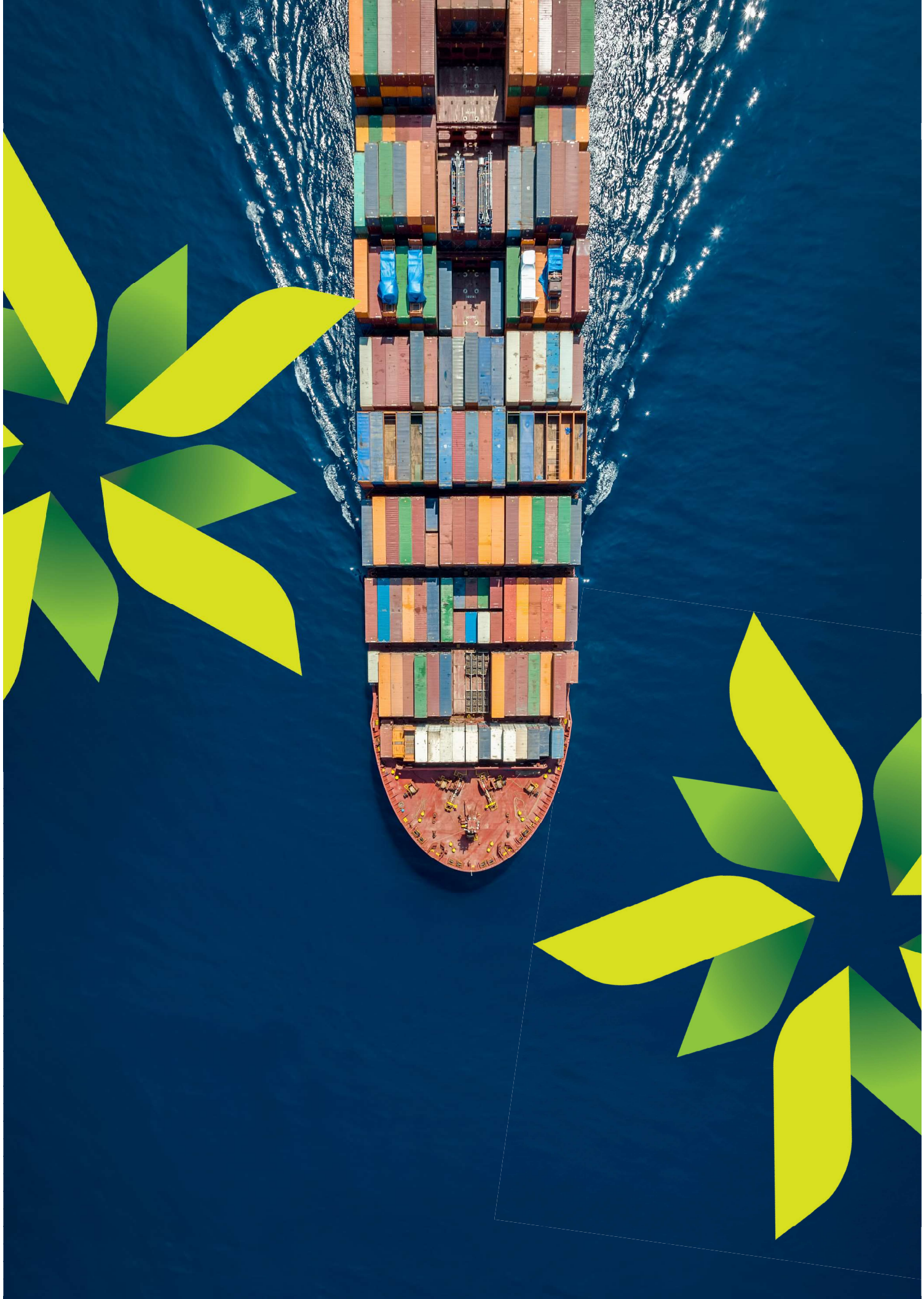
Actions Taken to Address Modern Slavery Risks



Vitaco is committed to continuously improving our approach to modern slavery risk management.

Our values of **We Care, We Act, We Succeed** underpin all our business activities and policies and we continue to lean on these values to help us accelerate change and action. Furthermore, we are committed to working with our team members and suppliers to help identify, mitigate and remedy any potential modern slavery risks, and the Board take responsibility for any modern slavery impacts.

Below are some of the steps we have taken to help mitigate any risks of modern slavery for the year ending 31st December 2023.



Our Due Diligence Journey

2019-2020

- Ethical sourcing deemed as a priority workstream.
- Leaders attend training on UN Guiding Principles on Business and Human Rights.
- Internal Communications on modern slavery heightened.
- Sustainable Ethical Sourcing sub-committee established, and priorities set.



2021

- New 'Request for Proposals' (RFP's) are updated in relation to Sustainable Ethical Sourcing. This also includes contract renewals for suppliers including services and indirect materials.
- Our website is updated to transparently communicate our commitment to source and produce products fairly, safely, legally and under humane working conditions.



2022-2023

- Conducted a supplier survey for our stage one and two direct suppliers and analysed results.
- Established two new policies: our *Sustainability Policy*, and *Ethical Sourcing Policy*.



Our Operations

All employees at Vitaco are provided with an employment contract detailing their rights and responsibilities. They are required to adhere to our Code of Conduct as well as our Health & Safety, and Harassment & Bullying policies.

Our HR policies and procedures are designed to detect and address human rights breaches promptly. Team managers are responsible for reporting, monitoring and managing any incidents through our governance framework.

Third-Party Operational Suppliers

At Vitaco, we prioritise supporting local businesses, with the majority of our direct operations' suppliers based in New Zealand. To uphold our commitment to human rights, we have included a modern slavery clause in our Procurement Contract and Standard Purchase Order terms. This clause applies to all supplier employees, contractors, sub-contractors, and consultants requiring them to monitor and report any potential breaches of these terms.

Training

By upskilling and educating our team members on modern slavery and human rights issues, we ensure that our entire business remains vigilant and accountable for identifying potential cases of modern slavery. We have provided open-source online learning for our team on modern slavery, which is mandatory for our Lead Team and Extended Leadership Team members. Other team members, including our Procurement and People & Culture teams, have also been required to complete this training. Unfortunately, due to other business priorities we have not managed to prioritise this training in the last financial year. All Vitaco Leaders, and members of Vitaco's Procurement and People & Culture teams are scheduled for refresher training in Q1 2025.

Policies

Our policies emphasise our dedication to preventing modern slavery and upholding ethical standards. We expect all team members to adhere to these principles when sourcing and in daily business activities. In November 2023, we launched our Ethical Sourcing Policy and a new Sustainability Policy. These sit alongside our previously developed Whistleblower Policy and serve to educate, inform and instruct our team members on how to conduct their business ethically. Our policies apply to all Vitaco employees at all locations, and any person that acts on behalf of the company.

➤ Ethical Sourcing Policy

Our Ethical Sourcing Policy was developed to show our commitment to sourcing and delivering products that respect human rights, protect the environment and support the communities in which we, and our suppliers, operate. The Guiding Principles of this Policy are; respect for human rights, transparency and accountability, continuous improvement, collaboration and education.

➤ Sustainability Policy

Our Sustainability Policy replaced our environmental policy and was developed to help guide and engage employees, customers, suppliers and other industry bodies to continuously improve sustainability across the business. This policy includes our commitments to conserve and protect the environment and uphold our social responsibilities.

➤ Whistleblower Policy

Our Whistleblower Policy was developed in 2020 to demonstrate the process and scope of how to report any incidents or grievances that may happen in the workplace. Vitaco is committed to providing an environment where people can report any wrongdoing, free from retaliation or detrimental treatment. We provide our team members with support and training on how to make a report and how to handle any raised concerns.

Our Supply Chain

Contracts

All our procurement contracts and purchasing agreements contain specific modern slavery clauses which must be read and agreed to by suppliers. The clauses specify that suppliers must strictly not use any form of forced labour, slavery or servitude, and must not engage in any activity, practice or conduct that would constitute an offence under applicable anti-slavery laws.

Supplier Risk Survey

In 2022 and 2023 we conducted our first Supplier Survey to understand our risks around modern slavery in our supply chain. The survey helped to support collaborative efforts to improve transparency and identify areas for further due diligence and risk mitigation. The survey asked suppliers for information on what due diligence actions they were taking regarding modern slavery and whether they had adequate policies and procedures in place to help identify, mitigate and remediate cases.

We identified suppliers as high, medium and low risk of modern slavery occurring as follows:

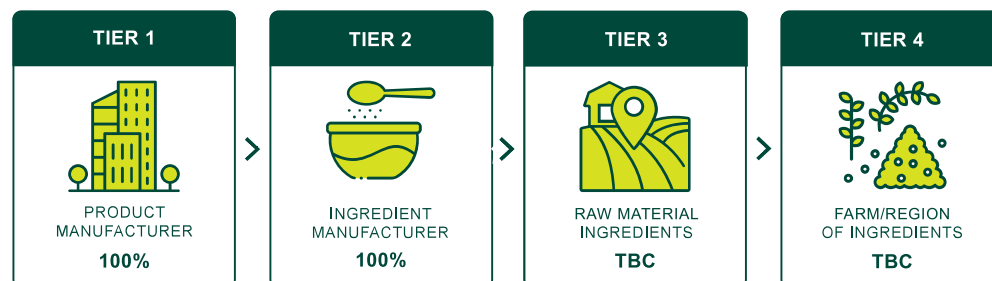
Risks	No. of Suppliers	%
High	4	3%
Medium	39	27%
Low	100	70%
Total	143	100%

Responses were received from suppliers representing 90% of Vitaco's direct spend. This equated to 71% of all suppliers and included all significant suppliers.

Transparency & Traceability

As the majority of our products are manufactured inhouse at our facilities in Auckland, New Zealand, we have close and long-standing relationships with many of our Tier 2 suppliers who are local to our manufacturing. We are yet to map our full supply chain back to source but will focus on this in the coming years.

Traceability Achieved by Tier



Ethical Sourcing

We have built strong relationships with our suppliers over many years and recognise that our purchasing decisions can impact modern slavery risks.

Our Ethical Sourcing Policy outlines our strategies and actions to uphold human rights and reduce pressure on our suppliers. This policy provides guidelines for our team members on how to interact with suppliers without causing negative environmental or social impacts. It demonstrates how employees shall engage and maintain supplier relationships that promote ethical business behaviour and uphold the core principles of the UN Guiding Principles on Business and Human Rights.

We are committed to continuously monitoring and reviewing our purchasing practices through supplier engagement and ongoing team member training.

Remediation

At Vitaco, we work closely with our suppliers to help identify and if necessary remediate any non-compliances or breaches of our purchasing Terms of Trade. When we identify risks related to modern slavery, we assess the impact on our business and on the person/s involved then determine our actions based on various factors including leverage and remediation principles outlined in the UN Guiding Principles on Business and Human Rights (UNGPs). For instance, with our closest Tier 1 suppliers, we leverage our strong relationships to effectively influence and drive change.

All of our Procurement Contracts and Purchasing Order Terms of Trade outline that any breaches, or potential breach, of our modern slavery clauses or anti-slavery laws are to be reported to Vitaco as soon as possible. In 2023 we have had no matters reported of non-compliance or breaches related to modern slavery.



Assessing the Effectiveness of our Actions



We are dedicated to regularly reviewing and enhancing our methods for identifying, assessing and addressing risks of modern slavery, ensuring our practices align with relevant legislation and international human rights standards. In the past 12 months we have made progress on key initiatives such as our Supplier Surveys, policies and supplier relationships.

Due to capacity, we have not implemented all our training plans. However, we are committed to working with our team members and suppliers to ensure that modern slavery is identified and the risk is reduced throughout our business operations and supply chains.

To ensure the effectiveness of our processes and actions we monitor:

Supplier Survey

The results of our Supplier Risk Survey has helped us to identify where we should focus our efforts and resources when it comes to modern slavery mitigation. Engaging with suppliers provides us with feedback on where our modern slavery actions are working and where there are opportunities to improve.

Training

Training our employees in aspects of modern slavery within the business and our supply chain, helps us to understand and improve the level of knowledge our employees have on modern slavery risks.

Policies

Ensuring employees read and action the values outlined in our Ethical Sourcing and Sustainability policies ensures all employees are aware of our standards and gives them an opportunity to ask for training or further information.

Whistleblowing

By monitoring the number of incidences or events reported by employees and third-party stakeholders through our Whistleblower processes, we can understand how effective the process is and ensure the reporting party is supported through the process.



