



**Chobani**<sup>®</sup>

Modern Slavery  
Statement 2020

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## Introduction

**At Chobani, we believe that business can be one of the most powerful forces for good in the world. That extends to how we make our products, how we treat our people and how we conduct business.**

Beyond adhering to the high legal and ethical standards in the industry and to all applicable laws and regulations, we strive to raise the bar with every decision we make. That, we believe, is how we can continue to make a difference.

This belief extends outside of just our company. As business partners of ours, we expect direct suppliers and all parties who provide goods and services to Chobani Pty Ltd (Chobani) to join our commitment and conduct business in a manner that reflects and adheres to the principles and ethical standards from which our company was built.

Chobani is committed to protecting human rights and preventing modern slavery in all its forms across our supply chain. We focus on a continuous improvement approach, with the aim of driving change together with our suppliers and partners throughout our supply chain.

This is our first Modern Slavery Statement and it outlines the steps taken by Chobani during the calendar year 1 January 2020 – 31 December 2020 to identify and mitigate the risk of modern slavery occurring in our business operations and our supply chain. This report relates to operations of Chobani Pty Ltd only, not its parent company Chobani, LLC (or any other entities comprised in the broader Chobani, LLC group outside of Australia), which is incorporated and headquartered in the United States of America. References to 'Chobani' denote the Australian business entity - Chobani Pty Ltd.

**Lyn Radford**  
Managing Director  
Chobani Pty Ltd

## Company overview

### Structure and operations

**Chobani was founded on the belief that people have great taste; they just need great options. It is this belief that brought Chobani to Australia – home to a nation of people passionate about food and some of the best milk in the world.**

Hamdi Ulukaya established Chobani, a privately held company, in Australia in 2011 through the purchase of Victorian dairy company Bead Foods.

In November 2011 the first pot of Chobani yogurt, which was flown in from the US, was sold in Australia, before local production commenced in our Dandenong South factory in December 2012.

Chobani’s core business is producing and selling food products, primarily yogurt, under the Chobani and Gippsland Dairy labels, as well as non-dairy products such as oat milk under the Chobani label. Chobani currently exports some of these products to Singapore, Thailand, Malaysia and the Maldives and also sells cream, which is a bi-product of our yogurt production.

The manufacturing facility operates a 24/7 production schedule 360 days of the year and the business has more than 270 dedicated employees.

Chobani is part of and ultimately owned by Chobani, LLC group of companies, which is primarily incorporated in Delaware in the United States of America, with its headquarters in New Berlin, New York. The company was founded by Mr Ulukaya in South Edmeston, New York in 2005 and launched in 2007. In 2012 Chobani, LLC opened a second plant in Twin Falls, Idaho as well as a café in SoHo, New York City. Chobani, LLC is part of the food manufacturing industry, producing and selling primarily dairy products including yogurt and coffee creamer, as well as non-dairy, plant-based products, such as oat milk, oat-based yogurt and yogurt drinks. Chobani products are available nationwide in the United States, as well as in Mexico and Australia and in countries across Asia and Latin America.

Chobani operates from four sites:



**Manufacturing facility,  
Dandenong South  
(headquarters)**



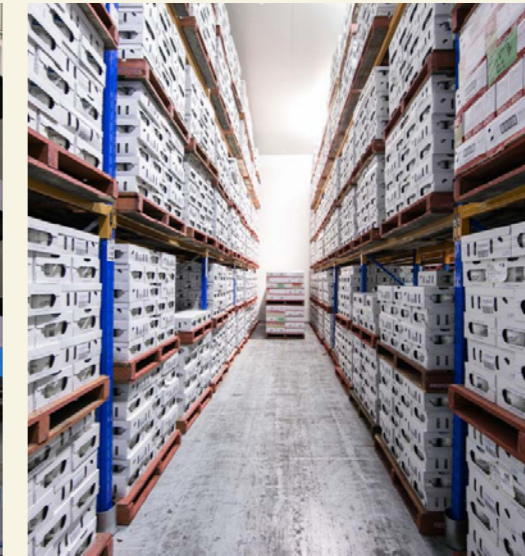
**Cold-store logistics  
facility, Dandenong South**



**Office and logistics site,  
Dandenong South**



**Office, Mulgrave**



### Supply chain

At Chobani, we focus on creating long-term, collaborative relationships with our supplier base, which provide stability and certainty for our operations. In 2020 we sourced products and services from more than 600 suppliers across categories including dairy ingredients, packaging, non-dairy ingredients, transport and logistics, property and trades. While the total supplier base is large, our top 60 suppliers account for 84 per cent of our total spend.

Our Procurement team works directly with suppliers to ensure reliable supply of goods and services and is responsible for managing supplier relationships end-to-end.

In 2020, 99.1 per cent of Chobani's spend was with suppliers located in Australia. While the vast majority of our suppliers are based in Australia, in some circumstances production of materials or ingredients takes place in overseas facilities. Detailed information on production sites and locations for each supplier is captured as a part of our Sedex Radar assessment, which is in line with Chobani's Ethical Sourcing Policy and is referenced in the *Our approach* section of this statement.

The Procurement team is structured to focus on four key areas:

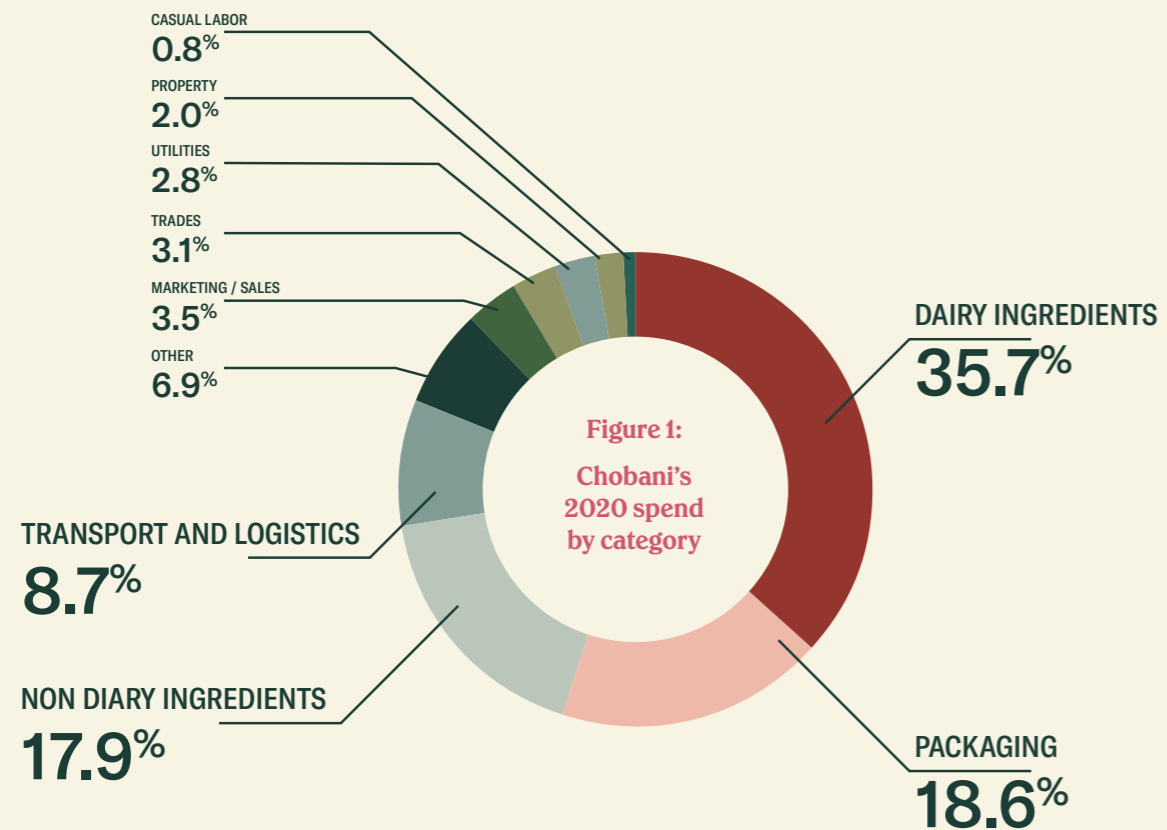
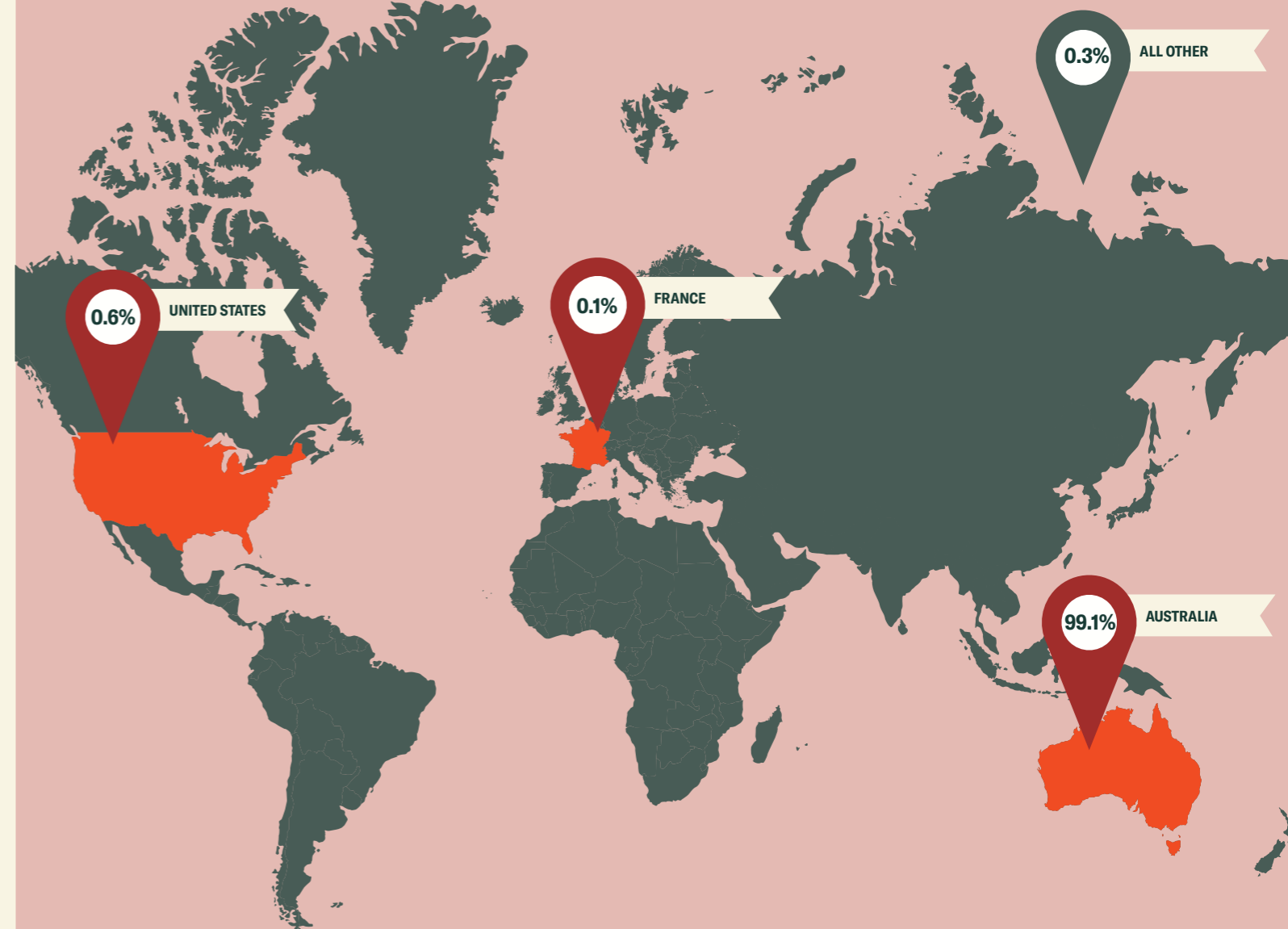


Figure 2: Chobani's 2020 spend by supplier location



## Understanding our modern slavery risks

### Initial assessment

Based on an initial assessment, Chobani determined that potential risks in our operations and supply chain are driven by the presence of manual labour and vulnerable populations, including migrant workers and casual labour.

Using an independent third-party tool, we identified potential inherent risks of modern slavery, based on the

type of commodities procured or the service delivered, in addition to our suppliers' primary location of operation. This enabled us to identify the following priority areas of potential risk within our operations and supply chain:

#### Areas of potential risk within our operations supply chain:



Agricultural products (ingredients)



Packaging manufacturing



Promotional items, machinery and equipment (maintenance parts, IT)

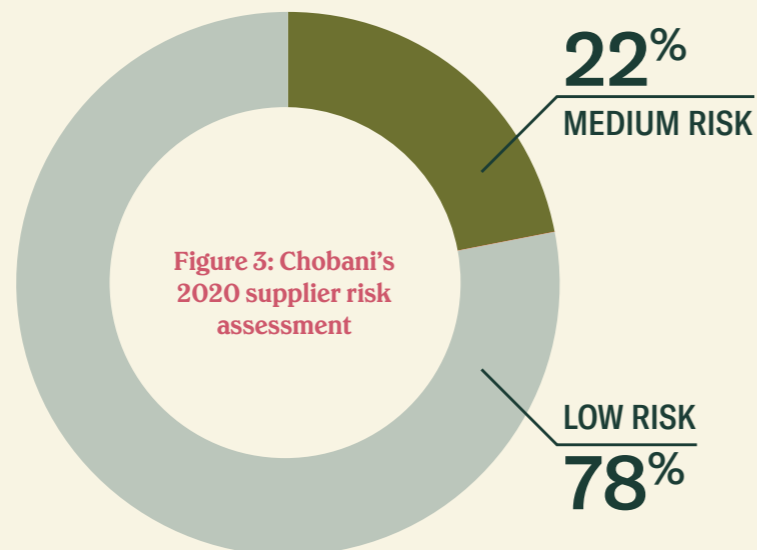


Outsourced services such as transportation, storage, waste management & cleaning

Our supply chain is made up of tiers; Tier 1 suppliers are those with whom we have a direct relationship, Tier 2 represents the suppliers of our Tier 1 suppliers, and Tier 3 represents the suppliers of Tier 2, and so on. In 2020, 94 per cent of our Tier 1 suppliers were located in Australia, a country with a

lower risk factor for modern slavery according to The Global Slavery Index 2018. Subsequently, our initial supply chain assessment did not reveal any potential high risks of modern slavery, including our Australian business partners that have overseas operations where our ingredients or

raw material may come from. However, we acknowledge that some of our Tier 2 suppliers may be operating in higher risk jurisdictions or sectors, so these suppliers have been captured in our initial risk assessment.



### Defining inherent risk

A risk is a combination of a specific hazard, the seriousness of its impacts and the probability of it to occur. In our assessment, we have investigated potential high-level risks or risks inherent to specific sectors, activities or jurisdictions. The level of risk is determined by key drivers identified by international agencies such as the

United Nations Development Program, the International Labour Organisation or actual cases reported by reputable non-governmental organisations. In this assessment, risk is always considered from the worker's perspective, not the business.

#### Potential inherent risks of modern slavery practices identified in our supply chain

Medium risks	Existing but lower risks
Forced labour	Discrimination
Regular employment risk	Gender risk
Freedom of association	Children and young workers
Labour standard risks	Health and safety

## Our approach

In 2020, Chobani established a cross-functional working group to assess and address potential modern slavery risks in our operations and supply chain. Given the complexity of modern slavery and its ability to take various forms, the team was made up of diverse expertise, with representatives from Chobani’s Procurement, Quality Assurance, People & Culture, Health & Safety, Sustainability and Corporate Affairs teams, as well as external advisors, where relevant.

### Operations

#### Self-assessment

At Chobani, we believe that we have a responsibility to set an example for the kind of company we want to see in the world. So, we started our journey with a thorough self-assessment of potential modern slavery risks in our own operations. The working group completed an extensive survey about the current state of our operations in relation to potential modern slavery risk factors. While our manufacturing site was classified as medium risk due to our workforce profile (vulnerable workers) and the nature of our activities (manual labour), the assessment did not reveal any major gaps in our policies and procedures.

Policy/Procedure	Overview
<b>Whistle-blower Policy</b>	Chobani is committed to the highest standards of legal, ethical and moral behaviour and does not tolerate unethical or unlawful conduct which is not in line with Chobani’s values. Employees, volunteers and contractors are able to report allegations to an external independent provider or Chobani’s Whistle-blower Committee.
<b>Grievance Policy</b>	Chobani aims to resolve problems and grievances promptly and as close to the source as possible, with graduated steps for further discussion and resolution at higher levels of authority as necessary. This policy provides guidelines for the resolution of workplace grievances at Chobani and applies to all employees, including contractors and casual staff.
<b>Bullying, Harassment and Discrimination Policy</b>	Chobani is committed to providing a work environment that supports diversity and the wellbeing of all our employees. Behaviours constituting discrimination, harassment or victimisation are unlawful and contrary to Chobani’s values. These behaviours are not acceptable at Chobani and this policy applies to all Chobani employees, including contractors and casual staff.
<b>Recruitment Policy</b>	Attracting great talent to join our team ensures the future prosperity of the organisation. Our recruitment approach is based on merit which is the collective review of skills, experience and alignment with company values. All candidates are considered based on their merits and the best person for the job is selected accordingly. We are committed to our equal opportunity policy at every stage of the recruitment process and aim for a well-planned, fair and equitable hiring process.
<b>Anti-collusion Practices Training</b>	Some of our employees may be required to work alongside direct or indirect competitors. Anti-collusion training is mandatory for all relevant employees.
<b>Occupational Health and Safety Policy</b>	The safety of our employees is our highest priority. This is especially critical for our manufacturing and logistics sites where employees have access to machinery, equipment and vehicles that could cause risk to their health and safety. Appropriate health and safety training is provided to all our employees.
<b>Values</b>	We’re a food company that consciously chooses to do things differently and we believe that ‘good’ can change the world. Our company values of people, integrity, craftsmanship and giving back highlight the actions and behaviours we expect of our employees as representatives of our business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating and managing our supply chain.



#### Supplier Ethical Data Exchange (Sedex)

Chobani utilises Sedex, which is one of the world’s leading ethical trade membership organisations, to track our performance against labour standards, environmental practices, health and safety and business ethics. Our membership of this platform enables us to map Chobani’s supply chain and improve transparency both upstream and downstream.

### Supply chain

#### Supplier risk assessment and prioritisation

In 2020, we conducted an assessment of our Tier 1 suppliers to identify potential inherent modern slavery risks, as outlined in the *Understanding our modern slavery risks* section of this statement. We prioritised these suppliers based on a combination of spend and the level and seriousness of risk, which resulted in a shortlist of

60 suppliers that represented 80 per cent of our total annual expenditure. Chobani has subsequently engaged with these key business partners to discuss ethical sourcing practices and we continue to collaborate with these suppliers to identify and mitigate potential risks.

#### Ethical Sourcing Policy and supplier onboarding process

Chobani has developed an Ethical Sourcing Policy, which outlines our approach to supply chain transparency and collaboration. This policy has been integrated into our Request for Proposal tender process and we now require new or existing business partners with high inherent risk

levels to acknowledge the policy and its contents. Our standard supplier contract has also been updated to reflect our position and requirements related to modern slavery and ethical sourcing practices.

### **Transparency in our supply chain**

As part of our Ethical Sourcing Policy, Chobani requires all on-boarding and priority suppliers to join Sedex and connect with our business on the platform. Once connected, both the buyer (Chobani) and the seller (our supplier) have access to each other's self-assessment results and action plans. Our long-term objective is to map our entire supply chain in Sedex, which will provide full visibility and transparency of potential modern slavery risks, and provide access to examples of best practices for labour standards, environmental management, health and safety and business ethics in our supply chain.

### **Priority suppliers**

Where we have identified services or commodities that require corrective actions as a priority (as outlined in the *Understanding our modern slavery risks* section of this statement), Chobani has proactively engaged Tier 1 and Tier 2 suppliers to assess and address potential related risks more effectively.

### **Industry collaboration**

As Chobani has a number of suppliers in common with other dairy manufacturers, we have joined a dedicated working group facilitated by Dairy Australia to collaborate with other manufacturers on these pre-competitive (non-advocacy) activities. The objective of the working group is to align on a consistent approach to identifying and mitigating potential modern slavery risks across the industry (tools, standards, methodology, requirements etc.), and streamline reporting and transparency in our common supply chain.





### Assessing our progress

In 2020 Chobani commenced its journey to formalise its approach to modern slavery. We focused our initial efforts on evaluating potential modern slavery risks in our operations and supply chain by mapping our supply chain and identifying high-risk services and commodities. This process provided us with a clear understanding of our current status and will enable our business to progress to the next phase of our journey, which will entail building assessment and remediation processes.

### Operations

Our self-assessment has identified some opportunities for improvement across a number of functions within our business. We have subsequently developed an action plan to address these opportunities and are working to implement new processes and practices in our operations.

Chobani is also committed to completing and updating the Sedex self-assessment questionnaire on an annual basis

in order to track our progress and capture potential new risks and opportunities, which will lead to subsequent cycles of our due diligence process for identifying and managing potential modern slavery risks in our operations (refer to Figure 4).

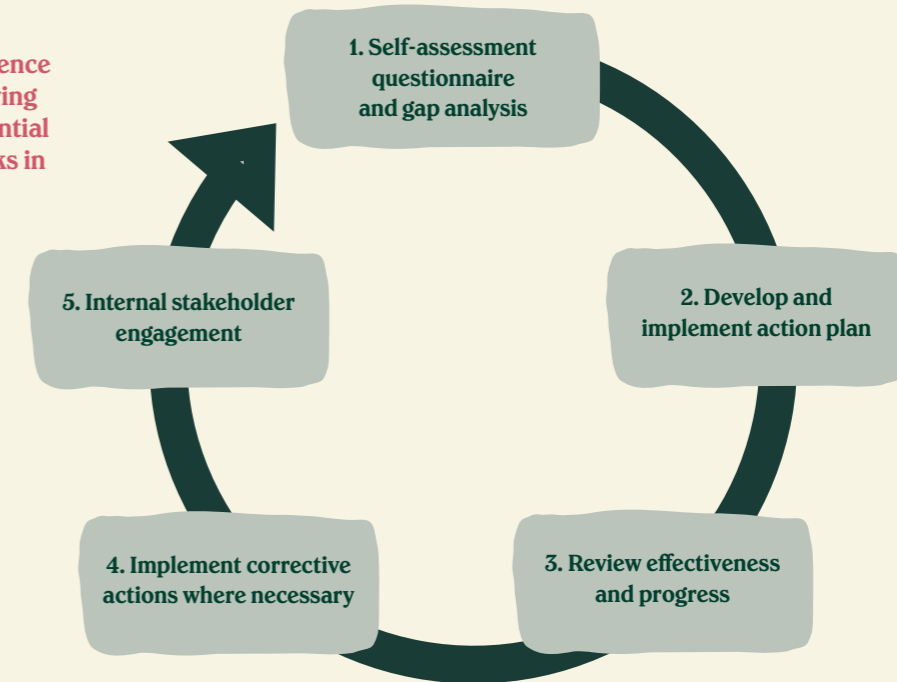
### Supply chain

We are committed to conducting supplier risk assessments annually to capture new suppliers and identify suppliers who we no longer do business with. As high risks are identified, Chobani will engage with business partners to increase transparency and encourage collaboration to mitigate

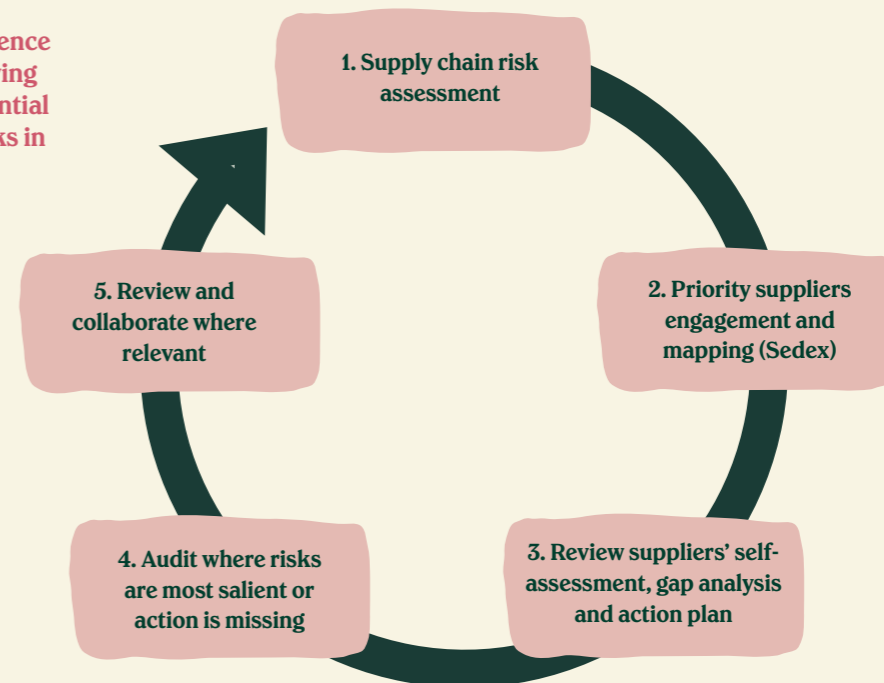
potential issues. In 2020 we implemented steps one and two of our due diligence process for identifying and managing potential modern slavery risks in our supply chain (refer to Figure 5) and in 2021 we intend to develop a plan to implement steps four and five of this process.



**Figure 4:**  
Chobani's due diligence process for identifying and managing potential modern slavery risks in our operations



**Figure 5:**  
Chobani's due diligence process for identifying and managing potential modern slavery risks in our supply chain



## COVID-19 impact

**The health and wellbeing of our employees, customers, suppliers and partners continues to be our highest priority as we evolve our response to the COVID-19 pandemic.**

Chobani has been consistently monitoring the advice of the Victorian and Australian Governments and adapting our protocols, policies and processes as needed, to protect our people, our sites and our communities.

As a food manufacturer, Chobani has a responsibility to keep our factory running safely so we can ensure Australians have access to fresh food during these uncertain times. We are committed to continuing to work with our suppliers, customers and partners to achieve this.

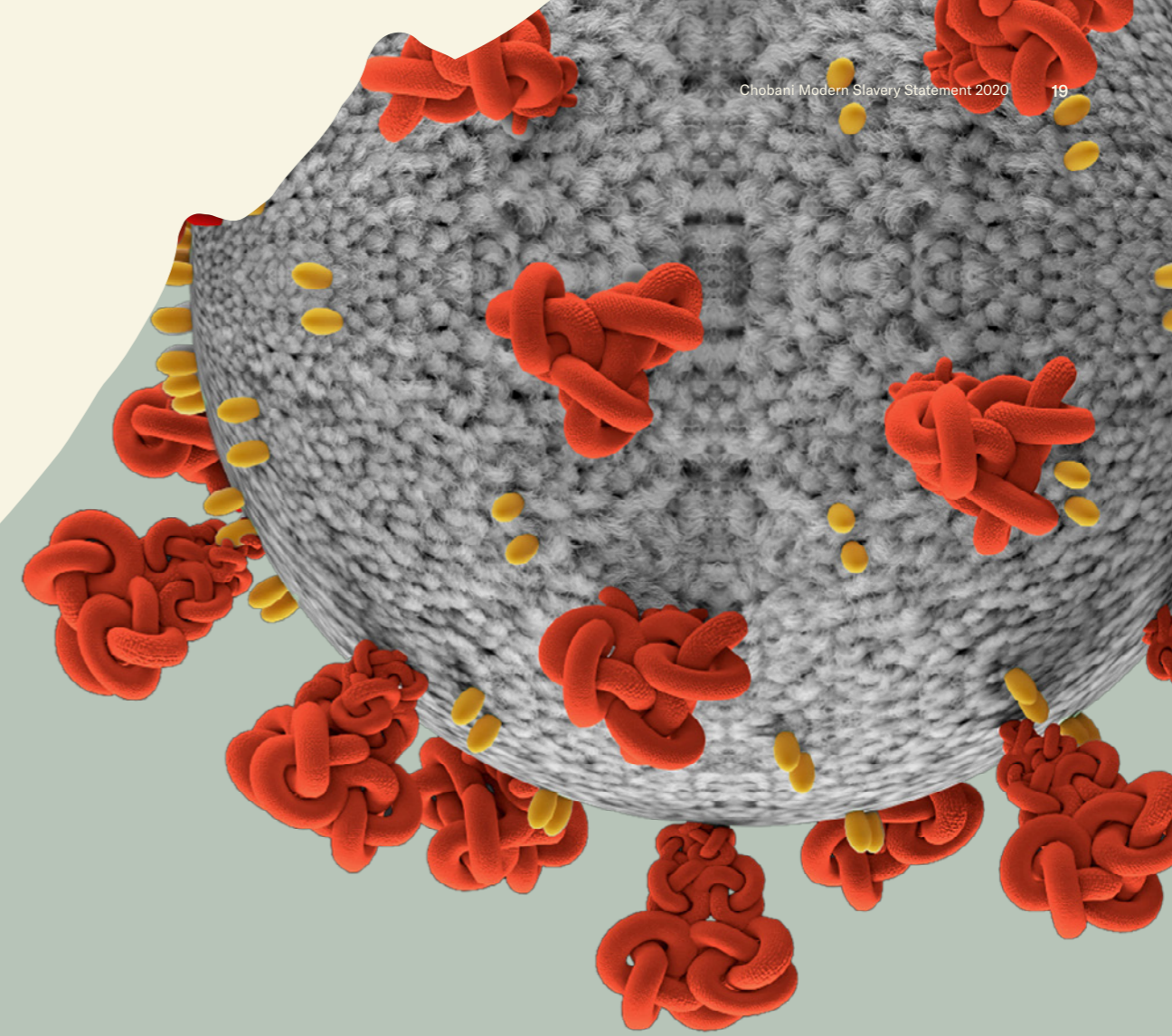
As a business, we have sufficient and appropriate measures in place to mitigate COVID-19 exposure and infection among our people and at our sites. A dedicated team is responsible for the development, review, testing and implementation of COVID-19 measures and protocols for the business. The group conducts risk assessments, business impact analysis and contingency planning and is also responsible for responding to suspected cases of COVID-19.

While the COVID-19 pandemic has created uncertainty in global supply chains, Chobani was able to mitigate potential impacts thanks to our strong supplier

relationships. As the pandemic developed across the globe, we established regular updates with key suppliers to understand the actions they were taking to reduce the risk of supply disruptions and determine how Chobani could further support them.

Despite the pandemic creating variation in demand across different product ranges and pack formats within our Chobani and Gippsland Dairy portfolios, overall demand remained strong. Where it was identified as being of benefit, we worked with suppliers to place orders well in advance of standard lead times, enabling additional planning time for production and logistics requirements. Where possible, we also increased orders to build up safety stock holdings of those materials we deemed to be at high risk of supply disruption; this was based primarily on geographic locations of production facilities.

Chobani worked with existing suppliers to procure Personal Protective Equipment (PPE) and worked with our existing cleaning contractor to increase the frequency and depth of cleaning services to ensure the safety of our team members and operations.



**Since we first began seeing the spread of COVID-19 across the globe, we have been actively taking steps to protect our people, our factories and our communities from the potential spread of COVID-19, including:**

- shift separation between operational teams
- office-based employees working from home
- appropriate PPE equipment, including face masks
- robust safety and hygiene practices
- contactless temperature testing
- proactive case management and contact tracing for anyone who may have been exposed to COVID-19 (either directly, via close contacts or at confirmed exposure sites)
- limited external visitors permitted on factory and logistics sites
- thorough pre-screening of contractors and suppliers attending Chobani sites
- regular and ongoing education and communication with employees.

## Future commitment

**At Chobani we are proud of our progress to address potential modern slavery risks in our operations and supply chain and we recognise that there is more work to be done. We are committed to partnering with our internal and external stakeholders and suppliers to continuously improve and evolve our approach to modern slavery, as we learn more about our risks and identify ways to mitigate them.**

We regularly assess our operational strategies to ensure we're living up to our commitment of providing better food for all people. Our approach relies on continuous improvement and we will keep building and reinforcing our due diligence process and partnerships.

Our goal in the coming years is to map our entire supply chain, including suppliers from all tiers, to eliminate risks of modern slavery and improve workers' conditions.

We also aim to engage further with the UN Guiding Principles on Business and Human Rights by using the 'cause, contribute and directly linked' framework to determine our modern slavery risks in future reporting periods, as applicable.



## Approval of statement

**This statement was approved by Chobani Pty Ltd's board of directors (as the principal governing body of that entity) on 25 June 2021.**

**Lyn Radford**  
Managing Director  
Chobani Pty Ltd  
25 June 2021





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