

Modern Slavery Statement 2021/22

COMPETITIVE FOODS AUSTRALIA PTY LTD

Introduction

This Modern Slavery Statement (“Statement”) for Competitive Foods Australia Pty Ltd and its subsidiaries (“CFA” or the “Group”), is prepared in line with the requirement of the Modern Slavery Act 2018 (Cth) (“Modern Slavery Act”).

The purpose of this Statement is to outline our approach to ensuring that CFA has robust frameworks and processes in place to minimise the risk of modern slavery in our business operations and supply chain as well as to address the risks identified in the Statement for FY2021/22.

CFA is one of the most diverse private companies operating in Australia and New Zealand, including an iconic network of owned and franchised Quick Service Restaurants (“QSR”), world class multi location/multi product food manufacturing, high quality food sales and marketing, cold storage, protein procurement and a significant real estate portfolio.

This statement has been developed by a diverse CFA Modern Slavery Working Group in conjunction with the individual CEO’s/senior executives tasked with managing risks within their networks.

CFA recognises that slavery and human trafficking can occur in many forms, as considered in the Act. This can include slavery, servitude, human trafficking, forced labour, child labour and deceptive recruiting for labour or services.

CFA is fully committed to operating responsibly and establishing and adhering to the highest ethical standards. CFA will not tolerate any forms of slavery or human trafficking in our business.

Reporting Entities

This Statement covers the activities of CFA and its key operating entities and operations as follows:

| Legal Entity | Principal place of business | Operations |
|---|------------------------------------|--|
| Competitive Foods Australia Pty Ltd | Australia | Parent company of CFA Group, providing strategic, financial, legal, risk, taxation & governance support. |
| Hungry Jack's Hungry Jack's Australia Pty Ltd | Australia | Holds Master Franchise Agreement with Burger King, supports the operations of 76 QSR franchisee stores. |
| Hungry Jack's Pty Ltd | Australia | Operates 371 owned and/or operated QSR restaurants across Australia. |
| Comgroup Comgroup Supplies Pty Ltd | Australia | Meat processor - located in Brisbane. |
| Comgroup New Zealand Limited | New Zealand | Meat processor. |
| Markwell Foods Markwell Pacific Marketing Pty Ltd | Australia | Full service sales and marketing frozen food company. |
| Seabest Pty Ltd | Australia | Cold store operation. |
| Markwell New Zealand Limited | New Zealand | New Zealand parent company. |
| Shore Mariner Limited | New Zealand | Sales and marketing of cooked and non-cooked food products. |
| Selden Pty Ltd | Australia | Owns and rents retail premises. |
| Sindrella Pty Ltd | Australia | Owns and rents retail premises. |
| Beak House Pty Ltd | Australia | Owns and rents retail premises. |
| Consolidated Food Company Pty Ltd | Australia | Centralised buyer, financier & logistics of protein products to multiple, global QSR operators. |

N.B. Please note that Competitive Foods Australia Pty Ltd sold its interest in PM Fresh Pty Ltd on 1 April 2022, accordingly it has been excluded from this statement.

Our Structure, Operations and Supply Chain

CFA's Board is responsible for overseeing performance and operations of the Group, sets the Group's values and governance framework and monitors culture and compliance within a set of policies including a code of conduct that exists at each operating business level. The Board is assisted by the CEOs and management teams who are tasked with managing compliance and risk for each operating business and are responsible for ensuring that all laws are adhered to including the Modern Slavery Act. During FY2022, the Modern Slavery Working Group continued to assist CFA in fulfilling its responsibilities for anti-slavery initiatives across the Group.

The CFA Group employs over 23,000 staff in Australia. Our workforce encompasses restaurant staff, restaurant support staff, production staff and other office administration positions. We have a diverse and inclusive workplace with 49% of our staff identifying as female. We undertake regular independent wage audits to ensure that our pay and conditions of employment are in accordance with our agreements, standards and legislation.

CFA APPROACH

The supply chain of the Group comprises the major food & packaging suppliers critical for the operation of food related businesses, supported by a network of Australian based distribution services. The supply chain includes a variety of overseas sourced products including packaging, cleaning products, food related products and ingredients, and staff uniforms, most of which are manufactured in China or South East Asia.

CFA have established the following governance framework in respect to approving suppliers:



In simple terms, all permanent suppliers undertake the audit process which includes:

- a safety and quality audit, and
- a Modern Slavery review.

The Modern Slavery review commenced in FY2020 and has been rolled out across the Group's supply chain for all operating businesses. Passing these reviews will ensure the supplier is on the "Approved Supplier Program". As part of this program, our suppliers will be assessed annually for compliance with the Modern Slavery Act and some suppliers could also be subjected to independent audits.

Non-conformance identified during this review/audit process will need to be resolved (to the satisfaction of CFA) within set timeframes depending on the criticality of the breach. During the time taken to address non-

conformances such suppliers may be placed on suspension or be terminated and removed off the Approved Supplier list if non-conformance is unlikely to be remedied.

CFA POLICIES AND PROCEDURES

CFA's major subsidiaries already have policies in place that are intended to promote ethical and legally compliant business conduct. These policies contribute to CFA's commitment to prevent violations of human rights such as modern forms of slavery in its business and supply chain. Such policies include our Code of Business Ethics and Conduct for Suppliers, and associated policies such as a whistle-blower policy which are designed to protect the rights of our employees and suppliers.

More generally, key policies and procedures in place to support and protect employees and promote ethical sourcing include:

- Operating Company Codes of Conduct;
- Operating Company Anti-Discrimination Policy;
- Operating Company Bullying, Diversity and Harassment Policy;
- Operating Company Ethics and Integrity Policy;
- Operating Company Whistle-blowers' Policy; and
- Ethical Sourcing Policies which are in place across all CFA's major businesses.

ADDRESSING THE RISK OF MODERN SLAVERY PRACTICES

In 2021/22, CFA has taken a targeted risk-based approach to our modern slavery practices across our operations and supply chains. More specifically, CFA has:

- Modern Slavery Working Group comprising staff from various disciplines including procurement, finance, operations, HR, safety, finance, risk and legal;
- Completed assessment of all core suppliers identified as at high risk;
- Rolled out SEDEX across CFA and have mapped our inherent supply chain risks;
- Prior to engaging SEDEX, we had direct engagement with our supply chains issuing internal core supplier questionnaires and we continue to do so for those suppliers not on SEDEX;
- Completed the rollout of our CFA Whistleblowing policy and service beyond the existing Hungry Jack's retail service;
- Continued to update our supplier Codes of Conduct, contract terms and purchase orders to include provisions requiring compliance with modern slavery legislation. These are now incorporated in new supplier contracts and all supplier contract renewals;
- Completed a rigorous review of the supplier selection process with additional measures implemented to better assess risk levels;
- Periodic supplier business review agendas have been updated to include SEDEX, Modern Slavery and ESG including Ethical Sourcing items so that they are embedded within all formal supplier discussions;
- Continued to train and raise awareness amongst key management and executives on Modern Slavery risks to ensure that they act accordingly to ensure the risk remains low in our operations and network.

SEDEX rollout

In October 2021, CFA partnered with SEDEX to further understand potential risks of modern slavery in our supply chains.

SEDEX is a responsible business trade membership organisation acting to improve working conditions in global supply chains by helping businesses achieve full end-to-end supply chain transparency. It began in 2004 as a data platform to help suppliers share data with multiple customers – “SEDEX” stands for “Supplier Ethical Data Exchange”. SEDEX is now a global company and network, servicing over 60,000 members across 180 countries.

In November 2021, CFA completed a pre-screen mapping of the inherent risk score of our core suppliers across our network. The inherent risk score is on a scale of 0 – 10 with a score closer to zero being low risk and closer to 10 being extreme risk. The inherent risk score maps country risk, sector risk and commodity risk for areas such as forced labour, health & safety, wages & working hours, energy, waste & pollution.

Key CFA statistics from this group of core suppliers determined:

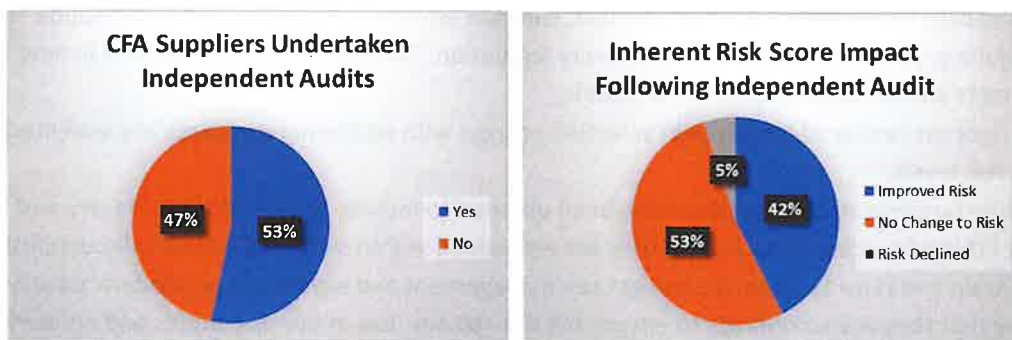
- CFA’s overall inherent risk score is 4.8 out of 10 for our core suppliers
- CFA’s overall inherent risk score is 5.0 out of 10 for our core manufacturing suppliers
- 81% of our core supply chain is domiciled in Australia/New Zealand
- 46% of our core supply chain is in the manufacturing sector
- 91% of our core supply chain is considered low or medium risk

During 2021/22, CFA commenced approaching our key core suppliers to strongly encourage them to either:

- (i) Join SEDEX if they were not already SEDEX members, or
- (ii) Link CFA to their existing SEDEX membership

As at 10 December 2022, CFA sent a total of 117 requests to our core suppliers to join or link CFA to their existing SEDEX membership. To date, 75 suppliers have been linked to CFA with a further 42 suppliers that we have initiated contact with however they are yet to accept our invitation.

Of the 75 suppliers that are now on SEDEX and linked to CFA, 53% have been subject to an independent SMETA audit. Pleasingly, following the audit the Overall Risk Score has improved 42% of the time, 53% of suppliers have had no change in risk and the remaining 5% of suppliers the risk has unfortunately deteriorated.



The combined overall risk score for our core suppliers linked to SEDEX continues to suggest that 91% of our suppliers are low or medium risk whilst 9% are high risk.



Our higher-risk core suppliers are predominantly Asian domiciled seafood suppliers to our Markwell Foods business and our focus this year was to understand the Modern Slavery risks these suppliers face. These geographic locations are considered higher risk due to low wages, long working hours as well as the potential for waste and pollution issues. Markwell have not purchased from 2 of these suppliers for over the last 12 months and there are no plans to re-purchase from them, the other 2 suppliers are amongst the largest suppliers of Surimi products globally and are supplying major Australian grocery chains and are thoroughly audited accordingly.

Of the remaining higher-risk supplier(s) not based in Asia (33%), one UK based supplier has been terminated, the other a long-term New Zealand supplier is also a major supplier into the retail chains in both NZ / AUS and has also been thoroughly audited by both Markwell Foods and several independent certification bodies.

In addition, 83% of these Markwell suppliers have had SMETA audits in either 2021 or 2022 and the suppliers are working through the corrective actions of those audit findings. Markwell will continue to monitor those corrective actions closely in FY2022/23 noting that prior to the introduction of SEDEX, Markwell did terminate 2 core suppliers due to unsatisfactory questionnaire responses.

In FY 2022/23, we will engage our non-core suppliers to highly recommend that they join SEDEX. For those suppliers that are not on SEDEX, we will continue to internally review and monitor potential risks of modern slavery practices across our operations and supply chains. Our methodology includes identifying suppliers potentially posing heightened risk i.e.:

- (i) global suppliers operating in jurisdictions without the same robust employee care regimes that exist in Australia and New Zealand; and
- (ii) suppliers which operate in industries with a larger representation of vulnerable workforces based on demographics (age, immigration status, low wage, unskilled etc.).

The suppliers with the highest risk rating within each operating business were sent a CFA questionnaire to gain assurance of their compliance with the Modern Slavery Act.

CFA will undertake the above by engaging with our suppliers in our structured supplier meetings where audit results, supplier questionnaire responses, Modern Slavery and ESG requirements will be included as agenda items.

CFA will undertake a continuous assessment of its operations and supply chain to ensure improved transparency and to further understand our potential risk of modern slavery within our network.

CFA Whistle-blower

During FY2021/22, CFA non-retail business units undertook to roll out a new Whistleblowing policy and service for both internal (staff) and external stakeholders (e.g. suppliers) to submit Whistleblowing notifications. Employee handbooks/ codes of conduct, externally facing websites and internal policies and procedures were all updated to include the amendment. This new Whistleblowing service complements the already existing service that our retail arm (Hungry Jack's) have had for many years.

CFA engaged an independent company (ER Strategies) to help us develop and manage the non-retail CFA Whistleblowing policy and online form/hotline.

The non-retail CFA Whistleblowing process was rolled out in the first half of FY2021/22 and included an embedded training plan for senior management on dealing with notifications and a broader awareness campaign both internally and externally.

FUTURE COMMITMENTS

CFA recognises the ongoing commitment and consultation required to reduce the risk and impact of modern slavery in our business and supply chain.

During FY2022/23, CFA's priorities include:

- SEDEX phase 2 rollout which will include continuing to approach additional core suppliers to communicate the importance of membership, propose workshops and a targeted supplier questionnaire;
- Engagement with our non-core suppliers e.g. equipment, development, cleaning & maintenance, IT, professional services etc to invite them to join SEDEX with the importance of membership, potential workshops and a targeted supplier questionnaire;
- Develop our remediation strategy for high risk suppliers. This may include the continued assessment of suppliers rating, understanding the supplier risk remediation plan/timing, formal audits/inspections, sourcing products from alternate suppliers or from geographic locations that present a lower risk profile;
- Non-core supplier selection process will be reviewed and amended in line with the core supplier assessment & selection process;
- Engagement with both core and non-core suppliers in structured supplier meetings where audit results, supplier questionnaire responses, Modern Slavery and ESG requirements will be included as agenda items
- Broaden the breadth of our training to be undertaken by staff who have supplier selection authority

In future years, we envisage CFA priorities to include:

- Continued engagement with our non-core suppliers e.g. equipment, development, cleaning & maintenance, IT, professional services etc to invite them to join SEDEX;
- Additional stakeholder engagement via refresher training for employees and suppliers;
- Formalise our remediation policy across the CFA Group which will include the most appropriate ways to work with our high-risk suppliers or source alternate supply
- Continue to review and update our suite of risk-related policies and governance control measures.

BUSINESS UNIT REVIEW

A summary of our operating businesses, their supply chain and the assessed risk in the context of Modern Slavery is outlined below:

Hungry Jack's Australia Pty Ltd "HJA" and Hungry Jack's Pty Ltd "HJPL"

These entities own and/or operate 371 company QSR's employing more than 22,000 staff within HJPL's operations and support a further 76 Franchisee QSR's under HJA.

HJA's and HJPL's operations in Australia require the support of various internal departments, primarily located at HJPL's Restaurant Support Centre, including development, operations, food innovation, marketing, supply chain, legal, finance, human resources and information technology.

As a party to the Master Franchise Agreement with Burger King (owned by Restaurant Brands International Inc (NYSE:QSR), HJPL and HJA have access to and generally must comply with their global policies, processes and ethical supply chain standards.

The QSR industry sector has an inherently higher level of perceived risk of modern slavery due to a vulnerable workforce. This reflects a significant portion of the work force being unskilled, under 18 years of age, or on temporary working visas.

To mitigate this risk HJPL:

- Has entered into an Enterprise Bargaining Agreement (EBA) with its employees which is reflective of the Fast Food Award.
- Operates under a strong employee governance structure with strict policies, procedures and training processes to ensure that all of our employees are treated appropriately, paid fairly and are provided suitable working conditions.
- Is subject to external and internal audits to ensure that our pay and conditions of employment are in accordance with our agreements, standards and legislation.

HJPL undertakes regular due diligence including site visits, inspections and multiple audits including Burger King audits and independent wage audits to ensure compliance with the EBA. HJPL believe the risk of modern slavery events being present in the franchisee network is low.

HJPL has upgraded its rostering, time and attendance system which will further enhance its employee governance and compliance with our EBA.

SUPPLY CHAIN OVERVIEW

The HJPL supply chain includes the following products and services:

- (a) **Core suppliers** that provide product and services to our restaurants include:
- food and beverage suppliers;
 - packaging;

- distribution partners and delivery aggregators;
- cleaning chemical supplies;
- suppliers of equipment used in our restaurants; and
- uniform providers.

(b) **Non-core suppliers** include:

- development and construction suppliers;
- accommodation providers;
- marketing agencies;
- information technology;
- professional services providers of legal and financial services;
- human resources; and
- sanitary, pest control and maintenance services.

HJPL sources its products from established Australian and International suppliers that are subjected to a comprehensive supplier approval process that requires them to have a minimum standard of social responsibility and good manufacturing/quality control practices to the standard of Global Food Safety Initiative Accreditation.

Hungry Jack's suppliers are periodically assessed by an independent auditor and must go through the Hungry Jack's/Burger King global audit process which includes a food safety/quality audit and a modern slavery audit.

HJA franchisees do not comprise part of HJPL operations and supply chain for purposes of this Statement, however our franchisees use the same core suppliers as HJPL owned and/or operated restaurants and as documented in the Franchise Licencing agreement, each Franchisee must adhere to all laws including the Modern Slavery Act.

Comgroup Supplies Pty Ltd (Australia) ("CGS") and Comgroup Supplies New Zealand ("CGSNZ")

CGS is one of the most diverse and experienced food manufacturing organisations in Australia and New Zealand. The operations are focused on the conversion of meat and ingredients into raw and cooked finished goods for retail and foodservice customers worldwide.

CGS operates from two sites in Brisbane, Australia with CGSNZ operating from a facility in Pukekohe, NZ.

Due to the nature of the food manufacturing industry there is a perceived risk of modern slavery due to the high number of unskilled and migrant labour within the workforce. In response to this, CGS and CGSNZ ensure that all employees are paid in accordance with the Meat Industry Award 2020 in Australia and in New Zealand employees are all paid above the minimum wage. Employees pay and conditions are subject to external and internal audit on an annual basis to ensure compliance with our agreements, and legislation.

Both CGS and CGSNZ operate under a strong employee governance structure with strict policies, procedures and training processes to ensure that all of our employees are treated appropriately, paid fairly and are provided suitable working conditions.

SUPPLY CHAIN OVERVIEW

CGS and CGSNZ's supply chain includes the following products and services:

(a) **Core Suppliers** include:

- protein (90% by dollar value) – beef, chicken, pork;
- ingredients – bread crumbs, batter, spices, additives, etc.;
- packaging - cardboard boxes, plastic liners, labels, pallets, etc.;
- labour hire for production work-force (in addition to employed staff) and
- freight Providers; Australian/NZ land freight, and both Australian and international shipping.

(b) **Non-core suppliers** include:

- information technology;
- manufacturing equipment and spare parts;
- building improvements;
- professional services providers of legal and financial services;
- sanitary, pest control and maintenance services; and
- cleaning chemical supplies.

99% plus of CGS and CGSNZ supplies are sourced domestically in Australia or New Zealand.

CGS and CGSNZ source from highly reputable suppliers which are subject to rigorous quality audits and site visits to ensure compliance with global requirements of its customer base and regulators. These audits now include a Modern Slavery component to specifically ensure obligations are met.

The above coupled with the stringent requirements for sourcing and continual audits as required by our major QSR customers mitigates risk and provides integrity of its supply chain operations.

Accordingly, CGS and CGSNZ operations and supply chain are assessed as having low to medium risk of Modern Slavery.

Markwell Foods

Markwell Foods includes the operations of Markwell Pacific Marketing Pty Ltd ("MPM"), Seabest Pty Ltd and Shore Mariner Limited (New Zealand). The businesses are focused on the purchase and import of frozen food products into both Australia & New Zealand from a wide range of approved suppliers, located both locally and globally. The products are then sold and are supported by sales and marketing expertise through all major distributors which provide large scale, efficient delivery of Markwell Foods products to thousands of outlets every day including restaurants, cafes, hotels, supermarkets, route outlets and other foodservice customers. As part of its cold chain management, Seabest also operates a cold store in Queensland under the trading name of Markwell Cold Storage. The storage and distribution component within the rest of Australia and New Zealand is handled through various 3rd party service providers, except for storage in Queensland which is handled at Markwell Food's own facility.

SUPPLY CHAIN OVERVIEW

Markwell Foods supply chain includes the following products and services:

(a) **Core suppliers** include:

- seafood (raw and value added);
- potatoes (french fries);
- dairy (cheese appetiser products);
- vegetables;
- berries; and
- meat (processed / value added).

(b) **Non-core suppliers** include:

- information technology;
- professional services providers of legal and financial services and
- human resources.

Approximately 20% of products are sourced from Australian suppliers. There are some imported products which are sourced from locations deemed as high-risk in terms of modern slavery based on geographical locations.

Markwell Foods has assessed the overall risk of modern slavery in its supply chain as low to medium based on the following:

- In order to meet our requirements, suppliers are of a scale and sophistication to meet the demands of Markwell Food's customer base. The majority of products come from large multi-nationals who have well developed governance structures in place who recognise the risks of Modern Slavery.
- Markwell Foods has typically held long-standing "partner" relationships with its core suppliers and has worked over the years to ensure quality, integrity and trust in the supply chain.
- All domestic and international suppliers of Markwell Foods are subject to the same stringent approval process which typically includes site visits and commitment to quality assurance programs and ongoing audits required to meet the standards of the end user customer base, being large Australian retailers, restaurants etc. These audits now specifically assess compliance with the Modern Slavery Act.

Markwell Foods has for many years operated a Supplier Approval process requiring both existing suppliers and potential new suppliers to complete updated annual declarations. From 2021, our new Supplier Approval process was modified to include specific declaration requirements in relation to Modern Slavery compliance as part of the process.

Consolidated Food Company Pty Ltd (CFC)

Consolidated Food Co (CFC) combines market intelligence, expertise and centralised global buying power to finance and deliver meat products for a range of large QSR operators in multiple global geographies.

CFC develops good working relationships with its core suppliers and engages closely with them on a regular basis. The risk of Modern Slavery within CFC operations is assessed as low to medium.

SUPPLY CHAIN OVERVIEW**(a) Core Suppliers include:****Packers**

- Packers are well-established abattoirs/meat processors which supply the raw meat product.
- CFC currently sources from around 30 packers and over 50 packer facilities located globally including Australia, New Zealand, USA, Canada, Ireland and Brazil.
- Each packer and packer facility are quality audited and approved by the QSR operator.

Grinders

- Grinders process the raw meat product into finished goods for distribution through the relevant QSR supply chain.
- CFC currently delivers into around 15 grinders located globally including Australia, USA, Canada, Ireland, Philippines and Malaysia.

Cold Storage Facilities

- Store perishable products at controlled temperatures
- Provide services including short to longer term storage, inventory management, goods handling, customs inspection.
- Located in USA and Canada.

(b) Non-core suppliers include:

- Information technology.
- Professional services providers of legal and financial services; human resources.

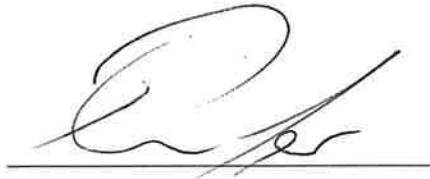
CFC only deals with suppliers who are pre-approved and conform to the stringent qualifications dictated by its multinational supply chain QSR customers including Burger King Corporation and Taco Bell which are heavily focused on and enforce an ethical supply chain.

The food supply industry is well established and well-regulated in the jurisdictions from which we source product. Accordingly, CFC has rated suppliers in these geographies as being of low to medium risk of modern slavery. Where suppliers have been rated as medium risk we have sought, and received, confirmation from the parties that active measures and controls are in place to mitigate risk of modern slavery.

CONSULTATION PROCESS AND APPROVAL

The Board recognises the risk of modern slavery and is committed to identifying and addressing these risks in both its operations and supply chain.

This Statement has been prepared by CFA in consultation with each reporting entity and it has been approved by the Board of CFA on 20 December 2022 on behalf of all reporting entities. This Statement is made in accordance with section 14 of the Modern Slavery Act 2018 (Cth). It represents the joint Modern Slavery statement on modern slavery for the financial year ended 30 June 2022.

A handwritten signature in black ink, appearing to read 'Paul Cowper', is written over a solid horizontal line.

Paul Cowper
Director
30 December 2022

