

## Modern Slavery Statement

### 1. Introduction

This Modern Slavery Statement is submitted on behalf of Adcome Pty Ltd (ABN: 99110315681), trading as Cornetts Supermarkets and Everfresh Food Markets (Cornetts). This statement is provided to adhere to requirements outlined in the Modern Slavery Act 2018. This statement is in respect of financial year end 30 April 2022.

The purpose of the Cornetts' Modern Slavery Statement ("Statement") is to articulate the approach that Cornetts has and will undertake to minimise risk of modern slavery and to ensure that the business continues to improve upon systems and processes to safeguard against activities that constitute modern slavery.

### 2. The Cornetts Business

Cornetts is a chain of small to medium independent supermarkets operating across Queensland, employing approximately 1,600 people across 36 sites and a Support Office.

The Cornetts business has operated across Queensland for close to 50 years, with a Support Office, located in North Lakes. We operate mostly in remote and regional communities, stretching as far north as Cooktown, inland to Longreach and in the south west to St George.

The business has two brands under which it trades, Cornetts Supermarkets, which are traditional retail outlets, and Everfresh Food Market, which have a greater focus on fresh foods, as well as grocery lines.

The business has always supported the local community in which we operate, offering great service, and community assistance. A conscious decision to open and operate in regional and remote areas of Queensland provides Cornetts with a competitive advantage, while ensuring that consumers forgotten by large corporates can find quality fresh products, close to home, at their local Cornetts or Everfresh stores.

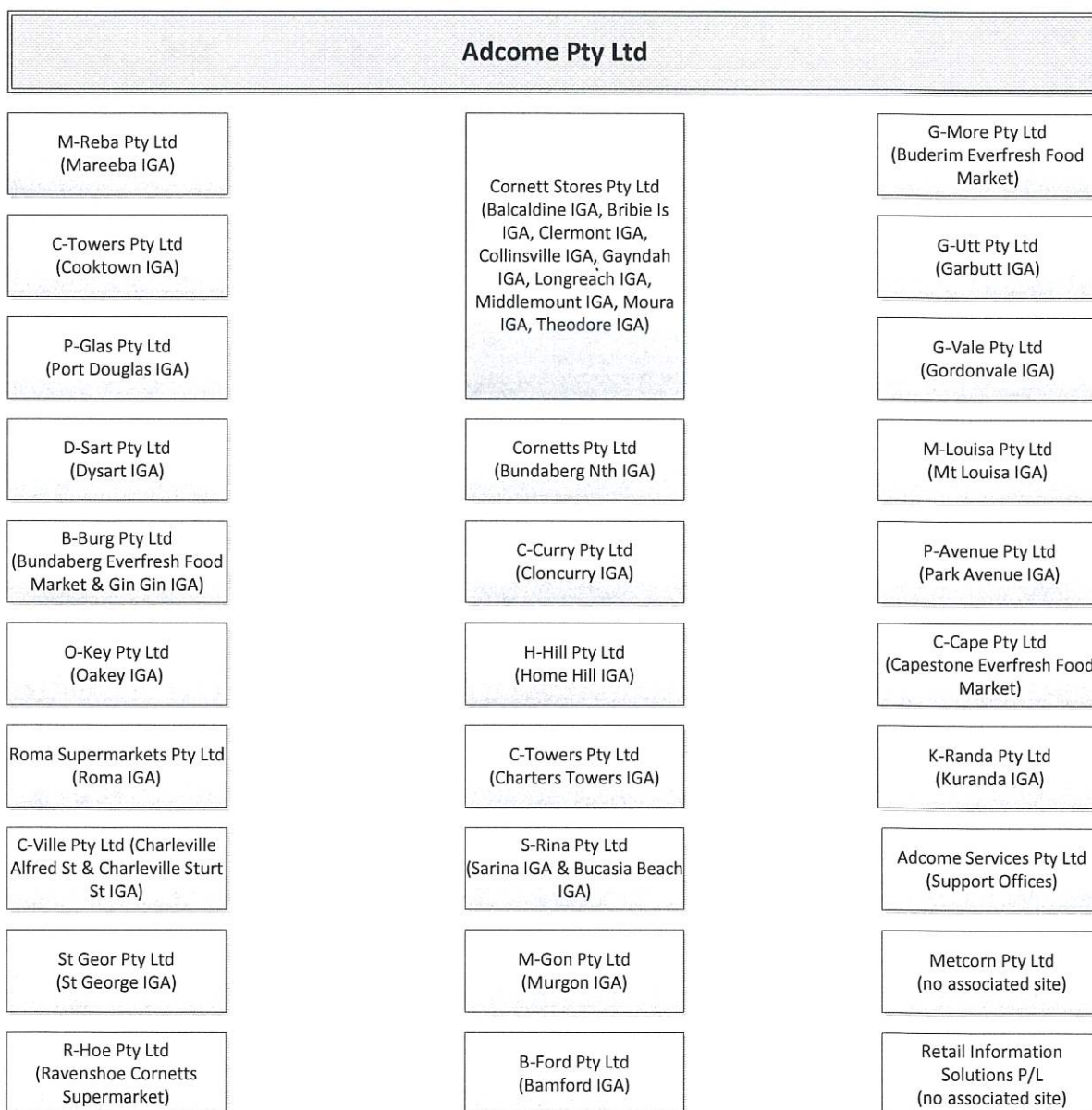
Cornetts remains committed to respect for human rights. We are determined to uphold basic human rights, by ensuring that we do business ethically, and only partner with suppliers and other businesses which are also dedicated to undertaking ethical sourcing and supply.

### 3. Business Structure and Operations

Adcome Pty Ltd is the parent company of Cornetts Supermarkets and Everfresh Food Markets. Adcome Pty Ltd operates 28 proprietary limited companies, trading as 36 independent supermarkets.

Adcome Pty Ltd is jointly held by the Booysen Family Trust (55%) and (45%) by Metcash Trading Limited.

The chart below shows the proprietary limited companies operating under Adcome Pty Ltd and the names under which they trade.



Cornetts business is supermarkets. We operate sites which range in size from 350 metres square to 1700 metres square. We primarily operate in small remote communities, servicing catchment areas with populations well under 2,000 people, with a small number of stores in larger regional areas, such as Townsville and Mackay. Stores employ between 10 to 80 team members per site, equating to over 1,600 casual and permanent employees.

Cornetts Support Office is located in North Lakes and employs approximately 45 staff.

#### **4. Corporate Governance**

Cornetts remains committed to ensuring that the business has a robust corporate governance framework in place. We ensure that all activities are externally audited on a yearly basis.

Due to the structure of the business, Cornetts reports to the Metcash Trading Board on a monthly basis, also meeting quarterly to scrutinise business operations.

The above reporting and auditing mechanisms means that the Cornetts business, our operations, trading partners, risk mitigation and finances are under constant review by external, independent parties.

Cornetts has also established and ensures the implementation of the business' policies and procedures. Team members employed by us work to a Code of Conduct, which sets out the standards and behaviours expected by all Cornetts representatives. The Code covers contractors, suppliers and visitors, who are all expected to behave appropriately and practice high standards of professionalism in their personal conduct.

All Cornetts team members undertake an induction on commencement, and yearly refresher training on important policies and procedures. Contractors and supplier representatives complete an online induction, prior to entering any of our sites.

The business has reporting mechanisms in place, such as an anonymous Whistleblower process, reporting of conflicts of interest and a grievance process, all to ensure that any concerns of unethical behaviour can be reported and acted upon.

#### **5. Risk of Modern Slavery Practices within Cornetts and the Supply Chain**

Cornetts, as an Australian owned and operated business, undertaking business in Queensland, ensures that modern slavery practices do not exist within the business which we control. All team members undergo a screening process, where the proof of the right to work in Australia is ascertained. Children under the age of 18 are required to provide parental consent to work, and the company strictly abides by the Child Employment Act 2006 (QLD). The processes in place to employ staff, and pay them correctly, are externally audited on an annual basis.

As a supermarket chain, Cornetts' supply chain is made up of wholesalers providing grocery lines, frozen and perishable foods, dairy products, fresh produce, meat, and products that are used by the general public, describes as general merchandise. The support office also sources technology equipment, furniture, fixture and equipment, uniforms and stationery and maintenance suppliers, third party technology specialists and specialised skills, such as legal services.



Cornetts operates under the IGA banner and is highly reliant on the Metcash supply chain, with over 80% of products, including fresh lines, stocked in our supermarkets sourced from Metcash. As such, Cornetts relies on Metcash's processes to address the risk of modern slavery. Metcash, a company with a ASX 200 listing, and an Employer of Choice, uses the United Nations Guiding Principles on Business and Human Rights framework for assessing their operations and supply chain.

Cornetts partners with around 280 direct suppliers, the majority of which are small, local businesses. We continue to undertake assessments to identify possible risks related to modern slavery practices, as outlined in the Modern Slavery Act 2018. We continue to consider risk factors such as the suppliers' products and services, the geographic location of the suppliers, where they may source stock and business models under which they operate.

The remainder of Cornetts' non-supermarket supply chain comes from locally owned and operated businesses. The vast majority of goods supplied are manufactured in Australia, with a small component, such as kitchenware, general merchandise products, technology products and uniforms, being sourced overseas by our suppliers. As a result, Cornetts has been able to identify no or low risk in relation to suppliers sourcing goods, where that business may have a record of having modern slavery practices still in place.

## **6. Addressing Risk of Modern Slavery Practices and Future Commitments**

While Cornetts is confident that the risk of engaging with a business with a record of modern slavery practices is negligible, we are still committed to ensuring that we only engage suppliers and vendors that undertake ethical trade practices.

Since last reporting, Cornetts has now implemented an assessment program for both existing and new suppliers to ensure that the risk of dealing with unethical business is mitigated. This includes:

- Review Modern Slavery Statements from business large enough to report, to ensure that our suppliers have a pro-active approach to addressing the requirements outlined in the Modern Slavery Act 2018.
- Review of the geographical locations where supplier goods are sourced to identify the risk of modern slavery practices. Where risks are identified, we will ensure that these trading partners have controls in place to safeguard against modern slavery practices.
- Supplier and trade agreements to incorporate commitments that suppliers only source goods ethically and from third parties where modern slavery is not practiced.
- Training programs for key staff in procurement roles to ensure they understand the risk of modern slavery practices, and that they mitigate risk when identifying possible new supply chains or changes to the current supply chain.
- Participation in education programs initiated by Metcash as the major supplier of goods.

## **7. Assessing Action Established to Address Modern Slavery Risk**

Cornetts continues to commit to undertaking regular reviews of the checks identified above, to ensure they are effective in the identification of risk of dealing with suppliers that may undertake modern day slavery practices. This includes reporting to Trustees and the key stakeholders outlined in this Statement, on an annual basis, and incorporating checks in our auditing practices.

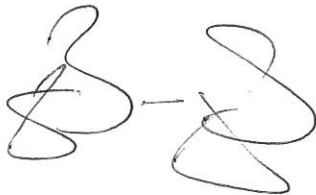
Cornetts maintains a system of review for trade agreements with suppliers on a regular basis. Regular supplier meetings continue to focus on ensuring that the business will mitigate risk of trade with a business engaged in modern slavery practices.

The business continues to educate employees on the risk of modern slavery, particularly staff who engage suppliers.

## **8. Statement Signoff**

Cornetts will communicate commitments to this Modern Slavery Statement to suppliers and customers via the company website.

This statement has been approved by the directors of Adcome Pty Ltd.

A handwritten signature in black ink, consisting of two distinct, stylized cursive marks connected by a horizontal line. The first mark is a large, looped 'G' shape, and the second is a similar but more compact looped shape.

**Graham Booysen**

**CEO**

Cornetts Supermarkets  
Everfresh Food Markets