



COOPERS BREWERY LTD MODERN SLAVERY STATEMENT 2020

Introduction

This Modern Slavery Statement describes the steps taken by Coopers Brewery Ltd (ACN 007 871 409) (**Coopers**) and its wholly owned subsidiaries during its financial year ending 30 June 2020 to address modern slavery risks in its business and supply chains.

Coopers make this statement in accordance with the *Modern Slavery Act 2018* (Cth).

Our Company

Coopers is the largest Australian-owned brewery and is based in Regency Park in South Australia. It is a sixth-generation, family-owned public company which has been in operation for 158 years. The company produced approximately 80 million litres of beer in the 2020 financial year, which equates to about 5 percent of the Australian beer market. Coopers is also the world's largest manufacturer of extracts used for home-brewing.

Coopers has operated its own on-site maltings since 2018, which produced almost 58,000 tonnes of malt during the 2020 financial year. Coopers uses approximately 16,000 tonnes of this malt in its beer and extract production, with the remainder being sold domestically and abroad.

Our Commitment

Coopers is socially committed to making a tangible contribution, not only to its employees, their families and its customers, but to the broader community. The company operates under strong guiding principles of Passion, Respect, Responsibility, Consistency and Service. A fundamental value of Coopers is the promotion of human rights within its ethical business practices.

Our Operations

Coopers operates principally in Australia, with all manufacturing occurring at its headquarters in Adelaide, South Australia. Coopers has sales and marketing offices in Melbourne, Sydney, Brisbane and Perth. During the 2020 financial year, Coopers directly employed 147 people nationwide.

Coopers owns and operates the following subsidiaries:

- Premium Beverages Pty Ltd, which is responsible for sales of beer products in New Zealand and all Australian States and Territories outside of South Australia. This company employed 59 people within Australia and 3 people in New Zealand during the 2020 financial year.
- Coopers USA Inc, which owns Coopers DIY LLC, trading as Mr Beer. Mr Beer manages the marketing, sales and distribution of home-brewing products in the United States of America and Canada. The office for that subsidiary is based in Tucson, Arizona. The company employed 9 people during the 2020 financial year.
- Espalier Pty Ltd, which owns Morgan's Brewing Company Pty Ltd. Morgan's Brewing Company manages the sale and distribution of some classes of home-brewing products in Australia. The company employed 16 people during the 2020 financial year.

Our Supply Chain

Coopers preferences Australian-made products wherever commercially feasible and the majority of Coopers' suppliers are Australian based entities.

Grain and hops growing and sourcing

Except for some specialty hops, hop oils and processing aids, all the raw materials in Coopers' brewed products are grown or produced within Australia. The specialty hops, hops oils and processing aids are sourced from France, Germany, the United States of America and the United Kingdom.

Beers and consumables (and beers brewed under license):

Coopers produces beer at its own production facilities in Australia.

In relation to packaging materials, approximately 97.5% of spend is on packaging materials made in Australia, followed by approximately 1% in Thailand and the Philippines respectively and less than 0.5% in New Zealand.

Coopers sources some equipment and consumables required for the operation of its facilities from Germany and France. Further, some home-brewing equipment and consumables is sourced from China.

Marketing, sales and other services

Coopers markets and sells its products via its own dedicated marketing and sales teams and through appointed agencies and distributors.

The vast majority of Coopers' required services are sourced from Australian entities. However, some production facility commissioning services are provided by overseas companies, primarily located in Germany.

Procurement of IT equipment and marketing material is primarily through Australian-owned entities, but Coopers acknowledges that many of these products would be sourced from companies based overseas.

Some freight and distribution services are sourced in the countries to which Coopers exports beer, malt and home-brew products, including New Zealand, the United Kingdom, the United States of America, Europe and parts of Asia.

Assessment of Modern Slavery Risks

Coopers acknowledges the potential for modern slavery risk to be present within its supply chain. Coopers is of the view that the risk of Coopers directly engaging in modern slavery practices is extremely low. Coopers complies with all applicable employment legislation and actively invests in the safety, health and wellbeing of its employees. All employees are engaged under employment contracts or Coopers Enterprise Agreement.

Coopers has determined that there is a slightly higher risk of Coopers contributing indirectly to modern slavery practices through its supply chain. This is especially the case for its imports and exports. Coopers will undertake further risk assessment work in financial year 2021 to progress its understanding of these modern slavery risks in its supply chain.

Mitigation and Due Diligence

During the 2020 financial year, Coopers implemented a Safety, Environment and Ethical Management System (SEEMS), which is governed by the following company policies:

- SEEMS Accountabilities and Responsibilities Policy
- Work Health Safety & Injury Management Policy
- Environmental Policy
- Human Rights & Ethical Practices Policy

As part of the implementation of the Human Rights & Ethical Practices Policy, Coopers developed a Supplier Management & Purchasing Procedure and associated Supplier Code of Conduct. All new and renewing vendors are provided with a Supplier Code of Conduct to ensure that they are aware of Coopers' expectation of compliance with its human rights and ethical practices commitments.

During the 2020 financial year, Coopers began to integrate modern slavery prohibition clauses within contracts of supply with major vendors. Coopers standard supplier contract template now contains such clauses, which include continuous disclosure obligations.

As part of its comprehensive risk assessment of each individual supplier, Coopers intends to ask existing suppliers to commit to its Supplier Code of Conduct.

Coopers prefers to work collaboratively with suppliers to resolve any modern slavery risks that may arise rather than ending the relationship. Coopers is committed to working with suppliers on an ongoing basis to increase local production and limit reliance on overseas supply, especially from certain geographical locations where the manufacturing processes have an increased risk of modern slavery practices. Coopers will work with suppliers where required to assist them to meet the expectations of its Supplier Code of Conduct.

Coopers is a member of Sedex, a collaborative platform used by companies to share responsible sourcing data on supply chains. Sedex also completes Sedex Members Ethical Trade Audits (SMETA) for member companies. Coopers was last audited in 2018, and has addressed all non-conformances from that audit.

Grievance and Remediation Process

Coopers openly encourages reporting of grievances and concerns by its stakeholders, including employees, contractors, suppliers, customers, or members of the general public. Coopers Human Rights & Ethical Practices Policy notes that the company will support the reporting of any human rights issues or concerns.

Employees have multiple options for reporting concerns, including informally via the company's anonymous HR survey platform, or formally through the company's Grievance Policy or Whistleblower Policy. Coopers engages an independent third-party service to receive whistleblower reports to ensure the anonymity of the discloser. Suppliers are able to access this service and details of the same are provided in the Supplier Code of Conduct.

Other stakeholders are able to raise concerns by contacting Coopers on 08 8440 1800 or via <https://coopers.com.au/contact-us>.

Coopers have documented procedures for investigating complaints and these are set out in its Grievance Policy and Whistleblower Policy.

Measuring Effectiveness

In respect of the 2020 financial year, Coopers completed a Modern Slavery Benchmark self-assessment in order to determine the maturity of its approach. The self-assessment provides ratings on various elements, including commitment, management systems and control, grievance and remediation.

Coopers has begun to address the recommendations from this self-assessment. Coopers has determined that its path to maturity will require the following additional actions:

- Conduct a comprehensive materiality risk assessment of existing suppliers to identify the most salient human rights risks.
- Establish human rights risk criteria to explicitly assess suppliers during pre-qualification as a vendor.
- Introduce modern slavery awareness training for all employees.
- Introduce ongoing monitoring through supplier engagement to ensure alignment with modern slavery related requirements.

- Appoint a dedicated resource to assist in answering queries from employees and suppliers.
- Introducing a specific grievance and remediation procedure for modern slavery practices.

Approval

This Statement has been approved by the Board of Directors of Coopers Brewery Ltd.



Tim Cooper
Managing Director, Coopers Brewery Ltd

Date: 30 March 2021