

Modern Slavery Statement 2019/2020

COMPETITIVE FOODS AUSTRALIA PTY LTD

Introduction

This is the first Modern Slavery Statement (“Statement”) for Competitive Foods Australia Pty Ltd and its subsidiaries (“CFA” or the “Group”), 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.

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.

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 controlled entities. For the purpose of this Statement, our key operating entities and operations are as follows:

	Country of Incorporation and Principle place of business	Operations
Competitive Foods Australia Pty Ltd	Australia	Parent company of CFA Group, providing strategic, financial, legal and risk, taxation and governance support.
Hungry Jack's Hungry Jack's Australia Pty Ltd	Australia	Holds Master Franchise Agreement with Burger King, supports the operations of 71 QSR franchisee stores.
Hungry Jack's Pty Ltd	Australia	Operates 365 owned QSR restaurants across Australia.
Comgroup Comgroup Supplies Pty Ltd	Australia	Meat processor- located in Brisbane (2) factories.
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.

REPORTING ENTITIES

	Country of Incorporation and Principle place of business	Operations
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	Consolidated Food Co (CFC) combines market intelligence, expertise and centralised global buying power to finance and deliver meat products for a range of QSR operators in multiple geographies.
PM Fresh Pty Ltd	Australia	Manufacture and distribution of prepared salads, vegetable sauces and soups.

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. In 2020, the Board introduced the Modern Slavery Working Team to assist in discharging its responsibilities for anti-slavery initiatives across the Group.

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) a safety and quality audit, and
- (b) a Modern Slavery audits.

The Modern Slavery audit has been included in CFA's larger business units from 2020 and is being rolled out across the Group's supply chain for all operating businesses during 2021. Passing these audits will ensure the supplier is on the "Approved Supplier Program". As part of this program, all suppliers will be assessed annually for compliance with the Modern Slavery Act.

Non-conformance identified during this 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.

From the audit sample conducted to June 2020 CFA has not needed to suspend or terminate any suppliers. CFA will request annual assurances of no breaches from those suppliers who were rated as high risk in 2020.

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 whistleblower policy which are designed to protect the rights of our employees.

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

- (c) Operating Company Code of Conduct;
- (d) Operating Company Anti-Discrimination Policy;
- (e) Operating Company Bullying and Harassment Policy;
- (f) Operating Company Ethics and Integrity Policy;
- (g) Operating Company Whistleblowers Policy; and
- (h) Ethical Sourcing Policies which are in place across all CFA's major businesses.

CFA is in the process of customising the policies for all business units across the Group with the aim to have these in place by June 2021.

POTENTIAL RISKS IN CFA OPERATIONS AND SUPPLY CHAIN - 2020

In 2020, CFA undertook a review of the potential risk of modern slavery practices across its operations and supply chains.

Suppliers that were identified as potentially posing heightened risk included:

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

The ten suppliers with the highest risk rating within each operating business were sent a questionnaire to gain assurance of their compliance with the Modern Slavery Act. A satisfactory response was received from all respondents.

CFA will undertake a continuous assessment of its operations and supply chain to ensure improved transparency and reduce the risk of modern slavery in its network. CFA's objective is to survey all supplier's compliance programs surveyed over the next 3 years.

ADDRESSING THE RISK OF MODERN SLAVERY PRACTICES

The key actions CFA has undertaken include:

- Established the Modern Slavery Working Team that meets on a regular basis to monitor, assess and address modern slavery risks within the various business's operations and supply chain;
- Continue to review and update the various governance, audit, policy, and procedure documents to incorporate modern slavery risks and mitigating requirements across all operating entities;
- Updating our supplier contract terms for the conditions to include provisions requiring compliance with modern slavery legislation. These are being incorporated in new supplier contracts and all supplier contract renewals.
- Raised awareness amongst key internal Group stakeholders to ensure that those charged with supply chain management are aware of our revised policies etc. and act accordingly to ensure a low risk of occurrences of modern slavery exists in our operations and network.
- Undertook an assessment of the potential risk of modern slavery practices across its operations and supply chains. Consultation and required assurances from key suppliers identified as having a high risk of modern slavery.

FUTURE COMMITMENTS

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

Over the next year, CFA's priorities include:

- Continue to review and update our suite of risk-related policies and governance control measures;
- Further in-depth and Group-wide stakeholder engagement on this issue;
- Continue to incorporate modern slavery requirements into existing assurance processes;
- On-boarding all new suppliers in compliance with the Modern Slavery Act;
- Preparing our first reporting cycle under the Modern Slavery Act and, if appropriate, under the Modern Slavery Act 2018 (NSW);
- Explore the benefits of becoming a member of SEDEX (Supplier Ethical Data Exchange).

In addition, over the next 3 years, CFA will be complete the first audit cycle of all its material permanent suppliers.

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 operate 365 company owned QSR within HJPL's operations and support a further 71 third Party 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), 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 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 is in the process of upgrading its rostering system which will further enhance its employee governance.

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.

Based on the above, we have assessed the risk of modern slavery in HJPL's supply chain as low.

HJA franchisees do not comprise part of HJPL operations and supply chain for purposes of this Statement, however HJPL have undertaken due diligence which supports our view that the risk of modern slavery events being present in the franchisee network are low.

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 Pukekoe, 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, 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;
- human resources;
- 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. 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. 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 product offerings 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 QLD.

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.

The storage and distribution component within both Australia and NZ are handled through various 3rd party service providers, except for storage in Queensland which is handled at Markwell Food’s own facility.

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 risk of modern slavery in its supply chain as low to medium based on the following:

- All suppliers are highly reputable and of a scale and sophistication to meet the demands of Markwell Food's customer base. The majority of the suppliers are large multi-nationals and have well-developed governance structures in place.
- 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 will continue to assess and work with suppliers to ensure compliance with the Modern Slavery Act is continuously improved.

PMFresh Pty Ltd (PMF)

PMF manufactures and distributes prepared salads (wet and leafy), vegetable sauces and soups with operations across four sites at Homebush, Colmslie, Broadmeadows and O'Connor.

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 PMF ensures that all employees are paid in accordance with either (i) Enterprise Bargaining Agreements based on the Food, Beverage and Tobacco Industry Award in the Victorian and Queensland operations, and (ii) with the Food, Beverage and Tobacco Industry Award in NSW and Western Australia. Employees pay and conditions are subject to external and internal audit on an annual basis to ensure compliance with our agreements, and legislation.

The PMF operations has 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

The supply chain covers the following products and services acquired in the food manufacturing process.

(a) **Core suppliers** include:

- produce
- ingredients (non-produce)
- packaging
- consumables (food-contact)
- cleaning chemicals & processing aids
- service providers including transport
- labour hire for production work force (in addition to employed staff).

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

- information technology;
- manufacturing equipment and spare parts;
- building Improvements;
- professional services providers of legal and financial services;
- human resources and
- sanitary, pest control and maintenance services.

The supply chains for the food and agriculture sector have an inherently higher risk of modern slavery due to the demographic of the workforce and the nature of the work necessary in the production, processing, packaging and transport of the products. Modern slavery risks are predominant during the production, packaging and processing stages, which is when the highest amount of seasonal, base-skilled labour is required. As eighty percent (80%) of PMF's sales comes from Australia's two largest retailers, Coles and Woolworths, the company is required to ensure not only high food quality but also that the product is delivered in an ethical way. Accordingly, PMF has developed, in conjunction with the major retailers, a rigorous supply-chain governance framework comprising of policies, procedures, training and controls/ audits in respect to the selection, appointment, onboarding and management of suppliers. PMF as a supplier to the large retail chains has joined SEDEX as a supplier and has itself undertaken SMETA audits in order to be a certified supplier.

Based on these mitigating factors we have rated the presence of any modern slavery in PMF's supply chain as being Low - Medium.

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 QSR operators in multiple global geographies.

CFC's workforce is highly educated and has significant employment opportunities outside of the Company. Accordingly, the risk of Modern Slavery within CFC operations is assessed as low.

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 over thirty (30) packers and over fifty (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 20 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

This Statement has been prepared by CFA in consultation with each reporting entity and it has been approved by the Board of CFA on 31 March 2021 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 2020.

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

Paul Cowper

Director

31st of March 2021.