



MODERN SLAVERY STATEMENT

December 2021



A MESSAGE FROM OUR CEO

I am pleased to present this Modern Slavery Statement that sets out the steps PFD Food Services (PFD) is taking to reduce modern slavery risks in our business operations and supply chain.

At PFD, we act with integrity in everything we do, and we put people first. Our business is firmly committed to upholding the rights of workers and doing what we can to ethically source the products we sell and the services we procure.

We understand more needs to be done to tackle the global problem of modern slavery and our company, being in the food industry, has an important role to play. Our business will develop internal processes, and work closely with our suppliers and service providers, to develop best practices to combat forced labour and minimise the risk of worker exploitation.

As we do further due diligence to understand the areas of risk specific to our business, PFD will continue to refine our approach and work towards our goals for the next reporting period.

A handwritten signature in white ink that reads "Kerry Smith".

Kerry Smith
CEO

INTRODUCTION

This statement, made in accordance with the Modern Slavery Act 2018 (Cth), is published on behalf of PFD Food Services Pty Ltd (ACN 006 972 381) and its wholly owned subsidiaries, PFD Fresh to Go, and PFD Seafood (together referred to as PFD, we, us or our), for the FY21 reporting period.

The purpose of this statement is to outline our approach and the steps PFD has taken and will continue to take to minimise the risks of modern slavery in our business operations and supply chain.

PFD is committed to respecting and supporting the dignity, well-being and human rights of our employees and those who we engage with through our supply chain. We acknowledge that slavery can occur in many forms as detailed in the Act including human trafficking, slavery, servitude, forced marriage, forced labour, debt bondage, child labour and deceptive recruiting. We oppose the use of modern slavery practices and are committed to the ongoing journey of identifying and eradicating the risk of modern slavery practices in our business operations and working with our supply chain to eradicate the various forms of modern slavery.

We are guided by the values of Customer Focus, Respect, Passion, Simplicity and Leadership. These values inform the way we treat our customers as well as each other.



Customer Focus

Internal or external, know your customer, gain and then preserve their confidence. We can only be successful if our customers are successful.



Respect

Treat other people at work and in the community, as they would like to be treated. Do what you say you are going to do and act safely, responsibly and ethically.



Passion

Share the passion of making us a successful and dynamic company.



Simplicity

Let's minimise the complications of doing business so we provide services to our customers that are on time, accurate and reliable.



Leadership

All of us can be leaders in our day to day working lives. Bring out the best in yourself and the people around you.

STRUCTURE, OPERATIONS AND SUPPLY CHAIN



As a proud Australian business, PFD Food Services Pty Ltd is a leader in the foodservice industry, distributing a superior range of dry goods, frozen and chilled products, fresh seafood and meat, confectionery, paper products and cleaning solutions to over 55,000 customers nationally across multiple industry sectors including:

- Pubs, Clubs & Hotels
- Restaurants & Cafes
- Health & Aged Care
- Petrol & Convenience
- Venue & Field Caterers
- Resorts & Theme parks
- Quick Service Food Outlets
- Correctional Facilities
- Airlines
- Childcare facilities, Schools & Kindergartens
- Sporting Facilities & Clubs

PFD has evolved through the years, from its foundation in 1943 amid the noise and chaos of the Melbourne Fish Markets to the present with a network of branches strategically located across Australia including fresh seafood and meat processing facilities and fresh sandwich manufacturing facilities.

The organisation has a flat, inclusive structure that enables senior management to be close to the business and have a hands-on active role in the day-to-day operations as well as leading the business strategy. The daily operations are managed by State General Managers who have a team of people managing purchasing, distribution, sales, and customer service and are supported by PFD National Office which provides shared services including Human Resources, Technology, Finance and Accounting, Compliance and Operations.

In June 2021, Woolworths Group acquired a 65% equity interest in PFD. With a shared vision for continued innovation, customer focus, and investment in the food sector, PFD are excited by this new phase in our business and our partnership with Woolworths Group. As a business which prides itself on customer and supplier relationships, PFD continues to operate under CEO Kerry Smith and the existing leadership group.





Operations and Supply Chain

PFD has been in operation servicing our customers across Australia for over 75 years. PFD's head office is in Knoxfield, Victoria, and throughout Australia we operate 58 foodservice distribution facilities, along with 5 seafood processing facilities, 2 meat processing facilities, and 5 Fresh to Go facilities.

We have 2732 employees the majority of whom are employed under Enterprise Agreements, however some employees are employed under awards and common law contracts. PFD has undertaken a 3rd party compliance audit of our Payroll Systems to ensure that our employees are being paid in accordance with our statutory obligations.

PFD employs staff on a permanent, part time or casual basis with minimal use of labour hire suppliers. All PFD employees have the right to join or form trade unions; and bargain collectively without discrimination, and all employees sign up to our Ethical Standards Policy.

PFD has many suppliers providing goods and services across our business. Our wide range of foodservice products are sourced from more than 1200 suppliers, the majority of which are from well-known brands from Australian food manufacturers, fresh seafood, and meat suppliers. These suppliers range from large agriculture and manufacturing businesses, to small-medium family-owned enterprises.

We also engage companies who supply goods and services across our business operations including packaging, office supplies, uniforms, cleaning, rubbish removal and waste management, technology, fleet maintenance, security services, landscaping, and professional services.

IDENTIFYING MODERN SLAVERY RISKS IN OUR BUSINESS

PFD acknowledges that the food industry, in which we operate, is recognised as a high-risk sector for modern slavery with key risk factors such as the prevalence of base-skilled and migrant workers, the prevalence of contract labour arrangements, and high-risk product categories.

Identifying risks in our Operations

PFD have considered the following in assessing the risk of modern slavery in our Operations:

- PFD has no operations outside of Australia
- The majority of PFD employees are directly employed in permanent or casual positions under Enterprise Agreements or under the terms of modern awards or common law contracts
- PFD is compliant to the stringent legal framework that governs working conditions in Australia and are regularly assessed for compliance
- We only engage with licensed labour hire providers
- Our recruitment and selection process has strong governance, and all employees must demonstrate their legal right to work in Australia prior to commencement of work
- PFD Seafood processing facilities and PFD Fresh to Go sites are registered on the SEDEX platform and audited against the SMETA 4 pillar standard
- We have not received any complaints or enquiries relating to modern slavery practices

Whilst the risk is low, we are committed to reducing the risk of modern slavery practices within our operations.

We will regularly review the risk in our operations and ensure regular assessment of

- a) corporate policies and procedures that are relevant to human rights and modern slavery
- b) labour, employment and recruiting practices
- c) employee modern slavery and human rights training

Identifying risks in our Supply Chain

PFD have considered the following in assessing the risk of modern slavery in our Supply Chain:

- Exposure and risks of modern slavery practices in the food industry is multifaceted making it challenging to conduct an in-depth and thorough assessment.
- Much of our procurement activity involves purchasing goods and services direct from Australian providers and suppliers which lowers the risk of modern slavery practices.
- A very small number of our suppliers have global operations and supply chains, and they may involve the provision of labour in countries where protection against breaches of human rights may be limited.
- PFD have identified the primary risk of potential modern slavery in our supply chain comes from direct suppliers and second tier suppliers with operations abroad.
- We also appreciate that the risk of modern slavery is both present in Australia and abroad and exists in all stages of the supply chain from the picking of raw materials, to the processing, packaging and transportation of goods and finished products.
- We understand the agricultural industry is labour intensive and relies on seasonal and temporary workers who may be vulnerable to exploitation and forced labour.
- PFD is not aware of any of our suppliers either locally or abroad having engaged in conduct or suspected conduct which may amount to modern slavery.

Based on these considerations, we assess the risk profile in our supply chain to be medium.



ACTIONS TAKEN TO ADDRESS RISKS OF MODERN SLAVERY

For this reporting period, PFD has updated our Ethical Standards Policy to include a Modern Slavery clause.

PFD expects our suppliers to support the ethical frameworks outlined in our Ethical Standards Policy, which includes the expectation that our suppliers ensure they are not directly, or indirectly, through their supply chain, involved in any form of involuntary or forced labour.

The Ethical Standards Policy has been implemented to ensure PFD Food Services is:

- a) Providing a safe and healthy workplace for its employees;
- b) Sourcing its products in a reasonable manner;
- c) Working with its suppliers to improve their social and environmental practices;
- d) Providing clear guidance to its buying staff; and
- e) Protecting its corporate reputation, the reputation of individual businesses and their brands

In addition to the Ethical Standards Policy, PFD has comprehensive policy frameworks and operating procedures in place to ensure that our employees and contractors clearly understand our expectations and to support our culture of integrity and ethical trading, including:

▶ Code of Conduct	▶ Whistleblower Policy
▶ Sexual Harrasment Policy	▶ Bullying Policy
▶ Equal Opportunity Policy	

Grievance Mechanism

PFD has a Whistle Blower Policy and Procedure that allows any employee who is concerned that a PFD director, employee, contractor, supplier, tenderer or other person who has business dealings with PFD has engaged in conduct ("Reportable Conduct") which is amongst other items, unethical, dishonest, fraudulent or corrupt, including bribery or other activity in breach of the PFD's policies. They can safely report the concern, without fear of intimidation, disadvantage, or reprisal, and know a process will be followed to investigate and rectify any found breach.

PFD promotes grievance mechanisms to our workers and commit to investigating any allegations of ethical misconduct.



Remediation

PFD Food Services is committed to working in partnership with our suppliers to help achieve compliance with our Ethical Standards Policy and implement corrective action processes. In the event where a supplier is unwilling or unable to demonstrate continuous improvement towards full compliance with our standards, the trading agreement between PFD and the supplier will be reviewed.

SMETA auditing of PFD facilities

As of 2019, PFD became members of Supplier Ethical Data Exchange (Sedex). This tool has been utilised to review our operational practices at the PFD seafood processing and Fresh to Go facilities. Each site has undergone the 4 pillar Sedex Members Ethical Trade Audit (SMETA) that includes Labour Standards, Health & Safety (plus Environment 2-pillar), Environment 4-pillar, and Business Ethics.










ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

To track and review the effectiveness of our actions, PFD will develop Key Performance Indicators that may include:

- Modern Slavery training and awareness-raising programs
- The number of signed supplier contracts that include modern slavery clauses
- Number of product lines on Country-of-Origin register
- Recording and actioning any compliance breaches identified through our actions
- Identifying number of suppliers registered on SEDEX
- Assessing the number and nature of issues raised through our Whistleblower process and other grievance mechanisms
- Tracking the results of compliance by our contractors and suppliers through the Modern Slavery Questionnaire

Future Actions

-  Ensure the principles of Modern Slavery are embedded within our internal compliance processes
-  Engage with suppliers through PFD's Modern Slavery Questionnaire to understand how they are addressing their modern slavery risks
-  Develop an internal modern slavery risk register of direct suppliers based on responses to our Modern Slavery Questionnaire
-  Maintain a Country of Origin register to identify products and / or raw materials sourced from countries identified on The Global Slavery Index as having a high prevalence of modern slavery
-  Develop training to employees for managing supplier compliance in relation to our human rights obligations
-  Updating supplier contracts to require suppliers to comply with all applicable laws relating to Modern Slavery
-  Develop Key Performance Indicators to measure the effectiveness of actions being taken

BOARD APPROVAL

In preparing this statement, PFD sought input from relevant subject matter experts across the business operations to ensure accurate inputs to, and understandings from, our investigations.

This statement has been reviewed and approved by the board of PFD Food Services on 24 December, 2021 and will be reviewed annually.



Kerry Smith
Chief Executive Officer
PFD Food Services Pty Ltd

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when reputation counts

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