



"it's  
finger  
lickin'  
good"

# MODERN SLAVERY

Statement 2022

Reporting Entities:

RG Restaurants Pty Ltd

Century 101 Pty Ltd

Westpark Operations Pty Ltd

# Introduction

We are proud to publish our third modern slavery statement as part of our compliance with the Modern Slavery Act (Cth) (“the Act”). Throughout 2022, we continued our journey to grow our awareness of risks of Modern Slavery across our Supply Chains, Engaged Contractors and Service Providers. Our third Modern Slavery Statement reflects our work with our Non-Core Suppliers and focusing on how we can improve our awareness to Modern Slavery in these supply chains.

As our group is predominately a franchise business within the KFC Brand, this report should be read in conjunction with the Modern Slavery Statement submitted by KFC Australia for reasons explained in this Statement.

We would also like to acknowledge the Traditional owners of the land. We pay our respects to Elders past, present, and emerging, and acknowledge Aboriginal and Torres Strait Islanders as the first people of Australia. They have never ceded sovereignty and remain strong in their enduring connection to land and culture.



# The Reporting Entity

RG Restaurants Pty Ltd ACN 611 108 911 (“RG Restaurants”) is an Australian private company limited by shares with its headquarters in Shepparton, Victoria.

RG Restaurants operates alongside its related entities, Westpark Operations Pty Ltd as trustee for Westpark Operations Unit Trust (“Westpark Operations”) and Century 101 Pty Ltd (“Century 101”).

RG Restaurant’s journey with KFC Australia began in Shepparton, Victoria with one restaurant more than 30 years ago. Together with its related entities, RG Restaurants owns and operates 59 KFC stores throughout Victoria at the time of report publication.



# Structure, Operations and Supply Chains of RG Restaurants



## Structure and Operations

RG Restaurants own and operates KFC Restaurants as a franchise of the KFC Franchise System operated by KFC Australia (Franchisor). RG Restaurants, Westpark Operations and Century 101 own and operate 59 KFC restaurants throughout Victoria, and now employs in excess of 3,500 employees.

Our employees range from the front-line workers within our restaurants to the support services providing finance, people and culture, marketing, and other administrative support to our business. Our workforce is diverse with a 52% female profile and no gender pay gap within our restaurants.



**59**

restaurants



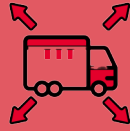
over

**3500**

employees



# Supply Chain



## Core Suppliers

Our Core Suppliers are those which are governed by our Franchise Agreement with KFC Australia and its related entities.

Due to the Franchise relationship, our core items supplied by KFC Australia include the following:

- food and beverage suppliers.
- packaging.
- distribution partners.
- delivery aggregators.
- equipment; and
- uniform providers.



## Non-Core Suppliers

Beyond the Franchise Agreement, our supply chain includes non-core suppliers. Many of these suppliers are long-term and stable suppliers and include the following:


- suppliers of equipment used in our restaurants.
- development and construction suppliers.
- accommodation providers.
- marketing agencies.
- information technology.
- professional services providers of legal and financial services.
- human resources; and
- cleaning and maintenance services



# Assessing our Modern Slavery Risks

With the preparation of our third report, we have continued to explore our risk of Modern Slavery in our Core and Non-Core Supply Chains.

## Core Suppliers



Our medium to high-risk suppliers are often found in our core supply chains due to the competitive nature of the respective industries. Pursuant to our Franchise Agreement, KFC Australia conducts the sourcing and purchasing negotiations for our core supply chain items (as described above).

We have continued to support KFC Australia in their assessment and review of our supply chain for our major food, packaging, and distribution suppliers. In 2019, KFC Australia invited all direct suppliers to join SEDEX and complete their self-assessment questionnaire. The combined risk rating provided by SEDEX was used by KFC Australia to understand the risk of modern slavery in our supply chain.

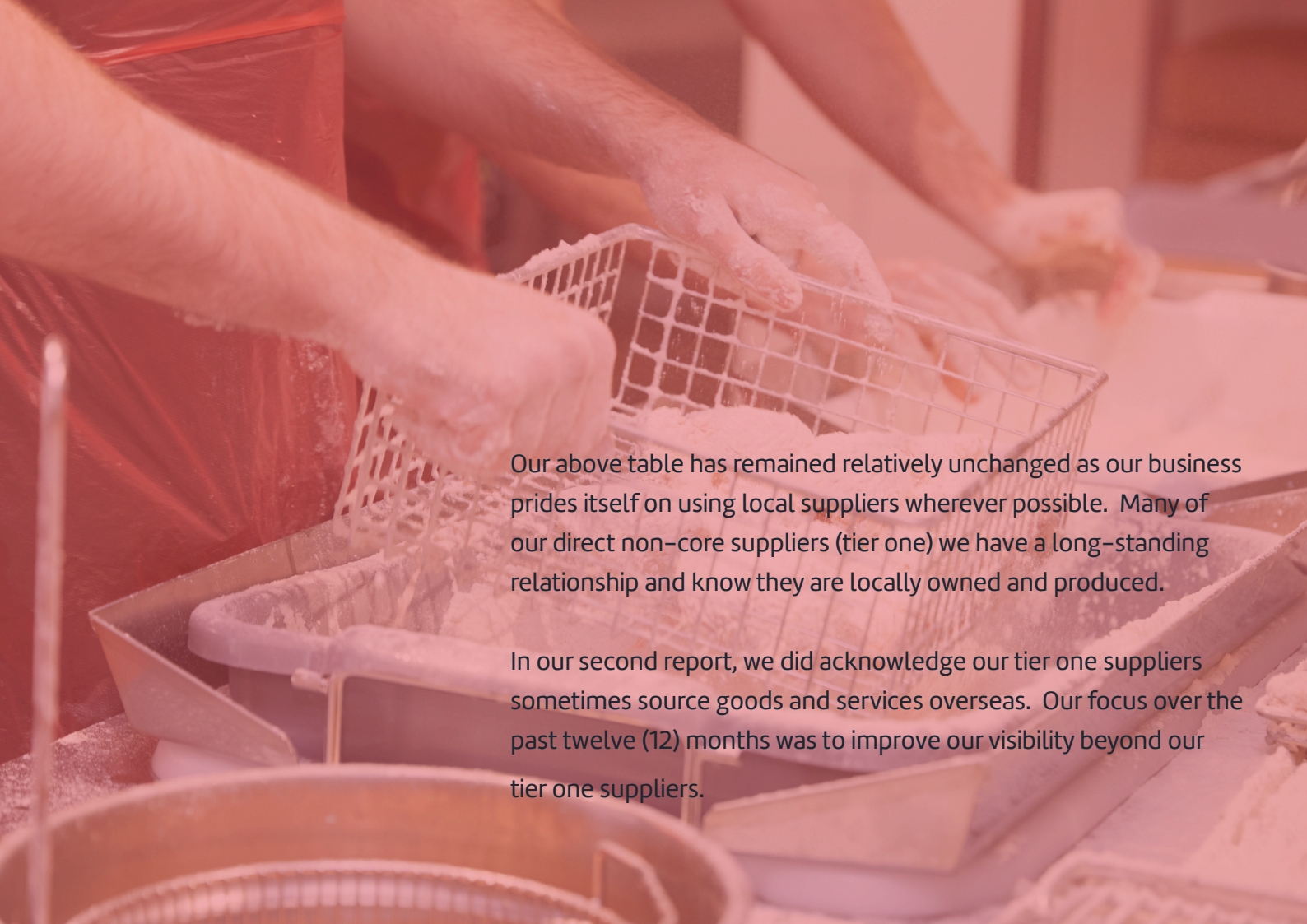
KFC Australia's results found that most sites of their suppliers received a medium or low combined risk rating on SEDEX. Whilst only 3% received a high combined risk. These results have made us more conscious of the inherent and apparent risk in these industries and we will continue to work with KFC Australia in addressing these risks.

# Non-Core Suppliers

Our Non-Core Suppliers provide services outside of our Franchise Agreement. The table below maps our Non-Core Suppliers and our assessment of risk:

Category	Risk Assessment	Findings
<b>Marketing Services</b>	Low	Risk considered low in professional agencies and activation events. Additional consideration on how we verify the sourcing of our merchandise such as promotion shirts may be required.
<b>Professional services for legal, financial &amp; accounting</b>	Low	Risk considered low due to the nature of services provided and demographic of the workforce.
<b>Human Resources</b>	Low	Risk considered low due to the nature of services provided and demographic of the workforce.
<b>Cleaning Services</b>	Medium/High	Given the nature of this industry and demographic of workforce, there is a need to establish on-boarding and monitoring procedures for these providers. Also building into our contracts various commentary and information around modern slavery to educate those involved.
<b>Maintenance Services</b>	Medium/High	Given the nature of this industry and demographic of workforce, there is a need to establish on-boarding and monitoring procedures for these providers. Also building into our contracts various commentary and information around modern slavery to educate those involved.
<b>Uniform for Administration and Support Office Staff</b>	Low/Medium	Whilst uniform procurement is often medium risk, we have taken the opportunity to engage with companies who pride themselves on adhering to Modern Slavery requirements. We consider this low risk as we made a conscious effort to source from like minded companies.
<b>Equipment</b>	Medium/High	We source the majority of our equipment directly from our franchisor, who ultimately sources from various other countries.
<b>Development and Construction</b>	Medium/High	Due to the nature of subcontracting in the industry there is a need to establish on-boarding and monitoring procedures for these providers.





Our above table has remained relatively unchanged as our business prides itself on using local suppliers wherever possible. Many of our direct non-core suppliers (tier one) we have a long-standing relationship and know they are locally owned and produced.

In our second report, we did acknowledge our tier one suppliers sometimes source goods and services overseas. Our focus over the past twelve (12) months was to improve our visibility beyond our tier one suppliers.

## Uniforms for Administration and Support Staff

The above table we have included a new category from our previous report, being uniform for administration and support office staff. Within our restaurants, our uniform is sourced and supplied by KFC Australia, however, our administration and support office staff wore professional attire. Our group has introduced a non-compulsory uniform option for these employees this year to create greater inclusion within our group.



We engaged an Australian owned supplier who is registered with SEDEX and is BSCI certified. Being aware of the potential risks of Modern Slavery in uniform supply chains, it was our preference to source uniform from a company that meets the Modern Slavery requirements. With our focus this year to increase our visibility beyond our tier one suppliers, we were able to engage a company that adheres to internal business standards and ethical practices. Taking the opportunity to look beyond our tier one supply, we can confirm with confidence that the supply of uniform for our administration and support staff to be low risk for Modern Slavery.



# Our Actions

to assess and address  
Modern Slavery Risks



Given our industry, Modern Slavery is an ongoing concern and as a business we must ensure that we reflect on actions we have taken over the past twelve (12) months and actions we would like to take in the future.

## Actions taken in the past twelve months

### Updating Purchase Orders

Since updating our Contracts, we have updated Purchase Order Agreements to include Modern Slavery and Labour Hire obligations. Our Purchase Order Agreements are often used for services that do not require a Contract.

The inclusion of Modern Slavery obligations in our Purchase Order Agreements will raise awareness and reduce the risks of Modern Slavery where possible in our local suppliers.

### Time Management Systems for Restaurant Teams

We are continually improving our systems around attendance and time functions of our team members. In 2022, together with KFC Australia we implemented another workforce management software, Lifelenz.

The implementation of this software was an improvement of our 2020 systems to ensure our restaurant team members are paid correctly in accordance with the KFC National Agreement and relevant Federal Awards.

### Review of Employee Contracts

As mentioned in our previous statements, we consider there to be an extremely low risk of modern slavery occurring within our restaurant staff. However, we do acknowledge that modern slavery is not simply an offshore concern and there is an inherent risk of employment of vulnerable workers in Australian Quick Service Restaurants and similar retail. As such, we continuously strive to ensure we are reviewing our employee contracts and conditions.

We have also engaged external employment lawyers to assist in the review of the contracts of our administration and support staff. Some of our employees may work outside the usual 9-5 hours due to the nature of their role (for example IT). We engaged the external lawyers to audit our employee contracts to ensure these staff were paid in accordance with the relevant Federal Award.

### Looking beyond Tier One Systems (Non-Core Suppliers)

As mentioned above, we have started focusing looking beyond our tier one suppliers and creating greater visibility where these suppliers source their materials and products.

We have taken the first step in reducing potential modern slavery risks within our non-core suppliers by engaging with a company that ethically sources their materials and products.

### Delivery Aggregators (Core Supplier)

The increased reliance of delivery services for ease and convenience of our customers, this industry poses risk of modern slavery. Whilst KFC Australia is responsible for the contracts and review of performance of delivery services, as a franchisee we have the ability to elect if we engage with a particular provider.

In the past twelve (12) months we have introduced another delivery aggregator whereby particular clauses relating to Modern Slavery were inserted into the contract. These clauses specifically dealt with the delivery aggregator's responsibility to adhere to Modern Slavery requirements and possible termination for breach of those requirements. The inclusion of such clauses provides us the ability as a business to focus on media and the delivery aggregator stance on Modern Slavery.



## Our path moving forward for the next twelve months

### Delivery Aggregators (Core Suppliers)

We understand the inclusion of Modern Slavery clauses in Contracts doesn't negate the risk within our industry. Instead, it is our responsibility to continue our awareness and take measures to lower the risk.

Our path for the next twelve (12) months we will continue monitoring issues reported in the media to better understand the risks which may or may not arise with the increase of goods and services due to inflation.

### Centralised Training and Development Centre

Building on our strong commitment to People and Culture; in 2023 we will be expanding our focus on training and development with the introduction of a centralised management training and learning centre (The Colonel's Learning Centre).

The centre which will be located within one of our existing office facilities, is designed to ensure accurate and consistent training across all managers within our restaurants focusing on the areas of people practices, profits grown, restaurant operations etc.

### Office Staff Time Management Systems

With the introduction of Lifelenz in our restaurants, we are currently in the process of finalising the introduction for our office staff.

The time management system will ensure that office staff can effectively manner their time attendance in alignment with NES requirements or Employee Contracts.

### Looking beyond Tier One (Non-Core Suppliers)

Whilst we have taken our first step in looking beyond tier one, we must continue our visibility in our future reporting periods. By engaging with companies that ethically source their materials and products this will greater visibility and education to companies of the importance of being aware of the risks of modern slavery.

We recognise there will inevitably be modern slavery risks beyond our tier one suppliers that may be difficult to detect. However, our long term goal is to influence our tier one suppliers with the hopes they will influence the level of modern slavery risks in the lower tiers of their supply chain.

Our path for the next twelve (12) months is to continue to focus on how we engage our suppliers and ensuring they source and are educated to modern slavery requirements.



# Assessment of the effectiveness of our actions

We will continue to set short term goals each year of improving our supply chains, both Core Suppliers and Non-core Suppliers.

We aim to continue to raise awareness of the Australian Supply Chain Code of Conduct and the Modern Slavery Act with our suppliers. By setting and achieving these short term goals, we will be able to assess our effectiveness of our actions long term.

# Consultation Process

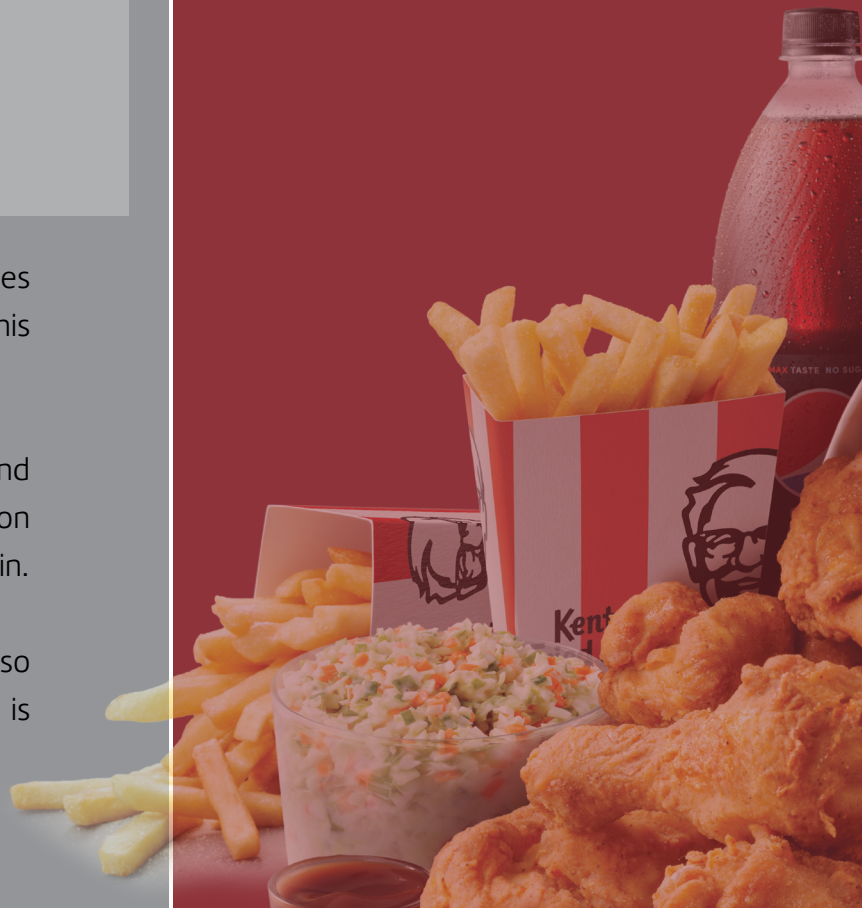
The Reporting Entity and associated entities have been consulted in the preparation of this Statement.

The Executives across the Reporting Entity and associated entities have provided input in relation to our operations, procurement and supply chain.

In preparation of this Statement, we have also engaged our Franchisor, KFC Australia, who is required to comply with the Act.

# Conclusion

This is an ongoing commitment by the Reporting Entity and associated entities to gain visibility and awareness into the risks of modern slavery in our operations and supply chain and to embed processes within our business to strengthen our management controls to mitigate these risks for our future operations and supply chains.





# Appendix

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... Page One

Identify the Reporting Entity

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... Page 2-5

Describe the risks of Modern Slavery in the Operations and Supply Chains of the Reporting Entity and any entities it owns

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... Page 6-8

Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes

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... Page 9

Describe how the reporting entity assesses the effectiveness of these actions

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... Page 9

Describe the process of consultation with any entities that the report entity owns or controls (a joint statement must also include consultation with the reporting entity giving the statement)

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... Page 1-9

Provide any other relevant information





## SIGN OFF

This statement was approved by the board of RG Restaurants Pty Ltd on 10 December 2022, and approved by the board of Century 101 Pty Ltd ACN 147 149 646 and Westpark Operations Pty Ltd ACN 084 391 864 on 10 December 2022.