

## Modern Slavery Statement

### 1. Introduction

Adcome Pty Ltd (ABN: 99110315681), trading as Cornetts Supermarkets and Everfresh Food Markets (Cornetts) has provided this statement in order to adhere requirements outlined in the The Modern Slavery Act 2018. This statement is in respect of financial year end 30 April 2020 and is the first Modern Slavery statement by Cornetts under the Modern Slavery Act 2018.

The purpose of the Cornetts Modern Slavery Statement (“Statement”) is to articulate the approach that that we will undertake to minimum risk of modern slavery in our business, and in our supply chain.

The Modern Slavery Act 2018 outlines forms of modern slavery and human trafficking, and Cornetts is committed to ensuring that these abhorrent activities do not occur within our operations, and will take steps to ensure that the companies with which we do business, also do not tolerate any form of slavery, bond, indentured prison, involuntary labour, child labour or human trafficking.

### 2. The Cornetts Business

Cornetts is a chain of small to medium independent supermarkets across Queensland, employing approximately 1,600 people across 33 sites and a support office.

The Cornetts business was a family owned and operated company for over 40 years. In 2014, the Cornetts family sold the business, and the company has undergone significant transformation from this time, during which, systems and process have been centralised and the business has corporatised.

Cornetts has remained a Queensland based business, with a Support Office, located in North Lakes, which provides assistance to the stores. 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 always focused on being a part of the local community in which we operate, offering great service, and community support. 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. .

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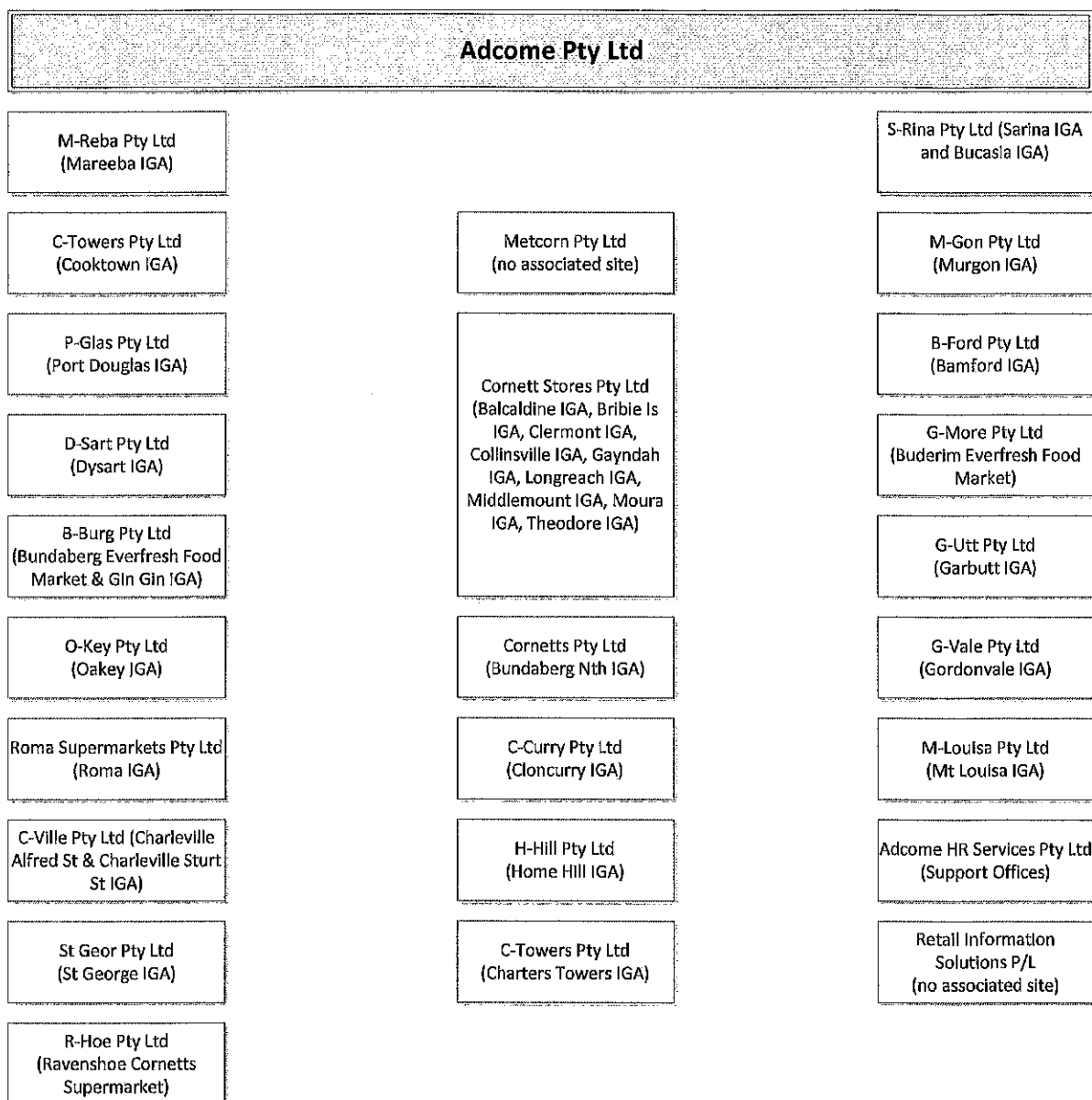
Cornetts understands and is committed to respect for human rights. We are determined to uphold basic human rights, by ensuring that we do business ethically, and only partner with suppliers and other businesses which are also dedicated to undertaking ethical sourcing and supply.

### 3. Business Structure and Operations

Adcome Pty Ltd is the parent company of Cornetts Supermarkets and Everfresh Food Markets. Adcome Pty Ltd operates 25 proprietary limited companies, trading as 33 independent supermarkets.

Adcome Pty Ltd is jointly held by the Booyesen 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.



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Cornetts business is supermarkets. We operate 33 independent supermarkets across Queensland. These sites 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 1,500 casual and permanent employees.

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

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

Cornetts is committed to ensure 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 scrutinize 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' polices 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.

The business also 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.

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Cornetts has undertaken an assessment process, where the business identified possible risks that could be linked to modern slavery practices, as outlined in the Modern Slavery Act 2018. We considered risk factors such as the suppliers that we deal with, the products and services that they supply, the geographic location of the suppliers, where they may source stock and business models under which our suppliers operate.

Cornetts operates under the IGA banner. As such, we are obligated to obtain much of the stock the supermarkets hold under a wholesale and branding agreement with Metcash Trading. Up to 90% of Cornetts supply chain comes from Metcash, a company which is in the ASX 200 top companies listing, and Employer of Choice, and has public committed to supporting the United Nations Framework and Guiding Principles on Business and Human Rights and the eight international fundamental conventions.

The remainder of Cornetts supply chain comes from locally owned and operated businesses. The vast majority of goods supplied are manufactured in Australia, with a small component, such a kitchenware, general mechanise 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 ethic trade practices.

Cornetts is establishing 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.
- Update supplier and trade agreements to incorporate commitments that suppliers only source goods ethically and from third parties where modern slavery is not practiced.
- Build awareness and capacity of 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.

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


Cornetts commits 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 incorporate checks in our auditing practices.

Cornetts undertakes trade review meetings with suppliers on a regular basis. During these meetings, the business will ensure that the risk of trade with a business engaged in modern slavery practices is examined and that suppliers have also established commitments to identify and mitigate risks with third parties.

## 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.



**Graham Booyesen**

**CEO**

Cornetts Supermarkets  
Everfresh Food Markets

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