

MODERN SLAVERY STATEMENT

(Countrywide Australasia Limited)





1. Introduction

This Modern Slavery Statement is provided for Countrywide Australasia Limited ABN 34 068 162 676 (**Countrywide**) under section 14(1) Modern Slavery Act 2018 (**Act**) for the period from 1 July 2019 to 30 June 2020.

We are committed to improving our practices to combat modern slavery. At Countrywide we aim to ensure that, within our own business and across our membership and supply chain, all business partners operate with respect for, amongst other things, human rights. To help achieve this, we have 5 core values (described below) that act as a guide on what it means to be part of Countrywide.

Core Values

- (i) We Listen. We Care. We Serve
- (ii) We do the right thing every time
- (iii) We actively support our partners to achieve their goals
- (iv) We strive to always improve and face challenges with optimism
- (v) We are committed to deliver what we say we'll deliver

We manage risks to our organisation by maintaining consistent and high standards of due diligence and risk mitigation processes, regardless of whether the environment or the suppliers with whom we work are more or less vulnerable to modern slavery.

The Board of Countrywide regularly reviews the company's risk management strategy to identify potential threats and ensure the appropriate mitigation strategies are in place.



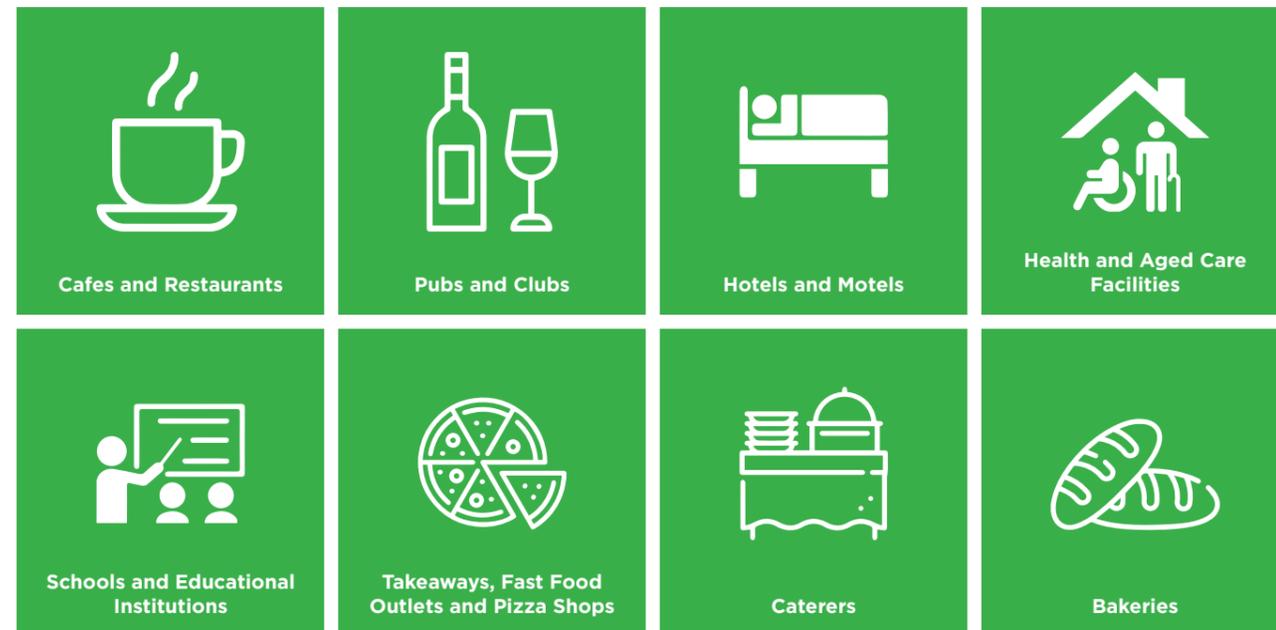
2. Organisation's Structure

Countrywide is a public unlisted company and Australia's largest group of independently owned wholesale distributors (**Members**). Countrywide is incorporated in NSW, Australia with its head office located at Level 1, 87 Marsden Street, Parramatta, NSW, 2150.

Countrywide employs approximately 35 full-time equivalent employees (including full-time, part-time and contracted personnel).

3. Our Business

Countrywide operates primarily in the wholesale food distribution sector and is comprised of 106 food distributors servicing a wide variety of food services operators including:



Countrywide also services national contract customers (including franchise organisations) with our Members assisting contract customers in managing overall food and food-related items, costs, freight and accounts. Our national contracts service in excess of 1,800 locations, providing products from more than 300 suppliers.

4. Our Supply Chains

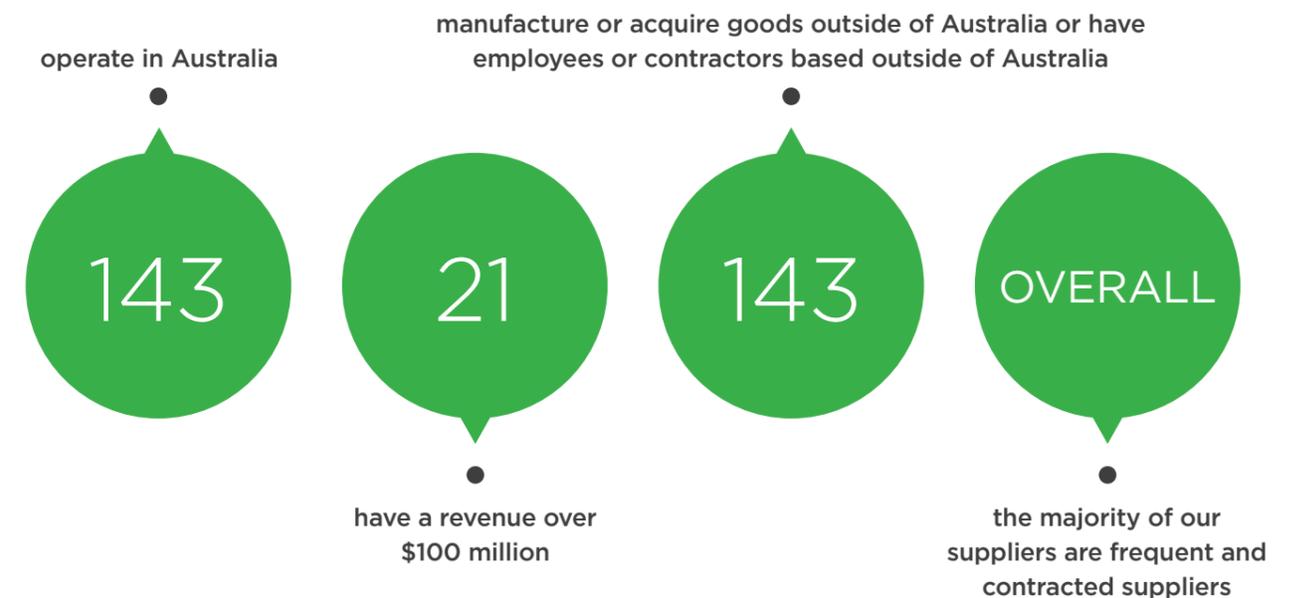
Our supply chain includes Australia's largest food manufacturers with the majority of products being sourced locally. However, some of our suppliers procure some of their range internationally. Products such as packaging from China; Seafood from Thailand, Malaysia and Vietnam; Condiments from Europe and America, and potato products from New Zealand and Europe.

In FY20, Countrywide engaged directly with 143 suppliers, and its Members engaged with more than 500 suppliers to provided products or services directly to customers, or customers who had contracted directly with Countrywide.

Of the total suppliers used, we have 143 preferred suppliers that account for approximately 50% of our total Member network supplier and procurement spend.

Our largest category of supplier spend is frozen foods followed by chilled, pantry, packaging and cleaning products and beverages, all of which are distributed by our Members. Our remaining supplier and procurement spend is on indirect overhead costs such as professional services, utilities, rent, information technology and marketing / event costs.

When reviewing our core suppliers, we identified that:



Accordingly, most of our supplier and procurement spend is with suppliers based in Australia (or countries like Australia), that have a lower risk of experiencing modern slavery practices. However, some of our suppliers may be more vulnerable to modern slavery, with their supply chains extending to parts of China, Thailand, Malaysia, Vietnam. While we acknowledge that location is only one factor used to assess modern slavery risk, based on our supplier audit, this has been the most important starting point for our business to understand the risk of inadvertently contributing to modern slavery practices.

In addition to geographical risk, the next most immediate risk of modern slavery practices occurring is the lack of complete visibility over our entire supply chain, end to end. While we have strong relationship with our core suppliers, we do not have visibility over their individual supply chains, including their contractors and sub-contractors.

5. Risk of modern slavery practices in our Members' supply chains

Countrywide is a cooperative Member based business with all our Members providing wholesale food (and related products) and distribution services to institutional and commercial outlets across all Australian states and territories. All our Members operate out of Australia and 7 have a revenue of over \$100 million. This business model of independently owned and operated businesses naturally raises the risk of modern slavery practices potentially being caused, contributed to, or being directly or indirectly linked to our operations. While many of our Members use Countrywide preferred suppliers, we do not have visibility over all suppliers that Members may engage with.

As part of Countrywide's scoping and risk assessment, we identified the need to assist our Members in addressing modern slavery risks in their operations and supply chains.

6. COVID-19 Impact

In 2019, the Board commissioned a report by Directors Australia to review Countrywide governance practices and make recommendations for improvements. Unfortunately, the advent of COVID-19 resulted in greater involvement by the Board in operational matters during 2020 with an emphasis on assisting Countrywide Members (making up Countrywide's wholesale distribution network) navigate the challenges this posed to their businesses. While most of the report recommendations were implemented during 2019/20, less progress was able to be made on other governance projects, including identifying and addressing the risks of modern slavery in our supply chain. In October 2020, Countrywide engaged an in-house Company Secretary/General Counsel, in part, to address this issue.



7. Actions taken by Countrywide to address risks of modern slavery practices

INITIAL SCOPING

With the assistance of the Countrywide leadership team, Countrywide has established a Modern Slavery compliance team, which consists of involvement from the following functions and committees:

- Legal
- Risk and Audit
- Purchasing
- National Contracts
- Human Resources

As part of the initial scoping exercise, Countrywide identified and classified its key suppliers as set out above in Part 4, created a high-level road map of actions and assigned various tasks and responsibilities.

SUPPLIER ENGAGEMENT

Each new and renewed core supplier engagement will be subject to a due diligence process, including: supplier questionnaires, supplier audits, review of trading terms. All suppliers to Countrywide (new and existing) are being required to confirm compliance with Countrywide's Supplier Code of Conduct (or the supplier's equivalent binding code of conduct).

We have also refreshed and updated our Ethical Sourcing Policy and Supplier Code of Conduct to expressly incorporate and address modern slavery risks, setting out the minimum standards that we expect our suppliers to meet in relation to human rights, health and safety and business ethics.

We are currently updating our supplier contract template to ensure that Modern Slavery risks are being addressed and controlled.

POLICIES

We are committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. Our Ethical Sourcing Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery is not taking place anywhere in our supply chains.

Countrywide encourages a "speak up" culture and this is supported by our Whistleblower Policy and complaints management process; providing appropriate protection for employees, sub-contractors and suppliers of Countrywide who report issues or concerns. This process is supported by Countrywide's outsourced human resources provider (Human Outsource) to ensure that reports are handled confidentially and escalated appropriately within our business.

BOARD INVOLVEMENT

Countrywide recognises the importance of all change being led from the "top down". Accordingly, the CW Leadership Team is committed to ensuring the success of this project by introducing modern slavery risk into the organisation's risk management matrix. This framework is reviewed and considered periodically by the Board. It is the Board's expectation that leaders in each area of the business will be responsible for reviewing and assessing their own supply chains to ensure that appropriate controls are implemented.

RECRUITMENT

Countrywide uses external human resources provider (Human Outsource) to ensure compliance with all relevant laws, including minimum wages, hours of work and leave entitlements.

TRAINING

To ensure legal compliance and good corporate governance, Countrywide has reviewed and will be implementing an LMS which will include mandatory training e-learning modules. We believe that training (both face to face and online) is critical to managing risk and supporting the governance and compliance framework implemented by the Board. Mandatory training will be required upon induction for new employees and with annual refreshers that include an assessment and achievement of minimum competencies. Managers will be responsible for monitoring completion rates and training KPI's will be implemented where appropriate.

8. Further steps and remediation

Over the next 12 months, we intend to take the following further steps to combat slavery in our operations and supply chain:

- Update our standard required supplier contract terms, related procurement templates and supplier engagement/due diligence processes to ensure that we have the mechanisms and contract provisions in place to support compliance with Modern Slavery Laws and other governance risks, including an ability to terminate suppliers where obligations are not being met.
- Review and update procurement practices and procedures to ensure that appropriate due diligence is being conducted in accordance with the level of risk.
- Review core supplier agreements, policies and accreditations to ensure minimum standards are being met.
- Provide targeted training to employees responsible for managing supplier compliance in relation to our human rights obligations.
- Provide education and training options to our Members to assist them in managing modern slavery risks in their businesses.
- Ensure that we have a complete suite of internal policy documents to manage conduct, ethical behaviour, health and safety, anti-corruption/anti-bribery, human rights and privacy.
- Develop and implement a more formal compliance program and ensure systems are in place to:
 - Identify and assess potential risks in our supply chains
 - Address potential risk areas in our supply chains
 - Mitigate the risk of slavery occurring in our supply chains
 - Monitor potential risk areas in our supply chains
 - Protect whistle-blowers

9. Board approval

This statement was approved by the CW Leadership team and by the Board of Directors of Countrywide.



GRANT HARROD (Chairman)
COUNTRYWIDE AUSTRALASIA LIMITED

Date: 30th March 2021







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