

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 2021 to 30 June 2022.

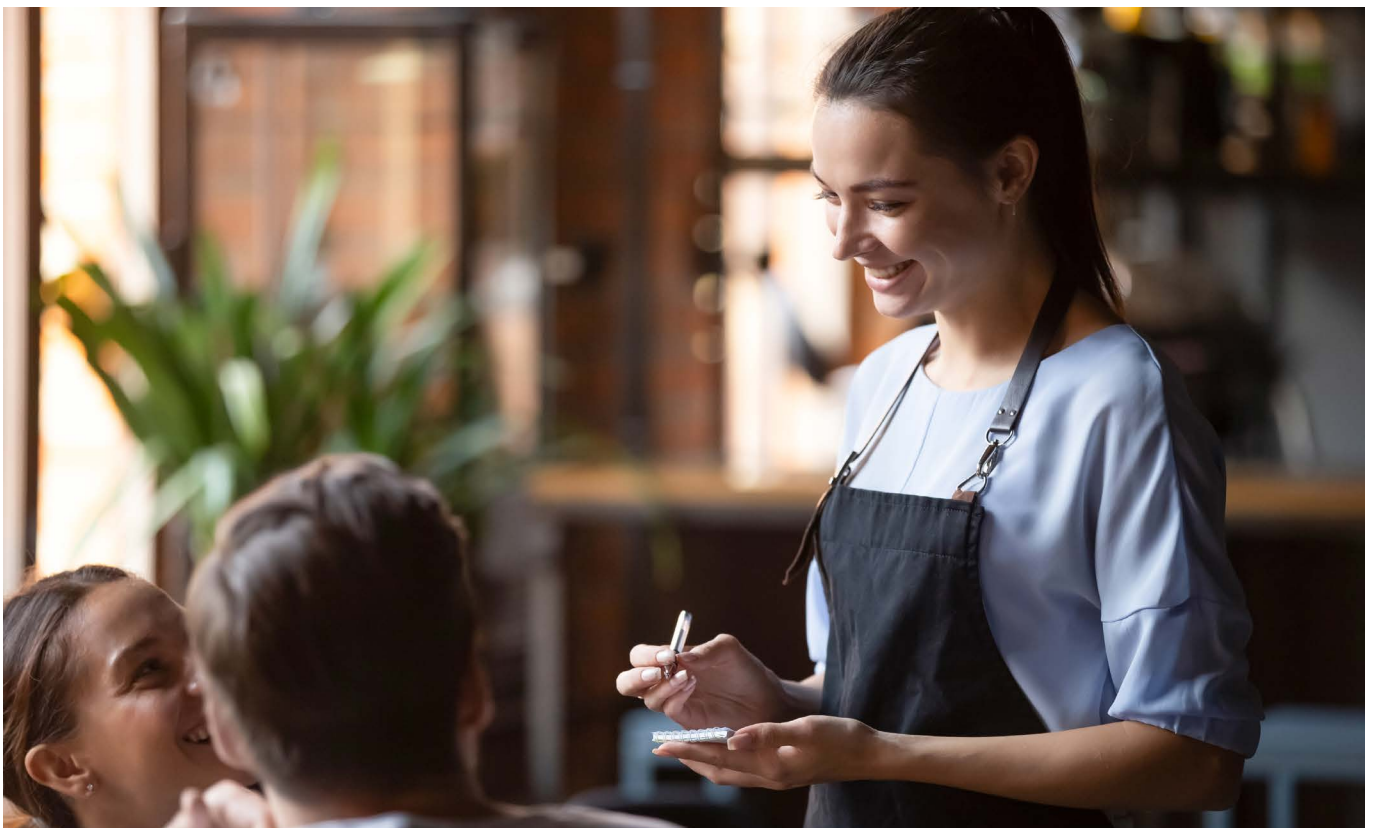
We are committed to improving our practices to combat modern slavery. At Countrywide we aim to ensure that, within our own business and across our membership and supply chain, all business partners operate with respect for, amongst other things, human rights. To help achieve this, we have 5 core values (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.



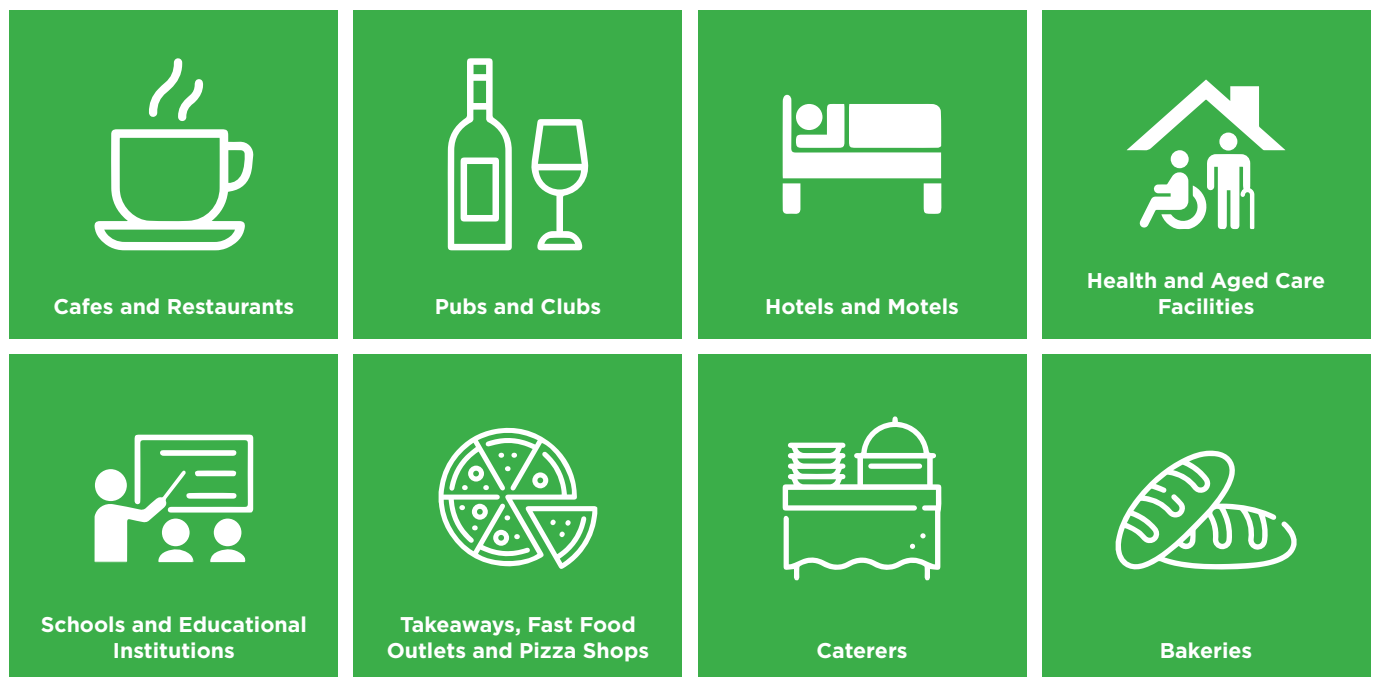
2. Organisation's Structure

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 38 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 94 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.

*Membership may vary slightly within each reporting year.

4. Modern slavery risks in our operations and supply chains

IN OUR OPERATIONS

We consider that our operational modern slavery risk is low given that our office sites and employees are all located in Australia and Australia is considered a low risk country for modern slavery prevalence by the Global Slavery Index (GSI). Our staff have contractual and industrial protections that protect their rights. Countrywide has a relatively small workforce and supplier base and all of its employees are employed directly by Countrywide and are not within the high risk sectors and industries identified by the GSI.

IN OUR SUPPLY CHAIN

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 FY22, Countrywide engaged directly with 135 suppliers, and its 104 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 135 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, which may expose us to modern slavery risk.

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 (which currently number 94) operate out of Australia and 6 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. We also recognise the need to encourage our Members (including those who may not be legally obliged to report on Modern Slavery) to provide reporting to Countrywide that identifies potential modern slavery risks in their 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.

In 2021, state and territory government directed lock downs and border restrictions due to the ongoing COVID-19 pandemic have had a significant impact on Countrywide Members' operations, resourcing and costs. As a result, much of Countrywide's efforts (including at the Board level) have been directed at supporting our Members through these unprecedented times.

Notwithstanding the above, the Board has maintained its commitment to Environment, Social & Corporate Governance (ESG) factors as a measure of the company's performance and this includes meaningful disclosure of supply chain management and related steps to mitigate modern slavery risks.

7. Actions taken by countrywide to assess and 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.
- Human Resources.
- National Contracts.
- Purchasing.

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.

The risk and audit committee will continue to review and assess the adequacy of actions taken to manage modern slavery risks and make recommendations to ensure continuous improvement of the compliance framework.

SUPPLIER ENGAGEMENT

Each new and renewed core supplier engagement is 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).

Our Ethical Sourcing Policy and Supplier Code of Conduct expressly incorporates and addresses 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 also have standard provision we request for inclusion in our supplier agreements 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, either directly or anonymously. 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.

The Board is also committed to ongoing professional development more broadly on ESG issues and periodic training is provided to the Board on this topic.

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 implemented an LMS which includes 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 is required upon induction for new employees and with annual refreshers that include an assessment and achievement of minimum competencies. Managers are responsible for monitoring completion rates and training KPI’s will be implemented where appropriate.

8. Assessing the effectiveness of our actions

We recognise that the review and assessment of our actions to identify and address modern slavery risks in our operations and supply chain will be an ongoing and evolving process. To this end we have commenced and will continue to work on developing a risk management framework and processes, including appropriate controls, to ensure we can review the effectiveness of the actions taken.

We will also assess the effectiveness of our actions by reference to the goals we have set for our fourth year of reporting set out below in Part 10 (Further Steps and Remediation).

9. Consultation and approval

Countrywide does not own or control any other entities.

10. Further steps and remediation

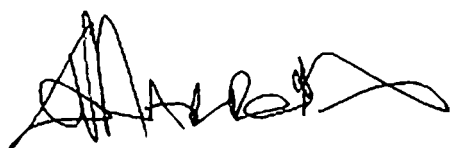
In the first year of reporting, we focused on updating our procurement policies and procedures to address the risks of modern slavery in our direct supplier base. In our second year we implemented online training for all staff, revised our code of conduct to specifically refer to human rights and modern slavery, and monitored new supplier engagements for modern slavery risks, incorporating modern slavery clauses where appropriate. In our third year we have continued to monitor training and improve supply chain management processes.

In our fourth year of reporting and beyond, we will:

- 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.
- Review our online training modules to ensure employees responsible for managing procurement understand and are compliant with human rights obligations.
- Provide education and training options to our Members to assist them in managing modern slavery risks in their businesses.
- Gain a better understanding of our second and later tiers of our supply chain including packaging and raw food products procured through our Members;
- Consider the modern slavery statement submitted by our existing key suppliers and potential suppliers to better inform our purchasing decisions going forward;
- Evaluate the adequacy of our supplier risk assessment process as part of our commitment to continuous improvement;
- Evaluate the adequacy of our modern slavery compliance risk management framework to ensure that we:
 - 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

11. 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: 15th December 2022







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