



# CORVAL GROUP MODERN SLAVERY STATEMENT 2020

Corval Group Pty Ltd (ACN 164 138 112)  
Reporting Period: 1 July 2019 to 30 June 2020

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## OVERVIEW

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**Corval Group Pty Ltd (ACN 164 138 112)**

**Reporting Period: 1 July 2019 to 30 June 2020**

This Modern Slavery Statement is prepared and issued by Corval Group Pty Ltd (Corval Group) and is made pursuant to the *Modern Slavery Act 2018 (Cth)* in respect of Corval Group and its controlled entities. This Statement reports the steps taken by Corval Group during the financial year ending 30 June 2020 to combat modern slavery in its operations and supply chain.

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## MODERN SLAVERY

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The term 'Modern Slavery' is used to describe a range of situations of exploitation or deceptive recruiting for labour or services where a person cannot refuse or leave work because of threats, violence, coercion, abuse of power or deception. These situations include slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour and the worst forms of child labour.

In Australia, forced labour has been found in the agricultural, construction and hospitality industries as well as in contract cleaning and domestic work. Common products such as electronics, bricks, clothing and seafood have been associated with modern slavery in supply chains.

The United Nations (UN) and Walk Free Foundation estimate there are approximately 40 million victims of modern slavery around the world.

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## CORVAL GROUP: OPERATIONS & SUPPLY CHAINS

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Corval Group Pty Ltd is a 100% Australian family owned business and the head group of a company with associated entities operating primarily in the field of food and beverage and 3<sup>rd</sup> party logistics<sup>1</sup>. Our head office is located in Melbourne, Victoria.

As a family business, people are our family and we take great pride in building genuine relationships that last a lifetime, be it with our suppliers, customers, partners or employees.

Whilst we consider that every part of our business has always been guided first and foremost by family values, integrity, and ethical principles, Corval Group welcomes the introduction of the *Modern Slavery Act 2018 (Cth)* and reiterates its respect for human rights whilst acknowledging the role it has to play in eliminating any form of violation within its operations and those of our supply partners.

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<sup>1</sup> For the purposes of the *Modern Slavery Act 2018 (Cth)*, entities that are intended to be covered by this Corval Group Pty Ltd Statement include: Corval Group Pty Ltd; Conga Foods Pty Ltd; Caffè Ducale Pty Ltd (trading as dc Specialty Coffee); Pakval Pty Ltd; Conga Freeholds Pty Ltd; UCG Wholesale Foods Pty Ltd; Gourmet Secrets Pty Ltd.

## **OUR OPERATIONS AND SUPPLY CHAINS**

The key operating entities of the Corval Group are Conga Foods ([www.congafoods.com.au](http://www.congafoods.com.au)), dc Specialty Coffee Roasters ([www.dccoffee.com.au](http://www.dccoffee.com.au)) and Pakval Warehouse Solutions ([www.pakval.com.au](http://www.pakval.com.au)).



Established over 60 years ago, Conga Foods Pty Ltd (**Conga Foods**) main operations include the sourcing, importing, marketing, selling (nationally and exporting) and distributing of quality Mediterranean-style foods in Australia. The company operates warehouses and offices in VIC, NSW, SA, QLD and WA, and employees approximately 120 staff as well as engaging contractors for approximately 40 additional roles.

Conga Food's supply chains include the importation of foodstuffs from various long-term suppliers and manufacturers based in Europe and South-East Asia and the subsequent warehousing and distribution of the products to its customers, including Australia's major supermarket chains and department stores, large format and small Independent stores, continental grocery stores and major national wholesalers, key state wholesalers and occasionally international wholesalers.



dc Specialty Coffee Roaster's (**DC Coffee**) supply chains include the sourcing of quality green coffee beans from Australian coffee bean wholesalers. Beans are procured from various places in South America, Africa and Asia, roasted here in Australia and supplied nationally to foodservice customers, wholesalers, independent stores and major supermarket chains. It is a core focus of dc to connect with farmers wherever possible (even where beans are ultimately purchased via Australian wholesalers) and to only source beans that have been sustainably and ethical produced.

DC Coffee also procures a number of accessories and equipment for the service of its foodservice customers such as coffee machines & coffee grinders, merchandise, crockery, takeaway cups, as well as complimentary consumable products, such as tea, chocolate and sugar.





Pakval Warehouse Solutions (**Pakval**) is a 3PL provider specialising in the warehousing and transport of groceries and other consumer products for third parties. Pakval has warehouses in Melbourne, Sydney, Brisbane and Adelaide and also offers ancillary related services. Its main supply chain includes local transportation and logistic providers and suppliers of warehouse equipment and products.

### **COMMON SUPPLY CHAINS AMONGST OUR OPERATIONAL ENTITIES**

Whilst these three main operational entities of Corval Group have different foci, as articulated above, their supply chains also all include other services that contribute to their operations, such as:

- the provision of third-party storage facilities and logistics solution providers (including international freight forwarders and local transport companies) for receipt and delivery of products;
- the waste management, cleaning and security companies that service physical offices and warehouses;
- the supply of warehouse equipment (forklifts, safety equipment and packaging materials) and office equipment and supplies (such as computers, digital devices, furniture, stationary); and
- the supply of professional services (such as accounting and legal services).

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## **IDENTIFYING MODERN SLAVERY RISKS**

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Corval Group's human rights due diligence is multi-tiered and encompasses a number of processes and procedures. Within its own operations, Corval Group has various policies, guidelines and codes of conducts which sets out expected behaviours and rights and the company provides training therein (both internally and externally conducted) for Directors, officers and employees to ensure human right breaches can be identified and therefore acted upon.

We recognise that the due diligence of all suppliers in our supply chain is important to ensure we do business with suppliers who share our core values, our targets for sustainable and fair business practices and are committed to the same social, ethical and moral obligations and high quality standards to which we hold ourselves.

However given the breadth of our operations, to ensure we addressed our resources towards the most effective range of impact possible, we have focussed our activities and reporting in relation to the *Modern Slavery Act* on the primary product sourcing of Conga Foods, being the largest contributor and most complex operating business within the Corval Group.

A major part of the Conga Foods value chain is the suppliers of products whose key ingredients are agricultural and seafood products.

<b>Most significant products sourced in the business:</b>	Dairy (Cheese), Grains, Legumes, Olives, Processed meat, Seafood, Tomatoes, Vegetables, Vinegars.
<b>Countries from where products and raw materials are sourced include:</b>	Australia, Austria, China, Germany, Greece, Italy, Netherlands, Portugal, Spain, Switzerland, Thailand and Turkey.

Our initial scoping exercise<sup>2</sup> included mapping our supply chain, assessing the potential risk of modern slavery by reviewing country and industry risk indicators provided by expert organisations such as the Ethical Trade Initiative (ETI) and considering how we may cause, contribute or be directly linked to modern slavery. Via this process, we identified that some of our overseas suppliers operate in a high risk sector (such as agriculture and fish) and/or high risk geographic location (due to local governance issues, impact of conflict, inequality, lack of basic social needs).

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## OUR ACTIONS

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### OUR OPERATIONS

By virtue of the industry type in which we operate and our operational base in Australia, we believe the risk of modern slavery in our directly employed workforce is very low. The Australian labour market is heavily regulated and our rule of law is among the most effective globally.

### OUR SUPPLY CHAIN

In terms of our imported products, ensuring that the agricultural raw materials for our products and procurement of seafood products are responsibly produced is a challenge given that we may not always have direct contact with the farmers or the secondary-tier suppliers themselves.

However, we have taken the following steps to ensure we mitigate any risk of modern slavery incidences occurring in our operations and supply chains.

### POLICIES INTRODUCED DURING THE REPORTING PERIOD

- Whilst the Corval Group has long been committed to sourcing products in a sustainable and ethical manner, it has recently formalised this commitment via the introduction of our **Ethical Trading Standards**, which specifies the minimum standards of behaviour that we require our suppliers to meet in the areas of:
  - modern slavery (including an obligation to complete our Ethical Practices Questionnaire where requested).

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<sup>2</sup> We relied on a wide variety of resources to conduct our analysis, including but not limited to *Global Slavery Index*, *Walk Free Foundation*, *Anti-Slavery Australia*, *Anti Slavery Organisation*, *OECD Due Diligence Guidance for Responsible Business Conduct*, *Business & Human Rights Resource Centre*, *KPMG Guide "Modern Slavery Risks, Rights & Responsibilities"*, *International Labour Organisation*, *Know the Chain Food & Beverage Report*, *Department of Home Affairs*.

- labour and human rights (including fair working hours, remuneration and compensation, safe working conditions, equal employment opportunities),
- legal compliance (of all applicable laws and regulations of the countries where they conduct business);
- animal welfare;
- environment protection; and
- business ethics throughout their operations and supply chains, including complete avoidance of bribery or corruption.

Importantly, the terms prescribed by these standards extend beyond our supplier's operations to their own subcontractors and second-tier suppliers, so far as it is reasonable and practical to do so.

- Corval Group introduced our **Anti-Slavery Policy**, which applies to all persons working for or on behalf of the Company, in any capacity, including employees, directors, officers, agency workers, contractors, consultants, suppliers and any other third-party representatives and their associated operations. The policy articulates our 'zero-tolerance' approach to Modern Slavery and outlines our assessment, due-diligence and remediation processes.
- Corval Group introduced its **Whistle-blower Policy** which allows employees (of any term or type), associates, suppliers (including their employees, contractors, consultants, service providers and business partners), consultants, or a relative, dependant or spouse of any of the above individuals, to report a suspected concern regarding human rights (or other such grievances). The procedure allows the grievance or complaint to be reported safely and in confidence.

#### **POLICIES AND PROCESSES UPDATED DURING THE REPORTING PERIOD**

- Corval Group updated various existing policies including our *Code of Conduct*, *Recruitment Policy* and *Approved Supplier Program* and further introduced specific checks in our Employee Recruitment process and New Employee induction process.
- The group has committed to including clauses in any new supply contracts that specifically prohibits modern slavery as well as the supplier's acceptance of and adherence to our respective policies.

#### **REPORTING PROCESSES**

- We introduced and updated various processes including our *Modern Slavery Incident Reporting and Grievance and Complaints Procedure* to ensure that suspected breaches of human rights or other matters are efficiently, appropriately and safely reported and acted upon in a timely manner.
- The Board of Directors are regularly updated as to any reported incidents.

#### **SUPPLIER RELATIONSHIPS**

- We only have relationships with reputable suppliers who we believe conduct their businesses responsibly and who agree to be bound by the terms of our *Ethical Trading Standards* and *Anti-Slavery Policy*.
- We maintain close and long-standing relationships with our suppliers, choosing to collaborate over lengthy periods of time, rather than engage in short-term, ad-hoc or 'one-off' sourcing contracts. This allows us to develop a deep level of trust and understanding of our suppliers' businesses, their owners and key management allow us to have confidence in their efficacy of their programs and policies and in their accuracy of any self-assessments we may require them to complete.

- Conga Foods does not set unrealistic cost targets and/or delivery timeframes that could only be achieved through worker exploitation.
- Where possible, we conduct on-site visits of our suppliers' offices and factories, often having the chance to connect with various levels of employees, beyond the supplier's executive team.

## INTRODUCTION OF SUPPLIER ETHICAL PRACTICES AUDIT PROGRAM

- Whilst supplier auditing for food quality, safety and other such areas of importance has always been a fundamental requirement of our supply process, we recently developed and introduced an audit program specifically designed to help assure that our product procurement is free from modern slavery incidences and unethical business practices.
- This audit program includes the completion of a detailed questionnaire covering human rights standards, labour force details (such as whether workers are seasonally, temporarily or full time employed), recruitment processes, remuneration and working conditions, as well as sections regarding the systems, policies and training that our suppliers may have in place.
- All Conga Foods product suppliers were contacted with some introductory education modern slavery generally, and more specifically about the introduction of the Modern Slavery Act 2018 (Cth) in Australia, including the rights, risks, responsibilities and remediation relating to same;
- In this first reporting period, we asked all of our 'high-risk suppliers' identified during the scoping exercise to complete the audit, as well as many of our key overseas suppliers (determined by our financial spend with them and regardless of their risk level).
  - Overall, 40 out of 56 identified relevant Conga Foods product suppliers went through this process.
  - Of those audited, 53% have current third party assessments (such as Supplier Ethical Data Exchange, SEDEX; Supplier Member Ethical Trade Audit (SMETA)).
  - Approximately 30% of all Conga Foods suppliers (all considered very low risk) were not audited in this first year of audit program however will form part of our audit program in future years.
- Where possible, we conduct on-site visits of our suppliers' offices and factories, often having the chance to connect with various levels of employees, beyond the executive team.

## PAYROLL AUDIT 2020

- Corval Group conducted an external payroll audit during this reporting period which concluded that there were no problematic issues, albeit some minor alterations to internal documents were recommended as improvements.

## EDUCATION AND TRAINING

- All Corval staff undertook internal training, with a specific practical focus on education of modern slavery and familiarisation with our new policies, incident reporting as well as a refreshed training module on their general rights, obligations, and ways to access support where required.
- 16 Senior leaders & Directors undertook further training by completing the online *Anti-Slavery Australia* course.

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# THE IMPACT OF COVID-19

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As an essential provider of food and beverage products to the Australian market, we had to ensure Australian consumers' continuous access to pantry staple food items, whilst protecting the safety, health and

well-being of all of our staff. Accordingly a significant amount of our available resource was focussed on those measures and due to the constraints in time and resource there were some time delays in completing some of our target activities for this first reporting period, such as the completion by overseas suppliers of our Supplier Audit Program as well as a delay in completion of our internal staff training.

Due to the restrictions on travel as set by the relevant governments, we have been limited in conducting on-site visits of our suppliers, although regular communications via phone, email and video conferencing have continued.

Protecting and supporting our staff during this unprecedented period was paramount and Corval Group adapted our ways to facilitate staff working remotely from home as soon as and wherever possible, as well as supporting their need for greater flexibility and understanding of constraints. Simultaneously, Corval Group introduced new systems and procedures at our offices and warehouses to ensure the highest level of safety for those staff members who continued to work onsite.

Further, Corval Group issued frequent communications and education notices, together with details of available support. Corval Group also conducted multiple 'pulse checks' with all employees and launched a company-wide emotional and mental program, including The Resilience Project sessions with Hugh Van Cuylenburg, support of FareShare's Footsteps Challenge, and online entertainment and engagement activities to support those staff members feeling isolated such as online cooking events with comedian and chef, Ivan Aristeguieta.

Corval Group recognised the sudden adverse impact of the COVID-19 pandemic on customers, particularly foodservice customers and worked with them to extend payment terms and discount invoices. Similarly, Corval Group considered the position of suppliers and honoured all contracts with no requests for reduction in payment amounts or terms or pressure on pricing of future contracts (save for one instance with one supplier of 'business as usual' negotiations and in no way connected with COVID-19)

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## REMEDIATION & EVALUATING THE EFFICACY OF OUR ACTIONS

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In the unfortunate event Corval Group suspects the occurrence of modern slavery within our supply chain, we are prepared to work with urgency and immediately carry out or enforce corrective measures. We will

- engage with the supplier and seek constructive dialogue and remediation of the incident; and
- set clear KPIs to monitor the effectiveness of the steps taken to ensure that no further modern slavery incidences occur.

Where any gross violation of human rights is identified, including modern slavery incidences, Corval Group may immediately initiate action to remove the supplier from the supply chain temporarily and/or cease business dealings entirely.

Where a suspected incident has occurred within our own direct operations, any employee involved may face disciplinary action and/or dismissal.

In all instances, Corval Group may also report the incident and the offending party to the relevant authorities.

**At the time of this report, based on the processes we have in place as well as the review of the Product Supply Audit results, no incidences of modern slavery were identified.**



However through the completion of the Product Supply Audit process, we were able to make some recommendations to some of our smaller overseas supplier for some policies and processes they may implement to improve their risk mitigation of the occurrence of modern slavery incidences in their supply chain.

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## FUTURE DEVELOPMENTS

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We recognise that modern slavery is a complex area with problems often hidden from our view in secondary tier supply levels. We will continue to work closely with our suppliers, customers and other stakeholders to ensure we achieve continuous improvement in our approach, transparency and influence on our supply chain.

In future reporting periods, we will focus on expanding our auditing program to further product suppliers of Conga Foods, to suppliers of DC Coffee and Pakval as well as those suppliers in common across the Corval Group entities of products and services (such as corporate services procurement, contract cleaning, office equipment and logistic providers), so as to ensure that all suppliers and service providers uphold our same ethical standards, values and product quality.

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## APPROVAL

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This statement has been made on behalf of the Corval Group as well as other controlled entities of Corval Group. All entities operate under a common set of governance policies and programs. A process of consultation across Corval Group and its reporting entities helped to guide the drafting of this statement. This included engagement with the Executive leadership team, the General Managers of each of the reporting entities, the People and Culture team.

This statement was approved by the Board of Directors of Corval Group on 18 February 2021.



**David Valmorbida**

**Executive Chairman  
Corval Group Pty Ltd**