

MODERN SLAVERY STATEMENT



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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 2022 to 30 June 2023.

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. At Countrywide our behaviours and actions are guided by our core values (Honest, Respectful, Collaborative, Service Orientated and Passionate.) These values inform the way we treat our customers, members and suppliers, as well as each other.



Honest
we act with integrity and trust by doing the right thing



Respectful
we actively listen and care about other opinions



Collaborative
working together by being team focused



Service Orientated
agile, innovative and customer first



Passionate
committed, invested and solution focused

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).

The Countrywide Board is comprised of 2 independent directors, 4 Member directors

(elected by their region) and 1 board appointed Member Director.

Our executive leadership team, though small in size, is committed to maintaining close proximity to both our business operations and the decision-making processes that significantly impact our stakeholders. Their actions and decisions are guided by the company's core values, reinforcing a culture where ethical practices, continuous improvement and team work are not just encouraged, but expected.

3. OUR BUSINESS

Countrywide is a wholly owned Australian company that uses a co-operative business model to create scale for its network of independent food distributors (many of which are family businesses) servicing a wide variety of food services operators including:



Cafes and Restaurants



Pubs and Clubs



Hotels and Motels



Health and Aged Care Facilities



Schools and Educational Institutions



Takeaways, Fast Food Outlets and Pizza Shops



Caterers



Bakeries

4. MODERN SLAVERY RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

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 250 suppliers.

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 FY23, Countrywide engaged directly with 135 suppliers, and its 102 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:

- 135 operate in Australia
- 21 have a revenue over \$100 million;
- 135 manufacture or acquire goods outside of Australia or have employees or contractors based outside of Australia.
- Overall, the majority of our suppliers are frequent and contracted suppliers

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 95) 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. 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.
- Customer Contract Engagement.
- Partner Engagement.

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 provisions we request for inclusion in our supplier agreements to ensure that Modern Slavery risks are being addressed and controlled.

The failure by a supplier to meet our standards or comply with our due diligence process may put at risk their ability to continue to do business with us and will be addressed on a case by case basis.



MEMBER DUE DILIGENCE

When considering an application to become a Member of Countrywide, a thorough due diligence process is crucial to ensure alignment with our values, standards, and operational requirements. The process begins with a comprehensive review of the prospective member's business profile, including their financial health, market reputation, and compliance with industry regulations. This is followed by an assessment of their logistical capabilities and distribution efficiency to ascertain their ability to effectively integrate into our network.

Since Members form part of our operations and in the case of Members servicing Countrywide national customer contracts, our supply chain, all new Members are required to confirm compliance with our Ethical Sourcing Policy and complete our supplier due diligence questionnaire. In addition, Members servicing national customer contracts must sign a Member Services Agreement that includes provisions to ensure compliance with all applicable laws, including the Modern Slavery Act (2018).

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 and Code of Conduct 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 COMMITMENT

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.

In 2019, the Board commissioned a report by Directors Australia to review Countrywide governance practices and make recommendations for improvements. While some recommendations were delayed due to the advent of the Covid 19 pandemic, all of the recommendations have now been implemented. 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.

RECRUITMENT

Countrywide uses external human resources provider (Human Outsource) to ensure compliance with all relevant employment 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.

7. 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 and regular reviews by the Finance, Risk and Audit Committee, to ensure the effectiveness of the actions taken.

In recognition of the new need for a more structured due diligence framework to identify and address modern slavery risks, during the last reporting period the Board approved a Modern Slavery Risk Management Procedure to direct and support its compliance initiatives.

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

8. CONSULTATION AND APPROVAL

Countrywide does not own or control any other entities.

9. FUTURE STEPS AND REMEDIATION

As we progress into our fifth reporting year and beyond, we remain committed to ethical procurement and managing modern slavery risk in an evolving political and regulatory environment. Our future steps to mitigate the risk of trafficking, exploitation and slavery will continue to include the following:

- Review of our procurement practices and procedures to ensure that appropriate due diligence is being conducted in accordance with the level of risk;
- Review of our preferred supplier arrangements to ensure minimum standards are being met.
- Review of and updates to, our online training modules to ensure employees responsible for managing procurement understand and are compliant with human rights obligations.
- Education of our Members to raise awareness of the need for them to manage 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, using this information to inform and refine our purchasing decisions;
- 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
 - Encourage incident reporting and protect whistle-blowers

10. BOARD APPROVAL

This statement was prepared in conjunction with the executive leadership team members responsible for business operations and reviewed and approved by the Countrywide Board of Directors on 7 December, 2023. This statement will be reviewed annually.



GRANT HARROD
(Chairman)
COUNTRYWIDE AUSTRALASIA LIMITED

Date: 7 December 2023



