

ETHICAL SOURCING & MODERN SLAVERY POLICY



Policy Name: Ethical Sourcing & Modern Slavery Policy
Implementation: Group
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WHO THIS POLICY APPLIES TO: This Policy applies to Australian Country Choice ("ACC") Group and businesses it owns or controls.

PURPOSE: The business community has a critical role in respecting and promoting human rights and eradicating "modern slavery" which includes the crimes of human trafficking, slavery and slavery-like practices such as servitude, forced labour, forced or servile marriage, the sale and/or exploitation of children and debt bondage.

The *Modern Slavery Act 2018* (Cth) came into effect from 1 January 2019. It requires ACC Group to make annual public reports on the actions of its businesses to address modern slavery risks in our operations and supply chains.

The purpose of this Policy Statement is to ensure that the ACC Group of companies:

- is adhering to local, national and other applicable laws and regulations in the areas in which the business operates relating to *Modern Slavery Act 2018* (Cth);
- sources products and services in accordance with our legal obligations and community expectations while working with "Suppliers" (being factories, supplier sites and providers of goods and services to ACC Group, including its businesses) to improve their social and environmental practices; and
- act to prevent, mitigate and where appropriate, remedy modern slavery in operations controlled by ACC Group and its businesses ("Operations") and suppliers and service providers to ACC Group and its businesses ("Supply Chains").

1. BACKGROUND

ACC Group recognises that modern slavery is a complex and growing problem; and is best addressed by a collective commitment and responsibility to end it. We are committed to working with all of our stakeholders to fulfil this common goal.

If we find instances of this Policy Statement being breached or otherwise not fully conformed with, we will act as quickly as practicable to remedy adverse impacts on our workers, individuals or communities and we will engage directly with affected stakeholders.

2. APPLICATION

- (a) All ACC business units and/or divisions must adopt procedures to ensure ACC is addressing modern slavery and ethical sourcing risks in its Operations and Supply Chains in a way that is appropriate for the relevant business unit or division.
- (b) Each ACC business unit and/or division must, as far as practicable, include in its operational and Supplier contract terms, requirements that Suppliers comply with all



local, national and other applicable laws and regulations in the areas in which they operate.

- (c) Each ACC business unit and/or division must, as far as practicable, use in its operational and supplier contract terms requirements that suppliers:
 - (i) comply with the **Minimum Standards** as set out in **APPENDIX A** (“**Supplier Code of Conduct**”) of this Policy Statement; and
 - (ii) provide the business unit/division with rights of termination if the Supplier is unable or unwilling to work toward full compliance with the Minimum Standards.
- (d) As far as practicable, Suppliers must be:
 - (i) encouraged to exceed the Minimum Standards and promote best practice and continuous improvement; and
 - (ii) monitored for compliance with the Minimum Standards through Supplier assessment processes as appropriate for the business unit/division taking into account all relevant risk factors such as country risk and product risk.
- (e) Each business unit and/or division must monitor and review the effectiveness of the procedures referred to in **Section 2(a)** above, taking into account their suitability, adequacy and effectiveness in accordance with the risk assessment.
- (f) Each business unit/division must implement an approach to modern slavery that conforms to the ACC Group Guideline in **APPENDIX B** to this Policy.

3. ANNUAL PUBLIC REPORTING

The *Modern Slavery Act 2018* (Cth) requires us to publicly report on our actions to address modern slavery annually.

The annual report must be approved and signed by the ACC Board.

The annual report is required to be provided to Australian Border Force to be included on the central register at which time it is published for public accessibility.

4. POLICY AMENDMENT

This Policy cannot be amended or otherwise altered without approval of the ACC Board.

The ACC Board is responsible for oversight of ethical sourcing and modern slavery commitments and will review this Policy regularly to ensure its continuing relevance and reflection of community expectations.

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ETHICAL SOURCING & MODERN SLAVERY POLICY



DOCUMENT CONTROL

Document Owner Group General Counsel

Signed:



Trevor Lee – Director

23 April 2021

Date

Version No.	Issue Date	Reason for Change
1.0	April 2021	New Policy



Appendix A – Minimum Standards

Supplier Code of Conduct

1. Background

Supplier's performance and adherence to high business standards is an important and integral part of the value chain for Australian Country Choice. Notwithstanding the obligations of the *Modern Slavery Act 2019* (Cth), Australian Country Choice promotes and expects the application of high legal, ethical, environmental and employee related standards within our own business and among our suppliers.

2. Compliance with laws

The Supplier shall comply fully with all laws and regulations applicable to it.

3. Human Rights

Australian Country Choice expects Supplier, and their subcontractors, to respect the rights of its and their employees and to comply with all relevant legislation and regulations. This should include wages, benefits and working conditions. Exploitation of child labour or of any other vulnerable group is totally unacceptable to Australian Country Choice.

3.1 No forced or bonded labour

Employment shall be freely chosen. Suppliers shall:

- (a) not use any type of forced labour (any work or service extracted from any person under the menace of any penalty, which work has not been freely chosen by the person), bonded labour (work which is not for compensation received by the worker, but to repay a debt, which is often incurred by another person offering the worker's labour in exchange) or indentured labour (in which an employer forbids workers from leaving employment at the worker's discretion);
- (b) respect the freedom of movement of their workers and not restrict their movement by controlling identity papers, holding money deposits or taking any other action to prevent workers from terminating their employment; and
- (c) ensure that workers are free to leave their employer after reasonable notice.

3.2 Wages, benefits and transparent record keeping

- (a) Suppliers must comply at a minimum with all laws regulating local wages, overtime compensation and legally mandated benefits.
- (b) Record keeping must be accurate and transparent.
- (c) Workers must be provided with written and understandable information about their employment conditions before they enter employment and about their wages for each pay period.
- (d) Deductions from wages for disciplinary measures or any deductions from wages not provided for by law shall not occur without the express permission of the worker concerned.
- (e) All disciplinary measures should be recorded.

3.3 Working hours

- (a) Working hours must comply with applicable local laws.



- (b) Workers should not be required to work more than the maximum hours per week as stipulated by local laws or in the absence of such law by the applicable International Labour Organisation (“ILO”) convention.
- (c) Overtime shall be agreed, shall not be excessive, shall not be requested on a regular basis and shall be compensated as prescribed by applicable local laws.

3.4 Working conditions

- (a) Suppliers shall provide a safe and hygienic working environment that is without risk to health, taking into consideration knowledge of the relevant industry and any specific hazards.
- (b) Supplier must ensure that it and/or its suppliers abide by all local laws, directives and regulations relating to health and safety in the workplace or in any other location and that it implements any amendments to these laws, directives or regulations.
- (c) Workers shall receive adequate and regular training to perform their jobs in a safe manner. Personal protective equipment and machinery safeguards shall be supplied, and workers trained in their use.
- (d) Where suppliers provide accommodation it shall be clean, safe and meet the basic needs of workers. Workers will have access to clean toilet facilities, clean drinking water and, where appropriate, sanitary facilities for food storage and preparation.
- (e) Workers have the right to refuse work that is unsafe.

3.5 Migrant workers

- (a) Migrant workers shall have the same entitlements as local workers as stipulated by local law.
- (b) Any commissions and other fees in connection with employment of migrant workers must be covered by the employer.
- (c) The employer must not require the worker to surrender identification documents.
- (d) Workers employed through a third-party agent or contractors are the responsibility of the suppliers and are therefore covered by this Supplier Code of Conduct.

3.6 No child labour

- (a) Suppliers shall comply with the minimum legal working age in the country in question or in the absence of such law, by the ILO Convention 138.
- (b) Suppliers must be able to verify the age of all employees to ensure compliance.
- (c) Suppliers must accept the principles of remediation of child and underage workers, and where such labour is discovered suppliers must establish and implement appropriate remediation for such workers and introduce effective systems to prevent the use of child labour in the future.

For the purposes of this section:

“**child labour**” is defined as any work by a child or young person, which does not comply with the provisions of the relevant ILO standards, and any work that is likely to interfere with that person’s education, or to be harmful to that person’s health or mental, spiritual, moral or social development.

“**child**” (or Children) is defined as a person under the age of 15, or below the age at which school attendance is not compulsory under local law, whichever is older.

“**young person**” is defined as a person under the age of 18 but not classified as a child.

“**principles of remediation**” is defined as a program enabling children and underage workers to return to quality education and establish and implement effective systems to prevent the use of child labour in the future.

3.7 No discrimination

- (a) All conditions of employment must be based on an individual’s ability to do the job, not on the basis of personal characteristics, such as gender, ethnic origin, religion, age, disability, personal beliefs, marital status, sexual orientation, union membership or political affiliation.
- (b) Suppliers must ensure that they provide an environment where their employees can work without distress or interference caused by harassment, discrimination or any other inappropriate workplace behaviour.

3.8 No harassment or abuse

Workers shall be treated with dignity and respect. In particular, suppliers will provide a workplace free from harassment, including physical, sexual, verbal or visual behaviour that creates an offensive, hostile or intimidating environment.

3.9 Freedom of association, grievance mechanisms and recourse

- (a) Suppliers shall respect the rights of workers to lawfully associate or not to associate with groups of their choosing, as long as such groups are legal in the country of operation.
- (b) Workers should have the right to join or form trade unions of their choosing. Suppliers should not interfere with, obstruct or prevent legitimate related activities, such as collective bargaining. Workers are allowed to select worker representatives. Representatives should not be discriminated against and should have regular access to company management or appropriate process in order to address grievances and other issues.
- (c) Suppliers must have a policy in place for workers to approach management on issues of concern, on their own or through worker representatives, confidentially.

3.10 Hiring and regular employment

- (a) Suppliers must provide each worker with a clear, understandable labour contract containing all legally required employment terms, entitlements and conditions.
- (b) Where possible, suppliers should work towards providing permanent employment for workers and avoid labour-only contracting arrangements, consecutive short-term contracts, excessive piece-work or false apprenticeship schemes to avoid obligations of regular employment to workers.

4. ENVIRONMENTAL COMPLIANCE

- (a) Australian Country Choice expects Supplier to demonstrate a clear understanding of the environmental risks, impacts and responsibilities associated with the products and services they provide.
- (b) Supplier should have in place an effective environmental policy, statement or program to mitigate these risks, the implementation of which should be evident throughout all levels of its organisation.
- (c) Supplier should have processes in place to ensure its operations conform to all national and other applicable environmental legislation. All required environmental



permits, approvals and registrations are to be obtained, maintained and complied with in accordance with the conditions and requirements defined therein.

- (d) Environmental performance should be measured, monitored and reviewed regularly. Supplier should endeavour to make continuous improvements in environmental performance through practicable measures and employ best practice where possible.
- (e) Supplier should make practical efforts to minimise the use of energy, water and raw materials. Where possible, these should be renewable or sustainably sourced. Emissions to air likely to cause pollution or contribute to climate change should be monitored, controlled and minimised where possible.
- (f) Supplier shall make practical efforts to eliminate or reduce levels of waste generated and should re-use and recycle waste materials wherever possible. The handling, storage, movement, treatment and disposal of all waste must be carried out in accordance with applicable regulation and in an environmentally responsible manner.
- (g) Supplier should consider the environmental credentials and performance of vendors within their own supply chain and require them to operate to a minimum set of standards.
- (h) Products and services provided to Australian Country Choice should include options that offer reduced environmental impact by utilising environmentally sound technologies, processes and sustainable materials etc.

5. ANIMAL WELFARE

Suppliers must ensure animals are treated humanely, with respect and, at a minimum, in accordance with applicable standards.

6. ETHICS

- (a) The highest standards of integrity are expected in all our business dealings. Any and all forms of corruption, extortion, bribery and embezzlement are strictly prohibited and may result in immediate termination and legal action.
- (b) Bribes, favours, benefits or other similar unlawful or improper payments, in cash or in kind, are strictly prohibited, whether given to obtain business or otherwise.
- (c) Supplier is expected to understand Australian Country Choice's gift and hospitality policies before offering or providing Australian Country Choice personnel or representatives with any gift and/or business entertainment. Gifts or entertainment should never be offered to Australian Country Choice personnel or representatives under circumstances that create the appearance of impropriety.
- (d) Supplier must comply with all applicable trade control laws and regulations in the import, export, re-export or transfer of goods, services (including software and technology). All invoices and any customs or similar documentation submitted to Australian Country Choice or governmental authorities in connection with transactions involving Australian Country Choice must accurately describe the goods and services provided and the price thereof.
- (e) Supplier shall not share or exchange any price, costs or other competitive information or undertaking of any collusive conduct with any other third party to Australian Country Choice with respect to any proposed, pending or current Australian Country Choice procurement.



- (f) Suppliers shall keep accurate records of all payments made and received in cash or in kind, for audit purposes.

7. Sub-contracting

Where sub-contracting is permitted, suppliers must have adequate processes in place for properly managing sub-contracting to ensure that subcontractors:

- (a) operate in accordance with this Supplier Code of Conduct;
- (b) any applicable Australian Country Choice policy; and
- (c) perform strictly in accordance with the terms of the applicable Supplier agreement with Australian Country Choice.

8. Monitoring

Australian Country Choice expects that Supplier will actively audit and monitor its day-to-day management processes to ensure compliance with the Supplier Code of Conduct.



Appendix B

Modern Slavery Risk Management Guidelines – ACC Group

- 1. Accountability for modern slavery issues, with an identified risk owner**
 - (a) Divisions/business units acknowledge that they are accountable for addressing modern slavery issues in operations and supplier contracts.
 - (b) Each division/business unit will nominate a specified individual or role to be responsible for co-ordinating management of this risk.
- 2. Supply chain mapping and risk assessment**
 - (a) Divisions/business units must assess the risks of modern slavery across their operations.
 - (b) The risk assessment must initially address the modern slavery risks of Tier 1 Suppliers and then assess those suppliers beyond tier 1 who are determined by the division/business unit to be high risk.

For the purposes of this section:
"Tier 1 Suppliers" is defined as those Suppliers to supply goods or services directly to a business unit or division.
- 3. On-boarding and contracting**
 - (a) Divisions/business units must perform due diligence on new suppliers to determine their risk level and control procedures in relation to ethical sourcing and modern slavery as appropriate for its business.
 - (b) The division/business unit must have a process in place to consider the supplier's ethical sourcing and modern slavery performance during the supplier on-boarding.
- 4. Audit and compliance programs**
 - (a) Divisions/business units must assess suppliers through their audit/compliance program to confirm compliance with this Policy.
 - (b) The division/business unit should involve relevant personnel or external providers trained in conducting audits when required.
- 5. Training**

Divisions/business units must ensure that team members with relevant roles in relation to the Policy receive adequate training on the policy and any supporting processes applicable to their role.
- 6. Complaints mechanism**
 - (a) Divisions/business units must have an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery which allows for confidential and anonymous reporting and provides protection from reprisal. There must be clear processes for investigating and reporting on the issues raised through the reporting mechanism.
 - (b) All matters must be notified to the ACC Group General Counsel.
- 7. Remediation**

Divisions/business units must be committed to working with suppliers to remediate any breaches of this Policy.



8. Stakeholder engagement

- (a) Divisions/business units must have an approach to stakeholder engagement in place.
- (b) ACC Group will undertake a group-wide engagement process on a periodic basis to promote cohesion of approach, adequacy of training, policy review and data gathering to facilitate reporting (including complaint and compliance/audit issues assessment).

9. Review

- (a) Divisions/business units must monitor and annually review the effectiveness of the risk management measures described above.
- (b) Such monitoring and review outputs are to be provided to ACC Group as part of the annual reporting preparation and lodgement process.