

18 December 2017

RESPONSE TO RECENT MEDIA COVERAGE

Retail Food Group (RFG) notes the most recent Fairfax Media claims about its business and maintains its position that this coverage it does not accurately reflect its current business, its proactive efforts to better assure employee entitlement compliance and the levels of support it provides to franchisees.

RFG has no evidence of any widespread franchisee non-compliance with employee entitlement payments. Since Fairfax Media published its initial article on 9 December 2017, RFG has received just one telephone enquiry through its support hotline from an employee, which it is investigating. RFG's franchisee network employs more than 10,000 employees.

RFG accepts isolated incidents, whether intentional or through payroll error, do occur. It goes without saying that RFG takes any allegation or complaint of employee underpayment extremely seriously and diligently investigates with a view to remediating any genuine entitlement underpayment.

RFG has, for some time, implemented a number of proactive steps to better assure employee entitlement compliance. Contrary to media reporting, the facts regarding RFG's Employee Entitlement Compliance and Monitoring measures are:

- RFG takes a disciplined approach to wage non-compliance within its franchise systems;
- In recent years, RFG has implemented numerous initiatives to support and drive employee entitlement compliance. A key focus is education and preventative action – providing franchisees with the skills and information necessary to ensure they comply with requirements. These initiatives include the RFG Foundations program, which has been developed in collaboration with the National Retail Association (NRA), facilitating access to employment tools, workplace relations and legal advice, a national toll free workplace advice line and online resource portal;
- These activities are complemented by a structured audit regime focused on identifying and remediating noncompliance; and
- To provide further assurance, and as previously disclosed, RFG appointed Deloitte to undertake an external review of its Employee Entitlement Monitoring and Compliance Framework.

ENDS

For further information, interviews or images contact:

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About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Australia. The Company is owner of the Donut King, Brumby's Bakery, Michel's Patisserie, bb's Café, Esquires, Gloria Jean's Coffees, It's A Grind, The Coffee Guy, Café2U, Pizza Capers and Crust Gourmet Pizza Bar Brand Systems, and is a significant wholesale coffee roaster supplying existing Brand Systems and third party accounts under the Di Bella Coffee Co. As well, RFG is an emerging leader in foodservice, dairy processing and wholesale bakery pursuits, operating the Hudson Pacific Foodservice, Associated Foodservice, Dairy Country and Bakery Fresh businesses. For more information about RFG visit: www.rfg.com.au