



MODERN SLAVERY STATEMENT FY23

HAZELDENE'S CHICKEN FARM PTY LTD

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1 Introduction

This statement is prepared as a joint statement on behalf of HCF Holdco Pty Ltd (ACN 653 844 181), HCF Midco 1 Pty Limited (ACN 653 844 805), HCF Midco 2 Pty Limited (ACN 653 845 366), HCF Bidco Pty Limited (ACN 653 847 388) and Hazeldene's Chicken Farm Pty Ltd (ACN 004 381 346) (collectively, **Hazeldenes**) under section 14 of the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2022 to 30 June 2023.

Hazeldenes is committed to reducing the risks of modern slavery in its operations and supply chain. Hazeldenes recognises that fulfilling this commitment will require taking proactive and meaningful action, and Hazeldenes has outlined in this statement the steps it is taking to address modern slavery.

2 Hazeldenes' Structure, Operations and Supply Chain

2.1 Structure

The Hazeldenes reporting entities are each Australian proprietary companies limited by shares with a principal place of business in Lockwood, near Bendigo in Central Victoria. Hazeldenes operates under "Hazeldene's Chicken Farm" or the abbreviated "Hazeldenes". Hazeldenes has wholly owned subsidiaries within the Hazeldenes' corporate group.

Hazeldenes commenced operations in 1938 (incorporated in 1957) and has been growing since. Continuous development and investment over 80 years has put the business at the forefront of poultry production in Australia. Hazeldenes operates a vertically integrated network including farms (both owned and contracted) as well as hatching, rearing and processing facilities located throughout Central Victoria. The business has a large workforce of people in regional Victoria. Employees undertake a range of functions including farming, hatching, processing, packing and administration.

2.2 Operations

Hazeldenes' business activities encompass the entirety of the poultry processing cycle, including rearing and laying, hatching, feeding, processing, packaging and distribution. Administrative activities support this cycle and the business has a number of employees in management, legal, procurement, human resources, accounts, sales, engineering, administration and risk and compliance roles, who manage day-to-day operations.

Further information on Hazeldenes' principal business activities is available on the business' website: <https://www.hazeldenes.com.au>.

2.3 Supply Chains

Hazeldenes has over 700 suppliers, with Tier 1 suppliers predominately located in Australia but with some material suppliers having their primary location in Europe or North America.

Goods and services procured by Hazeldenes include, but are not limited to, chicken feed and the associated freight to transport feed to farms, chickens, and services procured to transport chickens from farming to production. Plant and equipment, uniforms, ingredients for value-added products and packaging are key goods procured to support production.

Cleaning, veterinarians, laundry and other services are also procured to support business operations across the value chain.

The business' plant and equipment is predominantly imported from Europe. IT equipment and services are procured from the United States, Canada and Europe, as well as domestically in Australia.

Given the nature of Hazeldenes' business activities, many of the arrangements Hazeldenes has with its suppliers are stable and long-term, as products and services are generally acquired on an ongoing basis. Examples of long-term arrangements include feed milling, packaging and freight, among others.

3 Assessing risks of modern slavery

In assessing the risks of modern slavery, Hazeldenes gives consideration to the following types of risks of modern slavery:

- **Commodity risks:** certain products and services are associated with elevated risks of modern slavery because of risks inherent in the raw materials used in manufacturing or producing these goods or supplying these services.
- **Industry or sector risks:** suppliers may operate in sectors or industries that are known to be inherently high risk for modern slavery. These could include agriculture (such as live bird-catching), commercial cleaning and laundry services, meat processing and logistics services, including freight and distribution.
- **Geographic risks:** some goods or services may come from jurisdictions associated with a particularly high risk of modern slavery practices as indicated by the Global Slavery Index.
- **Workforce risks:** some categories of personnel can be more vulnerable to modern slavery practices both overseas and within Australia. For example, migrant workers, base-skilled workers and workers employed through labour hire arrangements can be more vulnerable to modern slavery practices.

Previously, Hazeldenes had undertaken a high-level risk assessment to identify risks of modern slavery practices within its operations and supply chain, and within the operations and supply chains of wholly-owned subsidiaries.

In this reporting period, Hazeldenes undertook a further in-depth risk assessment by identifying and categorising its major categories of spend. These categories were then assessed against a risk matrix which considered industry risks (involving a concomitant assessment of associated commodity risks and workforce risks) with geographic risks.

Hazeldenes has identified a number of categories of first tier suppliers of goods and services that present higher risks of possible modern slavery practices.

3.1 Poultry feeds

As a poultry producer, Hazeldenes invariably purchases large volumes of poultry feed. Supply chains for the ingredients used in production of the business' poultry feeds may carry heightened risks of modern slavery because of possible practices which may be associated with some ingredients used in feeds.

3.2 Inputs to value added chicken products

The pre-made sauces and marinades in Hazeldenes' value added chicken use ingredients that may have exposure to the risk of modern slavery in their production given the jurisdictions from which they are often sourced (South America, East and Central Asia) can have limited regulation of working conditions or legislative protections for workers' rights, and a high reliance on foreign workers.

As part of Hazeldenes' commercial relationships with some supermarket chains, the business is required to source some of the ingredients used in its value added chicken products from the retailers' own suppliers. These retailers submit their own modern slavery statements under the Act which set out how these retailers assess and address the risks of modern slavery in their supply chains.

3.3 Workforce/labour

The live agriculture and meatworker industries in Australia carry some elevated risks of modern slavery due to the low skilled nature of the work, location and prevalence of migrants or foreign nationals. Modern slavery in the Australian live agriculture sector is well-documented, however similar risks can be present in other labour-based industries such as security services and commercial cleaning industries.

Due to the nature of its operations, Hazeldenes utilises labour to perform a number of services from a wide range of sources, from direct employment to contractors to labour hire arrangements. Workforce/labour risk is the core focus for Hazeldenes in its efforts to minimise modern slavery risks.

3.4 Personal Protective Equipment (PPE)

As a company which produces and processes poultry products, Hazeldenes is reliant on PPE and protective clothing to ensure the business' products and operations meet the highest applicable health and safety standards, and importantly, to protect its workforce.

While Hazeldenes' PPE suppliers are currently all located in Australia, it is understood that a large portion of the PPE and protective clothing procured is likely imported from overseas jurisdictions with higher modern slavery risks.

3.5 Logistics services

Freight distribution, including shipping, is known to be a higher risk industry for modern slavery practices due to the intersection of overseas jurisdictions with less regulation, legislative protections and oversight of workers' rights, and reliance on foreign workers and labour hire arrangements.

While Hazeldenes predominantly uses Australia-based logistics services for its direct freight needs, additional risks may be located in the lower tiers of these suppliers' value chains (for example any products that are imported via sea).

3.6 Other

Hazeldenes acknowledges that many other products procured by Hazeldenes in the course of its operations are manufactured using raw materials that may carry inherent risks of modern slavery. The business acknowledges that, as a result, modern slavery may occur in lower tiers of the supply chain for these items.

4 Actions to address the risks of modern slavery in Hazeldenes' operations and supply chain

4.1 Hazeldenes' governance structure and policies and processes

Hazeldenes acknowledges that one of the key steps to effectively address modern slavery risks in its operations and supply chain is ensuring appropriate governance and policy frameworks are

established. Hazeldenes has the following governance structure, policies and processes in place which assist the business to assess and address the risks of modern slavery in operations and its supply chains.

(a) Hazeldenes' governance structure

In this reporting period, a modern slavery project committee was established for the purpose of specifically and fulsomely discussing and managing modern slavery risks in Hazeldenes' supply chain. Its members comprise the Chief Executive Officer, Chief Financial Officer, General Manager of Human Resources, General Manager of Risk and Compliance, General Manager of Supply Chain and the General Counsel. This project committee also provides updates to the Board as appropriate.

The project committee has arranged for third party advisers to provide a training session to all members of Hazeldenes' Senior Leadership Team on modern slavery risks, the legislative framework which surrounds it and practical tips for how such risks can be managed. This session is scheduled to occur in the subsequent reporting period (FY 23-24) and will be discussed further in that period's statement.

In addition, on the recommendation of the project committee, accountability for ensuring that Hazeldenes understands the risks of modern slavery and remains committed to minimising its presence in the business' supply chain has been added to the position descriptions of applicable members of the Senior Leadership Team.

(b) Policies

Social Responsibility and Ethical Sourcing Policy

Hazeldenes has a Social Responsibility and Ethical Sourcing Policy which sets out the business' commitment to ensuring that employees and agents display ethics and integrity in the course of their employment or engagement. The scope of this Policy applies to all Hazeldenes employees and contractors on all Hazeldenes sites. In addition, the Policy explicitly addresses Hazeldenes' expectations that equivalent standards are upheld by its suppliers, contractors, and business partners. The Policy focuses on employment practices and modern slavery risks by requiring Hazeldenes and its contractors/suppliers to comply with all local laws and regulations regarding labour and employment (including the prohibition on child labour, illegal labour, and forced/bonded labour).

Code of Conduct

In addition, Hazeldenes also has a Code of Conduct, which empowers employees and labour hire providers to report grievances, including those relating to modern slavery risks. The Code of Conduct contains an escalation process which employees and labour hire workers can use to escalate concerns.

In this reporting period, Hazeldenes commenced a process of reviewing its Code of Conduct to determine if it is still suitable or whether a refresh would be appropriate or desirable. In conducting this process, Hazeldenes also gave consideration to creating a separate code of conduct specific to suppliers, which is something the business may explore further in subsequent reporting periods.

Whistleblowing hotline

Hazeldenes has in place a whistleblowing hotline which enables employees and other workers on site to make anonymous reports, including in relation to breaches of the Code of Conduct. Hazeldenes aims to empower employees, labour hire workers and others within its supply chain

to raise concerns around modern slavery and other poor labour practices, so these may be reviewed and addressed.

Regular communications in Hazeldenes' internal mail systems, notices and posters displayed in strategic locations around its sites, including lunch rooms, make employees and labour hire workers aware of the hotline service.

In this reporting period, Hazeldenes also arranged for notices and informational posters relating to the hotline service to be issued to its contract farms for display to their staff so that any issues at those sites could also be reported confidentially and anonymously to Hazeldenes.

Next steps

Hazeldenes is committed to taking proactive steps to ensure its governance framework, policies and processes are fit-for-purpose to assess and address modern slavery risks that may manifest within the business' operations and supply chain. Accordingly, in the next three reporting periods Hazeldenes intends to:

- continue to review existing workplace policies and procedures to assess their appropriateness and effectiveness to identify, assess and address modern slavery risks in the business' operations. This may include formally documenting its modern slavery risk management program in a standalone policy or as part of a code of conduct for employees and suppliers; and
- continue to review the business' procurement processes and, where appropriate, establish or formalise procurement procedures and policies which embed consideration of modern slavery risks and mitigation measures, which may include developing a supplier code of conduct or supplier minimum standards to be incorporated into supply agreements.

4.2 Due diligence processes

Hazeldenes recognises that in an era of globalisation where supply chains commonly traverse numerous jurisdictions, the scale of modern slavery practices in potentially all supply chains is both considerable and pervasive. As such, in order to be able to better drive meaningful mitigation of such risks, Hazeldenes has determined to concentrate its efforts on those areas of its operations and supply chain which constitute major categories of spend; this allows Hazeldenes to attempt to leverage its commercial influence to effect change.

Moreover, following its assessment of risks exposure, Hazeldenes considers that a core area of focus, and one in which it has a higher likelihood of being able to generate impactful change, is in its use of contracted labour particularly through labour hire. There are a number of factors which support this position, namely:

- the suppliers and the potentially impacted workers are on-shore in Australia, and thus cross-jurisdictional issues or an absence of visibility due to distance are less pertinent considerations;
- it is a category of major spend for Hazeldenes, and one in which often Hazeldenes has meaningful bargaining power in the relationship with the counterparty; and
- it is an area in which there may be fewer other stakeholders who may be similarly motivated to address any modern slavery practices.

As such, much of the efforts Hazeldenes has taken during this reporting period and which it intends to take moving forward will be in respect of this category. However, this will not be to the exclusion of all other major categories of spend.

Supplier onboarding

As part of the induction process for Hazeldenes' labour hire providers, the business undertakes due diligence regarding the providers' onboarding and employment practices. Prior to this reporting period, this due diligence process involved the supplier completing a questionnaire which sought details as to the supplier's operations and supply chain. Hazeldenes also verified that the labour hire provider is licenced by the Victorian Labour Hire Authority and otherwise complies with any other applicable labour licencing requirements and laws which operate to protect workers from exploitation.

In this reporting period, this due diligence process has been strengthened by:

- reviewing and refreshing where appropriate the questions in the questionnaire;
- updating the terms of Hazeldenes' supply contracts to more fully address labour hire concerns, and commencing a process of transitioning all labour hire providers to be engaged by way of this update contract;
- the preparation of a 'Labour Hire 101' guide for dissemination to the business to better inform all members of Hazeldenes who engage third party suppliers as to the nature of labour hire, the legal requirements that must be met in relation to same and how to better recognise a labour hire relationship; and
- embedding in the business an appreciation to conduct a 'sanity check' on the labour hire provider's fees to obtain some high-level comfort that the fees are plausible such that the supplier could be operating a lawful and viable business.

Auditing

Since 2017 Hazeldenes has been audited by Supplier Ethical Data Exchange (**SEDEX**) under the SEDEX Members Ethical Trade Audit (**SMETA**) Pillar 2 audit scheme, which assesses its operations to ensure the business are engaging in ethical trading practices. In October 2022, Hazeldenes completed a SMETA Pillar 4 audit. This audit focused on labour rights issues and the auditor had direct access to workers on the business' sites that are contracted through labour hire providers. There were no material non-conformances raised.

Personal Protective Equipment (PPE)

Another major category of spend for Hazeldenes, and one which has been identified as being a higher risk of modern slavery practices, is PPE. Hazeldenes has liaised with its suppliers to identify where the PPE products it procures are manufactured and is giving consideration as to whether any further additional, targeted due diligence is required in order to more fully assess and mitigate the risks of modern slavery arising in the lower tiers of this supply chain.

Next steps

As part of the development of Hazeldenes' modern slavery program the business is committed to implementing additional due diligence measures to ensure supplier onboarding embeds consideration of modern slavery risks. Accordingly, in the next three reporting periods Hazeldenes intends to:

- build on the major spend category risk analysis performed in this reporting period and develop a supplier questionnaire to be able to better assess the systems and processes adopted by key suppliers and how these may mitigate modern slavery risks. Hazeldenes intends to initially issue its proposed questionnaire to a smaller subset of suppliers in order to obtain early learnings which can then be used to refine the process before implementing it at a wider level;
- continue to review higher risk supplier arrangements and consider potential mitigation measures. This will include a review of contracts and supply arrangements with any key

suppliers identified as high risk and considering appropriate methods to address and mitigate modern slavery risks; and

- encourage labour hire providers to make available translated versions of material documents in the native language(s) of workers contracted through labour hire arrangements.

5 Effectiveness

Developing and implementing measures and frameworks to assess effectiveness will be undertaken in the next reporting periods. The measures and frameworks may include:

- monitoring the number of supplier contracts which incorporate modern slavery clauses and/or supplier minimum standards or a supplier code of conduct, including as part of contract renewal processes and on-boarding processes for new suppliers;
- monitoring the completion of modern slavery training by relevant Hazeldenes' staff; and
- establishing a periodic review process to evaluate the actions Hazeldenes and its suppliers are taking, to ensure the business' policies and procedures to assess and address modern slavery risks are fit-for-purpose and effectively operationalised.

6 Consultation

In preparing this statement, Hazeldenes has involved key personnel across the business, including those of its wholly owned subsidiaries, who have responsibility for procurement, operations, human resources, legal, risk and compliance as well as senior members of executive management. It has also sought advice from external third parties to better inform its analyses and mitigation strategies.

This Modern Slavery Statement was approved by the Board of HCF Holdco Pty Ltd as the parent entity of the Hazeldenes group for the purpose of the Act, on 15 November 2023.

Signed by



Anthony Girgis
Chief Executive Officer
Hazeldenes

Signed by



Simon Harle
Chair of the Board
Hazeldenes