



Baiada

Modern slavery statement

2022-23 financial year





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1 Introduction

This Modern Slavery Statement reports against the previous commitments made to address modern slavery risks outlined in the Statement submitted by Baiada Pty Limited in 2021-2022 in accordance with the *Modern Slavery Act 2018* (Cth) (the "Act").

This is again a joint statement that has been prepared by, and made on behalf of, Baiada and its wholly owned entities and covers the period of 1 July 2022 to 30 June 2023.

Baiada remains committed to upholding fundamental human rights for all, and in particular, identifying and managing modern slavery risks at all stages of its business activities.



2 The Baiada Business

The Baiada Group is a multi-faceted business that spans multiple industries.

2.1 Baiada Poultry

Baiada Poultry is one of the largest poultry processors in Australia. Baiada has been a family-owned business since it was founded in 1946, operating as a fully vertically integrated business, owning and operating farms, hatcheries, feed mills, processing and rendering plants and producing chicken and turkey meat products, some of which are sold under the Steggles or Lilydale brands. Baiada directly employs the majority of its 8,000 workers undertaking these operations, including agency workers (27.5%) and contractors (7.3%). Efforts continue to transfer the qualifying pool of casual agency staff to direct employees over this reporting period to provide assurance of employment and take direct control of their wages and therefore pay compliance.

2.2 Celestino

A property development business in New South Wales and Queensland that develops residential, commercial, industrial and mixed-use developments. Celestino now has 13 full time employees.

2.3 Greens & Goodness

Greens & Goodness is the most recently launched business by the Baiada Group and is a plant-based protein products business. As Greens & Goodness is supported by the Baiada Poultry workforce, it is intended that a second 4-Pillar SMETA audit will be conducted in September 2023 on the production facility that manufactures these products.

2.4 Birling Laboratories

Birling Laboratories is a fully independent laboratory accredited to the highest standards by the National Association of Testing Authorities Australia (NATA). Birling provides laboratory services to the poultry industry including microbiology, quality assurance, serology, virology, molecular biology, allergen testing and pathology. Birling also has a research and development program, including conducting collaborative research with private, government and university researchers, such as the University of Sydney, the University of NSW, the University of Melbourne and the Elizabeth Macarthur Agricultural Institute. Birling Laboratories currently has 32 employees.



3 The Baiada Group's Supply Chain

The Baiada Group's supply chain has remained essentially the same as described in previous Statements. Our core suppliers largely remain unchanged. There has been one contract termination of nationally contracted supplier in this reporting period. The major suppliers to the Celestino business are professional services consultants (engineers, lawyers, environmental scientists, etc) and as such the risk of modern slavery is presently considered to be low. This will be reassessed as Celestino's supply chain changes and expands to include construction work.

As has been the case previously, the majority of the Baiada 4,000 plus direct suppliers and contractors are based in Australia, and the focus remains on using locally-based businesses to stimulate the local economy, particularly in the regional areas. This also has benefits in the modern slavery space with local suppliers having less opportunity to exploit vulnerable people for profit.

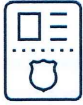


4 Risks of Modern Slavery Practices

The Baiada Group has a complex network of suppliers of goods and services, and the increased focus has continued on ensuring compliance in all areas, including modern slavery. Our supply chain remains diverse, from family-owned grower farms to major multi-national companies.

Due to the nature of its supply chains and networks, our modern slavery risks remain largely unchanged from our previous Statements. Specifically, the following indicators and risks of modern slavery practices have the potential to exist:

- use of forced labour and bonded labour by suppliers;
- use of child labour by suppliers from certain countries of origin;
- exploitation of migrant workers which can include underpayment of wages;
- location and source of the goods and services;
- types of goods and services being supplied; and
- number of tiers in the supply chain.



5 Assessing and Addressing Risks of Modern Slavery Practices

The Baiada Group has continued to deliver a series of actions which is either underway or completed and has included continued assessments of our own internal workforce to ensure all areas of potential risk are included. Those vendors that pose higher risk to Baiada (in all areas of compliance) are engaged under formal terms and conditions. Proposed vendors engaged at a national level for the poultry business are also required to complete questionnaires which include information regarding how they identify and manage modern slavery risk. These responses are assessed accordingly and further queries posed, where warranted.

As mentioned in our previous Statements, where additional risk is identified, third party audits such as SMETA will be conducted on suppliers. Baiada has continued to assess and address risks of modern slavery by taking an enhanced focus on supplier engagement and working with a supplier to mitigate such risks. Actions taken during this and proposed actions for the next reporting years will be further detailed in this Statement.

5.1 Managing Suppliers

- The Baiada Enterprise Risk Register retains modern slavery as a 'Medium' risk within Baiada with continuing visibility across the Baiada Advisory Board and the Board's Risk Subcommittee. This risk is reviewed and updated on a regular basis but at a minimum of at least quarterly within the year, with the last update having occurred in June 2023.
- Modern slavery is not included in the Top 10 risks on the Celestino Risk Register due to the current nature of that business. There is no substantive active construction and no procurement of construction or building materials. The modern slavery risk will evolve over time as the business changes and the Risk Register will be revised accordingly, and as appropriate.
- A Third Party Supply Chain Working Group was established in July 2022 to discuss all aspects of supply chain risk, including modern slavery, and aims to meet on a quarterly basis as required. This was to not only ensure business continuity through minimising interruptions, but also to raise overall modern slavery awareness with senior management.
- Substantive supplier legal agreements continue to be signed with key suppliers, the terms of which are commensurate with the risk posed to the Baiada Group, with the express expectation and requirement to comply with legislation. Additionally, the Baiada Group has audit rights under its contracts to determine supplier compliance by inspecting books and records. In the last reporting period, Baiada conducted an audit on three suppliers, which involved interviewing staff from the contracted sites (with the use of interpreters, where required), with a sample size of 21%. No concerns around labour practices or staff conditions of employment were raised.
- The poultry business' expectation of suppliers and non-tolerance for any human rights violations continues to be communicated in a 'Supplier Code of Conduct'. This Code includes commitments to compliance with workplace laws, combatting modern slavery in direct and up-stream suppliers and the prohibition of child and illegal labour. The Code was rolled out in 2021 to the top 20% of suppliers to the poultry business, selected on a number of risk criteria including type of supplier, dollar spend (generally more than \$100k per annum), percentage of service /goods supplied by that business and

whether they are members of Sedex or a similar platform. To date, this has captured approximately 700 of Baiada's suppliers. Suppliers are required to declare that they not only commit to the principles within the Code, but also acknowledge Baiada's commitment to ethical, legal and socially responsible business practices. Baiada relies on these statements for a variety of uses, including assisting to determine compliance with modern slavery laws, its submission of this annual Statement and deciding as to whether to enter into new or retain existing commercial relationships with the supplier. For the 2022-23 reporting period, Codes of Conduct were issued to new suppliers by the Procurement Team. For the coming year a review will be undertaken to determine if there are any existing suppliers that should receive this document that have not already.

- Baiada has continued its membership of Sedex as an "AB" supplier category for the poultry business. As part of its membership with Sedex, the poultry business continues to ensure its commitment is met to update the Self-Assessment Questionnaire ("SAQ") for its 14 major operating sites on at least an annual basis. In this reporting period, an additional site was included to this list. The SAQ and audits continue to meet the 4-Pillar SMETA assessment criteria and over the last reporting period there have been 12 additional supplier partnerships created on this platform, which will improve visibility of Baiada to its customers and supplier compliance with the Ethical Trading Initiative Code. As part of the risk assessment process through the Supplier Code of Conduct and now the recent modern slavery questionnaire, current membership status of suppliers is being established and will form part of next steps in both partnering on Sedex and requesting additional suppliers to partner with Baiada. Once SMETA audits are conducted and site SAQ's are published, these are made available to Baiada's partnered suppliers and customers via the Sedex platform.
- Sedex has continued to function as a useful tool for assessing supply chain risk along with BSI SCREEN, providing up-to-date reporting and analysis of supply chain risk worldwide. In this reporting period, there was a notable increase in reported child labour used in USA in manufacturing industries, flagging a review of the Modern Slavery Risk assessment methodology. Pursuant to this risk, a review will be undertaken of the Modern Slavery Standard in 2023-2024 as well as determination of any additional risk posed through any imported materials from USA.
- The Baiada Group's Stopline operates under the Whistleblower Policy, and is a confidential hotline service run by an independent third party that all stakeholders can use to raise concerns or complaints in an anonymous manner, if preferred. It is accessible by phone, fax, email, post, Baiada website and via the Stopline app and is widely advertised throughout the poultry operating sites. In this reporting period, there were nil disclosures relating to modern slavery. Baiada is committed to investigating every whistleblower report thoroughly.
- The management of instances of non-compliance and conducting fair and thorough investigations in all areas continues through the supplier compliance system, where in this reporting report, a risk assessment was conducted on all of Baiada's Tier 2 suppliers based in Asia. This system provides mechanisms for review, analysis and reporting on supplier performance and includes any findings from SMETA or other social workplace accountability audits.

- Baiada also requires suppliers to undergo a SMETA audit in some circumstances. For example, in this reporting period, this was required of a new contract labour agency, where some issues regarding workers' pay was identified. Whilst Baiada worked closely to assist them, ultimately this agency terminated the relationship prior to the audit being conducted, and Baiada withheld their bond until it was satisfied that all back payments to their workers were correctly made.
- Over the last three years, some instances of modern slavery risks have been identified through Baiada's processes. As a result, a Modern Slavery Incident Log has been established which will keep a record of any such matters including resolution steps. In this manner, incidents can be tracked and trends identified and easily reported.
- A Modern Slavery Standard was developed in the last reporting year, outlining the Baiada system for identifying and managing this risk. This provided the basis for training (delivered by an external expert) that was conducted for approximately 80 key managers within the business. The training was followed by a competency assessment exercise.

5.2 Ethical Procurement

- The major countries of origin is unchanged from last Statement, comprised of New Zealand, USA and Germany for consumables, and other western European countries for manufacturing equipment. Argentina remains the source of soybean procurement and China still remains as a Tier 2 supplier via Australian-based businesses.
- Baiada's largest soybean supplier has confirmed that they are members of the Round Table on Responsible Sourcing of Soy (RTRS), which provides risk controls and assurances in this area. This supplier has a comprehensive commitment on its website and also furnishes an annual Modern Slavery Statement. However, Baiada has also written and issued a 'Soy Sourcing Policy Statement' in April 2022, commensurate with its expectations on responsible and ethical sourcing. Baiada has also requested similar commitments from its suppliers from whom soy products and derivatives are sourced, and obtaining these is currently in progress. As a result, Baiada has received a soy sourcing policy from one its suppliers, and another major soy supplier provided a letter of commitment around commitments around deforestation, annual reporting and third party auditing on soy sustainability.
- It is known that certain countries in parts of Asia (and particularly China) are prone to human rights and labour violations. To date no products have been identified that are being sourced from provinces in China known to be at higher risk of this occurring. At this time, alternatives to these products are not an option. Baiada nonetheless conducted a risk assessment on its Tier 2 Asian suppliers, where one supplier based in China completed a 2-pillar SMETA audit in August 2022. Any non-conformances were identified and rectified as part of the audit.
- The major manufacturing sites in the poultry business continue to operate under their Ethical Sourcing Policy. Whilst Baiada considered consolidating all policies into a single group wide policy, it has decided to retain site based Ethical Sourcing Policies at this stage, to ensure consistency with all ESG initiatives.

- Our ESG Working Group continues to investigate, improve, implement and formalise our ESG framework. The topic of modern slavery is included in the Action Plan, and the ESG Working Group has oversight over and has formalised a modern slavery program, which includes a Modern Slavery Standard and supplementary training. The ESG Working Group includes senior staff with expertise in procurement, law and ethics, risk and compliance and will be supported by select small teams which will report back to the main Working Group. The Celestino business is focussed on planning and delivering sustainable communities and intends to formalise an ESG program in due course along with development of a modern slavery policy and procedure. The plan is to also introduce modern slavery questionnaires into tender responses where construction work is involved. A modern slavery specialist within the property industry will be engaged to assist with policy development and tracking modern slavery in the supply chain.
- The Baiada 'Social Accountability Program' document which outlines Baiada's position on ethical conduct and expectations (including labour practices) has been communicated across the major manufacturing operations. Baiada is currently developing an Employee Code of Conduct which will incorporate a large portion of the Baiada 'Social Accountability Program' document. This is intended to be finalised in the 2023-2024 period.
- Until the Employee Code of Conduct is implemented, training will remain ongoing on the major operational sites on their Ethical Sourcing Policy and the Social Accountability Program.
- Specific training on modern slavery – what it is, how to identify signs and reporting mechanisms if instances are suspected has been completed across senior and middle management, including the National Procurement team. Training in modern slavery risks and indicators was most recently conducted in June 2023, which involved over 80 key management employees and staff. The training was supported by a competency assessment for all participants. Refresher training will be carried out on a regular basis.

5.3 Managing Risks within the Baiada Workforce

- The controls within the Baiada Group to ensure appropriate legal status exists in relation to employment rights have continued, including use of the VEVO system for employees, agency staff and contractors. Any immigration anomalies are reported directly to the Managing Director of the Baiada Group in a monthly report, and immediately rectified with preventative actions. Additionally, the Baiada Group developed a suite of written procedures for staff who are required to use the VEVO / vSure system, with training completed in the last reporting report.
- The indirect labour pool includes two nationally registered (and licenced in states where this is a requirement) labour hire companies, which currently consists of 27.5% of Baiada's total workforce and processing contractors (7.4%) . The Baiada Group directly pays the wages to employees of the processing contractors to ensure correct amounts and deductions.
- In the second half of 2022, two customer social accountability audits were conducted across two of the Baiada supply sites, under specific customer requirements. As with the previous audits, there were minimal findings, since addressed and closed by the auditor. The audits which were mainly (but not entirely) based on the Ethical Trading Initiative Code. No major findings resulted from these audits confirming that the Baiada systems are robust.

- Annual audits continue to occur on the two labour agencies used by Baiada, conducted by the Baiada Payroll Manager. There were no issues identified in the audit undertaken in December 2022, with the next audit to be undertaken in December 2023.
- Further to the audits conducted by Grant Thornton in May/June 2022 on the Baiada workforce, a further audit (Paid Right) was carried out in August 2023 on the processing contractors used within the poultry business. It is intended that additional third party audits be conducted on ensuring correct payments to workers in 2023-2024 period.
- Each poultry operating site's workforce continues to operate under its own Enterprise Agreement (EA), which includes a dispute resolution process that is available for any worker covered by the EA to use.
- In this reporting period, Baiada also issued communications to its staff on its Grievance Policy and Procedure, which was also supported by supplementary training.
- Baiada continues to review the number of substantiated grievances and allegations of inappropriate workplace behaviour it has managed during the reporting period. Incidents of this nature recorded were down by approximately 5%, being 7.1% (from 12% last reporting period) of all issues raised.
- Baiada has continued to work with local labour agencies and our supply chain to help establish opportunities for training and apprenticeships and to promote career progression within the business. In this reporting period, Baiada has partnered with a Registered Training Organisation to commence upskilling of workers, with 59 staff members who enrolled and finished traineeships in the period to June 2023.
- Monthly reporting has continued in this reporting period from the IR Department to senior management, including the Managing Director, to have visibility over any visa breaches for Baiada and agency employees.
- Baiada has a well-resourced Human Resources team with relevant expertise to ensure compliance with any reforms with workplace legislation, including:
 - Payroll Manager – responsible for monitoring payroll related issues such as compliance with modern awards, EAs, superannuation and taxation issues.
 - Industrial Relations Manager – responsible for monitoring and implementing relevant industrial relations changes.
 - Group Human Resources Manager – responsible for monitoring and managing the HR team for governance.
- Baiada continues to retain membership of the Australian Federation of Employers and Industries to keep abreast of regular legislative updates which is communicated to the HR Team.

5.4 Our Policies and Procedures

The Baiada Group has the following governance policies and procedures in place to manage risks within its workforce and its suppliers, in order to promote health and safety, establish a compliance framework, and to prevent modern slavery:

- Inappropriate Workplace Behaviour Policy
- Grievance Policy
- Whistleblower Policy
- Privacy Policy
- Supplier Code of Conduct
- Soy Sourcing Policy Statement
- Ethical Sourcing Policy
- Social Accountability Program



6 Continuing Actions for 2023-2024

6.1 The Baiada Workforce

Baiada is continuing to prepare a new Employee Code of Conduct for all poultry workers which commenced early in the 2022-23 reporting period, from which the outcomes will be reported upon in the next Statement.

- The modern slavery KPIs are supported by the Incident Log (which records the number of such incidents or high risk products identified in the reporting period), the number of audits and findings, amount of training conducted, supplier performance analysis and the percentage of survey responses.
- Mandatory training will continue in relation to workplace behaviour, and modern slavery indicators.
- Baiada is progressing a group wide project to preparing and implementing a clause on modern slavery in all job descriptions.
- Review by the Baiada Procurement team of the Supplier Code of Conduct acknowledgements and determination if any further distribution is warranted. If so, this will be undertaken.
- The Celestino business is focussed on planning and delivering sustainable communities and intends to formalise an ESG program in the near future. This will be supported by development of a modern slavery policy and procedure. The plan is to also introduce modern slavery questionnaires into tender responses where construction work is involved. A modern slavery specialist within the property industry will be engaged to assist with policy development and tracking modern slavery in the supply chain.

6.2 Suppliers

It is recognised that the key to assessing at-risk suppliers is to communicate and proactively work with them to understand the risks (including where labourers are recruited and the supplier's recruiting practices).

The Baiada Group continue to ensure that suppliers identified as having possible modern slavery risks have processes in place for managing these and are open to working with Baiada, as is appropriate. Where concerns are identified about supplier performance, Baiada will engage with the supplier seeking constructive dialogue and remediation of non-compliance in accordance with the Baiada Group's standards.

Where suppliers are unable to satisfy us that they have appropriate risk management controls in place, or are unwilling to share this information, the Baiada Group may take further action, such as engaging supplier contract management, implementing a remediation plan or ultimately suspending their services/supply. Such actions will be taken against priority risk areas identified that would cause the greatest harm to people. In this reporting period, as discussed above in [part 5.1](#) of this Statement, an agency terminated the relationship prior to an audit being conducted, and Baiada withheld their bond to until we were satisfied that all back payments to their workers were correctly made.

6.3 Commitments for the 2023-24 Reporting Period

- The Supplier Due Diligence Framework has been refined and formalised as the Baiada Modern Slavery Standard, a living document that will be updated as required. Baiada will continue to undertake training on the Modern Slavery Standard.
- A framework / system for the management of external providers will be developed, with a focus on high-risk contractors. Baiada will assess whether SMETA or other audits should be conducted on these providers.
- The onboarding questionnaires that currently comprise the Supplier Assessment Program will be further updated in this period to include a section on the management of human rights, which will assist in the initial risk assessment process during the annual review and also prior to onboarding. Depending on these responses, the supplier may be subject to third party audit and/or be subject to shorter term contracts that are subject to more regular review and renewal.
- Suppliers will continue to be onboarded with the increased scrutiny within this process, with the inclusion of an updated supplier questionnaire to cover ethical sourcing. This is intended as a holistic project, including but not limited to modern slavery, which will drive ethical and sustainable outcomes which are designed to become business as usual under the umbrella of the ESG Working Group. All responses of major suppliers and contracts will be reviewed by the Chief Risk Officer of Baiada before a decision is made to further the application to supply.
- During the last reporting period, Baiada issued a modern slavery questionnaire targeted to those businesses that have been assessed as posing a higher risk of modern slavery in their supply chain. No risks were identified, which may have been attributable to a low response rate (approximately 37%). Baiada issued a supplier questionnaire targeted at Tier 2 Asian based suppliers, along with appropriate risk assessments. A matrix was used to risk assess the responses and request further information to determine status.



- Baiada's Whistleblower Policy will be refreshed and reissued in 2023-24, along with supplementary training. Baiada also intends to succinct posters accessible in other most commonly spoken languages.
- An Immigration Policy is currently being prepared by Baiada, with the intention of finalising and implementing it in the next reporting period.

7 Assessing Effectiveness of Baiada's Actions

Baiada continues to work to better understand its supply chain in order to identify and address modern slavery risks. The information collected is used to monitor performance in the following ways:

- Tracking the results of our ethical audits across time periods and between sites, via an internal Corrective Action Request Log and ensure that timely preventative and corrective actions are applied to all findings;
- Tracking the extent to which Baiada and suppliers have encountered modern slavery issues. This is being monitored and managed through the use of an Incident Log maintained by the Chief Risk Officer;
- Number and nature of issues raised via the Stopline and other grievance mechanisms which is reported Quarterly to the highest level of governance in the business;
- Extent to which training in modern slavery and other ethical issues have been communicated to staff;
- Percentage of contracts issued that require compliance to laws related to modern slavery practices (which in this reporting period, all substantive Baiada -issued template contracts with suppliers of goods & services contain reference to the Supplier Code of Conduct which includes modern slavery compliance requirements).



8 Consultation Process

This statement has been prepared in consultation with each reporting entity, assisting to facilitate the identification, assessment and remediation of modern slavery risks.

The majority of senior management is located at the Baiada Group's Head Office who have actively engaged in the consultation process through management meetings.

9 Conclusion

The ongoing commitment of the Baiada Group is to further investigate its supply chain to identify modern slavery risks and to take appropriate actions to mitigate those risks. This statement reflects that commitment.

10 Declaration

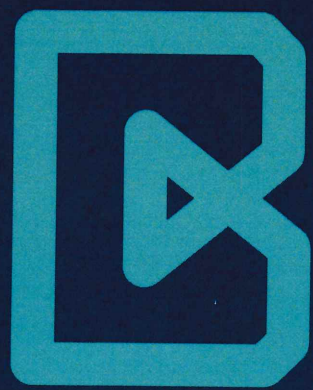
Prior to lodgement of this statement, this statement was prepared and provided to the Risk Subcommittee and ultimately to the Advisory Board for endorsement and feedback, where adjustments have been made accordingly.

This statement has been reviewed by the Baiada Board of Directors in December 2023 and is signed by a member of the Board on behalf of all reporting entities.



Director: Baiada Pty Limited

Date: 13/12/23



Baiada

