

# Modern Slavery Statement FY2022

## Hellers Group Holdings Limited

Mandatory criteria	Section & page number
1. Identify the reporting entity.	Introduction
2. Describe the reporting entity's structure, operations and supply chains.	About Hellers
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Understanding our risks
4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	Hellers' actions and to assess and address modern slavery
5. Describe how the reporting entity assesses the effectiveness of these actions.	Effectiveness of our actions
6. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	Consultation
7. Any other information that the reporting entity, or the entity giving the statement, considers relevant.	

## Introduction

Hellers Group feeds Australia and New Zealand with our sausages, deli meats, burgers, meatballs, kebabs, bacon, ham and chicken.

We recognise our responsibility to support greater transparency in our industry and report the actions we are taking to address modern slavery concerns in our operations and supply chain.

This is Hellers' first modern slavery statement, for the financial period ending 26<sup>th</sup> of June 2022 (the reporting period or FY22).

This Statement was prepared in accordance with the Modern Slavery Act 2018 (Cth) (Act), Australia. As Hellers takes a whole of organisation approach, this report identifies the steps taken by Hellers Group (Hellers Group Holdings Limited, New Zealand, and its controlled entities, including those carrying out business in Australia) to assess and address modern slavery risks in its operations and supply chain. The 'About Hellers' section explains the structure in more detail.

## Reporting entity

This Statement is a Joint Statement made by HLRS HoldCo Pty Ltd on behalf of HLRS BidCo Pty Ltd and Hellers Australia Pty Limited (together, Hellers Australia Group). The reporting entities covered by this statement are:

- HLRS HoldCo Pty Ltd (holding company, ABN 32 628 433 134)
- HLRS BidCo Pty Ltd (holding company, ABN 37 628 177 266)
- Hellers Australia Pty Limited (trading company, ABN 17 627 366 750)

This Statement also covers risks and actions in relation to the New Zealand trading entity, Hellers Limited (Hellers NZ), which is not a reporting entity for the purposes of the Act. References to “our” and “we” in this statement are references to Hellers Group, including the reporting entities (above) and Hellers NZ. The approach and associated policies and procedures for managing modern slavery are consistent across Hellers Group.

## **Chief Financial Officer’s Message**

Hellers has been in our local communities since the 1980s - growing from regional family businesses into the company we are now. We understand the importance of looking out for people and making sure that while we deliver quality products to our community, we also actively prevent harm to people that may arise from our business activities. One way we tackle this is by understanding and addressing the modern slavery risks in our operations and supply chain.

At Hellers, we refer to the Australian Modern Slavery Act and associated guidance, the UN International Bill of Human Rights, the International Labour Organisation’s (ILO) core conventions, and the UN Guiding Principles on Business and Human Rights (UNGPs) to guide our modern slavery approach.

Modern slavery is fundamentally about the exploitation of people. There are people around the world who work under the threat of violence, debt bondage, and coercion. At Hellers, we seek to create conditions in our operations and supply chains where people are treated well and not exploited for their labour.

We are committed to addressing our modern slavery impacts by developing appropriate policies and processes and engaging with our customers and suppliers to mitigate modern slavery risks and provide remedy for incidents.

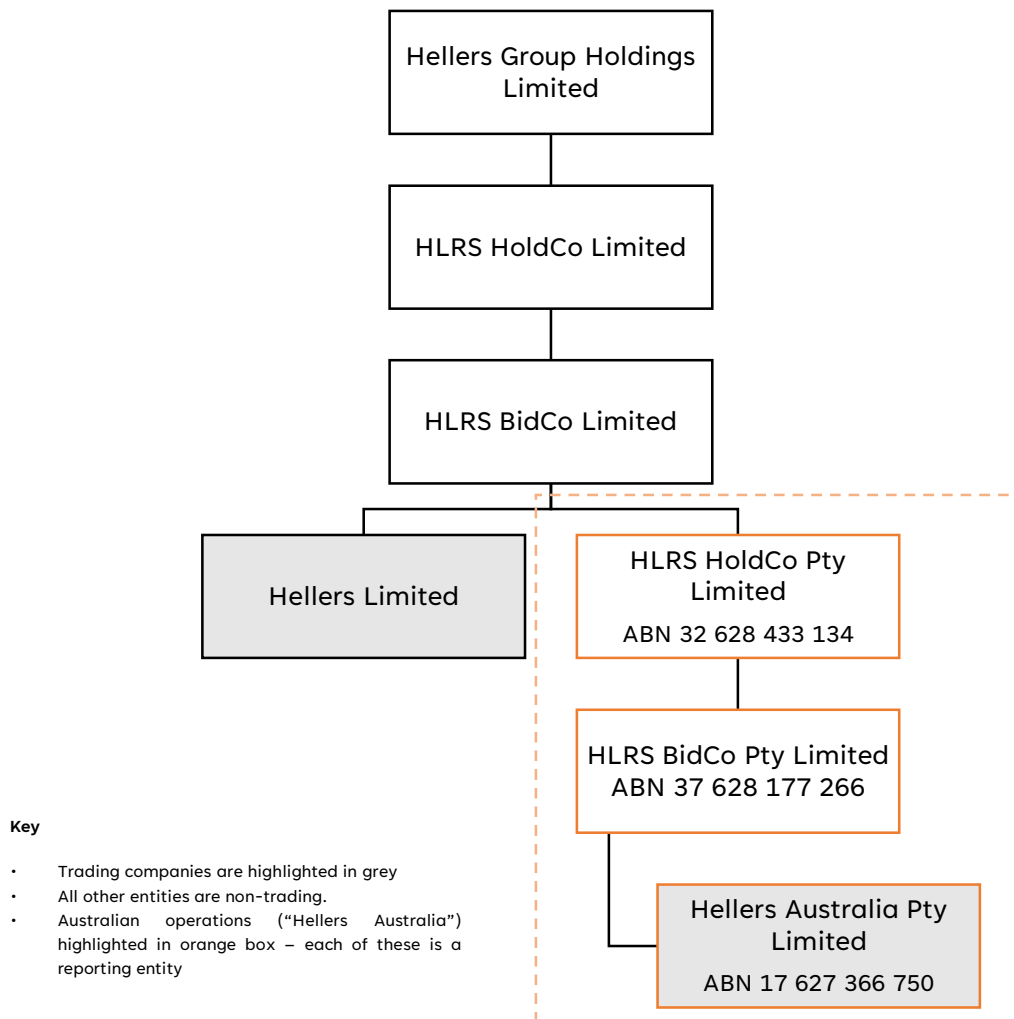
This year, we started to implement processes to address modern slavery following our Modern Slavery Action Plan. Our Action Plan sets out Hellers’ approach over three years to meet our responsibility to manage modern slavery risks that arise through our business activities and relationships.

Kim Dorling, CFO

## **About Hellers**

Hellers Limited (Hellers NZ) and Hellers Australia Pty Limited (Hellers Australia) are the trading entities of the Hellers Group Holdings Limited (Hellers Group). Hellers NZ operates in New Zealand, and Hellers Australia operates in Australia. Hellers Group is headquartered in Christchurch, New Zealand.

## Structure of Hellers Group



Hellers NZ is New Zealand’s leading smallgoods manufacturer producing a range of bacon, ham and smallgood products, selling to retail, foodservice, industrial, Quick Service Restaurant (QSR) and export customers. Hellers NZ has two manufacturing sites – Kaiapoi, Christchurch and Wiri, Auckland. Hellers NZ purchases meat and ingredients from local and international suppliers. In FY2022, Hellers NZ purchased NZD \$108m of meat and ingredients from 99 suppliers.

Hellers Australia produces a range of further processed and ready to eat chicken and turkey products, selling to retail, foodservice and industrial customers. Hellers Australia has two manufacturing sites - Bendigo, Victoria, and Jandakot, Perth. Hellers Australia purchases meat and ingredients from local suppliers who may import components of the ingredients.

Hellers Group employs over 500 people in New Zealand and 300 in Australia, including permanent, casuals and temporary agency staff.

Our supply chain consists of products such as meat, other ingredients, and packaging. These products are sourced locally in Australia and New Zealand, as well as from Asia, North America and Europe. The services we procure include cleaning, freight, and maintenance services. We also procure for our day-to-day operations, which includes IT, office supplies, and merchandising.

We outline key features of our operations and supply chain below.

#### A1. Own Operations

<b>Direct employment of workers</b>	Hellers Group employs over 500 people in New Zealand and 300 in Australia, including direct hire permanent and casuals, and indirect hire temporary agency staff.
<b>The provision and delivery of products or services</b>	<ul style="list-style-type: none"> <li>• Hellers NZ manufactures and distributes bacon, ham and smallgoods in NZ.</li> <li>• Hellers Australia manufactures and distributes ready to heat and ready to eat chicken and other meat products.</li> <li>• Hellers Group currently has four manufacturing sites across Christchurch and Auckland New Zealand, Jandakot, Western Australia and Bendigo, Victoria, Australia. There are office-based staff working from Kaiapoi (Christchurch), Wiri (Auckland), Parnell (Auckland), and from the Victoria and Western Australia sites.</li> </ul>
<b>Financial Investments</b>	<ul style="list-style-type: none"> <li>• Hellers Group is structured as listed above, and holds no external investments outside of the Hellers network.</li> <li>• Hellers Group's largest investor is Adamantem Capital.</li> </ul>

#### A2. Supply Chain

<b>Products provided to the entity by suppliers</b>	Products purchased by Hellers Group includes, but is not limited to: meat products (pork, poultry, beef, fish) non-meat ingredients (tapioca, sugar, oil), packaging (labels, cartons, trays, film), and capital machinery.
<b>Services provided by suppliers</b>	Services provided by freight, contract labour, professional services, cleaning services, software, waste disposal, insurance, marketing, graphic design, maintenance (pest control), labour services (including temporary workers for factory and warehouse) and utilities.
<b>Products and services used by indirect suppliers in Hellers Group's supply chain</b>	Example of products and services used by indirect suppliers include grain purchased for poultry.

### **Commitment to remedy**

We recognise that businesses have a responsibility to respect human rights – including the responsibility to address adverse human rights impacts with which businesses are involved.

Businesses should avoid causing or contributing to human rights impacts and address those impacts when they occur, as well as seek to prevent or mitigate impacts that are directly linked to their operations, products or services through business relationships.<sup>1</sup>

We are committed to working with suppliers to mitigate risks of modern slavery and address issues as they arise.

In the event of non-conformance, we will work with the suppliers to remedy the harm caused to people and improve their processes. We would cease a relationship over egregious practices and wilful non-compliance.

## **Understanding our risks**

### **Modern Slavery**

Modern slavery describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include severe human rights violations, including but not limited to trafficking, debt bondage, forced labour, forced marriage, and the worst forms of child labour. According to the latest estimates from the ILO, over 50 million people currently live under conditions of modern slavery, and women and children remain disproportionately vulnerable to modern slavery.<sup>2</sup>

### **Approach to assessing risk**

In FY2021, we engaged an external professional services firm with human rights experience to conduct a Modern Slavery Risk and Gap Analysis (2021 Risk and Gap Analysis) and develop our Modern Slavery Action Plan (Action Plan). We believe our risk profile to be similar in 2022, and that the results of the assessment still relevant.

The 2021 Risk and Gap Analysis provided a snapshot of Hellers Group's risk of modern slavery in their own operations and supply chain and assessed the adequacy of current processes and systems to address modern slavery. The analysis was based on Heller Group's responses to the self-assessment questionnaire, internal documents, and publicly available information.

This assessment, and our approach overall, are guided by the Act's definition of modern slavery risk as risk to people rather than risk to business – that is the risk of people experiencing harm. We recognise we may potentially cause, contribute to or be linked to this risk as a result of our business activities and relationships, as set out in the UNGPs, and we take this into consideration as part of reviewing the risks of modern slavery in our operations and supply chain.

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<sup>1</sup> UN Human Rights Office of the High Commissioner, [Guiding Principles on Business and Human Rights](#), 2011

<sup>2</sup> [International Labour Organisation](#), 2022

## Modern Slavery risks in our operations

Hellers Group operates in Australia and New Zealand which are considered low risk for most forms of modern slavery according to the Global Slavery Index, the ITUC Global Rights Index and UNICEF Child Labour Index.<sup>3</sup> However, services based in Australia and New Zealand that rely on base skilled labour, migrant workers, and labour services providers such as meat processing, cleaning, construction, and agriculture are considered high-risk industries. In the boxed text, below, we outline specific risks associated with meat processing.

We recognise we have a level of exposure to these high-risk industries and a responsibility to mitigate and remedy risks and incidents that may arise from our connection to these industries.

We are also exposed to higher risk service providers such as labour agencies, subcontractors, electricity, gas, and maintenance engineers.

Hellers Group uses labour agencies and sub-contractors to provide workers. In New Zealand, labour hire agencies are required to sign on to Terms and Conditions which cover worker protections, including accuracy of hours recorded to hours worked and excessive working hours. In Australia, all documents are filtered through internal and government checks, as well as ATO checks. We verify proof of age and right to work in Australia.

Hellers Group ensures all directly employed workers are provided with a written contract in English with clear terms of employment including wage rates and hours of work. We undertake different degrees of document checks of workers throughout the business, including proof of age. We undertake these checks to confirm workers are allowed to work according to legal standards and applicable organisational policies.

The 2021 Risk and Gap Analysis included an operations risk assessment that reviewed Hellers Group's risks in relation to our workforce, country of operations including our sites, and product and service risk. This assessment included consideration of risks and gaps around migrant workers, child labour, and union and collective bargaining information. The risk assessment identified that we source several high-risk commodities including meat, assorted ingredients (including soy, tapioca, honey), packaging, cleaning chemicals, and Personal Protective Equipment (PPE). These commodities are identified as high risk due to their sector industry risk and geographic risks.

The risk assessment also identified cleaning as a high modern slavery risk area for us. In FY2023, we intend to conduct further due diligence on cleaning contractors and consider appropriate risk mitigation measures.

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<sup>3</sup> In FY2022, Australia's ITUC Global Rights Index has worsened from a 3 to a 4.

### **Meat processing modern slavery risks**

We recognise that labour risks have been identified in the meat processing sector. The 2016 Victorian Independent Inquiry into the Labour Hire Industry and Insecure Work found that meat processing was one of the most common sectors for instances of the underpayment of wages and non-payment of superannuation.<sup>4</sup> Other inquiries into labour hire industries across other States have also identified the meat processing industry as being high risk industries for mistreatment and exploitation of workers.

These risks have been amplified during the COVID-19 pandemic with lockdowns, workforce shortages, supply chain constraints and increased demand alongside the risk of contracting COVID-19. This external pressure can lead to modern slavery-like practices as businesses may cut corners on safety standards and labour rights to meet demand with a stretched-out workforce.

### **Modern Slavery risks in our supply chains**

We recognise there are heightened modern slavery risks in our supply chain due to our industry and the nature and locations of our suppliers and the composition of their workforce.

The ILO estimates that 11% of individuals in forced labour are in the agriculture and fisheries industries.<sup>5</sup> Fruit and vegetable picking industry in Australia also carries relatively higher risk of modern slavery practices and deceptive recruiting.<sup>6</sup> This is due to their remote locations and the industry's reliance on migrant labour, who are especially at risk of exploitation. According to new estimates from the ILO, the forced labour prevalence of adult migrant workers is more than three times higher than that of adult non-migrant workers.<sup>7</sup>

We also acknowledge that manufacturing is considered a high-risk sector according to the ILO, and the higher geographic risks around sourcing from countries in Asia.

Over 95% of our Ingredients are sourced direct from Australia and New Zealand distributors and blenders – who source from HACCP<sup>8</sup>/ISO<sup>9</sup>/BRC<sup>10</sup> accredited offshore operations.

### **Hellers sourcing locations by category**

	<b>Australia</b>	<b>New Zealand</b>
Meat	Locally supplied chicken and beef	Combination of imported and local pork, local chicken, and local beef
Ingredients	All ingredients are purchased locally and are made from both local and imported ingredients	Ingredients are sourced both locally and direct from Asia and Europe.
Packaging	Sourced locally from Australian and Asian HACCP/ISO accredited suppliers.	Sourced locally and from Asia and Europe from HACCP/ISO accredited suppliers.

<sup>4</sup> Victoria State Government, [‘Victorian Inquiry into the labour hire industry and insecure work’](#) 2019

<sup>5</sup> ACSI [“Modern Slavery Risks, Rights & Responsibilities”](#) 2019

<sup>6</sup> ABC [‘Australian fruit picking exploitation claims prompt push on protections against ‘modern slavery’](#) 2020

<sup>7</sup> ILO, [‘Global Estimates of Modern Slavery’](#) 2021

<sup>8</sup> Hazard Analysis and Critical Control Point, internationally recognised system used to identify and manage risk.

<sup>9</sup> ISO22000 Food safety management

<sup>10</sup> British Retail Consortium Global Standard for Food Safety

The 2021 Risk and Gap Analysis included a supply chain risk assessment that reviewed risks related to Hellers Group's responses around commodity and service risk and reviewed suppliers data to identify risk factors, controversies and existing human rights concerns. The assessment included high risk commodities beyond raw meat: tapioca, starch, lactates, vegetables, and soy. Since this assessment, there has been no material change to the Hellers Group suppliers and/or supply chain.

### **COVID-19 impacts**

The COVID-19 pandemic has amplified the vulnerability of people vulnerable to exploitation and been a hurdle for businesses to meaningfully assess and address modern slavery risks. Disruptions from the pandemic has led to greater indebtedness of workers and a deterioration of working conditions, in some cases leading to forced labour.<sup>11</sup>

We worked with our employees and suppliers to adapt to and overcome COVID-19-related disruptions.

We applied New Zealand Level Four COVID-19 standards to our New Zealand and Australian factories to ensure maximum employee protection. This included provision of masks, sanitiser, and Perspex screens in the lunchrooms and factory spaces where social distancing of two metres was not possible. We performed daily temperature checks and mental health check ins on arrival every day.

We also worked closely with our suppliers to manage demand as they closed over outbreaks.

### **Australia**

In Bendigo, we supplied computer equipment and internet connectivity to non-factory/warehouse staff who were required to work from home. For our staff working from home, we had regular Teams meetings and check ins to monitor their health and wellbeing.

In Bendigo, we also hired a local café exclusively for our staff and offered free meals to those coming in.

Our Jandakot site in Western Australia did not require the same level of COVID-19 support due to the state government's hard border response. In Western Australia, we were classified as an essential service and were not required to work from home.

### **New Zealand**

We shared legislative and industry insights with key suppliers to ensure they could continue to operate during Level 4 lockdowns.<sup>12</sup> We also purchased masks in bulk with a supplier and temporarily employed locally based staff from suppliers who were closed to help with wage costs as well and allow us to keep up with demand.

For employees who were required to work from home, we provided computer equipment and internet connectivity to those who needed it. Additionally, all staff who were required to work

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<sup>11</sup> ILO, ['Global Estimates of Modern Slavery'](#) 2021

<sup>12</sup> Level 4 restrictions in New Zealand required businesses to close except for necessities. Hellers received 'critical business status' and could continue to operate under level 4 lockdowns as we are involved in the supply, delivery, distribution and sale of food and other key consumer goods essential for maintaining the wellbeing of people.



in person received a weekly cash bonus and free meals for coming into work during the Level 4 lockdowns in New Zealand.

## **Hellers' actions to assess and address modern slavery risks**

### **Our Modern Slavery Action Plan**

As noted, in FY2021, we engaged an external professional services firm with human rights expertise to conduct a Modern Slavery Risk and Gap Analysis (2021 Risk and Gap Analysis) and develop our Modern Slavery Action Plan (Action Plan).

The 2021 Risk and Gap analysis identified opportunities to strengthen Hellers Group's due diligence approach, policies and processes, and assignment of responsibility for modern slavery across the organisation. These opportunities were translated across into our Action Plan. The Action Plan lays out recommended actions across three years to support continuous improvement. The Action Plan was drafted to support Hellers Group to comply with the Modern Slavery Act.

### **Key actions taking during the reporting period**

#### **Governance and risk management**

Our board committed to addressing our modern slavery risks. The board has added modern slavery in its calendar at least annually to maintain board oversight and understand the evolving risk landscape. The board is also responsible for reviewing and signing off on our Modern Slavery Statement.

We propose to conduct management and board level training to increase awareness of modern slavery risks and obligations under the Modern Slavery Act in early FY2023. We recognise the importance of our leadership understanding modern slavery and our exposures so they can demonstrate accountability and ownership from the top of the company. There is already good awareness of modern slavery and our obligations as some of our board members undertake modern slavery training with our largest shareholder, Adamantem Capital.

#### **Enhancing policy frameworks**

Additionally, during the reporting period we updated our internal policies with the International Labour Organisation's core conventions in mind. We have several policies and processes that demonstrate our approach to identifying and addressing modern slavery risks in our operations. These include:

- Code of Conduct
- Equal Employment Opportunity Policy
- Corporate Social Responsibility Policy
- Modern Slavery Policy
- Appropriate Workplace Behaviour Policy

Our new Modern Slavery Policy supports Hellers Group's commitment to contribute to ending all forms of modern slavery. It outlines our approach to reducing the risk of modern slavery practices within our operations and supply chain.

Our new Appropriate Workplace Behaviour Policy includes grievance handling information for employees who feel subjugated to any form of unacceptable workplace behaviour contrary to our Appropriate Workplace Behaviour Policy. The policy calls out unlawful conduct, discrimination and harassment, including sexual and racial harassment, and bullying.

### **Strengthening grievance mechanisms**

We updated our Whistleblower Policy in FY2022. Our Whistleblower Policy outlines who can make a report and what can be reported, as well as who can receive a whistleblower disclosure. It also outlines our commitment to appropriately investigate whistleblower reports and protect reporters from reprisal and victimisation.

In FY2022, we appointed Stopline as our dedicated external whistleblower service provider to ensure grievances can be easily and confidentially reported. Stopline provides a 24/7 hotline and investigative services. Whistleblowers can access Stopline through a number of channels, including a free call number for Australia, a dedicated email account and online portal. In future statements, we will disclose the number of reports received through Stopline and the general themes of the reports.

### **Due diligence & audit**

As part of our Action Plan, we conducted audits at Hellers Australia's sites. We conducted SMETA audits in Bendigo and Jandakot on four audit pillars: labour standards, health and safety, environment, and business ethics. The auditors communicated with workers as well as management to understand how the sites performed against the pillars.

The auditors delivered a corrective action plan to encourage the site to adopt forced labour and business ethics training, formally document systems and processes for checking labour standards of employment agencies and health and safety risk assessments. We will work against the corrective action plans to improve our governance and processes at these sites.

### **Future actions & commitments**

In FY2023, we will be guided by our Action Plan. We will work towards:

- Delivery of modern slavery risk and obligations awareness sessions for management and board
- Address SMETA Corrective Action Plans at our Australia sites
- Review of current supplier onboarding processes including questionnaires
- Roll out of new modern slavery clauses in our cleaning contracts
- Develop standardised due diligence approach to managing labour hire agencies
- Develop KPIs for modern slavery reporting
- Develop a Supplier Code of Conduct to our suppliers

## Effectiveness of our actions

We aim for continuous improvement in our approach to modern slavery risks. As we mature our approach, we will develop measurable KPIs to track our actions and understand their effectiveness.

## Consultation

Our 2021 Risk and Gap Analysis and Action Plan involved consultation across the Hellers Group business including subject matter experts from Human Resources, Procurement, Finance and Operations. As noted earlier, Hellers Group applies a consistent approach across the group, including the two principle trading entities. In the preparation of this Statement, Hellers Group engaged with the reporting entities listed in Introduction, and consulted with other entities it owns and controls.

As we mature our modern slavery risk approach, we will continue to engage teams and subject matter experts across our business as well as with our suppliers, customers, and investors.

Our FY2022 Modern Slavery Statement was drafted externally with support from the business and the CFO, with the final Statement approved by the board.

## Principal governing body approval

This modern slavery statement was approved by the principal governing body<sup>13</sup> of Hellers Group Holdings Limited as defined by the Modern Slavery Act 2018 on 8 December 2022.

## Signature of responsible member

This modern slavery statement is signed by a responsible member<sup>14</sup> of Hellers Group Holdings Limited as defined by the Modern Slavery Act 2018:



Angus Stuart

Director

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<sup>13</sup> Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

<sup>14</sup> Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.