

MODERN SLAVERY STATEMENT 2022

Introduction and overview

This joint modern slavery statement is made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* (**Act**) for the financial year 1 January 2022 to 31 December 2022 (**FY22**) for the Kilcoy Global Foods Australia Group (**KGF AU**).

Each company in the KGF AU group is a subsidiary of Kilcoy Global Foods Ltd, which is the parent of a multinational group of companies (**Kilcoy Global Foods**).

Kilcoy Global Foods is a leading global premium food solutions provider that develops, produces, and delivers an extensive range of protein products including branded beef products and value-added solution products, such as value-added fresh products, ready to cook products, ready to eat products and meal kits.

During FY22, KGF AU operated two applicable sites in Australia, Kilcoy Pastoral Company (**KPC**) in Queensland and Hardwicks in Victoria. In FY22, KGF AU focused its efforts on continuing its operations whilst refining its modern slavery framework.

The purpose of this modern slavery statement is to outline KGF AU's approach to minimising the risks of modern slavery across KGF AU's operations and supply chain.

Criteria 1 (s16(1)(a) of the Act) – Identify the reporting entity

KGF AU's reporting entities include:

- Blacqua Pte Ltd ARBN 169 810 011
 - Kilcoy Industries Australia Pty Ltd ACN 125 927 308
 - Kilcoy Pastoral Company Limited ACN 009 671 112 (**KPC**)
 - Kyneton Food Solutions Pty Ltd ACN 650 391 530*
 - Hardwick Brothers Wholesale Pty Ltd as trustee for the Hardwick Brothers Wholesale Unit Trust ABN 38 384 732 025*
 - Hardwick Processors Pty Ltd ACN 005 920 678*

*For the purposes of this statement, these entities are referred to as "**Hardwicks**".

This statement has been prepared for KGF AU as a whole. To the extent of any material differences in application of the criteria to a reporting entity (i.e. Hardwicks, KPC or otherwise), these have been noted accordingly.

Note also:

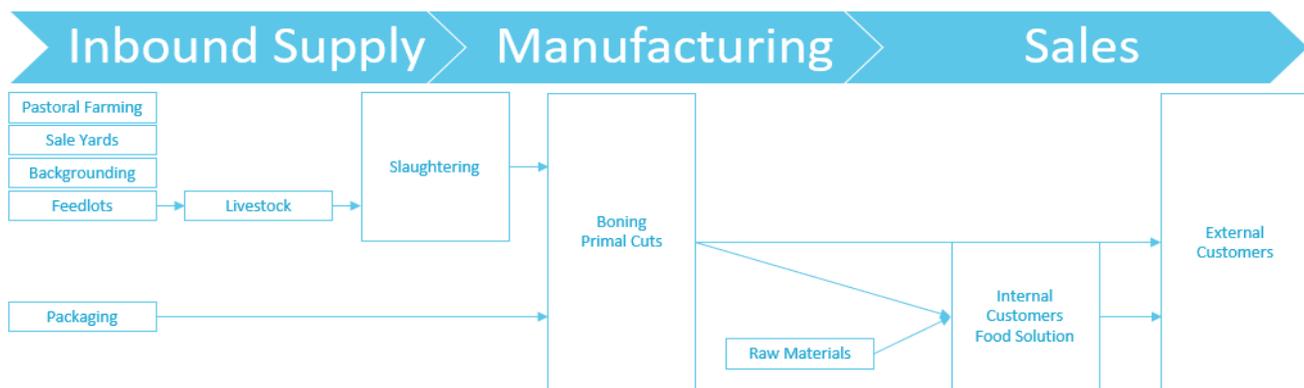
- Blacqua Pte Ltd is a holding company and head of the Australian tax group;
- Kilcoy Industries Australia Pty Ltd is a related non-operating company which hold shares in the operating entities (namely, KPC and Hardwicks);
- Kyneton Food Solutions Pty Ltd is a non-operating company that holds shares in the relevant Hardwicks entities.

Criteria 2 (s16(1)(b) of the Act) – Describe the reporting entity’s structure, operations and supply chain

General

KGF AU’s operations are underpinned by the procurement of livestock (beef, lamb, sheep and goat), packaging and raw materials, to support its slaughtering, boning and further processing endeavours within its manufacturing operations for the production and marketing of beef and protein products. KGF AU’s domestic and export sales and market channels include, but are not limited to, restaurants, food retailers, wholesalers and distributors, further processors, quick serve restaurants and e-commerce.

The following flowchart illustrates the KGF AU business model with respect to food solution products within the industry value chain:



In addition to purchasing livestock from third party suppliers, Hardwicks engages contract backgrounding and feedlot operations to supplement the supply of livestock into its processing operations. KPC does not operate any livestock supply operations.

KPC

KPC is one of the original trading companies of the KGF AU group with its slaughtering and beef processing facility in Winya, Queensland. Established in 1953, KPC is now one of Australia’s largest beef processors with a world-class production facility capable of processing 2,000 head of cattle per day and 230,000 metric tonnes of beef per year. KPC employs over 1,600 people.

KPC purchases from approximately 150 third party feedlots across Queensland and, to a lesser extent, New South Wales, to secure and obtain a stable supply of high-quality cattle livestock. KPC’s feedlot partners comprise a mix of large companies, private-equity backed feedlots, as well as independent, family-owned feedlots. For a portion of KPC’s cattle, it also transacts with stock and station agents who act on behalf of numerous feedlot providers, and who receive a commission fee paid by the feedlots.

Hardwicks

Hardwicks operates a beef and small stock (lamb, sheep, goat) processing facility in Kyneton, Victoria and provides livestock processing services and sells and distributes carcass, boxed meat, skins and hides to its domestic and export customers.

Hardwicks employs approximately 400 people with capability to process 300 head of cattle and 6,000 small stock per day. Hardwicks procures its livestock from a network of saleyards, livestock agents, and pastoral farms across Victoria, Tasmania, South Australia and New South Wales. The majority of livestock procured come directly to its processing facility for slaughter, however some livestock is backgrounded and put into contract feedlots to improve quality and smooth out supply volumes.

Other

KGF AU also sources packaging material such as cartons, bulk bins, plastic bags, and soaker pads, along with raw materials for its food solution products.

Criteria 3 (s16(1)(c) of the Act) – describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls

KGF AU recognises that there is risk in its operations and supply chain that may have the potential to cause, contribute to, or be linked to modern slavery practices.

The two main categories of risks identified for KGF AU in FY20 and FY21, were reconfirmed in the FY22 year. These being:

- employment practices; and
- procurement of raw materials in the supply chain process.

There were no new categories of material risks of modern slavery presented in the operations and supply chain of KGF AU during FY22.

The employment risk remains low, noting that in FY22 KGF AU recommenced its overseas employment scheme. During FY22, overseas employment programs, including the Pacific Labour Scheme, were strictly governed by the Department of Home Affairs, with appropriate risk mitigation strategies including:

- Use of specialist agencies to recruit suitable workers;
- Company representatives traveling to particular locations to verify that workers were suitable for available positions; and
- Training and support provided to workers upon arrival.

Positive domestic employment practices were supported by internal Company policy and practices, employee support agencies, Enterprise Bargaining Agreements and the Fair Work Act. As a result, KGF AU experienced a stable workforce in the year. New Enterprise Agreements were negotiated for KPC and Hardwicks in FY22 and approved by Fair Work Australia.

The supply chain risks remain low. This is mainly due to:

- KGF AU's livestock forward procurement model for meat processing which remained unchanged in 2022 with 100% source traceability confirmed within Australia. Hardwicks purchased its livestock using buying agents to purchase livestock directly out of Australian sale yards.
- KGF AU maintained long-term contracts with existing suppliers for the procurement of major packaging and raw materials across its operation. KGF AU has a robust preferred supplier program for exploring partnership opportunities with potential new suppliers, which is underpinned by regulatory requirements and industry recognised third party certification programs that support trade compliance.
- KGF AU's raw material and packaging category management approach coupled with its VRM (Vendor Relationship Management) program provides ongoing transparency across compliance and performance in all key areas.

In addition, KGF AU's risk assessment is based on the premise that KGF AU's operations are in Australia, and subject to the policies, procedures and regulations outlined in this statement. KGF AU recognises the risk may increase where our supply chain involves overseas suppliers.

Criteria 4 (s16(1)(d) of the Act) – 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

KGF AU has adopted a multi-prong approach to assess and address these risks, including due diligence and any remediation, the key elements of which are set out below:

1. Governance

- A cross-functional modern slavery working group continued to assess, monitor and detect risks associated with modern slavery.
- The Australian Leadership Team acted as the Steering Committee to provide direction and oversight.
- Modern slavery awareness training continued to be conducted to increase awareness of potential of modern slavery practices across our operations and supply chains.
- The existing risk assessment across KGF AU's operations and supply chain was refreshed.
- KGF AU continues to build a cohesive procurement strategy across its entities. In 2022, KGF AU employed a Group Procurement Manager to oversee, align and strengthen group procurement activities.

2. Compliance

- The modern slavery supplier questionnaire continued to be sent to new suppliers who transacted with KGF AU, to better help understand risk related to our supply chain and create a risk profile for suppliers.

- The supplier questionnaire was reviewed and a refresh was commenced to assist with greater completion rates by suppliers that are unfamiliar with modern slavery reporting requirements.
- KGF AU will commence the roll out of the supplier questionnaire into the Hardwicks business for completion by new suppliers in line with new system roll-outs in 2023.
- Our Supplier Code of Conduct continued to be appended to KGF AU purchase orders. This code of conduct set out KGF AU's culture and commitment to fair dealings and the highest standards of ethical behaviour based on:
 - zero tolerance for corruption;
 - compliance with applicable laws and regulations on anti-money laundering;
 - avoiding conflicts of interests;
 - upholding human and labour rights in accordance with applicable laws and regulations, including health and safety, condemning the use of child labour and exploitation of human labour, equal opportunities, fair compensation, collective bargaining and free from harassment;
 - protecting the environment, including an ESG commitment to carbon neutrality in operational sites.

3. Culture

- KGF AU continued its membership of Sedex, the Supplier of Ethical Data Exchange, a not-for-profit organisation charged with improving ethical and responsible practices across global supply chains. Sedex successfully conducted its first audit of KPC in H1 of FY22.
- KGF AU regularly reviewed and amended the existing various human resource policies and added new policies to maintain good practice and standards (see summary below) to maintain the commitment to avoid modern slavery practices throughout KGF AU.
- Board reporting continued to enhance a culture and 'tone at the top' for business application of modern slavery frameworks and policies.

4. Raw materials

- All cattle consigned to KGF AU continued to be identified and tracked through the National Livestock Identification System (**NLIS**).

The NLIS ensures that lifetime movements of cattle can be identified and recorded to ensure disease control, food safety and market access. Cattle arriving at KGF AU's processing sites have NLIS devices scanned upon arrival, with identification details available for traceability through the NLIS database. No livestock processed through KGF AU sites have been imported from countries external to Australia. The ability to trace origin of cattle mitigates the modern slavery risk for cattle supply chain sourcing.

5. Policies

- KGF AU's code of conduct and company policies set out the company's values and expectations as to how workers should conduct themselves, and embeds respect for human rights, labour rights, and ethical behaviour across the business. Relevant policies include sexual harassment, bullying, anti-discrimination/equal opportunity, performance and behavioural standards, work health and safety, and most relevantly:

- Child labour policy; and
- Forced labour (modern slavery) policy.

Child labour in this context consists of work by children that is economically exploitative or likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development.

KGF AU has a zero tolerance for the engagement of child labour or forced labour or known trafficked persons, in respect of which it requires the exercise of diligence to avoid benefit or financial gain from these practices occurring in the KGF AU supply chain and where workers are engaged by third parties to perform KGF AU core business processes.

KGF AU's grievance and whistle-blower policies provide mechanisms to hold the company and KGF AU accountable for any conduct that amounts to modern slavery.

KPC and Hardwicks regularly submit both businesses to social compliance auditing. These detailed auditing processes demonstrate KGF AU's commitment and diligence to its high standards toward ensuring any element of modern slavery does not exist within the KGF AU workforce or its practices.

During FY22, KGF AU rolled out its existing human resources policies into the Hardwicks business.

Future actions to strengthen KGF AU's modern slavery practices

As KGF AU grows and expands its sites, KGF AU plans to roll out its existing modern slavery framework across Australia to standardise the detection, assessment, and remediation of any shortfalls.

KGF AU is committed to the following actions in FY23:

- Building an organisation model that oversees KGF AU site activities to promote governance, including end-to-end procurement and due diligence across the supply chain.
- Undertake due diligence on any high-risk suppliers, including site visits if necessary.
- Expansion of targeted training for senior leaders and procurement teams.
- Refine internal controls and develop a process to respond to instances of any material non-compliance by Suppliers with KGF AU's framework.
- Finalise the full integration of KGF AU's modern slavery measures, including the supplier questionnaire and training, into the Hardwicks business.
- Refresh the risk assessment across KGF AU's operations and supply chain for FY23.
- Develop a risk assessment workshop to identify suppliers with the highest inherent modern slavery risk.
- Conduct an annual review of the Supplier Code of Conduct and supplier on-boarding process.
- Conduct an annual internal review of working conditions related to any children (U18s) employed.
- Conduct a review of the effectiveness of the modern slavery governance structure including the Working Group and Steering Committee.

Criteria 5 (s16(1)(e) of the Act) – describe how the reporting entity assesses the effectiveness of these actions

KGF AU adopts a risk based approach to assess the effectiveness of its actions, key elements of which are summarised below:

- The maintenance of a two-tier governance structure (in addition to the Board), which enables KGF AU to provide both strategic and operational oversight into the effectiveness of its actions.
- KGF AU conducted an internal sample review of KGF AU’s modern slavery supplier questionnaire responses, along with response rates, to better understand supplier concerns and general industry awareness of modern slavery requirements. KGF AU continues to work with and educate its suppliers on its modern slavery requirements.

Criteria 6 (s16(1)(f) of the Act) - describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)

KGF AU prepared this joint statement in consultation with each KGF AU reporting entity. This consultation process included oversight and approval by the Board across KGF AU, the KGF AU Leadership Team, key leaders within each KGF AU reporting entity, as well as the Steering Committee and Working Group described above.

All reporting entities are now represented on both the Working Group and Steering Committee.

Criteria 7 (s16(1)(g) of the Act) – provide any other relevant information

Refer above. Additional information has been included within each criteria.

Criteria 8 (s16(2)(b) of the Act) – approval

This statement was approved by the principal governing body, the Board, of each KGF AU reporting entity on 15 June 2023. Delegated authority was also provided to the Group Chief Executive Officer (who is also a Director and Chair), a responsible member of each KGF AU reporting entity, to sign and submit KGF AU’s modern slavery statement for and on behalf of each reporting entity.

Signed for and on behalf of each reporting entity.



Dean Goode
Group Chief Executive Officer
KGF Australia

Date: 15 June 2023