



Modern Slavery Statement FY2020

A statement setting out what we have done to identify, manage and mitigate risks of modern slavery in our operations and supply chain.

IINGHAMS GROUP LIMITED

ACN 162 709 506 9

("Ingham's" or "Company")



At Ingham's we are committed to preventing all forms of slavery, exploitation and human trafficking, especially of women and children, from our direct and indirect supply chains. To achieve this, we assess the risks of modern slavery, safeguard our workforce and monitor our supply chains against any actual or potential criminal and inhumane treatment of people in their employment.

We are committed to maintaining high standards of corporate governance to comply with all relevant local laws and regulations for our business, including a focus on preventing and addressing modern slavery and human trafficking related risk in our supply chains. This is achieved by always operating with integrity, transparency and in a socially ethical way.

Our company policies communicate and support ethical and professional conduct and behaviours within our business, including a Whistleblower Policy to enable our employees to speak up against any misconduct, including breaches of legislation, criminal activity and unethical behaviour. The same high standard of conduct and ethical behaviour is expected from our suppliers.

This modern slavery statement relates to our actions and activities for the financial year ended 27 June 2020 and complies with the mandatory criteria requirements for modern slavery statements.



Andrew Reeves

Managing Director and Chief Executive Officer

Inghams Group Limited

Ingham's FY2020 highlights:

- Updated the standard supply contracts to include Modern Slavery expectations.
- Developed our Supplier Code of Conduct.
- Reviewed our supply chain risks using data provided by FRDM, a well-recognised software-based supply chain assessment organisation.
- Implemented a new Whistleblower Policy, which is available on the Ingham's Group website ([Link](#)).
- Ongoing work to implement the requirements of the Australian Modern Slavery Act.



Compliance with modern slavery reporting requirements

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1. Identification of the Reporting Entity

This Modern Slavery statement is a joint statement made by Inghams Group Limited and on behalf of its subsidiaries which are Reporting Entities as set out in [Appendix 1](#) (each a “Reporting Entity”) (“Ingham’s Group”). This Statement has been prepared in consultation with each Reporting Entity covered by the statement in the manner referred to in section 6 of this Statement. For each Reporting Entity, the statement is approved by Inghams Group Limited, which is a higher entity and in a position to influence or control each Reporting Entity covered by the Statement. As regards to Inghams Group Limited, the Statement is approved by its Board of Directors.

2. Description of Ingham’s Group structure, operations and supply chains

The Ingham’s Group is a leading Australian and New Zealand poultry food processing company listed on the Australian Securities Exchange (ASX) and employs approximately 8,000 people. The Ingham’s Group produces and supplies poultry, value-added protein products and feed products to a broad range of customers, including major retailers, Quick Service Restaurants (QSR) operators, food service distributors, poultry wholesalers and animal feed customers.

2.1 Ingham’s Group Operations

Our scale and operations span the entire value chain from farming to processing and distribution (Figure 1). Our poultry supply chains are vertically integrated within the business. We source our goods and services from more than 4,000 direct suppliers (Tier 1), predominantly based in Australia and New Zealand. The supply chain industries that we procure from are varied and span from feed, packaging, ingredients, consumables and uniforms to services such as cleaning, distribution and freight.

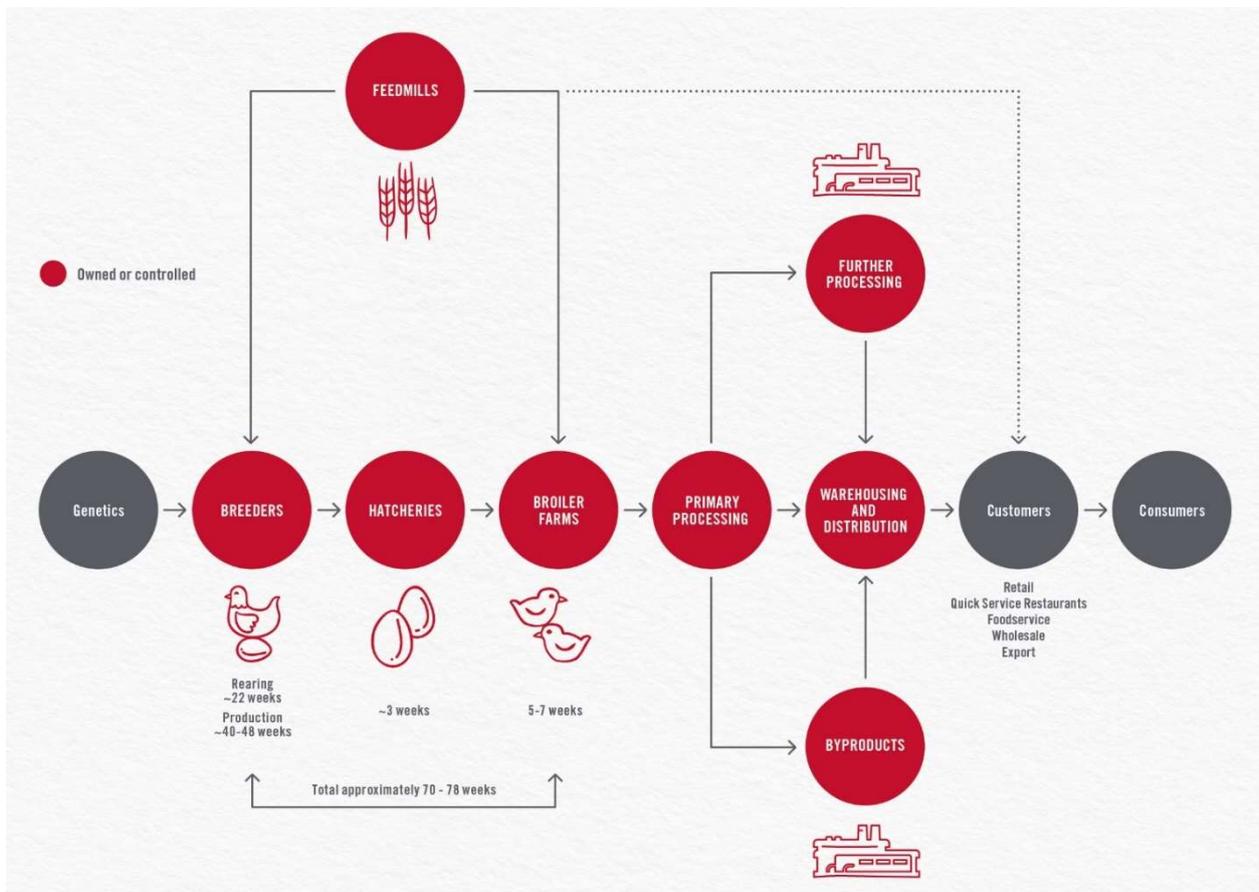
Our website – at ingham.com.au – provides information on our company, purpose and products.

The Ingham’s Group business is comprised of the following vertically integrated business units, which are in all states and territories across Australia and in New Zealand.

Our key operations are:

- **Farming:** includes breeder farms for fertile egg production as well as hatcheries and the broiler farms (independent contractors) for the growing of meat chickens.
- **Feed milling:** production of stockfeed, the majority of which is for internal use in Ingham’s Group poultry business, with sales to other customers in the poultry, pork and dairy sectors.
- **Poultry processing:** primary and further processing of chickens and turkeys into products for sale to major retail customers, QSRs, food service and wholesale customers.
- **Distribution:** warehousing and distribution of poultry products to customers.

Ingham's business value chain



Ingham's network map



The information of the percentage distributions of the Ingham’s Group employees by geographic location and business unit is shown in Figures 1 and 2.

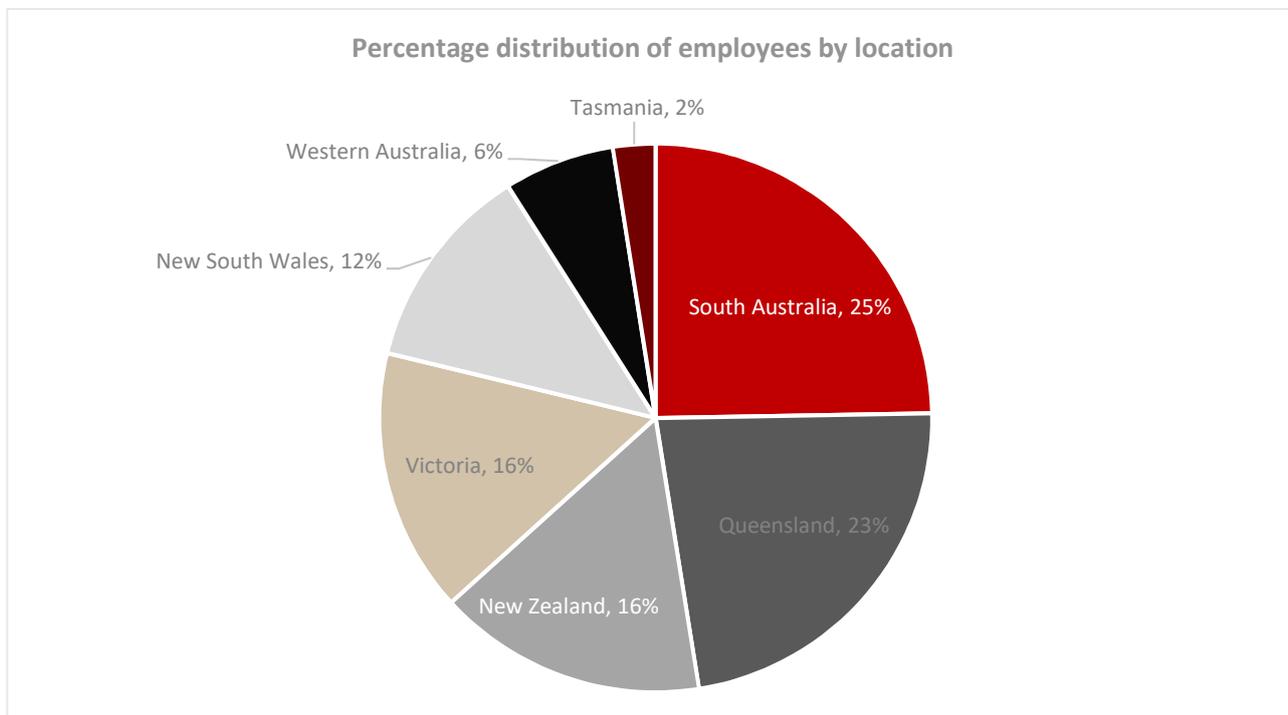


Figure 1: Percentage distribution of employees by geographic location

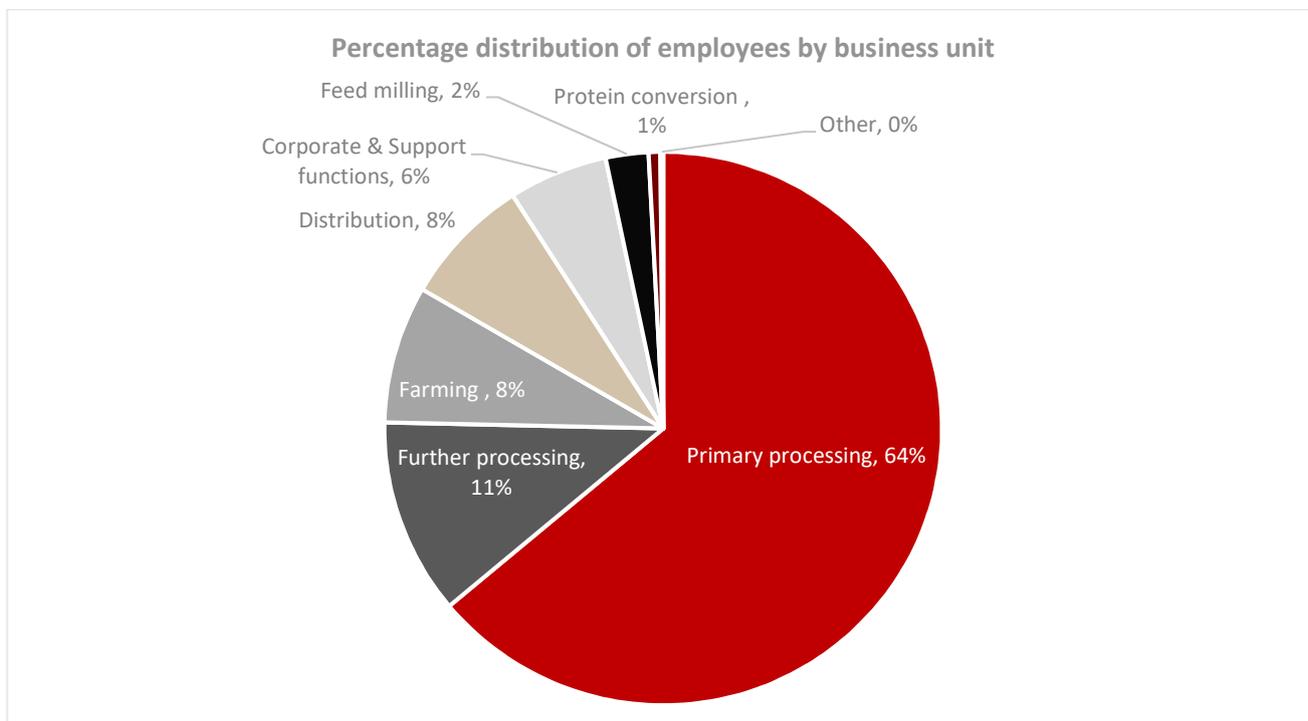


Figure 2: Percentage distribution of employees by business unit



2.2 Our supply chains

Ingham’s Group sources goods and services from more than 4,000 direct suppliers (Tier 1), that are predominantly based in Australia and New Zealand, with most of the remaining suppliers based in the USA and Europe (Figure 3).

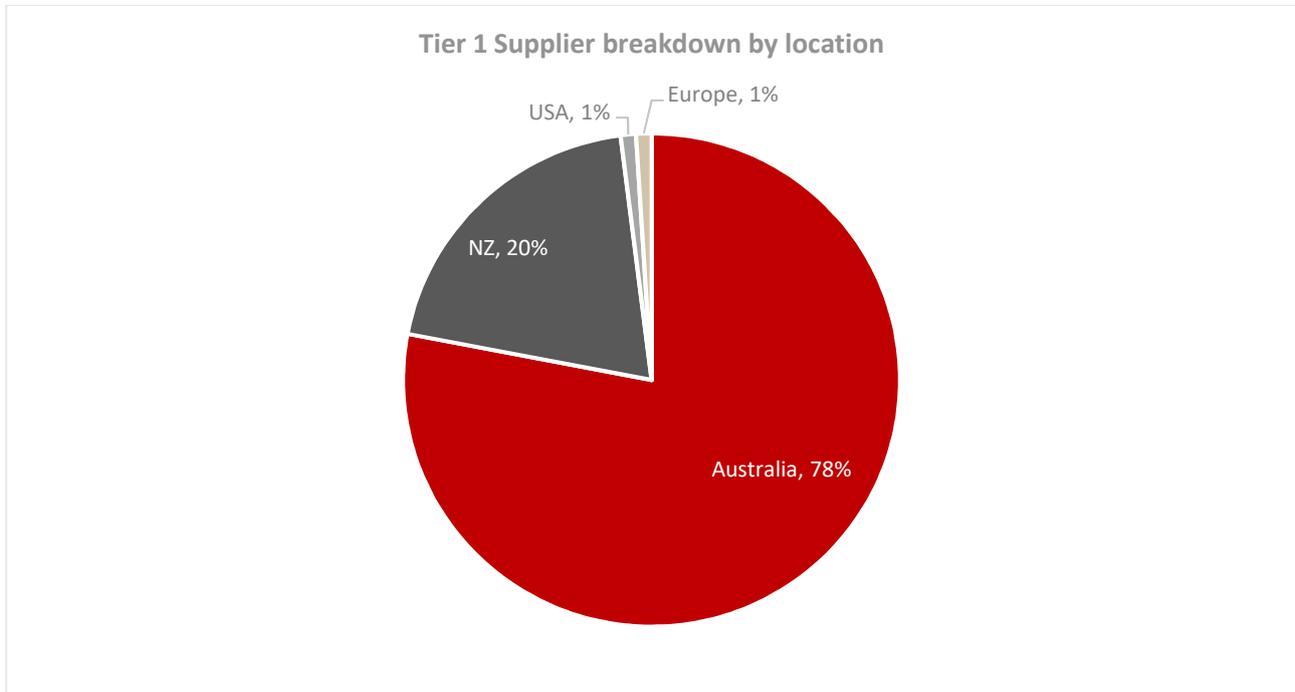


Figure 3: Tier 1 supplier breakdown by location. Note this data represents FY2019 information, which will not have changed significantly for the FY2020 period.

Examples of categories which are sourced in our supply chain include; packaging, ingredients, transport and logistics, uniforms and personal protective equipment (PPE), waste services and cleaning services. While the majority of our direct suppliers are based in Australia and New Zealand, our suppliers may source goods from overseas. An example of this is the uniforms, which are procured locally with washing services managed within Australia, however the garment is manufactured overseas.

Our initial focus is to ensure our Tier 1 suppliers have the appropriate measures in place to manage modern slavery risks in their supply chain.

3. Description of Modern Slavery Risks in Our Supply Chains

3.1 Risks in our operations

The operations of Ingham's Group and each Reporting Entity are considered to have a low risk of modern slavery practices for the reasons set out below. Ingham's Group and the Reporting Entities have no operations outside of Australia and New Zealand.

A vast majority of the Ingham's Group employees at its own operations are directly employed. In this regard, the risk of modern slavery is considered low. Employees who are directly employed in Ingham's Group operations are typically covered by the terms of collectively negotiated enterprise agreements approved by the Australian Fair Work Commission (with similar processes in New Zealand). The agreements stipulate minimum conditions for wages, hours of work, overtime conditions, additional remuneration, leave entitlements and redundancy benefits. Where the relevant employees are not covered by enterprise agreements, they are typically employed under the terms of modern awards, on above-award wages. For more senior positions, these are commonly engaged under the terms of common law contracts. All Australian employees remain subject to the minimum conditions in the Australian National Employment Standards (with the principles behind those standards being applied in Ingham's Group New Zealand operations). All Ingham's Group employment practices are fully compliant with all local laws in Australia or New Zealand (as relevant).

Our recruitment process has strong governance. Employment decisions are based on the principle of merit, with no instances of forced labour. All employees must demonstrate their legal right to work in Australia.

In Queensland, Victoria and South Australia, labour hire workers are provided through appropriately licenced agencies. Across Australia, Ingham's Group is taking steps to develop a preferred supplier list of labour hire agencies, with terms of engagement which require that labour hire agencies eliminate modern slavery.

3.2 Risks in our supply chains

Ingham's Group sources products and services from suppliers ranging from small independent farmers to large multi-nationals, predominantly sourcing from Australia and New Zealand. We are a member of SEDEX (Supplier Ethical Data Exchange) and share information on our performance with our customers.

Ingham's Group maintains a high ethical standard across its own operations. It is our policy to ensure that the ethical standards that apply within our own sites are also adhered to in our supply chain. The identification of risk within our large and complex supply chain is a key initial step to understanding what is required and prioritising subsequent actions.

We recognise the leverage we have within our supply chain is often limited and to initiate meaningful and sustainable change we need to collaborate with our supply chain partners to develop initiatives which improve the working conditions of their employees and suppliers.

We have completed a risk assessment review with an external provider, leveraging information provided by FRDM, to assess risks in our supply chain based on the category and country we source from. FRDM is a global company and hosts a wide pool of data to identify the potential risks in supply chains.

While Ingham's Group sources goods and services predominantly from within Australia (Tier 1), there are inherent risks further along the supply chain in Tiers 2 and 3 suppliers. An example of this is the uniform requirements at our facilities. While uniform washing services are managed locally in Australia, the garment manufacturing generally occurs overseas where modern slavery risks are identified as a higher risk. Another example is the electronics category which is procured locally in Australia, however tin and tungsten ores used in electronics are mined in Congo where forced labour has been identified as a risk.



3.3 Risk Assessment process

Ingham’s Group Modern Slavery risk assessment process categorises the Ingham’s Group supply chain into the following three groups:

- Tier 1 – suppliers providing goods or services directly to Ingham’s Group
- Tier 2 – suppliers providing goods or services to Tier 1 supplier, and
- Tier 3 – suppliers providing goods or services to Tier 2 suppliers.

Our primary focus is with Tier 1 suppliers whom we directly source from. However, we conducted a deeper assessment across our supply chain to identify risks throughout the supply chain.

The supply chain heat map assessment we completed has identified risks across the end-to-end supply chain. This assessment provides a risk rating based on:

1. Geographical risk, and
2. Sector risk associated with the category which the goods and services are sourced from.

The risk assessment process has identified the following key areas for consideration, together with current actions which have been taken in relation to each of those areas.

Table 1: Supply chain key risk areas and current actions

Risk areas	Risk drivers	Current actions
Service categories (e.g. cleaning contractors, contingent labour hire)	Labour intensive categories	<ul style="list-style-type: none"> • Audits were conducted to assess labour practices within our supply chain and ensure the appropriate rates were being paid to workers • Modern Slavery clause included in contracts for new suppliers to the business • Ongoing spot audit checks will be completed across these categories • Supplier Code of conduct will outline the expectations of our Tier 1 suppliers to ensure appropriate measures are in place from the locations they source from
Electronics industry	Possible risk of forced labour in the electronics manufacturing industry	<ul style="list-style-type: none"> • Supplier Code of conduct will outline the expectations of our Tier 1 suppliers to ensure appropriate measures are in place from the locations they source from • A desktop audit will be completed for high risk suppliers/categories
Personal protective equipment (including uniforms)	Possible risks of exploitation of labour in garment manufacturing	<ul style="list-style-type: none"> • Supplier Code of conduct will outline the expectations of our Tier 1 suppliers to ensure appropriate measures are in place from the locations they source from • A desktop audit will be completed for high risk suppliers/categories

4. Description of Our Policies, Governance and Due Diligence Processes

4.1 For Ingham's Group operations

We use labour hire providers in Queensland, South Australia and Victoria who are required to hold a labour hire license in accordance with the relevant State legislation. Ingham's Group has a Code of Conduct which is available on the Ingham's Group website and outlines how the business expects its representatives to behave and conduct business in the workplace. It includes legal compliance and guidelines on ethical standards.

Utilisation of labour hire workers is limited, with the majority of workers directly employed. We are in the process of creating a national preferred supplier list of verified labour hire providers to reduce risks related to Modern Slavery.

Ingham's Group has introduced a new Whistleblower Policy which encourages reporting of misconduct including breaches of legislation, criminal activity and unethical behaviour. The Whistleblower Policy enables anonymous reporting as well as the ability to report to an externally managed hotline.

Ingham's Group has a Child Labour Policy which prohibits the employment of child labour in contravention of minimum working age and education attendance requirements across all our operations, which are all located in Australia and New Zealand. The employment of any person under the age of 18 years also requires approval from senior leadership, including consideration of safe work practices and facilitating participation in education.

Recruitment of Australian employees is managed by a centralised recruitment team which operates within an approved framework and in accordance to set procedures. The work rights and visa status of all Australian employees is verified before commencing employment, including verification with the Department of Home Affairs for employees who are not citizens or permanent residents. All employment contracts are issued by the centralised team.

Employees are paid electronically via direct debit in accordance with an electronic time and attendance system. An internal review has indicated that the overall risk of issues that may lead to systemic underpayments is low.

4.2 For Ingham's Group supply chains

Ingham's Group has developed the Supplier Code of Conduct which articulates our social, environmental and ethical expectations for the direct suppliers of goods and services. Our Code covers the following areas, but is not limited to, labour practices, human rights, business integrity and environment.

We ensure our human rights expectations are further articulated in our contracting process with our suppliers. We have updated our standard contract templates to reflect modern slavery requirements as a key component for suppliers to comply with.

Ingham's Group has added a modern slavery questionnaire in the Ingham's Group *Know Your Supplier* platform as part of the due diligence process. This platform is under implementation. Where risks are identified in a supply chain category, Ingham's Group is committed to working with relevant suppliers to mitigate these risks.

During 2020, spot audits were completed on payments to employees in the labour-intensive categories (e.g. cleaning contractors) to assess effectiveness of the existing processes and policies. The outcome of this audit showed that our suppliers' payments to their employees and contractors were in line with the fair work award rates.

5. Assessment of Effectiveness



The FRDM data map has provided Ingham's Group with the visibility of low, medium and high-risk categories within our supply chain. Our new vendor approval process has enabled Ingham's Group to identify potential risks upfront, which provides greater opportunity to mitigate these risks. Ingham's management monitors an internal modern slavery dashboard which includes a geographic risk footprint and a heat map.

Other processes which assist in reviewing and monitoring effectiveness of Ingham's Group systems and processes include:

- The People and Remuneration Committee of the Ingham's Board receives periodic reporting of disclosure made under the Whistleblower Policy. The People and Remuneration Committee is also provided information regarding any material incidents outside the normal reporting period.
- Social Accountability external audits are conducted by customers on Ingham's Group employment practices.
- New labour hire providers to Ingham's Group are audited and documentation is verified to ensure compliance with employment requirements, including labour hire licenses where applicable.

6. Consultation, collaboration and engagement

Key Ingham's Group management personnel that represent Sustainability, Risk, Legal, Procurement and Supply Chain, People and Performance, Compliance, and Internal Audit functions of the Ingham's Group and its Reporting Entities (Appendix 1) have collaborated in the preparation of this Statement.

Externally, we work with supply chain partners, labour providers, customers, industry bodies and other enforcement bodies to ensure the risk of modern slavery is minimised. Ingham's has consulted with its Reporting Entities, including the New Zealand business and updated its standard contract templates to reflect the requirements of the Modern Slavery Act.

7. Approval by Principle Governing Body

The Principle Governing Body of Inghams Group Limited is the Ingham's Board, which has been consulted on and has considered and approved this Statement.

Each of the other Reporting Entities is a wholly owned subsidiary of Inghams Group Limited and is managed by the Senior Management Team of Inghams Group Limited.

The Managing Director and Chief Executive Officer of Inghams Group Limited and the Chief Financial Officer of Inghams Group Limited are Directors of each of the subsidiary Reporting Entities. The Managing Director and Chief Executive Officer, the Chief Financial Officer, and the Senior Management Team are responsible for managing each of the subsidiary Reporting Entities and have been consulted on, and have considered and approved, this Statement.



Appendix 1

Reporting Entities - Inghams Group Limited Modern Slavery Statement

Reporting Entity	ACN	Location
1. Inghams Group Limited	ACN 162 709 506	*Australia)
2. Ingham Holdings II Pty Limited	ACN 162 709 579	*Australia)
3. Ingham Holdings III Pty Limited	ACN 162 709 659	*Australia)
4. Adams Bidco Pty Limited	ACN 162 707 904	*Australia)
5. Ingham Enterprises Pty Limited	ACN 130 793 609	*Australia)
6. Inghams Enterprises Pty. Limited	ACN 008 447 345	*Australia)
7. Inghams Enterprises (NZ) Pty Limited	ACN 003 853 558	**NZ / Australia

* All operations in Australia. Registered office and Level 4 / 1 Julius Avenue, North Ryde, Sydney NSW 2113, Australia

** Operations in New Zealand. Registered Office at 624 Waiheke Road, RD1, Waitoa, 3380, New Zealand