



## LEADING ANIMAL NUTRITION

MODERN SLAVERY STATEMENT

2022



# MODERN SLAVERY STATEMENT 2022

This third modern slavery statement (**Statement**), in response to the *Modern Slavery Act 2018 (Cth)*, is made jointly by Ridley Corporation Limited (**Ridley**), Ridley AgriProducts Pty Ltd (**RAP**) and CSF Proteins Pty Ltd (**CSF**) in respect of the period from 1 July 2021 to 30 June 2022 (**Reporting Period**).

Ridley Corporation Limited (ACN 006 708 765) is a public company incorporated in Australia and listed on the Australian Securities Exchange (**ASX**). Ridley has its headquarters in Melbourne and is the parent entity of the Ridley consolidated group of entities (**Ridley** or **Ridley Group**).

The information in this statement is accurate as at 30 June 2022.

## At a glance – our business

At Ridley, we respect human rights as fundamental to our business and the communities in which we operate. We seek to protect against all forms of modern slavery including human trafficking, forced labour and child labour both within our organisation and as part of our supply chain. We recognise that managing these risks is a key social responsibility for Ridley.

Since listing on the ASX in 1987, we have grown to become a leading provider of premium quality, high-performance animal nutrition solutions in Australia. We believe smart animal nutrition is key to solving food production challenges and that success brings with it responsibilities for safety, people, community, sustainability, environment and quality.

As one of the largest domestic consumers of Australian-grown cereal grains and a significant employer in farming communities, Ridley is part of the economic and social fabric of rural Australia. Our operations supply a diverse range of customers in the dairy, poultry, pig, aquaculture, sheep and beef industries, as well as the equine, canine and home layer markets in the retail sector.

With both scale and operational capacity, Ridley's product range supports both agriculture and aquaculture industries,

from bulk commercial stockfeeds and packaged feeds for stock and companion animals, to ingredients, including raw materials, additives, supplements and animal meals. Ridley has 13 feed mills located in South Australia, Victoria, New South Wales and Queensland, along with an extrusion plant and a supplements plant both located in Queensland. Ridley's packaged feeds trade under the major brands Barastoc, Rumevite, Cobber, Primo, Propel and Food for Dogs.

Ridley operates two ingredient recovery plants in Victoria and New South Wales, where animal meals (including meat and bone meal, poultry meal, hydrolysed feather meal, blood meal and fish meal), our specialised ingredient Chicken Protein Concentrate and animal fats are manufactured, all of which are valuable sources of protein or energy for animal feed produced from otherwise surplus co-products. Ridley's ingredient recovery plants are the source of most of Ridley's own animal feed requirements and also supply the stockfeed, pet food and biofuel industries, both domestically and overseas.

Internationally, Ridley has a production site in Chanthaburi, Thailand. At this site, Ridley produces a single specialised ingredient 'NovaqPro™'.

## Our structure

Ridley is the ultimate parent entity of the Ridley consolidated group and operates through a number of subsidiaries, including Ridley AgriProducts Pty Ltd (ACN 006 544 145) and CSF Proteins Pty Ltd (ACN 000 499 918), both of which are incorporated in Australia, and Ridley Corporation (Thailand) Co Ltd (**RCT**), which is registered in Thailand. RAP is a wholly owned subsidiary of Ridley and directly conducts all of the non-ingredient recovery operations of the Group. CSF is a wholly owned subsidiary of RAP and conducts the Group's ingredient recovery operations. RCT is a wholly owned subsidiary of Ridley and the primary business and trading entity in Thailand – with Pen Ngern Feed Mill Co Ltd (**PNFM**) responsible for the supply of manufacturing services to RCT.

This Statement is made jointly on behalf of Ridley, RAP and CSF as group entities which each have consolidated revenue of over \$100 million for the Reporting Period. All entities within the Ridley Group



operate broadly within the same sectors, have the same management structure and operating systems, and follow the same policies and procedures regarding operations and compliance (other than some minor non-material differences in relation to the Thailand operations).

This Statement also addresses the activities of Ridley's Thailand based subsidiaries (although they are not reporting entities for the purposes of the Act).

RAP and CSF are aware that Ridley has prepared this Statement and have participated in its preparation to the extent required. No significant differences between the operations of Ridley, RAP and CSF were identified and the modern slavery risks relating to those operations are considered to be the same.

## Our operations

During the Reporting Period, Ridley had manufacturing sites across Australia which produce in the vicinity of 1.8 million tonnes a year of finished feeds and feed ingredients based on Australian grown cereal grains. These feeds are provided to animals in the dairy, poultry, pig, beef, horse, sheep, laboratory research, pet food and aquaculture industries in Australia and other countries, predominantly in Asia. During the Reporting Period, Ridley operated at the locations, and in the sectors, shown on the next page.



## MODERN SLAVERY STATEMENT 2022 *continued*

### Thailand in profile

At its production site in Chanthaburi, Thailand, Ridley manufactures a single product (NovaqPro™) on land and in saline water ponds. NovaqPro™ is grown from naturally occurring marine microbes then de-watered and dried. The primary stage product is produced by the RCT entity with the PNFM entity undertaking the dewatering, drying and bagging process. The production process does not utilise materials sourced from fisheries or aquaculture and the site does not operate in the seafood industry in Thailand (which is identifiable as a sector with a high modern slavery risk).

The NovaqPro™ product, originally developed by CSIRO and with subsequent trials and commercialisation occurring in collaboration with Ridley under licence, is designed to provide a more sustainable, specialised ingredient in prawn diets without sourcing fishery or aquaculture ingredients.

Ridley has identified (as outlined in our prior modern slavery statements) a geographic modern slavery risk in relation to its operations in Thailand. Thailand, according to the Global Slavery Index (GSI), has one of the highest rates of modern slavery in South East Asia. Ridley has taken actions to create effective controls regarding this risk.

### Structure

The RCT and PNFM entities in Thailand are registered with the Thailand Ministry of Commerce and fall under the responsibility of the Ministry of Industry as represented by the local Chanthaburi Industry Ministry Division.

The operations are locally led with a reporting line to Ridley's Australian based Group Manager, Operations & Commercial AquaFeed Ingredients. The Group Manager, Operations & Commercial AquaFeed Ingredients is again able to regularly visit the Chanthaburi site (post-COVID pandemic-related interruptions).

RCT and PNFM engage 19 permanent employees, supplemented by casual employees for peak periods. Staff are engaged in accordance with Thailand's Labour Protection Act B.E.2541 incorporating the Thailand Labour standard TLS801. Where relevant, Ridley's Australian policies and procedures have been translated into Thai and apply to the Chanthaburi site. Casual employees are also engaged in accordance with the above.

All employees have a valid right to work in Thailand, including two long-term employees who are non-Thai nationals. Both employees are engaged under the same terms and conditions as other RCT and PNFM employees.

During the reporting period, the RCT and PNFM entities were audited by the Chanthaburi Province Division of the Thailand Ministry of Labour. Both entities passed the audit and considered the recommendations made to update Ridley's Australian policies and procedures for the Thai operations. This included updating the maternity leave provision from 90 to 98 days, recognising military leave in the event of government directed military service and incorporating engineering works controls into labour standards rather than remaining with the current RCT and PNFM practice of stand-alone policies.

The site operates under the workplace, health and safety policies standards applicable to Ridley's Australian operations. A Safety Committee, consisting of management and employee representatives, is facilitated by a dedicated workplace, health and safety employee. Monthly workplace, health and safety audits are undertaken with outcomes reported to the Australian National Safety Manager and flowed into the Australian operations reporting framework. A local safety professional is engaged to consult as required, by way of example, during the reporting period the consultant undertook a pre-commissioning safety audit for PNFM on a new process installation to ensure compliance with local safety regulations.

On 24 August 2022, Ridley's Chanthaburi site was recognised for its successful community engagement and employee wellbeing by the National Department of Industrial Works with an award for its Corporate Social Responsibility program.

Site employees are inducted into, and must comply with, workplace health and safety policies and are supplied with required Personal and Protective Equipment (PPE).

### Key disclosure policies

Since 2019, the confidential disclosure service (Stopline) that has operated for our Australian based operations has also operated for our Thailand based staff. Stopline is a confidential, independent, third party disclosure service provider available to all Ridley employees and stakeholders.

The Ridley Code of Conduct, Supplier Code of Conduct, Modern Slavery Policy, Whistleblower Policy and Anti-Bribery and Anti-Corruption Policy, all of which are in place at our Thai operations, set out how a disclosure to Stopline can be made. In addition, posters are displayed on notice boards setting out the Stopline disclosure process.



# MODERN SLAVERY STATEMENT 2022 continued

## Our supply chain

Ridley has a large, diverse supplier base. During the reporting period, we engaged with over 9,000 suppliers and sourced over 600 different ingredients and raw materials to manufacture our animal feed products.

We source our ingredients and raw materials across a range of suppliers from Australian farmers to multi-national corporations. While most of our materials are sourced domestically, around a quarter of our total volume is imported

either directly from overseas manufacturers or via locally based importers. The table below summarises the main input and ingredient groups used to manufacture our stockfeed:

Input/ ingredient group	Items	Typical origin
<b>Grains</b>	Wheat, barley, canola seed, maize, oats, peas, faba beans	Australia
<b>Vegetable protein meals and oils</b>	Soybean meal, Specialty GM Free Soy Protein Concentrate (SPC), canola meal, dried distiller grains with solubles, canola oil	Argentina (Soybean meal), Brazil (GM Free SPC) and the remainder from Australia
<b>Animal protein meals and fats</b>	Meat and bone meal, poultry meal tallow, fish meal, fish oil	Australia, Peru, Chile, Thailand, New Zealand, American Samoa, PNG, Uruguay, Costa Rica
<b>Feed additives</b>	Amino acids, vitamins, minerals, colourings, medications, enzymes, probiotics and others	UK, Europe, India, China, USA, various South American countries
<b>Packaging</b>	Cartons, 20 kg bags, bulka bags, Pallets	Australia, China, Vietnam, India and Sri Lanka

In addition to raw material ingredients, Ridley procures a range of other goods and services in connection with its production operations, including: logistics, maintenance and cleaning services, pest control services, new plant and equipment (including information technology) and spare parts, energy and utilities, personal protective equipment and uniforms, office consumables, chemicals and casual labour hire. We have a mixture of short and long-term procurement arrangements, depending on the nature of the purchase.

Ridley has two group functions which manage procurement, the Merchandising team, which manages all raw materials procurement, and a non-stock procurement function, which manages other supply arrangements.



# MODERN SLAVERY STATEMENT 2022 continued

## Risk identification

### Assessment of risks

Using the guidance provided in the GSI, the following risks have been identified in past reporting periods:

#### (a) Geographic risks

- I. Ridley conducts the manufacturing of its NovaqPro™ product in Thailand, which has been identified in the GSI as having one of the highest rates of modern slavery in South East Asia.
- II. Ridley imports products from a number of countries, some of which are identified as high risk under the GSI.

#### (b) Sector and industry risks

- I. Ridley operates in the agricultural and manufacturing sectors. Agriculture is recognised as a high-risk industry globally. Migrant and/or itinerant labour may be used by our suppliers (through both contracted services such as cleaning, or labour used in the production of our ingredients) and on farms supplying raw materials such as grains and oilseeds.

#### (c) Products and services risks

We remain focused on the following key categories:

- I. Goods:
  - raw materials (particularly fish meal/oil, molasses, Tilapia Hydrolysate Powder and Dried Fish Solubles);
  - personal protective equipment and uniforms;
  - packaging; and
  - electronics.
- II. Services:
  - cleaning services;
  - IT procurement;
  - shipping and freight;
  - contract maintenance services; and
  - contractors and casual labour hire.

#### (d) Entity risks

- I. Given the large number of ingredients and products procured by the Ridley group, we use a significant number of local suppliers who import products for on-supply to Ridley (for example packaging). There is a risk that because we do not have full visibility of the supply chain, we may be inadvertently supporting modern slavery practices.

- II. We also identified that our tender or negotiation processes for ingredients and other items may have the potential to pressure suppliers to submit prices that are so low as to encourage inhumane labour practices in the supply chain in order to make a profit from the transaction.

Combining the geographic risks with the product risks above, we identified that the potential high-risk areas for Ridley are:

- NovaqPro™ operations, particularly purchases of molasses, packaging and uniforms;
- imported Fish Meal and Oils from South East Asia and South America;
- imported PPE clothing and equipment from China and Malaysia; and/or
- imported laptops, computers and mobile phones from China and Malaysia.



# MODERN SLAVERY STATEMENT 2022 continued

## Risk mitigation and controls

In FY21, KPMG conducted a Modern Slavery Benchmark Survey for Ridley to help us better understand progress in our modern slavery journey. The self-assessed survey is informed by, and aligns with, the UN Guiding Principles on Business and Human Rights and other international standards and frameworks.

The result of the FY21 KPMG Modern Slavery Benchmark is summarised in Diagram 2.

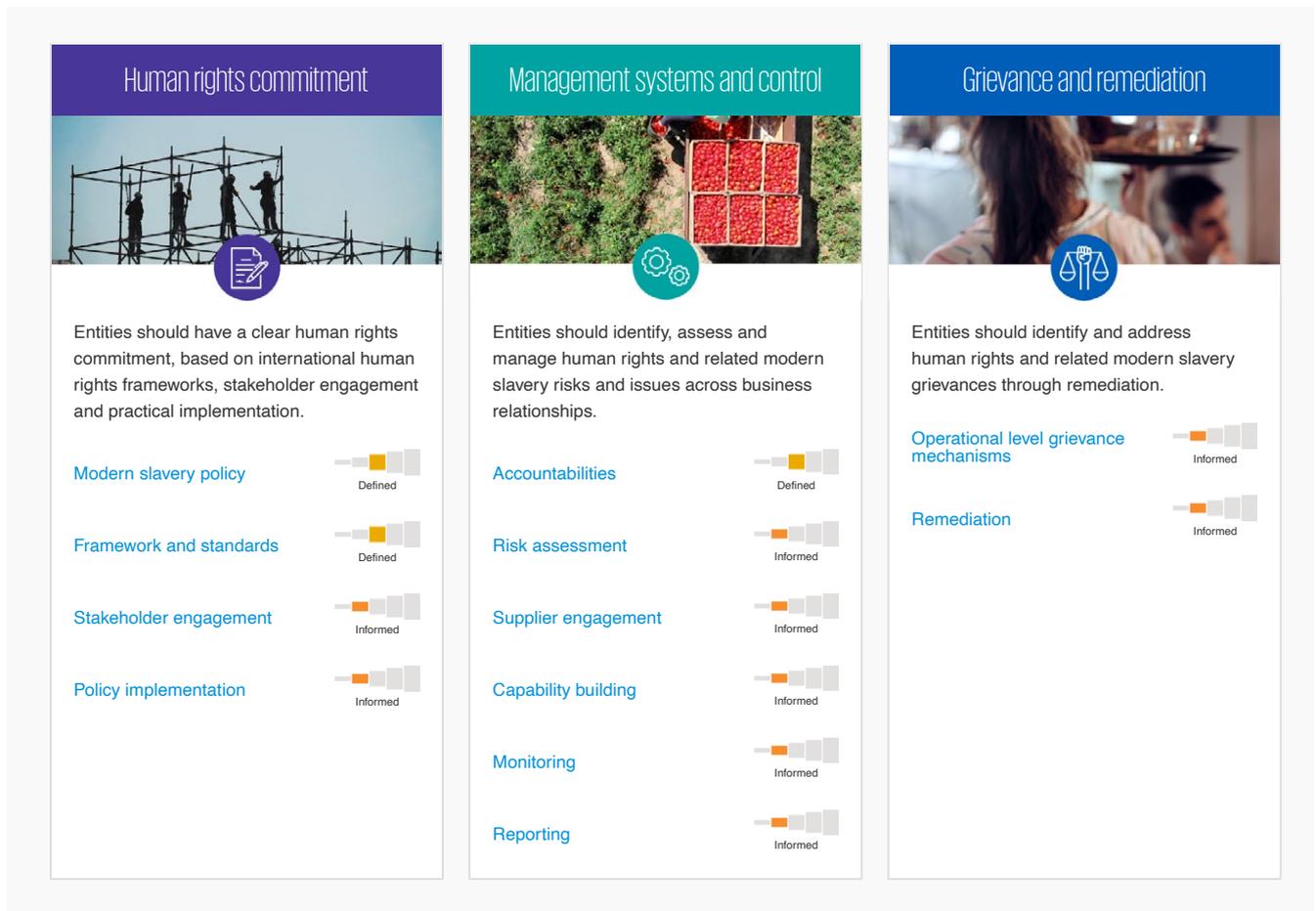
## FY21 KPMG Modern Slavery Benchmarking

Ridley has taken positive steps to address benchmarking outcomes. Since the FY21 survey was undertaken, Ridley has developed more mature management systems and controls, in particular implementing:

- A new supplier questionnaire expressly incorporating modern slavery compliance questions – with responses received from 98% of suppliers to our stockfeeds business (excluding domestic farmer suppliers).

- Remedial actions are undertaken where appropriate to either (1) clarify ambiguity in Supplier responses including requesting further information, e.g. Sedex Report; and (2) in certain cases, where a supplier has refused to respond to the questionnaire, ceasing to deal with that supplier.
- The Supplier Code of Conduct and Modern Slavery Policy.
- Standard Terms and Conditions of Supply that expressly reference modern slavery obligations including compliance expectations.

Diagram 2



## MODERN SLAVERY STATEMENT 2022 continued



### Human rights commitment

#### Modern Slavery Policy

During the reporting period, Ridley released its Modern Slavery Policy ([https://www.ridley.com.au/wp-content/uploads/2022/04/Modern-Slavery-Policy\\_updated-April-2022.pdf](https://www.ridley.com.au/wp-content/uploads/2022/04/Modern-Slavery-Policy_updated-April-2022.pdf)) as one of a range of measures designed to strengthen our human rights commitment and to provide a clear and independent reporting mechanism (Stopline) for disclosure of instances of modern slavery in our operations as well as our supply chain. The Policy operates across our Australian and Thailand operations, is publicly available and has been published to all staff along with clear guidelines as to the purpose of the Policy and the disclosure mechanisms offered.

#### Supplier Code of Conduct

During the reporting period, Ridley released its Supplier Code of Conduct (<https://www.ridley.com.au/wp-content/uploads/2022/06/Supplier-Code-of-Conduct-FINAL20June2022.pdf>). The Supplier Code of Conduct establishes Ridley's commitment to a range of matters including the protection against all forms of modern slavery and serious exploitation. We expect our Suppliers to share this commitment and this Code sets out the minimum standards expected of all our Suppliers.

Compliance with the Code is a contractual requirement under our standard terms and conditions of purchase. Code compliance includes self-assessing against the Code and taking necessary actions to correct non-compliance. Under the Code, Ridley may request evidence and confirmation of compliance with the Code and may cease dealing with any supplier found to have acted in non-compliance, illegally or unethically.

#### Standard Terms and Conditions of Supply

During the reporting period, the modern slavery clause in our Standard Terms and Conditions of Supply was reviewed and refreshed.

#### Management systems and controls

##### Supplier due diligence

In our Modern Slavery Statement FY21, we indicated a process had commenced to bolster supplier approval processes to include a specific assessment of modern slavery risk, and to implement controls to mitigate this risk.

During the reporting period, Ridley has improved its procedure for approving new suppliers of raw materials, ingredients and additives as well as for packaging. Where suppliers are identified as medium

or risk from a quality perspective, a supplier questionnaire must be completed in order for both current and new suppliers to be approved. The questionnaire takes the form of a declaration and contains 12 questions under the heading 'Ethical, Sustainable and Social Responsibility' that directly address these categories including modern slavery policies and risks. Where answers highlight an issue or are insufficient (i.e. no human rights policies with no plans to implement), Ridley consults with the supplier including advising its intention to expect compliance within a reasonable timeframe.

#### Supplier engagement and monitoring

This is addressed under 'Standard Terms and Conditions of Supply' and the 'Supplier Code of Conduct'. Self-assessment and reporting are built into our Supplier Code of Conduct and a protected disclosure mechanism is offered. A process for identifying higher risk suppliers and completion of questionnaires is in place.

#### Grievance and remediation

This is addressed under our Modern Slavery Policy and other key policies offering an independent disclosure processes with remediation offered under our Due Diligence processes.

# MODERN SLAVERY STATEMENT 2022 continued

## Governance

Ridley's governance framework incorporates key policies and procedures that address modern slavery risk and assist us to provide effective management of that risk. These policies also reflect the minimum standards of behaviour expected of Ridley employees and other stakeholders.

- (a) **Ridley Corporate Governance Statement:** Our Corporate Governance Statement (year ended 30 June 2022) outlines the corporate governance framework established by our Board and which has operated throughout FY22.
- (b) **Modern Slavery Policy:** Released during the reporting period, the Modern Slavery Policy is one of a range of measures in place to strengthen our human rights commitment.
- (c) **Supplier Code of Conduct:** Released during the reporting period, the Supplier Code of Conduct establishes Ridley's commitment to a range of matters including the protection against all forms of modern slavery and serious exploitation. We expect our Suppliers to share this commitment and the Code sets out the minimum standards expected of all our Suppliers.
- (d) **Code of Conduct:** The Ridley Code of Conduct provides a clear behavioural framework within which all directors and employees are expected to operate and reflects our Values and our Strategic Plan.
- (e) **Anti-bribery and Anti-corruption Policy:** The Anti-bribery and Anti-corruption Policy sets out the standards required of all Ridley employees to refrain from any activity that is, or could be alleged to be, corrupt, including in the nature of a bribe or otherwise inappropriate payment or inducement.
- (f) **Whistleblower Policy:** The Whistleblower Policy covers the procedures for dealing with reports of suspected improper conduct within Ridley. It also addresses the protection of individuals making those reports and investigation of the matters raised by them.

- (g) **Workplace Gender Equality Agency:** The Workplace Gender Equality Agency 2021-22 Compliance Program report has been submitted and is publicly available for review at [www.ridley.com.au/corporate-governance/corporate-governance](http://www.ridley.com.au/corporate-governance/corporate-governance).

Each of the above policies, reports and statements are publicly available on our website at [www.ridley.com.au/corporate-governance](http://www.ridley.com.au/corporate-governance).

Of these policies, (b) to (f) above include a clear and independent reporting mechanism (Stoptime) for disclosure of instances of modern slavery in our operations as well as our supply chain.

As part of our program of review of relevant Group policies, modern slavery issues will continue to be considered and referenced as appropriate.

Ridley continues to update its risk-based management systems to establish suitable, adequate and effective controls in relation to modern slavery and human trafficking.

## Future focus areas

Areas that we intend to focus on in the next reporting period to better assess and address modern slavery risks are:

- (a) During the reporting period, we reviewed and refreshed the modern slavery clause in our Standard Terms and Conditions of Supply. This included the incorporation of our new Supplier Code of Conduct as a contractual requirement. We will continue to review our remaining standard templates relating to supply to ensure suppliers are fully aware of, and accept, their obligations under the *Modern Slavery Act 2018* (Cth).
- (b) We will continue to review the supplier approval process and assess its effectiveness and will seek to extend the process to other high-risk areas within Ridley's operations and identified under 'Assessment of Risks' above.
- (c) We will focus on an internal education program to be made available to suppliers as needed.

## Assessing effectiveness

Ridley continues to develop and modify the approach we take to identifying and managing modern slavery risk. We will also review the degree of staff awareness of modern slavery risks.

## Consultation

Ridley Corporation Limited has consulted with the management of both RAP, CSF and RCT in preparing this statement. The statement has been separately approved by the Boards of each of RAP and CSF.

Approved by the Board of Directors of Ridley Corporation Limited on 27 October 2022



**Mick McMahon**  
Chairman

27 October 2022

