



MODERN SLAVERY STATEMENT FY22

HAZELDENE'S CHICKEN FARM PTY LTD

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1 Introduction

This statement is prepared as a joint statement on behalf of HCF Holdco Pty Ltd (ACN 653 844 181), HCF Midco 1 Pty Limited (ACN 653 844 805), HCF Midco 2 Pty Limited (ACN 653 845 366), HCF Bidco Pty Limited (ACN 653 847 388) and Hazeldene's Chicken Farm Pty Ltd (ACN 004 381 346) (collectively, **Hazeldene's**) under section 14 of the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2021 to 30 June 2022.

Hazeldene's is committed to upholding human rights and reducing the risks of modern slavery in its operations and supply chain. Hazeldene's recognises that fulfilling this commitment will require taking proactive and meaningful action, and Hazeldene's has outlined in this statement the steps it is taking to address modern slavery.

2 Hazeldene's Structure, Operations and Supply Chain

2.1 Structure

The Hazeldene's reporting entities are each Australian proprietary companies limited by shares with a principal place of business in Lockwood, near Bendigo in Central Victoria. Hazeldene's operates under "Hazeldene's Chicken Farm" or the abbreviated "Hazeldene's". Hazeldene's has wholly owned subsidiaries within the Hazeldene's corporate group.

Hazeldene's commenced operations in 1938 (incorporated in 1957) and has been growing rapidly since. Continuous development and investment over 80 years has put the business at the forefront of poultry production in Australia. Hazeldene's operate a vertically integrated network including farms (both owned and contracted), hatcheries and processing facilities located throughout Central Victoria. The business has a large workforce of people in Victoria. Employees undertake a range of functions including farming, hatching, processing, packing and administration.

2.2 Operations

Hazeldenes' business activities encompass the entirety of the poultry processing cycle, including rearing and laying, hatching, feeding, processing, packaging and distribution. Administrative activities support this cycle and the business has a number of employees in management, legal, procurement, human resources, accounts, sales, engineering, administration and risk and compliance roles, who manage day-to-day operations.

Further information on Hazeldenes' principal business activities is available on the business' website: <https://www.hazeldene's.com.au>.

2.3 Supply Chains

Hazeldene's has over 600 suppliers, with Tier 1 suppliers predominately located in Australia and less than 1% located across Europe and North America.

Goods and services procured by Hazeldene's include, but are not limited to, chicken feed and the associated freight to transport feed to farms, chickens, and services procured to transport chickens from farming to production. Plant and equipment, uniforms, ingredients for value-added products and packaging are key goods procured to support production.

Cleaning, veterinarians, laundry and other services are also procured to support business operations across the value chain.

The business' plant and equipment is predominantly imported from Europe. IT equipment is procured from the United States, Canada and Europe, as well as domestically in Australia.

Given the nature of Hazeldene's business activities, many of the arrangements Hazeldene's has with its suppliers are stable and long-term as products and services are generally acquired on an ongoing basis. Examples of long-term arrangements include feed milling, packaging and freight, among others.

As part of Hazeldene's ongoing modern slavery program, the business will deepen its visibility beyond the first tier of the supply chain, including the geographic location of key Tier 2 suppliers. More detailed supply chain mapping is intended to be undertaken progressively in subsequent reporting periods to increase the visibility and risk assessment in respect of Tier 2 suppliers.

3 Assessing risks of modern slavery

In this reporting period, Hazeldene's undertook a high-level risk assessment to identify risks of modern slavery practices within its operations and supply chain, and within the operations and supply chains of wholly-owned subsidiaries. In undertaking this first modern slavery risk assessment, the business assessed its suppliers against the following risk matrix:

- **Commodity risks:** certain products and services procured by Hazeldene's or its suppliers are associated with elevated risks of modern slavery because of risks inherent in the raw materials used in manufacturing or producing these goods or supplying these services.
- **Industry or sector risks:** some of Hazeldene's suppliers operate in sectors or industries that are known to be inherently high risk for modern slavery. These include agriculture (such as live bird-catching), commercial cleaning and laundry services, meat processing and logistics services, including freight and distribution.
- **Geographic risks:** some of Hazeldene's suppliers procure goods or services from jurisdictions associated with a particularly high risk of modern slavery practices as indicated by the Global Slavery Index (**GSI**).
- **Workforce risks:** some categories of personnel in Hazeldene's supply chain can be more vulnerable to modern slavery practices both overseas and within Australia. For example, migrant workers, base-skilled workers and workers employed through labour hire arrangements can be more vulnerable to modern slavery practices.

Using this modern slavery risk matrix, Hazeldene's has identified five categories of first tier suppliers of goods and services that present higher risks of modern slavery practices.

3.1 Poultry feeds

Supply chains for the ingredients used in production of the business' poultry feeds carry heightened risks of modern slavery because of the known practices associated with some ingredients used in feeds, which include soybean meal, canola seeds and oil, limestone, tallow, medications and antibiotics.

3.2 Inputs to value added chicken products

The pre-made sauces and marinades in Hazeldene's value added chicken use ingredients such as soy products, nuts, herbs and spices that can be exposed to the risk of modern slavery in their production given the jurisdictions from which they are generally sourced (South America, East and

Central Asia) which may have limited regulation of working conditions or legislative protections for workers' rights, and a high reliance on foreign workers.

As part of Hazeldene's commercial relationships with some supermarket chains, the business is required to source some of the ingredients used in its value added chicken products from retailers' own suppliers. These retailers submit their own modern slavery statements under the Act, and Hazeldene's has reviewed these statements to understand how these companies are taking actions to assess and address the risks of modern slavery in their supply chains, given reliance on these chains.

3.3 Workforce/labour

The live agriculture and meatworker industries in Australia carry some elevated risks of modern slavery due to the low skilled nature of the work, location and prevalence of migrants or foreign nationals. Modern slavery in the Australian live agriculture sector is well-documented and Hazeldene's pays particular attention to these risks in its operations and supply chain. Similar risks can be present in security services and commercial cleaning industries.

Hazeldene's has introduced a number of measures to mitigate the risk of modern slavery in this part of its workforce, including use of Hazeldene's ethical sourcing questionnaire, onboarding processes and controls for hiring arrangements, licensee requirements and reviews, and translation services for key employment documents.

Additionally, Hazeldene's has some oversight over these categories of workers through in-person Sedex Members Ethical Trade Audits (**SMETA audits**) for some of its operations.

Further details of the actions Hazeldene's takes to mitigate the risks of modern slavery in its operations and supply chain are explained in section 4 of this statement. Having identified these categories of workers as a higher risk component of Hazeldene's workforce, the business will continue to engage with its live agriculture workers, meatworkers, labour hire and cleaning providers in future reporting periods to better understand the risks in its operations and to ensure labour hire providers are taking adequate steps to protect against those risks.

3.4 Personal Protective Equipment (PPE)

As a company which produces and processes poultry products, Hazeldene's is reliant on PPE and protective clothing to ensure the business' products and operations meet the highest applicable health and safety standards, and importantly, to protect its workforce.

While Hazeldene's PPE suppliers are currently all located in Australia, it is understood that a large portion of the PPE and protective clothing procured is likely imported from overseas jurisdictions with higher modern slavery risks.

It is understood that that the procurement of PPE, in particular single use rubber gloves and surgical masks, may present elevated modern slavery risks as the ongoing COVID-19 pandemic has created a surge in demand for those products and, as a result of this surge in demand, workers involved in the manufacture of those products are exposed to increased risks of modern slavery practices.

3.5 Logistics services

Freight distribution, including shipping and transport, is known to be a high risk industry for modern slavery practices, both overseas and within Australia, due to the intersection with overseas jurisdictions with less regulation, legislative protections and oversight of workers' rights, and reliance on foreign workers and labour hire arrangements.

While Hazeldene's uses logistics services in Tier 1 procurement, additional risks are located in the lower tiers of this supply chain which the business has not yet investigated. It is understood that there may be heightened risks associated with any products that suppliers import via sea.

3.6 Other

Hazeldene's acknowledges that many products procured are manufactured using raw materials that carry inherent risks of modern slavery, such as soybean meal, rice hulls, cobalt, cotton and rubber. The business acknowledges that, as a result, modern slavery is likely to occur in lower tiers of the supply chain for items like poultry bedding, plant and equipment, IT hardware, uniforms and packaging, which is not discussed above given focus on higher risk first tier suppliers during this reporting period.

4 Actions to assess and address the risks of modern slavery in Hazeldene's operations and supply chain

(a) Hazeldene's governance, policies and processes

Hazeldene's acknowledges that one of the key steps to effectively address modern slavery risks in its operations and supply chain is ensuring appropriate governance and policy frameworks are in place. Hazeldene's has the following governance structure, policies and processes in place which assist the business to assess and address the risks of modern slavery in operations and its supply chains.

Hazeldene's governance structure

At present, members of the business' Risk and Compliance and Procurement functions are involved in managing the modern slavery risks that may arise in Hazeldenes' operations and supply chain. The Chief Executive Officer (CEO), Chief Financial Officer (CFO), General Manager of Human Resources and General Manager of Risk and Compliance are involved in overseeing modern slavery risk management and the preparation of this Statement. In June 2022, the CEO and CFO participated in a roundtable event facilitated by a Modern Slavery expert, with other reporting entities operating in a range of sectors to consider best practice approaches to developing and implementing actions to assess and address modern slavery risks.

Social Responsibility and Ethical Sourcing Policy

Hazeldene's Social Responsibility and Ethical Sourcing Policy sets out the business' commitment to ensuring that employees and agents adhere to the highest standards of ethics, integrity and behaviour in the course of their employment or engagement. The scope of this Policy applies to all Hazeldene's employees and contractors on all Hazeldene's sites. In addition, the Policy explicitly addresses Hazeldenes' expectations that equivalent standards are upheld by its suppliers, contractors, and business partners. The Policy focuses on employment practices and modern slavery confirming that Hazeldene's and its contractors/suppliers are required to comply with all local laws and regulations regarding labour and employment (which applies to child labour, illegal labour, and forced/bonded labour).

Code of Conduct, Dispute Resolution and Disciplinary Policy

Hazeldene's also has a Code of Conduct, which empowers employees and labour hire providers to report grievances, including those relating to modern slavery risks. The Code of Conduct contains an escalation process which employees and labour hire workers can use to escalate concerns. This process includes the ability to make anonymous reports to a whistleblowing hotline

which was introduced during the reporting period. The Code of Conduct operates alongside Hazeldene's Disciplinary Policy and dispute resolution procedures included in Enterprise Agreements. Between these three mechanisms, Hazeldene's aims to empower employees, labour hire workers and others within its supply chain to raise concerns around modern slavery and other poor labour practices, so these may be reviewed and addressed.

Regular communications in Hazeldene's internal mail systems, notices and posters displayed in strategic locations around its sites, including lunch rooms make employees and labour hire workers aware of the hotline service. Hazeldene's is looking at extending the availability of the whistleblowing hotline to the workers at the contract farms in future reporting periods.

Next steps

Hazeldene's is committed to taking proactive steps to ensure its governance framework, policies and processes are fit-for-purpose to assess and address modern slavery risks that may manifest within the business' operations and supply chain. Accordingly, in the next three reporting periods Hazeldene's intends to:

- Review existing workplace policies and procedures to assess their appropriateness and effectiveness to identify, assess and address modern slavery risks in the business' operations. This will include a review of grievance management procedures and staff training processes that help staff understand how to raise workplace issues. In future reporting periods Hazeldene's will also consider formally documenting its modern slavery risk management program in a standalone policy or as part of a code of conduct for employees and suppliers.
- Review the business' procurement processes and, where appropriate, establish or formalise procurement procedures and policies which embed consideration of modern slavery risks and mitigation measures, which may include developing a supplier code of conduct or supplier minimum standards to be incorporated into supply agreements.
- Identify or create roles within the business and in senior management which can be allocated formal accountability for implementation of the modern slavery program, including with respect to steps that will be taken in subsequent reporting periods as contemplated by this Statement.
- Develop and roll-out modern slavery training for Hazeldene's employees in people leadership positions, including the Board, senior management and front-line supervisors. The business will also look to develop targeted training programs for employees involved in procurement, recruitment and any other relevant roles.

(b) Due diligence processes

Hazeldene's also acknowledges that in order to identify, assess and address modern slavery risks, organisations need to have in place appropriate due diligence processes to support its supply chain mapping and understanding of key risk indicators. Currently, the business assesses and addresses modern slavery risk factors through employee onboarding, supplier onboarding and audit processes. The business intends to continue to enhance and strengthen these processes.

Supplier onboarding & auditing

As part of the induction process for Hazeldene's labour hire providers the business undertakes due diligence regarding the providers' onboarding and employment practices. This includes completing the business' Ethical Sourcing Questionnaire which requires suppliers to respond to detailed questions regarding their operations and supply chain as part of the onboarding process.

Hazeldene's also verifies that the labour hire provider is licenced by the Victorian Labour Hire Authority and complying with applicable labour licencing requirements and laws, which operate to protect workers from exploitation.

In the next reporting period Hazeldene's will be engaging with one of its main labour hire providers in relation to modern slavery risks arising in respect of their employees working at Hazeldene's.

Since 2017 Hazeldene's has been audited by Supplier Ethical Data Exchange (**SEDEX**) under the SEDEX Members Ethical Trade Audit (**SMETA**) Pillar 2 audit scheme, which assesses its operations to ensure the business are engaging in ethical trading practices. As of September 2022, Hazeldene's will have completed a SMETA Pillar 4 audit. This audit focuses on labour rights issues and the auditor will have direct access to workers on the business' sites that are contracted through labour hire providers. In future reporting periods Hazeldene's intend to develop engagement with its labour hire providers and undertake additional due diligence in respect of their recruitment practices.

In the next reporting period, Hazeldene's intends to engage with its PPE suppliers as appropriate, to identify where the products the business procures are manufactured and to determine whether any additional, targeted due diligence is required to assess and mitigate the risks of modern slavery arising in lower tiers of the supply chain.

Employee onboarding

As part of Hazeldene's employee onboarding, the business confirms the employee's visa status and visa conditions using the Australian Government's Visa Entitlement Verification Online (**VEVO**) system. Hazeldene's acknowledge that this is the first step in identifying those in the higher risk population, more susceptible to modern slavery practices. The business is currently considering how to better use this information to strengthen support and protections of those identified as higher risk.

Next steps

As part of the development of Hazeldene's modern slavery program the business is committed to implementing additional due diligence measures to ensure its employee, supplier onboarding and auditing processes embed consideration of modern slavery risks. Accordingly, in the next three reporting periods Hazeldene's intends to:

- Build on the initial supply chain mapping exercise and identification of potentially high risk suppliers in this reporting period, by developing and undertaking a modern slavery due diligence program (for example, through supplier self-assessment questionnaires, audits or informal conversations).
- Review high risk supplier arrangements and consider potential mitigation measures. This will include a review of contracts and supply arrangements with any key suppliers identified as high risk and considering appropriate methods to address and mitigate modern slavery risks.
- Engage with Tier 1 suppliers and retailing partners to identify where Hazeldene's most material purchases are sourced from, directed and undertaken on the principle of materiality.
- Engage with labour hire providers to identify the most material employee contracts, communications and policies and require that there is a mandate to translate these material documents in the native language(s) of workers contracted through labour hire arrangements, with a view to actioning the translation and communicating these material documents with workers.

5 Effectiveness

Developing and implementing measures and frameworks to assess effectiveness will be undertaken in the next reporting periods. The measures and frameworks may include:

- monitoring the number of supplier contracts which incorporate modern slavery clauses and / or supplier minimum standards or a supplier code of conduct, including as part of contract renewal processes and on-boarding processes for new suppliers;
- monitoring the completion of modern slavery training by relevant Hazeldene's staff;
- developing KPIs for Hazeldenes' most relevant personnel who have been assigned accountability for modern slavery risk assessment and risk management/ mitigation; and
- establishing a periodic review process to evaluate the actions Hazeldene's and its suppliers are taking, to ensure the business' policies and procedures to assess and address modern slavery risks are fit-for-purpose and effectively operationalised.

6 Consultation

In preparing this statement, Hazeldene's has involved key personnel across the business who have responsibility for procurement, operations, human resources, legal, risk and compliance as well as senior members of executive management. In addition, Hazeldene's has sought supply chain information from and consulted with the General Manager responsible for supply chain management processes and policies in respect of wholly owned subsidiaries within the group.

This Modern Slavery Statement was approved by the Board of HCF Holdco Pty Ltd as the parent entity of the Hazeldene's group for the purpose of the Act, on 22 December 2022 and authorised the execution.

Signed by



Tony Girgis
Chief Executive Officer
Hazeldene's

Signed by



Simon Harle
Chair of the Board
Hazeldene's