



Teys Australia Pty Ltd – Modern Slavery Annual Statement

This Statement has been made in accordance with s.16 of the *Modern Slavery Act 2018* (Cth) and is published by Teys Australia Pty Ltd and its subsidiaries (“Teys”) for the 2022/2023 financial year.

The purpose of this statement is to outline the approach Teys is taking with our comprehensive compliance and risk frameworks to minimise the risks of modern slavery across our business and supply chain.

Our Operations and Supply Chains

Teys is a 50/50 partnership between the Teys family and Cargill Australia Limited. We are a global meat processing and food production business with true family values. We operate six modern and efficient beef processing plants strategically located across the Eastern Seaboard of Australia, as well as three value add operations, a hides processing plant, and three cattle feedlots. We employ over 4,000 employees throughout Australia.

Our supply chain is comprised mostly of products sourced within Australia, such as raw materials, packaging, cleaning products, and maintenance services. All suppliers to Teys must be approved, and prospective suppliers are put through a rigorous supplier approval process to ensure our confidence in their compliance to statutory regulations and the Teys Standard Supplier Terms and Conditions.

Our Commitment

We are committed to maintaining the highest ethical standards and we take our compliance with Corporate Social Responsibility (CSR) and other regulatory compliance seriously. We recognise the importance of human rights for sustainability, the major global problem modern slavery poses, and the importance of its inclusion in Goal 8 (Target 8.7) of United Nation’s Sustainable Development Goals.

Through sustainable procurement strategies we consider the impact of environmental, economic, and social factors along with price and quality. Our sustainability strategies encourage improvements in practices to ensure when procuring we are aware of and lookout for signs of unacceptable practices in our supply chain such as fraud, corruption, modern slavery, human trafficking, and child labour.

Governance

We have a robust Corporate Governance Framework which includes risk management processes that support the business to identify, assess and treat operational risk, particularly regarding our supply chain and the ethical hiring and recruitment of our employees. Through the enterprise risk management framework, we are committed to working with our suppliers and other stakeholders to understand potential areas of risk and to increase transparency.

Our desire for compliance throughout our business and via our suppliers to ensure there is no exposure to modern forms of slavery, human trafficking or child labour is reflected in our relevant company policies, supplier policies and supplier standard terms and conditions. These include but are not limited to our:

- Corporate Social Responsibility Policy
- Business Principles Compliance Policy
- Standard Supplier Terms and Conditions
- Procurement Policies and Procedures
- Respectful Workplace Policy
- Young Worker Protection
- Complaints Management Policy
- Whistleblower Policy

Our human resource policies and procedures framework support the United Nations (UN) Guiding Principles on Business and Human Rights, and our Whistleblower policy and Whistleblower hotline are in place to encourage persons to report any wrongdoing, including but not limited to human rights violations.

Responsibility for managing modern slavery risk is an entity-wide commitment, with leadership from the Board and Senior Leadership Team (SLT) who oversee cross functional working groups and resources to co-ordinate and implement impactful policies and procedures.

The effectiveness of controls is assessed via our internal and external audit processes which include specific references to modern slavery and human trafficking internally, and with our suppliers and for compliance via customer social accountability audits.

Risk Assessment and Management

Identifying key risk areas of modern slavery

The 2018 Global Slavery Index (GSI) globally identified the most affected industries as apparel and footwear, electronics, agriculture and food, construction, and mining. It also found that modern slavery is more likely to occur in countries with weak rule of law, high levels of corruption, civil unrest, armed conflict and / or where population groups are vulnerable due to poverty, membership to a minority group or a persecuted group, or their migrant status.

In Australia, research found the risk of forced labour primarily exists in the agricultural, construction and hospitality, meat processing, cleaning, domestic work, and food service industries. When identifying modern slavery risks, we consider the sphere of our influence and the breadth of operations, related entities, and supply chains. Mapping our activities and procurement processes has been used as a first step to locating potential risk areas.

Assessing Risk

Our supply chain is comprised mostly of products sourced within Australia, such as raw materials, packaging, cleaning products, and maintenance services. We identify the following as possible risks within our operations and supply chain:

- forced labour, migrant workers, worst forms of child labour,
- recruitment fees and debt bondage, holding passport, excessive payroll deduction, poor housing conditions, worker eligibility (adequate worker rights and correct visa), working hours and wages,
- agency workers and temporary labour (via labour hire contracts),
- subcontractors, logistics and warehousing, cleaning, security, and laundry contracts, and
- more recently the impacts of COVID-19 on workers.

We also identify there is a risk of possible barriers to eliminating modern slavery such as supply chain complexity, resources to support supplier improvements and due diligence, commercial priorities, cost and pricing pressures, and transparency dilemmas. Through understanding and mapping our operations and supply chain we remain vigilant to the continuous identification of risk in both Australia and overseas.

We assess risk from suppliers within Australia as low due to our supplier approval processes and contractual arrangements, however risk remains front of mind when we review supplier performances, and as part of our procurement and tendering assessment processes and new supplier approvals. We define our strategy for responding to risks through our Operational Risk Register.

Responding to risks – Due Diligence and Actions Taken

Through our risk management framework an Operational Risk Register is maintained and reviewed regularly by our SLT and the Board. Our established policies and procedures, in particular whistleblower and complaints management processes, are used to investigate concerns and grievances raised, and as required address gaps and report on issues to the Board.

Protecting our workers

Recruitment, employee, and worker engagement is managed through our Human Resource (HR) policies and procedures which are aligned with United Nations (UN) Guiding Principles on Business and Human Rights. We require our specialised outsourced recruitment partner to meet these minimum standards and to undertake social audits to meet ours and our stakeholder expectations. The following arrangements and contracts are in use to ensure compliance:

- Enterprise Bargaining Agreements (EBA) and employment contracts in accordance with the Fair Work Act.
- Meat Industry Labour Agreements (MILA) - we engage with a specialised, outsourced recruitment partner to source prospective employees and this agreement is in accordance with MILA, including managing worker's deductions, ensuring that visas meet eligible to work requirements, Key Performance Indicators (KPIs) - Quarterly Strategic Reviews and weekly reporting, certified by SEDEX and Staff Sure.
- Workers sourced through the Pacific Labour Scheme (PLS) program are managed in accordance with requirements of Pacific Labour Forum (PLF) on behalf of Department of Foreign Affairs and Trade (DFAT) and Department of Home Affairs (DHA).
- Pay parity has been introduced to all our operations.

Managing our suppliers

We have embedded due diligence processes and oversight of risks in standard supplier and procurement management processes for existing suppliers and as part of the approval process of new suppliers. We assess risk of engaging with a supplier through these processes and as part of contract management. Risk remains front of mind, through our procurement and tendering processes, new supplier assessments and approvals, and when we review supplier performances.

Industry initiatives

We work with industry bodies and stakeholders to improve recruitment, on-boarding and employment of migrant workers standards to ensure they align with the principles of the International Labour Organisation (ILO). Teys is championing an industry voluntary Code of Conduct for the treatment of migrant workers.

We support the Australian Beef Sustainability Framework and other industry initiatives as opportunities for us to leverage with suppliers and customers to influence change and raise awareness.

Addressing COVID-19 impacts

Tey sets the health, safety, and wellbeing of all our workers, contractors and visitors as a priority, which is why we continue to review and, as required, change working arrangements for workers and sites in response to the COVID-19 pandemic. This included working closely with federal and state governments when developing our policies and procedures to reduce the risk to vulnerable workers in our operations and supply chains of becoming exposed to modern slavery risks because of the COVID-19 pandemic.

Tey promotes vaccination as the best risk mitigation measure and has mandated full vaccination as best mechanism to manage the risk to workers and their families presented by COVID-19. We support this through ongoing education and awareness campaigns including promoting booster vaccinations and any further protective measures as recommended by federal and state government health officials.

Remediation Framework

We have an incident and grievance mechanism and procedure which includes our whistleblower policy and reporting requirements within the business. Issues identified undergo rigorous investigation by senior leaders, and as required, external stakeholders, this may include Workcover, Workplace Health and Safety regulators, customers, suppliers, and other relevant government agencies. Findings and recommendations are reviewed as part of ongoing policies and procedure updates and training.

Policies and procedures in place to address risks

Our Corporate Governance Framework and supporting policies and procedures are assessed for effectiveness through our assurance mapping and internal audit processes and when there are changes in legislation, standards, and guidelines. Assessments and findings inform the ongoing continuous improvement actions we implement to maintain the currency of our policies and procedures, as well as our standard terms and conditions.

Training

We influence and leverage change, using training to educate our workers and management, including:

- general training for employees through staff inductions;
- targeted annual refresher training for legal, compliance, procurement, HR, CSR teams; and
- training and awareness seminars for senior managers and our Board from a risk governance perspective.

Assessing Effectiveness of actions taken

Ongoing monitoring of compliance through audits, due diligence and reviewing policies and procedures helps us assess the effectiveness of actions taken, identify gaps and inform our next steps and plans to eradicate modern slavery from our operations and supply chain. By assessing the effectiveness of our approach to Modern Slavery we are able identify opportunities for improvement and leverage change through a "pathway to good practice" and avoid a "set and forget" response.

Additionally, customer social audits are undertaken by third party auditors as a formal review of our endeavours, procedures, and code of conduct regarding social responsibility and our impact on society. Social audits are an assessment of how well Teys is achieving its goals or benchmarks for social responsibility and how we behave towards workers, society, and the environment. Identified actions are reviewed and implementation measured as part of audit closeout.

Following are the audits and programs in place:

- SEDEX –SEDEX Members Ethical Trade Audit (SMETA) is the most widely used social audit in the world.
- Brand Reputation Compliance Global Standards (BRCGS).
- McDonald's Social Audits Supplier Workplace Accountability (SWA).
- PLS program administered through Pacific Labour Facility (PLF) on behalf of Home Affairs.

Our due diligence processes, and audits did not identify any instance of modern slavery in our operations and supply chain.

Continuous Improvement Action Plan

Our due diligence process has highlighted the need for improved transparency within our supply chain and we are committed to ongoing process improvements and training. Key areas we continue to address are outlined below.

Stakeholder Engagement

Our sustainability strategy will continue engagement with supplier, customers, and stakeholder groups to influence and leverage change, with a focus on updating our understanding of stakeholder expectations in relation to human rights and modern slavery.

Ongoing Due Diligence Processes

Revisit due diligence process to consider the reasonableness of the steps being taken to determine the presence of human rights and modern slavery risks.

- Continue to strengthen periodic due diligence and reviews of suppliers to drive minimum standards and remediation processes.
 - Ensure we give our suppliers clarity of their obligations and Teys' expectations of them in relation to modern slavery risk management.
- Leverage change through our contracts.
- Supply chain mapping as part of our operational risk review, including:
 - Updating risk categorisations of the operations and supply chain by sector, product, and geography.
 - Ensure that our supply chain due diligence procedures meet our stakeholder expectations.
 - Aim for greater transparency and facilitate industry collaboration to ultimately improve the supply chain.
 - Deeper dive risk assessment for high-risk categories.

KPIs

Evaluate KPIs annually with management, suppliers and stakeholders and assess if they are influencing change and improvements in addressing modern slavery risks.

Policies and procedures reviews

Review of our policies and procedures, and through ongoing training and support, help workers and management understand Teys' approach to modern slavery risks to influence and change how they are expected to interact with high-risk groups and sectors.

Declaration

The Teys Modern Slavery Annual Statement was considered and approved by the Teys Australia Board of Directors on 24 February 2022.



Brad Teys
Chair