

2021 Modern Slavery Statement



BINDAREE
FOOD GROUP

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INTRODUCTION

Bindaree Food Group is committed to acting ethically and with integrity in all our business dealings and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring that there is transparency in our own business and that we continually improve our supply chain due diligence process to understand how and where the risks of modern slavery arise, consistent with our disclosure obligations under the Modern Slavery Act 2018 (Cth) (the **Act**). We expect the same high standards from all our contractors, suppliers and business partners.

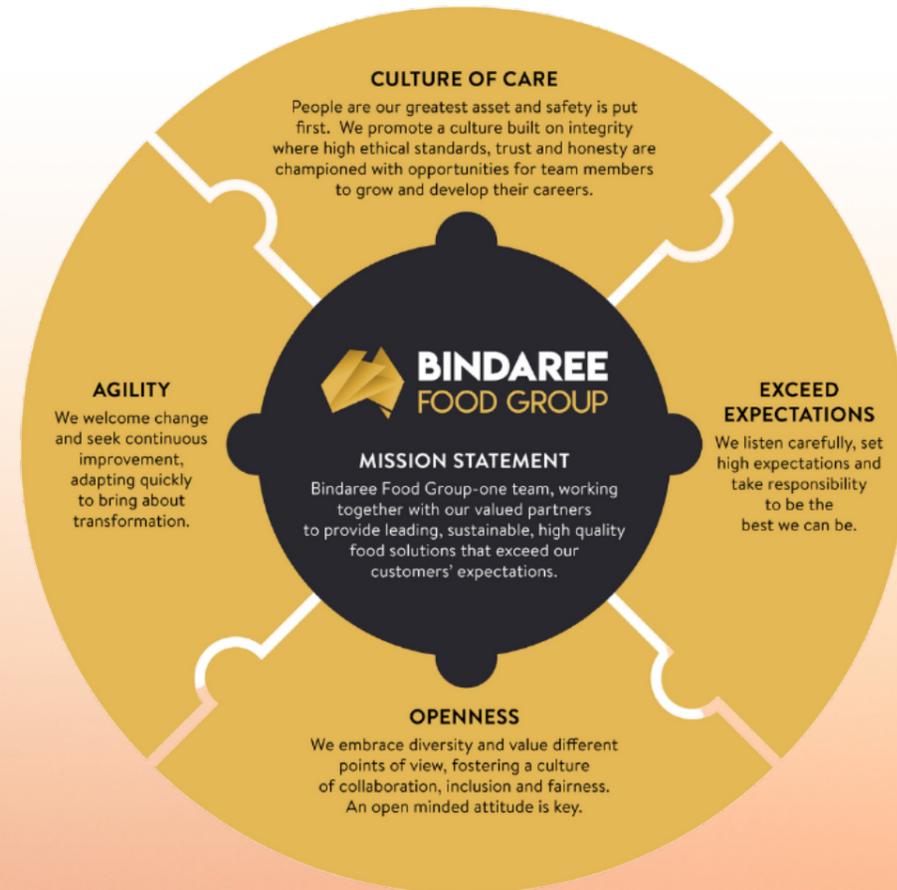
The reporting period for this Modern Slavery Statement is 1 July 2020 to 30 June 2021.

The Statement covers Yolarno Pty Limited and its controlled entities (the Bindaree Food Group (**BFG**)).

In this Statement we refer to modern slavery as that term is defined in the Act. This includes human trafficking, forced labour, debt bondage and slavery being situations where coercion, threats and deception are used to exploit victims and undermine or deprive them of their freedom.

BINDAREE FOOD GROUP

PLATE TO PADDOCK



STRUCTURE, OPERATIONS & SUPPLY CHAIN

STRUCTURE

Yolarno Pty Limited (**Yolarno**) is a privately owned company and the parent company of Bindaree Food Group (BFG). BFG is one of the top five largest Australian beef suppliers, currently operating in the mid-point of the paddock to plate supply chain, connecting producers with customers through the manufacturing of consistent, high quality branded meat products.

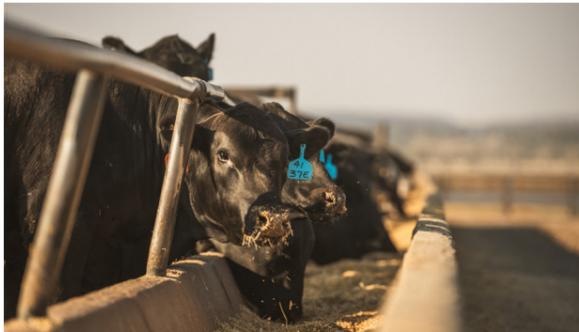
BFG is comprised of the following reporting entities (as defined in the Act):

- Yolarno Pty Ltd (ACN 002 255 183)
- Bindaree Beef Pty Ltd (ACN 056 599 163) - Inverell Processing Plant & Myola Feedlot
- Bindaree Food Group Pty Ltd (ACN 627 335 684) - Burleigh Heads Retail Ready Plant (Bindaree Food Solutions)
- Sanger Australia Pty Ltd (ACN 001 085 687) - Logistics, Sales & Marketing

In addition to these key Australian operating entities, BFG also operates through Sanger Shanghai Trading Limited and MaiAo (Shanghai) Trading Limited (both registered in China), the companies responsible for China sales and marketing.

OPERATIONS

BFG is a vertically integrated business with most of our operations located in Australia (NSW and Queensland).



Myola: Situated in the heart of the NSW 'Golden Triangle', Myola Feedlot is the centre point for BFG's cattle procurement, growing and feeding programs. Myola has access to cattle located across the eastern seaboard of Australia. Our team of buyers work together to source high quality cattle to fill our grain fed feeding programs. Myola has the capacity for 20,000 head of cattle. We have around 30 employees in the Myola team.



Bindaree Beef: The processing plant at Inverell employs over 870 people and processes beef for both the domestic and export market. The plant also carries out service kills for third parties.

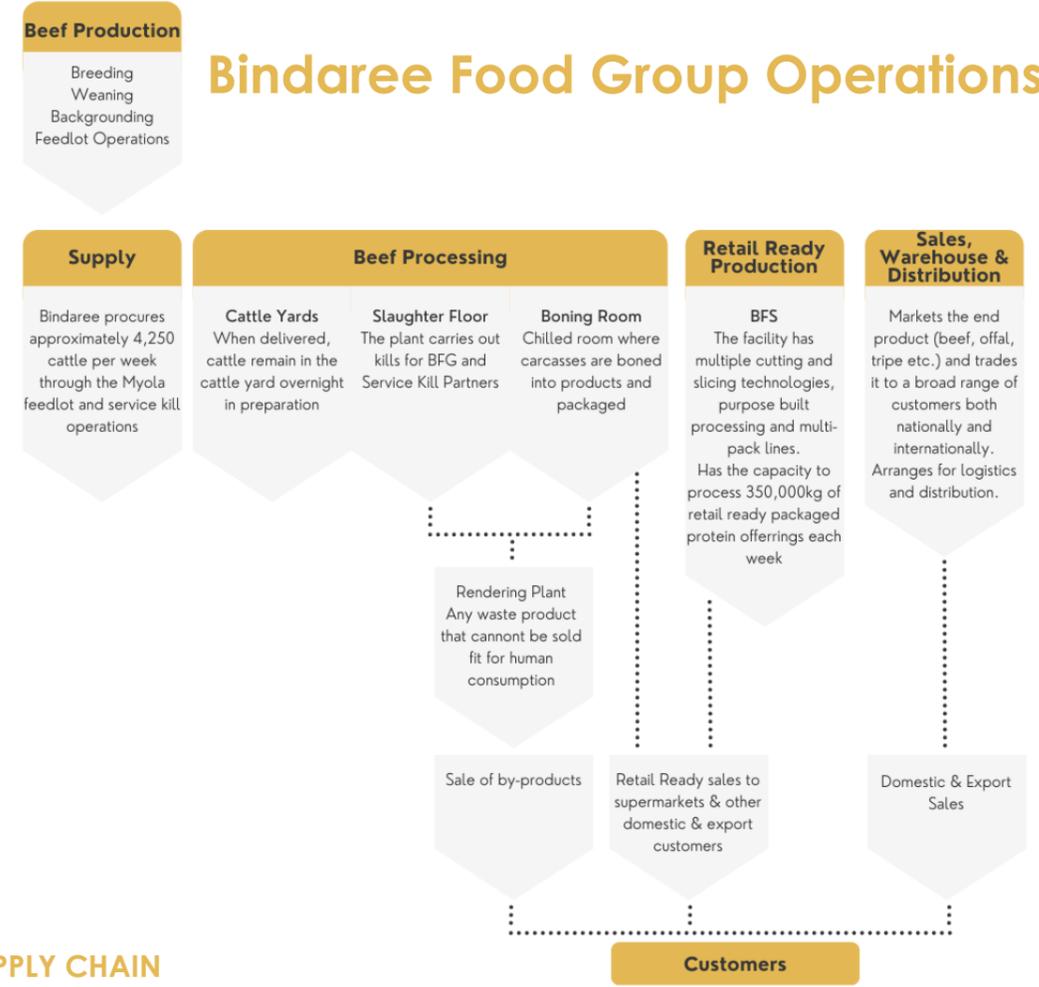
Bindaree Food Solutions: Our retail ready plant is located at Burleigh Heads and employs over 250 people. Bindaree Food Solutions' facility provides the capability to produce branded retail ready meat products for supermarkets and other key customers.



China: BFG's Shanghai office acts as the regional hub for beef sales to retail, wholesale and online customers. Beef is either transferred to customers at the agreed delivery point or to a local cold store for future sales. It is a small office with 5 employees.

Sanger Australia: The Sanger office is located in Sydney. A core team provides logistics and marketing services to the Group.

Bindaree Food Group Operations



SUPPLY CHAIN

Key suppliers of BFG include suppliers of cattle, grain and feed, machinery and equipment, fuel, logistics (transport), packaging, cold stores and professional services. During the reporting year, BFG purchased cattle from over 380 vendors with most located in NSW and the remainder from Queensland. 16% of cattle were purchased from saleyards, via agents, and 84% directly from farms and feedlots. BFG turned over upwards of 87,845 head of cattle during FY21.



MODERN SLAVERY RISKS IN BFG'S OPERATIONS & SUPPLY CHAIN

OPERATIONS

We acknowledge that the agricultural sector has an inherent risk of the employment of vulnerable workers due to potential exploitation of migrant workers and risks surrounding underpayment of wages, bonded labour and poor accommodation.

BFG has reduced the number of casual workers in the team, with more workers employed on a permanent basis. The Group also works with two labour hire companies, the FIP Group (**FIPG**) and Workforce XS. We have robust arrangements in place with the labour hire companies to ensure wages are paid correctly and suitable accommodation is provided (where required). BFG's Pacific Labour Scheme (**PLS**) program, administered through FIPG, continues to expand and all employment and living conditions are closely monitored. As at June 2021, 156 PLS team members were employed at the Inverell operations. FIPG employment processes are reviewed and certified by the Federal Government program administrators and FIPG is certified by SEDEX and Staff Sure.

The majority of employees at the Inverell abattoir are represented by two unions, AMIEU and the AWU. There is an Enterprise Bargaining Agreement (**EBA**) in place with the AMIEU and a separate EBA for maintenance staff with the AWU.

SUPPLY CHAIN

In our assessment process, BFG evaluated suppliers to the Australian and Chinese operations based on the value of spend, the nature of supply, location of supplier and BFG's ability to influence behaviour. We focused on active suppliers to the business (suppliers with whom BFG transacted during the reporting year and continued to transact with into the next reporting period).

For this reporting period, we identified 240 active suppliers with a spend in excess of the agreed threshold. We assessed large companies with robust governance frameworks, professional services and government agencies to be of low risk for modern slavery practices due to either the office-based nature of the work or the processes in place to oversee the risks. We continue to work with cattle agents to better understand our downstream supply chain (breeders, farmers etc). Almost all of the agents supplying cattle to BFG are located in NSW and known to BFG, however, not all apply a rigorous due diligence process to their cattle suppliers. We continue to work with the stock agents to improve their processes.



ASSESSING & ADDRESSING MODERN SLAVERY RISKS

POLICIES & PROCEDURES

Following from the previous reporting period, it was important to BFG to update core policies to further manage the risk of modern slavery within the supply chain. A Supplier Code of Conduct (aligned to the BFG Code of Conduct) has been prepared that clearly sets out standards of behaviour expected from all suppliers, contractors and other business partners. It is intended to roll out this Supplier Code in 2022. The Supplier Code states that all forms of forced labour are forbidden and suppliers are expected to follow obligations set under the Modern Slavery Act 2018 (Cth) (the **Act**).

BFG policies that assist with managing modern slavery risk include:

- Code of Conduct
- Modern Slavery Policy
- Whistle-blower Policy
- Anti-Discrimination Policy
- Workplace Grievance Policy
- Ethical Sourcing and Social Accountability Policy
- Anti-bribery and Corruption Policy

BFG is launching an online training programme from Q1 2022 to ensure that all team members understand these policies as well as their rights and obligations under them.

DUE DILIGENCE & REMEDIATION

Following BFG's FY20 report, due diligence continued to be conducted by following up on suppliers that had failed to respond to our Modern Slavery questionnaire and reaching out to new suppliers that met the spend threshold.

Identification of Tier 1 Suppliers

As outlined above, BFG identified the core group of direct suppliers who met the criteria of our risk assessment framework (**Tier 1 Suppliers**). Suppliers of labour hire, livestock, raw materials and cleaning services were identified as sectors with an inherently greater risk of modern slavery. This is due to the nature of work required, and the risks associated with migrant workers, accommodation and underpayment of wages.

Supplier Questionnaire

Our supplier questionnaire was improved from FY20 and expanded to include questions regarding the impact of Covid-19 on employment practices and labour conditions. Our aim was to improve the quality of information provided by suppliers to allow for a more comprehensive assessment of modern slavery risks.

The purpose of this questionnaire was to:

- Obtain key factual data about each supplier's operations which could be used to support risk assessments;
- Enable the BFG risk assessment framework to generate a risk profile based on information provided; and
- Elevate awareness among BFG suppliers of modern slavery risks and BFG's commitment to an ethical supply chain.

Going forward, it is our intention that all suppliers who are subject to the BFG QA approval process will be required to complete a questionnaire and assessment before supply commences.

Assessment of Questionnaires

For the FY21 reporting period, BFG's response rate from Tier 1 suppliers increased from 15% to 24%. The quality of response also improved, reflecting a better understanding of modern slavery risks. Those who responded confirmed that no issues had arisen as a result of due diligence conducted within their own supply chains. Furthermore, they confirmed that if modern slavery practices were ever suspected within their supply chain, operations would be suspended and trading would cease with the supplier.

We found a positive response overall to our covid related questions. Our suppliers implemented additional protocols in the workplace to prevent workers' exposure to Covid-19 and to provide income security and employment to workers affected by the pandemic.

80% of our key livestock suppliers failed to respond to the questionnaire though a portion of larger suppliers simply sent through their own Modern Slavery statement. As we identified the livestock sector as having an inherently higher risk of modern slavery, we will set a goal to increase our due diligence and information received within this area.

Remediation

For this reporting year, BFG did not identify any instance of modern slavery in its supply chain. However, the due diligence process continues to highlight the need for improved transparency within our supply chain, including from our livestock suppliers and agents.

Within BFG, we encourage team members to speak-up and we are committed to ongoing training relating to the Whistle-blower policy and grievance mechanisms.

ASSESSING EFFECTIVENESS

BFG has assessed the effectiveness of due diligence conducted through three main ways:

1. The response rate of suppliers to our questionnaires and the level of meaningful detail in the information provided beyond a No/Yes response;
2. Percentage of our team who have completed training in our core policies and procedures supporting our modern slavery framework; and
3. Due diligence carried out across direct and indirect suppliers.

BFG understands the importance of evaluating the effectiveness of actions taken to combat modern slavery during each reporting period to accurately assess whether risks are involved within our own supply chain.

In FY22, we aim to improve our due diligence by widening the scope of our targeted suppliers and increasing the response rate from our questionnaires, especially in relation to medium/high-risk sectors. We continue to undertake open and transparent dialogue with

our suppliers to ensure that supply chains do not involve any practices that may involve modern slavery or any other labour practices including underpayments and improper deductions that cause economic harm to employees.

IMPACT OF COVID-19

BFG understands the importance of its duty of care towards its staff and their families, especially in the current climate surrounding Covid-19. Through the precautionary measures taken by BFG, no employee, to date, has contracted Covid-19 during the course of their employment. BFG was mindful of the impact on its employees during the stand down periods that unfortunately occurred during the year. The Jobkeeper scheme ensured salaries could continue to be paid for those that qualified.

Border closures resulting from the Covid-19 virus reduced the number of migrant workers on short term visas employed in our supply chain. Although a temporary change, we believe it has reduced opportunities for modern slavery to occur within our onshore supply chain.

CONSULTATION WITH CONTROLLED ENTITIES

An internal Modern Slavery Working Group continued to operate to assess the risk of modern slavery across the Group. This working group included representatives from each key operating area of the business – Inverell abattoir, Myola feedlot and livestock, Sanger Australia, Retail Ready and the China division. Representatives from the Finance, Procurement and Legal teams were also included. There was collaboration between our representatives to research and create this report.

While Yolarno Pty Ltd (BFG parent entity) has 12 direct subsidiaries, 9 of these are dormant companies. We consider that the engagement process established through the working group was a sufficient means of consultation with the controlled entities.

This Modern Slavery Statement was approved by the Chief Executive Officer and Managing Director and endorsed by the Board of Yolarno Pty Ltd.

Andrew McDonald

Managing Director & Chief Executive Officer

December, 2021





BINDAREE FOOD GROUP



Published December, 2021