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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 2021 to 30 June 2022.

The Statement covers Yolarno Pty Limited and its controlled entities.

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.





# STRUCTURE, OPERATIONS AND SUPPLY CHAIN

## STRUCTURE

Yolarno Pty Limited is a privately owned company and the parent company in the 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



Bindaree Beef Pty Ltd, Bindaree Food Group Pty Ltd and Sanger Australia Pty Ltd are wholly owned subsidiaries of Yolarno Pty Ltd. In addition to these Australian operating entities, BFG also operates through Sanger Shanghai Trading Limited, MaiAo (Shanghai) Trading Limited (both registered in China and responsible for sales and marketing in China), as well as Bindaree Beef Hong Kong Limited in Hong Kong.

## 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 25 employees in the Myola team.

**Bindaree Beef:** The processing plant at Inverell employs over 847 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 177 people. Bindaree Food Solutions' facility provides the capability to produce branded retail ready meat products for supermarkets and other key customers.



**Sanger Australia:** The Sanger office is located in Sydney. A core team provides logistics, sales and marketing services to BFG.

**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.

## 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. 6% of cattle were purchased from saleyards, via agents, and 94% directly from farms and feedlots. BFG turned over upwards of 183,543 head of cattle during FY22.



# MODERN SLAVERY RISKS

## SUPPLY CHAIN

BFG is committed to imposing strict restrictions against the presence of modern slavery in our supply chain.

During our assessment process, BFG evaluated suppliers to our 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 370 active suppliers with a spend in excess of the targeted threshold. We assessed that, of these, the large companies with robust governance frameworks, professional services and government agencies were 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). In addition, we targeted cleaner suppliers and agents regardless of their spend, due to the higher modern slavery risks in those industries.

We sent out comprehensive questionnaires which were designed to obtain key factual data about each supplier's operations which could be used to support risk assessments, enable our 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.

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.

## OPERATIONS

We acknowledge the agricultural sector has an inherent risk of employing vulnerable workers due to potential exploitation of migrant workers and potential underpayment of wages, bonded labour and poor accommodation. However, BFG's operations are predominantly based in Australia, which has a low prevalence of modern slavery according to the latest edition of the Global Slavery Index (2018).

BFG works with two labour hire companies, the FIP Group (**FIPG**) and Workforce XS. Due diligence is conducted against our labour hire companies to ensure they hold the required licences in accordance with the applicable state or territory legislation and regulations, they are compliant with the applicable Labour Hire Licensing Act and they are compliant with modern slavery principles. FIPG employment processes are reviewed and certified by the Federal Government program administrators and FIPG is certified by SEDEX and Staff Sure.

We have robust arrangements in place with the labour hire companies to ensure wages are paid correctly and suitable accommodation is provided (where required). Employment and living conditions for BFG's Pacific Labour Scheme (**PLS**) program, administered through FIPG, are closely monitored. Currently, 229 PLS team members are employed at the Inverell operations, 43 at the Burleigh Heads retail ready plant and 3 at the Myola feedlot.

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.



# ADDRESSING MODERN SLAVERY RISKS



## HR, POLICIES AND TRAINING

BFG's People and Culture team continue to review employment contracts for employees to ensure they comply with regulatory and corporate requirements.

BFG has continued to update core policies to further manage the risk of modern slavery. Our Supplier Code of Conduct clearly sets out standards of behaviour expected from all suppliers, contractors and other business partners, and states that all forms of forced labour are forbidden and suppliers are expected to follow obligations set out under the Act.



Other BFG policies that assist with managing modern slavery risk include:

1. Ethical Sourcing and Social Accountability Policy
2. Modern Slavery Policy
3. Whistle-blower Policy
4. Anti-Discrimination Policy
5. Workplace Grievance Policy
6. Anti-bribery and Corruption Policy

BFG launched an online training program in 2022 to ensure that all staff in the group understand these policies as well as their rights and obligations under them, allowing them to better identify and report on modern slavery incidents.

We encourage team members to speak up and are committed to ongoing training relating to whistle-blower and grievance mechanisms. These policies are now part of the mandatory onboarding process in the form of training modules on our online training platform "ELMO", whereby new and existing staff are required at the end of each training module to undertake a quiz which requires 85% of questions to be answered correctly in order to pass.



## SUPPLY CONTRACTS AND GOVERNANCE

BFG has implemented modern slavery contractual obligations with many of its suppliers, and assesses modern slavery compliance during a due diligence process when onboarding new suppliers.

Modern slavery has also been a relevant and recurring topic of concern on BFG's Board and Risk Management Committee meetings.

# ASSESSING EFFECTIVENESS

During the reporting period, we focused our efforts on extending our risk assessment and due diligence further than in previous years. BFG reached out to new suppliers that met the new spend threshold and followed up on suppliers that had failed to respond to our Modern Slavery Questionnaire circulated in FY21 and FY20.

We expanded our scope of due diligence by targeting our direct suppliers who did not meet the criteria of our risk assessment framework in FY20 and FY21 by lowering the spend threshold to \$50k (for FY20 and FY21 reporting periods, BFG implemented a \$100k spend threshold and conducted modern slavery due diligence on all suppliers that fell within that range). We conducted a gap analysis by comparing our FY20 and FY21 responders against our current year's suppliers to map out which non-responders to focus our attention on.

During the reporting period, we further expanded our scope of due diligence by reaching out to suppliers in China to respond to our Modern Slavery Questionnaire. The spend threshold for Chinese suppliers was \$25k. However, response rates from our Chinese suppliers were low. This is an area on which we will focus during our next reporting period.

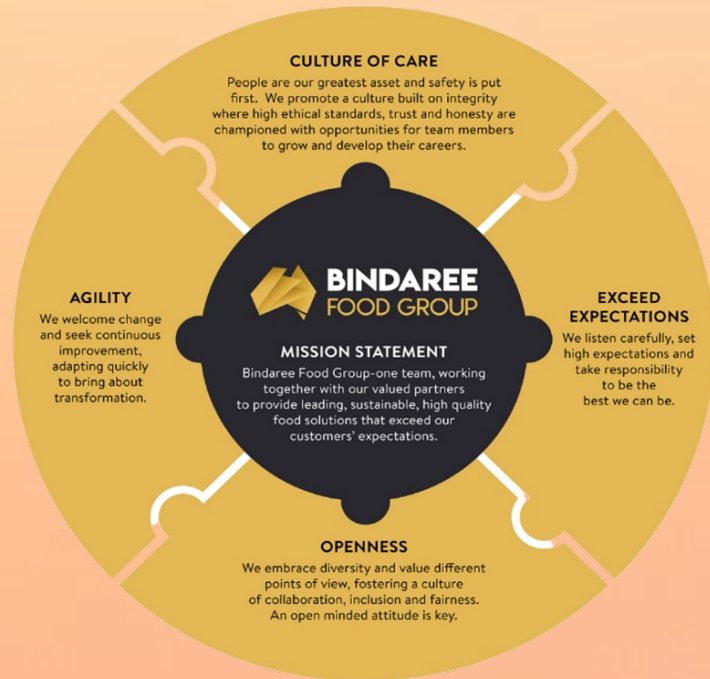
For next year's reporting period, BFG will take further steps to conduct a meaningful review and analysis of our China suppliers including:

1. Identifying relevant China suppliers.
2. Analysing the type of goods/services provided, and assessing sectors that are considered high risk or have an elevated risk of modern slavery.
3. Working together with our office in China to obtain information about our suppliers' organisations, reputations and supply chains.
4. Drafting and circulating a tailored, China-specific Modern Slavery Questionnaire.

During the next reporting year, we will continue to target the inclusion of modern slavery clauses within our supply contracts where they do not already exist, and build on our staff training program to continue to raise awareness of modern slavery risks, particularly with our procurement teams.







## CONSULTATION WITH CONTROLLED ENTITIES AND APPROVAL

An internal Modern Slavery Working Group continued to operate to assess the risk of modern slavery across BFG. This working group included representatives from each key operating area of the business –Myola feedlot, Bindaree Beef Inverell processing plant, Bindaree Food Solutions Burleigh Heads retail ready plant, Sanger Australia Sydney logistics and trading, 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 statement.

Yolarno Pty Ltd (BFG parent entity) has 3 wholly owned subsidiaries that are reporting entities under the Act (Bindaree Beef Pty Ltd, Bindaree Food Group Pty Ltd and Sanger Australia Pty Ltd). All these entities operate within the same decision-making framework as Yolarno Pty Ltd and do not have separate management structures. We consider that the engagement process established through the working group was a sufficient means of consultation with these controlled entities.

This Modern Slavery Statement was approved by the principal governing body for Yolarno Pty Ltd, being its Board of Directors, on 14 April 2023.

**Andrew McDonald**  
Chief Executive Officer

# PEOPLE PASSION FLAVOUR

