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Modern Slavery reporting – Darwalla Group

This is the second Modern Slavery report undertaken by Darwalla Group in response to the Modern Slavery Act 2018, for the periods 1 July 2021 - 30 June 2023.

1. Reporting entity

The Darwalla Group (Darwalla) is made up of the following Australian Private Companies, all of which are wholly owned and operated as one entity under the banner of the 'Darwalla Group' or simply 'Darwalla':

Darwalla Poultry Distributors Pty Ltd	ABN 20 009 717 873
Darwalla Poultry Producers Pty Ltd	ABN 62 009 698 622
Darwalla Egg Producers Pty Ltd	ABN 47 009 698 560
Golden Egg Producers Pty Ltd	ABN 34 009 761 228
Darwalla Milling Company Pty Ltd	ABN 64 009 698 631
Golden Cockerel (1962) Pty Ltd	ABN 22 009 717 882
Darwalla Farming and Plant Pty Ltd	ABN 60 009 709 942
Benfer Holdings Pty Ltd	ABN 35 009 699 316

All entities above have their registered address as:
1, 5, 5A or 56 Darwalla Road,
Mount Cotton, Queensland, 4165, Australia.

2. Darwalla structure, operations, and supply chains

Structure

Darwalla is a privately owned family business with poultry operations located wholly within Queensland, Australia. Darwalla was founded in Mt Cotton in 1933 by the late Adolph (Dolf) Benfer, with current ownership remaining within the Benfer family.

Operations

Darwalla's main operations are centered around growing chickens for meat consumption (broilers), with our operations across the Group including:

- The rearing of breeder chicks, the production of fertile eggs, the hatching of those eggs and the rearing of broiler chickens
- The direct employment of 150 employees (as of 30 June 2023)
- The production and delivery of poultry feed
- The maintenance of our infrastructure
- The management and support of our operations

Locations

Darwalla owns and operates sites located throughout Southeast Queensland:

- Rearing farms in Laidley, Killarney and Sandy Camp.
- Breeder production farms in Back Plains, Mt Molar, Hendon, Victoria Hill and Bony Mountain.
- Hatchery in Allora,
- Broiler farms in the Redlands, Logan and Lockyer districts.
- Feed Mill and Weighbridge in Mt Cotton.
- Management and support staff located in Mt Cotton.

Supply Chains

Darwalla's supply chains include the purchase of products supplied by third party entities, including:

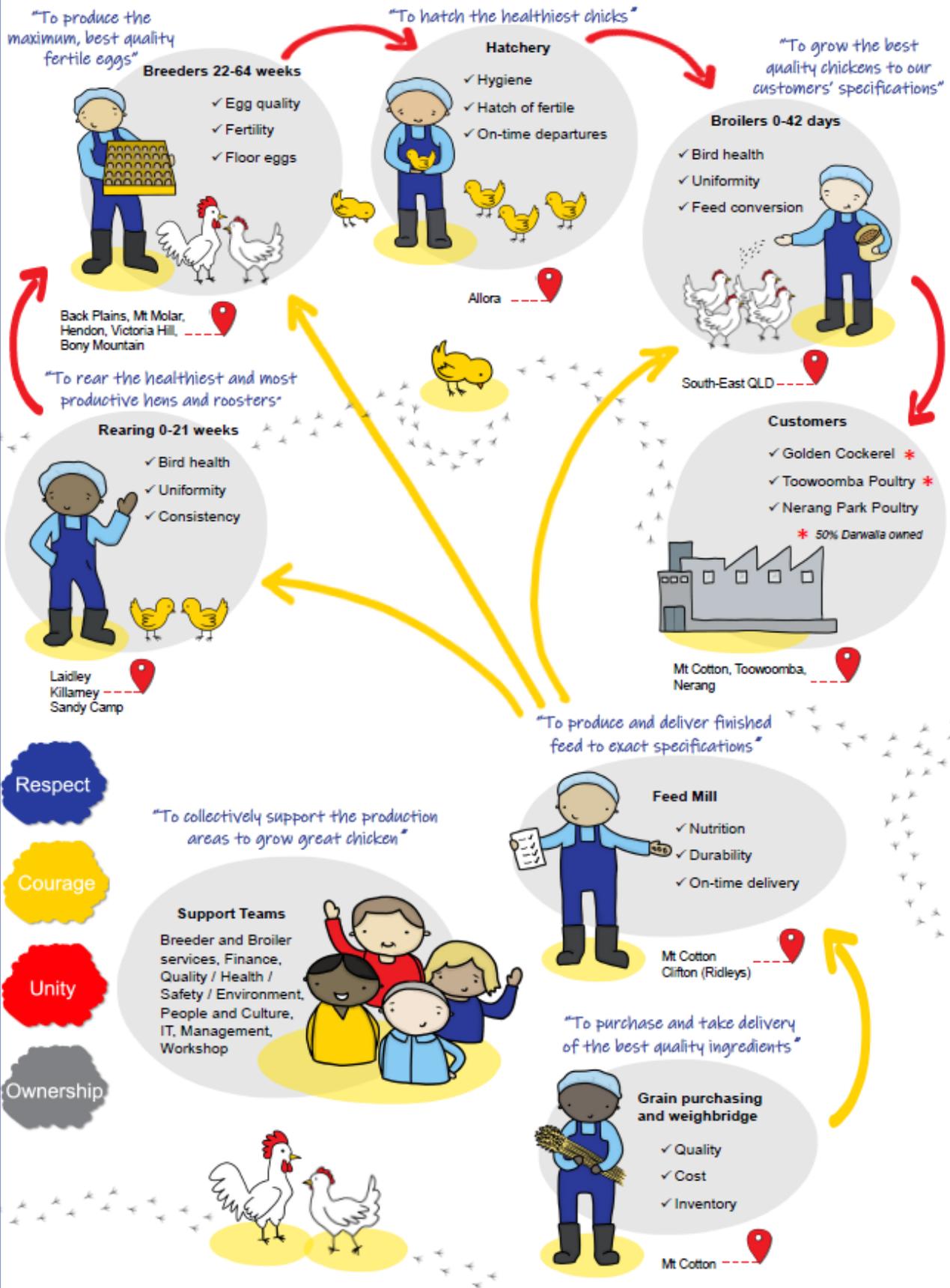
- Day-old breeder chickens,
- Wood shavings for bedding,
- Raw feed materials including grains, vitamins and feed additives,
- Poultry infrastructure materials, including shedding, nesting, hatching and transportation crates,
- Chemicals for cleaning,
- Fuel and gas,
- Consumables such as uniforms, office supplies and personal protective equipment,
- Packaging.

The services which are undertaken by third parties which support and contribute to Darwalla's production include:

- Feed production,
- Cartage and transportation of goods,
- Contract growing of poultry,
- Catching and transportation of poultry,
- Professional consultancy (such as legal, accounting, training etc.),
- Labour hire,
- Internal contractors such as electricians, cleaners, maintenance, and delivery drivers,
- Vehicle, machinery, and specialist equipment servicing,
- Pest control,
- Earth moving and construction,
- Waste removal.



One Team, Great Chicken



- Respect
- Courage
- Unity
- Ownership

Think Safe, Act Safe

Every Task | Every Process | Every Day



Supply chain analysis

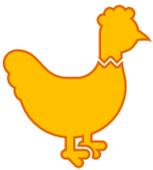
A review of the Top 20 companies by expenditure was conducted for Financial Year 2023 (FY23). This analysis indicated that 67% of our Top 20 Tier 1 suppliers and contractors have lodged a Modern Slavery Statement.

These Tier 1 companies are in five spend categories, with analysis indicating:



Feed & grain

- ✓ Feed and grains were the highest spend of the Company, with nine raw material suppliers accounting for 65% of Darwalla's total expenditure in FY23.
- ✓ This expenditure was for a combination of products and services, being raw ingredients for chicken feed, plus the production and delivery of feed.
- ✓ Of these suppliers, five of them have a current modern slavery statement lodged, accounting for 88% of our total feed and grain expenditure.
- ✓ Although most products are grown in Australia, given some products are sourced from outside of Australia, the risk of modern slavery in their supply chain is possible.



Poultry

- ✓ Direct poultry-related expenses were the second highest spend of the Company, with four external companies accounting for 15% of our total expenditure in FY23.
- ✓ This expenditure was for the purchase of live chickens and to contractors who grow chickens on our behalf, all of which are based in Australia.
- ✓ None of these suppliers have a current modern slavery statement lodged.
- ✓ As all supply chains are within Australia, the risk of modern slavery is considered to be low.



Construction

- ✓ Construction was the third highest spend of the Company, accounting for 12% of our expenditure.
- ✓ This expenditure was for construction and materials for our poultry infrastructure in Australia.
- ✓ Of these suppliers, 54% of this expenditure was made with companies who have a current modern slavery statement.
- ✓ Some of these suppliers are based overseas, so the risk of modern slavery is unknown.



Catching and transport

- ✓ The transportation of our chickens was the fourth highest spend of the Company, accounting for under 7% of our expenditure.
- ✓ This expenditure was for labour to catch and transport our poultry to the processing facilities within Australia.
- ✓ This company does not have a current modern slavery statement lodged.
- ✓ Although operations are all located within Australia, the nature of the job roles may comprise a risk of modern slavery.

Owned entities

Darwalla owns 50% of two poultry processing plants, with which we supply live poultry:

1. Golden Cockerel Pty Ltd ABN 84 009 906 432
2. Toowoomba Poultry ABN 12 162 583 851

Golden Cockerel is registered at and operates from 1483 Mount Cotton Road, Mount Cotton QLD 4165. Darwalla supplies 50% of Golden Cockerel's live birds, making them Darwalla's main customer. Golden Cockerel's main operations include the processing, sale, and distribution of fresh and frozen poultry meats.

Toowoomba Poultry is also registered at 1483 Mount Cotton Road, Mount Cotton QLD 4165 and operates from 840 Greenwattle Street, Harristown QLD 4350. Toowoomba Poultry is the processing plant for breeder and layer poultry. Darwalla is a supplier to Toowoomba Poultry of our redundant breeder chickens. Toowoomba Poultry's operations include the processing, sale and distribution of frozen poultry meats.

Although Darwalla owns and controls 50% of Golden Cockerel and Toowoomba Poultry, they are customers of Darwalla, and as such, their reporting for modern slavery is independent of this document.

3. Our Values

Darwalla strives to live our values of Respect, Courage, Ownership and Unity. It is part of our culture to treat others in a fair and reasonable manner, both within our business but also our contractors and suppliers.

These values encompass some of the core tenets of the Modern Slavery principles, such as 'we empower, support and take care of each other'. As a family-owned business, our values are more than tokens, with our employees learning about our values during induction, in their performance reviews and through our regular communications such as our monthly newsletter.



RESPECT

- We empower, support and take care of each other
- We show patience and tolerance
- We treat each other the way we would like to be treated
- We communicate openly, honestly and carefully



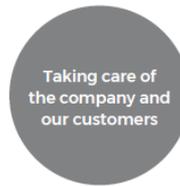
UNITY

- We work together as a team for common goals
- We are supportive and remain positive through good and bad times
- We share our successes and trust each other
- 'Team work makes the dream work'



COURAGE

- We welcome challenges and see problems as opportunities
- We persist and persevere to continuously improve
- We reward our successes and learn from our mistakes



OWNERSHIP

- We are accountable for our own actions and those of our team
- We lead by example and take pride in our work
- The standard we walk past is the standard we accept
- We own our work - it is our legacy

4. Risks of Modern Slavery in operations and supply chains

As we operate a vertically integrated business within the agriculture sector, Darwalla acknowledges there are risks of adverse behaviour within our supply chain. Our operations and supply chain includes some of the risk indicators for modern slavery which will direct our actions to mitigate these risks.

Given our operations are located wholly within Queensland and our adherence to Australian workplace laws, plus our values-driven culture, Darwalla believes there is a very low risk of **causing** any modern slavery practices.

Despite our efforts, Darwalla appreciates the risk of **contributing to** modern slavery practices likely still exists through the unknown actions of others within our extensive supply chain.

Likewise, Darwalla believes the risk of being **directly linked** to modern slavery practices has been mitigated, however the risk likely still exists due to the unknown actions of others in our extensive supply chain.

Risk type	Risk indicators	Risk rank
Industry risk	Contributing to or being directly linked: <ul style="list-style-type: none"> To the use of unskilled labour, foreign workers, labour hire, remote work in the agriculture sector; Through unknown labour and recruitment practices of companies within our supply chain. 	Medium
Product and service risk	Contributing to or being directly linked: <ul style="list-style-type: none"> Through the purchase and use of products and services within our supply chain that support our operations. 	Medium
Geography	Contributing to or being directly linked: <ul style="list-style-type: none"> Through the purchase of goods used within our operations from countries who do not comply with modern slavery practices. 	Medium
Entity	Contributing to or being directly linked: <ul style="list-style-type: none"> Through entities within our supply chain not meeting modern slavery standards. 	Medium

5. Actions taken to address risks

Internally:

- Throughout FY22 and FY23, Darwalla has continued to train our employees on our Whistleblower and complaints procedure, both at Induction and as part of our annual schedule of training.
- Performance reviews are conducted at minimum annually for all managers and assistant managers.
- We conduct an annual safety survey, and an annual engagement survey, both of which benchmark employee satisfaction and offer an opportunity for anonymous feedback.
- We have a monthly QHSE meeting with trained representatives to give direct input and consult on Quality, Health, Safety and Environmental issues.

- In July 2023, the Fair Work Commission signed off on a new Enterprise Agreement which covers two-thirds of our employees, including our casual farm employees.
- The other third of our employees are employed under contracts, Awards or Enterprise Agreements.
- Wages and salaries for all employees are reviewed annually.
- Compliance with industrial relations legislation, including the Corporations Act 2001 (Cth) and the Fair Work Act 2009 (Cth).
- Darwalla has a dedicated human resources team plus a work, health and safety team.
- Internal audits are conducted to ensure we meet WHS regulations and codes of practice.
- Confirmation of registration as a labour hire provider in Queensland of the labour hire companies we utilize.

Externally:

- Supplier review of our Tier 1 Top 20 suppliers and contractors by expenditure.

6. Proposed future actions

Internally:

- Internal actions will continue as per reported above.

Externally:

- Review of Tier 1 Top 20 modern slavery statements, to identify the risks of Tier 2 suppliers against the industries at risk and countries as listed on the Global Slavery Index.
- Audit schedule of our Tier 2 Top 10 suppliers and contractors by usage.
- Supplier and contractor assurance program to be implemented for all suppliers and contractors.
- Requesting modern slavery systems and practices from Top 20 suppliers and contractors without a modern slavery statement to identify and mitigate the risks.
- Auditing a sample of our labour hire providers to ensure compliance with applicable Award payments.
- Auditing a sample of labour-intensive contractors where a higher risk exists, eg. cleaning contractors.
- During FY23 Darwalla welcomed 10 workers sourced via the Pacific Australia Labour Mobility (PALM) scheme with the assistance of a third-party Labour Hire company. This company is currently implementing legislated changes through the Deed of Agreement to improve the welfare of the workers.
- We undertake our own welfare checks of our PALM workers.
- Further industrial relations changes will be monitored and implemented as legislated.
- Procurement procedure to be implemented, to include a confirmation of compliance under Modern Slavery practices.

7. Effectiveness of actions

Darwalla has continued to undertake action as part of our commitment to reducing our risk of contributing to or being directly linked to modern slavery practices. We are committed to reviewing the actions taken above to identify further gaps and information to improve our response.

Darwalla already has a robust compliance and corrective action system in place, which is used for auditing and meeting other obligations. These same systems currently enable us to continuously assess the effectiveness of and improve those actions across our operations.

8. Process of consultation

In the preparation of this statement, Darwalla employees collaborated to fulfil the actions reported above. Darwalla also consulted with various contacts from our supply chain, including suppliers, contractors and customers for their input.

This statement has been reviewed and approved by senior management and the board of directors of the Darwalla Group.



Kate Benfer
Director and Company Secretary

22 September 2023