



HILTON FOODS AUSTRALIA PTY LTD
267 Dohertys Road, Truganina VIC 3029 Australia
Tel: +61 (3) 8855 7450
ABN 60 613 035 500

22 June 2021

HILTON FOODS AUSTRALIA PTY LTD

MODERN SLAVERY STATEMENT

FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020

This statement is made in accordance with the *Modern Slavery Act 2018* (Cth) by Hilton Foods Australia Pty Limited ACN 613 035 500 (**Hilton Foods Australia**). Hilton Foods Australia carries on business activities in Australia, being the supply of packaged meat and foods. Hilton Foods Australia is wholly-owned by Hilton Food Group PLC (**Hilton Foods UK**), a company based in the United Kingdom and listed on the London Stock Exchange.

This statement sets out the actions and steps taken by Hilton Foods Australia during the financial year ending 31 December 2020 to address modern slavery risks in its operations and supply chain. This statement is dated as at 31 December 2020.

1. STRUCTURE, OPERATIONS AND SUPPLY CHAINS - HILTON FOODS AUSTRALIA

1.1 Overview of Operations

Hilton Foods UK was established in the UK in 1994 and listed on the London Stock Exchange in May 2007. It conducts business in the UK, Europe, Australia and New Zealand supplying major international retailers with packaged meat and food products. Details of the Group's history, operations and current business ventures can be found at the following link: <https://www.hiltonfoodgroupplc.com/en/who-we-are/>.

Hilton Foods Australia is a wholly-owned subsidiary of Hilton Foods UK and was established in Australia in June 2016.

Hilton Foods Australia has a long-term partnership with Woolworths Limited (**Woolworths**) to supply Woolworths supermarkets with packaged meat and food products in Australia.

Hilton Foods Australia has meat processing facilities in Bunbury (Western Australia), Truganina (Victoria), and Heathwood (Brisbane).

Hilton Foods Australia supplies packaged meat and food products to approximately 1,000 Woolworths stores across Australia.

Our business model is to source meat and plant based raw materials from high quality approved suppliers, and then process and pack both natural and added value meat and plant based raw materials product for the Australian retail market.

Our business operates locally and independently in each market. Hilton foods are at the centre of valued and trusted relationships between our suppliers and customers.

1.2 Structure

Hilton Foods Australia is a proprietary company incorporated on 16 June 2016 in Victoria, Australia. It is 100% owned by Hilton Foods Asia Pacific Limited (a company incorporated in the UK). [Hilton Foods Asia Pacific Limited is wholly-owned by Hilton Foods UK.

Approximately 1,100 employees are employed by Hilton Foods Australia as factory workers, facility workers and office workers. The number of employees of Hilton Foods Australia by processing facility is set out below:

State	Location	Number of employees
Victoria	• Truganina	499
Western Australia	• Bunbury	178
Queensland	• Heathwood	365
New South Wales	• Sydney	9

1.3 Supply Chain

Hilton Foods Australia sources raw materials, comprising mostly beef, lamb and other food ingredients as well as packaging materials.

The meat and other food supplied by our suppliers is packaged at our processing facilities and distributed to our partner, Woolworths, to stock in close to 1,000 Woolworths stores across Australia.

Hilton Foods Australia ensures that all products are procured with appropriate certificates of origin and from approved suppliers

2. RISKS OF MODERN SLAVERY PRACTICES IN HILTON FOOD AUSTRALIA'S OPERATIONS AND SUPPLY CHAINS

Hilton Foods Australia has identified that the following modern slavery risks are the most relevant to its operations and supply chain:

- **Deceptive recruiting for labour:** workers promised certain jobs, benefits or conditions that do not materialise;
- **Forced labour:** restrictions on movement, intimidation, threats, including human trafficking;
- **Debt bondage:** the payment of excessive recruitment fees or associated costs and retention of identity documents;
- **Child labour:** children are engaged in work.

Hilton Foods Australia keeps abreast of emerging modern slavery risks and considers how those emerging modern slavery risks may be relevant to its operations and supply chain. In particular, Hilton Foods Australia anticipates and is alert to the impact of COVID -19 increasing the vulnerability of workers in its operations and supply chain to modern slavery, for example, because of workforce reductions and sudden changes to supply chain structures.

3. THE ACTIONS TAKEN TO ASSESS AND ADDRESS RISKS OF MODERN SLAVERY

Hilton Foods Australia is committed to a process of upholding practices against modern slavery or human trafficking in our supply chains or in any part of our business. We commit to acting ethically and with integrity in all of our business relationships.

There are a number of actions Hilton Foods Australia takes to assess and address the risks of modern slavery throughout Hilton Foods Australia's operations and supply chains.

3.1 Policies

Hilton Foods Australia's stance on respecting and honouring human rights is clearly articulated in its policies, specifically in the Hilton Foods Australia Ethical Trading Policy and the Hilton Food Group Corporate Social Responsibility Strategy (**Policies**). These Policies are periodically reviewed to assess and address risks of modern slavery.

(a) Hilton Foods Australia Ethical Trading Policy

Under the Hilton Foods Australia Ethical Trading Policy, Hilton Foods Australia will take all reasonable steps to ensure that products are sourced only from those suppliers who maintain satisfactory working conditions, pay a fair wage, comply with the producer country's labour, health and safety laws, and conform to the following principles (amongst others):

- Employment is freely chosen;
- Freedom of association and the right to collective bargaining are respected;
- Working conditions are safe and hygienic;
- Wages are paid in accordance with local employment legislation and markets; and
- No discrimination is practiced.

The Ethical Trading Policy (published on our website) also outlines the other actions which Hilton Foods Australia takes to address modern slavery risks, including providing training to raise awareness of potential worker welfare issues, auditing compliance with the policy across the supply chain, undertaking appropriate investigations, and reporting suspicions of modern slavery to the relevant Hilton Food Group boards.

We have a group Ethical Trading Policy (published on our website) which covers the overarching commitments, responsibilities and ethical principles on Human Rights, ethical trading, worker rights and practices.

Other policies include the following:

Equal opportunities and dignity at work
Supplier requirements/code of conduct
Human trafficking and forced labour
Health & Safety
Whistleblowing

Procurement
Responsible recruitment
Bribery and corruption
Grievance

(b) **Hilton Food Group - Group Corporate Social Responsibility Strategy (CSR Strategy)**

As part of the Hilton Food Group, Hilton Foods Australia also adheres to the Group CSR Strategy.

The Group CSR Strategy has eight pillars of focus in partnership with its customers and suppliers, including 'Our People', 'Ethical Supply Chains', 'Transparency' and 'People' (which are set out in the diagram below).



The Hilton Food Group recognises its responsibility to support welfare of employees, customers, suppliers and the communities in which it operates.

For more information about the Hilton Food Group CSR strategy, please see the 2019 Sustainability Report at <https://www.hiltonfoodgroupplc.com/media/1935/sustainability-report-2019.pdf>.

Managing Suppliers

Hilton Foods Australia has significant supply chains of its own. It works with the support of a number of stakeholders to provide safe and dependable business operations.

Hilton Foods Australia uses its guidelines for partners and suppliers as a means of identifying and solving issues in the supply chain in areas such as legal compliance, fair trade, trustworthiness, safety and security, environment, human rights, labour, and anti-corruption.

The Hilton Food Group (which includes Hilton Foods Australia) is also planning in 2021 to actively engage in the development of global ethical risk assessment processes, as A/B members of Sedex (a global ethical data and audit platform) and as an elected member of the strategic advisory group to the Board of the UK Food Network for Ethical Trade "FNET".

3.2 Due Diligence/Risk Assessment on Suppliers

To have good visibility of suppliers' standards, Hilton Foods Australia uses tools like Sedex to conduct risk assessments on and link what is often several tiers of supply chains to itself and its customers. Hilton Foods Australia integrates these risk assessments into the "Foods Connected Platform" that we use to house all suppliers' information and shared specifications.

Hilton Foods Australia provides key suppliers with its minimum ethical standards and requests compliance from those key suppliers by asking those key suppliers to sign ethical declarations.

For higher risk supply chains, Hilton Foods Australia engages an independent third party to draw up a risk rating and develop a plan for further engagement with the supplier where necessary in order for the supplier to meet the ethical standards of Hilton Foods Australia.

Physical visits and audits have been restricted by Covid-19 travel restrictions. Where physical audits have not been possible, virtual audits have been trialled for some high-risk suppliers.

3.3 Employee Education, Training and Compliance

Hilton Foods Australia works with Stronger Together to establish best practice recruitment procedures for our own people and those in our supply chains.

We attend the Stronger Together training workshops and promote their helplines to our staff. We also train our managers and team leaders to look for signs of modern slavery. Modern slavery awareness training, using Stronger Together materials, is now part of the induction course.

Under the Hilton Food Group Whistle-blower Policy, officers and employees are encouraged to raise allegations of misconduct (including modern slavery incidents or risks) to their line manager or senior manager at an early stage, if there are reasonable grounds for concern.

4. FURTHER ACTIONS HILTON FOODS AUSTRALIA WILL TAKE TO ASSESS AND ADDRESS THESE RISKS

Hilton Foods Australia is continuing to take steps during the financial year commencing 1 January 2021 to assess and address the risks of modern slavery in its operations and supply chain.

In particular:

- Introducing legal obligations to comply with the Act is being rolled into new contracts with our key suppliers and in our regular performance reviews
- Within our contracts we ask our key suppliers to warrant and represent that they take all reasonable steps that are no instances of MSA occurring in its business or in its supply chain; and
- As part of our periodic supplier performance reviews we ask our suppliers whether they have become aware of any actual or suspected MSA Offence and whether there has been any

material change to their operations that may increase the risk of a MSA offense occurring

5. HOW HILTON FOODS AUSTRALIA ASSESSES THE EFFECTIVENESS OF THE ACTIONS TAKEN TO ADDRESS THE RISKS OF MODERN SLAVERY

Hilton Foods Australia tracks the effectiveness of the actions taken to address the risks of modern slavers through a combination of internal and external mechanisms, specifically:

Activity	Measurement
<p>Governance</p> <ul style="list-style-type: none"> • Board oversight • Employee training • Reviews of Policies 	<ul style="list-style-type: none"> • Whether modern slavery is an agenda item at every Risk Committee Meeting • % of employees trained • Policies reviewed at the intervals planned
<p>Risk management</p> <ul style="list-style-type: none"> • Due diligence/risk assessment of suppliers • On boarding of suppliers 	<ul style="list-style-type: none"> • % of due diligence assessments undertaken on new suppliers • Number of risks identified by suppliers without a mitigation put in place
<p>Monitoring</p> <ul style="list-style-type: none"> • Third-party audits • Internal audits • Site visits • Supplier corrective action plans 	<ul style="list-style-type: none"> • % of audits completed in line with plan • Number and % of audits raising material issues • Number of site visits • Number of suppliers suspended or ceased trade
<p>Grievance mechanisms</p> <ul style="list-style-type: none"> • Channels and mechanisms for grievances to be raised • Cases investigated • Cases remediated • Identifying trends from grievances 	<ul style="list-style-type: none"> • Number of grievances raised • Channels through which raised • Number of cases investigated • Number of cases remediated • Aged analysis of cases

6. **PROCESS OF CONSULTATION WITH SUBSIDIARIES OR COMPANIES CONTROLLED BY HILTON FOODS AUSTRALIA**

Hilton Foods Australia has engaged in consultation with each member of the Hilton Foods Australia Group to ensure that they are aware of Hilton Foods Australia's commitment to the reduction of modern slavery risk in its operations and supply chain.

During the 2020 reporting year there were no other Operating companies or subsidiaries that Hilton Foods Australia controlled.

7. **LOOKING FORWARD**

We are continuing to learn about best practice from our collaborative engagement and ethical assessments. Our actions within the Quality Naturally ethical strategy will include the following:

- Further develop our policies with the introduction of a Human Rights policy for our operations and a separate Supplier Human Rights and Ethical Trading policy.
- Building transparency tools based on global interoperable traceability systems integrated with ethical assessment criteria.
- Advocacy for improved regulation and enforcement alongside our customers and suppliers.

We will continue to strengthen our approach to managing the risk of modern-day slavery within our business and supply chain and ensure our strategy is responsive to changing risks. We will act immediately to address any mistreatment or non-conformances in safety or welfare standards. Where we identify instances of modern slavery, we will ensure remediation and address the cause.

Our culture of sustainability and ethics is vital, and it reflects some of the core values of our strategic compass, including providing an inclusive working environment where everyone at our sites and within our supply chains are valued, respected and able to fulfil their potential.

This Modern Slavery Statement was approved by the Board of Hilton Foods Australia Pty Ltd on the 9th of June 2021.



Pat McEntee
Managing Director

Hilton Foods Australia Pty Limited