



# MODERN SLAVERY STATEMENT FY24

## **HAZELDENE'S CHICKEN FARM PTY LTD**

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# 1 Introduction

This statement is prepared as a joint statement on behalf of HCF Holdco Pty Ltd (ACN 653 844 181), HCF Midco 1 Pty Limited (ACN 653 844 805), HCF Midco 2 Pty Limited (ACN 653 845 366), HCF Bidco Pty Limited (ACN 653 847 388) and Hazeldene's Chicken Farm Pty Ltd (ACN 004 381 346) (collectively, **Hazeldenes**) under section 14 of the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2023 to 30 June 2024.

Hazeldenes outlines in this statement the steps it has taken to address the possible risk of modern slavery in its operations and supply chains during the reporting period. It also sets out possible next steps that Hazeldenes may take in the future to continue to seek to reduce the risk of modern slavery.

## 2 Hazeldenes' Structure, Operations and Supply Chain

### 2.1 Structure

Each of the Hazeldenes reporting entities are Australian proprietary companies limited by shares with a principal place of business in Lockwood, near Bendigo in Central Victoria. Hazeldenes has other wholly owned subsidiaries within the Hazeldenes' corporate group.

Hazeldenes commenced operations in 1938 (incorporated in 1957) and presently operates a vertically integrated network including farms (both owned and contracted) as well as hatching, rearing and processing facilities located throughout Central Victoria. The business has a large workforce of people in regional Victoria. Employees undertake a range of functions including farming, hatching, processing, packing and administration.

### 2.2 Operations

Hazeldenes' business activities encompass the entirety of the poultry processing cycle, including rearing and laying, hatching, feeding, processing, packaging and distribution. Administrative activities support this cycle and the business has a number of employees in management, legal, procurement, human resources, accounts, sales, engineering, information technology, administration and risk and compliance roles, who manage day-to-day operations.

Further information on Hazeldenes' principal business activities is available on the business' website: <https://www.hazeldenes.com.au>.

### 2.3 Supply Chains

Hazeldenes has over 800 suppliers, with Tier 1 suppliers predominately located in Australia but with some material suppliers having global head office or other important business functions (such as manufacturing sites) in Europe, Asia or North America.

Goods and services procured by Hazeldenes include, but are not limited to:

- chicks;
- chicken feed and related milling services;
- various freight services;
- plant and equipment;
- uniforms;
- cleaning and laundry services;

- consumables (e.g. chemicals, packaging, seasoning ingredients); and
- IT equipment and services.

Many of the arrangements Hazeldenes has with its suppliers are stable and long-term, as products and services are generally acquired on an ongoing basis. Hazeldenes periodically reviews its supply chain arrangements to ensure that they remain appropriate and in alignment with Hazeldenes' strategy.

### 3 Assessing risks of modern slavery

As previously reported, Hazeldenes understands that there are a range of risk factors that may give rise to the possibility of modern slavery risk, which can be summarised as per the following:

Modern slavery risk factors



The greater levels of modern slavery risks exist at the intersection of these risk factors. For example, labour hire would fall within the high risk industry category because it reduces the visibility to the host company of the recruitment practices and employment conditions of the labour hire workers. The modern slavery risks arising from this may then be compounded given that the personnel involved might be migrant or base-skilled workers (i.e. vulnerable workforce).

Hazeldenes has reported in previous modern slavery statements a number of categories of first tier suppliers of goods and services that present higher risks of possible modern slavery practices. These are:

Goods/service	Modern slavery risk
Poultry feed	Supply chains for the ingredients used in production of the business' poultry feed may carry heightened risks of modern slavery because of possible practices which may be associated with some of the ingredients.
Seasonings / inputs to value add products	The pre-made sauces and marinades which Hazeldenes is required by its customers to use in value added chicken products use ingredients that may have exposure to modern slavery risks in their production given the jurisdictions from which they are often sourced (South America, East and Central Asia) can have limited regulation of working conditions or legislative protections for workers' rights, and a high reliance on foreign workers.
Personal protective equipment (PPE)	Hazeldenes is reliant on PPE and protective clothing to ensure the business' products and operations meet the highest applicable health and safety standards, and importantly, to protect its workforce. While Hazeldenes' PPE suppliers are currently all located in Australia, it is understood that a large portion of the PPE and protective clothing procured is likely imported from overseas jurisdictions with higher modern slavery risks.
Logistics	Freight distribution, including shipping, is a higher risk industry for modern slavery practices due to the reliance on foreign workers from overseas jurisdictions with less regulation, legislative protections and oversight of workers' rights. While Hazeldenes predominantly uses Australia-based logistics services for its direct freight needs, additional risks may be located in the lower tiers of these suppliers' value chains (for example any products that are imported via sea).
Workforce / labour	<p>The live agriculture and meatworker industries in Australia carry some elevated risks of modern slavery due to the low skilled nature of the work, location and prevalence of migrants or foreign nationals. Similar risks can be present in other labour-based industries such as security services and commercial cleaning industries.</p> <p>Due to the nature of its operations, Hazeldenes utilises labour from a wide range of sources – direct employment, contractors, labour hire - to perform a number of services.</p> <p>Workforce/labour risk is the core focus for Hazeldenes in its efforts to minimise modern slavery risks.</p>

Hazeldenes acknowledges that this list is not exhaustive and that other goods and services procured by Hazeldenes in the course of its operations may also carry risks of modern slavery in lower tiers of the supply chain for these goods and services.

## 4 Actions to address the risks of modern slavery in Hazeldenes' operations and supply chain

### 4.1 Hazeldenes' governance structure and policies and processes

Hazeldenes considers that one of the key steps to effectively address modern slavery risks in its operations and supply chain is ensuring appropriate governance and policy frameworks are established. Hazeldenes has the following governance structure, policies and processes in place.

#### (a) Hazeldenes' governance structure

In the previous reporting period, a modern slavery project committee had been established for the purpose of addressing and mitigating modern slavery risks in Hazeldenes' supply chain. In this reporting period, this committee has been restructured with the business remodelling the single project committee into a modern slavery steering committee and a modern slavery project group. The steering committee, chaired by the Chief Executive Officer, comprises various senior leadership members of the business and is ultimately responsible for directing and managing the business' modern slavery strategy. The project group involves members who are engaged in the day-to-day activity of the business; this group meets more regularly and is responsible for giving effect to the decisions of the steering committee. The project group then reports up to the steering committee periodically. A clear breakdown of responsibility, accountability and parties requiring consultation or informing has been set out in a RACI.

#### (b) External training on modern slavery risks

At the request of the business, third party advisers provided the senior leadership team with an in-depth training session on modern slavery risks, the legislative framework which surrounds it and practical tips for how such risks can be managed.

#### (c) Policies

Hazeldenes has a number of policies which endeavour to mitigate possible modern slavery risks in its supply chain:

##### Social Responsibility and Ethical Sourcing Policy

Hazeldenes has a Social Responsibility and Ethical Sourcing Policy which sets out the business' commitment to ensuring that employees and agents conduct themselves ethically and with integrity in the course of their employment or engagement. The scope of this Policy applies to all Hazeldenes employees and contractors on all Hazeldenes sites. In addition, the Policy explicitly addresses Hazeldenes' expectations that equivalent standards are upheld by its suppliers, contractors, and business partners. The Policy focuses on employment practices and modern slavery risks by requiring Hazeldenes and its contractors/suppliers to comply with all local laws and regulations regarding labour and employment (including the prohibition on child labour, illegal labour, and forced/bonded labour).

##### Code of Conduct

Hazeldenes has a Code of Conduct, which empowers employees and labour hire providers to report grievances, including those relating to modern slavery risks. The Code of Conduct contains an escalation process which employees and labour hire workers can use to escalate concerns.

This Code of Conduct was refreshed during this reporting period to ensure it remains appropriate and fit for purpose.

#### Whistleblowing hotline

Hazeldenes has in place a whistleblowing hotline which enables employees and other workers on site to make anonymous reports, including in relation to breaches of the Code of Conduct. Hazeldenes aims to empower employees, labour hire workers and others within its supply chain to raise concerns around modern slavery and other poor labour practices, so these may be reviewed and addressed.

Regular communications in Hazeldenes' internal mail systems, notices and posters displayed in strategic locations around its sites, including lunchrooms, make workers aware of the hotline service.

#### Modern slavery policy

During the reporting period, Hazeldenes' modern slavery steering committee oversaw the creation and adoption of a modern slavery policy, which applies to all of Hazeldenes' operations, supply chains and business activities. The policy expresses Hazeldenes' commitment to seek to avoid modern slavery practices, both directly related to its own business operations and activities but also indirectly by way of suppliers of goods and services. The policy sets out Hazeldenes' expectations that all suppliers avoid modern slavery practices and, to the extent possible, actively implement adequate and appropriate measures to identify, assess and address the risk of modern slavery in their own operations. Although it is expected that all suppliers action the appropriate remediation activities, the policy is clear that remediation should always prioritise the safety of vulnerable people and take into account contextual considerations and potential adverse impacts of any proposed actions.

The policy also sets out a grievance mechanism, setting out a number of a different methods by which concerns around the existence of modern slavery practice may be reported, both internally to the business but also confidentially to the externally managed whistleblower hotline (referenced above).

#### Supplier Code of Conduct

The modern slavery steering committee also tasked the business with creating a supplier code of conduct for the purpose of outlining Hazeldenes' expectations of its suppliers in respect of ethical business practice considerations. These include, amongst others, complying with applicable laws and respecting human rights in their operations and business relationships. Suppliers are required to have policies and processes in place to identify, mitigate and address any form of modern slavery within their operations and supply chain, including human trafficking, slavery, servitude, forced labour, bonded labour, deceptive recruitment, forced marriage and child labour.

The Supplier Code of Conduct sets out specific obligations on those suppliers who operate within Australia, including the requirement to comply with Australian laws regarding the right to work and the mandatory employment conditions set out in the National Employment Standards and elsewhere at law.

An initial draft of this Supplier Code of Conduct was prepared by the business during this reporting period.

#### **Next steps**

Hazeldenes is committed to taking proactive steps to ensure its governance framework, policies and processes are fit-for-purpose to assess and address modern slavery risks that may manifest within the business' operations and supply chain. Hazeldenes will continue to review its workplace policies and procedures and its procurement processes to assess their appropriateness and

effectiveness to identify, assess and address modern slavery risks in the business' operations. In particular, Hazeldenes will seek to finalise the Supplier Code of Conduct and assess the most effective way to roll this out to Hazeldenes' suppliers.

## **4.2 Due diligence processes**

### **(a) Supplier onboarding**

Hazeldenes believes that to effectively mitigate modern slavery practices, in addition to a governance structure which sets out Hazeldenes' expectations, due diligence procedures are also beneficial in ensuring that suppliers continue to adhere to the requirements imposed on them. This is necessary both during the initial on-boarding of the supplier as well as during the term of their supply to Hazeldenes.

Hazeldenes has sought to achieve higher levels of visibility and enforcement of supplier compliance via two means:

#### *Contractor management system*

During the reporting period, Hazeldenes implemented a new contractor management system which requires all suppliers who enter any site of Hazeldenes to enrol and provide requested documentation.

As noted in Hazeldenes' previous modern slavery statement for the period ending 30 June 2023, labour hire suppliers are an area of key focus because Hazeldenes is of the view that not only does this industry represent a core risk to the business for the occurrence of modern slavery practices, but it is also one in which Hazeldenes may be able to effect impactful change.

Accordingly, Hazeldenes requires all labour suppliers to provide a copy of their current labour hire licence, as well as respond to a range of other questions such as source of labour, rates of pay, procedures for visa checks and identification of any relevant employment awards. These are then reviewed thoroughly, and further follow up questions or request for documentation may be issued to the supplier if required. Incomplete or unsatisfactory responses are flagged as non-compliant and the supplier is not permitted to commence work or labour deployment until rectified.

Hazeldenes acknowledges the limitations of this management system, in particular that, under the present format, it does not extend to suppliers who do not visit Hazeldenes sites. However the business believes that this is positive progress particularly with respect to labour hire suppliers, and the platform may form the basis for a more comprehensive supplier management tool in due course.

#### *Updated contractual terms*

Hazeldenes undertook a thorough review of its various contractual terms for the supply of goods and services during this reporting period. Whilst this review was wide ranging in its considerations, one area of focus was to ensure that the contractual obligations related to complying with applicable modern slavery legislation, and otherwise taking steps to reduce modern slavery practices, continued to be appropriate. In addition, the documents were also overhauled to ensure that once finalised, the Supplier Code of Conduct could be incorporated as a Hazeldenes' policy, and compliance with this code required contractually.

### **(b) Auditing**

In addition to auditing its suppliers, Hazeldenes is also subject to similar auditing processes. In 2017 Hazeldenes was audited by Supplier Ethical Data Exchange (**SEDEX**) under the SEDEX Members Ethical Trade Audit (**SMETA**) Pillar 2 audit scheme. In October 2022, Hazeldenes



completed a SMETA Pillar 4 audit. This audit is more comprehensive, focussing on labour standards, health and safety, an extended environmental assessment and business ethics. This audit resulted in no material non-conformances. Hazeldenes intends to continue to be audited under the full Pillar 4 audit scheme. To that end, a new Pillar 4 SMETA audit was conducted in October 2024, the findings of which will be addressed in the next reporting period's modern slavery statement.

#### **Next steps**

- As part of the development of Hazeldenes' modern slavery program, the business believes there could be value in implementing additional due diligence measures to ensure supplier onboarding embeds consideration of modern slavery risks. Accordingly, moving forward, Hazeldenes intends to investigate the possibility of introducing an overarching supplier management system, which could require input from suppliers on a number of fronts including relating to modern slavery processes and practices. Such a system would intend to be broader in its scope than the contractor management system, incorporating all suppliers regardless of whether they attend on site or not.

## **5 Effectiveness**

The business continues to consider ways to assess the effectiveness of its governance structure and due diligence procedures.

## **6 Consultation**

In preparing this statement, Hazeldenes has involved key personnel across the business, including those of its wholly owned subsidiaries, who have responsibility for procurement, operations, human resources, legal, risk and compliance as well as senior members of executive management. It has also consulted with third parties on the topic of responding to and remediating any potential instances of modern slavery.

This Modern Slavery Statement was approved by the Board of HCF Holdco Pty Ltd as the parent entity of the Hazeldenes group for the purpose of the Act, on 26 November 2024.

Signed by



Anthony Girgis  
Chief Executive Officer  
Hazeldenes

Signed by



Simon Harle  
Chair of the Board  
Hazeldenes