

Pace Holdco Pty Ltd



Financial Year 2024 Modern Slavery Statement

Under the *Modern Slavery Act 2018 (Cth)*

REPORTING PERIOD:

1 July 2023 – 30 June 2024

This Statement has been approved by the Board of Pace Holdco Pty Ltd.

Pursuant to the requirements of the Modern Slavery Act 2018 (Cth), the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This statement is signed by Philip Wiese as Chief Executive Officer on 17th December 2024.

Table of Contents

<u>Introduction</u>	3
<u>1. Criteria 1 – Identify the reporting entity</u>	3
<u>2. Criteria 2 – Describe the reporting entity's structure, operations and supply chain</u>	3
<u>3. Criteria 3 – Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls</u>	4
<u>4. Criteria 4 – Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes</u>	5
<u>5. Criteria 5 – Describe how the reporting entity assesses the effectiveness of these actions</u>	7
<u>6. Criteria 6 – Describe the process of consultation with any entities the reporting entity owns or controls</u>	9
<u>7. Criteria 7– Provide any other relevant information</u>	9
<u>8. Approval</u>	9

Introduction

Under the Commonwealth *Modern Slavery Act 2018* (the **Act**), Pace Holdco reaffirms our commitment to identifying, addressing and mitigating the potential modern slavery risks within our operations and supply chain.

Modern Slavery, as defined in the *Modern Slavery Act 2018*, describes situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include but are not limited to: human trafficking, slavery, servitude, forced labour, debt bondage, child labour or any other form of slavery which involves deprivation of a person's liberties by another person to exploit them for commercial or personal gain.

To continuously improve our modern slavery approach, this statement outlines the actions taken to:

- strengthen our due diligence process;
- enhance supplier engagement; and
- promote responsible business practices.

1. Criteria 1 – Identify the reporting entity

This statement has been completed for Pace Holdco Pty Ltd (ACN 667 546 296), a privately owned Australian company. This statement covers Pace Holdco Pty Ltd and its controlled entities- Alimfresh Pty Ltd ACN 002 831 843 and Pace Farm Pty Ltd ACN 003 529 575.

This statement has been prepared in accordance with the Commonwealth *Modern Slavery Act 2018* (the **Act**) for the period of 1 July 2023 through to 30 June 2024 and outlines how each of the seven mandatory criteria to be reported on under the *Modern Slavery Act 2018 (Cth)* have been addressed.

Unless otherwise indicated in this statement, the terms 'Pace Farm', 'our business', 'we', 'us' and 'our' refer to Pace Holdco Pty Ltd and its controlled entities collectively (including all reporting entities).

2. Criteria 2 – Describe the reporting entity's structure, operations and supply chain

Our Structure and Operations

Pace Farm is one of Australia's largest producers of eggs and egg-based products, operating a network of both company-owned and contractor-run farms across New South Wales and the Australian Capital Territory. Pace Farm manages a feed mill, as well as multiple grading, processing, and distribution centres along the East Coast, stretching from Queensland to Victoria.

Eggs are produced through numerous production systems including cage, cage-free and free-range farms, which are then transported to centralised grading facilities where they are packaged into sales units for retail and food service across Australia or exported into international markets.

Pace Farm's processing facility converts eggs that are unsuitable for retail or shell markets into processed egg products, which are then supplied to large manufacturing sites.

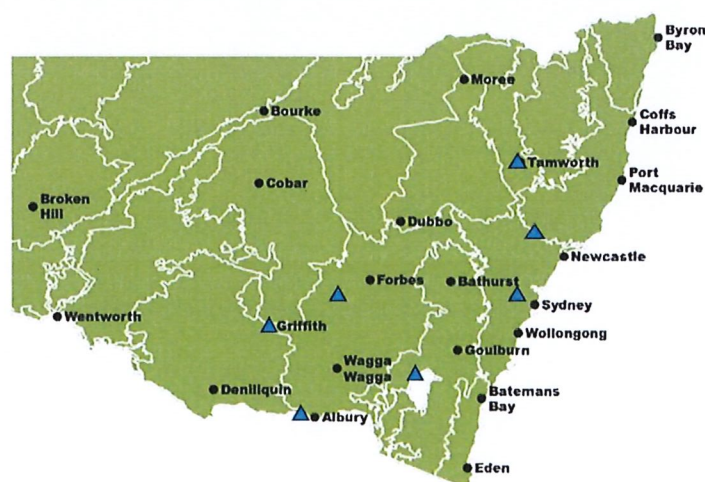


Figure 1: Map of Pace Holdco locations

Our Team

The Pace Group leadership team is comprised of a board of directors, including a chairperson and three directors, together with the Chief Executive Officer (CEO). Who are supported by a senior leadership team of six department heads who oversee key business units. Together, they focus on continuously improving the company's overall business objectives, reporting directly into the CEO.

Pace Farm is supported by 416 staff (as of 30 June 2024), including 112 casual employees and 304 full-time and part-time employees. Pace Farm also employs workers through approved labour hire agencies to meet fluctuating seasonal and regional demand.

In June 2023, Pace Farm engaged 7 workers through the Pacific Australia Labour Mobility (PALM) scheme for its rural West Wyalong site. This scheme has been discontinued at the West Wyalong site due to workers voluntarily relocating with Agri labour to areas where there was a larger Fijian community throughout the year.

Additionally, Pace Farm employs a small number of employees on working holiday visas to support our operations. These candidates are sourced and recruited through Pace Farm's own internal recruitment process or through approved labour hire agencies.

All employees work in Australia and are covered by various awards under the *Fair Work Act 2009*.

Pace Farm continues to employ a diverse workforce, striving to create an inclusive work environment for all employees to feel well supported and engaged.

Our Supply Chain

In the reporting period, Pace Farm had approximately 150 tier one suppliers. Pace Farm has reduced the number of tier one suppliers in this reporting period, in a targeted effort to consolidate the overall supplier pool. Suppliers range in size from small family-owned businesses to large multinational corporations.

Pace Farm's supply chain is diverse and includes suppliers of material products to technical service providers. A summary of key supply chain categories is outlined below:

- Added ingredients
- Chemicals
- Calibration services
- Day- old chicks
- Eggs
- Equipment
- Feed ingredients
- Laboratory services
- Logistics operators
- Maintenance contractors
- Manufacturing supplies
- Packaging

The majority of Pace Farm suppliers are based in Australia and have been part of our supply chain for more than five years, with many supplier relationships extending over a decade of partnership. However, we do have a small number of direct international suppliers in the following categories:

- Added Ingredients (Malaysia, India and China)
- Packaging (Malaysia and China).

All suppliers must comply with Pace Farm's approved supplier program and complete an annual supplier declaration of compliance. This process is outlined in more detail in Criteria 4.

3. Criteria 3 – Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns and controls

Pace Farm did not receive any reports, or otherwise become aware of, any actual or suspected incidences of modern slavery practices of any kind in its operations or supply chains during the reporting period.

Overview

The most recent Walk Free Global Modern Slavery Index report released in 2023, reported countries such as Australia generally have a lower prevalence of modern slavery and is recognised for being a global leader for government responses to modern slavery. However, Pace Farm recognises we operate in the agriculture industry which is identified as having a heightened risk of modern slavery within Australia.

As such, Pace Farm has adopted a risk-based approach to identifying and addressing modern slavery risk across the business operations and supply chain, including prioritising actions where Pace Farm can exercise influence to meaningfully address risk to people.

Employment Practices

We recognise the risk that Pace Farm could cause, contribute to, or be directly linked to modern slavery through our employment practices. However, given Pace Farm's operations are conducted within Australia and all employees are engaged through written employment contracts, we consider our operational risk of modern slavery to be low. Employees are supported by Pace Farm's People and Culture team, which manages recruitment, onboarding and ongoing management processes, ensuring compliance with Australia's well-regulated labour laws.

Procurement Practices

We recognise the risk that Pace Farm could contribute to, or be directly linked to, modern slavery through our procurement practices and supply chain. In accordance with a continuous improvement approach, Pace Farm has improved its approach through undertaking a more comprehensive identification and assessment, to review areas of potentially elevated risk. This process includes an Internal Risk Assessment process, which requires a high-level review of supplier categories to identify potential areas of higher modern slavery risk, including assessment of industry, country, and any other 'above average' risk factors identified for the supplier category

The outputs of this review identified the following supplier categories as having potential for elevated modern slavery risks:

- Ingredients – due to supplier sourcing from higher risk geographies
- Packaging – due to supplier sourcing from higher risk geographies

4. Criteria 4 – Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.

Sedex and SMETA Audits

Pace Farm has proudly been a member of SEDEX *Supplier Ethical Data Exchange* for over 10 years. SEDEX is a global online platform which maintains data on businesses' ethical and responsible practices. As part of the SEDEX membership, Pace Farm also takes part in regular third-party *SMETA 4 Pillar audits* covering labour, health & safety standards, environmental and business ethics.

Compliance with the SEDEX program and audit performance is a requirement of many of Pace Farm's contracts with customers.

SEDEX audits also extend to labour hire companies to ensure compliance with award rates, labour laws and code of conduct. Pace Farm is currently undertaking a process to increase transparency and communication with labour hire providers to ensure employee information, working rights and employment conditions are appropriately managed by the agencies.

In the reporting period, Pace Farm has achieved compliance with SEDEX audit requirements, actioning recommendations for improvement throughout the year, as appropriate.

Social Accountability Audits

Pace Farm participates in internal and third-party unannounced social accountability audits as a requirement for specific customer contracts. Findings from these audits are used to benchmark

performance and ensure continuous improvement to strengthen our policies and procedures throughout the businesses.

As part of our commitment to continuous improvement and monitoring, and to remain compliant with SMETA 7.0 August 2024 guidelines, the below practices have been implemented to ensure that internal and third-party requirements are being met:

- Supplier Workplace Accountability Internal Audit Checklist – conducted annually
- SEDEX Self-Assessment Questionnaire

Pace Farm's Employment Practices

In addition to Pace Farm's compliance with Australian labour laws (outlined within Criteria 3 above), we have undertaken several employee-based initiatives in the reporting period to maintain or improve the company's employment practices, including:

- Continuing to engage and source temporary employees through approved agency providers. This process is managed by our People and Culture team via email communication, agency portals, onboarding and induction screening.
- Launching a Human Resource Information System to better capture employee information including timesheets, qualifications/licenses, contracts, onboarding and induction documents including company policies and Fair Work Fact Information Statement.
- Launching an Employment Assistance Program (EAP) to support employees and their families with regards to their wellbeing, both personally and professionally.
- Developing and operationalising a formalised whistleblower policy whereby a confidential source and/or external reporting system affiliated with, but independent of, Pace Farm is established for employees to report misconduct with discretion and anonymity.
- Continue efforts to increase opportunities for employees to provide anonymous feedback through the implementation of employee feedback boxes. Uptake of employee feedback was limited through this channel of communication and the process is still under review.

Employee Policies and Procedures

Pace Farm maintains several employee-related policies and procedures which are available to all staff via the Pace Farm Intranet and through the Human Resource Information System, including:

- Employee Code of Conduct
- Grievance Policy (which includes an anonymous channel for reporting grievances)
- Equal Employment Opportunity, Discrimination, Harassment and Bullying policies, which are reviewed periodically to ensure compliance with employment regulation and appropriate management of risk
- Work Health and Safety Policy
- Whistleblower Policy

Procurement Practices

Modern Slavery Risk Management

Consistent with Pace Farm's risk-based approach to identifying and addressing modern slavery risk, we have developed and are in the process of implementing a modern slavery risk management process. This includes:

- **Internal Risk Assessment** – complete internal risk assessment to identify areas of the business (e.g. employees, labour hire, supply chain categories) with higher risk of modern slavery.
- **Supplier Screen and Assessment** – once high-risk supplier categories have been identified, complete a high-level screen over individual suppliers within each category to identify material/high risk suppliers for further review and/or engagement.
- **Risk mitigation** – Once high-risk suppliers have been assessed, identify practical and meaningful solutions to mitigate modern slavery risk. Importantly, approaches and initiatives are designed to be pragmatic and fit for purpose and consider the nuances of both the organisation and supplier capacity to adopt and operationalise risk mitigation strategies. Pace Farm will seek to implement this process in the next reporting period.

With consideration to the diversity of Pace Farm's supply chain, from family-owned businesses to multi-national corporations, Pace Farm adopts a tailored approach to supplier engagement taking into account the strength and tenure of the relationship, and ability for Pace Farm to engage and influence supplier performance. We recognise this is an iterative process and will need to be adapted as required on a case-by-case and ongoing basis.

Case Study – Packaging Supplier in Malaysia

Through this process, Pace Farm was able to identify an overseas packaging supplier as having elevated modern slavery risk due to lack of transparency with approved supplier documentation. This included low visibility over its own supply chain mapping and limited governance and policy reporting mechanisms on modern slavery risks. Pace Farm completed an assessment on the supplier, initially focused on understanding the potential risks and a review of the expectations outlined within the *Supplier Declaration of Compliance*. This revealed that risk to people was primarily higher compared to domestic packaging suppliers due to limited evidence of ongoing monitoring and auditing over the labour conditions of employees. Communication with this supplier will continue throughout the next reporting period as to additional mitigating measures that may have been implemented.

Supplier Risk Management

As part of our broader and ongoing supplier and risk management approach, Pace Farm undertakes the following processes when procuring new suppliers:

- Complete due diligence through a screening process including the completion of a *Supplier Declaration of Compliance* and supporting documentation including but not limited to, safety certifications, insurance licences etc.
- Review supplier compliance with SEDEX program and audits (as required).
- Issue supplier questionnaires including disclosure of key policies and procedures (e.g. code of conduct, work, health & safety, social accountability and labour standards, and emergency preparedness). Pace Farm has sought to actively increase engagement from suppliers by updating formatting and questions within supplier declaration of compliance, which has led to an increased response rate.
- Conduct internal reviews including Self-Assessment Questionnaire and internal audits.
- Conduct regular meetings between operational teams where issues (including labour and employment practices) can be raised to improve our procedures and processes. All meeting minutes are recorded and reviewed on a regular basis.
Introduction of the modern slavery supplier assessment as a more comprehensive risk assessment process into our procurement and supply chain practices, with a focus on:
 - Vulnerable populations e.g. exploitation of migrant and base skilled workers.
 - High-risk business models e.g. labour hire company transparency, seasonal workers.
 - Procurement of raw materials, manufacturing and services.
 - Sourcing ingredients from high-risk countries, making supplier monitoring and inspection difficult.
- Continued use of crisis management planning to ensure uninterrupted supply to our customers. This includes:
 - Event Risk Management process to identify potential hazards and assess the likelihood and consequences.
 - Annual testing of the Crisis Management Plan across various scenarios to ensure all key stakeholders are aware of how to respond in the event of a crisis.

5. Criteria 5 – Describe how the reporting entity assesses the effectiveness of these actions:

At a minimum, Pace Farm's performance against labour and social accountability standards are continually reviewed through annual social accountability self-assessments, approved supplier reviews, staff satisfaction surveys, and regular reviews of risk registers, policies and procedures.

From the previous reporting period, Pace Farm has actioned the below 9 of the 11 proposed focus areas for FY24, with the remaining two action items in progress with expected completion within the FY25 reporting period.

FY24 Accomplishments

1. Development of a more comprehensive risk assessment procedure (as outlined in Criteria 4).
2. Transition from an enterprise bargaining agreement to various awards.
3. Strengthening of the Crisis Management Plan to include risks arising from Modern Slavery.
4. Engage and share expectations with suppliers regarding social and modern slavery compliance.
5. Engage with suppliers to complete *Supplier Declaration of Compliance* as part of their approved supplier status.
6. Continue to work with labour hire providers in improving reporting and transparency in ensuring continued compliance with regulatory requirements.
7. Review of internal policies and procedures.
8. Assess and manage modern slavery risks through third-party audits (SEDEX).
9. Continue to review and improve opportunities for employees to provide anonymous feedback.

FY25 Initiatives – In progress

10. Provide training to key internal stakeholders on modern slavery risk management.
11. Develop and operationalise a formalised whistleblower policy.

FY25 Focus Areas

To support our commitment to continuous improvement, the following areas have been identified as a focus for the next reporting period.

- Increase the number of employees trained on modern slavery risk management by including training in the Human Resource Information System.
- Develop and implement a procurement strategy.
- Continue to engage with suppliers and share expectations on social compliance and modern slavery, including the completion of the Annual Supplier Modern Slavery Declaration.
- Continue to audit labour hire providers ensuring employee conditions meet Pace Farm's social compliance requirements, including improving reporting and transparency between Pace Farm and labour hire providers on compliance with regulatory requirements.
- Continue to assess and manage modern slavery risks through third-party audits (SEDEX) to demonstrate compliance and accountability with customer expectations. Where possible, improve our performance and reporting of this process.
- Continue to provide and improve opportunities for employees to provide anonymous feedback and reporting to the business, including the development of a new digital tool to provide feedback via an online survey accessible via QR code. This will allow employees to provide feedback via multiple channels.
- Conduct a review of the current policies for Bullying & Harassment and Grievance. These revised policies will then be rolled out to the workforce to ensure compliance to the revised standards and protections for employees. The policies will also be made available to all current and future employees via the new Human Resource Information System.

6. Criteria 6 – Describe the process of consultation with any entities the reporting entity owns or controls

This Modern Slavery Statement was completed in consultation with the relevant operational teams, executives and directors of Pace Farm. Pace Farm also engaged with relevant external stakeholders, to provide advice and expert insight to inform the development of this statement. Ongoing review and improvements are conducted through a consultative process with all functions of the business to ensure all risks and issues are identified. All Pace Farm executives and directors were provided with an opportunity to review the statement prior to its approval.

7. Criteria 7- Provide any other relevant information

All relevant information has been provided under each of the above criteria.

8. Approval

This Modern Slavery statement has been reviewed and approved by the Board of Directors of Pace Farm Pty Ltd on 17th December 2024 and has been signed by Philip Wiese as Chief Executive Officer.

A handwritten signature in black ink, appearing to read 'Philip Wiese', with a stylized, looped initial 'P'.

Philip Wiese
Chief Executive Officer