

Craig Mostyn Group

Modern Slavery Statement 2022-23



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REPORTING ENTITIES

The Craig Mostyn Group is committed to limiting the risk of Modern Slavery occurring within its own business, within its supply chain or through any other business relationship.

This statement is provided by Craig Mostyn Holdings Pty Ltd (ACN 008 398 356) as a joint statement under the *Australian Modern Slavery Act 2018* [Cth] (**Modern Slavery Act**) for the financial year ending on 30 June 2023 (**FY23**). The statement relates to Craig Mostyn Holdings Pty Ltd and the following reporting entities, along with the controlled subsidiaries listed on page 3, collectively referred to as the Craig Mostyn Group:

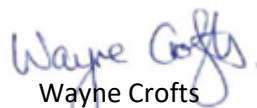
1. Craig Mostyn Holdings Pty Ltd (ACN 008 398 356)
2. Derby Meat Processing Co Pty Ltd (ACN 008 679 016)
3. Derby Industries Pty Ltd (ACN 009 033 612)
4. Jade King Holdings Pty Ltd (ACN 611 994 917)

Craig Mostyn Group take a consolidated, whole-of-group approach to identifying and addressing risks of modern slavery. As such, this statement addresses the actions taken by all entities within the Craig Mostyn Group. Unless otherwise indicated in this statement, the terms ‘Craig Mostyn Group’, ‘the Group’, ‘our business’, ‘we’, ‘us’ and ‘our’ refer to Craig Mostyn & Co Limited and its controlled entities collectively.

This statement has been approved by the Board of Craig Mostyn Holdings Pty Ltd and signed below by the Chair and Chief Executive Officer.



Neil Kearney
Chair of the Board of Directors

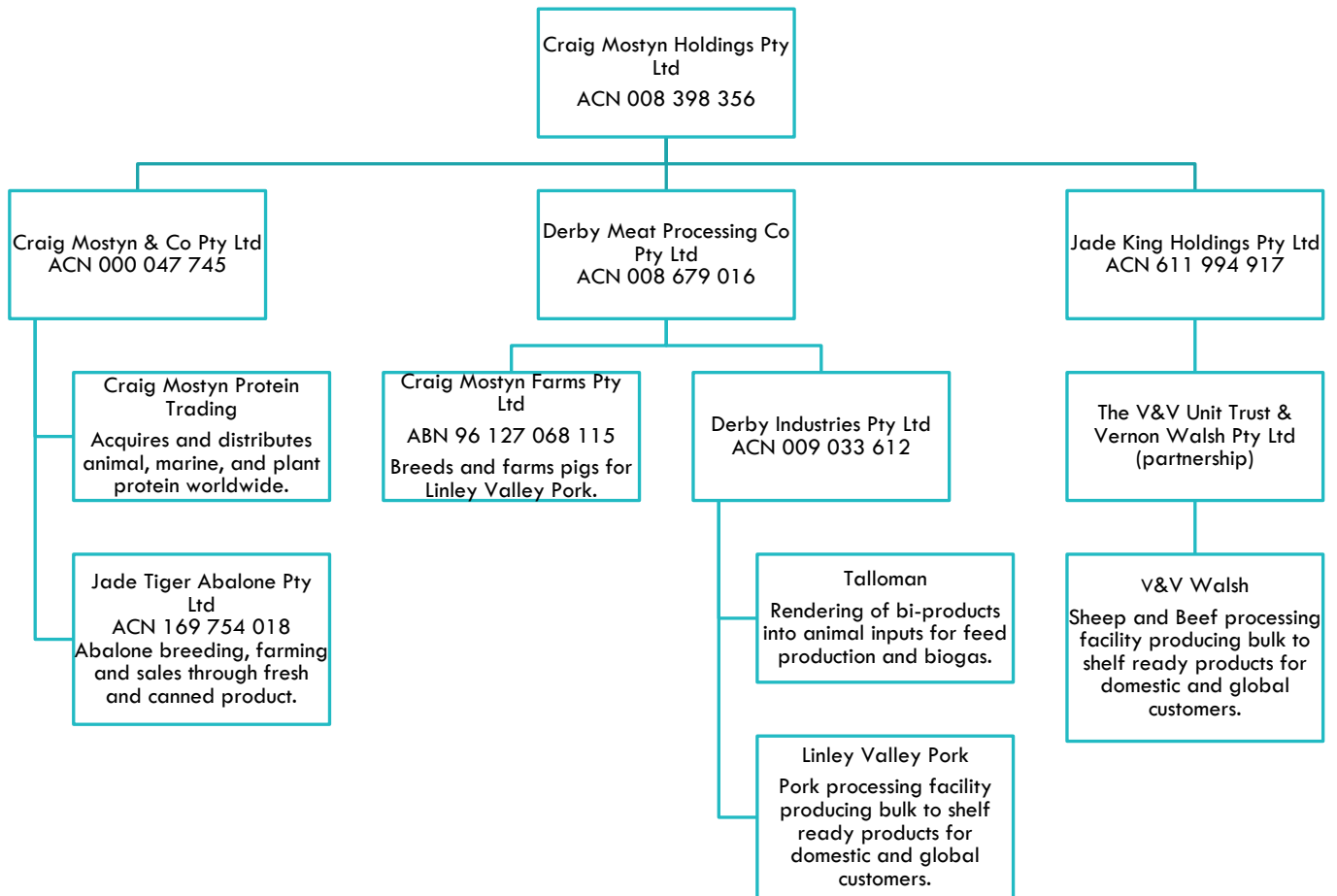


Wayne Crofts
Chief Executive Officer

OUR STRUCTURE, BUSINESS OPERATIONS AND SUPPLY CHAINS

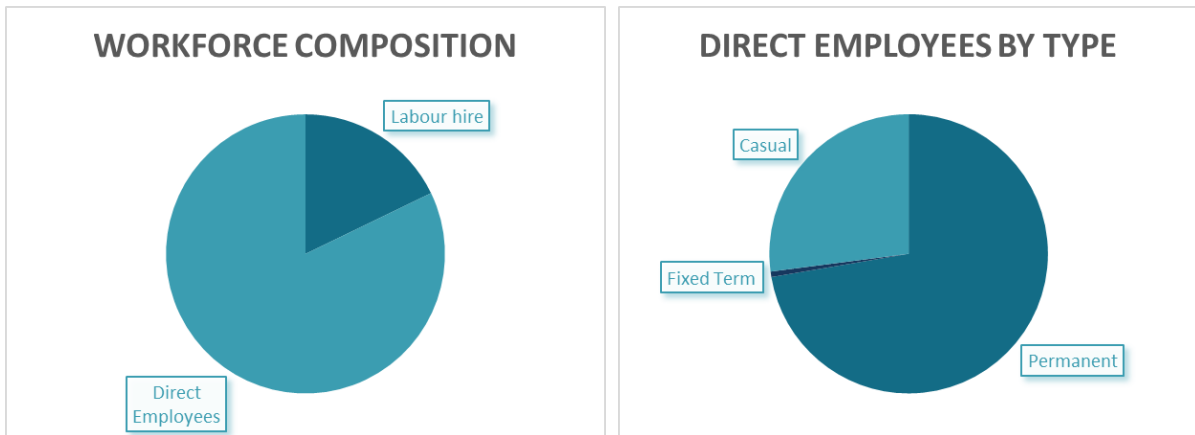
Craig Mostyn Group an Australian private food and agribusiness company with over 1000 employees. Craig Mostyn services customers both domestically and overseas. We directly employ workers and operate farms and abattoirs in Western Australia for pork, lamb and beef, and abalone in Victoria and Tasmania.

Our Structure



Our People

On 30 June 2023, the group directly employed 1,106 people across our operations and a further 240 people through labour hire arrangements.



Employee Demographics	Protein Trading	Jade Tiger Abalone	Linley Valley Pork	Craig Mostyn Farms	Talloman	V&V Walsh	Craig Mostyn Group
Direct Employees - Employment Type							
Permanent (full-time and part-time)	9	37	270	74	52	326	800
Fixed term (full-time and part-time)	0	0	2	1	2	2	7
Casual	0	48	85	2	12	152	299
Total	9	85	357	77	66	480	1106
Direct Employees - Visa Arrangements							
Australian Employees	100%	65%	72%	55%	89%	61%	67%
Non-Australian Employees on Visas	0%	35%	28%	45%	11%	39%	33%
Labour Hire Workers							
Total by location	0	0	99	9	0	132	240

Our Supply Chain

We have supplier relationships working with over 1,600 suppliers, contractors, vendors, and service providers. Where possible, Craig Mostyn sources goods and services locally across the agribusiness life cycle, including items such as stock, feed, personal protective equipment, packaging, and chemicals. We recognise that while these supplies may be provided by an organisation domiciled in Australia, they may be sourcing products or raw materials from other origins.

MODERN SLAVERY RISKS IN OUR OPERATIONS AND OUR SUPPLY CHAIN

Risk in Our Operations

In FY23 we identified the Modern Slavery Risks arising from our own operations as listed in the table below. These risks occur in all operational sites who all rely on recruitment of international labour hired directly to operate our facilities.

Risk Area	Nature of risk
Forced or bonded labour	<ul style="list-style-type: none"> Foreign employees recruited through third parties in country of origin. Engagement of foreign workers through labour hire providers engaging works under the Pacific Island Labour Mobility (PALM) scheme.
Exploitation of migrant workers	<ul style="list-style-type: none"> Foreign workers are required to work under conditions less favourable than Australian workers or outside the conditions of their visa. Foreign workers are subject to threats of visa cancellation.
Deceptive recruitment	<ul style="list-style-type: none"> Debts incurred by foreign workers during recruitment process.
Underpayment of Wages	<ul style="list-style-type: none"> Employee wages and entitlements are not in accordance with relevant industrial instrument or legislation. Labour Hire wages and entitlements are not in accordance with relevant industrial instrument or legislation.
Excessive Working Hours	<ul style="list-style-type: none"> Hours of work regularly exceed 60 hours per week.

In July 2022 Linley Valley Pork participated in a SEDEX Members Ethical Trade Audit that found four non-conformances relating to a labour hire provider.

These findings were addressed and remediated prior to a follow-up audit in October 2022. As a result of these findings, the approach by the providers to rectifying their processes, and our subsequent

review, labour hire services are no longer sourced by Linley Valley Pork from one of these labour hire providers.

In October 2023 V&V Walsh Meat Processors and Exporters participated in a SEDEX Members Ethical Trade Audit that found 23 non-conformances, summarised into the following categories:

- 8 related to Labour Hire Provider (**LHP**) workers;
- 10 related to safe working conditions;
- 2 related to young workers;
- 3 relating to employment contracts and onboarding documentation.

These findings were addressed and remediated prior to a follow-up audit in January 2023 when all items were closed. As a result of these findings and our subsequent review, labour hire services are no longer sourced by V&V Walsh from one of these labour hire providers.

Just prior to the audit in September 2022, V&V Walsh recognised the need to improve safety systems and processes on site and appointed a Health & Safety Advisor.

In June 2022, Derby Industries Pty Ltd (the employer entity for CM Farms and Linley Valley Pork) was requested by Australian Border Force to provide information in relation to foreign workers engaged under the industry labour agreements approved for each operation.

Through this process, concerns were raised about one migration agent providing services to the Group in relation to charging additional fees to foreign workers during the recruitment process.

It also identified gaps in our oversight and coordination of international recruitment activities and monitoring the placement and work performed by non-Australian employees working under a visa arrangement.

To increase oversight and ensure a coordinated approach to engagement of foreign workers and monitoring visa conditions, work and other associated activities, Craig Mostyn Group appointed a Senior Mobility Advisor in September 2022 to centralise international recruitment, provide a single point of contact for international recruiting partners and migration agents, and to coordinate our response to the requesting for information by Australian Border Force and a subsequent period of monitoring. We engaged the services of an experienced migration lawyer to review our internal processes and make recommendations on how we monitor and manage third parties recruiting internationally on our behalf. The recommendations from this review will be implemented in FY24.

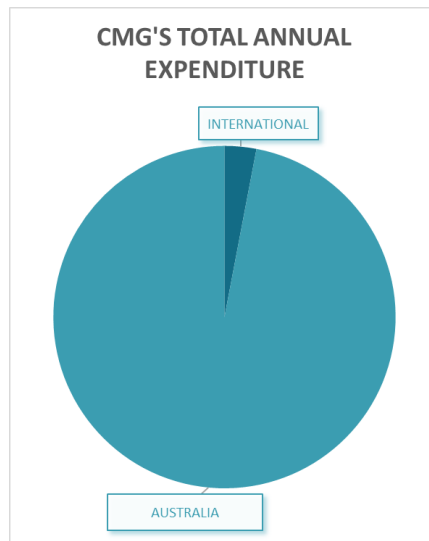
Risks in Our Supply Chain

A detailed risk assessment through our supply chain has not yet been completed, with prior risk assessments focussing on the engagement of foreign workers by farms supplying to our meat processing facilities, and labour hire services providing workers in our own operations.

Following the appointment of a Group Procurement Manager in August 2023, we have conducted a high-level assessment of the following:

1. Major suppliers categorised as those we spend more than \$250,000 with annually at a Group level.
2. All suppliers domiciled outside Australia and the nature of that supply.

A summary of those assessments below and these will feed into a full supply chain risk assessment to be conducted in FY24.



Major Suppliers:

- Criteria: Suppliers with annual spend exceeding \$250,000.
- Number: 197 out of 1,600 suppliers, contractors, vendors, and service providers representing circa 90% of total annual expenditure.

Australian Suppliers:

- Australian suppliers, contractors, vendors, and service providers representing 97% of total annual expenditure.
- Major Australian Suppliers: 186 (94% of major suppliers)

International Suppliers:

- Total Spend on Overseas Suppliers: Approximately 3% of total annual expenditure.
- Total Overseas Suppliers: 40 across the group
- 11 of these 40 sit in our group of Major Suppliers

COUNT OF SUPPLIERS INTERNATIONALLY, CATEGORISED BY ENTITY AND COUNTRY	FEED	PACKAGING	PLANT AND EQUIPMENT	MARKETING	RECRUITMENT	FINISHED GOODS
CRAIG MOSTYN & CO						
CHINA		2				
CZECH REPUBLIC						1
DENMARK			1			
GERMANY			1			2
HONG KONG				2		
INDIA						2
INDONESIA						4
MALAYSIA						1
MAURITIUS						1
NETHERLANDS			1			1
NEW ZEALAND						3
NORWAY						1
PHILIPPINES					1	
SEYCHELLES						2
SINGAPORE				2		1
SOUTH AFRICA	1					1
SOUTH KOREA						1
CRAIG MOSTYN & CO TOTAL	1	2	3	4	1	21
DERBY MEAT PROCESSING						
CHINA			1			
FINLAND			1			
MALAYSIA			1			
PHILIPPINES					1	
SOUTH AFRICA					1	
SPAIN			2			
THAILAND			1			
UNITED KINGDOM			1			
DERBY MEAT PROCESSING TOTAL			7		3	
JADE KING HOLDINGS						
HONG KONG				1		
NEW ZEALAND			1			
PHILIPPINES					1	
JADE KING HOLDINGS TOTAL			1	1	1	

In FY23, the services provided by one supplier in international recruitment for Derby Industries Pty Ltd suspected of charging additional fees through the recruitment have been discontinued and Australian Border Force made aware of these allegations.

ACTIONS TAKEN

Craig Mostyn established a Modern Slavery Policy in 2020 outlining the minimum standards both CMG and its suppliers must comply with. The policy had not substantively changed since 2020 and has only had minor updates included in FY23.

Craig Mostyn employees have access to confidentially report issues via telephone, email or in person through a Grievance Procedure and a Whistleblower Policy. The Whistleblower Policy includes protections for Whistleblowers and provides a Whistleblower Hotline operated by a third party to whom reports can be made anonymously.

Each whistleblower disclosure received is investigated and reported to the Chair of the Audit & Risk Management Committee. Craig Mostyn's grievance procedure ensures all grievances are managed in a systematic, fair, timely and transparent manner.

No reports relating to Modern Slavery were made via either of these mechanisms in FY23.

Craig Mostyn provides training to all employees and long-term labour hire contracts on Modern Slavery, our Grievance Procedure and Whistleblower Policy through our induction process. For leaders responsible for purchasing and engaging suppliers, more detailed training on Modern Slavery is provided via an online learning module.

EFFECTIVENESS OF ACTIONS TAKEN

In July 2023, RMIT published a report on an assessment of Modern Slavery statements produced by organisations within the meat processing sector, including Craig Mostyn. Findings from that report indicated gaps in our approach to managing and reporting on our actions to reduce Modern Slavery in our operations and supply chain. We have utilised the findings in that report to develop a more robust approach to risk management and document actions to take in FY24 to increase the effectiveness of our efforts to identify, manage and report on Modern Slavery Risks in our supply chain.

While our Grievance Procedure and Whistleblower Policy are provided to new employees when they commence, a recent audit identified not all employees know where to locate the reporting mechanisms and contact details. To remedy this we will develop simple signage to display in appropriate locations on our sites so that employees have ready access to this information.

In FY23 we reviewed the online learning module for leaders. This provides basic information on Modern Slavery, with a focus primarily on compliance rather than proactive risk management. In FY24 we will be reviewing alternate program and if we are unable to identify a suitable replacement, will seek to develop our own in-house training to incorporate into our leadership development program, currently being designed.

The appointment of a Senior Mobility Advisor has improved the oversight of our international recruitment and in FY23 we identified three foreign workers who had provided false documentation during their recruitment process to verify their relevant work experience. Each situation was investigated to determine what had action had been taken by both the employee and the

international recruitment agency. Through those investigations we identified an employee of one recruiter in the Philippines who was not following their internal process. Craig Mostyn worked with both the recruiter and our Australian Migration agent to ensure steps were taken to prevent a recurrence of a similar nature and to ensure independent auditing of both the recruitment process and verification of employment checks would occur in future.

We further expect the appointment of our Group Procurement Manager to enable greater engagement with our supply chain partners and where appropriate, alignment with social audits.

CONSULTATION PROCESS

The General Managers of each operational business unit were consulted in the risk assessment process outlines in this statement. Input was also sought from the following teams:

- Quality
- Safety
- People, Culture & Capability
- Procurement
- Information Technology
- Finance

OTHER INFORMATION & LOOKING AHEAD

In 2020, COVID-19 had a significant impact on our operations, in particular on ability to hire international workers. While that impact has lessened over the past two years, we are identifying pathways to bring unskilled Australian workers into our operations and provide training on the job to build the skills of Australian workers and reduce our reliance on international labour.

In FY24, we seek to make a step change improvement in the way we approach and manage Modern Slavery risks in our operations and our supply chain. A summary of the key actions planned is below:

1. Complete a detailed risk assessment for all major / high risk suppliers and develop actions based on the outcomes of that assessment.
2. Development of procurement procedures including a supplier onboarding process incorporating screening and due diligence assessments.
3. Identify suppliers participating in ethical / social audits and seek to link with our own social audits.
4. Identify and implement a system for suppliers to conduct modern slavery self-assessment to support risk assessment for each key supplier.
5. Review of international recruitment and migration agency arrangements and ensure agreements include commitments to addressing Modern Slavery and audit / review processes to verify the effectiveness of controls relating to Modern Slavery risks.
6. Review and update training programs for employees and leaders in relation to grievance procedures, whistleblowing mechanisms and protection, and managing Modern Slavery risks.