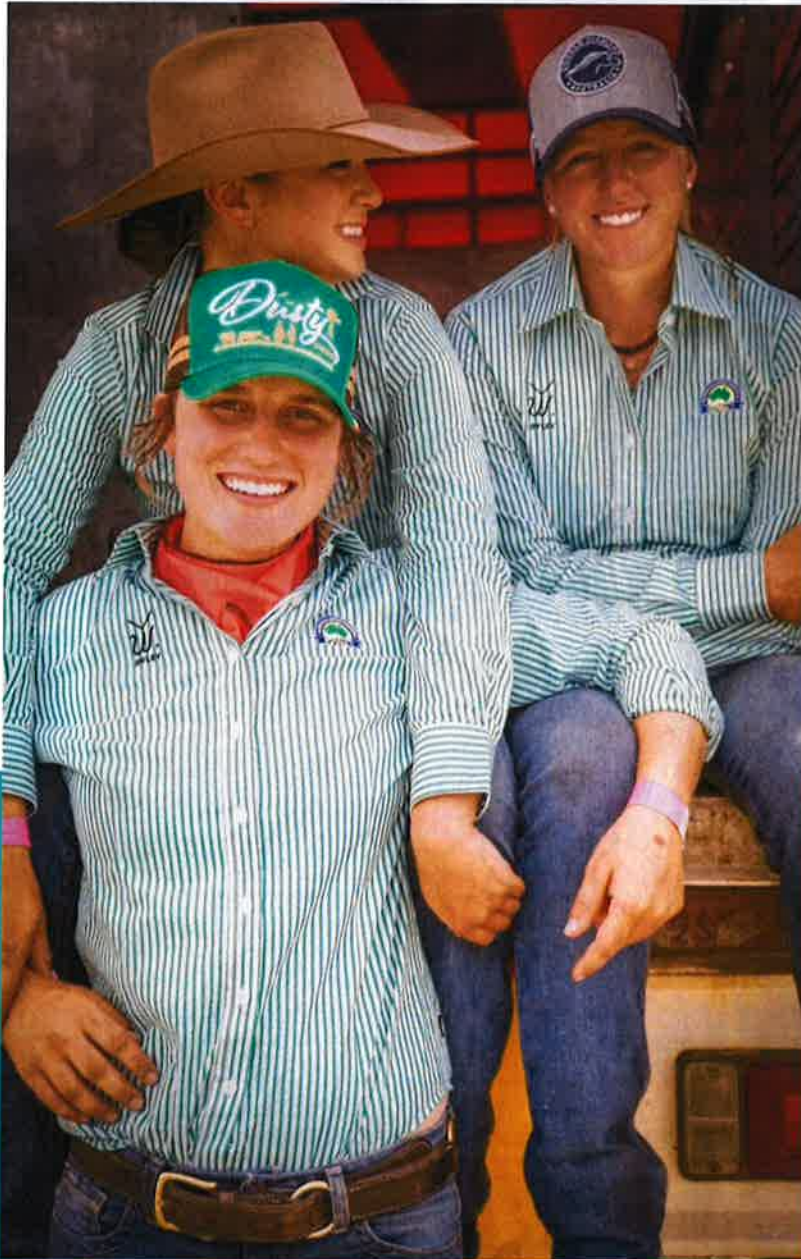




modern slavery statement
annual report 2020

Australian Country Choice Group

AUSTRALIAN COUNTRY CHOICE GROUP

**The world's largest family-owned
paddock-to-plate beef business**

1,200+ staff

300,000 cattle capacity

42 properties totalling 1.75 million ha

350,000 head annual processing capacity

**We feed the world
with safe,
sustainable and
wholesome protein**



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OUR APPROACH AND PROGRESS

This Statement is issued pursuant to s54(1) of the Modern Slavery Act 2018 (Cth) (the Act) and sets out the actions taken by the Australian Country Choice (“ACC”) Group to address modern slavery risks in our business and supply chains for the financial year ended 30 June 2020.

Our approach and progress to date

This is our first Statement since the Act came into effect and it describes our actions over the past year to strengthen our policies and performance in line with our legal responsibilities and community expectations. It outlines those areas where we have commenced efforts to improve our programs, detect the risk of modern slavery across our business and supply chain and identify where we are undertaking our best endeavours to ensure we have in place appropriate responses to that risk.

KEY AREAS OF ACTION IN 2019-20

- **We commenced work on identifying all suppliers, contractors and other providers of services to the ACC Group to capture the risks within the supply chain;**
- **Commenced the risk assessment (nature, type and risk exposure) of modern slavery existing within tier 1 suppliers and risk mitigation/minimisation strategies;**
- **Reviewed our Procurement Process with the intention of updating and implementing additional compliance processes;**
- **Prepared an education program to support risk process and mitigation strategies; and**
- **Prepared our Modern Slavery Act Policy Statement.**

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

The ACC Group is the world's largest family-owned vertically integrated cattle and beef supply chain organisation. It comprises a whole-of-chain operation, including seedstock production, cattle breeding, backgrounding, farming and lot-feeding to beef primary processing and multi-specie further processing, retail packing and distribution.

Our group of companies is dedicated to best practice supply of high-quality meat products to domestic and export markets.

While ACC Group has to-date specialised in producing short-fed, grain-finished cattle and beef, we have commenced diversification of our supply chain to include producing high-quality long-fed cattle to further service the demands of customers in the premium beef market.

The ACC Group corporate headquarters are located at Cannon Hill. Additionally, we have a dedicated meat processing facility and 42 rural assets comprising 1.75 million hectares of pastoral, grazing and farming land that can accommodate up to 300,000 cattle. All our sites are located in Queensland.

Our workforce comprises more than 1,200 employees in Queensland, complimented with contractors and agents providing support services. Our direct employees are engaged either by contract or under award agreements. We currently have five collective industrial instruments and two trade unions with whom our employees are free to associate. In 2021, as we progress our human rights program, we will engage with our people as a key stakeholder group to assist in defining, understanding and managing our modern slavery risk.

ACC Group utilises a significant number of suppliers for a range of goods and services, from waste management to power supply, transportation, corporate attire and labour hire. Supplier services are used across the whole-of business operations to varying degrees, including corporate office services as well as land, animal and production management activities. During the 2020 calendar year, we engaged with more than 1,500 suppliers; the majority of our total supplier spend occurring with our tier 1 suppliers primarily located in Australia.

We recognise that the diversity of our operational locations, products, customers and the regulatory systems associated with our supply chain can potentially expose the Group to a myriad of risks. We apply a systematic, best-endeavours approach to our risk disciplines, including in our procurement processes, practices and engagement with suppliers. We know and understand that this approach is an essential element in progressing the global eradication of modern slavery and human trafficking.

Further information on our supply chain is available on our [corporate website](#).



POLICIES AND GOVERNANCE

ACC Group has a corporate governance framework. Underpinning this framework are the Group's suite of policies, several of which are relevant to modern slavery.

These include the ACC Group Code of Conduct, the business principles that are referenced in the Code of Conduct and our Business Strategy, our Procurement Policy and our Whistleblower Policy. The ACC website contains more detail on our approach to [corporate governance](#).

We continue to articulate our expectations to suppliers through our Minimum Standards expected of suppliers, which forms part of the terms of contract arrangements with each supplier. Although our standard contractual terms include a requirement to comply with these standards, we are currently in the process of further strengthening our management of modern slavery by embedding bilateral modern slavery compliance clauses into our standard contracts.

The Group's executive team, reporting through the Chief Executive Officer, is accountable for the development and implementation of our broader human rights program, including modern slavery initiatives. Accountability for addressing modern slavery risk is cross-functional and our internal business units work together, at a Group level and across our entities, to embed our initiatives and supporting processes. In recognition of the complexity of this global issue, the ACC Group will continue to grow and develop the capabilities of our people in relation to modern slavery risk management, including seeking external expertise and input for guidance on our approach.

KEY ACTIONS FOR FY2021

During the coming year, we are prioritising a number of governance and policy measures:

- **Finalise the Modern Slavery Act Policy Statement, including publishing of that policy on the ACC Group website (early 2021)**
- **Finalise the update to supplier contracts by implementing the Minimum Standards in all contracts and modern slavery compliance clauses for tier 1 supplier contracts, where necessary**
- **Review and, where relevant, amend related policy materials to facilitate cohesion of inter-related policies for modern slavery requirements to be appropriately reflected in all ACC Group policies and procedures**



RISK ASSESSMENT AND MITIGATION

ACC Group has in place an enterprise risk management approach that is aligned to the Australian Standard for risk management, AS ISO 31000:2018.

The approach is strategic, covering the totality of ACC Group operations, including its supply chain, and captures activities including:

- Risk identification (what are our risks)
- Risk analysis (source, nature, type/category of our risks)
- Risk evaluation (how significant is the risk – what is the impact to us)
- Risk treatment (what are our policies, procedures and processes to mitigate)

The risk framework is developed using a collaborative engagement process to ensure the voice of the business is represented, and where appropriate, we also take into account third-party inputs as part of the process to understand our risks, assess those impacts and design the tools and mechanisms to manage those risks.

For ACC Group, modern slavery risk is addressed through a number of areas and mitigated accordingly – for example, child labour is contemplated in our human resources (recruitment) risk category, and we have procedures in place for recruitment that address factors such as identity, background and reference checking and right-to-work screening.

The mitigation tools are documented, and each business area has in place training that is relevant for its risks, including process mapping, policy and procedures.

For specific areas of our business operations and supply chain, there are additional assurance metrics in place – as an example, our meat-processing facilities and production are required to conform to a range of standards and certifications which are subject to additional external assurance activities.

KEY PRIORITIES 2021

Our 2021 priority is to review and enhance our risk management approach by:

- **Assessing modern slavery risk across business operations and supply chain (by business unit) and across risk category (by strategic impact); and**
- **Ensuring education to support the risk process and mitigation strategies is appropriate, targeted and delivered to all personnel (includes refresh training and change program content)**



DUE DILIGENCE AND SUPPLY CHAIN ASSURANCE

Due Diligence

ACC Group engages with suppliers for a wide range of services and has in place a long-standing practice of undertaking due diligence on prospective and existing suppliers to ensure we are doing business with like-minded organisations.

All key suppliers are subject to a screening process prior to us entering into business arrangements, and once those services are being provided, we continue to monitor performance, delivery of contract and quality of that delivery through in-person engagement.

Supply Chain Assurance

Part of our approach to managing supplier relationships is the ongoing management of the contracts we have in place. We have a dedicated 'owner' for each supplier who is the lead relationship manager and has accountability for day-to-day management of that relationship, identifying any issues, resolving and remediating operational issues and raising any concerns that might occur about the supplier, their practices and/or the services being provided.

Additionally, we have standard terms for suppliers that require ongoing reporting as to their performance to the terms of the contract, and authorise site inspections and access to their external audit firm and relevant regulatory authorities to discuss any issues and/or concerns about matters of relevance that might impact our relationship, including modern slavery risk.

We are continuing to evolve our approach with suppliers – in the 2021 year we are introducing changes to our standard terms that will require suppliers who do not have their own standards of compliance with Modern Slavery to adhere to our revised Supplier Code of Conduct and the accompanying Minimum Standards to achieve modern slavery conformance to Australian laws.



Grievance and Remediation

We have established procedures and mechanisms where employees and third parties, including suppliers, can raise concerns about unethical or illegal conduct, including in relation to modern slavery.

Employees can report through their direct line manager, to our Human Resources unit or to our Group General Counsel. Our people, and third parties, can also maintain their anonymity and report issues through our Whistleblower procedures, via phone or email.



MEASURING EFFECTIVENESS

Globally, we acknowledge there is an increasing level of effort being made to understand and value human rights, however there is no current mechanism or international standard available to measure the impact of modern slavery. This poses a challenge for us in having a credible means of determining the effectiveness of the measures we take to manage our modern slavery risk.

We rely on guidance provided from the Australian Government Department of Home Affairs, which utilises resources available from each of the United Nations (UN Guiding Principles on Business and Human Rights) and the Organisation for Economic Cooperation and Development (OECD Guidelines for Multinational Enterprises) as the foundation for our approach to managing modern slavery risk.

The risk of modern slavery to the ACC Group operations and supply chain is considered within a broader risk management approach; that framework is based on the current Australian and international standard, AS ISO 31000:2018 – Risk Management Guidelines.

Within our supply chain processes, we have certain mechanisms that provide us with a capability to assist in tracking the effectiveness of our program. As an example, if one of our suppliers were the subject of an ethical audit and action plans to mitigate issues were in place, we could work with that supplier to ensure they have taken the required steps to address those issues as part of the standard terms of contracting with that supplier.

We also have a range of internal policy, procedure and processes that we utilise every day in our own business operations, which are subject to assurance and monitoring activities, both internally and from our external specialists. Part of the internal mechanisms in place is the periodic review and assessment of those policies, procedures and processes to ensure they are current, relevant and delivering the expected outcomes.

KEY PRIORITIES 2021

ACC Group has identified that further effort is needed to enhance our approach to measuring effectiveness, and in 2021 we will:

- **Review our risk framework and policies to ensure a cohesive and integrated approach is in place and reflective of modern slavery risk relative to our other business risks, measures and testing programs**
- **Assess all new and re-contracted suppliers to ensure appropriate and adequate measures are in place to monitor modern slavery risk**
- **Develop a map of our operations and supply chain to provide improved insight into where we and our suppliers operate**



STAKEHOLDER ENGAGEMENT AND COLLABORATION

At ACC, we know that stakeholder engagement and collaboration are key to successfully delivering our strategic priorities, and that they capture a wide scope of interests ranging from our own people to external groups, including our suppliers, the communities in which we operate and relevant government agencies. Collectively these stakeholders can give effect to change in how we manage modern slavery risk.

We will undertake best endeavours to work collaboratively with government and business in eradicating modern slavery. We recognise this needs a coordinated approach in addressing our operations and those of our supply chains.



KEY PRIORITIES 2021

During the 2021 year, we will be focussed on:

- Engaging our people across all business units to ensure potential modern slavery risk is identified, assessed and that appropriate methods for managing the risk are in place
- Engage with our supply chain to facilitate the updating and implementation of our revised Supplier Code of Conduct and accompanying Minimum Standards
- Explore with our broader industry sector opportunities to enhance and improve the approach to managing and understanding modern slavery risk in our industry and how these are being articulated to government to inform policy setting

TRAINING AND CAPABILITY BUILDING

ACC Group is committed to ensuring our people are provided with access to and training in all of the core policies, principles, brand values and conduct expectations that underpin our business.

Training and awareness is a key control in addressing the risks posed by modern slavery, and we recognise the need to ensure that we build the capabilities of all employees, executive and directors to understand why this is important and how we are approaching managing the risk.

During the 2020 year, we commenced work on the design of new policy, procedures and accompanying training content to address the modern slavery risk posed to our business operations and supply chain. This is due for company-wide rollout in the 2021 year.

The new programs addressing modern slavery include resources at all levels of ACC, including the Advisory Board of directors. These programs are supported by effort in our risk management approach, assurance program and stakeholder engagement mechanisms.

BUILDING OUR KNOWLEDGE AND CAPABILITY – 2021 FOCUS

A focus for us in the 2021 year will be ensuring our procurement practitioners and front-line staff, alongside all hiring managers, are provided with the training to assist them in identifying potential modern slavery red flags, and the actions to respond appropriately.

We will also review associated policy and procedure (see Governance and Stakeholder Engagement sections) to ensure alignment of core business practices and principles with modern slavery needs.

All planning includes providing our people with updated information, training and resources to support our capability to deliver on managing modern slavery risk within our business operations and supply chain.



LOOKING FORWARD

We acknowledge that managing the risk of modern slavery requires ongoing management, collaboration and commitment, both from within our business and through ongoing multi-stakeholder dialogue through industry and business forums, local and national government as well as the broader community of which we are all a part.

In line with our strategic priorities, our focus areas for the 2020-21 financial year will be:

PRIORITIES	ACTIVITIES
Update supplier contracts to include modern slavery clauses	▪ Review standard contracts to ensure supplier arrangements include Minimum Standards for managing modern slavery risks ▪ Review due diligence procedures for supplier selection
Stakeholder dialogue	▪ Confirm the appropriate governance committee for oversight and escalation of modern slavery issues ▪ Commence development of mapping our supply chain, both inward and outward, for insight into where our suppliers operate, and the nature of the service/product supplied ▪ Broaden stakeholder engagement to include all business units and the communities in which we operate
Assurance programs	▪ Explore mechanisms to measure the effectiveness of actions we undertake to address modern slavery risks ▪ Extend policy review programs to ensure consistency with managing modern slavery risks
Grievance mechanisms for third parties	▪ Formalise our procedures and mechanisms to address any third-party grievances, and communicate those mechanisms (aligns with supplier contract updates and stakeholder dialogue priorities)

We are proud of our progress to date but recognise there is more to do. We maintain committed to the ongoing delivery of our initiatives and partnering with our stakeholders to eradicate modern slavery.

This Annual Statement was approved by the Board on 28 May 2021

Signed

A handwritten signature in black ink, appearing to be 'Trevor Lee', written in a cursive style.

Trevor Lee

Director

