



ANZ Modern Slavery Statement 2023

Nutricia Australia Pty Limited & Danone Nutricia NZ Limited

Welcome

Welcome to Danone's annual modern slavery statement for Nutricia Australia Pty Limited (Danone Australia) and Danone Nutricia NZ Limited (Danone New Zealand) where we outline the continued actions of our business in contributing to the eradication of modern slavery and trafficking in all its forms.

With the many challenges the world is currently facing, protecting human rights is essential. Our responsibility as an actor in the food chain – and as a company committed to protecting the health of the planet and the health of the people – is more fundamental than ever.

Building on our Sustainability Principles and Statement on Forced Labour, we have been progressing on the implementation of our due diligence approach, which helps us focus our efforts on where the risk is highest. However, collaboration is essential to driving real progress towards eradicating modern slavery, human trafficking and child labour.

Danone supports the CGF Human Rights Coalition – Working to end forced labour. In doing so Danone is committed to establishing and deploying Human Rights Due Diligence (HRDD) systems focused on forced labour in its own operations, including third-party labour engaged by contractors or labour agencies for the performance of regular and ongoing work in our own operations.

During the G7 in 2019 Danone also spearheaded the creation of the 'Business for Inclusive Growth' (B4IG) coalition, in partnership with the Organisation for Economic Co-operation and Development (OECD), aiming to advance human rights and promote inclusion in workplaces and business value chains.

To date, more than 40 companies have joined this initiative. In the current context, we believe we need to go even further, strengthening collaboration with industry peers as well as labour unions, who can play a key role in alerting companies to risks upstream in their supply chains.

This report outlines our continued efforts, progress and achievements in 2023. For further detail on our approach, we invite you to read our [2022 Universal Registration Document and Integrated Report](#).



Our Global Supply Chain

Danone has a broad supply chain, built on decades of strong collaboration and partnership. We believe in promoting inclusive growth to create opportunities for all segments of our supply chain to share in increased prosperity. We apply stringent measures to human rights issues, working conditions and forced labour in our supply chain.

Raw Material Sourcing



Milk products

Sourced locally, directly or indirectly, from 58,000 farms across 20 countries, 80% being family farms.

Collaboration with farmers through initiatives such as the 'Farming for Generations' and the Sustainable Dairy Partnership.

The worldwide Farming for Generations (F4G) alliance created by Danone in 2019 includes several major players in the worldwide agriculture chain and advisers to provide a forum for peer-to-peer exchanges of information. In December 2020, F4G set up programs in 33 farms in eight countries (in the United States, Europe and Russia). The F4G alliance has identified 58 best practices and innovations across various farming models, farm sizes and geographic areas



Primary food categories

Human rights compliance monitored through traceability and certification.

Working with the Earthworm Foundation to ensure traceability. Since 2019, we publish the grievance mechanism, developed with Earthworm Foundation's support, to handle allegations (being 'deforestation or human rights violations') of non-compliance with our palm oil policy, and our mill list.

First Ties Suppliers



Raw materials transformation includes packaging and other services such as labour agencies, subcontractors and logistics.

Human rights compliance monitored through the RESPECT programme. As part of this more than 3,890 supplier sites are monitored through Sedex (Supplier Ethical Data Exchange).

Production Sites



190 production sites in principal markets.

Compliance with HR processes.

Danone's Global External Workforce Policy covers labour agencies and temporary workers.

Distribution



Distribution aims at retail chains, traditional market outlets, e-commerce, on-the-go and convenience stores.

These networks then distribute under their own supply chain before going to the consumer

Our Global Supply Chain

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Governing risks in our supply chain

Our supply chain activities, including our relationships with sub-contractors and suppliers, are governed through the Danone Vigilance Plan. Launched in 2017, in line with France's Duty of Vigilance Law, the plan seeks to manage company risks as well as those in the supply chain, including responsible sourcing and human rights.

To identify prominent risks, materiality and risk-mapping exercises were undertaken in 2017 across the 20 purchasing categories with highest exposure. These cover our direct activities and those of our suppliers.

Strengthening human rights requirements in our due diligence

Danone's responsible procurement and due diligence programme 'RESPECT' applies to Tier 1 suppliers (excluding raw milk) and some Tier 2 suppliers (when traders). Since 2017, additional emphasis has been put on human rights requirements and monitoring within the supply chain.

As part of the RESPECT process, Danone requires suppliers to join the Sedex platform and complete a self-assessment questionnaire which includes human rights criteria. Next steps involve identifying high risk/high impact suppliers to build the audit plan. They are

audited by a third party using the Sedex Members Ethical Trade Audit protocol (SMETA) which encompasses human rights, health and safety, business ethics, and environment.

Supplier remediation

We continue to improve the effectiveness of monitoring supplier remediation by putting in place dedicated expert resources to ensure corrective action plan support to suppliers. We continue to engage with suppliers on remediation steps.



Structure, Operations & Supply Chain of Reporting Entities

Overview

Danone Australia is a health food company that works with parents, carers and healthcare professionals to provide education on early life and advanced medical nutrition through the provision of advice and support. Danone Australia also sells to the Australian market early life nutrition products, as well as dairy, water and medical nutrition products. Danone New Zealand is a key partner of Danone Australia in its goal of encouraging healthy and balanced nutrition through its products and services as it is the primary supplier of products to Danone Australia.

Relationship of Reporting Entities

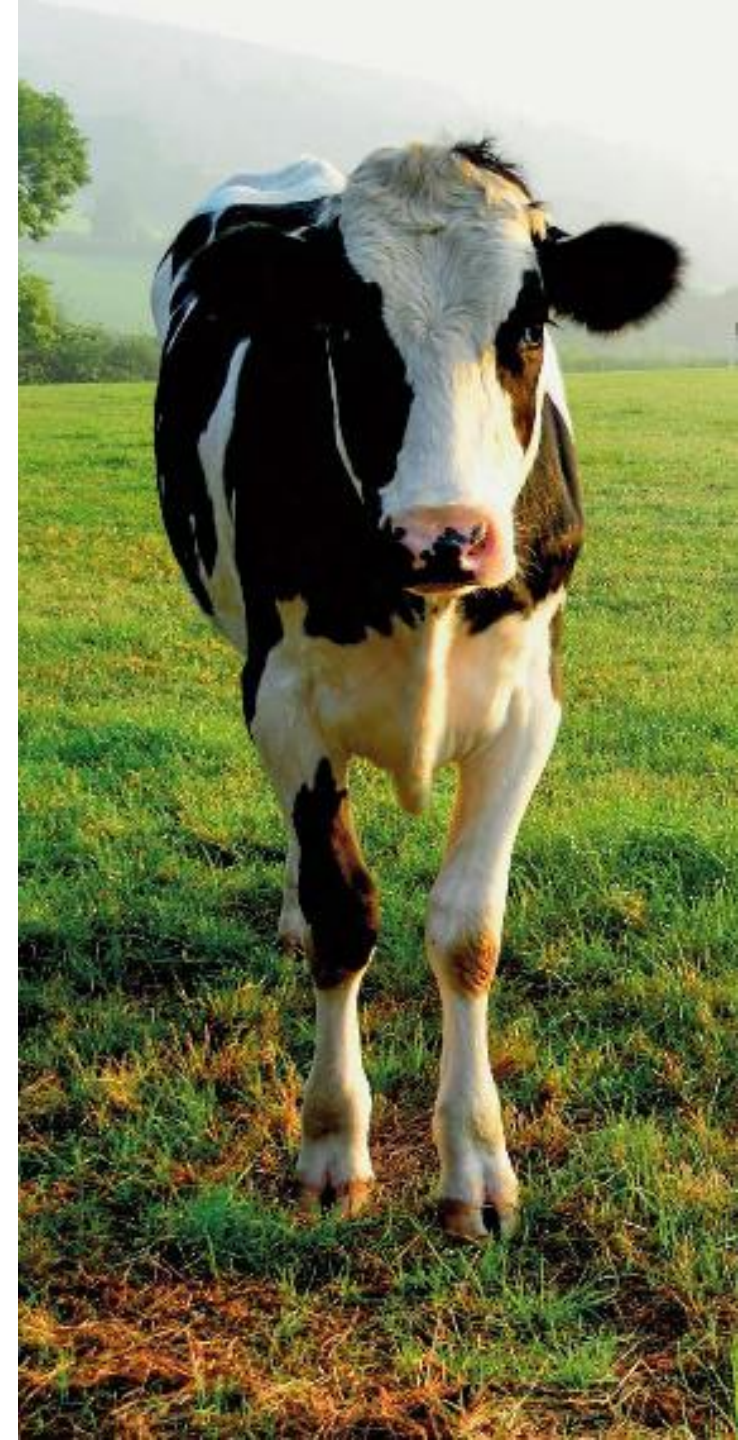
Danone Australia and Danone New Zealand are Related Entities and part of Danone's global network. The entities are closely connected as they share resources, supply chains, and a General Manager. Danone New Zealand is responsible for the supply of high-quality, specialised nutrition products to Danone Australia, which are in turn offered for sale to the Australian market. Aside from its role in the supply of goods, Danone New Zealand does not have any operational presence in Australia.

Danone Australia and Danone New Zealand are both wholly owned by a Danone entity based in the Netherlands, with the ultimate holding company for the entities based in France. Danone Australia and Danone New Zealand leverage from their international network to keep a close eye on their supply chains and ensure that products they offer for sale are ethically produced.

Sourcing Products

The majority of products sold by Danone Australia are supplied to it directly by Danone New Zealand. This is a significant benefit to Danone Australia and Danone New Zealand as the close operational and cultural relationship between them allows information relevant to modern slavery risks to be easily shared so that appropriate actions can be taken to assess and address those risks.

Danone Australia and Danone New Zealand also have the benefit of having a Danone entity based in Singapore as the primary manufacturer and supplier of goods to Danone New Zealand, although some of the goods sold by Danone Australia are sourced from other manufacturers. For example, some soy-based products are sourced from Indonesia, some goat-milk based products are sourced from another New Zealand entity, and some infant nutrition products are sourced from the Netherlands.



Control Measures & Consultation Processes of Reporting Entities

Assessing Modern Slavery Risks

Danone Australia and Danone New Zealand leverage from their position within the global structure, to assess and address modern slavery risks in their supply chains. As with any global enterprise, the enterprise of Danone Australia and Danone New Zealand carries with it a risk that must be managed of indirectly contributing to incidences of modern slavery. Danone Australia and Danone New Zealand consider that modern slavery risks in their supply chains and operations arise primarily as a result of:

- the reliance on suppliers of goods that operate in countries that may have less controls against modern slavery risks as a result of their particular political systems and economic and socio-cultural structures.
- the potential for cost pressures or pressures associated with delivery timeframes to influence suppliers to reduce working conditions below acceptable levels; and
- the potential use suppliers of unskilled labour in locations with a high workforce density and minimal oversight.

To this date and based on information known, Danone consider they do not have high risk parties as Danone New Zealand is the primary supplier to Danone Australia, and the supply chain of the enterprise is otherwise relatively small in size and consists of a number of parties with which there is a close operational connection.

Assessing Modern Slavery Risks and Assessing Effectiveness of Approach

Danone Australia and Danone New Zealand rely on the RESPECT Programme – a procurement due diligence program (excluding raw milk) – to ensure that other entities engaged to manufacture and supply goods which are ultimately sold by Danone Australia have appropriate systems to monitor and mitigate risks. The RESPECT Programme has a particular focus on human rights requirements. It entails requiring suppliers to join the Sedex platform and complete a self-assessment questionnaire. The next step involves identifying high risk/high impact suppliers to audit. Danone conducted a new risk approach in 2020 combining risk

and spend in representative Business Units and global categories. The company has developed an in-house Human Rights impact score which is used to select priority suppliers to audit.

At the time of engaging a contractor, Danone Australia and Danone New Zealand set expectations about the management of modern slavery risks by requiring the contractor to comply with the Danone Sustainability Principles for Business Partners, which are included in every third-party contract for services. The Danone Sustainability Principles for Business Partners sets out expected standards with respect to human rights, including by providing that the contractor is expected to respect international labour standards (including the core conventions of the International Labour Organisation) and legislation prohibiting slavery and human trafficking. The Sustainability Principles requires the contractor to comply with ‘fundamental social principles’, including with respect to child labour, forced labour, discrimination, freedom of association and the right to collective bargaining, health care and safety at work, working hours and pay. If any contractor is found to have breached one of the requirements of the Sustainability Principles and corrective actions are not appropriately implemented, the contractual engagement of the supplier may be cancelled.

Consultation

Danone Australia and Danone New Zealand have direct control over all relevant business operations in the Australian market and do not own or control any other entities. Danone Australia and Danone New Zealand consult regularly with each other as part of a collaborative approach to achieving the ultimate goal of offering to market the highest quality products and services. To facilitate the consultative process, the Danone Group has established a Central Business Service for the Oceania region which services both Danone Australia and Danone New Zealand and provides a central hub through which relevant operational matters (including the management of risks) are shared and discussed



Partnerships, Memberships, Commitments & Policies

Effective policies are in place to define the expected behaviour of both our business and our suppliers' employees



Alignment to International Labor Organisation (ILO) Conventions: Sustainability Principles (For Danone and our Business Partners)

Danone Fundamental Social Principles are based on ILO core conventions. Together with our Environmental and Business Ethics Principles, they form the Danone Sustainability Principles, which apply to our own operations and are extended to our supply chain through the [Danone Sustainability Principles for Business Partners](#)

As part of the Consumer Goods Forum's (CGF) Human Rights Coalition – working to end forced labour, we pledged to develop and implement Human Rights Due Diligence (HRDD) systems that focus on forced labour in our operations



Cooperation with the International Union of Food Workers (IUF)

In light of our dual economic and social project, Danone has worked closely with the International Union of Food Workers (IUF) since 1989 to support workers and human rights. We have signed 10 worldwide agreements with them. These agreements are deployed in each of our entities and joint assessments are conducted every year by a Danone representative and an IUF representative.

'Société à Mission

In June 2020, Danone became the first publicly listed company to adopt the French 'société à mission' status, with the support of more than 99% of shareholders at our annual general meeting. A 'société à mission' is defined as a company whose objectives in the social, societal, and environmental fields are aligned with its purpose and set out in its by-laws.



Monitoring & Governance

Danone has a long-term commitment to social responsibility, and good governance is an integral part of our corporate structure and operations. A key principle for our governance is that we place social and societal responsibility at the heart of our management and strategy.

Governance of Human Rights

Danone has adopted a governance structure and effective policies and processes to meet the expected standards of human rights and modern slavery compliance.

Compliance with our responsible purchasing and human rights programmes is monitored by the Nature and Water Cycle team, under the responsibility of the Chief Procurement & Cycles Officer.

Under the Danone Way programme, all entities are required to conduct annual self-assessments to measure how they are performing against our sustainability commitments and priorities, according to a set of guidelines centered on our 2030 Goals. In relation to human rights, this includes monitoring at-risk suppliers through our RESPECT programme and application of our Global External Workforce Policy via a self-assessment tool, training, and supplier engagement.

For more detail on our approach to governance, refer to our [2022 Universal Registration Document and Integrated Report](#).

Code of Business Conduct

Based on principles derived from the Universal Declaration of Human Rights, the fundamental conventions of the ILO, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Global Compact on human rights, labour rights, the environment and anti-corruption. Employees are required to commit to the [Code of Business Conduct](#) as part of their terms of employment and as part of a wider compliance programme across Danone.

Danone 2030 Goals Redefined

We firmly believe that the health of people and planet are interconnected. Both need to be nourished and protected. At the same time, the world over, people are reinventing how to eat, drink and socialize over food. We have defined our Danone 2030 Goals in line with our 'One Planet. One Health' frame of action, and to adequately respond to the challenges and opportunities of the ongoing food revolution.

The integrated set of 9 long-term goals embeds our business model, brand and trust models. The Danone 2030 Goals are aligned with the 2030 Sustainable Development Goals of the United Nations, thus adopting a language that is universally understood. To learn more about how Danone contributes to the UN's Sustainable Development Goals, [click here](#).

Whistleblowing

Since 2017, the Danone Ethics Line has also enabled whistleblowers to report suspected environmental and human rights violations. For more information see the [Danone Ethics Line Whistleblowing Statement](#).

This allows for the reporting of violations in the areas of child labour, forced labour, right to collective bargaining, working time and wages. The reports received in 2022 focused on routine human resources matters. None of them qualified as a human rights violation, but all have been or are being pursued through internal investigations.

DANONE GOALS BY 2030



Monitoring & Governance

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Case Study: Educating Medical Staff on Modern Slavery Risks

Within our Specialised Nutrition business in Australia and New Zealand, we employ eight Nurses that are registered with the Australian Health Practitioner Regulation Agency (AHPRA) and support enterally fed patients using our enteral feeding products.

To promote safe and quality clinical practice and to protect patients and caregivers from any harm, abuse or exploitation, we deploy a range of training, resources, and a Safeguarding Policy and Framework to support the identification and reporting of cases which may result in harm or the potential harm of a Child (0-18 years) or Adult (18+ years). All field-based Nurses adhere to state specific mandatory requirements when working with children and hold current and valid Working with Children's cards (valid for 5 years).

The Safeguarding Policy, induction training and annual training programs aim to provide staff with information on:

- identifying and differentiating the various forms of Child/Adult abuse and neglect, including child exploitation and modern-day slavery;
- our commitment to providing ongoing professional development to assist in identifying and appropriately reporting all forms of Child/Adult abuse and neglect in conjunction with local health service requirements and government legislation; and
- their individual role, responsibilities and professional accountability as Registered Practitioners including their obligation as "mandatory reporters" when actual or suspected cases arise.

We ensure that all patients and caregivers have access to our relevant policies and that any concerns raised by staff are treated respectfully and confidentially by the safeguarding clinical lead who will action and escalate concerns raised appropriately. In 2020 there were no safeguarding referrals or concerns registered or referred to other local health services.

Danone Australia / New Zealand

Our Commitment



What's Next?

We will continue to make strides in our efforts towards combating human rights violations and modern slavery in our operations and supply chain moving forward. Some of these actions include:

- Commitment to implement human rights due diligence systems focusing on forced labour across 100% of Danone's operations by 2025, in line with The Consumer Goods Forum's 'Human Rights - Working to End Forced Labour' coalition.
- A global compliance e-learning tool roll-out reminding colleagues of our commitments to ethical business practices, our Code of Business Conduct and Whistleblowing procedures
- An update of the Global External Workforce Policy
- Local Australia and New Zealand phased roll-out of the human rights e-learning for HR, Procurement, General Secretary and leadership teams
- The roll out of RESPECT e-learning to all buyers

Signatures on behalf of Reporting Entities

This statement was approved by the Board of Nutricia Australia Pty Limited on 28 June 2024.

This statement was approved by the Board of Danone Nutricia NZ Limited on 28 June 2024.

A handwritten signature in black ink, appearing to read 'K. Stewart', written over a white background.

General Manager ANZ
28 June 2024



THIS STATEMENT HAS BEEN PUBLISHED IN ACCORDANCE WITH THE MODERN SLAVERY ACT 2018 (CTH). IT OUTLINES THE MEASURES TAKEN BY THE DANONE GROUP AND ITS AUSTRALIAN AND NEW ZEALAND BUSINESSES DURING 2023 TO PREVENT SLAVERY, SERVITUDE, FORCED OR COMPULSORY LABOUR, AND HUMAN TRAFFICKING ACROSS OUR BUSINESS AND SUPPLY CHAIN.

Contacts: If you have any comments or queries, please contact: DANONE AUSTRALIA / NEW ZEALAND. Press Office - anzpressoffice@danone.com