



AUSTRALIAN FRESH MILK HOLDINGS

MODERN SLAVERY REPORTING



MARCH 2021 (re-submitted October 2021)

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COMPANY INFORMATION



REPORTING ENTITY

Australian Fresh Milk Holdings

ACN: 606 506 290

Groundfloor, Suite 2, 179A Anson St
ORANGE NSW 2800

PURPOSE OF STATEMENT

The purpose of this Modern Slavery Statement (Statement) is to outline the approach of AFMH to minimising the risk of modern slavery throughout its operations and supply chains. AFMH is fully committed to operating responsibly as well as establishing and adhering to the highest ethical standards across its business units and will not tolerate any form of slavery or human trafficking.

AFMH and its subsidiary companies operate within the agricultural sector and each is managed by a central Senior Leadership Team and Board. As a result, the policies and protocols applicable to AFMH are applicable to each of its subsidiaries. Therefore, a joint statement has been prepared for the AFMH and its subsidiaries.

This Modern Slavery Statement is made in accordance with the *Australian Modern Slavery Act 2018 (Cth)*. It covers the activities of AFMH and its controlled entities to understand and implement actions to minimise the risk of modern slavery and human trafficking within the company's operations and supply chain.

ABOUT AFMH

Australian Fresh Milk Holdings (AFMH) is a world class dairy farming company focused on the sustainable production of high quality fresh milk, supporting the manufacture and marketing of premium value added dairy products. AFMH produces high quality milk whilst prioritising the wellbeing of people and cows, achieved through sustainable and efficient business practices.

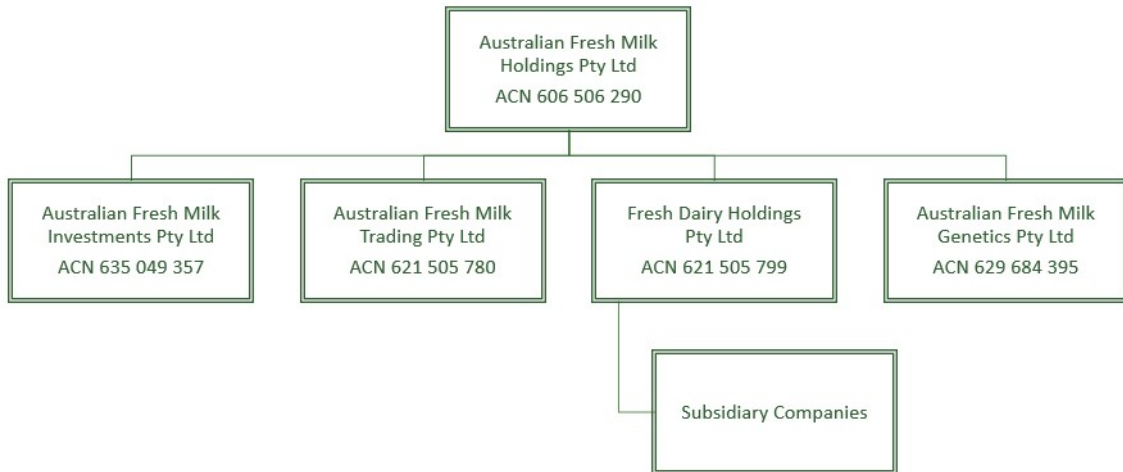
AFMH operates multiple sites across eastern Australia. Dairy and farming operations are located at Moxey Farms in Gooloogong NSW, as well as Coomboona Farms in Coomboona, Victoria. In addition, a farming and heifer raising facility is located in Torrumbarry, Victoria. The company collectively employs over 350 people across the two states.

Sustainable farming practices produce home-grown forage for cows with a focus on water efficiency, nutrient recovery and recycling. AFMH aims for the highest standard of wellbeing by caring for its cows and creating an environment where they are respected and promoted, with a focus on cow comfort, team training, veterinary support and assurance programs.

AFMH CORPORATE STRUCTURE

Australian Fresh Milk Holdings Pty Ltd (ACN 606 506 290) is the overarching corporate entity with control over multiple subsidiaries that it owns and controls in NSW and Victoria.

The corporate structure of AFMH is as follows:

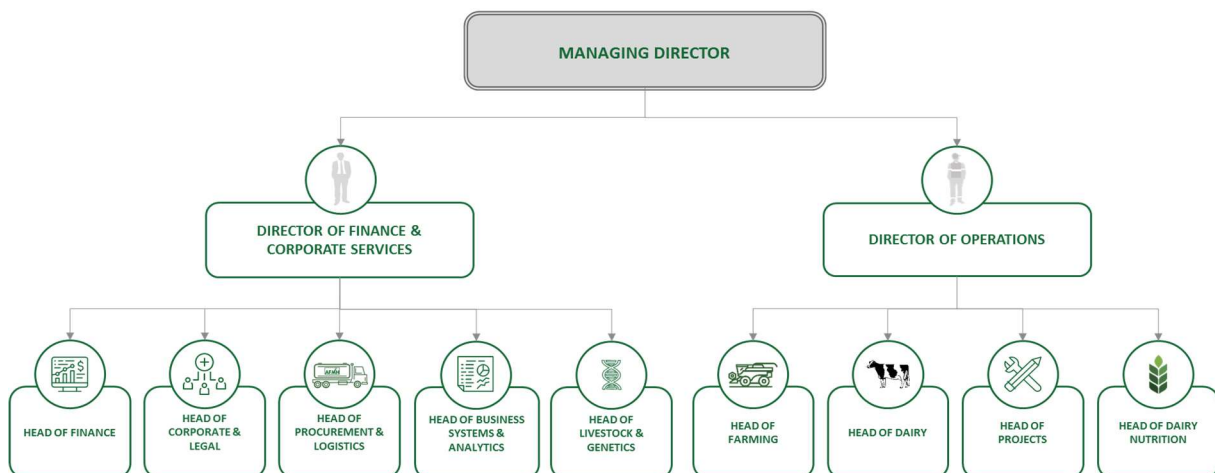


AFMH DIVISIONAL STRUCTURE

AFMH operations are divided into 9 divisions as below.

AFMH DIVISIONAL STRUCTURE

EACH DIVISION HAS A FUNCTIONAL LEAD



AFMH OPERATIONS

AFMH conducts a diverse range of operations to ensure a high level of quality and control across all aspects of the business.



LAND & WATER

Owning our land and water gives us security, a solid equity base for the business and the opportunity for added value in capital gains.

FARMING

We produce a significant portion of our herd's feed requirements, reducing transport costs and protecting against external market conditions.

HERD HEALTH & NUTRITION

We have an in-house team of dedicated veterinarians, a tailored nutrition program and the infrastructure to ensure the comfort and wellbeing of our cows 24 hours a day.

DAIRY OPERATIONS

AFMH operates world class milking facilities to produce consistent year-round supply.

WASTE TO ENERGY

The Moxey Farms Digester generates the energy required to power the site and utilises advanced technology to convert waste into biosolids for the dairy and nutrients for cropping application.

LOGISTICS

AFMH is able to supply multiple customers via an inhouse milk logistics business. Our cropping operation is also supported by a farm logistics team to ensure quality and flexibility.

SALES & MARKETING

AFMH can offer processors consistent volume to fill whole lines, delivering a high-quality product with value in provenance. This enables AFMH to service and maintain multiple customers.

SUPPLY CHAINS

AFMH supply chains involve a variety of businesses, from small scale family farms to large multinational corporations.

A procurement function exists within AFMH to arrange and manage the procurement of goods and services across the business and its subsidiaries.

Major categories of procurement include:

- **Professional Services**
- **Livestock & Genetics**
- **Feed & Commodities**
- **Infrastructure & Projects**
- **Logistics**
- **Machinery & Equipment**
- **IT & Technology**



POTENTIAL RISKS



INDUSTRY RISKS

AFMH has considered the potential of the company to cause, contribute or be directly linked to modern slavery through its operations and supply chains.

The agricultural industry is recognised as having elevated modern slavery risks, both globally and in Australia. The industry hires many international workers and has a high transient and seasonal workforce. As a result, organisations may take advantage of employees due to the employee's lack of knowledge of Australian Fairwork legislation and the relevant awards.

Textile and clothing industries are also recognised as high-risk industries.

AFMH is aware of these industry risks and continues to work to ensure it has policies and procedures in place to abate the risk of modern slavery.

SUPPLY CHAIN RISKS

One of the major potential human rights risks facing AFMH is the existence of modern slavery in its supply chains. AFMH procures products and services from a broad range of industries including technology, fixed plant, machinery & equipment, commodities, farm inputs, power, water and livestock. Some of these goods and services are tied to supply chains that originate beyond Australian borders. Modern slavery has the potential to exist in a supply chain through a variety of circumstances including:

- Forced labour
- Child labour
- Debt bondage
- Human trafficking
- Abuse of requirements for a minimum living wage
- Discriminatory employment practices

ADDRESSING MODERN SLAVERY

AFMH MODERN SLAVERY WORKING GROUP



AFMH is committed to working with its suppliers to eradicate modern slavery from associated supply chains.

In order to identify risk and deliver appropriate policies and procedures that address modern slavery, AFMH formed the AFMH Modern Slavery Working Group (MSWG) in 2020. The MSWG is responsible for identifying and implementing process improvements and compliance. The group was formed in recognition that management of modern slavery risks across AFMH operations and supply chains cannot be effectively addressed by one division within the company and is therefore comprised of representatives from Corporate & Legal and Procurement & Logistics divisions. The MSWG includes the following AFMH leadership roles:

- Director of Finance & Corporate Services
- Head of Corporate & Legal
- Head of Procurement & Logistics
- People and Culture Manager
- People Services Officer

POLICIES & PROCEDURES

AFMH is working to establish processes that provide the AFMH Board oversight as modern slavery requirements are embedded into the company's existing compliance framework. AFMH currently has formal policies in place to promote ethical and legally compliant business conduct. These include Work, Health & Safety, Workplace Discrimination & Harassment, Workplace Bullying, Privacy, Complaint Handling, Code of Conduct and Whistle-blower Policies.

AFMH policies contribute to the commitment of the company to prevent violations of human rights, including modern forms of slavery in the business. All controls implemented are reviewed regularly to ensure there are robust processes in place to minimise the risk of modern slavery in AFMH operations and its supply chains.

AFMH ensures it has policies and procedures in place that ensure international workers are hired in compliance with their visa requirements and in accordance with the same EA and Awards as those with permanent working rights. International workers complete the same induction as permanent workers. They also have access to the same Employee Assistance Program (EAP) and are introduced to and required to understand the same policies. This ensures they have and are made aware of the same rights, responsibilities and access to support as other workers.

AFMH has established long-term relationships with key strategic suppliers, the majority of whom operate in Australia. The **AFMH Procurement Policy**, currently being established by the MSWG, will provide the overall framework and direction for sustainable, systematic and ethical procurement of goods and services.

Through the AFMH induction process, contractors and suppliers are required to comply with the AFMH Code of Conduct. AFMH's standard terms and conditions will also soon require minimum standards in ethical business practices to be met.

PROCUREMENT ANALYSIS

Initial work conducted in relation to AFMH's procurement and supply chains by the MSWG is detailed below.

PRODUCTS PROVIDED BY DIRECT SUPPLIERS

Products from other agricultural providers such as feed for livestock is subject to the same industry risks as detailed previously. AFMH has limited visibility to the treatment of workers by other agricultural entities. Where possible, AFMH uses large scale suppliers that have existing ethical procurement policies and/or are required to complete Modern Slavery Statements either in Australia or offshore. AFMH holds copies of these documents. The small-scale suppliers utilised by AFMH are local family farmers or single operators with a long-term relationship with the company. These small-scale suppliers are considered low risk in relation to modern slavery.

AFMH uniforms are sourced from a reputable supplier whose second-tier suppliers have ethical supply processes and/or are part of an organisation that submits a Modern Slavery Statement.

SERVICES PROVIDED BY DIRECT SUPPLIERS

Services provided by suppliers include onshore and offshore suppliers. Onshore service providers are managed within Australian legislation and licencing requirements and there is considered to be limited risk of modern slavery by the MSWG.

Technology services are provided by both local and international suppliers. Large scale providers are companies with reputational integrity and the MSWG considers there to be limited (low-medium) modern slavery risks.

INDIRECT SUPPLIERS

AFMH utilises the procurement policies and standards provided by its suppliers to monitor indirect supply chains. Many of these indirect supply chains are offshore. These suppliers are large scale multinational entities which have considerable Human Rights (including Modern Slavery) controls within their governance processes. The MSWG considers there to be limited (low-medium) modern slavery risks.

EDUCATION AND TRAINING

Through the company's Rapid Global platform, AFMH will be engaging with contractors on modern slavery training by adding modern slavery materials to the compulsory induction process for contractors.

ASSESSING EFFECTIVENESS OF ACTIONS

MODERN SLAVERY GAP ANALYSIS



In 2020, AFMH focused on strengthening the understanding of potential modern slavery risks in its operations and supply chains. As a result, the company is in the process of conducting a comprehensive annual **Modern Slavery Gap Analysis** to identify operational gaps for effectively managing modern slavery risks. Risks will be assessed across the business, particularly around procurement and supply chain activity as these areas are identified as having the greatest potential risk.

The gap analysis will inform the future development of an annual **AFMH Modern Slavery Risk Management Action Plan**. The plan will outline actions for enhancing approaches to modern slavery governance and due diligence, risk management, supply chain management, communications and training. The plan will cover a 12 month period and will be reviewed each year following further gap analysis.

Highest spend suppliers will also be reviewed against modern slavery risk indicators and supplier due diligence processes for high-risk procurement categories.

The AFMH risk assessment procedure requires annual review of all risks and controls, including modern slavery risks identified in the company's operations and supply chain. AFMH acknowledges the importance of assessing the effectiveness of its actions to manage and mitigate risks of modern slavery in its operations and supply chain.

The MSWG will conduct a regular review of suppliers and assess the risks associated with individual suppliers. The group will access and keep record of any governance documentation related to existing or new suppliers to assist in assessing the risk of modern slavery.

STATEMENT

AFMH COMPANY STATEMENT



AFMH is fully committed to operating responsibly and adhering to the highest ethical standards across the business. AFMH does not tolerate any form of slavery or human trafficking. AFMH recognises that this Modern Slavery Statement cites policies and processes that are in construction over the next 12 months and thus not yet implemented. AFMH is deeply committed to achieving all goals set out in this Statement, led by the Modern Slavery Working Group.

This statement was approved by the Board of AFMH in their capacity as principal governing body of Australian Fresh Milk Holdings Pty Ltd and all subsidiaries on 11 March 2021.

This statement is signed by Quentin Moxey in his role as a Director of Australian Fresh Milk Holdings Pty Ltd.

A handwritten signature in black ink that reads 'Q. P. Moxey'.

Quentin Moxey

Australian Fresh Milk Holdings

Managing Director

Date:

A handwritten signature in black ink that reads 'Karl Sinclair'.

Karl Sinclair

Australian Fresh Milk Holdings

Director of Finance & Corporate Services

APPENDICES



APPENDIX 1

This Modern Slavery Statement was prepared in accordance with the compulsory criteria set out in the Modern Slavery Act 2018 (Cth).

The table below outlines where information to each mandatory reporting criteria can be found:

Mandatory Criteria	Reference
1 – Identify the entity	Company Information (p. 3)
2 – Describe the structure, operations and supply chains of the reporting entity	Company Information (p.3-6)
3 - Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entity that the reporting entity owns or controls	Potential Risks (p. 7)
4 - Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Addressing Modern Slavery (p. 8-9)
5 - Describe how the reporting entity assesses the effectiveness of such actions	Assessing effectiveness of actions (p. 8-9)
6 - Describe the process of consultation with any entities the reporting entity owns or controls	Company Information (Purpose of Statement) (p.3)
7 - Disclose any other relevant information	