



Probiotec

**2024**

**MODERN SLAVERY  
STATEMENT**

This Modern-Day Slavery Statement has been prepared by Probiotec Limited (The Probiotec Group) in accordance with the Modern Slavery Act 2018 (Cth). The Statement details the actions undertaken by the Probiotec Group in addressing modern slavery risks for the reporting period from 1 January 2024 to 31 December 2024.

Our Board has approved this Statement for lodgment, in accordance with the Act's requirements.

A handwritten signature in black ink, appearing to read 'W. Stringer', is positioned above the printed name of Wesley Stringer.

**Wesley Stringer**  
Chief Executive Officer

# PROBIOTEC APPROACH

Probiotec Limited (referred to as The Probiotec Group) remains steadfast in its commitment to ethical business practices and the eradication of modern slavery in all its forms. This year, we have continued to strengthen our efforts, reflecting our ongoing dedication to upholding human rights, fostering fair and ethical labour practices, and ensuring that our operations are carried out with integrity and responsibility.

Our continuous efforts to identify, prevent, and mitigate modern slavery risks within both our business and supply chain are guided by a framework that aligns with internationally recognized human rights standards, including those set out in the United Nations Universal Declaration of Human Rights. The Probiotec Group is committed to valuing the inherent rights and dignity of every individual, ensuring that our operations and supply chains remain free from any form of exploitation. We aim to be a business that makes a positive contribution toward the fight against modern-day slavery.

# STRUCTURE, OPERATIONS AND SUPPLY CHAIN

The Probiotec Group includes Probiotec Pharma Pty Ltd, South Pack Laboratories (Aus) Pty Ltd, ABS (Aus) Pty Ltd, LJM Marketing Services Pty Ltd, and Multipack-LJM Pty Ltd and HH Packaging Pty Ltd, with HH Packaging Pty Ltd permanently closing down on 06 December 2024. The business structure and operations remains the same as last reporting period. The group reports under Probiotec Limited as a company listed on the Australian Stock Exchange (ASX:PBP) up until 18 June 2024 when Probiotec Limited was acquired by Pyridam Farma.



# MODERN SLAVERY RISK

During this reporting period, the Probiotec Group formalised modern-day slavery risks within our supply chain as a key material issue and integrated it into our internal sustainability roadmap. The key business activities of the Probiotec Group have remained largely consistent with those from the previous reporting period. We continue to serve the same sectors for co-manufacturing and packaging activities.

This year, we assessed modern slavery risks by reviewing the Global Slavery Index 2023 by Walk Free<sup>1</sup> to enhance our understanding of potential risks. The insights gained from this report deepened our awareness of risks across various industries, geographic regions, and product categories. Notably, the report identified electronics as a top risk product relevant to Probiotec, and this has been incorporated into our risk assessment for the year.

Similar to the previous reporting period, our supplier base continues to be predominantly composed of customer-directed or preferred vendors, with vendor verification processed through our customers' internal procedures, as well as captured within our own operations. In terms of site contractors, the Probiotec Group retains more control over vendor selection.

**Table 1. Probiotec Business Group Risk Categorisation**

Business Activity	Detail	Reporting Period Activities	Risk Analysis
Operational on-site services	On-site maintenance for site operations and engineering processes. Professional services contributing to business activities. Events (eg. catering/campaigns) and cleaning/waste services.	This area of our supply chain continues to exhibit low activity. We plan to address this risk category once the higher-priority risks have been managed.	Given that our operations are based in Australia, our engagements with local businesses related to these activities are considered low risk.
Contracts with preferred suppliers (customer directed)	Our engagement with a large percentage of our supplier base is highly dependent on our customer's preferred suppliers. Suppliers are often compliant with our customer's procurement requirements. Vendors are chosen often through collaboration with our customer.	Again, this year, our customers hosted workshops on modern-day slavery, building upon the content presented in the previous reporting period. These workshops were attended by our Human Resources Department, along with other business leaders at Probiotec.	We collaborate closely with our customers and highly value their input. Their supplier preferences often guide our approach, forming an integral part of our de-risking strategy. Customers with strong sourcing teams handle much of the due diligence necessary.
Raw Material Sourcing	Our manufacturing site at Laverton has production activities as well as new product development (NPD) services where raw material sourcing is performed.	An analysis of the Global Slavery Index 2023 highlighted geographic areas with prevalent risks, which we compared to our current activities. This helped us identify where to focus our priority surveillance efforts.	The Global Slavery Index 2023 identified high-risk geographic regions that would typically require higher priority; however, these regions did not show a significant correlation with our raw material sourcing activities. We aim to further assess and confirm the level of risk in this area as part of our ongoing processes.
Packaging and Labelling	Many of our suppliers regarding packaging and labelling are customer directed. Where there are packaging innovations implemented (e.g. sustainability focused changes) we will perform the required due diligence engagements for new solutions that our outside our current supplier base.	Our overall packaging suppliers (primary, secondary, and tertiary) have remained largely unchanged since the last reporting period.	Local suppliers and distributors, as well as those with Australian offices or directed by our customers, present a lower risk. However, we recognise that potential elevated risks may exist with upstream suppliers in specific regions and will take this into account moving forward.
Product Procurement	Office equipment in relation to electronics purchasing.	A newly identified risk has been highlighted, and our IT department has been engaged to address it, as determined from the Global Slavery Index 2023.	Electronics purchasing is primarily sourced from local Australian businesses. The level of risk will be assessed, and a strategy to address it will be developed.

1. Walk Free 2023, The Global Slavery Index 2023, Minderoo Foundation. Available from: <https://walkfree.org/global-slavery-index/>

# ADDRESSING AND MANAGING MODERN SLAVERY RISK

Building on the knowledge gained from last year, we continued to enhance our understanding of modern-day slavery across various departments and business sites:

- Ensured awareness of up-to-date resources, including the Walk Free report and current legislative reviews.
- The Human Resources Department utilized external resources to update internal knowledge for business leads.
- Engaged in continuous consultation with relevant teams, including sourcing, supply chain, and quality, to maintain our strategy.
- Attended customer-led workshops on modern-day slavery to further deepen our understanding.

As part of our commitment to continuous improvement, we are exploring opportunities to elevate our current processes. We are considering surveying market solutions to improve the effectiveness of our risk assessment procedures. Additionally, we are exploring the potential to leverage external risk analysis methodologies and a regularly reviewed management system to better capture data and supplier engagement activities. A key consideration will be the ability to scale these solutions alongside business growth. Regarding our current protocol, internal documentation and processes have remained largely the same as last year. This year, there have been no discoveries of non-compliance or public reports of modern slavery allegations involving our suppliers. We will remain vigilant in uncovering any such issues within our business. In the event of suspected modern-day slavery practices, we have established processes to conduct a formal investigation. We are prepared to evaluate any reported concerns promptly. If an issue is identified with a supplier in our supply chain, a thorough review will be initiated. If evidence of a policy violation is found, appropriate measures will be taken, which may include requesting issue resolution, supplier re-qualification, or termination of the engagement. Employee breaches may lead to disciplinary action according to company procedures, with serious violations treated as gross misconduct, potentially resulting in immediate dismissal.

Within our management framework, we are dedicated to continuous improvement, continually refining our approach to addressing modern slavery risks.

# ASSESSING EFFECTIVENESS OF OUR ACTIONS

The effectiveness of our actions is primarily assessed through the processes we have implemented around supplier engagement, including questionnaires, post-questionnaire evaluations, and reviews. This year, we also found no instances of non-compliance or public reports of modern slavery allegations related to any of our suppliers in our supply chain. We remain committed to maintaining vigilance and addressing any such issues within our business.

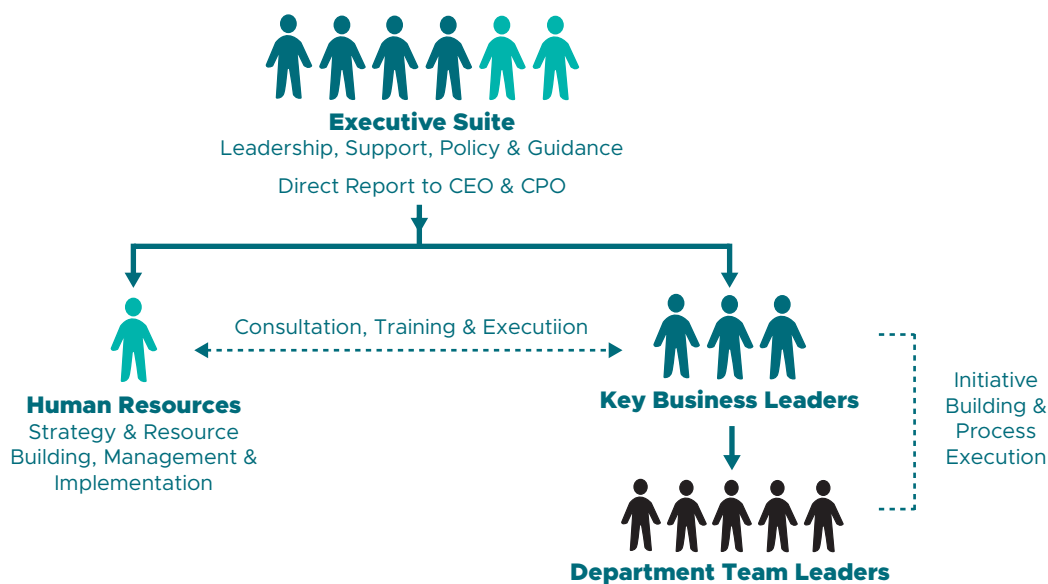
As part of our continuous improvement efforts, we are exploring opportunities to enhance our assessment processes in alignment with our management framework. Market solutions may provide valuable tools to improve data capture and enable comparative analysis, increasing transparency in how our supply chain addresses modern slavery risks.

Looking ahead, we plan to initiate a set of engagement activities that will complement our existing initiatives (e.g. certain business units currently undergo SMETA audits). This will align with our internal roadmap. The process may include identifying key performance indicators (KPIs), assessing the need for supplier training and awareness, and more. Strengthening communication between the Probiotec Group, our customers, and supply chain stakeholders will be essential to developing future processes in this area.





# THE PROCESS OF CONSULTATION ACROSS THE PROBIOTEC GROUP



**Figure 1. Consultation Overview for Probiotec Group**

The Human Resources Department has played a crucial role in the consultation process across the Probiotec Group. Building on the efforts from the previous period to combat modern-day slavery, this initiative was integrated into our internal sustainability roadmap. Recognized as a key point of contact for managing modern slavery risks, the Human Resources Department is strategically positioned within the Probiotec Group. The Executive Team's responsibilities at Probiotec have remained consistent with the previous reporting period. Reporting directly to the Chief People Officer, the Human Resources Department ensures awareness and oversight of actions against modern-day slavery within both operations and the supply chain.

This year, with an emphasis on engagement, the Human Resources Department prioritized activities with business leaders, focusing on training and raising awareness around modern slavery compliance. Key findings from these efforts identified areas for process improvements and highlighted our preparedness for changes in light of the Modern-Day Slavery Legislative Review. By integrating anti-slavery strategies into our sustainability roadmap, we demonstrate our commitment to continuous improvement. With a streamlined consultation process across the Probiotec Group, we ensure comprehensive oversight of both operations and the supply chain. The Human Resources Department's engagement initiatives and key findings position us well for ongoing compliance, particularly as legislation evolves, reinforcing our collective responsibility in the fight against modern-day slavery.



# Probiotec

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