



# Modern Slavery Statement 2020-2023

Synlait Milk Limited

**Synlait**

Certified



Corporation



## REPORTING ENTITY AND GROUP STRUCTURE

This statement is made by Synlait Milk Limited (ARBN 614 984 655) (Synlait) pursuant to section 13 of the Modern Slavery Act 2018 (Act). This is a combined statement covering the reporting periods ending 31 July 2020, 31 July 2021, 31 July 2022 and 31 July 2023 (Reporting Periods).

Synlait's operationally active subsidiaries are:

- Dairyworks Limited (Dairyworks), which is a food processing company specialising in secondary cheese. It procures bulk cheese, which is reprocessed into foodservice formats and consumer-ready formats sold under the Dairyworks, Rolling Meadow and Alpine brands;
- Synlait Business Consulting (Shanghai) Co., Ltd, which provides consulting services to assist Synlait with business relationships and market access in China;
- Dunsandel Farms Limited, which carries out dairy farming on land located adjacent to Synlait's Dunsandel production facilities and provides raw milk for Synlait; and
- Synlait Milk Finance Limited, the primary purpose of which is to hold all banking facilities for our businesses and related interest rate swaps. It also holds key customer agreements.

Dairyworks operates largely as a standalone business with a separate CEO and management team. Synlait's other subsidiaries effectively form part of Synlait, including for consultation purposes in relation to this statement.

Synlait's indirect majority shareholder is Bright Dairy & Food Co. Ltd (Bright Dairy), a leading high-end dairy product company in China. Bright Dairy is owned by Bright Food (Group) Co. Ltd, a comprehensive food industrial group headquartered in Shanghai.

Synlait is a company incorporated in New Zealand. Synlait considers it was an entity carrying on business in Australia under the Act during the Reporting Periods. In addition to being listed on the New Zealand Stock Exchange (NZX:SML), Synlait is listed on the Australian Stock Exchange (ASX:SM1) as a secondary ASX Foreign Exempt Listing. As such, Synlait is required by the ASX Listing Rules to be registered as a foreign company carrying on business in Australia with the Australian Securities & Investment Commission (ASIC).

It was first brought to our attention during the reporting period ending 31 July 2024 that we were likely to be subject to the reporting requirement under the Act for the Reporting Periods.

## OUR COMMITMENT

We are committed to conducting ethical business. We recognise the need to continue developing our approach to modern slavery to better align with best practices for human rights due diligence under the United Nations Guiding Principles on Business and Human Rights. This means maturing our systems and controls for assessing and addressing modern slavery risks across our operations and supply chains and appropriately addressing any situation

where modern slavery may be identified. Our 2024 Modern Slavery Statement provides more detail on how we plan to improve our response to modern slavery risks.

## ABOUT SYNLAIT AND DAIRYWORKS

Synlait is a raw milk processing operation manufacturing high-quality advanced nutrition, ingredients, foodservice, and consumer products. Our products include:

- consumer-ready nutritional powders and nutritional base powders – infant formula and other nutritional powders;
- speciality ingredients – lactoferrin;
- whole and skim milk powders – to a wide range of specifications;
- anhydrous milk fat;
- shelf-stable UHT whipping cream; and
- fresh milk and cream.

Synlait operates across seven locations in New Zealand, with its key sites being:

- Synlait Dunsandel – our processing and manufacturing facility in the South Island, and our corporate headquarters;
- Synlait Pokeno – our manufacturing facility in the North Island; and
- Synlait Auckland – our blending and canning facility in the North Island.

Synlait also operates a small office in Shanghai.

The vast majority of Synlait's products are distributed to countries in Oceania and Asia (particularly China), with the remainder being distributed to countries in North and South America, Europe, Africa and the Middle East.

Dairyworks' manufacturing facility and headquarters is in Christchurch, New Zealand.

Dairyworks distributes the vast majority of its products within New Zealand. It has a customer in Australia that imports its products.

Synlait and Dairyworks collectively employ approximately 1,400 employees across their processing and production facilities, warehouses, laboratory and administrative and business support functions.

Synlait's principal supplier group is New Zealand farmers who supply raw milk to Synlait's Dunsandel facility and, until 2024, Synlait's Pokeno facility.

Outside of raw milk, our key procurement categories, include ingredients (raw materials), cheese (in the case of Dairyworks only), packaging, transport and logistics, manufacturing equipment and services, professional services, and energy. Relevant supplier locations include New Zealand, Australia, Belgium, Canada, China, Denmark, France, Germany, Hong Kong, India, Ireland, Italy, Japan, Malaysia, Netherlands, Singapore, Spain, Switzerland, Thailand, the United Kingdom, and the United States.

For the purposes of this statement, we have separated our supply chain into two distinct parts (as described above), as we believe this enables us to more accurately identify and report on the modern slavery risks associated with our supply chain.

## OUR RISKS

For the purposes of this statement, we have identified the inherent risks of modern slavery in our supply chain and operations based on key modern slavery risk factors, which are high-risk geographies, products and services, business models, and vulnerable populations.

We consider that the highest level of risk lies in our supply chains rather than our operations, as the latter is more under our direct control with likely minimal residual risk due to the existing actions in place. Due to Synlait's involvement in and geographical proximity to the Synlait raw milk supply chain, Synlait believes that this supply chain carries a lower modern slavery risk than our other supply chains.

The following table identifies what we believe to be the inherent risks of modern slavery in our business, and the relevant risk factors:

Area of Risk	Commentary	Key Modern Slavery Risk Factors
Raw Milk Supply Chain (Synlait only)	We recognise that, in countries such as New Zealand, where there is otherwise a low overall prevalence of modern slavery, the agricultural sector is a high-risk sector where increased risk of workers being impacted by modern slavery practices can exist.	<ul style="list-style-type: none"> <li>Vulnerable populations - migrant, seasonal, temporary workers;</li> <li>High risk service category - base-skill workers;</li> <li>High risk geographies - isolated rural communities.</li> </ul>
Other Supply Chains (Synlait and Dairyworks)	We believe that most of our suppliers are in countries with a lower prevalence of modern slavery. We have, however, identified some countries in our supplier portfolio with a higher prevalence of modern slavery, where we anticipate that the modern slavery risks will be higher.	<ul style="list-style-type: none"> <li>Vulnerable populations - high risk population demographics;</li> <li>High risk service category - base-skill workers;</li> <li>High risk geographies - geographies with high prevalence of modern slavery;</li> <li>High risk business models - labour-intensive industries and sub-contracting outsourcing arrangements.</li> </ul>
Operations (Synlait and Dairyworks)	In our direct operations, we have direct control over preventing modern slavery. We see the risk of modern slavery in our direct operations, including our own raw milk production, as minimal due to the existing and established actions and controls in place.	<ul style="list-style-type: none"> <li>Vulnerable populations - seasonal, temporary workers;</li> <li>High risk service category - base-skill workers.</li> </ul>

## OUR ACTIONS AND ASSESSING THEIR EFFECTIVENESS

We did not take any targeted risk-based actions to address modern slavery risks during the Reporting Periods. However, based on our current understanding of our inherent modern slavery risks, we believe that some of the processes, policies and programmes we had in place

during the Reporting Periods would have gone some way towards addressing some of these risks.

Given the above, we also did not have any targeted metrics defined to enable us to assess the effectiveness of our modern slavery actions.

Please refer to our 2024 Modern Slavery Statement for:

- an outline of the relevant processes, policies and programmes that we had in place during our reporting period ending 31 July 2024 – we had substantially the same or similar processes, policies, and programmes in place during some, or all of, the Reporting Periods; and
- the planned actions we intend to take going forward – we are keen to improve our response to modern slavery risks and we see:
  - a full risk assessment;
  - the implementation of a targeted risk-based modern slavery management plan; and
  - the identification of specific metrics against which our response can be assessed, as being key to achieving this.

## CONSULTATION

Synlait and Dairyworks established a cross-functional subject matter expert group with senior members from both Synlait and Dairyworks to inform and contribute to our joint 2024 Modern Slavery Statement. This consultation was also relevant to the preparation of this statement. Synlait has also consulted separately with Dairyworks in connection with the preparation of this statement.

## APPROVAL

This statement was approved by the board of Synlait on 26 February 2025.

This statement is signed by George Adams in his role as the Chair of the board of Synlait.



George Adams  
Chair