

BEGA CHEESE LIMITED

2021 Modern Slavery Statement

Greater Good

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Bega

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About the statement

We have prepared this statement in accordance with the Modern Slavery Act 2018 (Cth) for Bega Cheese Limited (ABN 81 008 358 503) of 23-45 Ridge Street, North Bega, New South Wales, 2550 and its wholly owned or controlled subsidiaries listed in *Appendix A*.

In this Modern Slavery Statement, the terms “Bega”, the “Company”, “our business”, “organisation”, “we”, “us”, and “our” refer to Bega Cheese Limited, unless otherwise stated.

Bega Cheese Limited is a publicly listed company on the Australian Securities Exchange (ASX Code: BGA). To find out more about our business, you can visit www.begacheese.com.au.

About modern slavery:

Modern Slavery is a global issue that is estimated to affect over 40 million people¹. It can take various forms, including the trafficking of people, forced labour, servitude and slavery. The outcome is profound, affecting individuals, families and communities, depriving victims of their freedom. Its impact is global, and no country is immune. The elimination of modern slavery is critical to effective human rights protection and sustainable development.



¹Modern slavery and child labour: 40 million in modern slavery and 152 million in child labour around the world (ilo.org). Available from: http://www.ilo.org/global/topics/forced-labour/publications/WCMS_586127/lang-en/index.htm

See our reporting suite:

Bega Cheese Limited 2021 Sustainability Report: Greater Good

An overview of how our business-wide processes support our sustainability objectives and how we manage our key sustainability topics. <https://www.begacheese.com.au/sustainability/>

Annual Report: Comprehensive information on our activities and financial performance throughout FY21. <https://www.begacheese.com.au/investors/annual-reports/>

Our vision is to become the Great Australian Food Company. Integrity and ethical conduct in our operations and supply chain are critical to achieving this. We will take the necessary steps to ensure that the inputs for our products are ethically sourced and produced and distributed in accordance with our values. We condemn slavery in all its forms. It is a violation of human rights and contravenes the values of our company and of our people. We are committed to respecting human rights. Having an unobstructed view of our business operations and supply chains is critical for meeting this commitment.



Our customers and consumers increasingly seek assurance that the products they purchase have been produced and sourced ethically. Our strong farmgate relationships means the provenance of much of our raw materials is known. Analysing our operations and supply chain to identify, manage and mitigate risks of modern slavery helps give customers and consumers the confidence they seek that they too have acted ethically in purchasing our products.

We produced our first Modern Slavery Statement in 2020. With the acquisition and integration of Bega Dairy and Drinks, our business has undergone a transformational change over the past year.

Accordingly, our first assessment of modern slavery risks has been reviewed and updated to reflect the changes to our business following the acquisition.

This Modern Slavery Statement sets out the issues, risks and mitigation actions taken by Bega Cheese Limited in the financial year ending 30 June 2021. It outlines our continued efforts to:

- broaden our programs
- detect and assess the risk of modern slavery across our business and supply chain
- ensure we have in place the most appropriate responses for the risks we have identified
- increase awareness of the risk of modern slavery
- promote greater transparency.

Our approach to identifying, mitigating and addressing risks of modern slavery is iterative, and will continually develop over time with feedback from stakeholders and through assessing the effectiveness of our actions.

Company overview

Our operations

A collective of rural dairy farmers founded our business in the Bega Valley of New South Wales in 1899, keen to make a difference to their local industry and community. We have since grown into a \$3 billion corporate entity employing more than 4,000 people.

We listed on the Australian Securities Exchange in 2011 and now have over 17,000 shareholders. Today, we own and operate 20 manufacturing sites across Australia and are supplied by more than 800 dairy farms, 150 peanut farms and more than 70 orchards.

Our brands include:



We continue to leverage and evolve our core dairy, food manufacturing and supply chain capabilities to become a global food business. In January 2021, we acquired Lion Dairy and Drinks, renamed Bega Dairy and Drinks, which manufactures, markets, sells and distributes:

- milk based beverages (Dare, Farmers Union, Big M, Masters, Dairy Farmers)
- yoghurt (Yoplait, Farmers Union, Dairy Farmers)
- chilled juices (Juice Brothers, Daily Juice)
- cream and custard (Pura, Dairy Farmers)
- white milk (Pura, Dairy Farmers, Masters).

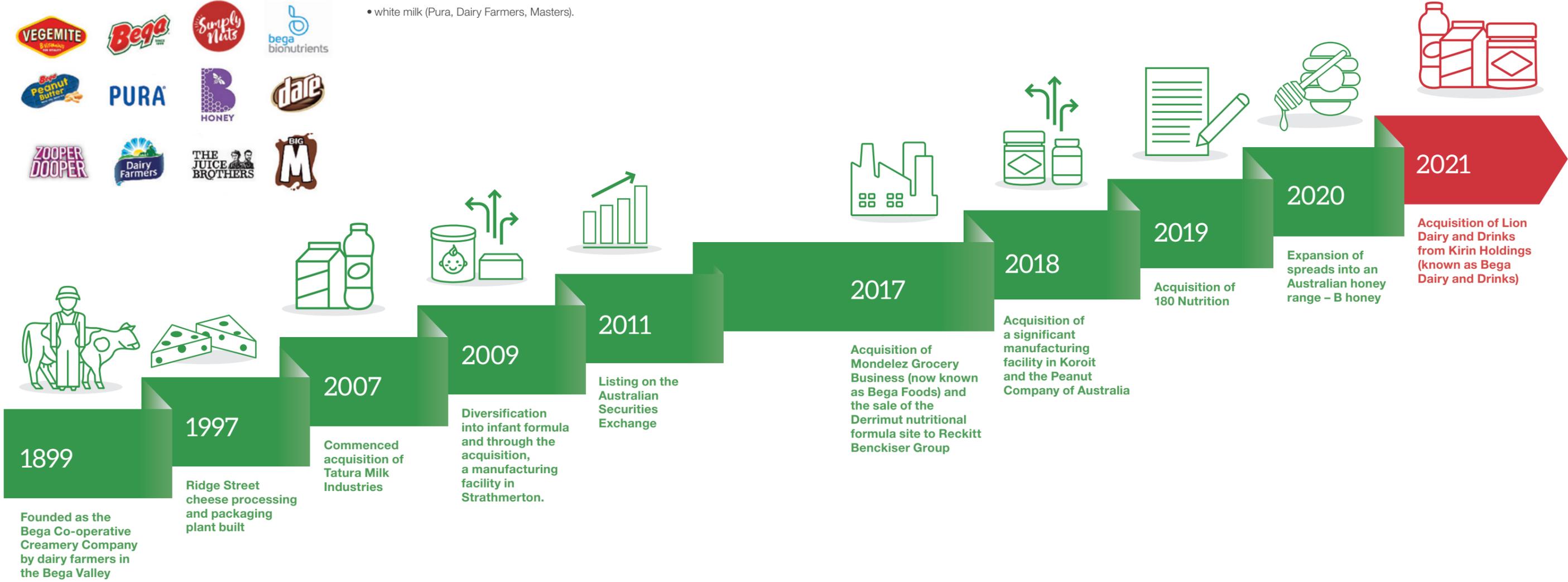


Figure 1: Bega Group History

Our sites

We have 20 manufacturing sites across Australia processing and packaging food products for distribution and retail sale. Our operations are based in all Australian states.

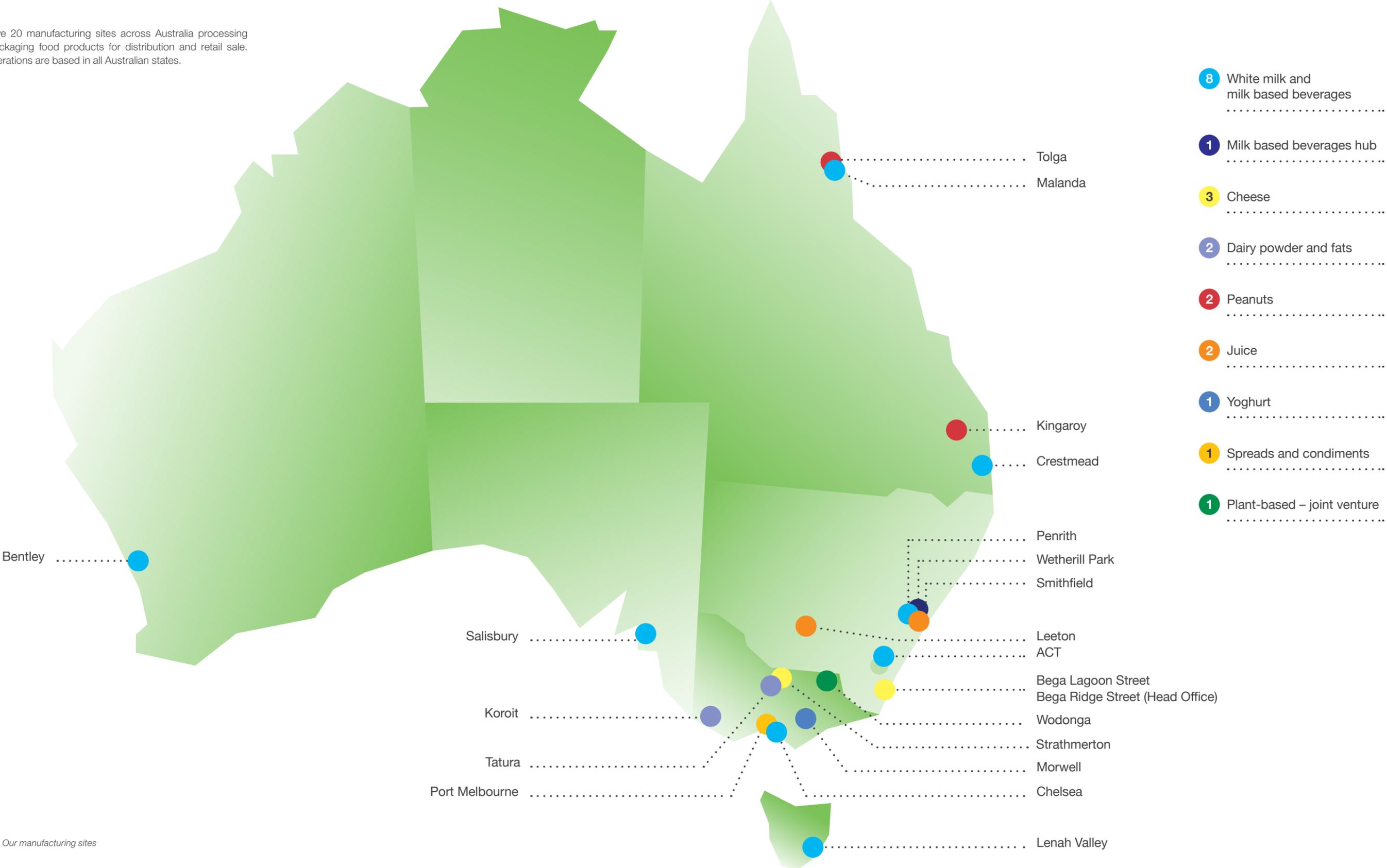


Figure 2: Our manufacturing sites

Our people

Bega employs more than 4,000 people across our sites, distribution centres and offices. Our people are vital to our success and we are committed to creating a workplace where all people can thrive. We respect our employees' right to freedom of association and collective bargaining.

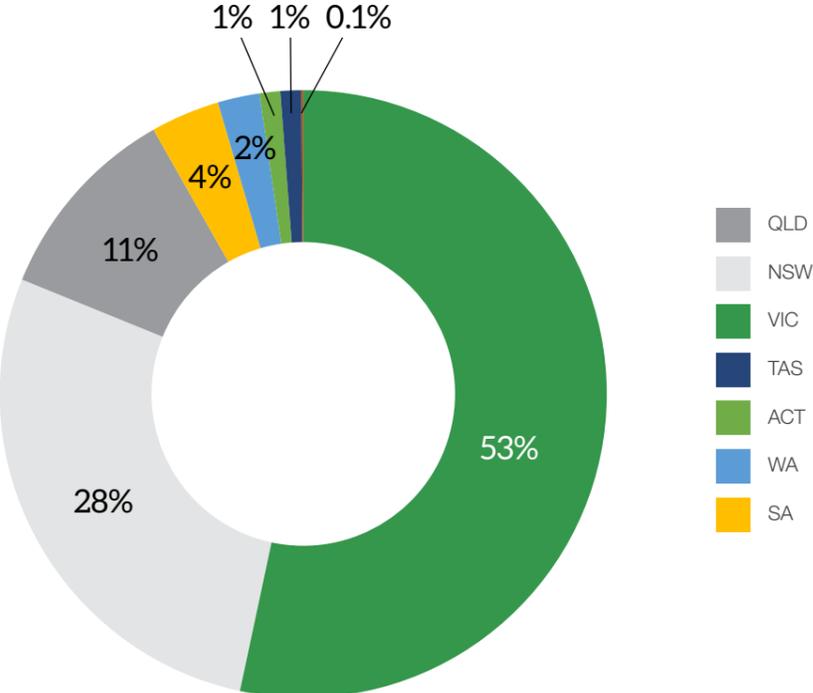


Figure 3: Percentage of employees by state

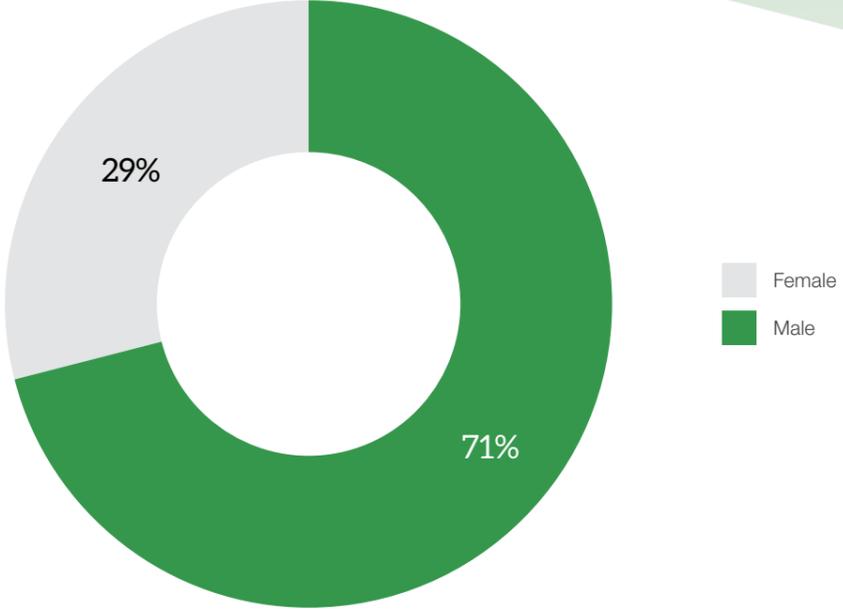


Figure 5: Employee split by gender

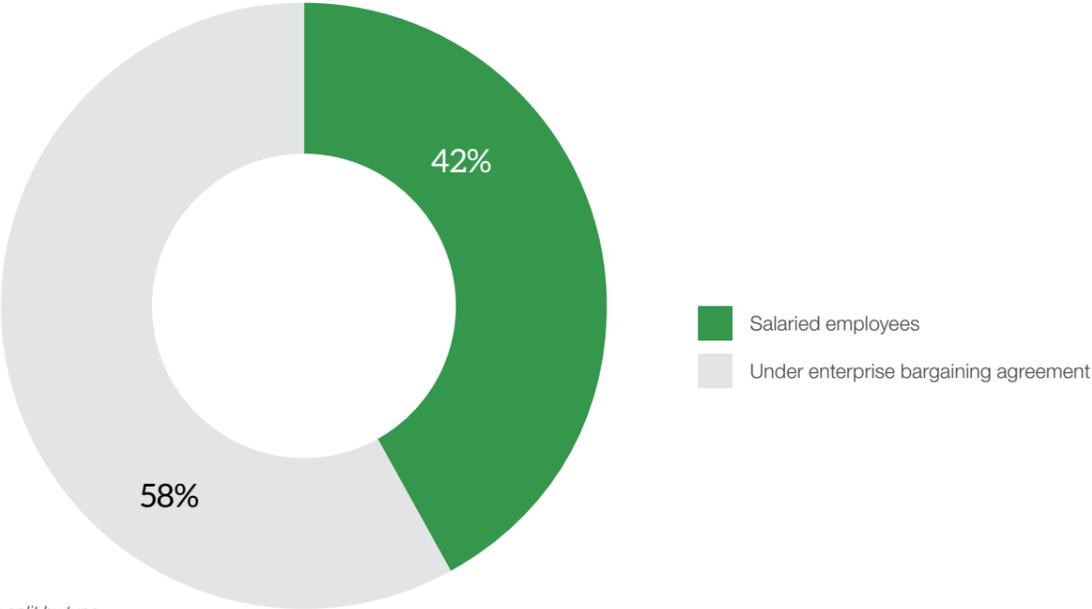


Figure 4: Employee split by type

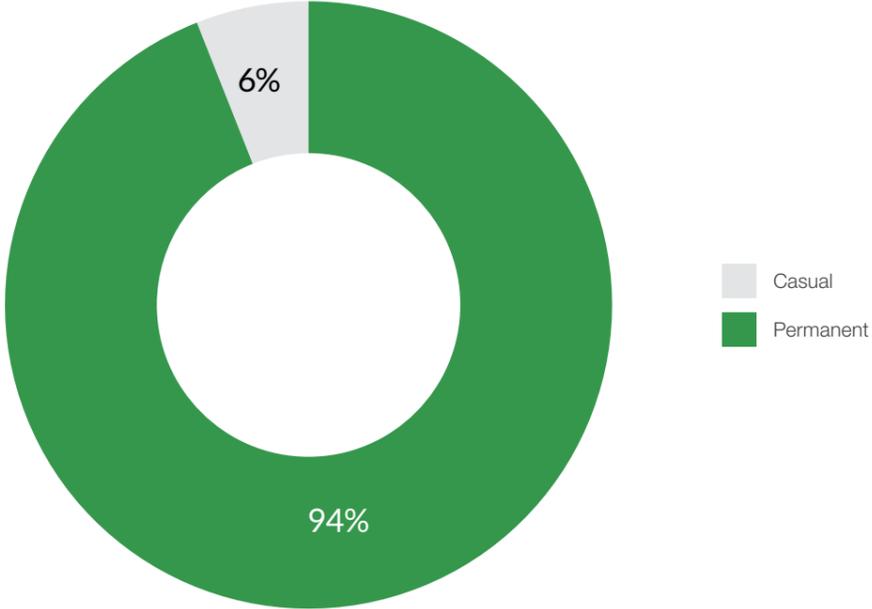


Figure 6: Employee split by permanent and casual

All charts as at 31 July 2021.

Our value chain

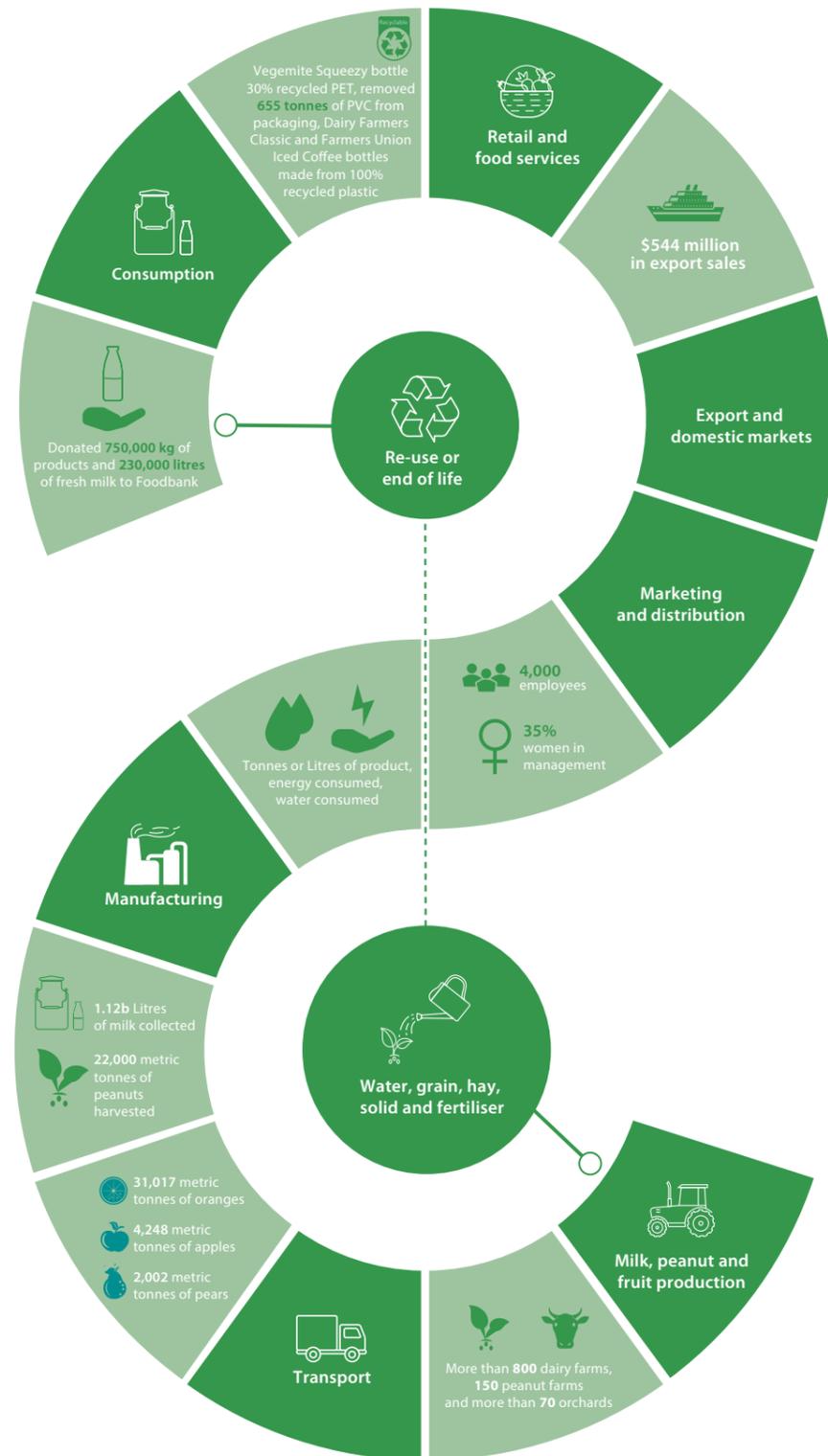


Figure 7: Our value chain

Our supply chain

More than 85% of the Bega Group supply chain expenditure is in Australia. Local sourcing and long-term arrangements allow us to maintain a strong focus on quality and sustainability. More than 60% of our spend is on raw materials, including milk. Our top 25 suppliers represent most of our expenditure and 11 of those are milk suppliers.

The Group received 1.12 billion litres of milk during FY2021 including milk procured by Bega Dairy and Drinks from the date of acquisition. This represents an increase of 17% on the 955 million litres received in FY2020.

During FY2021, there were significant changes to our supply chain associated with the acquisition of the Bega Dairy and Drinks business. These changes include additional dairy farms as well as orchards for our juice brands and soy products through our joint venture with Vitasoy International. Our contracted fruit growers supplied more than 37,000 tonnes of oranges, apples and pears this year.

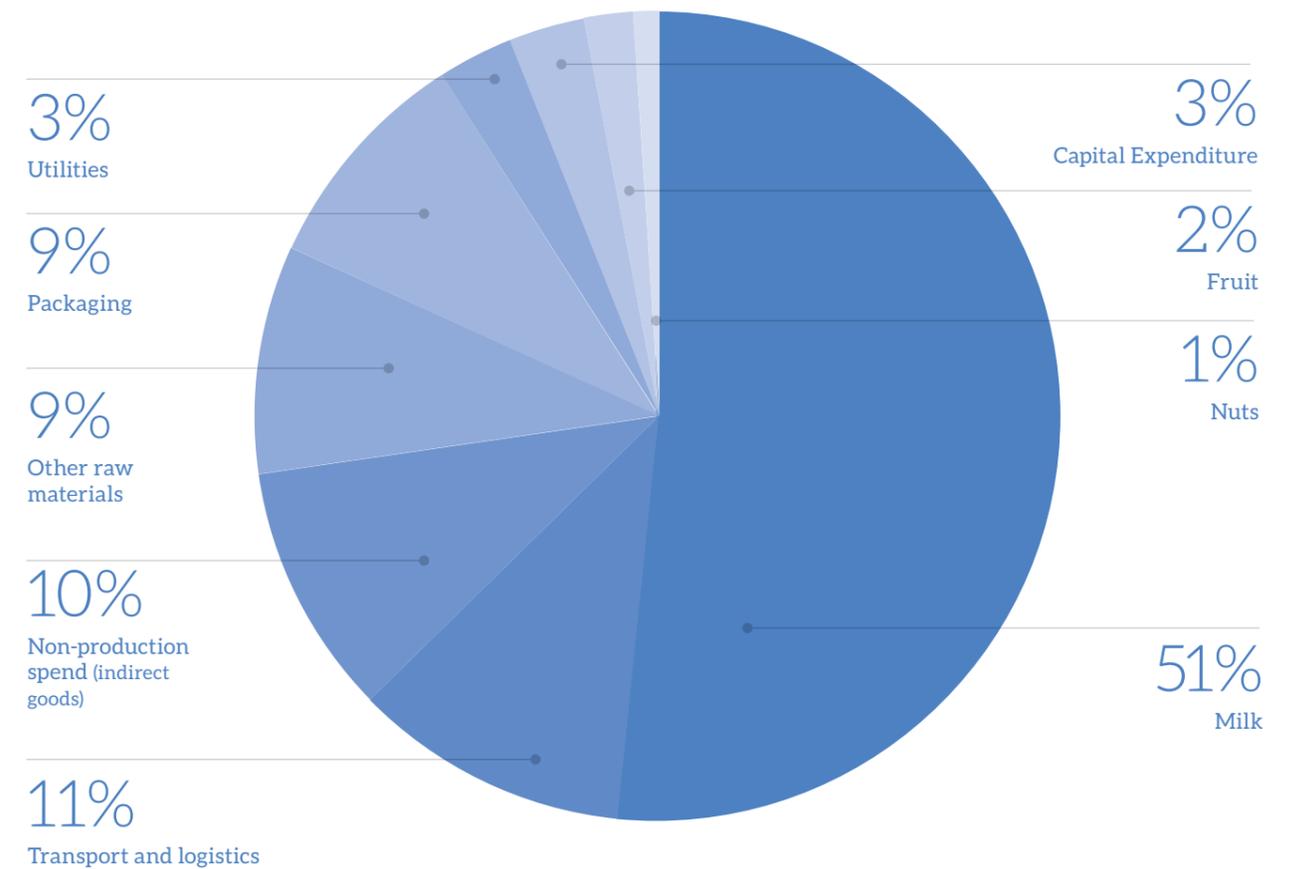


Figure 8: Bega Group supply chain by % of expenditure

Our supply chain

Our supply chain relies on peoples' passion and commitment to grow, milk, harvest and process raw food ingredients. The size of our business means we source large volumes of raw materials, goods and services. These include milk, peanuts, fruit, packaging, machinery, equipment, consumables, transport and logistics services.

Following the acquisition of the Bega Dairy and Drinks business, we now work with more than 4,000 suppliers and service providers globally.

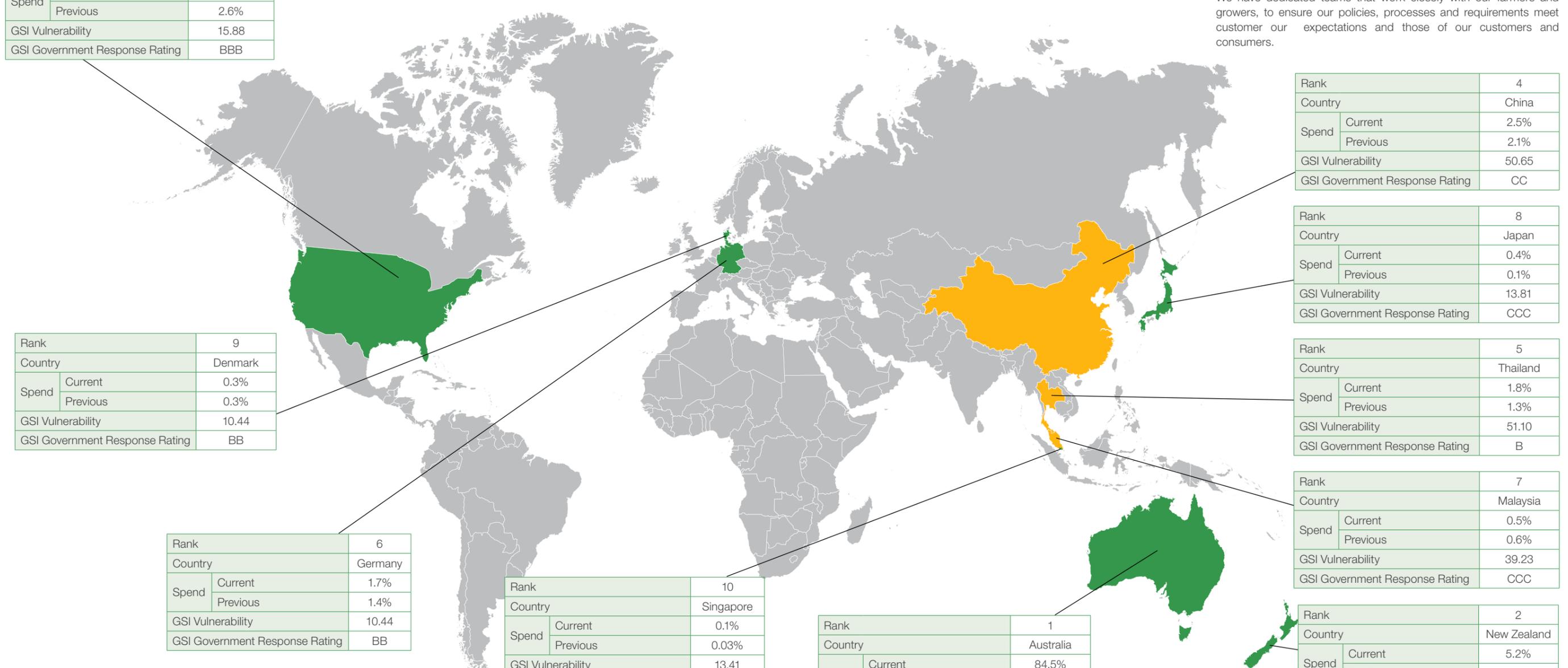
Directly procured raw materials from dairy farmers, fruit, and peanut growers represent more than 70% of our supply chain expenditure. In FY2021, we sourced:

Most of our annual spend occurs with our Tier 1 suppliers in Australia (85%), followed by suppliers from New Zealand, the US and China. The following map depicts the proportion of annual spend with Tier 1 suppliers by country and their ranking relative to other countries, the change in proportionate spend since we last reported, and the modern slavery and Global Slavery Index (GSI) Government Response Rating² for those countries using the GSI rating system.

- 1.12 billion litres of milk from more than 800 dairy farmers across all Australian states
- 31,017 tonnes of citrus, and 6,250 tonnes of apples and pears from Victoria and New South Wales
- 22,000 tonnes of peanuts from more than 150 peanut growers across Queensland.

We have dedicated teams that work closely with our farmers and growers, to ensure our policies, processes and requirements meet customer our expectations and those of our customers and consumers.

Rank	3	
Country	United States	
Spend	Current	2.8%
	Previous	2.6%
GSI Vulnerability	15.88	
GSI Government Response Rating	BBB	



Rank	9	
Country	Denmark	
Spend	Current	0.3%
	Previous	0.3%
GSI Vulnerability	10.44	
GSI Government Response Rating	BB	

Rank	6	
Country	Germany	
Spend	Current	1.7%
	Previous	1.4%
GSI Vulnerability	10.44	
GSI Government Response Rating	BB	

Rank	10	
Country	Singapore	
Spend	Current	0.1%
	Previous	0.03%
GSI Vulnerability	13.41	
GSI Government Response Rating	CCC	

Rank	1	
Country	Australia	
Spend	Current	84.5%
	Previous	82.9%
GSI Vulnerability	4.27	
GSI Government Response Rating	BBB	

Rank	4	
Country	China	
Spend	Current	2.5%
	Previous	2.1%
GSI Vulnerability	50.65	
GSI Government Response Rating	CC	

Rank	8	
Country	Japan	
Spend	Current	0.4%
	Previous	0.1%
GSI Vulnerability	13.81	
GSI Government Response Rating	CCC	

Rank	5	
Country	Thailand	
Spend	Current	1.8%
	Previous	1.3%
GSI Vulnerability	51.10	
GSI Government Response Rating	B	

Rank	7	
Country	Malaysia	
Spend	Current	0.5%
	Previous	0.6%
GSI Vulnerability	39.23	
GSI Government Response Rating	CCC	

Rank	2	
Country	New Zealand	
Spend	Current	5.2%
	Previous	7.9%
GSI Vulnerability	1.91	
GSI Government Response Rating	BB	

Figure 9: Tier 1 spend by country

Source:
²Global Slavery Index vulnerability rating represents the proportional vulnerability to modern slavery of the people within this country, due to other contributing factors such as conflict, corruption, inequality, minority groups, and lack of basic needs. The vulnerability rating is out of 100, with a higher number meaning greater vulnerability. The Government Response Rating varies from AAA to D and represents the national legal, policy and programmatic responses to modern slavery. Further information on the GSI methodology can be found here: Vulnerability | Global Slavery Index Country vulnerability score: <https://www.globalslaveryindex.org/> GSI Government Response rating: <https://www.globalslaveryindex.org/>

Our modern slavery risks

Following the acquisition of the Bega Dairy and Drinks business, we retained an independent consultant to review and update our assessment of modern slavery risks in our operations and supply chain. This review consisted of:

- a modern slavery risk assessment covering potential and actual risks in the Dairy and Drinks operations and supply chain
- facilitated risk workshops with key internal stakeholders
- a report of the findings and recommendations to address any identified risks.

The review recommended several actions to address potential risks arising from our expanded geographic footprint and product range due to the Dairy and Drinks acquisition. Our Modern Slavery Working Group is updating our Modern Slavery Action Plan to capture and address these opportunities to strengthen our processes and controls.

Our operations

A review of our operations found a relatively low risk of our business activities causing modern slavery practices. Approximately 59% of our staff operate under collective bargaining agreements. To improve our existing controls and mitigation activities we:

- provide training for team members covering company policies and procedures, including our code of conduct, whistleblower policy, workplace behaviours and grievance procedures
- ensure compliance with all labour, employment, immigration and whistleblower protections under applicable legislation including the Corporations Act 2001 (Cth) and the Fair Work Act 2009 (Cth)
- have a dedicated human resources team
- conduct an internal audit program to assure the effectiveness of our risk control framework and compliance with our policies
- ensure our workers are free to join unions and participate in union activities
- ensure adequate resources, systems, and processes to administer employee payments.

We understand, in alignment with the United Nations Guiding Principles on Business and Human Rights (UNGPs), that our operations and supply chain could cause, contribute or be directly linked to adverse modern slavery risks and impacts.

The risk assessment has found that the potential for us to cause, contribute or be linked to incidents of modern slavery in our own operations is low. The most likely forms of modern slavery for operations similar to ours include bonded labour and deceptive recruiting practices in outsourced services such as cleaning, catering, security, and facilities management, or through the use of labour hire contractors.

We have identified the following areas of focus:

Area	Action
Chain of responsibility	Ensure modern slavery accountability is communicated internally and it is made clear to suppliers that they must communicate any relevant findings to us.
Grievance procedure and policies	Standardise the policies and procedures across the Bega Group.
Procurement risk awareness training	Standardise and roll out training to all procurement, human resources, and marketing staff across the Bega Group.

Our supply chain

We have a complex supply chain with over 4000 direct suppliers based both in Australia and overseas, in addition to those within our extended supply chain. To manage our modern slavery risk, we focus on the high and medium risk materials, products and countries within our supply chain.

We assess our supplier risks based on:

- Country of operation, we use the GSI rating to determine the country risk
- Industry integrating commodity and service risk, this is measured using Verisk Maplecroft Human Rights Indices and US Department of Labour International Child Labor and Forced Labor Report.

Risks	Action
Potential risks caused by Bega	Temporary and seasonal workers – we employ additional workers during specific seasons. This requires further review of current practices.
Potential risks contributed to by Bega	Specific higher risk commodities – we have identified a small number of commodities in our supply chain which represent higher risk of modern slavery practices due to the nature of the commodity and origin. Such commodities include fish oils, alginates, carrageenan, coffee, cocoa, almonds, cashews, sugar, salt, fruit and processed fruit, imported citrus, vanilla, coconut, corn-derived sweeteners and palm oil.
Potential risks linked to Bega	We have several commercial relationships with other companies related to merchandising and the licencing of some of our products and brands. This has been identified as a source of potential risk and will be reviewed in future reporting cycles.

COVID-19 has heightened modern slavery and broader human rights risks. Government and company responses to the pandemic have influenced the following over the last financial year:

- Our activities – we have changed the way we operate our own manufacturing facilities to ensure alignment with government COVID-19 directions and guidance to ensure best practice occupational health and safety.
- Our supply chain – we have experienced an increase in the number of delays in our supply chain. For example, shipping containers have had limited and delayed availability, which has led to delays in particular goods.
- Increased demand for consumables – the Modern Slavery Risk Assessment across Bega Dairy and Drinks activities identified the heightened risk of modern slavery practices associated with the COVID-19 pandemic, particularly across high demand items such as Personal Protective Equipment.
- Impact on our approach to addressing modern slavery – modern slavery workshops and related internal interviews completed during the time period were conducted remotely due to lockdowns and border closures across Australia. Our own manufacturing site Sedex Members Ethical Trade Audit (SMETA) audits were re-scheduled due to COVID-19, and are due to be conducted over the period of November 2021 through to February 2022.

Our approach to supplier due diligence has also been impacted due to the pandemic. For example, suppliers have been more likely to request time extensions to our due-diligence requests, including SEDEX onboarding. Further, due to delays in the supply chain, our procurement team has sourced alternative supplies within short-time frames in order to meet demand.

Our approach

Governance framework

The findings of the modern slavery assessment conducted by an independent consultant were presented to the Board along with the Modern Slavery Action Plan. The Modern Slavery Working Group reports on progress to the Audit and Risk Committee and the full Board.



The Modern Slavery Working Group consists of a cross functional group of managers with responsibility for Bega's operations and supply chain. The Modern Slavery Working Group's role is to:

- develop, review and implement our Modern Slavery Action Plan, which includes actions to monitor our own operations and supplier risks of modern slavery and the related performance
- review relevant labour rights and modern slavery regulations in the jurisdictions in which Bega operates
- review and assess policies and industry trends for modern slavery
- monitor and contribute to the Bega Modern Slavery Statement.

The Modern Slavery Working Group's purpose is to reduce the risks and strengthen our response to modern slavery by implementing

robust processes to identify and address any risks of modern slavery. Risks identified by the Modern Slavery Working Group are managed and reported to the Audit and Risk Committee.

The Audit and Risk Committee comprises of a subset of Board directors, and their summary is reported back to the Board. The Audit and Risk Committee monitors and reviews our risk register annually at a minimum, to assess the degree to which material risks are being effectively managed, and to ensure that they are adequately reflected in the material financial and compliance risks in our financial statements.

Our Board, as of 30 June 2021, comprised of seven directors. Directors, and their other current directorships, are listed in our annual report³.

Policies and procedures

Procurement policies

We are committed to conducting procurement activities in a fair, objective and transparent manner that satisfies all of our legal and regulatory requirements and our corporate and social responsibility commitments whilst adhering to our Quality, Environment and Sustainability, Ethical Sourcing, Compliance and Integrity, Sustainable Palm Oil Sourcing, and Chain of Responsibility policies.

Our Ethical Sourcing Policy is aligned with our commitment to the United Nations Sustainable Development Goals. The aim is to protect the labour and human rights of workers across our supply chain and is informed by the Ten Principles of the United Nations Global Compact and the International Labour Organisation (ILO) Declaration of Fundamental Principles and Rights at Work.

Bega Dairy and Drinks operates under a similar structure with a Procurement Policy and a Supplier Responsible Sourcing Code. These outline operational expectations of suppliers in relation to sustainable sourcing practices spanning human rights, the environment and business ethics. We will reconcile the Procurement Sourcing Policy and the Responsible Sourcing Code across the Group by the end of December 2021.

Our Sustainable Palm Oil Sourcing Policy includes a commitment to source palm oil and palm oil products from a transparent, traceable and sustainable supply chain that respects and upholds the rights of workers, Indigenous peoples and local communities. The Sustainable Palm Oil Sourcing Policy applies to all palm oil and palm oil products, both sourced by us and used in our supply chain, whether manufactured at our own facilities or by a third party. This policy applies to our brands: Vegemite, Bega Peanut Butter, Simply Nuts, Zoosh, Dairymont, Royal Victoria, Tatura, Bega Cheese (International), Farmers Table and Bonox.

Human resources policies

Bega recognises that strong labour and human rights protections are safeguards to prevent modern slavery. During the financial year our Code of Conduct was refreshed to include requirements for employees to act in an ethical manner. It also outlines the requirements of staff to ensure suppliers are meeting their obligations to abide by laws and Bega policies. The Code of Conduct includes information on using the independent, confidential grievance hotline. Employees complete a Code of Conduct Declaration upon employment and take part in refresher training every 12 months to ensure awareness of any changes.

Our Diversity and Inclusion Policy aims to ensure that our employees are treated fairly and equally.

Recruitment policies

Our approach to recruitment is "inside first", however when hiring externally, the organisation only uses reputable employment agencies to source workers and always verifies the practices of any new agency it uses before accepting workers from that agency.

Our values

Our company values of grow our people, passion for the customer, invest in our future, and support each other, highlight the actions and behaviours we expect of our employees as representatives of our business. We strive to maintain the highest standards of employee conduct and ethical behaviour as we operate and manage our supply chain.



Figure 10: Our values

³<https://www.begacheese.com.au/investors/annual-reports/>

Due diligence and remediation

Ethical sourcing program

Our due diligence process for engaging suppliers is initiated prior to awarding contracts and continues through to annual performance reviews. Our Ethical Sourcing Manager conducts the assessment of new suppliers and reviews existing suppliers. The process includes the following steps:

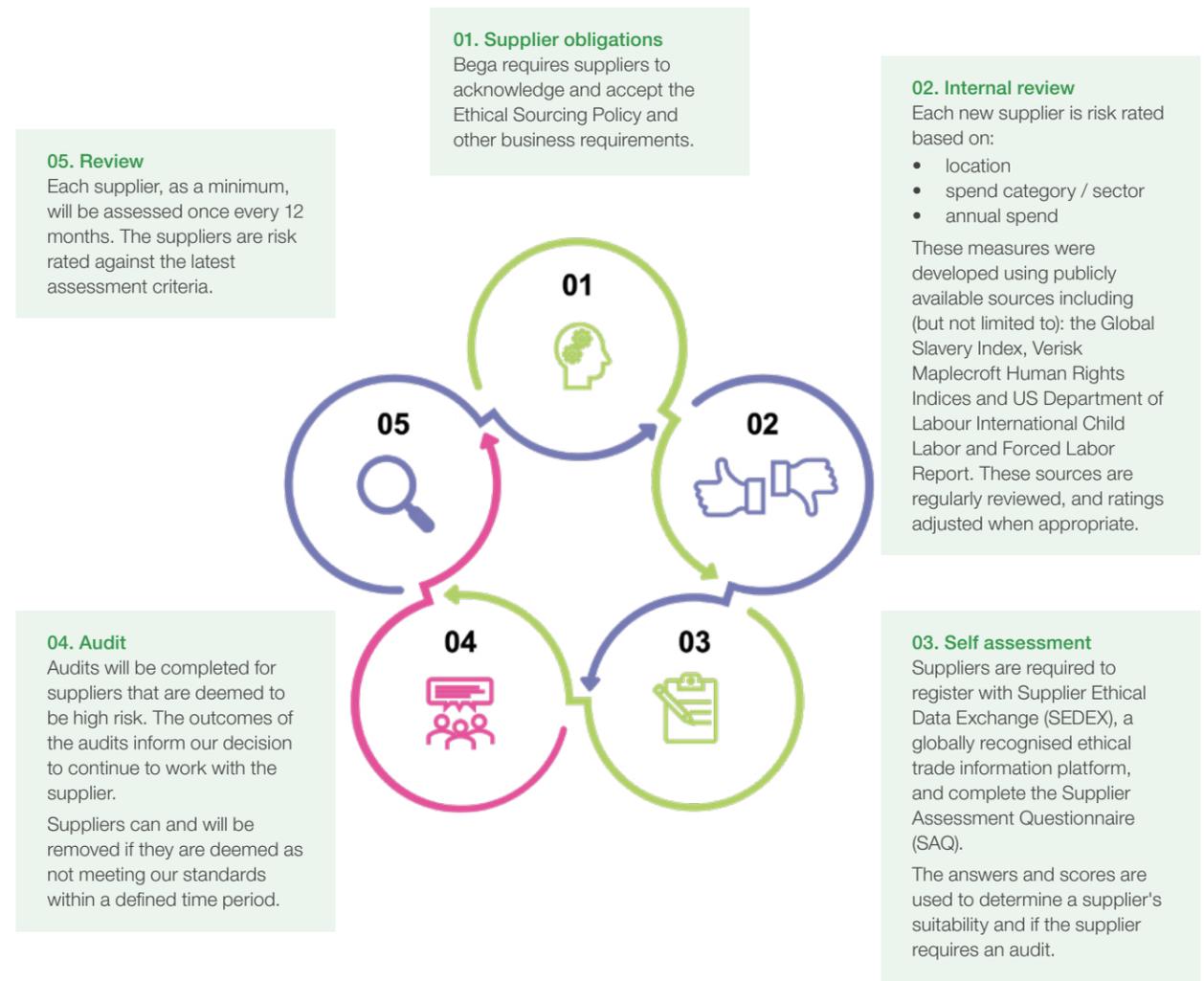


Figure 11: Ethical sourcing program

Whistleblower policy

Our confidential whistleblower program is available to all of our people (and their families) as well as contractors/suppliers (and their workers). The program allows concerned parties to bring allegations of inappropriate behaviour and other issues to the attention of the Executive Team. Reports received through the whistleblower scheme can be on any topic where there is suspected or actual illegal activity, or to report breaches of Company Policy, including our Code of Conduct and Compliance and Integrity Policy. The Code of Conduct also acknowledges that a person making a complaint may seek an external resolution at any time during the process. This may involve lodging a complaint with Fair Work Australia, WorkSafe, or the Human Rights and Equal Opportunity Commission. We ensure that the confidential whistleblower program is accessible by communicating through physical posters, and training that is conducted annually.

Employees and third parties can confidentially access the externally operated whistleblower system by phone or email. Each whistleblower report is investigated and communicated to the Executive Team. Each instance and the outcomes of whistleblower investigations are also reported to the Board.

During the financial year, there were no reports of modern slavery received through the confidential whistleblower program.

To assess our effectiveness, we monitor our progress using the following metrics:

Indicator	Metric
Training	The percentage completion rate of employees finishing their annual mandatory refresher compliance training. The topics include the Code of Conduct, ethical behaviour, modern slavery, anti-bribery and anti-corruption, as well as health and safety standards.
Supplier risk	The percentage of suppliers identified as having high or medium inherent risk of modern slavery practices and the percentage of the high or medium inherent risk suppliers that have registered on SEDEX.
Third party social compliance audits	The number of high-risk suppliers that have been audited with open non-conformances, as a percentage of total high-risk suppliers.

Modern slavery awareness training

Our senior leaders and procurement staff have been provided specific modern slavery risk management training.

Case study

While our primary focus in the reporting period has been to identify and assess potential modern slavery risk in our Tier 1 suppliers, we determined it was also necessary to assess potential risk in our extended merchandise supply chain.

In 2021 we addressed the issue of labour exploitation in the cotton industry and garment manufacturing, asking our merchandisers to:

- provide details of their suppliers for Bega branded clothing
- have them register on SEDEX and share details
- provide certification of the cotton weaving mill and source region.

As a result of this:

- all merchandisers participated, providing details of manufacture, weaving, mill and cotton sources with certification.

Manufacturers who were registered on SEDEX completed Self Assessment Questionnaires and audits where applicable, which were then reviewed by us, according to evidence provided. We did not identify any indications of cotton sourced from geographies of high modern slavery risk.

Stakeholder engagement and collaboration

As part of our consultation process we seek feedback and perspectives from a broad mix of internal and external stakeholders. Integrating different perspectives, having up-to-date information and working collaboratively across the supply chain are key to developing and improving our approach.

Initiative	Our Engagement
SEDEX ⁴	We are an A/B member of SEDEX, one of the world's leading ethical trade data platforms, focused on improving the monitoring of working conditions in global supply chains. We use SEDEX risk ratings, SAQ and audit methodologies to inform our ethical sourcing approach. During the reporting period we asked over 200 suppliers to become members and share their related information.
Australian Dairy Industry Sustainability Framework (ADISF) ⁵	We are an active member of the Steering Committee for ADISF. ADISF has committed to ensuring all sectors of the dairy industry fulfil their responsibilities consistent with the United Nations Guiding Principles on Business and Human Rights. The ADISF has identified human rights as a material topic for the dairy industry in its 2020 materiality review. This has informed our own sustainability reporting.
Roundtable on Responsible Palm Oil ⁶	In FY2020 we became associate members of the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit organisation that develops and implements global standards for sustainable palm oil to help minimise the negative impact of palm oil cultivation on the environment and communities in palm oil producing regions. Although not required as an associate member, we will submit an annual Communication of Progress to the RSPO to identify our progress towards 100% RSPO-certified sustainable palm oil.
Peanut Growers Advisory Group	Our Peanut Grower Advisory Group includes grower representation from each of our major regions, helping us maintain two-way communication and build sustainable long-term relationships with peanut growers. During the reporting year we engaged with this group.



Progress to date

Over the reporting period, we made significant progress on actions outlined in our Modern Slavery Action Plan (MSAP). Following the acquisition of Dairy and Drinks we have prioritised the risk assessment of this business by an independent consultant and updated our action plan accordingly to include:

	Our Actions	Progress
Review of Bega Dairy and Drinks (BDD)	Our Modern Slavery Working Group engaged an independent consultant to complete an assessment of modern slavery risks in our newly acquired business. The assessment included: <ul style="list-style-type: none"> a review of types of material purchased or services provided a review of our Bega Dairy and Drinks policies and procedures an assessment of the inherent and residual modern slavery risks, associated with specific commodities and services using Bega Dairy and Drinks spend data a modern slavery risk and saliency assessment considering our proximity to impact, and leverage identified impacts, and the likelihood of said impacts occurring analysis of the combined company spend profile for modern slavery risks internal interviews to help identify modern slavery risks and the efficacy of existing responses 	Completed
High risk tier 2 and beyond	We further investigated and addressed several areas based on the 2020 Modern Slavery Action Plan: <ul style="list-style-type: none"> Cotton merchandise - we requested our merchandisers to investigate and take steps to verify the source location of cotton within the supply chain. No merchandise was found to be manufactured using cotton from geographies of high modern slavery risk. Cashews and peanut sources were investigated. Further investigation of cashews is required due to the long supply chain. We are investigating fish oil. We are working with suppliers to better understand the supply chain. 	Completed In progress In progress
Refresh of Employee Code of Conduct	During the 2021 financial year we refreshed the Employee Code of Conduct. The Code now includes more detail regarding our requirements for working hours, child labour, forced labour, wages and benefits, non-discrimination, fair business practices, ethical behaviour and grievance procedures.	Completed
Internal risk register for identified modern slavery risks	The modern slavery risks identified during our FY2021 review have been assessed using AS/NZS ISO 31000:2009. From the assessment, we have developed actions to continuously improve and mitigate risks where needed.	Completed
Whistleblower policy update ⁸	We have updated our Whistleblower Policy to include employees, customers, suppliers, and the public to report actions that may be in breach of human rights.	Completed
Additional contractual requirements	We have added clauses to our supplier agreements to improve transparency, set expectations and register with SEDEX if requested.	In progress
Modern slavery action plan and road map update	The action plan and road map developed by our Modern Slavery Working Group in 2020 continue to guide our modern slavery risk management actions. In keeping with our continuous improvement approach, we have updated the roadmap.	In progress
SEDEX requirements	We achieved 92% of all high/medium risk suppliers registered on SEDEX during the reporting period.	In progress
Modern slavery training	An independent consultant conducted modern slavery human rights awareness training to key internal Bega Dairy and Drinks staff.	Completed

CASE STUDY: VITASOY

We collaborated with Vitasoy Australia during the reporting period on their potential risks of modern slavery practices across their supply chain, and the due diligence processes in place to mitigate and address potential risks.

The engagement found Vitasoy Australia have robust processes in place for sourcing of raw materials, and clear tracing of geographic supply. Oat, almond and soy products are sourced primarily in Australia, and were identified with lower risk of modern slavery due to the highly mechanised harvesting and production process. Coconut products were identified as a higher risk as the raw material was sourced from the Philippines, Thailand, and Indonesia, which are identified as having higher risk of modern slavery practices.

We will work together with Vitasoy to conduct further due diligence on the coconut supply chain in FY2022.

⁴<https://www.sedex.com/>
⁵<https://www.sustainabledairyoz.com.au/>
⁶<https://www.rspo.org/>

Assessing the effectiveness of our actions

Bega regularly reviews our approach to addressing modern slavery to ensure the ongoing effectiveness of our actions. Effectiveness is assessed by asking whether our actions are effective in addressing the modern slavery risks that our business may cause, contribute, or be directly linked to in alignment with the UNGPs. Ultimately, Bega assesses the effectiveness of our actions to ensure human rights are respected across our own operations and supply chain.

When assessing effectiveness, we consider quantitative outputs such as our metrics related to training, supplier risk, third party social compliance audits, and modern slavery occurrence. In the future we will explore outcomes-based metrics to improve the assessment of the effectiveness of our actions, such as assessing a measurable increase in workers' awareness of modern slavery after training.

Bega reviews our policies annually to ensure their continued effectiveness and alignment to best practice.

During the reporting period our internal audit team reviewed the identified potential modern slavery risks based on Bega internal policies. This included taking a Modern Slavery Saliency Matrix created by an external consultant and applying the Bega risk approach to those identified modern slavery risks.

Bega tracks our progress against our Modern Slavery Action Plan quarterly, and reviews the actions to monitor their ongoing effectiveness.

Future commitment

We are committed to continuously improving the ethical standards within our operations and our supply chain. In FY2022, we plan to:

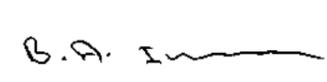
Initiative	Our Actions
Develop a supplier responsible sourcing code	<p>The Supplier Responsible Sourcing Code will support our Ethical Sourcing Policy, providing additional detail on requirements to meet our ethical sourcing standards. It will be available on our website, provided to prospective suppliers and regularly referenced in discussions with existing suppliers. It will set out our expectations of suppliers (and their subsidiaries and sub-contractors) regarding key issues, including human rights. It will require all work to be freely chosen and completed without the use of forced or compulsory labour. In addition, it will require that all workers be of local legal age and prohibit the use of child labour.</p> <p>Bega Dairy and Drinks has operated under a similar structure with a Procurement Policy and a Supplier Responsible Sourcing Code which outlines operational expectations of suppliers when it comes to sustainable sourcing practices spanning human rights, the environment and business ethics. Bega Group will reconcile the sourcing policies and codes by the end of December 2021.</p>
Fully integrate Bega Dairy and Drinks suppliers	Introduce suppliers of Bega Dairy and Drinks, acquired in FY2021 to the Bega Ethical Sourcing Policy. Assess Bega Dairy and Drinks suppliers for risk and onboard High and Medium risk suppliers on SEDEX.
Ethical Sourcing Training	Continue to provide training specifically covering modern slavery and ethical sourcing to all procurement, human resources, marketing and other staff that interact with or manage suppliers. This will include conducting supplier due diligence and Bega's ethical sourcing process.
Implement a continuous improvement approach	The Modern Slavery Action Plan and road map, developed by our working group in 2020, continues to guide our modern slavery risk management actions. We updated the road map in FY2021, and plan to update the road map annually to ensure a continuous improvement approach.
Analyse high-risk commodities to source	<p>We will continue to monitor and assess suppliers for modern slavery risk. For suppliers of high-risk commodities, we will analyse the risk through the supply chain to the item source. To do this we will:</p> <ul style="list-style-type: none"> • use existing, recognised certifications and standards where such certifications exist (e.g. RSPO for palm oil, Rainforest Alliance for nuts and coffee beans) • where no recognised certification exists, we will target these supply chains for more detailed investigation, using independent third-party auditors if necessary.

The process of consultation with entities owned and/or controlled

In preparing this statement, relevant employees of Bega Cheese Limited were consulted and provided with an opportunity to review the statement. This statement has been made on behalf of Bega Cheese Limited as well as all controlled subsidiaries. It has been reviewed and approved by the Executive Team and the Board of Directors. All controlled subsidiaries within Bega Cheese Limited are covered by the same company policies, procedures, and systems, including those relating to supply chain management, ethical sourcing, employment, and human resource management. Our approach to managing the risk of modern slavery is applied to the whole of Bega Cheese Limited.

Statement approval

This Modern Slavery Statement is approved by Barry Irvin, Executive Chairman, and Paul van Heerwaarden, Chief Executive Officer, Bega Cheese Limited on the 22 November 2021.


Barry Irvin
 Executive Chairman


Paul van Heerwaarden
 Chief Executive Officer



Bega Group structure

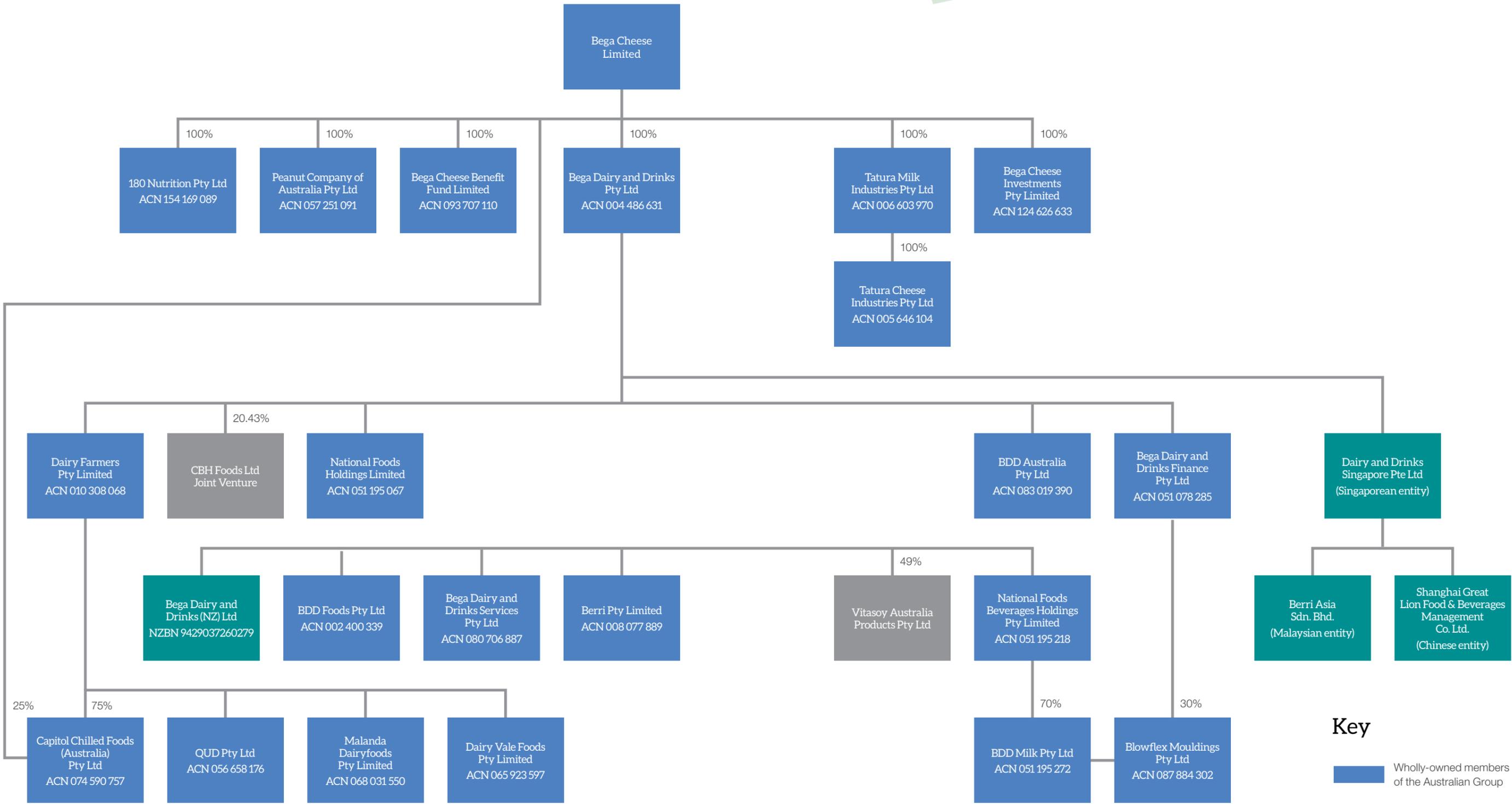


Figure 4: Bega Group entity structure

APPENDIX A:

This Modern Slavery Statement has been prepared as a joint statement on behalf of the following reporting entities:

Bega Cheese Limited ABN 81 008 358 503

Business Entity		Type	Period
Tatura Milk Industries Pty Ltd	ACN 006 603 970	Ownership 100%	Reporting Period
Tatura Cheese Industries Pty Ltd	ACN 005 646 104	Ownership 100%	Reporting Period
180 Nutrition Pty Ltd	ACN 154 169 089	Ownership 100%	01 Nov-30 Jun
Peanut Company of Australia Pty Ltd	ACN 057 251 091	Ownership 100%	Reporting Period
Bega Cheese Benefit Fund Limited	ACN 093 707 110	Ownership 100%	Reporting Period
Bega Cheese Investments Pty Limited	ACN 124 626 633	Ownership 100%	Reporting Period
Bega Dairy and Drinks Pty Ltd	ACN 004 486 631	Ownership 100%	25 Jan-30 Jun
Dairy Farmers Pty Limited	ACN 010 308 068	Ownership 100%	25 Jan-30 Jun
National Foods Holdings Limited	ACN 051 195 067	Ownership 100%	25 Jan-30 Jun
BDD Australia Pty Ltd	ACN 083 019 390	Ownership 100%	25 Jan-30 Jun
Bega Dairy and Drinks Finance Pty Ltd	ACN 051 078 285	Ownership 100%	25 Jan-30 Jun
BDD Foods Pty Ltd	ACN 002 400 339	Ownership 100%	25 Jan-30 Jun
Bega Dairy and Drinks Services Pty Ltd	ACN 080 706 887	Ownership 100%	25 Jan-30 Jun
Berri Pty Limited	ACN 008 077 889	Ownership 100%	25 Jan-30 Jun
National Foods Beverages Holdings Pty Limited	ACN 051 195 218	Ownership 100%	25 Jan-30 Jun
Capitol Chilled Foods (Australia) Pty. Ltd	ACN 074 590 757	Ownership 100%	25 Jan-30 Jun
QUD Pty Ltd	ACN 056 658 176	Ownership 100%	25 Jan-30 Jun
Malanda Dairyfoods Pty Limited	ACN 068 031 550	Ownership 100%	25 Jan-30 Jun
Dairy Vale Foods Pty Limited	ACN 065 923 597	Ownership 100%	25 Jan-30 Jun
BDD Milk Pty Ltd	ACN 051 195 272	Ownership 100%	25 Jan-30 Jun
Blowflex Mouldings Pty Ltd	ACN 087 884 302	Ownership 100%	25 Jan-30 Jun
CBH Foods Ltd	ABN 89 6082 307 80	Joint Venture 20.43%	25 Jan-30 Jun
Vitasoy Australia Products Pty Ltd	ABN 18 0889 598 35	Joint Venture 49%	25 Jan-30 Jun
Bega Dairy and Drinks (NZ) Ltd	NZBN 9429037260279	International entity	25 Jan-30 Jun
Dairy and Drinks Singapore Pte Ltd (Singaporean entity)		International entity	25 Jan-30 Jun
Berri Asia Sdn. Bhd. (Malaysian entity)		International entity	25 Jan-30 Jun
Shanghai Great Lion Food & Beverages Management Co. Ltd. (Chinese entity)		International entity	25 Jan-30 Jun

APPENDIX B:

The table below outlines how this Statement aligns to the mandatory reporting criteria under the Act

Mandatory reporting criterion	Reference in this statement
Identify the reporting entity	Section 1. Introduction Section 2. Company overview Appendix A
Describe the reporting entity's structure, operations, and supply chains.	Section 2. Company overview
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	Section 3. Our modern slavery risks
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes.	Section 4. Our approach Section 6: Stakeholder engagement and collaboration Section 7. Progress to date
Describe how the reporting entity assesses the effectiveness of such actions.	Section 4. Our approach Section 8. Assessing the effectiveness of our actions
Describe the process of consultation with (i) any entities the reporting entity owns or controls; and (ii) for a reporting entity covered by a joint statement, the entity giving the statement.	Section 10. Process of consultation with entities owned and/or controlled
Include any other information that the reporting entity, or the entity giving the statement, considers relevant.	Section 9. Future commitment

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