

MSM Milling



**MODERN SLAVERY
STATEMENT 2021**



About this Modern Slavery Statement

This Modern Slavery Statement has been prepared in accordance with the requirement of the Modern Slavery Act 2018 (Cth).

This is the first Modern Slavery Statement made by MSM Milling Pty Ltd (Referred to throughout as 'MSM Milling').

This Statement provides a consolidated description of the actions taken to identify, manage, assess and address the risk of modern slavery in the operations and supply chains of MSM Milling for the period July 2019 to June 2020.

MSM Milling is committed to respecting human rights and striving positively to impact all people who we depend upon across our value chain.

Respect for human rights is at the forefront of our ethical business conduct.

MSM Milling

Company Overview

Reporting Entity

MSM Milling Pty Ltd trading as MSM Milling (ABN 57 115 070 150) has prepared this statement for the reporting period 1 July 2019 to 30 June 2020.

Ownership

MSM is a joint venture (JV) between two farming brothers Bob and Peter Mac Smith and the Australian owned agribusiness Manildra Group.

MSM Milling's core business is the crushing of Non-GM Canola Seed to produce Non-GM oil and canola meal. MSM Milling expeller presses the seed, processes the oil by refining the Non-GM crude canola oil into a Non-GM food grade Refined, Bleached and Deodorised (RBD) Oil. MSM Milling also supplies high-quality Non-GM Canola Meal for stockfeed.

MSM Milling value adds and vertically integrates these products through an onsite food service oil packing plant and PET retail bottling line. Our stockfeed division converts our canola meal into pelletised stockfeed.

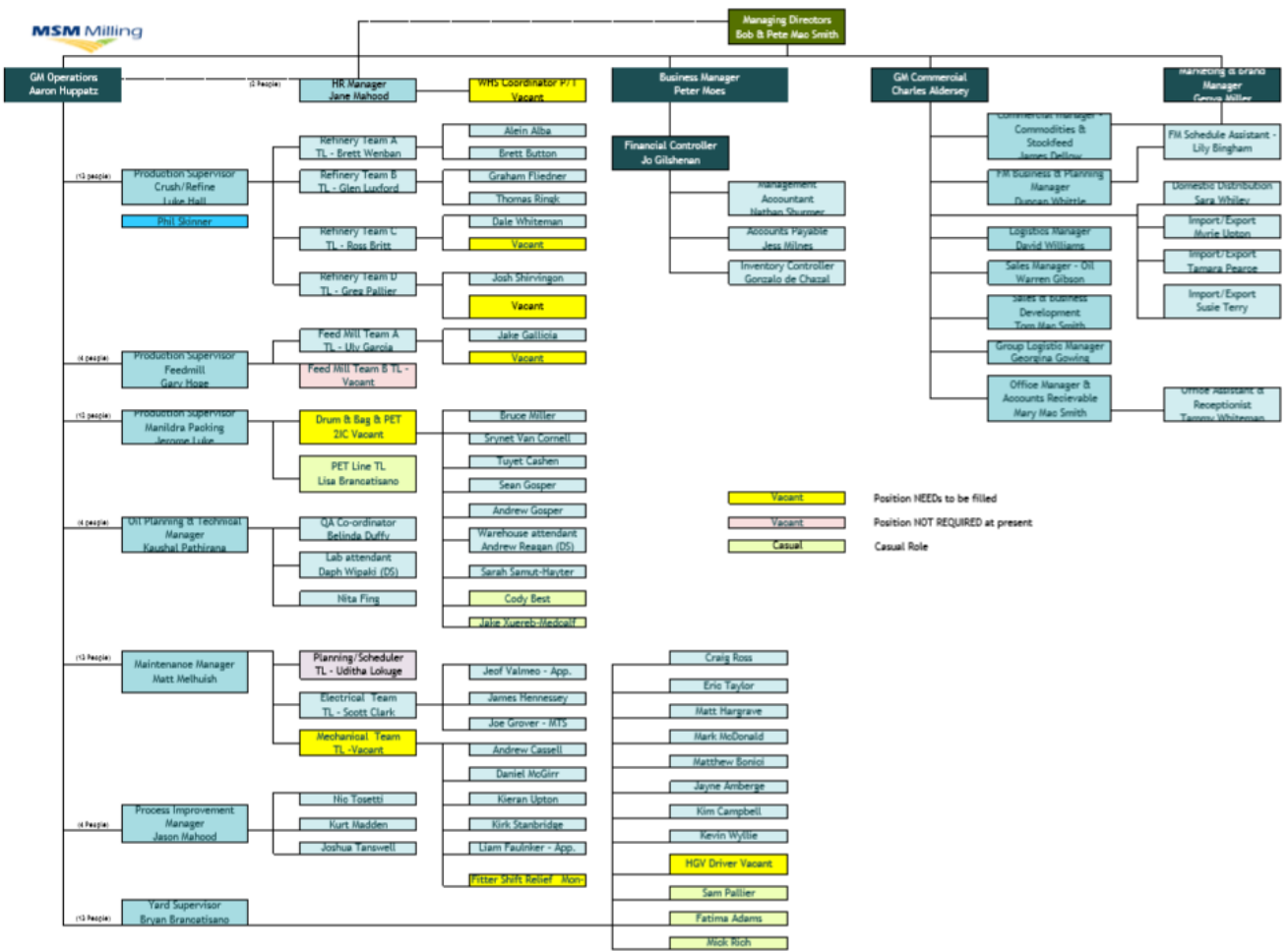
MSM Milling is celebrating 30 years in business this year, working with more than 1000 local farmers who work tirelessly to grow canola, to sell to MSM Milling. MSM Milling is highly regarded in the Australian and international oilseeds sector, leading the way as a sustainable producer of quality oilseed products.



MSM Milling



MSM Milling Organisational Chart





Mission

MSM Milling's mission is to enrich in every way possible our partners, communities and employees by being the best oilseed products supplier.

We are achieving this through commitment to:



Community: Supporting our farmers, suppliers, customers, partners, employees and local communities.



Environment and Sustainability: Employing ethical and sustainable practices in all aspects of our business.



Reinvestment and Innovation: Continuous reinvestment, innovation and improvement in all aspects of our operations.



Health: Producing healthy oil and oil products for all end users.

MSM Milling

Our Products

MSM Milling is a recognised and awarded exporter that delivers high quality, ready to use products directly to end users in Australia and more than 15 countries around the world.

Our Non-GM Expeller Pressed Canola Oil is demanded by food manufacturers, quick service restaurants and retailers here and internationally.

Our oil customers include international companies including KFC and Simplot, the largest cross border e-commerce platform in China Alibaba, Australian supermarket chains including Costco, IGA, Spar and Harris Farm Markets.

Our stockfeeds are trusted by hundreds of award-winning farmers and farming enterprises here in NSW and across Australia.

At MSM Milling we are proud of the products we make and are excited to work with some of the leading food and agriculture businesses in Australia and around the world.

Our MSM Milling brand **azure** is sold in both food service and retail formats domestically and internationally.



MSM Milling

Employees and Representation

MSM Milling is based in Manildra in regional NSW and offers an equitable, safe and supportive workplace to its 85 employees.

MSM Milling's staff specialise in refinery operations, packing operations, stockfeed feed milling, sales, warehousing, marketing, human resources, logistics, accounting and administrative duties.

MSM Milling complies with all relevant applicable laws and regulations, ensuring that employment practices, remuneration, compensation, non-discrimination, workplace health and safety, labour, environmental, and humans rights are strictly adhered to.

Most MSM Milling staff fall under its 2017 Enterprise Agreement.

All employees are free to choose to be a member of a union, with some staff electing to be part of the United Workers Union.

Employee rights are protected under a comprehensive set of policies and procedures that promotes ethically and legally compliant business behaviour. The following are the most relevant to preventing modern slavery in our operations:

- Code of Conduct and Ethics
- Social Accountability Policy
- Grievance Policy
- Whistle-blowers Policy
- Bullying and Harassment Policy

Human rights are fundamental to our business and commitment to ethical business conduct. These policies and procedures mitigate the risk of modern slavery within our operations.





Code of Conduct

The standards MSM Milling sets for all employees are detailed in our Code of Conduct Policy. This policy covers all individuals employed, appointed or otherwise attached to MSM Milling, whenever and wherever they represent MSM Milling. Employees of a firm or a company contracted to perform work on behalf of MSM Milling are also subject to the Code.

MSM Milling's Code of Conduct ensures the company and all employees develop and maintain a standard of conduct that is acceptable to MSM Milling, its vendors, customers and other employees. All employees are made aware when starting with the business that they must meet all principles set out in our code.

Such a code helps MSM Milling achieve our Vision to encourage employees to excel professionally and personally.

Consistent with these principals MSM Milling employees are required to:

- Comply with all laws, policies, procedures, rules, regulations and contracts.
- Work to establish a safe and healthy workplace
- Value diversity
- Respect freedom and human rights through appropriate non-discriminatory practices
- MSM Milling has a zero tolerance of child slave labour.

MSM Milling also has a number of other policies in place to ensure international best practice, including Work Health and Safety, Food Safety, Food Quality, Food Fraud and Environmental Policies.



Social Accountability Policy

As a leading and major industry player MSM Milling recognizes that the products we produce and processes we employ are of high quality and meet the demanding standards of our customers. They must be produced in a manner which is sustainable and take into account environmental and social interests.

MSM Milling also recognizes that Corporate Social Responsibility goes well beyond that. As a leading recognised economic force, MSM Milling embraces its responsibility, not just as a good corporate citizen, but to foster an economically viable community and empower people. In addition, we are also committed to:

- eliminating child labour, forced labour, discrimination, bribery & corruption,
- fulfilling the local law compliance, legal eligibility to work, working hours and wages & payments promoting and protecting the health, safety, well-being, freedom of association, working conditions of our employees, contractors and local communities, especially in and around our mill.

As such, our commitment to sustainability is as much about establishing a conducive working environment and a thriving social infrastructure as it is about caring for the environment. We are achieving this with a focus on continual improvement, through the adherence and applications of the Environmental Management System and MSM Milling's Environmental, Social, Health and Safety Policies and Best Practices.

MSM Milling Accreditation

MSM Milling proudly operates under the **Food Safety System Certification (FSSC 22000)** meeting the *highest global* Food Safety Management Standards. The internationally recognised certification consists: ISO22000-2018, ISO/TS22002-1 2009 and additional FSSC 22000 requirement. MSM Milling's current certification can be found [here](#).

MSM Milling also operates a **HACCP and GMP Food Safety Management System**, which is independently certified by BSI. Continuous improvement and adherence to this certified food safety management system ensures that MSM Milling operates under world best practice.

MSM Milling has also gained **independent accreditation** with all customers who run their own audit programs. MSM Milling products are also **HALAL and Kosher approved**.

All auzure and MSM Milling branded oil is produced **in compliance with the Non-GMO Project Standard**. The Non-GMO Project is committed to preserving and building sources of non-GMO products and providing consumers with certified non-GMO choices, to ensure that everyone is aware of what is in their food. MSM Milling products are independently certified Non-GM by SGS Europe.

MSM Milling is also an **Australian Certified Operation and NASAA Certified Organic Licensee**, and as such can source 100% Certified Organic Canola Oil for customers.

MSM Milling is a **member of GrainTrade Australia, Australian Oilseeds Federation and is an Accredited Feed Supplier with the Stockfeed Manufacturers' Council of Australia**.

The Australian Government's Department of Agriculture and Water Resources has registered MSM Milling as an **Export Registered Establishment**.





Corporate Citizens

MSM Milling takes its role as a responsible corporate citizen seriously. MSM Milling has a proven track record of supporting local communities for nearly 30 years.

In addition to providing direct long-term, stable employment for 85 employees, MSM Milling relies on hundreds of locally owned and staffed associated businesses and industries to operate. MSM Milling supports local transport operators, engineers, builders and trade professionals, as well as farming enterprises. In addition, MSM Milling has a dedicated sponsorship fund to help individuals, teams, organisations, schools and events related to farming, agriculture and promoting the region where our plant is based and canola grown.

We support the communities that support us.

- Our biennial Mill2Mill Charity Bike ride has raised more than **\$340,000** for regional communities, the McGrath Foundation, *beyondblue*, local schools and community organisations since its inception.
- **\$100,000** for the Salvation Army's "We're for the Bush" Campaign to support drought affected farmers and farming communities.
- **Ongoing financial and in-kind support** of, as well as product donations to, local and regional organisations, charities and causes, including: Foodbank Australia, Rural Fire Service, Ronald McDonald House, Western Show Societies, Local schools and school Show Teams, Manildra and District Improvement Association, Manildra Showground Trust, Manildra Skate Park, Manildra Swimming, Golf, Cricket and Bowling Clubs and the AMUSU Theatre.

MSM Milling Supply Chain

MSM Milling values its reputation of conducting business honestly and with integrity.

We therefore expect our suppliers to maintain a commitment to strong ethical standards.

Our commitment to uphold the principles of human rights across our operations and supply chains relate to:

- Canola supply
- Packaging supply
- Asset Management supply chain
- Operational and Corporate supply chain

MSM Milling is dedicated to delivering responsible and ethical business practices in our supply chain and working with our stakeholders to ensure that we conduct business responsibly and sustainably. Our policies, procedures and practices are subjected to auditing by independent officials on an annual, or bi-annual basis.

The canola seeds supplied to our refinery come directly from local farmers. MSM Milling directly sources seed through a fully traceable, sustainable and integrated supply chain, directly from more than 1000 growers.

Canola Seeds: Procured directly from more than 1000 local growers

Crushed: onsite at MSM Milling's crush plant

Refined: onsite at MSM Milling's refinery

Packed: onsite at MSM Milling's packing plant; or loaded into bulk transport carriers.





100% of MSM Milling's canola seed requirement is sourced in Australia from well respected farmers and grain traders. Australia has rich natural assets and the farmers MSM Milling works with are renowned for operating highly sustainable enterprises, while adhering to some of the highest food safety standards in the world.

MSM Milling believes that joint commitment to ethical conduct and integrity is a strong foundation for trusted business relationships with our farmers. We engage in thorough due diligence prior to doing business with farmers.

Our Directors have been working with Australian farmers for between three and nearly seven decades, and as such understand that in Australia, farmers provide safe and healthy working conditions at their operations and foster inclusive workplaces, free of discrimination and harassment.

Our canola procurement team undertakes site visits to farms regularly.

The International Sustainability and Carbon Certification (ISCC) scheme operates in Australia and is the program used to export certified canola seed to the EU biodiesel market. Principle four of the ISCC refers to compliance with human, labour and land rights. There are over 5,000 growers who made ISCC declarations last year, usually conducted via their NGR (National Grower Registration) card at the point of delivery. This declaration states they are complying with the six principles.

Despite the longevity of our strong farming relationships, some which span many decades, MSM Milling understands that there are potential risks on farms.

To address this, MSM Milling will be working with the Manildra Group to further engage with farmers and farming groups to formalise a Supplier Code of Conduct.

MSM Milling has considered the risk of modern slavery in our operations and supply chains. Our approach was to conduct a holistic review, in conjunction with the Manildra Group, of the inherent risk of modern slavery in our supply chains.

We understand that there is a low risk of modern slavery practices in our supply chain. MSM Milling manages and mitigates risks of modern slavery in our operations and supply chain. Our policies, procedures and practices are subjected to external ethical auditing via numerous organisations, including FSSC22000. This audit process provides a way to assess responsible supply chain activities which include business ethics, labour standards, health and safety and the environment.

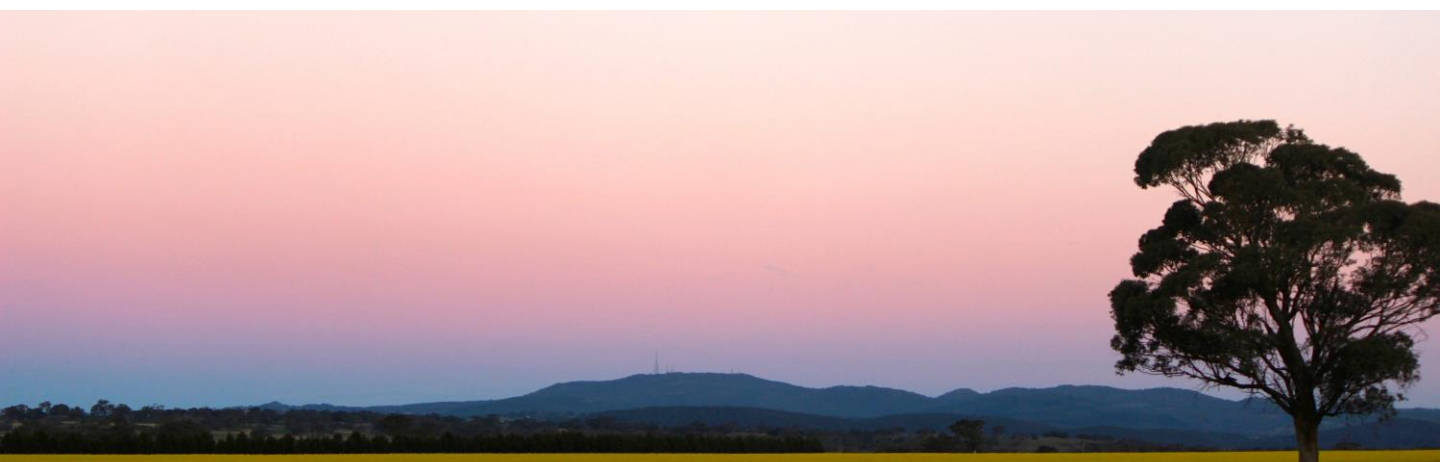
MSM Milling's JV Partner Manildra Group has appointed resources to enhance the Group's overall human rights strategy and the Director of Human Rights has accountability for advancing this strategy across the supply chain and reports directly to the Group's Chairman and Managing Director.

The standards we hold for our Suppliers are laid out in our Supplier Code of Conduct. The code provides a foundation for MSM Milling and its suppliers to build and maintain relationships based on fairness, trust, respect for the rights of individuals, compliance with the law, and sustainable business practices. By acceptance of the Code of Conduct, our Suppliers commit that all existing and future agreements and business relationships with MSM Milling will be subject to the provisions that are designed to deliver high quality products .

Our existing suppliers also undergo periodic assessment of potential risks and are required to demonstrate their compliance to human rights and fair employment practices in accordance with existing international standards. Any red flags are reviewed in partnership with the relevant business units and actions taken as required.

In addition, MSM Milling is in the process of amending the Terms and Conditions for our suppliers, specifying that suppliers must be unconditionally committed to protecting human rights, treating people with dignity and respect in the workplace and where we do business. Our policies, procedure and practices are subject to external auditing which includes assessment of our supply chain's social and business practices.

Further, we will undertake a corporate social responsibility risk assessment of our supplier base and review our procurement and supplier frameworks.





The Road Ahead

MSM Milling is dedicated to respecting human rights and eliminating modern slavery.

MSM Milling understands that strong policies and procedures are the key to identifying and managing human rights, including modern slavery, within our supply chain and understand that it is one area of continuous improvement.

MSM Milling commits to:

- Further engage with our suppliers to increase awareness of modern slavery practices and identify any modern slavery risks in the supply chain
- Establish a working group, led by Manildra Group's Director of Human Rights, which will continue to provide support and monitor accountability on the actions taken
- Develop a procurement code of conduct to deliver sustainable procurement outcomes to support positive social, environmental, economic outcomes, including addressing modern slavery and human rights when procuring goods and services.
- Increasing employee awareness of our enhanced human rights strategy
- Continue to review and formalise ethical sourcing policies and practices to existing supplier assurance processes, including the introduction of a supplier code of conduct
- Continue to communicate modern slavery risks and mitigation activities across our supply channel

MSM Milling has consulted with key stakeholders to compile this Modern Slavery Statement.

Our Executive Leadership team and Directors have been involved in the endorsement of this Statement for approval.

The Board of Directors has approved this Statement on behalf of MSM Milling pursuant to the Modern Slavery Act 2018 (Cth).

A handwritten signature in black ink, appearing to read 'Peter Morgan Mac Smith', written in a cursive style.

Peter Morgan Mac Smith

Director

31 March 2021