



Wilmar's Australian sugar operations

MODERN SLAVERY STATEMENT



Published June 2021



Wilmar Australia Holdings Pty Ltd

Level 22, 300 Queen Street
Brisbane, QLD 4000



MODERN SLAVERY STATEMENT



1.1 Reporting entities

We are Australia's largest manufacturer/marketer of raw and refined sugar products, a leader in renewable electricity, biofuel and sustainable agricultural products, and a distributor of oleochemicals and other specialty products. Our consumer products are marketed under the iconic CSR Sugar brand. We are owned by Wilmar International Limited¹, Asia's leading agribusiness group and we are committed to quality, sustainability and safety. Our goal is to identify and manage risks of modern slavery in our supply chains and purchase raw materials, products and services that are produced and delivered in a socially responsible and environmentally sustainable manner.

This first statement by Wilmar Australia Holdings Pty Ltd is on behalf of the following four entities that are required to report under the *Modern Slavery Act 2018* (the **Act**):

- Wilmar Australia Holdings Pty Ltd (ACN 144 973 115)
- Wilmar Sugar Australia Limited (ACN 098 999 985)
- Wilmar Sugar Pty Ltd (ACN 081 051 792)
- Sugar Australia Pty Ltd (ACN 081 245 169)

This Modern Slavery Statement covers the period 1 January 2020 to 31 December 2020. Sugar Australia Pty Ltd is the manager of a joint venture between Wilmar Sugar Refining Investments Pty Ltd (75%) and Mackay Sugar Limited (25%). This statement will describe the structure, operations, supply chain, risks of modern slavery, actions to assess and address those risks and consultation processes for all of the reporting entities.

This Statement was approved by the Boards of Wilmar Australia Holdings Pty Ltd, Wilmar Sugar Australia Limited, Wilmar Sugar Pty Ltd and Sugar Australia Pty Ltd on 11 June 2021.

Signed

A handwritten signature in black ink, appearing to read "S. W. Rutherford".

Shayne Rutherford
Director, Wilmar Australia Holdings Pty Ltd

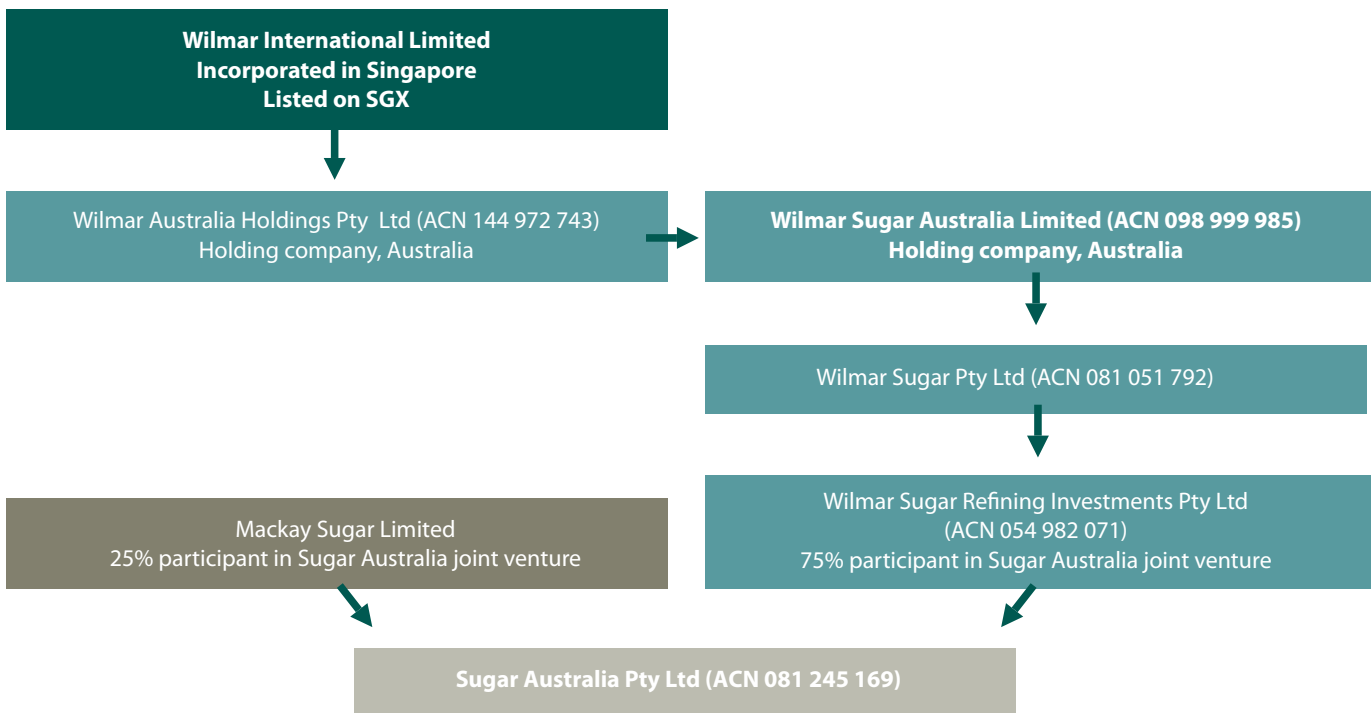
¹ www.wilmar-international.com/about-us

MODERN SLAVERY STATEMENT



1.2 Our structure, operations and supply chain

Wilmar Australia Holdings Pty Ltd is the principal holding company for Wilmar's Australian sugar operations. The diagram below shows the corporate structure relevant to the reporting entities listed on page 3, including the Sugar Australia joint venture.



We are Australia's largest manufacturer/exporter of raw sugar, producer of molasses, and generator of renewable electricity from biomass. We are also one of Australia's two major producers of bioethanol, and a leading supplier of sustainable fertiliser and stockfeed products.

With approximately 2,500 employees across Australia, we use our sugar industry expertise developed over more than 100 years and our resources to enhance industry productivity and innovation, and support local communities.

Wilmar's Australian sugar operations involve:

- **Canegrowing** – We have one of the largest and most advanced sugarcane farming operations in Australia, producing more than 500,000 tonnes of cane annually utilising best practice principles.

- **Cane transport** – We transport cane to our mills from receipt points near supplying farms. This involves cane trains, cane bins and an extensive cane rail network, as well as scheduling harvesting and haul out contractors engaged by growers.
- **Sugar milling** - Wilmar Sugar owns and operates eight mills in North and Central Queensland, crushing about 15 million tonnes of sugarcane each year to make more than two million tonnes of raw sugar.
- **Sugar exporting** – The largest portion of the raw sugar we produce at our Queensland mills is shipped to overseas customers.
- **Sugar refining** - Sugar Australia manufactures a range of food products, operating the Racecourse Refinery in Mackay, Queensland, and the Yarraville Refinery in Melbourne, Victoria.

MODERN SLAVERY STATEMENT



We supply bulk refined and liquid sugar to industry and packaged consumer products such as white, brown and caster sugars, golden syrup, treacle and other sweeteners.

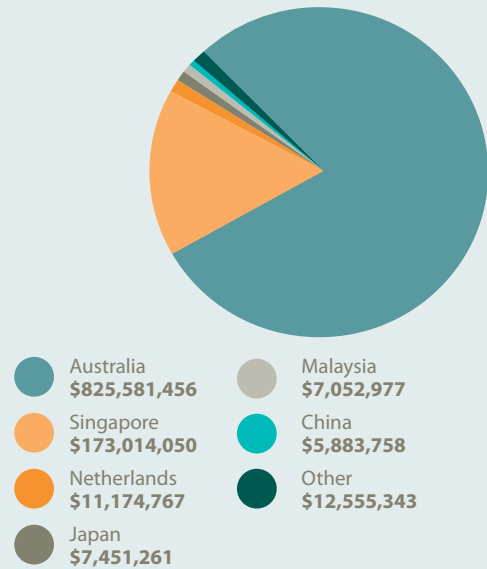
- **Renewable electricity** - After crushing separates the juice from sugarcane, the residual fibre (bagasse) is used as boiler fuel at our mills. In a process called cogeneration, the bagasse is burned at temperatures of more than 800°C to produce steam used for electricity generation or as heat in the milling process.
- **Molasses** - On average, our mills produce 500,000 tonnes of molasses a year. Approximately half of this is fermented in our Sarina Distillery to produce ethanol and the remainder is sold as feed to domestic and export livestock industries.
- **Bioethanol production** - Wilmar BioEthanol produces a range of products including: pure and methylated ethanol; ethanol for fuel; industrial solvents; and chemicals. We also trade in other products such as refrigeration brine, non-sugar sweeteners, oleochemicals and specialty ingredients.
- **Agricultural services** - Co-products of the ethanol distilling process are used to produce liquid fertiliser and stockfeed.

The supply chain for Wilmar's Australian sugar operations is diverse, with 2,900 suppliers of goods and services in several countries, plus 1,500 Queensland sugarcane farmers.

Australian suppliers provide the majority of goods and services that we purchase, reflecting our preference to buy locally. Outside Australia, the top five countries of supply (measured by value) are providers based in Singapore, the Netherlands, Japan, Malaysia and China.

Our supply chain includes the purchase of cane from growers in northern Queensland, parts and equipment for operational units, logistics to move our products around Australia and internationally, chemicals for our operations and production of fertilisers, fuel and utilities for several of our operations, plus packaging for our food and non-food products. In addition, we procure services ranging from cleaning to engineering and Information Technology in support of our operational units. The most significant purchase categories for Wilmar's Australian sugar operations include sugarcane for our mills, raw sugar for our refineries, logistics, chemicals, electricity, and parts and equipment for operations.

TOP COUNTRIES OF SUPPLY to Wilmar's Australian sugar operations (by AUD value)



LARGEST PURCHASE CATEGORIES for Wilmar's Australian sugar operations



MODERN SLAVERY STATEMENT



Summary of key activities in 2020

In 2020, Wilmar's Australian sugar operations focused on developing a Modern Slavery Framework that defined our approach to identifying and assessing modern slavery risks within our operations and supply chain.

Specifically, in 2020 we:

- established a **Modern Slavery Steering Committee** across business functions and units;
- approved a **Modern Slavery Policy** and associated procedures, and updated relevant company standards;
- approved the **Modern Slavery Framework**;
- approved the **Modern Slavery Employee Standard**;
- delivered modern slavery **training** for employees;
- developed a **Supplier Code of Conduct** in respect to modern slavery and wider social responsibility;
- completed a supply chain **risk assessment** to assign initial risk profiles to suppliers;
- provided a questionnaire to over 500 suppliers based on their initial risk profile; and
- amended our **Global Environment Health & Safety reporting platform** functionality to allow for the entry, management and reporting of modern slavery risks and events.

1.3 Modern Slavery Framework - Policies and governance

All business units and sites in Wilmar's Australian sugar operations are required to maintain operations that are consistent with the Modern Slavery Policy. Our Modern Slavery Framework, illustrated below, underpins the policy and sets out the phases of our approach to assessing and addressing modern slavery risks.

Modern Slavery Framework



1. Manage

Policies, procedures, contracts

2. Identify

Supply Chain Review and SAQ

3. Mitigate

Reporting mechanisms both internal and external, correction action plans

4. Collaborate

Communication, training, engagement with business units

5. Evaluate

Assessment and review

MODERN SLAVERY STATEMENT



Policies, procedures, contracts

In 2020, Wilmar's Australian sugar operations developed and introduced a **Modern Slavery Policy (Policy)**, **Modern Slavery Employee Standard (Standard)** and **Wilmar Sugar Supplier Code of Conduct² (Supplier Code)** to address modern slavery risks in the business.

The Policy applies to Wilmar Australia Holdings Pty Ltd, its Australian subsidiaries and joint ventures it controls and is a clear statement of our commitment to identify and mitigate risks of modern slavery.

The Standard ensures that employees are aware of their obligations in respect of modern slavery. It sets out:

- guidance on how to identify and prevent modern slavery;
- obligations of Wilmar employees to report instances of modern slavery, and to raise concerns freely and without fear of repercussions;
- how concerns can be raised; and
- the response to breaches of the Standard.

The Supplier Code introduced in 2020 sets out Wilmar's expectation of suppliers in respect to both modern slavery and social responsibility generally. Under the Supplier Code, Wilmar's Australian sugar operations may refrain from working with suppliers who do not meet our expectations.

Strong policies and procedures are a feature of our framework to identify and address potential or actual risks of modern slavery in our operations and supply chain. We have also updated our standard contracts and purchase order terms and conditions to ensure suppliers are aware they have a contractual obligation to comply with the Supplier Code. Our contracts require suppliers to confirm that they will comply with all relevant legislation and notify Wilmar should they become aware of a modern slavery risk.

Governance

The **Board of Wilmar Australia Holdings Pty Ltd**, the ultimate parent of the reporting entities in Australia, is responsible for approving the Modern Slavery Statement.

Wilmar's Australian Senior Leadership Team is responsible for approving the Modern Slavery Policy and monitoring the implementation of the Modern Slavery Framework.

A **Modern Slavery Steering Committee** comprising representatives from all business units and functions including Legal, Environment,

Health & Safety, Procurement, Operations and Sales is responsible for the development and implementation of the Modern Slavery Framework, associated procedures, risk assessment criteria, as well as staff training.

All **employees** have responsibility for identification and reporting of modern slavery risks under our Standard. We communicated with and trained relevant employees in 2020 to raise understanding and awareness of modern slavery risks, while articulating the shared responsibility for reporting instances or concerns of modern slavery.

1.4 Identifying modern slavery risks

In 2020 Wilmar's Australian sugar operations conducted a modern slavery risk assessment of suppliers. This took a **risk-based approach** to factors such as the value and the type of goods or services provided, the region of operation and any sub-contractors that may be engaged.

A risk assessment was undertaken for more than 2,000 suppliers, and individual suppliers were assigned modern slavery risk ratings based on the category of product or service provided and their country of operation. These risk ratings were informed by the Walk Free Foundation's Global Slavery Index 2018.

Suppliers in the higher risk categories were asked to complete a **Corporate Social Responsibility Self-Assessment Questionnaire (SAQ)**. The SAQ was designed to:

- identify social responsibility risks including in relation to modern slavery and sustainability;
- foster collaborative efforts to address these risks;
- improve transparency; and
- identify areas for further due diligence.

The SAQ asked the supplier about the nature of their operations, their assessment of the modern slavery risks in their business and their policies and processes to identify, investigate and remedy modern slavery risks within their operations or those of their suppliers. Other questions included whether original identification documents were retained by the organisation, if pay or entitlements were withheld, and whether workers were free to leave accommodation at will. Suppliers were also asked if they had operations in specified countries considered to be high risk, or if their suppliers operated in those countries.

Responses to the SAQ were then risk assessed and suppliers further categorised by risk group based on this initial assessment.

² <https://www.wilmarsugar-anz.com/supply-to-wilmar>

MODERN SLAVERY STATEMENT



Modern slavery risks

We consider the risk of modern slavery to be *low* for our operations in Australia because of the legislative regime under which we operate, and the policies and management processes we have in place for our workers and contractors. These systems include:

- our codes of conduct outlining acceptable workplace behaviours;
- review of visa conditions and working rights before employment with Wilmar's Australian sugar operations;
- grievance mechanisms and support systems designed to assist workers;
- training programs delivered and offered to workers;
- human resources management teams; and
- clear and independently audited payment systems.

Based on our activities in 2020, we have assessed that there is a low risk of modern slavery being present in our supply chain. We have considered resources such as those provided by the Walk Free Foundation to inform our understanding of indicators of modern slavery, and the sectors that may be at higher risk due to known challenges in the industry or the nature of the product or services supplied. In addition to understanding the underlying risks of modern slavery, from our supplier risk assessments and responses to the 2020 SAQ we identified that some suppliers lack awareness of modern slavery risks within their supply chains.

We acknowledge that it is not always possible to achieve full transparency and oversight of modern slavery risks of our suppliers, particularly where we are dependent only on the SAQ. We rely on our suppliers being open and forthcoming in their responses. We use these SAQ responses in applying a risk-based approach in order to identify those suppliers requiring further due diligence. Where a lack of transparency or other issues are identified, cross checks on the validity of information are undertaken.

If suppliers are identified as representing a potential modern slavery risk, we initiate mitigation processes as set out in section 1.5. In 2020, we completed the risk assessment for our current suppliers, and moving forward, risk assessment of new suppliers will be integrated into our standard processes.

1.5 Mitigate - Taking a risk-based approach

Effective due diligence involves regular assessment, including supplier questionnaires, site visits or review of concerns raised through our grievance reporting mechanisms. As such, our Modern

Slavery Framework utilises a range of tools to ensure we are mitigating modern slavery risks and providing remedies wherever possible.

Where a supplier is considered to have a higher risk of modern slavery following the SAQ risk-assessment process outlined on page 8, we may then engage the supplier and initiate an action plan that includes one or more of the following elements:

- conducting an assessment of human rights risks relevant to the grievance or issue raised;
- a root cause analysis specific to the grievance or identified issue, carried out in consultation with affected parties or their chosen representatives;
- corrective actions to address non-compliance;
- remediation plan, developed in consultation with the affected parties or their chosen representatives;
- the supplier making systemic changes (e.g. new systems, training, new expertise) to address the root causes;
- progress indicators and monitoring activities that have been agreed between the parties; and/or
- a commitment to regular communication and dialogue on progress against the action plan.

In line with our Modern Slavery Policy, we will seek to work with suppliers to mitigate risk. We recognise our responsibility to proactively engage with our suppliers and other relevant stakeholders to address any identified risk of modern slavery.

We also provide confidential channels for our workers, as well as suppliers or third parties to report concerns or instances of suspected modern slavery.

Our **Whistleblower Policy** provides our employees with a confidential avenue for reporting concerns. A person making such a report will not be subject to any civil, criminal or administrative liability or disciplinary action for disclosing their concern.

Where a third party wishes to raise a concern related to modern slavery, they can report this to our Legal Team directly. The contact details are set out on our website³ and also in the Supplier Code.

When recording incidents relating to modern slavery, the identity of the person raising a concern will be kept confidential, unless the person making the report requests otherwise. To ensure the process to address and mitigate the modern slavery risk is transparent, traceable and reportable, we have updated Wilmar's Global Environment Health & Safety software platform (Enablon) to provide

³ <https://www.wilmarsugar-anz.com/supply-to-wilmar>

MODERN SLAVERY STATEMENT



functionality for the entry, management and reporting of modern slavery risks and events.

The Enablon system automatically generates a notification to senior management, depending on the severity of the modern slavery risk or event, ensuring real-time reporting. It also provides for the allocation of responsibilities and actions to mitigate or eliminate the risk.

1.6 Collaborate - Training and capacity building

With the implementation of a Modern Slavery Policy and Supplier Code, we are working to ensure that employees and suppliers clearly understand our expectations. We have engaged with suppliers both formally and informally as part of the selection and retention process to:

- raise awareness of our Policy and Supplier Code requirements;
- understand the supplier's perspective and the challenges they face; and
- share information on modern slavery, contractual obligations to manage modern slavery risks and the expectations of suppliers with whom Wilmar's Australian sugar operations engage.

In 2020, we delivered modern slavery training to employees interacting with suppliers or involved in the procurement process.

Training was also provided on our suite of precedent contract documents, which has been updated to include specific reference to the identification and prevention of modern slavery and the Supplier Code.

Development and implementation of policies and processes to address modern slavery risks in our supply chains has involved cross-functional groups, in order to encourage employee collaboration and capacity building.

1.7 Assessment and effectiveness

Wilmar's Australian sugar operations are committed to promoting and fostering a culture of continuous improvement with our employees and suppliers to identify and address modern slavery risks. We are working to assess the effectiveness of our actions and to refine our approach if necessary. Our effectiveness may be measured by metrics such as:

- review of the Modern Slavery Framework and associated processes;
- training programs delivered;

- number of complaints or issues raised via the confidential communication channel;
- number of SAQs completed by prospective suppliers;
- consideration of any trends in incidents reported via Enablon; and
- collaborative action plans developed in conjunction with suppliers.

Our risk criteria, existing supplier risk profiles and supplier selection processes will be reviewed at appropriate intervals to take account of new or emerging modern slavery risks and to ensure they are effective in identifying the risk of modern slavery in our supply chains.

Consistent with this, we will continue to:

- engage with suppliers and other external stakeholders to share the Supplier Code and Modern Slavery Policy;
- encourage suppliers, customers, employees and other stakeholders to report any instances of modern slavery that they may identify, as well as risks of modern slavery or related concerns; and
- engage with suppliers to develop and foster relationships which support open communication.

MODERN SLAVERY STATEMENT



1.8 COVID-19 impacts

Wilmar's Australian sugar operations play a key role in the essential supply chains of food, health, fuel and energy in Australia. As such, our sugar mills, bioethanol facilities and sugar refineries have continued to operate without interruption caused by COVID-19. A range of COVID-19 measures were introduced at all sites to maintain safe operations.

While COVID-19 presented challenges for our supply chain, the pandemic's peak in Australia coincided with the period prior to the commencement of our seasonal cane crushing operations at our raw sugar milling sites, meaning the business impacts were not as significant as they might otherwise have been.

COVID-19 restrictions in southern states prevented our Modern Slavery Steering Committee from meeting face-to-face in 2020. However, the Committee met regularly, via video conference, to progress a number of initiatives. This included a survey that was distributed to 500 suppliers identified as potentially posing a higher modern slavery risk.



MODERN SLAVERY STATEMENT



1.9 Addressing the Modern Slavery Act's mandatory reporting criteria

This statement was prepared to meet Wilmar's Australian sugar operations' reporting requirements. The table below references where the mandatory criteria set out in the Act are addressed in this statement.

Mandatory criteria	Reference in this statement
Criteria 1. Identify the reporting entity	Section 1.1 Reporting entities
Criteria 2. Describe the reporting entity's structure, operations and supply chains	Section 1.2 Our structure, operations and supply chain
Criteria 3. 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 1.4 Identifying modern slavery risks
Criteria 4. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Section 1.3 Modern Slavery Framework - Policies and governance Section 1.4 Identifying modern slavery risks Section 1.5 Mitigate - Taking a risk-based approach
Criteria 5. Describe how the reporting entity assesses the effectiveness of these actions	Section 1.7 Assessment and effectiveness
Criteria 6. Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Section 1.3 Modern Slavery Framework - Policies and governance Section 1.6 Collaborate - Training and capacity building