



MODERN SLAVERY STATEMENT





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1. LEGISLATIVE CONTEXT

This statement constitutes the Modern Slavery Statement pursuant to the *Modern Slavery Act 2018* (Cth) (the Act) for MP Australia Holdings Pty Ltd for the reporting period from 1 January 2020 – 31 December 2020.

2. THE REPORTING ENTITY

MP Australia Holdings Pty Ltd is the reporting entity. The reporting entity is directed by a board of seven directors.

The reporting entity has a number of subsidiaries (all of which are incorporated in Australia), including:

- MSF Sugar Pty Ltd
- MSF Marketing Pty Ltd
- FNQ Sugar Services Pty Ltd
- The Mulgrave Central Mill Company Pty Ltd
- MP Australia Investments Pty Ltd
- MP Tableland Green Power Pty Ltd
- M.S.F. Investments Pty Ltd
- M.S.F. Securities Pty Ltd
- Anthoan Pty Ltd

Each company within the group typically operates under the widely recognised brand, MSF Sugar.

3. CORPORATE STRUCTURE

The MSF Sugar group employs general managers whose function is to oversee and manage the day-to-day functioning of the various business units within the companies which comprise the group, including production, engineering, cane supply and logistics, safety and environment, farms, finance, treasury, marketing, business improvement and development, shared services, information technology, human resources, land and property management, insurance, company secretariat / legal.

The workforce of the group has access to all policy documents, with training and awareness support provided to ensure compliance with legal obligations and adherence to corporate responsibility and maintaining standards which underpin the group's social licence to operate.

4. ACCOUNTABILITY UNDER THE ACT

Consistent with the objectives and criteria of the Act, the reporting entity is committed to addressing potential modern slavery risks that may occur in the supply chain.

This statement describes the steps that are geared towards achieving our goal of identifying and mitigating the potential for modern slavery risks in the operations and supply chain of the group.

5. JOINT STATEMENT

This statement is a joint statement prepared by the reporting entity and its related entities, as listed in paragraph 2 above.

The related entities operate in the same sector, share the same policies, procedures, rules and processes, and have shared suppliers. For these reasons (and to avoid unnecessary duplication) the statement is a consolidated description of the MSF Sugar group's actions which address modern slavery risks.



6. HISTORY

MSF Sugar is a leading agribusiness company whose history dates to the establishment of The Mulgrave Central Mill Company in 1893, The Maryborough Sugar Factory Company in 1894, followed shortly thereafter by the (then) government-controlled South Johnstone Mill in 1916.

MSF Sugar has undergone several transformations over the years, including significant expansion following the company being acquired by Thai multinational company, Mitr Phol Sugar Corp., in 2012.

7. LOCATION

MSF Sugar owns four sugar mills, located at South Johnstone, Atherton Tablelands, Gordonvale and Maryborough respectively. In December 2020, MSF Sugar permanently closed the Maryborough mill (after 126 years of operation), due to a dwindling supply of cane in the Maryborough region and as a result, the company's operations are now based exclusively in Far North Queensland.

The company's corporate headquarters is co-located upon the original site of the Mulgrave Sugar Mill at 47 Gordon Street, Gordonvale, Queensland (24 kms south of Cairns).

8. BUSINESS OPERATIONS

8.1 OVERVIEW

MSF Sugar maintains its traditional function as a miller of sugar cane, producing raw sugar and molasses for the domestic and international markets.

In addition to sugar milling, MSF Sugar's operations also include the functions of growing, marketing and exporting raw sugar.

Most recently, the company has actively expanded into green power generation.

8.2 FARMING

The company is one of Australia's largest sugarcane farmers, with an extensive land and water portfolio, comprising farm operations in the Cassowary Coast and Atherton Tableland regions. The landholdings in the Atherton Tableland and South Johnstone regions comprise multiple allotments located variously throughout those geographical regions (totalling circa 6,000 hectares).

In addition to actively farming upon its landholdings, MSF Sugar supports hundreds of sugarcane farming families by processing at its various mills the sugarcane that is grown by farmers.

8.3 SUGAR PRODUCTION

MSF Sugar produces bulk quantities of raw sugar for the international (as well as domestic) market at its three operative mills.

8.4 MOLASSES PRODUCTION

MSF Sugar produces bulk quantities of molasses at its sugar mills for export internationally and to supply the Australian grazing industry for cattle feed. Graziers purchase significant quantities of molasses from MSF Sugar for immediate use and for stockpiling for when feed is scarce.



8.5 GREEN ENERGY

While the company maintains its traditional function as a grower and miller of sugar cane, producing raw sugar and molasses for the domestic and international markets, the company is actively expanding into green power generation.



In 2020, the company completed the construction of a \$100 million green energy power plant power plant in the Atherton Tablelands. The power plant is fuelled by the byproduct of sugar cane manufacturing, bagasse, which is the fibrous material that is left over after sugarcane is crushed as part of the milling process. In the past, bagasse disposal was a problem for sugar millers, but now instead of being a waste product, it is able to be used as a clean source of energy. Once commissioning of the Atherton Tableland power plant is completed (anticipated in the second half of 2021), the plant will produce 24 megawatts of electricity, which is enough to power 26,280 homes (or the entire population of the Tableland region) and hence being the proponent for this green energy project is consistent with MSF Sugar's social licence to operate.

8.6 THE PORT AND MARITIME INDUSTRIES

MSF Sugar leases bulk sugar storage facilities at Cairns Port and the Port of Mourilyan. Bulk quantities of sugar and molasses are stored and then loaded onto ships at these ports for export to overseas markets.

8.7 LARGESCALE EMPLOYER

MSF Sugar employs approximately 360 permanent employees, with the number increasing significantly when seasonal workers join MSF Sugar's workforce during the sugar crushing season for six months of the year.

8.8 INDIRECT EMPLOYMENT

In addition to its own workforce, MSF Sugar indirectly contributes to hundreds of Australian jobs arising from contracts which MSF Sugar has with companies involved in various support functions and the supply chain.

MSF Sugar's milling operations support the livelihoods of hundreds of sugarcane farming families in Far North Queensland who are contracted to supply cane to the mills.

The company's operations also support allied industries, including equipment and parts supply, transport and logistics, ports and shipping.



9. ADDRESSING THE POTENTIAL FOR MODERN SLAVERY RISKS IN OPERATIONS & SUPPLY CHAINS

9.1 WHO IS IN THE SUPPLY CHAIN?

MSF Sugar awards work via tenders, contracts and other transactions to various industries and suppliers.

AT A GLANCE
<ul style="list-style-type: none"> More than 1800 suppliers. A spend well in excess of \$100 million (net of GST) per year.
SUPPLY CHAIN OVERVIEW
<ul style="list-style-type: none"> Local sugarcane farmers who supply cane to the sugar mills. Sugarcane harvesting contractors. Transport and logistics companies providing trucking services for: <ul style="list-style-type: none"> the collection of cane which is harvested at farms for transport to mills; collection of processed sugar and molasses from mills for transport to shipping ports; transporting organic sugar mill by-product resource from the mill to farms for use as an organic fertiliser; transporting bagasse between mills for use as a fuel for boilers and power plants; Engineering, environmental, town planning and surveying consultancies for sugar mill expansion projects and maintenance, rail operations projects including bridge construction and maintenance; Mechanical and electrical parts suppliers; Chemical suppliers; Uniform suppliers; Vehicle fleet suppliers and maintenance; and Industry-specific stakeholders, such as sugar cane research.

9.2 POTENTIAL RISKS IN THE SUPPLY CHAIN

MSF Sugar engages mostly Australian-based companies to provide goods and services. For this reason, the potential for modern slavery risks within the supply chain is relatively low compared to other parts of the world. Be that as it may, the potential for modern slavery risks can exist in the Australian supply chain, particularly for those goods which are recognised as high risk, including but not limited to the electronics and textiles industries.

During the reporting period, MSF Sugar has undertaken a high-level assessment of the group's supply chain and has identified that the key risk exists with respect to non-tier 1 suppliers.



9.3 STEPS TAKEN IN THE CURRENT REPORTING PERIOD

The steps which have been undertaken by MSF Sugar during the current reporting period are set out in table 1 (below).

TABLE 1
<ul style="list-style-type: none"> • Undertaken a review of the legislative regime that applies to modern slavery and the obligations that it places upon corporations. • Commenced high level strategic overview of supply chain to identify modern slavery risks. • Commenced intracompany collaboration regarding modern slavery risks and the group's response. • Critically reviewed the group's procurement policy. • Preparation of this foundational modern slavery statement.

9.4 RISK ASSESSMENT & MITIGATION IN THE CURRENT REPORTING PERIOD

As a consequence of undertaking the risk assessment and mitigation measures described in table 1 (above), MSF Sugar has recognised that as part of a program of continuous improvement that it is desirable to implement a range of new initiatives in subsequent reporting periods. These are described in 9.5 (below).

9.5 STEPS TO BE TAKEN IN SUBSEQUENT REPORTING PERIODS

The steps which MSF Sugar has identified as being desirable for the next reporting period are set out in table 2 (below).

TABLE 2
<ul style="list-style-type: none"> • Undertake a detailed strategic review (as distinct from high level overview) of supply chain to identify modern slavery risks, including by collecting information from new and established suppliers regarding their specific operations and supply chains. • Update the procurement policy so that it expressly addresses modern slavery risks pursuant to the requirements of the Act. • Formulate appropriate modern slavery clauses for the group's contracts which reflect the group's position with respect to modern slavery risks in the supply chain and mitigates those risks. • Continue intracompany collaboration within the MSF Sugar group regarding the group's response to modern slavery risks, including by the establishment of steering committee comprised of finance, marketing, procurement, human resources and legal departments. • Steering Committee to identify and consider initiatives for



TABLE 2	
	<p>implementation as part of a program of continuous improvement.</p> <ul style="list-style-type: none"> • Provide education to employees regarding modern slavery risks and the group’s approach to addressing those risks.

9.6 RISK ASSESSMENT & MITIGATION IN SUBSEQUENT REPORTING PERIODS

MSF Sugar will, as part of its modern slavery due diligence and ongoing response, further examine the practices of suppliers, including with respect to the mechanisms that they have implemented to address the risk of modern slavery. By engaging with suppliers and obtaining an understanding in this regard, it will assist MSF Sugar to identify ethical suppliers who share a commitment to addressing the risks of modern slavery. It will also assist MSF Sugar to also identify those suppliers whose approach to identifying modern slavery risks may be lacking, which will provide an opportunity for MSF Sugar to potentially influence the supplier via the sharing of information and providing education to the supplier regarding MSF Sugar’s approach to identifying and addressing modern slavery risks.

10. MEASURING EFFECTIVENESS

As demonstrated in paragraphs 9.1 to 9.6, the MSF Sugar group has implemented a number of initiatives which are geared towards addressing the modern slavery risks associated with the group’s supply chain and operations.

The effectiveness of these initiatives will be measured and reported in the reporting entity’s next modern slavery statement.

11. MSF SUGAR’S COMMITMENT TO CONTINUOUS IMPROVEMENT

MSF Sugar will periodically review the actions which have been undertaken in this inaugural statement, as well as the actions which are proposed for the next reporting period, so as to ensure that the these initiatives continue to constitute an effective method for addressing modern slavery risk and to ensure that they continue to be relevant and consistent with the objectives and requirements of the Act and a reflection of the group’s values.

The MSF Sugar group is committed to being a good corporate citizen and acting with integrity in its dealings with suppliers of goods and services in particular, as well as when dealing with the various other stakeholders with whom the group conducts business, including those within the agricultural sector and customers, as well as community partners and the public more generally.

MSF Sugar will strive to responsibly implement the various due diligence processes and mitigation actions described herein with the objective of minimising the risk of modern slavery within the group’s supply chain and operations.



12. FORMAL APPROVAL OF STATEMENT

Under the Act, the due date for the publication of the statement is 30 June 2021. This board has formally approved the statement by resolution, dated 29 June 2021. The board has authorised the Interim-CEO to sign this statement on behalf of the board.

Signed:

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Krisda Monthienvichienchai
Interim CEO & CFO
Director, MP Australia Holdings Pty Ltd
30 June 2021