

NORCO CO-OPERATIVE LIMITED'S MODERN SLAVERY STATEMENT 2019/2020

INDEX

Section	Content	Page
1.	Identification of reporting entity – Norco Co-operative Limited	1
2.	Introduction – about Norco	1
3.	Norco's operations, people and supply chains	1
4.	Assessing modern slavery risks	4
5.	Addressing modern slavery risks	6
6.	Actions planned to address modern slavery risks	6
7.	COVID-19	7
8.	Authorisation of statement	7

1. Identification of reporting entity – Norco Co-operative Limited

We have prepared this revised statement (May 2022) in accordance with the Modern Slavery Act 2018 (Cth) for Norco Co-operative Limited (ABN 17 009 717 417) of "Windmill Grove" 107 Wilson Street South Lismore NSW 2480 and now also incorporates the wholly owned subsidiary Norco Wholesale Pty Limited. Norco Co-operative Limited is a 100% Australian farmer-owned dairy co-operative.

More information can be found on [Norco - An Australian Owned Dairy Co-Operative](#)

This statement describes the actions taken and planned during the reporting period, 1 July 2019 to 30 June 2020 to assess and address any modern slavery risks in operations and supply chain.

Norco Co-operative Limited (Norco) opposes risk of harm to people in all its forms and is committed to identifying and preventing any potential modern slavery risks within our operations and supply chains.

2. Introduction – about Norco

Norco's vision is to be Australia's leading dairy business providing long-term value for members. This vision has the foundation of supportive, safe and inclusive culture, valuing heritage, sustainability and the community, whilst embracing the future.

Our largest raw material input is the milk from our member farms. We have over 2,000 suppliers across our supply chains that we are committed to understanding in greater detail through our review and assessment during the coming financial years.

Our approach to identifying, mitigating and addressing risks of modern slavery will develop over time and the effectiveness of our actions will be reviewed against Key Performance Indicators established for the financial year 2022.

3. Norco's Operations And Supply Chain

Norco is an Australian farmer-owned dairy co-operative which was established in 1895. Over 200 farms spanning Northern New South Wales and South East Queensland are members of the co-operative.

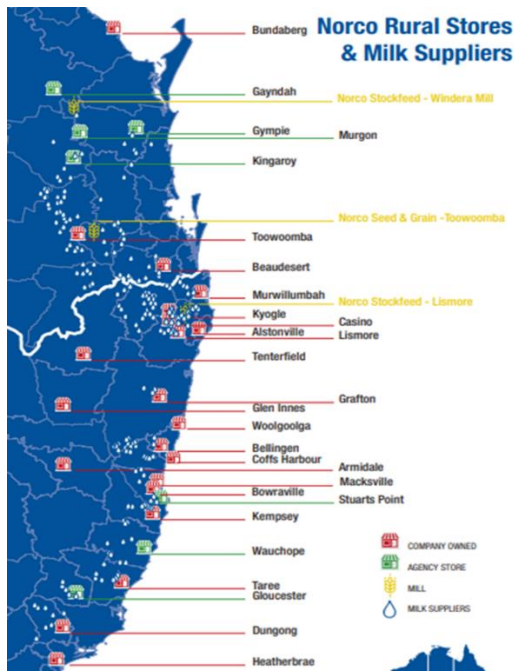
Our Operations

Norco's operations include three dairy production facilities in Raleigh and Lismore, New South Wales and Labrador, Queensland. Norco member farmers produce the milk product that supplies these facilities directly. Norco manufactures a variety of dairy products under its own brand (see examples below) and provides contract-manufacturing facilities for other companies.



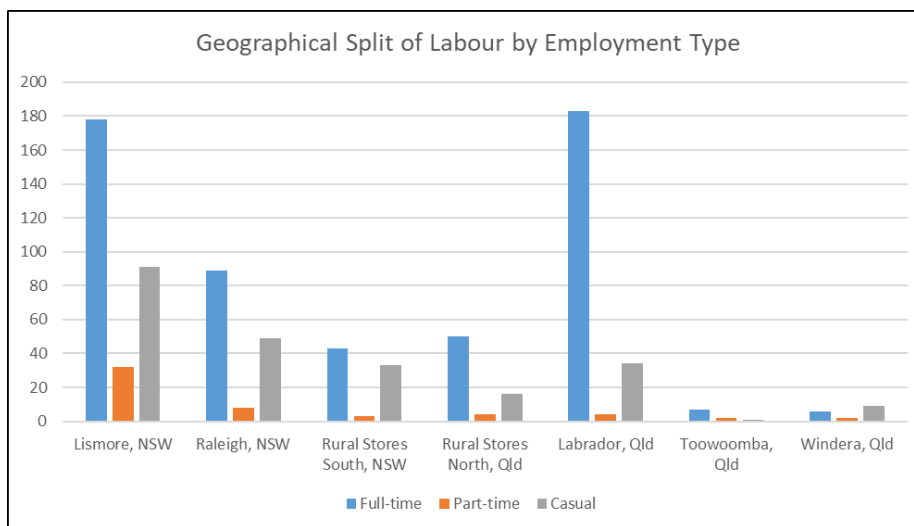
Norco has two stockfeed mill operations, one in New South Wales and the other in Queensland. These operations provide on-farm delivery of manufactured stockfeeds and grains as an integral part of the customer service offering. We have a grain trade business based in Toowoomba, Queensland who trade grain within Australia across NSW and Qld.

Norco also has 28 rural stores that carry a wide range of products to meet farming needs, 21 of these stores are owned and operated by Norco directly and the other seven are agency stores branded with Norco.



Our People

In 2020, Norco had a headcount of approximately 860 employees which was comprised of 563 full-time, 55 part-time permanent and 242 casual employees.



Our employees are engaged through either an enterprise agreement, by an appropriate award or by a common law agreement.

Our Supply Chain

Norco has a wide range of suppliers providing products and services including but not limited to dairy farmers who provide the milk, agricultural raw materials, packaging, ingredients, logistics,

machinery, maintenance, training, consulting, legal and financial services. These suppliers range from family owned farms to small and medium sized business to international organisations.



In the analysis of our suppliers, we have so far focused on our tier one (direct) suppliers and those with greater than \$5 million per annum expenditure. There are 15 suppliers in total that meet these criteria and they are all domiciled with a business in Australia. These 15 suppliers make up 31 percent of our expenditure. This excludes the supply of milk as this is part of the membership in the co-operative.

Foods Manufacturing

The 203 member farmers provide the milk for the production of dairy products by the manufacturing facilities. Milk is purchased on a cents-per-litre basis and the base price is determined by market factors. Further, the members are also privy to dividend payments depending on their shareholding. Due to seasonal requirements, milk is also purchased from other suppliers of milk outside of the members and processed through the Norco facilities.

There are also many raw ingredients that are purchased for the production of ice cream and flavoured milk.

Norco Rural Stores

The merchandise for the 28 stores consists of products which include seed, fertiliser, fodder, agricultural and non-veterinary chemicals, fencing, irrigation supplies, horticultural products, cattle handling equipment, general hardware, gardening requisites and other rural merchandise.

Norco Agri

Our two stockfeed mills manufacture bulk stockfeed and bagged stockfeed. The grain trade division sources gains from Australian farmers, to on sell to our own stockfeed mills, other farmers or corporate buyers.

Norco Corporate

Our corporate functions include finance, information technology, people and culture, marketing and administration. All of these functions have procurement activities as they service their internal clients across the rest of Norco. These do not come into the major procurement activity however a more in-depth risk review of suppliers is required and will be undertaken in future reporting periods.

4. Assessing Modern Slavery Risks

This is Norco's first Modern Slavery Statement, the level of understanding of the nature of and risks pertaining to modern slavery requires further development so to effectively elevate modern slavery risks through the Norco supply chain.

We recognise that our review and assessment of our actions to identify and address our modern slavery risks in our operations and across our supply chain will be an ongoing and evolving process. During the reporting period limited activity was undertaken other than the development of the policies and procedures listed below. Only a basic internal assessment of modern slavery risks was carried out, which determined that further work would be needed year on year to understand the details, risk and opportunities for improvement.

We are committed to increasing our knowledge and understanding of our supply chain and establish a plan that will set Key Performance Indicators for which we will be able to assess the effectiveness of our approach and inform our policies, practices and business decisions moving forward. We had not identified any major risks during the reporting period as we have not had the processes and information that would have allowed us to effectively assess the risks however these will be prioritised in the future years.

Our Business

Our employees are engaged under either enterprise agreements, employment agreements that are underpinned by the relevant industrial award or by a common law contract. Norco believes that by engaging in enterprise agreements, ensuring our terms and conditions are underpinned by a relevant award and/or the use of a common law contract is detailed in writing, we are reducing the risks of modern slavery within our operations. This allows transparency with our terms and conditions which we can communicate openly with our employees.

Our controls include:

- training on policies and procedures including code of conduct, whistleblower policy, workplace behaviours and compliance procedures, work, health and safety and chain of responsibility policies and practise
- 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 and work, health and safety team
- internal audits
- communicating to our employees that they are free to join unions and participate in union activities
- ensure we meet WHS regulations and codes of practice
- providing adequate resources, systems, and processes to administer employee payments.

Our Supply Chain

The procurement functions within Norco have traditionally operated independent of one another. Norco Foods has a more mature procurement structure with the existence of an Ethical Sourcing policy and supplier agreements and Norco Rural/Agribusiness are progressing towards maturing

their structure. It is Norco's intent to more closely align the procurement policies and practices to ensure best practice, compliance and efficiencies are achieved. Our tier one suppliers are located within Australia and therefore believe that our modern slavery risks are lower. However in future we will focus on suppliers that may have their supply chain originating from overseas locations. Greater focus will be on identifying where risks are higher.

During the reporting period we:

- participated in a SEDEX audit, a requirement set down by our customers; and addressed any non-compliant issues;
- gained Roundtable on Sustainable Palm Oil (RSPO) certification.

At this stage no specific areas of concern were identified. However the awareness of potential risks due to the nature of agriculture and food production is in a developmental phase. These areas will be reviewed in more detail during the financial year 2022.

Norco plans to collaborate with its farmers, suppliers, customers and other relevant stakeholders to assess risks across our supply chain and address appropriately. This will include Norco adhering to and promoting ethical practices and assisting in minimising the risks of modern slavery within its operations and supply chain. Again, more activity on this is planned for the financial year 2022.

5. Addressing Modern Slavery Risks

This is Norco's first public statement on Modern Slavery. In the reporting period we have developed and made available to all employees the following policies and practices:

- Ethical Sourcing Policy
- Procurement policy
- Code of Conduct
- Affirmative Action Policy
- Discrimination, Bullying and Harassment Policy
- Conflict of Interest Policy
- Recruitment and Appointment Policy
- Pre-Employment Checks Policy
- Various Leave Policies
- Remuneration for Employees Policy
- Handling Complaints Policy
- COVID Testing Leave Policy
- Whistleblower Policy
- Work, Health and Safety Policy
- Chain of Responsibility Policy
- Risk Management Framework and Register
- Procedure for initiating new supplier agreements

We believe every employee is entitled to be treated with dignity and respect. We recognise and support diversity and inclusion. Norco is committed to comply with applicable laws, rules and regulations that govern employment terms and conditions. We manage the employment lifecycle with policies, practices and initiatives to ensure compliance with legislation, freedom of association, the right to collective bargain, fair and equitable remuneration, opportunity to have a fulfilling and rewarding career and flexibility to support work life balance.

Norco supports anyone with concerns about compliance, ethical issues, illegal or unethical activities relating to modern slavery to report these concerns either directly to a member of the senior executive team, a member of the board, or through the external Whistleblower hotline which is detailed on our policy.

6. Actions planned to address Modern Slavery Risks

These key actions shall be address in the financial year 2022 and include:

- Engaging a consultant to audit our suppliers based on modern slavery criteria and identifying risk profiles.
- Linked policies shall be reviewed to ensure they are compliant with the Modern Slavery Act requirements and encourage greater collaboration with employees and suppliers.
- Supplier risk management plans will be developed focusing on high-risk areas initially.
- Norco will continue to participate in the dairy industry sustainability workshops to develop a standard for the industry on human rights and modern slavery for the supply chain.
- Managers and leaders that have a direct impact on modern slavery such as finance, human resources, procurement, will undertake appropriate training initially. The training will be delivered to a wider group of Norco employees who are making decisions and engaging suppliers, and Norco will investigate what free learning resources can be provided to suppliers to improve communication, awareness and collaboration to assess and address modern slavery risks.

These key actions shall be addressed in the financial year 2023 and include:

- ESG strategy approved by the Norco Board with appropriate action plans underway.
- Outcomes from the external consultant audit will be prioritised and actioned.
- Supplier risk management plans developed focusing moving from high risk to medium risk areas.
- Supplier assessments and agreements streamlined and updated across Norco's operations.
- Awareness training on modern slavery will be included in Norco onboarding processes.

7. COVID-19

From the commencement of the COVID-19 pandemic, Norco has maintained supplier relationships and encouraged open communication with suppliers about COVID-19 risks to ensure our supply chain was not impacted. No specific adjustments were required during the reporting period except for the increase in the purchase of personal protective equipment (PPE), sanitiser and soap and additional cleaning across all sites.

8. Statement Approval

This statement was approved by a resolution of the Board of Norco Co-operative Ltd on 31 January 2022 and authority provided to the Chairperson to sign this statement.

A handwritten signature in black ink, appearing to read "m. jeffery".

Michael Charles Jeffery
Chairperson – on behalf of the Board of Directors
Norco Co-operative Ltd
31 January 2022