

Danone Saputo Dairy Australia Modern Slavery Statement – 2022

Our business

Danone Saputo Dairy Australia Pty Ltd (ACN 143 172 258) (DSDA, we, us, or our) is pleased to provide this Statement outlining our actions to support the requirements of the *Modern Slavery Act 2018* (Cth).

As a producer of high-quality yoghurt and fresh dairy products for the Australian market, we have a responsibility to act as good corporate citizens in everything we do.

DSDA, formerly known as Danone Murray Goulburn Pty Limited (DMG), is a company domiciled in Australia under the *Corporations Act 2001* (Cth) and is a joint venture between:

- Saputo Dairy Australia Pty Ltd (Saputo Dairy Australia), a leading dairy processor in Australia and part of Saputo Inc., one of the top ten dairy processors in the world; and
- Danone Asia Pte Ltd (Danone), part of the Danone Group, an international food and beverage business.

DSDA does not own or control any other entities, but given our nature as a joint venture, the actions of DSDA to combat modern slavery should be understood within the broader framework of the systems implemented by our controlling entities, Saputo Dairy Australia and Danone. Information about those systems is available via:

- [Saputo Dairy Australia 2021-22 Modern Slavery Statement](#)
- [Nutricia Australia & Danone Nutricia NZ 2021 Modern Slavery Statement](#)

Our products are manufactured at a factory in Kiewa, Victoria and sold in both in Australia and overseas. We have over 85 employees (in both the office and the factory), who play an integral part in our operations.

Our operations and supply chain

DSDA's operations focus on the innovation, marketing, production and distribution of high-quality yoghurt and fresh dairy products for the Australian and international markets.

In addition to milk procured from Australian dairy farmers via Saputo Dairy Australia, we source a wide range of goods and services from suppliers across Australia and internationally, from countries including China, Malaysia, Thailand, Denmark, France, Italy, Poland and Spain.

We manufacture products in our Kiewa factory that we lease from Saputo Dairy Australia, and rely on Danone and Saputo Dairy Australia in other ways:

- Some employees of Saputo Dairy Australia assist with manufacturing operations (through labour hire arrangements).
- We source packaging, ingredients and milk products via Saputo Dairy Australia's and Danone's procurement arrangements.
- We obtain warehousing and logistics services from Saputo Dairy Australia.
- We work with Danone to market and sell products to our customers.

Our supply chain utilises third-party providers to:

- provide logistics, warehousing and packaging services (in addition to Saputo Dairy Australia);
- operate site services such as cleaning services and pest control; and
- supply a small amount of finished goods.

Risk identification

We care deeply about how our ingredients, packaging, goods and services are sourced, produced and perform, and we expect the same level of care from our suppliers.

Across our supply chain, we are committed to ensuring we and our business partners undertake responsible sourcing and follow ethical business practices. Saputo's [Supplier Code of Conduct](#) and Danone's [Code of Conduct for Business Partners](#) set out the standards we expect of participants in our supply chain.

We consider DSDA is at greater risk of contributing to or being directly linked with an incident of modern slavery, rather than directly causing an incident of modern slavery within our own operations.

As a food manufacturer, we consider the following risks to be the most relevant to our operations:

- risks associated with sourcing ingredients and products from third-party providers who have operations overseas where we have less knowledge and understanding of political, economic and socio-cultural factors which can affect modern slavery outcomes;
- risks associated with engaging third-party providers to provide logistics, warehousing and packaging services, including the risk that a provider may fail to comply with their employment and work health and safety related obligations to employees and other workers; and
- risks associated with the impacts of costs pressures and delivery timeframes, which may have the unintended consequence of influencing suppliers to reduce labour conditions.

While we rely on a relatively small number of third parties in our supply chain, we assess modern slavery risks on a case-by-case basis in line with the Procurement Policies of Saputo Dairy Australia and Danone.

This starts with our due diligence process during pre-engagement, including the assessment of any potential risks relevant to the prospective business' operations.

Actions and assessment

DSDA has a number of processes in place to prevent, mitigate, identify and remedy any situation that may cause or contribute to modern slavery.

In addition to our robust pre-engagement due diligence processes, suppliers managed by each entity are expected to comply with the following:

- Saputo's [Supplier Code of Conduct](#), Modern Slavery position and applicable standards; and/or
- Danone's [Code of Conduct for Business Partners](#) and relevant procurement policies.

We monitor the performance of our business partners during their engagement with DSDA. As with any concern relating to performance, our policy is to immediately investigate any issue related to modern slavery and we require corrective actions to be appropriately and promptly implemented.

If any supplier or contractor is found to have failed to meet the standards set out in these policies, and a corrective action plan is not implemented, the contractual engagement of the supplier or contractor may be terminated.

A number of our primary suppliers have been separately assessed by Saputo Dairy Australia and/or Danone using the Sedex Ethical Data Platform (Sedex), which serves as a further mechanism to assess the potential risk presented by particular contractors.

We continually assess the nature of our operations and supply chain to consider modern slavery risks that may arise in connection with our business.

We also utilise Saputo's Whistleblower hotline and Danone's Ethics Line, which allows employees and anyone with a connection to DSDA to confidentially and anonymously report any modern slavery concerns or other reportable conduct.

Any issues reported via the hotline or ethics line that relate to our supply chain are passed on to us by Saputo and Danone. This provides an additional mechanism for addressing potential modern slavery risks in our supply chain and allows for appropriate action to be taken where an issue is identified.

In order to assess the effectiveness of our actions, we regularly review the actions we take to identify and address modern slavery risks in our business and supply chain. These steps include re-vetting third parties we engage with at least every two years, reviewing any issues or concerns raised to ensure any identified or potential risks are appropriately addressed, and ensuring our employees remain educated on potential modern slavery risks within the supply chain.

Consultation and approval

Being a joint venture between Saputo Dairy Australia and Danone, we regularly consult with these entities regarding operational risks, including issues arising in our supply chain that may present a modern slavery risk.

This Statement was approved by the Board of Danone Saputo Dairy Australia Pty Ltd on 27 June 2023.

A handwritten signature in black ink, appearing to read "R. Lima".

Rodrigo Lima

Chair of the Board, Danone Saputo Dairy Australia Pty Ltd