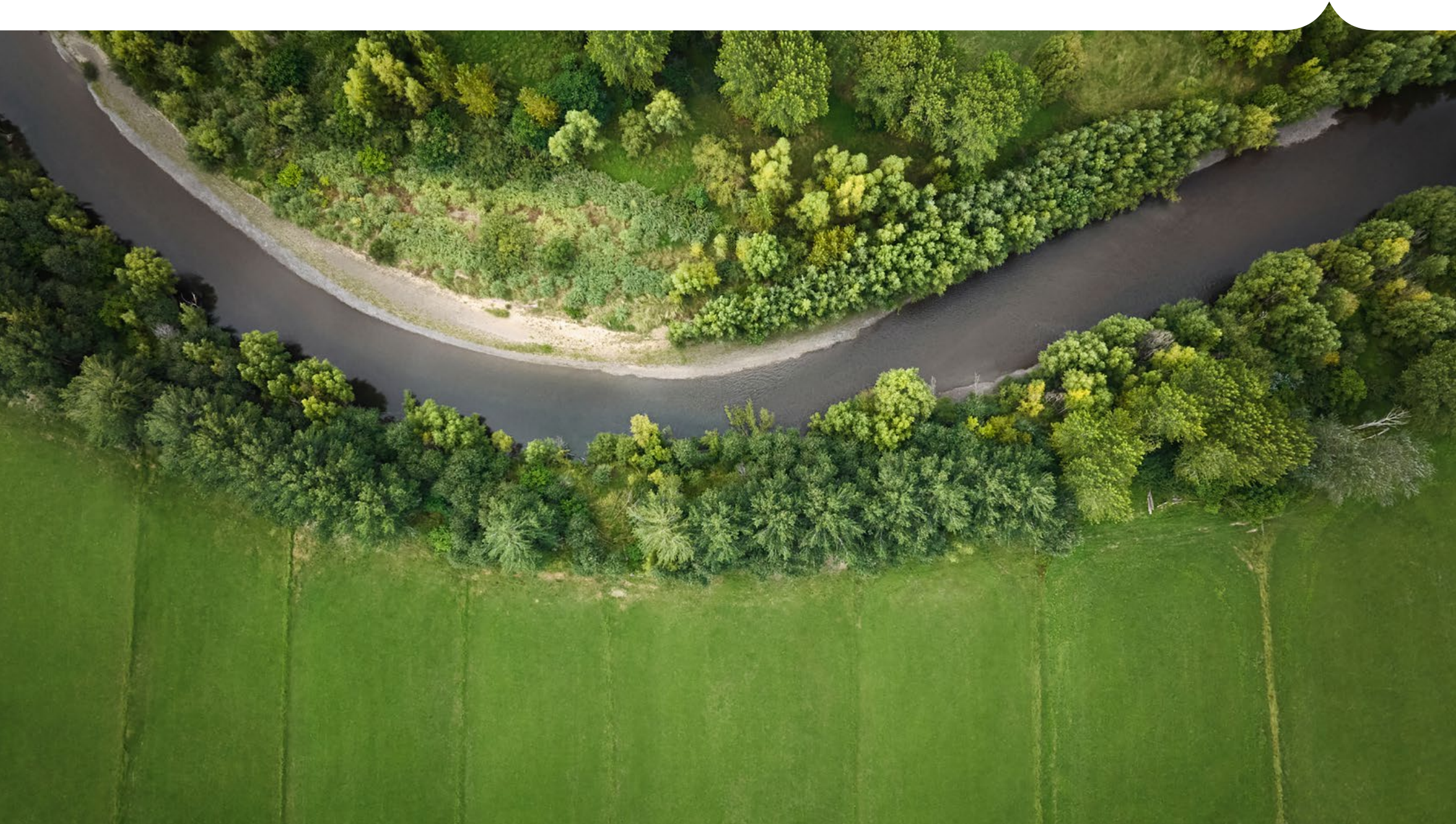


Modern Slavery Statement 2025

Pūrongo Ponongatanga Moroki Te Mātāpuna



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This Modern Slavery Statement is prepared in accordance with the Australian *Modern Slavery Act 2018* for the period 1 August 2024 to 31 July 2025. It covers Fonterra Co-operative Group Limited and its subsidiaries, including the following Australian reporting entities:

Fonterra Brands (Australia) Pty Limited

Fonterra Australia Pty Limited

New Zealand Milk (Australasia) Pty Limited

Darnum Park Pty Limited

Further details of Fonterra's subsidiaries are outlined in Fonterra's Governance and Statutory Disclosures, which are part of the 2025 Suite of Reports available at [Fonterra.com](https://fonterra.com).

This statement was approved by the Fonterra Board of Directors on 24 September 2025.

We welcome feedback on this report. For more information or to provide comments, please email us at sustainability@fonterra.com.

Brown Farm, Whakatane

Message from the CEO and Chair of the Board

Ehara taku toa i te toa takitahi,
engari he toa takitini.

My strength is not that of an
individual, but that of the collective.

At Fonterra, we believe that everyone has the right to be treated with respect and dignity, regardless of background and circumstances. We also acknowledge that as a large, global business, we have a responsibility to respect universally recognised human rights and to contribute to positive human rights outcomes.

Our human rights commitments, which are embodied in our global policies and standards, include providing safe, secure and non-discriminatory working environments, good working conditions, recognising the right to freedom of association and the value of collective bargaining, and prohibiting all forms of modern slavery.

Fonterra has focused on understanding and addressing its modern slavery risks for several years, and has reported on progress since 2020. This year, we have prioritised taking action through engaging with our farmer suppliers, increasing awareness, strengthening our policy framework, and updating our supplier risk questionnaires. We have also focused on expanding our assessment to include upstream and downstream of our supply chain as well as both direct and indirect risks, as we move towards environmental and human rights due diligence, working to align future assessments with international regulations such as the European Union Corporate Sustainability Due Diligence Directive.

We know there is more to do to prevent and mitigate modern slavery risk in our business. Looking ahead, we will continue to develop and improve our systems and processes as well as deepen our due diligence across our value chain.



Peter McBride
Chair

Miles Hurrell
Chief Executive Officer

Our structure, operations and supply chain

About us

Fonterra is a dairy co-operative owned and supplied by thousands of farming families across Aotearoa New Zealand. We collect and process raw milk, which we convert into high-quality consumer, foodservice and ingredient dairy products.

We supply many of the world's leading food companies through our foodservice business, Anchor Food Professionals, and our ingredients business, NZMP. Our portfolio of well-known consumer brands includes Anchor, Bega, Mainland, Perfect Italiano, and Western Star.

Our global supply chain spans from the farms where we source our raw milk, and our sourcing of non-milk goods and services, through to our owned and third-party manufacturing facilities, and downstream to the distribution of products to customers and consumers in more than 100 countries we export to.

Impact of divestment of Consumer and associated businesses

In August 2025, we announced that we have agreed to sell our Consumer and associated businesses to Lactalis, subject to certain conditions including approval by farmer shareholders. Subject to satisfaction of all conditions, the transaction is expected to complete in the first half of the 2026 calendar year. If completed, the scale of the divestment would potentially result in changes to our obligations under the Modern Slavery Act 2018.



Our purpose

Our Co-operative,
empowering people to
create goodness for
generations

You, me, us together

Tātou Tātou



Our vision

The source of
the world's most
valued dairy



Our values

Good Together
Better Every Day
Every Drop Counts

Our people

Our long-term success depends on our people, and we are committed to building an inclusive and equitable workplace where all our people feel supported and are able to thrive in order to contribute to our success.

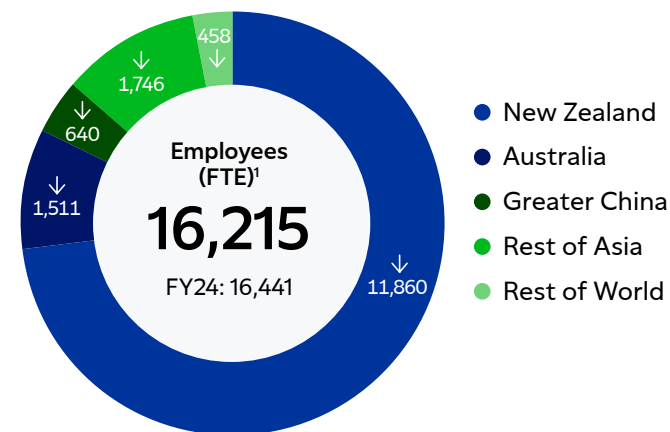
As of 31 July 2025, we directly employed 16,215 people, with the majority based in New Zealand.

Our people work in a wide range of roles including in manufacturing, on-farm, logistics and distribution, research and development, sales and marketing, and in other functions, such as strategy, legal, finance, and people and culture.

As part of our commitment to being a good employer, we:

- comply with international minimum labour standards set down by the International Labor Organisation (ILO)
- recognise the value of employees being able to choose to bargain collectively (for example, through a union or workers' council)
- commit to not discriminating against our people for joining, or not joining, a union.

Our agreements with the International Union of Food, Agricultural and Allied Workers' Associations (IUF) and the New Zealand Dairy Workers Union (NZDWU) reinforce these commitments. 60% of our New Zealand based employees were covered by collective employment agreements in FY25.



1 FTE figures include permanent and temporary employees.



Jack, Maheswary & Bronte, Auckland

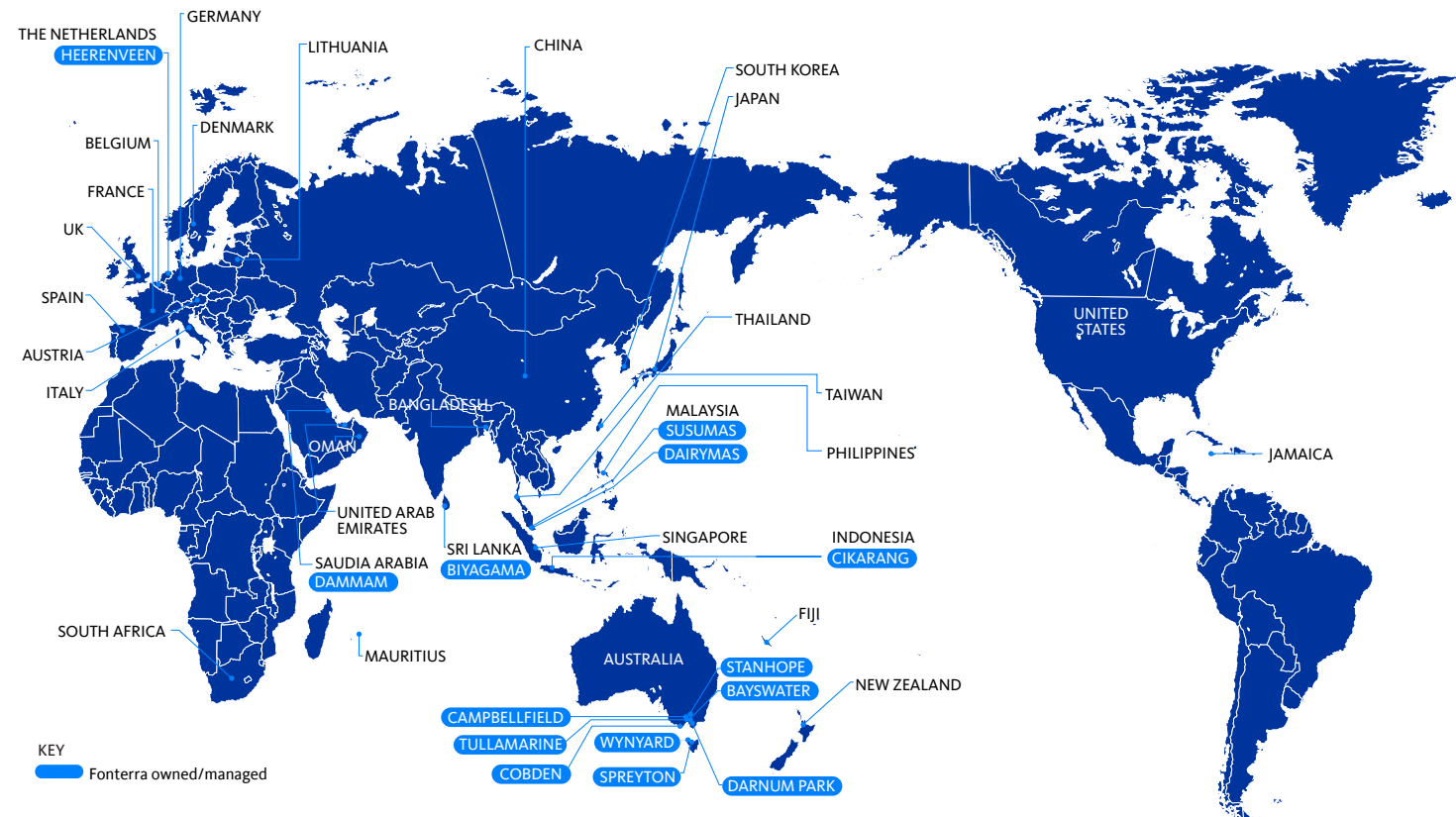
Our core operations

In FY25 we processed 19,000,000 litres of milk. Our milk is sold through our three channels – ingredients, foodservice and consumer. Our consumer business sells our key consumer facing brands in across China, Africa, Middle East, Europe, North Asia, Americas, New Zealand, Australia, Pacific Islands, Southeast Asia and South Asia.

We have 26 manufacturing sites located in New Zealand, along with eight in Australia, and a further six across Indonesia, Malaysia, Sri Lanka, Saudi Arabia, and the Netherlands. We also work with around 75 third-party manufacturing suppliers globally.

In addition to our core operations, we operate 65 Farm Source retail stores across New Zealand, which sell agricultural supplies, and we manage 31 farms in New Zealand that are close to and complement our manufacturing sites. On-farm activities include forestry, dry stock, cropping and irrigation of excess water and nutrients from our manufacturing operations. We are also involved in joint ventures that operate freight logistics, dairy processing, innovation, research and development, and emissions reduction research.

Fonterra's Global Manufacturing Locations





Milk supply

We source around 91% of our raw milk by volume from our farmer owners in New Zealand. We also have some raw milk collection in Australia and Sri Lanka. In Australia, raw milk is supplied by around 480 farms located across Victoria, Tasmania, New South Wales and South Australia. Milk from Australia and Sri Lanka is supplied by farmers that are not within the Co-operative structure.

Our raw milk sourcing is managed by our Farm Source Team, and we have farmer engagement and support programmes in every country where we collect milk.

Non-milk supply

We engage with around 11,000 non-milk suppliers globally to source a wide range of commodities, goods, and services, including:

- transportation and storage services
- third-party manufacturing services
- farm supplies and services
- manufacturing equipment and services
- packaging materials
- energy supply
- ingredients
- chemicals and fertilizers
- professional and operational-related services

The range of products, sourcing locations, and regulations associated with our non-milk spend can present sustainability-related risks, so we have taken steps to enable us to procure goods and services in an environmentally and socially responsible way. Our [Supplier Sustainability Code of Practice](#) outlines our commitment to responsible sourcing and sets out our expectations of non-milk suppliers and associated subsidiaries with respect to ethical business conduct, care for people, and respect for the environment.

Governance and programme framework

Our modern slavery due diligence programme is managed by Fonterra's sustainability function in collaboration with other functions and business units across the Co-op, including procurement, risk, legal, operations, external affairs, and people and culture.

The Modern Slavery Steering Committee provides greater cross-functional oversight of the programme and is responsible for providing strategic advice and decision-making in relation to due diligence and reporting. It is accountable to the Managing Director, Co-operative Affairs and Managing Director, People and Culture, who report to the CEO and sit on Fonterra's Management Team.

Steering Committee members

Membership includes senior leaders from across the organisation, including:

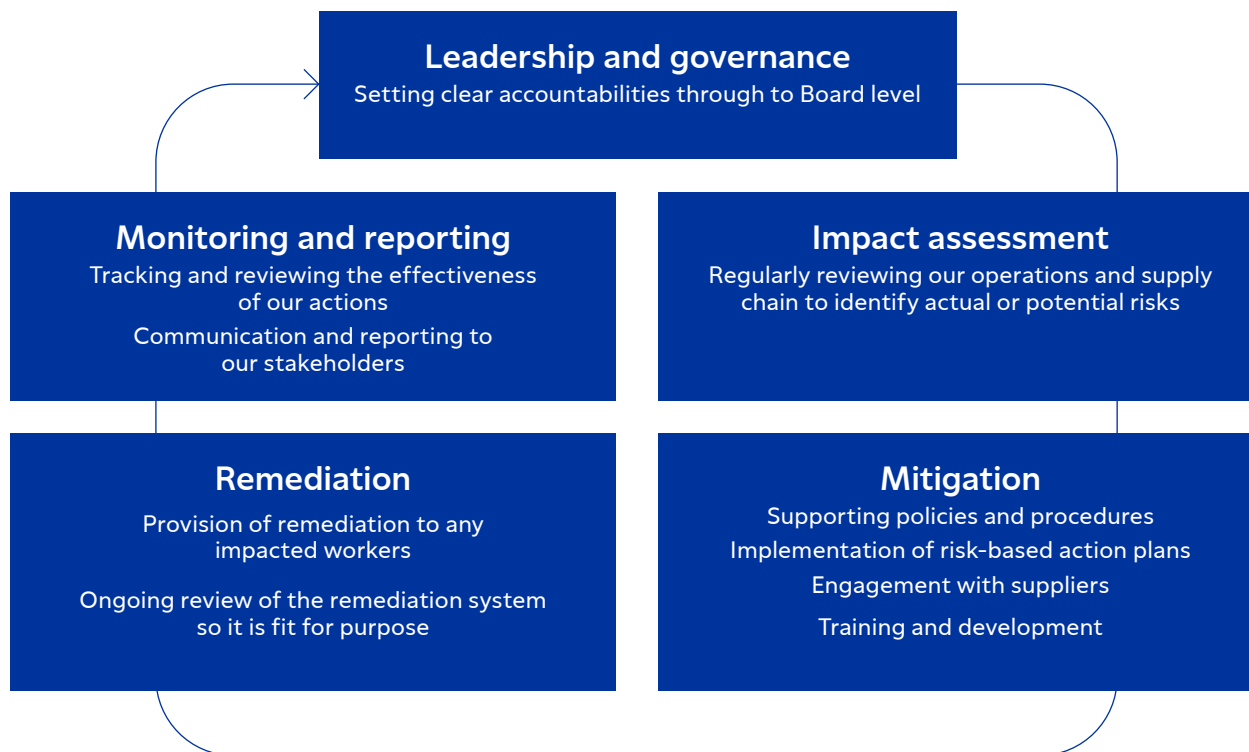
- Director of Sustainability (Chair)
- Senior Manager Sustainability Strategy & Engagement
- GM Employment Relations
- Director Group Procurement
- General Counsel – Group Functions
- Director Governance, Risk & Audit
- Director Global External Affairs
- GM Sustainability, Oceania

Governance structure



Due diligence framework

Our due diligence framework puts steps in place to effectively prevent, mitigate and manage the risk of modern slavery in our supply chain and operations. The framework describes five key areas that help drive a continuous improvement approach.



Consultation with owned and controlled entities on this statement

Engagement and consultation with the Co-op's owned and controlled entities is facilitated through the Modern Slavery Steering Committee, which includes cross-functional representatives from across the global business, including Australia. Subject matter experts from functions including corporate sustainability, procurement, risk, people and culture, on-farm and legal also regularly engage with each other on the ongoing implementation of our modern slavery due diligence programme.



Modern slavery risks across our operations and supply chain

As a large, global business we recognise that our modern slavery risk profile is not static and will evolve as our business changes or due to external factors such as supply chain disruption, conflict, or other events.

Modern slavery is an umbrella term that is used to describe serious situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour. We recognise that other non-minor breaches of employment standards may be present in our supply chain and in situations of modern slavery, including underpayment of wages, excessive working hours and failure to provide holiday pay or annual leave entitlements. We consider these risks as part of our due diligence approach.

Identifying modern slavery risks

Our assessment of our modern slavery and related labour risks has a focus on our upstream supply chain, which we consider poses the greatest risk. Our approach to assessing risk is aligned to international best practice, including the *UN Guiding Principles for Business and Human Rights*, and focuses on understanding actual or potential adverse human rights impacts on people due to our activities or business relationships.

We consider four key factors to determine actual or potential modern slavery risk in our operations and supply chain, these are:

Geographic risk

Sourcing from countries or regions that have a higher risk of modern slavery or other human rights breaches due to poor governance, corruption, conflict, or cultural norms.

Sector or commodity risk

Products or services that are considered to have a higher risk of modern slavery because of the nature of their supply chain or the location of raw materials.

Business model risk

Products or services that rely on business models with complex supply chains or high-risk work practices.

Vulnerable group risk

Individuals or groups that may be more susceptible to exploitation because of low education, language barriers, socio-economic status, or isolation.

We also consult a range of tools and sources to help determine our modern slavery risk. These include:

- Global databases such as the US Department of Labor List of Goods Produced by Forced Labor or Child Labor, and Walk Free's Global Slavery Index.
- Government, academic and NGO reports, including those published by the International Labor Organisation, and the Australian and New Zealand governments.
- Media monitoring.
- Engagement with suppliers.
- Engagement with industry bodies.



Determining our role in relation to modern slavery risk

Our risk assessment and subsequent business response also considers the levels of involvement a business may have in relation to adverse human rights impacts, from directly causing or contributing to adverse impacts, through to being linked to adverse impacts because of our business relationships. The table below explains how Fonterra’s business activities or relationships could be linked to modern slavery risk.

Cause	An enterprise may cause modern slavery as a direct result of its own activities.	For example, a manufacturing worker at an owned or controlled site could be exploited and forced to work under duress or without pay.
Contribute	An enterprise may contribute to modern slavery through its activities or by facilitating or incentivising another party.	For example, if unreasonable requirements are placed on a supplier by a company, this may contribute to the supplier breaching labour standards to meet the requirements.
Directly linked	An enterprise may be directly linked to modern slavery through its business relationships, even if it has not directly contributed to those impacts.	For example, the purchase of ingredients or other materials sourced or produced using forced labour, which are then used in end products that are sold to customers and consumers.

Key risks across our operations and supply chain

We consider the risk of modern slavery in our direct operations to be low, based on the controls, policies, and procedures we have in place. As assessed in FY24, we believe our greatest exposure to modern slavery risk is through our extended supply chain, particularly in areas that have direct links to our operations, products, or services. We have also identified risk associated with a range of indirect goods and services in our supply chain, such as electronics, clothing, and personal protective equipment. In FY25 we have additionally assessed risk in the sourcing of biomass, and our own brand products sold through our Farm Source stores.

In FY25 and looking toward FY26 we have been working to expand our assessment to include upstream and downstream of our supply chain as well as both direct and indirect risks as we move towards environmental and human rights due diligence, aligning with international regulations such as the European Union Corporate Sustainability Due Diligence Directive. We expect the initial expanded assessment, and associated mitigation plans to be complete in FY26.

Our prioritised risks are outlined in more detail below.

RISK	RISK INDICATORS	OUR CONNECTION TO THE RISK
Sourcing of raw milk from supplier dairy farms	Reliance on temporary or migrant labour Use of third-party recruitment Geographic isolation	Raw milk supply is a fundamental part of our supply chain. Most of our milk supply comes from New Zealand and Australia, where there is independently documented risk of worker exploitation and forced labour in the agricultural sector, particularly among migrant workers.
Sourcing of certain primary commodities for use as ingredients, own brand clothing, packaging materials, woody biomass, stock feed and as fertilizers	Reliance on low-skilled labour Sourcing from high-risk geographies Complex, global supply chains with reliance on sub-contracting services	Some of the commodities we source are linked to documented cases of human rights breaches and environmental degradation, including palm, sugar, cocoa, timber-based products, and fertilizers.
Third-party manufacturing and distribution services	Reliance on low-skilled labour Locations in high-risk geographies Geographic isolation	We rely on a global network of third-party manufacturing and distribution services to help produce and distribute our products, including the own brand products sold through our Farm Source stores. Some of these operations are in geographies that are considered to have a higher risk of modern slavery.
Third-party catering, cleaning, and security services and contingent labour	Reliance on temporary, low skilled or migrant labour Use of third-party recruitment Locations in high-risk geographies	We procure catering, cleaning and security services at our corporate offices and manufacturing sites. We also indirectly employ some workers through third-party agencies across our global business.
Merchandising and promotion services	Locations in high-risk geographies Use of third-party recruitment Reliance on low-skilled labour	We procure merchandising and promotional services, including indirect promotional staff, gifts and point of sale materials, in some markets with higher geographic risk of exploitation.

Taking action to address our modern slavery risks

Our policy framework

A key aspect of our mitigation activity is having a robust policy framework that provides clarity on our labour standards and respect for universally recognised human rights. Below describes the most relevant policies and standards related to our commitment to respecting human rights and how these are implemented in practice. Our key policies and standards are available on [Fonterra.com](https://fonterra.com) and all people managers, employees with manager in their tile and employees who work in a sensitive business function are required to complete an Annual Policy Commitment e-learning which covers the purpose and intent of all Fonterra global policies.

POLICY OR STANDARD	PURPOSE	IMPLEMENTATION
'The Way We Work' Code of Business Conduct	Sets out expected behaviours for our employees towards each other, our customers, and the wider community, and the expectation for our suppliers and business partners to uphold the standards and principles of the Code.	Our Code of Business Conduct is updated every second year and was last updated in September 2024. All new employees are provided with a copy of this Code, along with our other global policies. We also assign an annual e-learning about the Code to senior leaders and those in sensitive roles.
Global Legal and Compliance Policy	Sets out the beliefs, commitments and expectations of employees in relation to complying with all our obligations, including applicable laws, in the countries in which we operate.	This policy is updated every three years and was last updated in May 2025. It is supported by our compliance management, legal, anti-money laundering, samples and customs standards.
Global Ethical Behaviour Policy	Sets out our beliefs, commitments and expectations of employees in relation to ethical behaviour, including acting with integrity, honesty, and transparency.	This policy is updated every three years and was last updated in February 2024. It is supported by our ethical behaviour, conflict of interest, and employee lifecycle global standards, and annual conflicts of interest register.
Global Health, Safety and Wellbeing Policy	Articulates our ambition to achieve zero harm for our people, including contractors and visitors to our sites, and communicates our commitment to fostering a culture of shared ownership for health, safety and wellbeing.	This policy is updated every three years and was last updated in February 2025. All employees have access to health, safety and wellbeing training and a range of supporting tools and resources, including mental health and wellbeing services such as EAP.
Global Sustainability Policy	Outlines our commitment to creating a sustainable future by focusing on environmental, social, and economic performance. This includes respecting universally recognised human rights and contributing to positive human rights outcomes	This policy is updated every three years and was last updated in December 2024. It is supported by our sustainability standard which details the requirements to embed sustainability in the way that Fonterra operates.
Respect for Legitimate Land Tenure Rights Position Statement	Recognises the rights (including the human rights) of legitimate land tenure holders and stands against illegal activities in our supply chain.	This statement was last updated in March 2023 and is shared with interested parties as needed and available on Fonterra.com
Supplier Sustainability Code of Practice	Sets out our expectations for suppliers to align with our values and codes of conduct, including upholding human rights and fair working conditions.	Our Supplier Sustainability Code of Practice was last updated in February 2023. The Code is aligned with our internal policies and reflects international best practice and regulation. The Code is referenced in several of our supplier terms and conditions and master services agreements, and adherence to the code is evaluated during onboarding through the Third-Party Risk Management process for high-risk suppliers. Suppliers who are not on Fonterra Terms and Conditions or who have bespoke agreements may not have the Code referenced.
Forest and Agricultural Products Standard	Defines our requirements for sourcing and procuring forest and agricultural products, including our expectations of suppliers to respect human rights, protect the environment, and operate with transparency.	Launched as a new standard during 2023 to guide the ethical procurement of primary-linked commodities, including palm oil and palm products, timber and wood fibre products, maize, cocoa, coffee and soy. In FY25, we conducted a detailed risk assessment against our most material primary-linked commodities. This assessment has determined that there is no deforestation occurring in at least 91% by spend of the primary deforestation-linked commodities we directly procure.

The Fonterra Group Risk Matrix includes specific criteria related to respecting human rights. The risk matrix requires our people to consider any potential human rights impacts as part of day-to-day business activities, whether that be in preparation for a capital project or when considering the impacts that our operations could have on local communities.

Engaging with our farmer suppliers

Farmers are at the heart of our Co-op and our approach is to work alongside them to build the collective strength of our Co-op and help them to improve their practices, profitability and environmental efficiency, including those that support positive outcomes for people. Farm Source is the connection point between our farmers and the Co-op. Working at a local level across the length and breadth of our farm base, these teams get alongside farmers to help them continue to lead the way in sustainable, efficient dairy farming.

Fonterra Farmers' Terms of Supply

Our Terms of Supply sets expectations for supplying farmers when it comes to people, the environment, animal wellbeing, biosecurity, and food safety and quality. In FY25 we extended our Terms of Supply to explicitly outline our expectations around labour rights. The Terms of Supply specify that farms must be compliant with all applicable legislation, including laws and regulations related to labour, employment, and health and safety. In addition, supplying farmers are required to notify Fonterra immediately if any investigation or inspection, or enforcement action, is being undertaken by any regulatory agency.

Where we find mandatory requirements are not being met, we develop an action plan with the farmer, including target completion dates. We may also suspend the collection of milk until we are satisfied that all mandatory requirements are being met and that any actions required to avoid a repeat of the issue have been completed.

We refresh our Terms of Supply on an annual basis and each new edition is sent electronically to our farmers in February, along with a list of substantive changes.

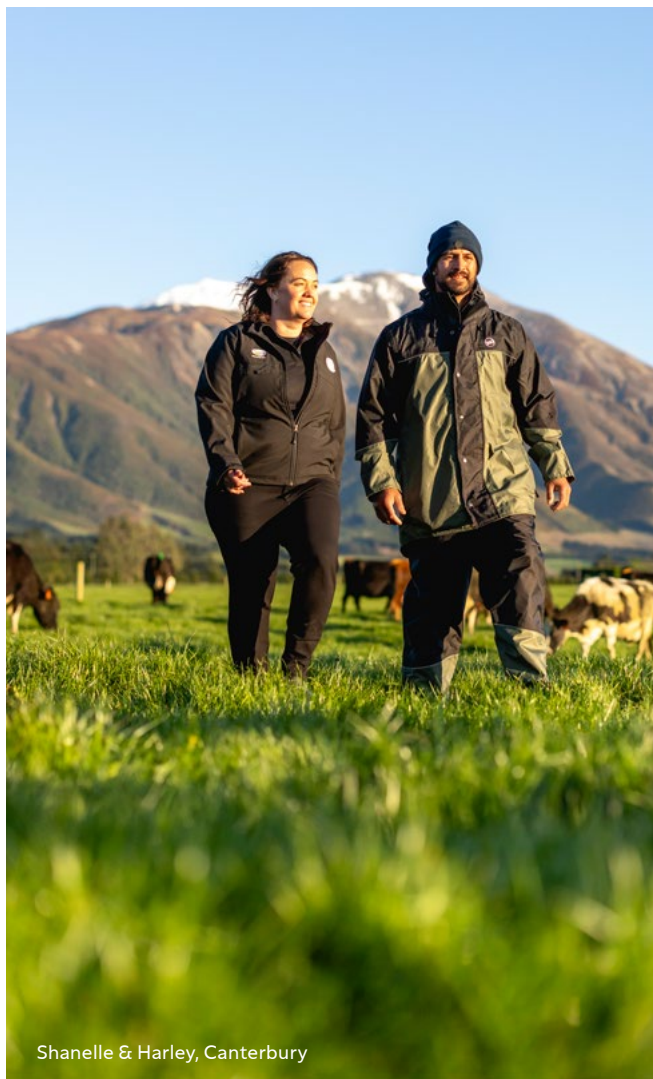
In addition to the Terms of Supply changes, we have also included a question in the Farm Dairy Records relating to labour rights, which farmers are required to complete. The Farm Dairy Records collate information on milk production volumes, quality metrics, animal health, farm management practices, and environmental sustainability efforts.

Fonterra verifies and uses these records to assess the quality and safety of the milk it processes and to support its suppliers in improving farm efficiency and sustainability. The data collected can help our farmers make informed decisions about their operations and contribute to Fonterra's overall supply chain management and product quality assurance.

Australian farmers have a locally adapted version of the Terms of Supply. It sets similar expectations to, and is benchmarked against, the New Zealand version, as well as incorporating local legislative requirements related to labour rights. Fonterra Australia also has a Farm Source professional in each region who is dedicated to supporting farmer suppliers on people management issues including farm labour obligations.



Adam & Matthew, Taranaki



Shanelle & Harley, Canterbury

The Co-operative Difference

[The Co-operative Difference](#) is our framework for enabling our on-farm practices to support the delivery of Fonterra's strategy to protect and grow the value of New Zealand milk. It identifies and considers what we need to do today, what we need to be thinking about for tomorrow, and what we need to consider in the longer term so the Co-op can continue to meet its customer needs.

The five areas in the framework are: Milk, People and Community, Environment, Animals, and Co-operative and Prosperity. For each of these areas, 'Our Core' covers the things we can never afford to compromise on such as regulatory compliance, producing safe, high-quality milk and looking after people, animals and the environment.

The programme encourages supplying farmers to consider how they engage with their workers and communities through taking the DairyNZ Workplace 360 assessment. This assessment helps to identify strengths and weaknesses in a work environment, shows opportunities for improvement, and helps monitor progress. In FY25 the Workplace 360 assessment has been refreshed for the 25/26 season and now includes questions relating to working conditions and labour rights.

For the 24/25 season, completing a DairyNZ Workplace 360 assessment and achieving 100% on the foundational level was one of the criteria required for achieving the Te Pūtake level, or first level of performance. Farms reaching Te Pūtake are eligible to receive The Co-operative Difference payment of an extra 7 cents per kg of related milk solids. In the 24/25 season, 90% of farmers achieved the Te Pūtake level of performance.



Collaboration with partners

We have proudly partnered with the Rural Support Trust, a charity dedicated to helping rural communities in New Zealand, since 2022. The Trust provides a free and confidential employee information and support service, which can support on-farm workers with information about employment rights and living and working in New Zealand. It also provides a support line for farmer employers and helps facilitate good working relationships between employers and employees. Fonterra also provides New Zealand and Australian farmers with fully funded access to our EAP services.

Fonterra is a member of the Sustainable Dairy Partnership (SDP), both in Australia and New Zealand, which is an industry collaboration aimed at driving continuous improvement in sustainability. Through this partnership, Fonterra also reports annually using the Dairy Sustainability Framework, which includes minimum standards in relation to deforestation, human rights, animal welfare and legal compliance for procurement from farmers. These reports are available to customers and other stakeholders who are members of SDP. We also collaborate with industry on people-focused issues through DairyNZ and Dairy Australia, with a Fonterra representative on the Dairy Australia Modern Slavery Working Group.



Worker exploitation in New Zealand and Australia's agriculture sectors

International workers play an important role in New Zealand and Australia's primary sectors by filling critical skills gaps and labour shortages. However, breaches of labour standards involving migrant workers employed in the dairy sector have been reported in both countries. Vulnerability among migrant workers can stem from a limited understanding of the local context, particularly legal rights, and this may be exacerbated by a lack of formal education and limited understanding of English.

In FY25, a New Zealand-based Fonterra farmer supplier was fined NZD\$30,000 for employment law breaches relating to four employees. The breaches included

non-compliance with the minimum wage law, failure to provide holiday and sick leave entitlements, failure to compensate for work performed on public holidays, unlawful wage deductions and inadequate record keeping. After becoming aware of this Employment Relations Authority (ERA) prosecution, Fonterra took steps in accordance with the Fonterra Terms of Supply and issued the farmer a Notice of Breach under Fonterra's Performance Management framework.

There were no reported incidents of modern slavery or worker exploitation on our Australian-based or Sri Lankan-based supplier farms in FY25.

Training and awareness

Our employee e-learning on human rights, worker exploitation and modern slavery guides employees through an essential overview of these important topics, Fonterra's approach and responsibility, and our expectations of our people. It also includes important information about how to spot the signs of worker exploitation and modern slavery. As of 31 July 2025, 2,065 employees had successfully completed the learning programme. Our initial target audience for this learning module was employees in leadership roles, as well as those in the procurement, Farm Source and People and Culture functions. Since the start of FY25 all new starters are required to complete the e-learning as part of their on-boarding.

Our broader employee learning and development programme includes training that supports our respect for human rights, including understanding diversity, equity and inclusion, navigating unconscious bias, supporting mental health and wellbeing in the workplace and employee relations.



Independent evaluation and certifications

Our manufacturing sites are subject to regular internal and third-party audits. Internal audits are conducted by employees independent of the site and are used to identify areas for improvement (see here for more detail on our internal audit [page 96 annual report](#)).

Third-party audits give regulatory authorities and our customers independent assessments of our performance. For example, independent audits against the Sedex Member Ethical Trade Audit (SMETA) standard for labour practices, environment, health and

safety and business practices are required by some of our customers.

Other customers require us to undertake an annual assessment by EcoVadis. EcoVadis is a third-party risk management platform that allows organisations to assess suppliers on their ESG (environmental, social and governance) performance. It provides a globally recognised assessment and rating. We retained a gold rating with EcoVadis in FY25, which places Fonterra in the top 5% of company rankings.

Engaging with our non-milk suppliers

We are proud of the strong relationships we have with the people and organisations that supply us with valuable products and services to help us achieve our strategic goals.

Our Supplier Sustainability Code of Practice (2023) sets out our expectations for suppliers to align with our values and policies, including our commitments to social and environmental responsibility.

Identifying high risk suppliers

Our supplier risk management framework, which was launched in 2022, helps us better understand and manage the risks associated with our suppliers, including those related to labour rights and working conditions. The framework, supported by an online portal and a robust business process, allows us to assess and manage our suppliers in an efficient and consistent way.

Our framework has primarily focused on new suppliers in our New Zealand manufacturing business and has expanded in FY25 to new suppliers in our global markets (excluding China). Each new supplier is assessed by our procurement team. As part of this assessment, we check if the supplier meets any of our risk indicators for modern slavery, such as operating in a high-risk geographical region or providing goods or services that have known modern slavery risks attached. If we assess that there is a risk of modern slavery, we request further, detailed information from the supplier to better understand the risk profile, and what steps they are taking to mitigate the identified risk and meet the standards set out in our Supplier Sustainability Code of Practice. In FY25 we further updated the sustainability questionnaire to include a more detailed human rights section with a required response from high-risk suppliers as assessed in our modern slavery due diligence framework.

This information is reviewed by our procurement team as well as internal subject matter experts. As of 31 July 2025, 2,310 suppliers have been assessed using the framework. With 84% of strategic suppliers in our Chief Operating Office having gone through the assessment. In FY26 we will be looking to expand this assessment to cover existing suppliers, and more areas of the business.

Additionally, in FY25 we conducted a detailed risk assessment against our most material primary deforestation-linked commodities. This assessment has determined that there is no deforestation occurring in at least 91% by spend of the primary deforestation-linked commodities we directly procure. Many certifications for deforestation such as the Roundtable for Sustainable Palm Oil, Rainforest Alliance and Fairtrade set additional expectations for their membership base around modern slavery and human rights.

Access to grievance and remediation

We fund an independently administered whistle-blowing hotline (The Way We Work Hotline), facilitated by Deloitte. The hotline is available to all Fonterra stakeholders globally, including farmers, workers, and suppliers, with a confidential and anonymous channel (by phone, email, mail, or online) to report concerns about serious wrongdoing or behaviour that does not meet the standards described in The Way We Work Code of Business Conduct.

All reported concerns and issues are investigated by a Fonterra team not involved in the substance of the concern (e.g., employment relations, internal audit, other specialist teams) or where appropriate, an external investigator, before action is taken. Timely updates are made available to the whistle-blower through the hotline.

The 24/25 season Terms of Supply also extends the whistleblower hotline to Farmers. While this has been available to all external stakeholders for several years, this is the first time we have specifically communicated the availability of the hotline to our New Zealand farmer shareholders.

The Fonterra 'The Way We Work' Investigation Guidelines require that investigations take a victim-centred approach, putting the rights and dignity of victims, including their wellbeing and safety, at the forefront of all efforts to respond to concerns and complaints raised. We also take steps to verify the subject of the complaint, and any witnesses, are protected from identification and victimisation.

In FY25, we received no reports through the hotline that related to modern slavery.

Tracking the effectiveness of our actions

We are focused on building and maintaining an effective due diligence programme that helps us proactively manage modern slavery risk in line with global best practice and standards.

The table outlines how we monitor effectiveness and progress against the key pillars of our due diligence programme.

We acknowledge that there is more to learn and do to prevent modern slavery from occurring in our supply chain. We will continue to monitor the effectiveness of our actions and continuously identify opportunities to improve. The next section outlines more information about our focus areas for FY26.

DUE DILIGENCE PILLAR	WHAT GOOD LOOKS LIKE	OUR FY25 PERFORMANCE
Leadership and governance	There is clear accountability for modern slavery at an executive level and regular reporting through to the Fonterra Board.	Our Managing Director, Co-operative Affairs and Managing Director, People and Culture are accountable for our modern slavery due diligence programme. The Modern Slavery Steering Committee provides senior day-to-day oversight of the programme and reporting. The Steering Committee met monthly between March and July 2025. The People, Culture and Safety Committee received an update on modern slavery three times in FY25, as part of the employment relations update.
Impact assessment	Regular risk assessments are undertaken, and these consider the severity, scale and scope of the impact as well as our degree of responsibility. Appropriate actions plans are developed in response to our risk assessments.	We updated our risk assessment in FY24, with a focus on our upstream supply chain, prioritising directly linked modern slavery and worker exploitation risks. We note that a best practice approach to human rights due diligence is broader in scope. In FY25 we have expanded our assessment to include both upstream and downstream of our supply chain as well as both direct and indirect risks as we move towards environmental and human rights due diligence, aligning with international regulations such as the European Union Corporate Sustainability Due Diligence Directive. We expect the initial expanded assessment to be complete in FY26.
Mitigation	Policies and procedures are reviewed on a regular basis and modern slavery risks are integrated into systems and strategies. We have effective supplier engagement programmes and provide appropriate training and capability building for our teams.	Our policies and procedures are regularly reviewed by our governance team and subject matter experts. In FY25 we have included human rights commitments and expectations in our Global Sustainability policy We updated the sustainability questionnaire in our supplier risk management framework to include a human rights section with a required response from high-risk suppliers.
Remediation	We have appropriate remediation systems in place for impacted workers and collaborate with stakeholders to address modern slavery risk.	Our global whistleblower hotline is our primary mechanism for stakeholders to raise any concerns about modern slavery or other human rights breaches in our operations or supply chain. We understand that impacted stakeholders may not be aware of our hotline and have improved access to the hotline by including details of it in our New Zealand Terms of Supply. Ongoing work to raise awareness of the hotline will continue in FY26.
Monitoring and reporting	We regularly track our actions and their effectiveness, feeding any learnings into our ways of working. We communicate regularly with our stakeholders.	We continually review our overall due diligence approach and are looking to update our monitoring and reporting approach as we progress our human rights and environmental due diligence assessment.

Looking ahead

Preventing and addressing modern slavery risk is part of an ongoing journey. As such, we are committed to developing and enhancing all aspects of our approach to modern slavery and broader human rights due diligence.

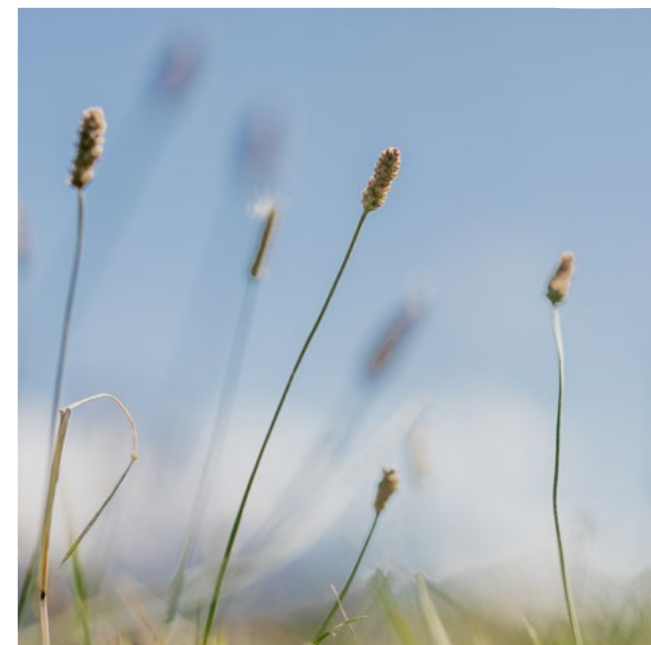
Our focus for the coming year will include:

- Expanding our due diligence risk assessment to include both upstream and downstream of our supply chain as well as both direct and indirect risks as we move towards environmental and human rights due diligence aligned with the Corporate Sustainability Due Diligence Directive.
- Conducting further due diligence on suppliers that have been identified as high risk for modern slavery and worker exploitation.
- Continuing to implement our third-party supplier risk management programme.
- Continuing to build internal capability and awareness.
- Expanding ready access to grievance and remediation mechanisms for workers and stakeholders.



Appendix: Compliance with the Australian Modern Slavery Act 2018 requirements

MANDATORY REPORTING CRITERIA	LOCATION OF INFORMATION
Identify the reporting entity	Contents – page 2 Our structure, operations and supply chain – page 4
Describe the reporting entity's structure, operations and supply chains	Our structure, operations and supply chain – page 4 Governance and approach – page 8
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Modern slavery risks across our operations and supply chain – page 10
Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes	Taking action to address modern slavery risks – page 13 Governance and approach – page 8 Looking ahead – page 20
Describe how the reporting entity assesses the effectiveness of such actions	Tracking the effectiveness of our actions – page 19
Describe the process of consultation with any entities that the reporting entity owns or controls	Governance and approach – page 8
Any other information that the reporting entity, or the entity giving the statement, considers relevant	Message from the CEO and Chair of the Board – page 3 Looking ahead – page 20





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