



2023 Modern Slavery Act Statement

Australian Agricultural Company Limited

ACN 010 892 270

20 September 2023

Introduction

This Modern Slavery Act Statement (**Statement**) has been prepared in accordance with the *Modern Slavery Act 2018 (Cth)* (the **Act**) for the period 1 April 2022 to 31 March 2023.

This is the Australian Agricultural Company Limited (**AACo**) Group's fourth Modern Slavery Act Statement. It outlines the progress that we have made to identify, manage, and address modern slavery risks in our operations and supply chain, and details our intentions for the coming reporting period, so that we might evolve together to benefit future generations.

The numbered sections of this Statement correspond with each of the reporting criteria under the Act.

Criteria 1: Reporting entities

This Statement covers AACo and each of its controlled entities. The reporting entities included in this statement are:

- **Australian Agricultural Company Limited** (ACN 010 892 270)
- **A.A. Company Pty Ltd** (ACN 010 317 067)

In addition, AACo owns, controls, and operates various subsidiary entities who are non-reporting entities under the Act, a full list of which can be found in the AACo 2023 Annual Report available at aaco.com.au.

This statement has been prepared for AACo Group as a whole. Where this Statement refers to "we" or "our" it is a reference to the AACo Group.

Criteria 2: Our structure, operations, and supply chain

Our Structure

AACo is a public company listed on the Australian Stock Exchange with, as of 31 March 2023, 19 wholly owned and controlled subsidiary entities. The majority of the controlled entities are incorporated in Australia and operate solely within Australia. One controlled subsidiary incorporated in Australia has operations in Singapore, and three others are incorporated and operating in the United States of America. The primary functions of these foreign entities are to employ sales and marketing personnel and to perform treasury functions relating to the sale of products in their respective jurisdictions.

The reporting entities identified under Criteria 1 have the following functions:

- Australian Agricultural Company Limited is the listed parent entity and head of the AACo Group
- A.A. Company Pty Ltd is a trading entity

Our Team

As of 31 March 2023, AACo and its subsidiary entities collectively employed a total of 445 employees. This employee workforce is comprised of 402 permanent employees and 43 temporary employees, including casuals and employees on temporary contracts. The majority of our employees work across our locations in Australia, with a small number of personnel working remotely or from small satellite offices located in the United States, Singapore, South Korea, and the European Union.

As of 31 March 2023, AACo employed 12 workers on Australian Visas. As an approved sponsor, AACo is subject to various obligations in respect of Visa workers. These obligations include ensuring equivalent terms and conditions of employment, offering a reasonable standard of accommodation, and refraining from discriminatory recruitment practices. To ensure we meet our obligations, AACo partners with a reliable external adviser that specialises in immigration to advise on best practice visa processes and

procedures. This advisor is a Registered Migration Agent (RMA) operating under the Australian Government's Code of Conduct for RMAs.

Our Operations

AACo is an integrated branded beef business with three principal activities:

1. Breeding, growing, feedlotting and trading of our animals:
2. Ownership, operation, and development of pastoral properties: and
3. Distribution of high-quality branded beef into global markets.

As of 31 March 2023, we operate across a spread of 6.5 million hectares, owning and managing approximately 432,000 head of cattle across 19 owned cattle stations, 4 leased stations, 2 owned feedlots, 2 owned farms and 1 leased farm, located throughout Queensland and the Northern Territory.

In addition to our Australian operations, we maintain a presence in Singapore and the United States of America. Our activities in these regions focus on the employment of sales and marketing personnel relating to the sale of products within these jurisdictions.

Our Supply Chain

AACo has an extensive supply chain. Typically, our cattle are raised on grass for approximately 15 months, then finished on grain for around 300 days before they undergo processing and distribution.

During the reporting period, AACo had a network of 1,886 direct (tier 1) suppliers. These suppliers vary in size, ranging from small family-owned businesses to large multinational corporations. The majority of our tier 1 suppliers are based in Australia and provide goods and services including equipment, machinery, vehicles, and mustering, fencing, trucking, and contract farming services. AACo also maintains long-standing partnerships with grain and feed suppliers, meat processing service providers, cold storage companies, logistics and shipping companies and freight forwarders.

In the reporting period, AACo's tier 1 suppliers were based in 17 countries including the United States of America, United Kingdom, United Arab Emirates, Sri Lanka, Singapore, Netherlands, South Korea, Hong Kong, France, and Canada. These international suppliers provide a range of goods and services including the administration, sales, marketing, and distribution functions of our branded beef to global markets as well as various back-office functions.

At the final stages of AACo's supply chain are our product distributors. AACo's network consists of 63 distributors who play a vital role in our supply chain. Consequently, we elect to include these distributors in our risk analysis and evaluation. During the reporting period, AACo, through its distributors, sold its high-quality branded beef to restaurant customers both in Australia and abroad, in countries including South Korea, Japan, Singapore, the United States of America, Canada, Switzerland, Germany, Qatar, Jordan, and the United Arab Emirates.

Criteria 3: Risks of modern slavery practices in our operations and supply chains

According to the 2023 edition of the Global Slavery Index (GSI), Australia has a relatively low prevalence of modern slavery. Nonetheless, the agricultural industry, within which we operate, is recognised as having an elevated risk of modern slavery, as corroborated by sources such as the *Hidden in Plain Sight* report¹.

As described in the UN Guiding Principles on Business and Human Rights, the risk of modern slavery involves the possibility that AACo could inadvertently cause, contribute to, or be directly or indirectly linked to instances of modern slavery within its operations and supply chains.

For AACo, the potential risks of modern slavery primarily manifest in two key areas:

1. Employment practices; and
2. Procurement practices.

Employment Practices

While we acknowledge the potential risk that AACo inadvertently contributes to modern slavery through its employment practices, we assess the likelihood of risk to be low.

The overwhelming majority of AACo's workforce is based in Australia with minimal reliance on employees working on Australian visas, as outlined under Criteria 2.

We have entered individual employment contracts with employees in Australia and internationally that establish clear employment terms and conditions in compliance with relevant labour laws and regulations in each jurisdiction. Our employment terms and conditions are underpinned by the Fair Work Act and the National Employment Standards.

At AACo, we deeply value our employees and prioritise their well-being as part of our commitment to ethical employment practices. We have management practices in place to monitor and uphold our commitment to fair employment conditions, employee well-being, and diversity and inclusion.

Procurement Practices

We acknowledge the risk that AACo could contribute to or be directly or indirectly linked to modern slavery through its procurement practices and supply chains. Where our suppliers are engaged in high-risk industries for modern slavery, they similarly expose the AACo Group to the risk that it is linked to modern slavery by its suppliers' activities.

Whilst acknowledging this risk, we have assessed the likelihood of this risk to be low. Factors underpinning this assessment include:

- Due diligence is undertaken on suppliers and distributors prior to being onboarded with AACo. For instance, contractors undertake a thorough onboarding program which ensures that they understand and follow AACo policies and procedures, including in relation to management of modern slavery risks in our supply chain and operations.
- AACo's breeding of livestock is undertaken by employees on its pastoral, backgrounding and feed lotting properties and is undertaken only in Australia. Processing of our cattle is undertaken at 2 facilities in Australia.
- AACo's procurement model for raw materials such as grain, fuel and other inputs is based on long term relationships with predominantly Australian suppliers who have passed through our due diligence process. Limited raw materials for food supplements (proprietary lick block formula) are sourced from overseas.

¹ Parliament of the Commonwealth of Australia, "Hidden in Plain Sight", *An inquiry into establishing a Modern Slavery Act in Australia*, 2017, 56.

Criteria 4: Actions taken to assess and address Modern Slavery risks

Actions taken to assess and address Modern Slavery risk are led by our Modern Slavery Working Group, headed by the Company Secretary and General Counsel. Members of the Working Group include leaders from our Finance, Legal, Risk, Shipping and Logistics and Human Resources teams. The Working Group meets to explore strategies for further embedding better practice into AACo's operations and ensure material advancement in the uplift of modern slavery risk controls.

Supported by a foundation of strong corporate governance, we take action to assess and address the risk of modern slavery in the following ways:

- **Identifying modern slavery risks:** we work proactively to identify areas of potential modern slavery risk within the AACo Group;
- **Preventing modern slavery risks:** we implement preventative measures to eliminate the risk of modern slavery in our operations and supply chain;
- **Mitigating modern slavery risks:** in cases where risks persist, we take action to mitigate their impact; and
- **Reporting for modern slavery risks:** we maintain our commitment to transparent reporting on our efforts and progress in addressing modern slavery risk.

During the reporting period, AACo did not identify any instances of modern slavery in its supply chain or our own operations. Consequently no remediation actions were required or took place.

Action areas are described in further detail below.

Actions taken to Identify Modern Slavery Risks

We continue to undertake due diligence on our suppliers and product distributors to identify potential for modern slavery risks in our operations and supply chain.

During the reporting period, AACo had 1,886 tier 1 suppliers, including our product distributors. We carried out risk assessments on suppliers with a spend exceeding AU\$1,000 over the reporting period. Based on this initial screening of our tier 1 suppliers and distributors, a total of 1,632 suppliers met this threshold and were subject to a risk assessment using a third-party platform.

Following this assessment, no AACo suppliers were identified as high-risk, and the substantial majority were assessed as having a low or very low risk of modern slavery within their operations.

Employee awareness is raised through an online training module designed to improve understanding of how to identify and report suspected instances of modern slavery. This comprehensive module concludes with an assessment to measure respondents' knowledge and understanding of the key concepts presented. All Executives and Senior Management have completed the training, underscoring their commitment and acknowledgement of the importance of this training.

Actions taken to Prevent Modern Slavery Risks

At AACo, we employ proactive measures to prevent modern slavery in our employment practices and procurement practices.

In our procurement practices we apply preventative controls through the application of a supplier onboarding process. AACo's supplier onboarding process now includes a representation, warranty and undertaking in respect of modern slavery. Where this initial due diligence identifies risk factors (such as a major supplier in an industry flagged as higher risk) then there is direct discussion to understand their own initiatives and actions taken to prevent modern slavery risks. In this reporting period we put focus on renewable energy products in our supply chain, specifically solar panels, which the GSI identifies as a top-5 risk product for G20 nations. Existing suppliers are periodically re-screened using a third-party platform.

Actions taken to Mitigate Modern Slavery Risks

Where AACo cannot entirely prevent modern slavery risks in its operations and supply chains, it employs mechanism to mitigate those risks. This approach encompasses the following:

1. **Contractual controls:** Where AACo cannot avoid working with suppliers and distributors in high-risks sectors or jurisdictions we incorporate specific terms, clauses, or conditions into agreements with those suppliers and distributors. These controls are tailored to the risk profile of each counterparty.
2. **Collaboration:** AACo engages in collaborative efforts with industry peers, advisory bodies, NGOs and government organisations. Through these partnerships, we share best practices and insights, jointly address common challenges. Such collaborations amplify our collective impact and underscore our commitment to ethical practices.
3. **Internal Policies:** While AACo’s rigorous employment practices are an effective preventative measure for modern slavery risk, any residual risk is mitigated by out suite of internal policies (summarised below) is designed to safeguard our employees and actively encourage them to raise any ethical or legal concerns they may have. We regularly review existing policies, procedures, and working documents to ensure they address standards of professional conduct, responsible business fundamentals, including human rights and ethics.

POLICY	PURPOSE
Modern Slavery Policy	AACo’s Modern Slavery Policy, first approved by the Board in March 2023, affirms our commitment to contribute to ending all forms of modern slavery. The Policy provides a structure for the Company’s approach to reducing the risk of modern slavery practices within our operations and supply chains.
Code of Conduct	AACo’s Code of Conduct describes our company values and links them to standards of professional conduct. The policy prescribes clear guidelines of expected behaviour among our employees and contractors.
Whistleblower Policy	AACo’s Whistleblower Policy contains details of how to make a report under the policy and describes the protections available to those who report. It includes both internal and external reporting channels, with the option to remain anonymous. The Policy is reviewed annually, and the number and nature of whistleblower reports are reported on at least annually to the Board Audit and Risk Management Committee.
Respecting Each Other Policy	AACo’s Respecting Each Other Policy is a workplace behaviour policy that clearly outlines AACo’s zero-tolerance approach to any form of bullying, harassment, sexual harassment, discrimination, or vilification. The policy provides clear definitions and examples of each of these behaviours and offers information on grievance escalation processes.
Recruitment & Selection Policy	AACo’s Recruitment and Selection Policy details how AACo can appoint the most qualified individuals to each role. The Policy aligns with Equal Opportunity Legislation and is designed to eliminate any unfair discrimination and bias in the recruitment and selection process. The Policy explicitly states that AACo will not employ children defined under relevant laws as school aged.

Actions taken to Report on Modern Slavery Risks

AACo recognises that transparent reporting is fundamental in addressing modern slavery risks within our operations and supply chain. Our actions in this regard include:

1. **Annual Modern Slavery Act Statements:** AACo annually publishes a Modern Slavery Act Statement that details our commitment to combat modern slavery, the steps we have taken to assess and mitigate risks, and the progress made during the reporting period. These statements align with statutory obligations and provide stakeholders with a clear understanding of our efforts.
2. **Board and committee oversight:** the Board Audit and Risk Management Committee plays a crucial role in overseeing our reporting on modern slavery risks. It ensures that the information presented in our Modern Slavery Act Statements is consistent with our actions and reflects the integrity of our efforts.
3. **'Speak Up' communication platform:** during the reporting period, we implemented an expanded internal 'Speak Up' communication program to complement our existing Whistleblower program. This initiative encourages employees to report any work-related grievances, encompassing a wide range of issues (including health and safety concerns, allegations of discrimination, harassment, sexual harassment and bullying), 'Speak Up' provides a dedicated platform for addressing these matters. The platform allows for anonymous reporting, serving as a means to eliminate perceived or actual barriers that might deter employees from feeling safe when raising concerns in our workplace. Additionally, it will serve as a repository for data and analytics, enabling real-time insights to support ongoing monitoring and review of modern slavery risks.

Actions planned for FY24

In the next reporting period, AACo is committed to building upon progress made in previous reporting periods. Our planned actions are as follows:

INITIATIVE	DESCRIPTION
Consolidating the AACo Modern Slavery Policy	We will focus on consolidating the actions undertaken in previous reporting periods, with particular emphasis on embedding the Policy, which was endorsed in March 2023 at the close of the reporting period, and now serves as a cornerstone of our commitment to addressing modern slavery risks.
Review of Attorney General's recommendations	On 25 May 2023, the Attorney General's office released its Report of the statutory review of the Modern Slavery Act 2018 (Cth). The report contains 30 recommendations for improving the administration of the Act to make it more effective. We plan to review these recommendations to understand their implications and consider whether they necessitate modifications to our modern slavery risk management and reporting practices.

Criteria 5: Assessing the effectiveness of our actions

At AACo, we strive to ensure that our actions in identifying and managing modern slavery risks are both impactful and subject to continuous improvement. We assess the effectiveness of our actions by:

1. Tracking our actions and outcomes to ensure our actions are not only implemented but also provide tangible benefit to AACo. We closely monitor whether these actions effectively mitigate modern slavery risks within our operations and supply chain.
2. Partnering with suppliers and seeking advice from external advisors to gain insights into modern slavery practices and procedures. By comparing our actions with those being deployed by our peers and elsewhere in the market, we continuously refine our strategies and stay aligned with best practices.

3. Undertaking external assurance processes to maintain accountability and transparency. These independent assessments ensure that our modern slavery risk management program is evolving effectively and their findings play a pivotal role in our ongoing efforts to enhance our initiatives.

The results of these assessments provide an informed foundation for planning our actions in the next reporting period.

Progress Update on FY22 Initiatives

In our FY22 Modern Slavery Act Statement, we outlined initiatives for the FY23 reporting period. We are pleased to provide an update on our progress against these initiatives:

INITIATIVE	PROGRESS
Modern Slavery Policy	The AACo Modern Slavery Policy was approved by the Board near the close of the reporting period in March 2023, signalling a significant milestone in our commitment to addressing modern slavery risks. Focus will move to operationalising this policy in the FY24 reporting period.
Road map and strategy	The Roadmap and Strategy, originally targeted at a three-year horizon, have now been integrated into the Modern Slavery Policy and our continuous modern slavery risk management processes. We recognise that combating modern slavery is a longer-term commitment, extending beyond the three-year period initially contemplated. This integration ensures that our actions in addressing modern slavery risks remain an ongoing and enduring part of our operations and supply chain management.
Additional policies	Our development of a Responsible Procurement Policy has evolved into a Supplier Code of Conduct . This code of conduct is being broadened beyond Modern Slavery to encompass broader alignment with AACo's values and support our goal of obtaining goods and services from suppliers committed to responsible environmental, social, and economic practices. When launched, the Supplier Code of Conduct will complement the AACo Modern Slavery Policy.
Further training	Modern Slavery training was integrated into the onboarding process for new AACo employees.
Further investigation into successive tiers of our supply chain	AACo partners with third party providers who allow us to extend our analysis of modern slavery risk beyond tier 1, examining successive tiers of the supply chain. These tools have been used in the rescreening of existing suppliers during the period to extend our analysis to tier 2.
Supplier onboarding	AACo's supplier onboarding process now includes a representation, warranty and undertaking in respect of modern slavery. Prospective suppliers are now required to affirm that they do not engage in modern slavery within their own operations, comply with their reporting obligations, maintain appropriate policies and procedures to prevent modern slavery, promptly notify AACo of any suspected incidents, and actively support AACo in our efforts and reporting on modern slavery risks. Prospective suppliers are required to acknowledge and commit to these provisions before being accepted as AACo suppliers.

Criteria 6: Consultation process

This Modern Slavery Act Statement has been made on behalf of Australian Agricultural Company Limited and its 17 controlled entities, including A.A. Company Pty Ltd which is also a reporting entity. A small number of the controlled entities have operations in the United States of America and Singapore. Modern slavery risks and impacts have not been assessed in those jurisdictions where AACo has a presence but does not actively operate, including Singapore and the USA.

AACo's controlled entities are wholly owned and controlled by AACo. Accordingly, AACo did not consider that formal consultation with its controlled entities was necessary or useful in preparing this Modern Slavery Act Statement. AACo and its controlled entities are treated as one operational entity from a corporate governance perspective and each of the controlled entities is covered by AACo's policies, procedures, and systems, including those relating to human resources, contracts and contractor management, and procurement.

Criteria 7: Provide any other relevant information

Refer to the above criteria. Relevant additional information has been included within each criteria.

Criteria 8: Approval

This Modern Slavery Act Statement was approved by the Board of AACo on behalf of AACo and the second reporting entity covered by this statement, A. A. Company Pty Ltd, on 20 September 2023.



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The Art of Australian Beef

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