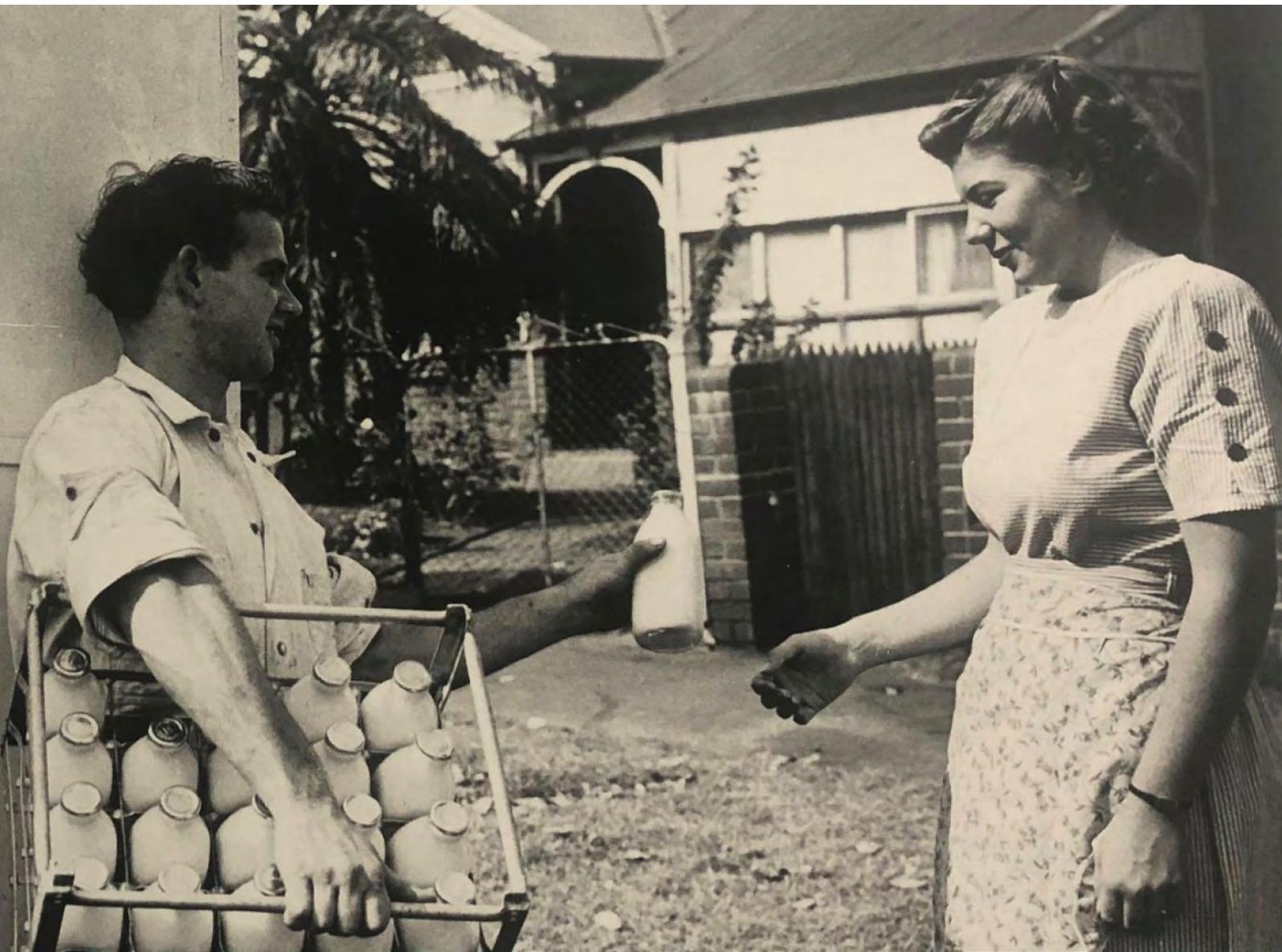


Brownes
dairy



**MODERN HUMAN
SLAVERY STATEMENT
2020**

Introduction

Brownes Dairy is pleased to submit its **Modern Human Slavery Statement** for the financial year **1 January 2020 - 31 December 2020**, in compliance with the Commonwealth Modern Slavery Act 2018.



MODERN HUMAN SLAVERY STATEMENT 2020

Our commitment

Brownes is committed to acting ethically and with integrity at all times in all our business dealings and relationships and to implementing and enforcing effective systems and controls against modern slavery not taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Commonwealth Modern Slavery Act 2018.

We expect the same high standards from all of our contractors, suppliers and other business

partners, and as part of our contracting processes, in the coming year we will include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

Brownes do not and will not tolerate any acts or behaviours that involve any form of human slavery practices by suppliers, partners or other stakeholders and we intend to be fully compliant with all the relevant laws both in spirit and in practice.

THIS STATEMENT COVERS THE REPORTING ENTITY(S):

Australia Zhiran Co Pty Ltd
(ACN 619 268 727)



Brownes Foods Operations Pty Ltd,
trading as Brownes Dairy
(ABN 60 146 849 881)

Brownes Foods Operations Pty Ltd (ABN 60 146 849 881), trading as Brownes Dairy is ultimately owned by Australia Zhiran Co Pty Ltd (ACN 619 268 727).

This statement covers

- Who we are as an organisation
- Brownes operations and supply chains
- Brownes approach to understanding the risks of Modern Human Slavery and commitments
- Brownes' approach and commitment to identify risks & actions to date
- Governance and Modern Human Slavery assessments
- The future



Who we are as an organisation

Brownes Dairy is Australia's and Western Australia's oldest dairy company. It is also one of Western Australia's most iconic businesses established in 1886 by Edward Browne as a small dairy farm in what is now Shenton Park WA.

Brownes operates from its main processing site in Balcatta WA and owns a second site at Brunswick Junction WA, collecting over 140 million litres of milk each year from over 50 dairy farms in WA's South West region accounting for near 40% of the State's milk production. The company has a diverse portfolio of dairy and other food products including white milk, cream, yoghurt, flavoured milk, juice, desserts and cheese. The company prides itself on its innovative products and services that is embedded in its DNA and consequently is a significant awards winner in the dairy industry.

Brownes supplies all major retailers and food services companies in Australia, as well as being a long standing exporter to Asia and holds certifications with;

- Global Food Safety Initiative – BRC (British Retail Consortium)
- HACCP
- Export License from Department of Agriculture/Water and Environment.

Brownes operations and supply chains

Brownes Dairy is Western Australia's oldest, and most iconic dairy company. Established in 1886, we are a family household name, and have been in operation for over 135 years.

We pride ourselves on being an adaptive and innovative organisation. In 2017, 2018 and 2019 we were a recipient of the AFR 'Top 50 Most Innovative Companies' and in 2020 we revived an iconic piece of WA history; the Brownes Dairy 'Milko' home delivery service, which saw us win best COVID pivot in the 2020 AFR awards.

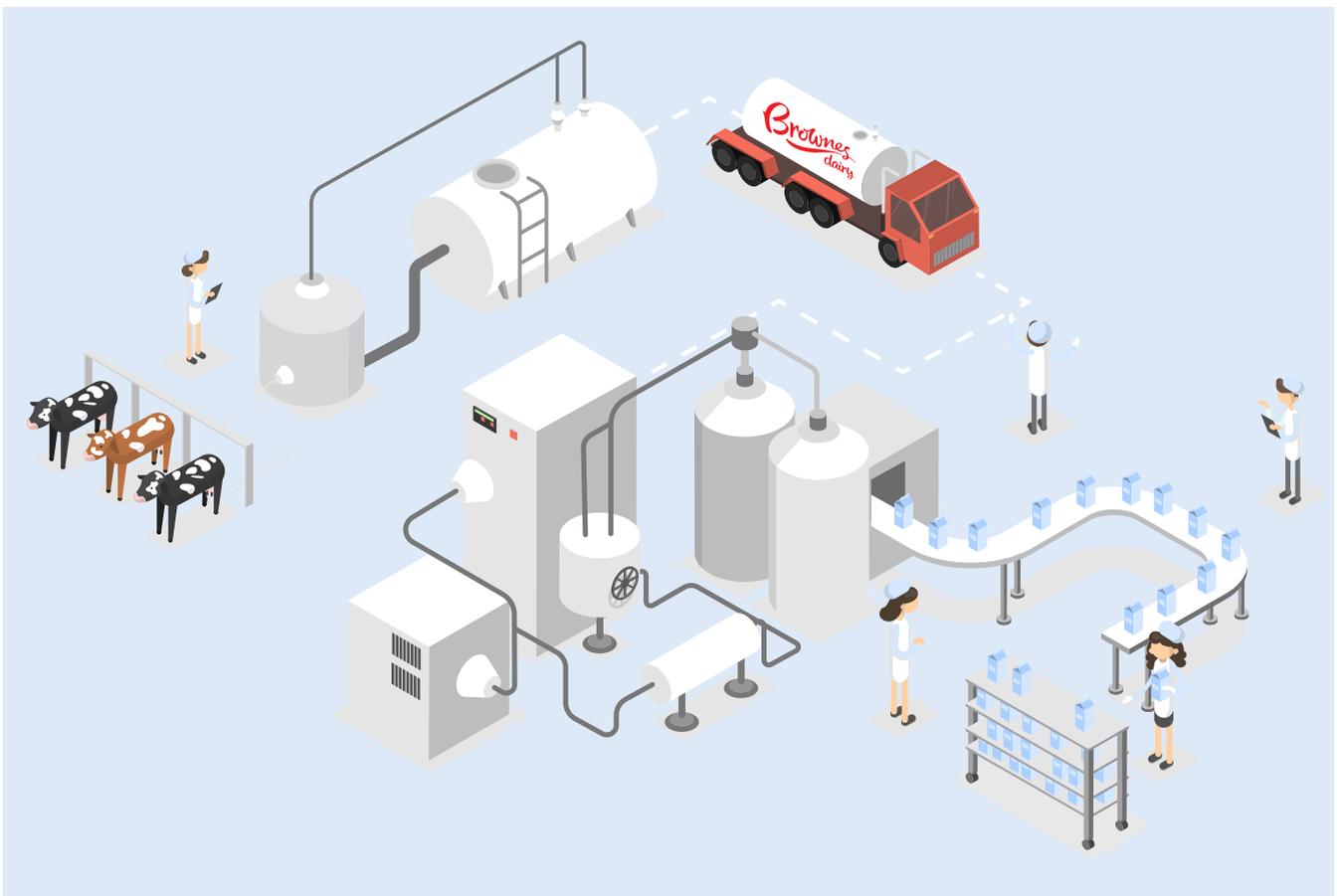
Brownes supply chains are simple at the core and diverse and complex when accounting for the product portfolio we create and the suppliers we purchase from.

Today Brownes Dairy operates from its main site in Balcatta WA where the majority of dairy processing occurs and houses the vast majority

of its staff and owns a second site in Brunswick, serving primarily as a milk receivable plant and cheese processing facility.

Brownes employees 260 FTE across the two sites and produces packaged and bulk dairy products across all dairy categories including branded and private label products in partnering with the likes of Coles, Woolworths and Aldi supermarkets. We work with 32 independent contractors across Western Australia as distribution partners.

Primarily Brownes sources raw milk supply from 50 Western Australian dairy farms and converts this milk into various dairy products including white milk, flavoured milks, yoghurts, cheeses, creams and ice-cream. In doing so Brownes sources packaging and raw materials primarily through Australian suppliers though many ingredient and material inputs come from across the world.



Brownes' approach to understanding the risks of Modern Human Slavery and commitments

BROWNES INTERNAL

Brownes operates both sites in Western Australia in Balcatta and Brunswick and given these are under our control and operating in Australia under Australian workplace relation laws and guidelines, we deem this to be at low risk of Modern Human Slavery.

However we continuously monitor our practices and cultures to ensure our adherence to this and this expectation flows directly to our contracted Labour Hire companies as well. This will remain a focus in the coming year.

OUR SUPPLY CHAINS

Our largest supply cost is raw milk sourced off Western Australian farms. At this early stage Brownes has not identified any current circumstances of concern, however it is well aware that potential risks arise commonly due to the nature of agriculture in food production industries, areas such as migrant and transient labour and the use of third party labour sourcing. These areas will form the focus in the following year.

existing and whilst Brownes uses every endeavour to work with reputable suppliers holding GFSI certifications the primary source of ingredients may not be immediately known to Brownes.

Brownes has identified the potential for risk specifically in areas where suppliers to Brownes use products and ingredients originating in high risk countries such as imported coffee, orange juice concentrate and fruit prep.

Brownes has identified the highest risk of acts of modern slavery lie in the sourcing of raw materials both domestically and abroad and the sourcing of ingredients from high risk geographies where human rights and other regulatory frameworks may be weak or non-

In 2021 Brownes will undertake significant investigations with its supply chain to better understand these risks and work to mitigate such risks.



Brownes approach and commitment to identify risks & actions taken to date

Brownes holds a firm view on Modern Human Slavery and is committed to understanding more on all aspects of risk throughout its supply chain. At face value our supply chain is simple primarily taking milk from WA farms and bottling it for local market consumption, however Brownes is well aware that in its specialty products complexities arise and opportunities exist for exploitation of workers globally. Brownes are committed to understanding this more and mitigating such risks.

This is Brownes's first public statement on Modern Slavery. In the reporting period Brownes has, through the development of the Brownes Anti-Slavery Plan, conducted a preliminary internal assessment of risks and completed the below initiatives.

- Policy development – in 2020 Brownes drafted for publication in 2021 the formal Anti-slavery policy.
- Development of Brownes Supplier Responsible & Sustainable Sourcing code of Conduct to include awareness of the risks of Modern Human Slavery.
- Updated Procurement Supplier approval process to include acknowledgement of Brownes Supplier Responsible & Sustainable Sourcing code of Conduct.
- Staff education through;
 - o Direct communication from the CEO and Managing Director introducing the policy and outlining staff and contractor expectations.
 - o Online training of all staff on a wider understanding on Modern Human Slavery and its implications for Brownes and its stakeholders.
- Drafted inclusion in induction programs for staff and contractors.
- Conducted preliminary assessments of geographical risks using the Walk Free Foundation Global Slavery Index to identify geographical areas of concern <https://www.globallslaveryindex.org/resources/downloads/>.
- Categorising suppliers in tiers to engage the largest suppliers and contractors to Brownes first.
- Engagement of an independent auditor to audit Brownes in June 2021 to validate initial assessments and lead formal risk assessment matrix creation and the action plan for 2021 onwards.

Governance and Modern Human Slavery Assessments

Brownes recognises we are in the early stages of fully understanding all aspects and risks of Modern Human Slavery and in subsequent years will develop robust governance framework and assessment mechanisms as we seek to understand risk or as they avail themselves within the supply chain.

Currently Brownes assesses our actions against;

- Full investigation of any reports from its staff, contractors, the public or any law enforcement agency.
- Active promotion of the whistle blower policy with follow up against every instance.
- Creating an open and engaging environment with suppliers allowing for two way concern sharing.

The CEO assumes ultimate responsibility aided by the Chief of People & Culture and Chief Operations Officer though encourages the ownership and accountability across all employees at Brownes.



The future

Brownes will look to build on its early research work and practices in place to ensure a greater understanding of its supply chain in its entirety with the view to identifying and eradicating all risks of Modern Human Slavery through;

- Driving greater awareness of the risks of Modern Human Slavery across all staff.
- Creating an environment of engagement with key suppliers to gain greater transparency of our supply chain with the view to mitigating risks down the chain of suppliers.
- Creating opportunity to educate smaller suppliers in aspects of Modern Human Slavery specifically around milk supply off farm in WA.
- Completing an independent audit of Brownes and its supply chain to aid in the action plan.
- Completing the SEDEX 4 pillar audit.
- Building a formal Governance framework relating to Modern Human Slavery risks in our business and supply chains.

Statement Approval

Brownes Foods Operations Pty Ltd is pleased that this statement was approved by the Board of Brownes Foods Operations Pty Ltd (ABN 60 146 849 881), trading as Brownes Dairy and owned by Australia Zhiran Co Pty Ltd (ACN 619 268 727) on 29 June 2021.



Natalie Sarich-Dayton

CEO & Executive Director
Brownes Foods Operations Pty Ltd
Date: 29/06/2021

