

Modern Slavery Statement

For the Reporting Period

1 January 2021 to 31 December

2021

1. Introduction

The Bellamy's Group are pleased to provide this Statement outlining our continuing action to address and support the requirements of the Modern Slavery Act 2018 (Cth) (the **Act**). Bellamy's is committed to improving the ethical standards within our business operations and our supply chain by working together with our suppliers to minimise the risk of modern slavery. Bellamy's recognizes the importance of our social responsibility and strives to continuously improve our management of human right risks.

This Statement is made on behalf of the entities listed in Section 2 which are part of the Bellamy's Group (referred to as '**Bellamy's**' or '**we**'). This Statement was prepared in accordance with the Act and describes the steps that Bellamy's has taken during the 2021 calendar year (**Reporting Period**) and to assess the effectiveness of these steps.

2. Our organisational structure

This Statement is made on behalf of the following entities within the Bellamy's Group which are reporting entities under the Act as they are Australian entities or carry on business in Australia with a consolidated revenue of over \$100 million during the Reporting Period:

- Bright Treasure Pty Ltd;
- Wise Journey Pty Ltd;
- Bellamy's Australia Limited; and
- Bellamy's Organic Pty Ltd, (together, the **Reporting Entities**).

The Bellamy's Group also includes the following wholly-owned subsidiaries which are not reporting entities for the purposes of the Act:

- A.C.N. 619 661 611 Pty Ltd;
- Camperdown Powder Pty Ltd;
- Yum Mum Pty Ltd;
- Bellamy's Organic (South East Asia) Pte., Ltd;
- Bellamy's Organic (Hong Kong) Company Limited; and
- Bellamy's Organic Food Trading (Shanghai) Co., Ltd.

Since December 2019, Bellamy's has been wholly-owned by China Mengniu Dairy Company Limited, which is listed on the Hong Kong stock exchange.

3. Our Operations

Bellamy's is an Australian leading organic infant formula brand and is in the market of producing organic baby food and formula. Our operations span across Australia, China and South East Asia and we have offices in Melbourne, Launceston, Braeside, Shanghai, Hong Kong and Singapore. As at the last day of the Reporting Period, the Bellamy's Group employed a total of 200 people across all of our offices and locations. Our operations also include indirect workers including service contractors and labour hire agencies that support the company.

Bellamy's core business involves the marketing, processing, manufacturing, distribution and sale of organic baby food and infant formula. We partner with distributors and trade partners predominantly in Australia, China and South East Asia to distribute our products. Separate to our core business is Camperdown Powder, an infant formula canning facility located in Braeside, Victoria. Camperdown Powder cans infant formula for Bellamy's and other infant formula brands.

4. Our Supply Chain

During the reporting period Bellamy's worked with approximately 245 vendors and suppliers, 87.8% of which were based in Australia, and with 12.2% of which were based overseas. Majority of the suppliers engaged by Bellamy's supplied goods and services, such as supply of ingredients, dairy powder and baby food. These materials were used for Bellamy's manufacturing operations for our infant and toddler formula products.

Bellamy's prides itself on utilizing Australian ingredients where possible and during the reporting period sourced 55% of ingredients & infant and toddler dairy powders from Australia. Of the other dairy ingredients used to manufacture our products, majority were sourced mainly from the European Union & the United States of America.

From the direct suppliers described above, there are also many other suppliers that contribute to Bellamy's supply chain through the provision of goods and services to direct suppliers. Bellamy's understands acknowledges that there may be a higher level of modern slavery risk beyond our direct suppliers therefore we are in the process of developing a more robust risk assessment matrix to ensure the modern slavery risks are managed accordingly.

Bellamy's supply chain is expansive and can be broadly categorised as follows:

Category	Description	Key Locations
Ingredients and manufacturing	Suppliers of raw ingredients and packaging materials, co-packers and manufacturers	Australia, New Zealand, Austria, UK, US, Colombia, South Korea, China, Thailand, India, Italy, Chile, Ecuador
Distribution	Distributors, transport/logistics and warehousing providers, ecommerce platforms	Australia, China, Singapore, Vietnam
Marketing services	Suppliers of advertising, design and marketing services	Australia, China, Singapore, Vietnam, Malaysia
Business support services	Suppliers of insurance, IT, finance, HR, legal, business consultancy and other professional services	Australia, China, Singapore
Utilities and consumables	Suppliers of utilities (such as electricity, water and telecommunications) and consumables (such as printing, stationery and PPE) to support the day-to-day operations of our offices and canning facility	Australia, China, Singapore

5. Modern slavery risks for Bellamy's

As set out in Bellamy's first modern slavery statement, in 2021 we continue to conduct risk assessments of our operations and supply chain to identify areas which may be at risk of causing, contributing or directly linked to modern slavery practices. We continue to monitor our environment for risks through a combination of compliance checklists, supplier screening and monitoring. In undertaking this assessment, we looked at the geographical location, sectors, industry and product categories in which the relevant activity is being undertaken.

The risk of modern slavery practices in the Bellamy's Group within our own Australian operations remain low for this Reporting Period. However, there remains a moderate risk of the Bellamy's Group being directly and indirectly linked to modern slavery practices through our suppliers.

Bellamy's acknowledges the increasing number of modern slavery practices which were driven by the social and economic issues caused by the ongoing COVID-19 pandemic.

The following types of suppliers have been identified as being more susceptible to modern slavery risks than others in our supply chain:

- suppliers of ingredients and other goods in higher risk countries such as Thailand, India, China, Colombia, Ecuador and Sri Lanka, based on their prevalence and vulnerability rankings and estimated proportion of the population living in modern slavery as published in the 2018 Global Slavery Index; and
- suppliers of certain ingredients such as fruit, spices and oils, due to the known occurrence of forced labour and exploitation of seasonal and migrant workers in these industries, including in countries that are generally considered to be at low risk of modern slavery such as Australia and New Zealand.

6. Actions taken to assess and address modern slavery risks

GOVERNANCE AND POLICY

Bellamy's has undergone significant restructure in our operations and governance in the 2021 calendar year. As a result, our previous internal Modern Slavery Working Group has been dissolved. Regardless, key stakeholders in the Group continue to assess and promote awareness of risks to the broader business and guide Bellamy's modern slavery response.

We have continued to annually update our Modern Slavery Policy, which applies and is circulated to all entities within the Bellamy's Group. The policy confirms our commitment to human rights and mitigating the risks of modern slavery in our operations and supply chain. This Policy also sets out procedures that must be followed by Bellamy's staff in respect of all existing and new suppliers with the aim of managing and mitigating modern slavery risks.

Our Supplier's Code of Conduct is regularly reviewed by key stakeholders in the Bellamy's Group to ensure that it sets out the minimum standards we expect for mitigating potential or actual modern slavery practices, including minimum standards in respect of working hours and conditions, treatment of migrant workers, discrimination and hiring of minors. We continue to work with all of our transport and warehousing suppliers, ingredient suppliers, manufacturers and brokers to implement this Supplier's Code of Conduct in future reporting periods.

Our Modern Slavery Policy is supported by our Speak Up Policy, which encourages current and past employees, officers, contractors, suppliers and associates (amongst others) to speak up about any suspected or actual misconduct, including a breach of Bellamy's Code of Conduct or other Bellamy's policies or a breach of any laws or regulations. In addition to our Speak Up Policy, we have created a 'Guide to Potential Recipients' document for any person who may be contacted by a person wishing to make disclosure about potential misconduct. This document provides a step-by-step action plan to appropriately respond to disclosures and ensure that the correct action is taken to protect the discloser and investigate the misconduct according to the law.

SUPPLIER MANAGEMENT

We undertook a detailed mapping exercise of all our ingredients, packaging, manufacturing and logistics suppliers for all of our infant formula and food products to identify suppliers operating in high-risk industries and geographical locations. We reviewed our supply arrangements with these suppliers to understand the extent of potential risks and how they could be mitigated. In undertaking this review, we took into consideration relevant factors such as whether or not the supplier subscribed to the Fairtrade Standards.

We included contractual provisions in relevant contracts requiring our suppliers to comply with all relevant labour laws and not to engage in practices that would facilitate modern slavery.

In respect of our ingredient suppliers, manufacturers, warehousing suppliers and testing laboratories, we introduced new questions in our supplier audit checklist which aim to identify and manage modern slavery risks, including questions relating to the supplier's treatment of its employees and how the supplier is minimising modern slavery risks in its operations and supply chain. Our quality assurance team undertakes supplier audit reviews each time a new ingredient, manufacturing, warehousing or testing supplier is onboarded and annually for all existing suppliers in these categories.

During the Reporting Period, the ongoing impact of the COVID-19 pandemic and associated travel and lockdown restrictions saw a heightened risk of Modern Slavery practices on a global level. Bellamy's recognises the ways in which COVID-19 continues to affect our team and have regularly updated and educated all staff on these risks, by circulating policies and mandatory online e-learning modules. Bellamy's also recognises the changes in our supplier due diligence approach and efficiency during this period. Lockdown restrictions impacted our ability to conduct in-person audits of our local and international suppliers. As a result, we were limited to conducting only desktop audits. Prior to COVID-19, Bellamy's had conducted in-person audits of all of our key local and international suppliers (including suppliers of major ingredients and suppliers considered as being high risk).

We did not identify any risks during the Reporting Period that required further remediation action to be taken.

OUR PEOPLE

Within the Bellamy's Group, all our staff are employed in accordance with applicable legislation and paid above the prevailing minimum wage in the country in which they are employed and, where applicable, paid in accordance with the position's relevant award. This is verified annually by our external auditors.

Our Employee Assistance Program (**EAP**) gives our employees access to a 24/7 external counselling and reporting line. Employees may utilise the EAP for support on various personal and work-related issues, which are all treated on a confidential basis.

7. Assessing the effectiveness of our actions

By regularly updating and circulating our Modern Slavery policies to all Bellamy's entities and ensuring any new employee of Bellamy's has actively read, understood, and acknowledged their compliance obligations in these policies, we were able to successfully raise awareness throughout the company. Going forward, Bellamy's will continue to develop key performance indicators (KPIs) to measure how effective these actions are over the initial 3 reporting periods. These KPIs will include training completion rates, percentage of high-risk suppliers that have agreed and acknowledged our Supplier's Code of Conduct and records of any complaints or grievances reported to any stakeholder in the Bellamy's Group.

We were unable to undertake a proper assessment of the effectiveness of our 'Speak-Up Guide for Potential Recipients' policy given this action was newly introduced during the Reporting Period. However, we intend to closely monitor and assess the effectiveness of this policy going forward and ensure that accurate and productive feedback is requested from all employees.

We have also attended, and plan to continue attending, professional development programs relating to modern slavery to benchmark our practices against industry best practice and keep abreast of new developments for minimising modern slavery risks in our supply chain and operations. Given the restrictions associated with the global pandemic, attendance at the

abovementioned professional development programs will resume in the next Reporting Period. Bellamy's continues to monitor industry best practice developments remotely.

Whilst our initial risk assessment and mapping exercise of our suppliers has provided a baseline that can be used to assess the effectiveness of our actions, the worldwide travel restrictions due to the continuing COVID-19 pandemic have impeded our ability to accurately assess how effective these actions have been for the 2021 reporting period. We will continue to review and enhance our KPIs and develop standards to assess our actions and make necessary changes to ensure there is continuous improvement in these areas.

8. Progress of our objectives

Objective	Comments	Status
Further educate our staff on modern slavery and how it could be prevalent in our supply chains and everyday life, by incorporating modern slavery training into our broader employee training program which must be completed by all new staff as well as existing staff on a periodic basis.	<ul style="list-style-type: none"> Updating and circulating Bellamy's Modern Slavery Policy to all staff Ensuring and monitoring that all staff have completed annual e-learning training modules on combating modern slavery. 	Y
Promote continuous dialogue and information sharing between Bellamy's and our suppliers, by reviewing and improving the contractual provisions relating to modern slavery risks that were introduced into relevant contracts during the Reporting Period.	<ul style="list-style-type: none"> Continuously updating all contract precedents and standard form contracts to include clear Modern Slavery terms and acknowledgement of compliance from all suppliers and service providers. 	In Progress
Investigate new measures that could improve our supplier due diligence processes and assist with identification of modern slavery risks.	<ul style="list-style-type: none"> Plans to introduce a new Modern Slavery compliance and reporting check as part of our onboarding process for new suppliers and vendors. 	In Progress

9. Next steps

Bellamy's is committed to continuously improving the ethical standards within our operations and in our supply chain. In 2022, we plan to:

- increase compliance and monitor risk during the onboarding of new suppliers, by including a mandatory reporting check prior to engagement;
- implement effective and easily accessible remediation processes which respond to the identification of all human rights harms Bellamy's may cause or contribute to, in such a manner that does not jeopardize the safety of potential or actual victims and working together with expert advisors when necessary in order to most effectively implement these processes; and
- implementing a trusted, accessible and confidential grievance mechanism as an early warning and prevention method against any modern slavery practices that may directly or indirectly be associated with Bellamy's.

Bellamy's will maintain our high standard of quality assurance by auditing all major and high-risk international suppliers in person (in addition to local Australian suppliers).

10. Consultation and approval

This Statement has been prepared in consultation with key staff and senior management from each of the entities within the Bellamy's Group, who provided relevant information and contributed to the verification and review of this Statement.

This Statement has been approved by the Board of each of the Reporting Entities and is signed by Graham Mulligan as a director and Richard Gu as Chief Executive Officer on behalf of the entities listed below.



Graham Mulligan
Director
Bright Treasure Pty Ltd
Wise Journey Pty Ltd
Bellamy's Australia Limited



Richard Gu
Chief Executive Officer
Bellamy's Group