

New Zealand King Salmon

Our 2023 Modern Slavery Statement

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1. CEO Message

I am pleased to introduce our third Modern Slavery Statement, which addresses our response to Modern Slavery requirements in Australia.

New Zealand King Salmon supports the United Nations Global Compact principles and strongly opposes human rights violations, including slavery and human trafficking. As such, we have identified risk areas in our operations and our supply chain.

New Zealand King Salmon is committed to tackling modern-day slavery, and the following statement highlights the measures we are taking to address the risks associated with modern-day slavery across our supply chain.

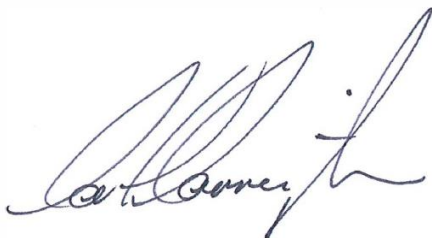
The New Zealand King Salmon Board considers that the measures highlighted in this document, combined with the company's strong values and proactive engagement with our business partners, will help identify and reduce the risks of modern slavery throughout our supply chain and operations.

The company also maintains policies to encourage and protect those reporting possible human rights or modern slavery abuses within the business.

Responsible team members and management complete training covering all forms of slavery and human trafficking. As part of our responsibility to combat modern slavery, we ensure that employees, clients, partners, and other stakeholders know our commitments.

Our third Modern Slavery Statement reports on the challenges and achievements since the last report, what we need to achieve next, and provides a general background to our operational activities.

As CEO, I acknowledge the importance of this statement and the requirement to increase awareness, both internally and externally, of modern slavery risks across our industry.



Carl Carrington, CEO
7 August 2023

2. About New Zealand King Salmon

As the world's largest King salmon producer, we are the King salmon experts with over 30 years of farming, processing, and branding this unique breed. New Zealand King Salmon (NZKS) success relies on strong partnerships with diverse people and organisations.

As a result of resizing our business, resourcing has been reduced in most areas, and some of our intentions to progress Modern Slavery mitigation activity have been delayed. However, NZKS remain committed to making progress on monitoring and mitigating the modern slavery risk across our operations.

Our team members

Our People and Culture team are instrumental in driving our organisational culture and providing our managers with support, training, systems, and processes that allow them to manage their team members effectively.

At the end of FY23, NZKS had 433 employees, with 3 based in Australia and 3 in the United States. The remainder is located within New Zealand and is allocated across our divisions as follows:

Division	Employees (Head Count)
Aquaculture (incl. hatcheries, sea farms)	114
Corporate	40
Omega Innovations	8
Processing	206
Sales and Marketing	29
Supply Chain	30
TOTAL	427

Our Structure

NZKS is a publicly listed company on the NZX, with a foreign exempt listing on the ASX.

Consumers may best recognise us from the brand names for our salmon products: Ōra King, Regal and Southern Ocean. We also produce a premium pet food range, Omega Plus, and a burley product, Big Catch Salmon Burley, to maximise the nose-to-tail usage of the fish we harvest.

In FY23, our revenue was NZ\$167.1m. FY23 had a net profit for the year of \$1.9 million, compared to a net loss of \$73.2 million in FY22. We harvested 6014 tonnes of salmon, selling 41% by volume within NZ and 59% in international markets (primarily North America, followed by Asia and Australia).

Our operations

New Zealand King Salmon is a vertically integrated (egg-to-plate) salmon producer from breeding to branding. Our headquarters are in Nelson, NZ. Except for one freshwater facility within NZ's Canterbury region, our operations are confined to the 'Top of the South' region (Golden Bay, Nelson, Marlborough Sounds, Picton).

Our operations begin in our two freshwater salmon facilities, where we care for the broodstock that produces our King salmon eggs. We hatch these eggs and grow out the smolt in fresh water, and then the salmon are placed into one of six operational salmon farms in the Marlborough Sounds.

Twelve to eighteen months later, at harvest, we transfer salmon to our processing facility (factory) in Nelson. The salmon is produced in multiple forms – fresh, smoked, and frozen – and packaged. We organise the distribution of our products both within NZ and internationally.

Our Supply Chain

Our main categories of goods and services include fish feed, packaging, freight and logistics and ingredients. Our total vendor spend for FY23 ¹ was \$144.4m, roughly two-thirds of spend (62%) from our top 10 suppliers.

Much of our spend relates to our two feed suppliers, both based in Australia. Skretting Australia is a subsidiary of a Netherlands multinational company, while the other, Biomar, is a subsidiary of a Danish multinational.

Our supplier profile is a blend of local and international suppliers, including subsidiaries of large multinational firms. We have performed a high-level assessment of companies focussing on risk indicators in this space, such as; sector or industry risk, product & service risk, geographic risk, and supply chain model risk. Suppliers were selected based on if they had large annual spend or the supplier is involved in contracting staff, overseas owned, involved in shipping/logistics or have potentially riskier supply chains such as the packaging providers.

Given the geographic locations and industries our supply chain covers, we have used publicly available resources (such as the Global Slavery Index) to assess the goods we source. The following categories are assessed as higher than usual risk:

- *Fish feed* (feed from suppliers includes various ingredients from (Peru, Chile, India, Thailand, and Brazil))
- *Packaging* (our NZ-based suppliers manufacture in Europe, China and other Asian countries)
- *Fish pens, nets and ropes* (these products are manufactured in India)
- *Stationery* (our stationery supply chain, which includes paper, could include countries where modern slavery is prevalent)
- *Electric vehicles* (the electric vehicle industry relies on lithium and rare earth minerals, some of which – e.g. cobalt – come from high-risk countries such as the Democratic Republic of Congo).

Of these categories, fish feed comprises a significant component of our spend in FY23 (29 percent), while packaging makes up 3 percent. In FY23 spend on pens, nets, ropes and stationery are minimal on overall YTD spend.

3. Our Modern Slavery risks

NZKS operates almost entirely within New Zealand, a country with good economic governance and labour laws. According to the Global Slavery Index, New Zealand has a low prevalence of modern slavery.

¹ Based on vendor spend within NZ King Salmon Co Ltd, excluding overseas subsidiaries

Operations

NZKS is an employer of visa-dependent workers, and we have supported many workers to attain permanent residency. NZKS has systems and policies to ensure visa compliance and support for our workers (see section 4 below). On 24 August 2022, NZKS achieved accreditation for Accredited Employer Work Visa, giving further access to hiring migrants for up to 3 years who meet a specific threshold. The threshold consists of the role being above the NZ median wage and if the business can demonstrate that no other suitable New Zealander can perform the role. We assess visa-dependent workers' risk of modern slavery within our operations as low.

Contractors

NZKS uses contractors to support its operations. All NZ-based contractors are screened through Rapid Global, our pre-qualification system, which ensures at the company level contractor compliance with our health and safety and national labour and immigration (visa) laws.

Our contracting includes a mix of highly skilled and base-skilled labour. We have a small number of highly skilled business development contractors based in Europe, China, and Japan.

While we work to minimise our use of labour-hire contractors, we inevitably require additional support in our busy periods and post covid where employee shortages are an industry-wide norm.

Given our limited overall use of labour contractors, the primarily NZ-based nature of our contractors, and the pre-qualification process and safeguards we have in place (see section 4 below), we assess the risk of modern slavery in our contractors as low.

4. Our safeguards against Modern Slavery

a. Our policies

"NZKS is committed to providing a work environment for all employees free from discrimination and harassment, where employees feel safe at work and are treated with respect."

As a company operating globally and a significant employer in our region, the backbone of our respect for and responsibilities to our team members are specified in our formal policies managed by our People and Culture department.

In FY23, there were no significant changes to the policies listed below.

Our **Code of Conduct** sets out expectations of both employees and NZKS as an employer. NZKS' obligations include fair and open selection procedures, fair pay rates and good and safe working conditions, including freedom from discrimination and harassment. Examples of serious employee misconduct are also provided, including misconduct by employees, which include falsifying NZKS documents and records, misrepresenting NZKS for personal gain and seeking or accepting bribes. In any such case, NZKS will determine whether disciplinary action up to or including dismissal is warranted.

Our **Freedom of Association Policy** enshrines our commitment to recognise and respect team members' rights to freedom of association and collective bargaining. Wilful breaches of this policy may be treated as serious misconduct. We include this policy in the information pack given to new team members, and we have placed signs in our factory and on farms. We currently have one union, E Tū, present in our workplace, representing a section of our processing employees.

Our **Whistle Blower Policy** assures our team members that any concerns they raise about actual or suspected wrongdoings within NZKS will protect the person disclosing from reprisal or

disadvantage. Noteworthy wrongdoings include fraudulent or illegal behaviour, corrupt conduct and unethical or inappropriate behaviour (including harassment, bullying, discrimination, manipulation, and falsification).

Our **Recruitment and Selection Policy** defines our approach to recruiting the right people, with the right skills and attributes, into the right roles. The policy outlines methods and guidance for ensuring applicants are treated fairly, consistently, and non-discriminatory. This policy also clarifies our induction process to ensure new team members are given all information appropriate to their role, including both their and NZKS' responsibilities to each other.

Our **Harassment and Bullying Policy** sets out clear definitions and fair procedures for NZKS to follow should any of our team members experience harassment or bullying.

b. Additional operational measures

Competitive wages

NZKS operates in premium, branded food segments and aspires to be an employer of choice within NZ. NZKS currently aims to pay its team members competitive market wages within our region.

Visa support and monitoring

NZKS has team members on working visas within our hatcheries, processing factory and on our seafarm teams. We use Visa View, an online system, as part of our employee checks to connect directly with Immigration New Zealand to check whether a non-New Zealand citizen can work for NZKS in New Zealand. As outlined in section 3, in August 2022, NZKS achieved the Accredited Employer Work Visa to support visa-dependent workers with stable employment further.

c. Third-party verification of policies and outcomes

Many of our safeguards against modern slavery practices, as well as less extreme forms of exploitation, have been independently verified by third parties.

For example, since 2018, NZKS has held 4-star status with the **Best Aquaculture Practices (BAP)** certification, the highest status available under the BAP standard.

BAP's standard applies several criteria relevant to modern slavery. The standard contains requirements on child labour, voluntary labour (a lack of forced or bonded labour, including confiscation of personal identity documents), clear contracts before and during employment (regarding terms of employment, worker benefits and entitlements), as well as a right to collective bargaining and grievance processes. These rights are also extended to contractors and temporary workers. The BAP's standards for salmon farms, feed mills, and processing are available [here](#).

In FY25, NZKS will re-join and report to the **UN Global Compact**, a voluntary initiative driving awareness and action to support UN goals. Signing up for the Global Compact requires us to submit an annual Communication on Progress detailing our commitment, actions, and outcomes on the Global Compact's Ten Principles. These Principles fall across four categories – Human Rights, Labour, the Environment and Anti-Corruption – and therefore mutually support our actions against modern slavery. Our 2020 Communication on Progress is available [here](#).²

² Our 2020 Communication of Progress was the last submission to the UN Global Compact.

d. Supply chain

Our **Supplier Code of Conduct** is modelled on the United Nation's Global Compact, which contains 10 principles on Human Rights, Labour Rights, Environment and Corruption. The Supplier Code of Conduct places the onus on our suppliers to ensure that their suppliers adhere to the principles of the Global Compact.

Many of our major suppliers are multinational corporates, some of whom produce modern slavery statements of their own within either or both the United Kingdom and Australia.

We have **regular reviews** with all our major suppliers and conduct **audits** of our major suppliers on a risk basis. These audits primarily focus on food safety compliance, a significant risk for our business, but also includes a social component.

During NZKS's recent challenges, we focused on reviewing our most critical food safety and modern slavery suppliers. Over the next reporting period, NZKS will endeavour to build our knowledge of our supply chain to ensure a more robust supplier risk profile. This will be done via further development of an approved supplier dashboard and supplier profiles.

This year, we have amended our **Supplier Guarantee Questionnaire**, which suppliers have traditionally filled in to report their food safety risks and commit to compliance so that it includes several questions specifically relating to actions on modern slavery.

e. Training

NZKS training team designed and delivered an "understanding of modern slavery" training course. The training is delivered in a classroom-style setting for maximum engagement. The course will be delivered to senior managers, including our senior leadership and procurement teams, in July/August 2023.

5. Assessing the effectiveness of our actions

Third-party audits

Certifying our farms and organisation with the BAP standards provides a rigorous annual appraisal of our policies and practices. Each year, we take the results of audits and apply any updates required to our policies based on auditor feedback.

Visa View

We use Visa View, an online system to connect to Immigration New Zealand to conduct searches on individual visas to sure they are eligible to work in New Zealand.

Supplier engagement

Through scheduled audits and proactive engagements, we inform our suppliers of our commitments and expectations regarding anti-modern slavery.

ESG Reporting Tool Utilisation

NZKS are investing in external resources to capture data that can support our ESG reporting requirements, including Anti Modern Slavery.

NZKS is listed on the NZX and ASX, and this statement covers no other business.