



Modern Slavery Act Statement

2021

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AACo acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past, present and emerging, and extend that respect to all First Nations Peoples.

Introduction

Australian Agricultural Company Limited (**AACo**) is pleased to make its second Modern Slavery Statement under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act Statement**). This statement follows the release of our first ever Modern Slavery Act Statement in December last year.

The reporting period for this Modern Slavery Act Statement is from 1 April 2020 to 31 March 2021. This Modern Slavery Act Statement covers AACo and each of its controlled entities, details of which can be found in the AACo 2021 Annual Report available at www.aaco.com.au.

AACo understands and acknowledges that modern slavery may be present without our knowledge in AACo's operations and supply chain. In particular, AACo recognises that sources such as the Commonwealth Government's 2017 'Hidden in Plain Sight' Report indicate that modern slavery is prevalent within the agricultural industry. AACo is committed to furthering its understanding of the modern slavery risks in its operations and supply chain.

We will continue to work in partnership with our suppliers, customers, business partners and other stakeholders to promote ethical practices which minimise the risks of modern slavery in AACo's operations and supply chain and the agricultural industry more broadly.

The AACo Story

AACo was established in 1824 with the assistance of a British Parliament Crown Grant of 1 million acres of land. We are the oldest continuously operating company in Australia and have dedicated the best part of 200 years to perfecting our art.

Today we are the proud custodians of around 6.4 million hectares of land in Queensland and the Northern Territory, one of Australia's largest integrated cattle and beef producers, and the only Australian cattle producer listed on the Australian Securities Exchange. We operate an integrated cattle production system across 19 owned cattle stations, 3 leased stations,

3 agisted properties, 2 owned feedlots and 2 owned farms. Across these properties we manage a beef cattle herd of about 340,000 head. From these operations in Australia, we export our premium branded beef around the world with tailored route-to-market models for each country.

Respect for our people, the land, and our cattle runs deep through our veins.

Our People

AACo is an equal opportunity employer committed to building a team from a range of backgrounds, skills, talents, and aspirations with strong work ethics. We promote an inclusive workplace that embraces diversity as part of our culture. We invest in our team's health and wellbeing.

We challenge our people to apply their skills, education and insight to help improve company performance, while our long history of commitment to development provides a passport to a range of employment, career and personal development opportunities.

AACo offers a wide variety of employment opportunities throughout our many operations and locations. As of 31 March 2021, we had 404 employees engaged on a full-time basis.

The majority of our employees work within Australia with a small number of employees based out of sales and marketing offices in the United States, Singapore, South Korea and France. We have entered into individual employment contracts which establish clear employment terms and conditions in compliance with labour laws and regulations with each of our employees.

"Our people are our greatest asset"

The impact of COVID-19 meant that our employees were required to find new ways of working together and connecting. Some employees experienced reduced working hours and were required to work from home for a period of time. Our people rose through the adversity. We are proud of the work that they put in to support AACo and the broader industry as we navigated through this turbulent time. AACo's recent positive financial results and commercial performance is testament to the dedication and resilience of our employee team.

Our Land

AACo's unparalleled land assets include a total of 29 stations, feedlots, and farms in Queensland and the Northern Territory as well as our head office in Brisbane and sales and marketing offices located around the world.

The land is our legacy.

Leveraging our generational experience with our land, people, and livestock, we are constantly looking to evolve and improve the efficiency of our operations. Our property portfolio is core to our production system, and our future legacy relies on our sustainable management of the land, water and ecosystems for which we are responsible.

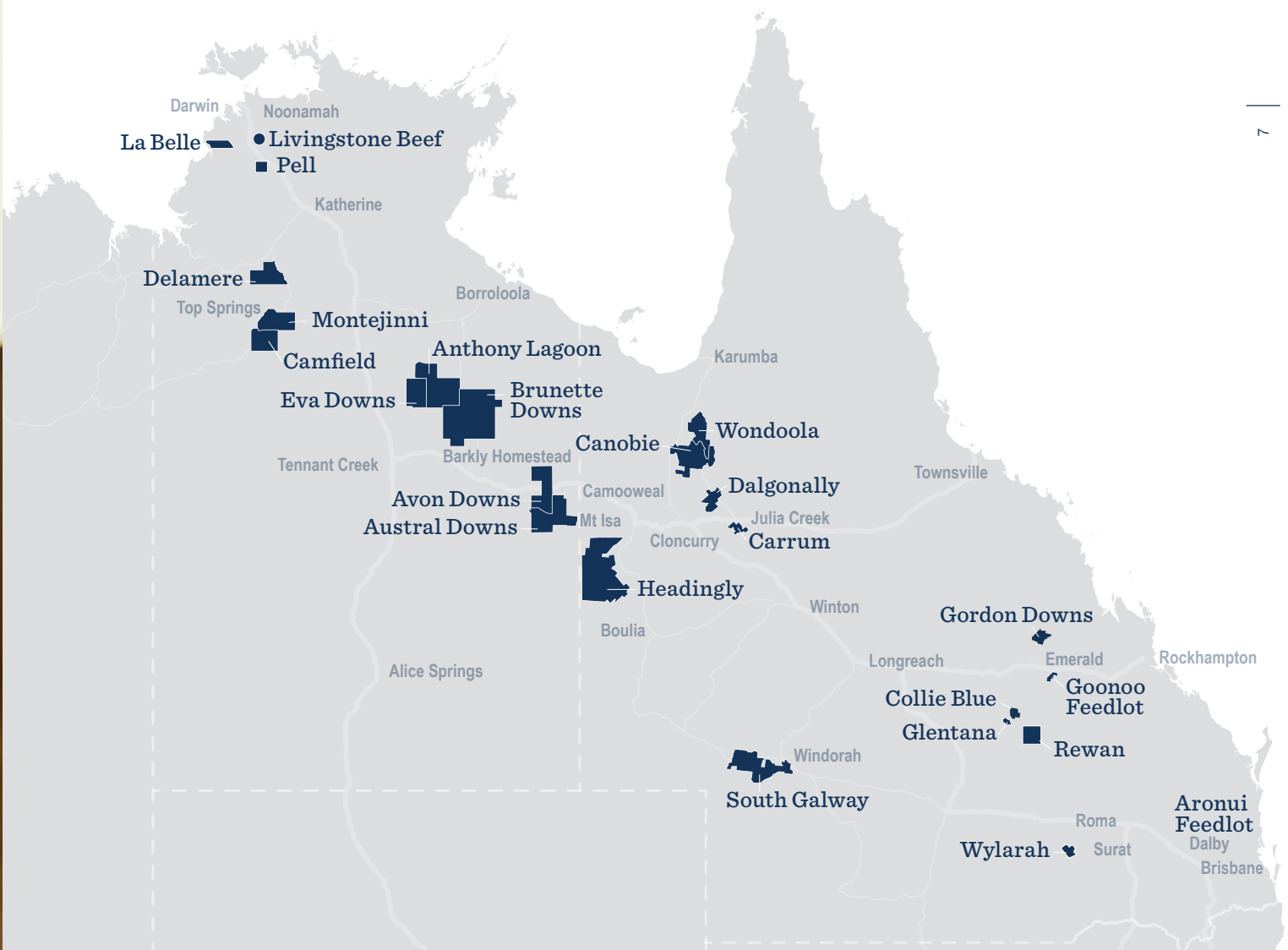
We operate across a spread of **6.4 million hectares**

Managing more than **300,000 head of cattle**

Communities

The overwhelming majority of our AACo team live and work in rural and regional Australia, many on our remote properties. In these locations, AACo works with local community groups and businesses to provide traineeships, local employment opportunities and ongoing support to service organisations to ensure the safety and protection of all people in these communities.

This year, we again partnered with the Pastoral Real Jobs Program to provide First Nations' People from local communities with employment opportunities within our business, while supporting participants to learn, grow and develop skills within our operations. Through this program, AACo supports the development of young First Nations' People as community role models and future industry leaders. AACo employees have received the *NTCA Alward Foster Memorial Emerging Indigenous Leader Award for two years running.*



Our Structure, Operations and Supply Chain

Our Structure

AACo has 17 controlled entities which are wholly owned by AACo. The majority of the controlled entities are incorporated in Australia and operate solely within Australia. A small number of the controlled entities have operations in the United States and Singapore.

The primary functions of the controlled entities with operations in the United States and Singapore are to employ a small number of sales and marketing personnel located in those jurisdictions and to perform treasury functions relating to the sale of product in those jurisdictions.

Our Operations

AACo is a fully integrated branded beef business engaged in 3 principal business activities:

1. Ownership, operation, and development of pastoral properties.
2. Production of beef including breeding, backgrounding, and feedlotting.
3. Sales and marketing of high-quality branded beef into global markets.

We operate across a spread of 6.4 million hectares, owning and managing more than 300,000 head of cattle. The average wagyu lifecycle length is 3.5 years from conception through to backgrounding, feedlotting and processing.

AACo distributes branded beef to a range of customers across the world, tailoring its route-to-market model by country to capitalise on regional opportunities. The Company is large enough to obtain scale efficiencies but small enough to ensure the highest of production standards and produce the finest quality beef in the world.



Our Supply Chain

AACo's suppliers range from family-owned, small to medium sized businesses, to international organisations. The majority of our suppliers are located in Australia and all AACo branded beef products are processed and packed at accredited and state of the art Australian facilities.

Throughout the reporting period, AACo had in excess of 1,200 suppliers. The majority of the suppliers we engage with are based in Australia and are central to the production of beef – including providers of equipment, machinery, vehicles, grain, feed, mustering, maintenance and fuel. AACo has long term relationships

with grain and feed suppliers, meat processing providers, cold storage companies, logistics and shipping companies, freight forwarders and distributors.

In the reporting period AACo had 49 suppliers (including distributors) based overseas in countries such as the USA, UK, UAE, Sri Lanka, Singapore, Netherlands, South Korea, Hong Kong, France and Canada. These suppliers provide a range of services including back office functions, and the sales and marketing function of our branded beef into global markets.



1. Breeding & Genetics

AACo employs expert geneticists and scientists to manage our breeding and genetics program. By combining the science of genetics and the art of breeding, we ensure that we maximise resources and consistently produce quality product.



2. Grazing

Our cattle graze on an incredibly diverse diet of grasses and shrubs whilst on our properties which span the rangelands of Northern Australia.



3. Farming

At Wylarah, Rewan, Glentana, Gordon Downs and Goonoo we farm a variety of crops for harvesting and foraging. We employ specialist farm workers and agronomists at these sites.



4. Feedlotting

Our cattle are finished on a proprietary blend of primarily locally sourced grains for up to 550 days at Goonoo and Aronui. Our feedlots' focus is on optimising animal comfort, welfare, nutrition and producing a consistently high-quality beef product.



5. Processing

The processing of our cattle is completed by dedicated and trusted partners at state of the art facilities. We are often onsite making sure that best practice standards are maintained.



6. Distribution

Our premium branded beef is sent around the world in a tailored route-to-market model to global foodservice markets.



7. Sales & Marketing

We sell our branded beef to more than 21 countries throughout North America, the United Kingdom, Europe, the Middle East, and Asia. We also sell our products directly to chefs, hotels, and food wholesalers. Our customer-facing sales and marketing team meets and eats with chefs and distributors regularly, sharing with them the provenance story of our product.

Risks of modern slavery practices in AACo's operations and supply chain

Using our modern slavery risk assessment tool, we determined that the risk of modern slavery in AACo's operations is low. We undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the risk that we are causing, contributing, or directly linked to

modern slavery practices. For this reporting period, we first undertook risk assessments of 1262 suppliers using a third-party platform. Based on the outcome of that risk assessment, we undertook a further, more detailed risk assessment of 283 suppliers that were initially assessed as having a higher risk.

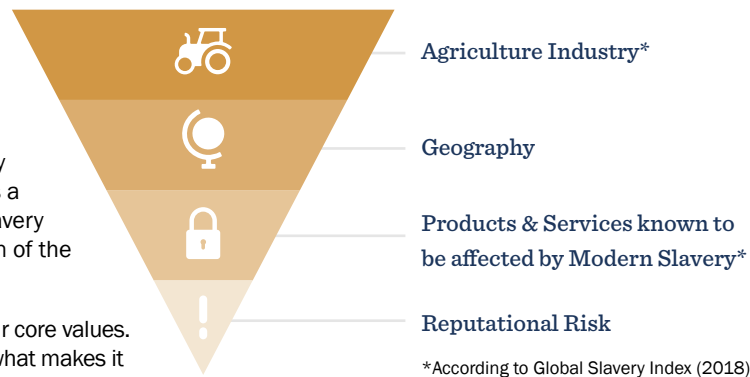
Operations risks

AACo operates in the agricultural industry, which is considered to have an elevated risk of modern slavery. However, AACo's operations are predominantly based in Australia, which has a low prevalence of modern slavery according to the latest edition of the Global Slavery Index (2018).

AACo's culture is shaped by our core values. Our core value of 'respecting what makes it possible' underpins our commitment to the elimination of modern slavery. We expect all employees to treat each other, and those they deal with, with respect, integrity and dignity, in accordance with AACo's Code of Conduct. AACo does not tolerate any form of harassment, discrimination, victimisation, or vilification. Our comprehensive suite of policies seek to protect our staff from these possibilities, and serve to actively encourage our employees to raise any ethical or legal concerns that they may have. Our internal audit program periodically reviews the effectiveness of our policy and control framework and ensures compliance with our policies.

As at 31 March 2021, AACo employed 404 employees on a full-time equivalent basis. The majority of these employees are located in Australia, and a small number of employees are located in the United States, Singapore, South Korea and France. AACo has entered into individual employment contracts with each of our employees. AACo offers industry competitive remuneration to attract and retain the best people. The employment contracts establish clear employment terms and conditions in compliance with all applicable labour laws and regulations. AACo is committed to providing employment, career and personal development opportunities for staff.

While we consider the potential for AACo to cause, contribute or be directly linked to incidents of modern slavery to be low,



we recognise areas of vulnerability in our operations including outsourced services such as back-office corporate functions, mustering contractors, facilities management, freight operations, and labour hire contractors. These outsourced services assist AACo in managing its pastoral operations, delivering its products to our distributors and ultimately to our customers. The nature of the risks relate to the activities undertaken by the suppliers, the quality and level of supervision by the management of the suppliers, as well as the strength of oversight by AACo. AACo has recently reviewed and updated its contractor management system, including the contractor management handbook that outlines the expectations and requirements for suppliers as well as the supervisory and oversight requirements of AACo management and staff.

Supply Chain risks

For the purposes of our 2021 Modern Slavery Act Statement, we carried out a modern slavery risk assessment of a selection of AACo's key suppliers, which focused on direct suppliers where AACo's annual spend was greater than AU\$1,000 (in 2020, the cut off AACo annual spend was greater than AU\$50,000). This expands on the approach we commenced last year to review all suppliers, to ensure



that we better understand the people and organisations that AACo transacts with during the reporting period.

AACo had a total of 1896 suppliers in this reporting period. The majority of these suppliers are located in Australia. Based on an initial screening of the 1896 suppliers, a total of 1208 suppliers were subject to a modern slavery risk assessment using a third-party platform.

The third-party platform evaluated several factors to assess the potential risk of modern slavery associated with each supplier, including geographical risks from where the suppliers source materials, the products and services provided by the suppliers, the sectors in which the suppliers operate and the supply chain in its entirety. For this reporting period, we reviewed the risk assessment criteria and revised some of the grading factors, to ensure greater accuracy in the assessments. Following this assessment, areas of potential vulnerability in our supply chains were revealed including the industry sector of the supplier (typically agricultural), the jurisdictions in which the suppliers operate, their corporate structure and key personnel.

A substantial number of AACo's suppliers operate within the agricultural industry. Sources such as the Commonwealth Government's 2017 'Hidden in Plain Sight' Report indicate that modern slavery is prevalent within the agricultural industry.

The vast majority of AACo's suppliers during the reporting period were assessed as having a low or very low risk of modern slavery. We also identified that some of AACo's suppliers have a higher risk of exposure to modern slavery due to the jurisdictions and industries/sectors in which they operate.

A total of 283 suppliers were flagged through this process as having a higher risk in respect of modern slavery and were subsequently subjected to further detailed due diligence using a supplementary third-party risk assessment tool.

The table below is a comparison of the supplier risk assessment process for FY20 versus FY21 reporting period:

FY20 Period	FY21 Period
1500 suppliers	1896 suppliers
373 met spend threshold (AU\$50,000)	1208 met lower annual spend threshold (AU\$1,000)
23% of AACo's suppliers	100% of AACo's suppliers
95% of AACo's total supplier spend	100% of AACo's total supplier spend

Actions taken by AACo to assess and address modern slavery risk

Measurement of the effectiveness of our processes is imperative to ensure AACo can continue to reduce risk as well as prevent and mitigate instances of modern slavery. We do this in several ways including:

- Governance**
Progressive and comprehensive compliance assurance processes, including a working group with representatives from Legal and Risk, Finance, Human Resources, Procurement, Supply Chain and Customer Experience.
- Risk Assessments**
Risk assessments of all existing and new suppliers and distributors above a minimum spend threshold.

- Procurement Measures**
Review and updated procurement processes to ensure linkages between finance credit checks and risk assessments of existing and new suppliers.
- HR Practices**
Code of Conduct, Diversity Policy, Whistleblower Procedure
- Grievances & Reporting**
Regular reporting and oversight by the AACo Executive and the Audit and Risk Management Committee

Governance

We are using the UN Guiding Principles on Business and Human Rights (Principles 15 and 17) as a foundation to monitor and build on the effectiveness of our internal processes and procedures to address the modern slavery risks that AACo may cause, contribute or be directly linked to.

We have made progress in reviewing our internal policies and implementing actions that assist in assessing and addressing potential modern slavery risks associated with our operations and supply chains.

A validation exercise was undertaken to test and validate our external whistleblowing channels. A review was undertaken to ensure these external whistleblowing channels sufficiently cover the issue of modern slavery.

AACo's Modern Slavery Working Group continued to meet regularly throughout the reporting period to examine how to further embed best practice methodology into AACo's functions and ensure material advancement.

We also ensured that there was regular reporting to and oversight by the AACo Executive and the Board Audit and Risk Management Committee.

Risk Assessments

AACo continues to be advised by external legal advisors on the issues of modern slavery. Over the last reporting period, AACo and its advisors have worked together on:

- modern slavery risk mapping across AACo operations and supply chain; and
- modern slavery risk management assessment and gap analysis.

During the reporting period, we sought advice from our external advisors and identified several potential gaps in the controls. Although the identified gaps were of little material consequence, we worked to improve the controls to align with best practices by engaging with AACo business units to ensure that processes and procedures were developed and implemented.



Procurement and Supplier Due Diligence

In addition to reviewing and updating the current procurement processes, we undertook a review of the controls processes utilised by AACo's Procurement, Finance and Customer Experience teams to ensure that due diligence was undertaken on all new suppliers, as well as progressive reviews of existing suppliers.

Human Resources

AACo's HR undertook reviews of employment agreements for employees to ensure that they met regulatory and corporate requirements.

Grievances and Reporting

AACo's Whistleblower Policy sets minimum standards and contains details of how to make a report under the policy. There are clear internal and external whistleblower channels, with the option to remain anonymous. The number and nature of whistleblower reports are reported annually to the Board Audit and Risk Management Committee.

We tested our internal whistleblower channels to assess effectiveness and determine whether they sufficiently cover the issue of Modern Slavery. Based on the testing, we intend to review the categories of people that can receive whistleblower notices and reports.

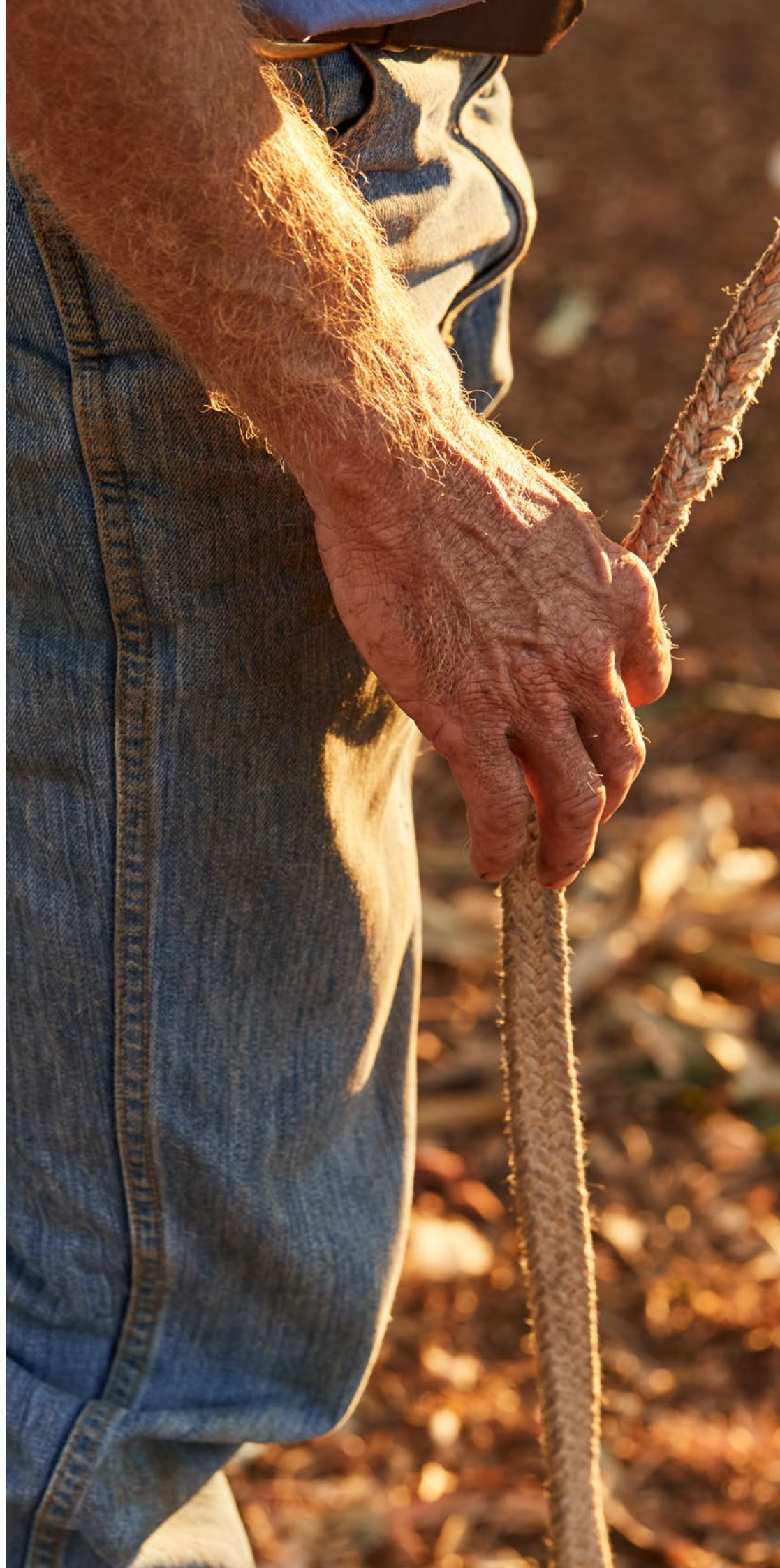
Assessing the effectiveness of our actions

AACo acknowledges the importance of assessing the effectiveness of our actions in managing and mitigating risks of modern slavery in our operations and supply chain. Measurement of the effectiveness of our processes is imperative to ensure AACo can continue to reduce risk as well as prevent and mitigate instances of modern slavery.

During the reporting period, we continued to undertake reviews of our suppliers using our third-party risk assessment tool, and credit checks with external providers. Additionally, environmental scanning was undertaken for suppliers that were critical to AACo's operations and suppliers on whom AACo spent significant money. These actions provided early warning of potential concerns that required further assessment. The reviews highlighted information regarding some suppliers that allowed us to improve our current controls to better manage those suppliers. Overall, we consider our current controls and procedures are effective for assessing and addressing modern slavery risk. There are however opportunities to improve our due diligence and controls.




We will continually assess the effectiveness of our actions in identifying and managing modern slavery risks by tracking our actions and outcomes, working closely with suppliers and other external partners, and undertaking regular internal governance and external assurance processes. Based on the results of these processes we will adapt and strengthen our actions to continually improve our response to modern slavery.

With the ongoing impact of COVID-19 still being felt, we continue to take steps to assess and address modern slavery risks during the pandemic. AACo considers the overall impact of COVID-19 on the risk of modern slavery in our operations and supply chain to be negligible.



Targets for next reporting period

In the next reporting period we aim to target:

- 
Training
 A purpose built modern slavery online learning program will be rolled out to enable our people to be better able to identify and report modern slavery events and incidents.
- 
Engaging
 Obtain information from our higher risk suppliers on their modern slavery controls, via an online supplier questionnaire.
- 
Embedding process
 Continue to review AACo's supplier contracts to ensure that they include modern slavery clauses.

Process of consultation with controlled entities

This Modern Slavery Act Statement has been made on behalf of Australian Agricultural Company Limited and its 17 controlled entities. As noted above, a small number of the controlled entities have operations in the United States 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 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 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. The directors of each of the subsidiary entities are the MD/CEO, CFO, and General Counsel/ Company Secretary of Australian Agricultural Company Limited. Full details of these subsidiary entities can be found in the 2021 Annual Report available at www.aaco.com.au.

This Modern Slavery Act Statement was approved by the Managing Director and Chief Executive Officer of AACo and endorsed by the Board of AACo on 27 September 2021.

Hugh Killen 

Managing Director & Chief Executive Officer
Australian Agricultural Company Limited

Westholme Plates for Good

The global foodservice industry was significantly impacted by COVID-19. Many restaurant staff in our communities were out of work. In conjunction with our restaurant partners, AACo launched the 'Westholme Plates For Good' campaign to support our friends in hospitality during these unprecedented times. The campaign committed to donating the purchase price of our wagyu to an out-of-work staff fund. Together, we worked to savour and safeguard a brighter, richer, culinary future.

The Art of Australian Beef

A.D.039



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