

Modern Slavery Statement



**For the reporting period
1 July 2020 to 30 June 2021**

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Introduction

This statement is published in accordance with Section 13 of the Modern Slavery Act 2018 (Act) and is the second statement for Meat and Livestock Australia Group (MLA) which includes its subsidiaries, MLA Donor Company (MDC) and Integrity Systems Company (ISC). MLA and its subsidiaries are committed to strengthening our work in this area year on year.

MLA has a zero tolerance approach towards any conduct that may constitute modern slavery, and expects commitment to the principles set out in our [Code of Business Conduct and Ethics](#) by all organisations with which we do business with. We will not support or do business with any individual or organisation that is knowingly involved in modern slavery practices.

Our Commitment

MLA recognises that it has a responsibility under the Modern Slavery Act 2018 (Cth) and is committed to preventing slavery and human trafficking in our business and supply chain. The purpose of this statement is to set out MLA's actions in understanding potential modern slavery risks related to its business and in developing steps that are aimed at ensuring it has robust frameworks and processes in place to minimise the risk of modern slavery in its own operations and supply chains.

1 Our business and structure

MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the Australian Meat and Live-stock Industry Act 1997, and is a public company limited by guarantee. MLA's head office is located at Level 1, 40 Mount Street, North Sydney, NSW, Australia, and has offices in Brisbane, Armidale, and Perth. MLA also operates across several countries in South-East Asia, North America, Europe, the Middle East and Northern Africa, with offices located in Australia, the United States of America, Japan, South Korea, Singapore, Indonesia, China, United Arab Emirates, Belgium and the United Kingdom. MLA also has a presence through local agents in Malaysia, the Philippines and Vietnam. Contact details for these international offices can be found on the MLA website at <https://www.mla.com.au/about-mla/contact/>.

As of 30 June 2021, MLA had 279 employees (257 permanent, 20 fixed term contractors and 2 casuals) both domestically and internationally. MLA's workforce profile reflects a balanced gender profile and age distribution across the organisation. More than 50% of employees are from a rural background. MLA employees are based strategically to leverage the best possible access to all stakeholders and to drive demand for red meat in our key markets.

Our Purpose

MLA's purpose is to foster the long-term prosperity of the Australian red meat and livestock industry. To achieve this, MLA collaborates with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability, and global competitiveness.

Our Funding

MLA is primarily funded by transaction levies paid on livestock sales by producers and are used to support marketing, research and development activities. MLA also receives funding from the Australian Government, unmatched grants, and co-investments from other industry stakeholders.

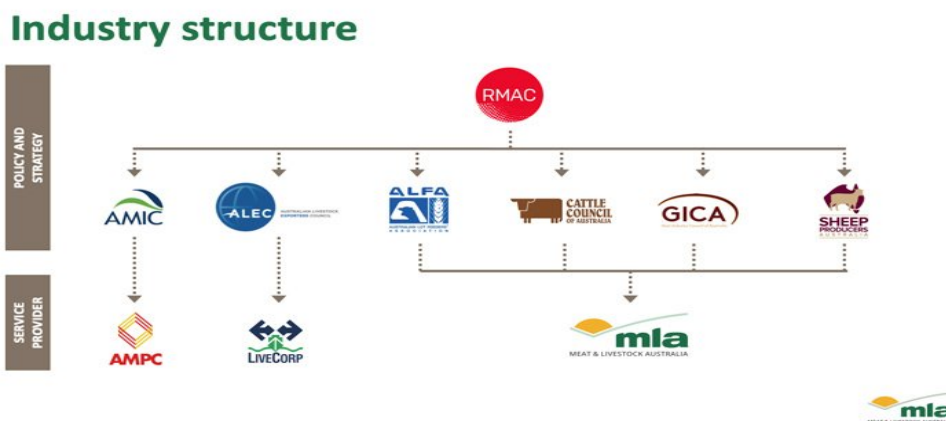
Our Subsidiaries

MLA owns two operating subsidiary companies, both located in MLA's head office in North Sydney:

- MLA Donor Company (MDC) works in partnership with investors in areas that bring value to the red meat supply chain through innovation and new technologies.
- Integrity Systems Company (ISC) administers the National Livestock Identification System database which records livestock movements. It is also responsible for the Livestock Production Assurance program and National Vendor Declarations and Livestock Data Link.

2 Our operations and supply chain

MLA works in partnership with the red meat industry and government to deliver marketing, research and development products and services to the Australian cattle, sheep and goat industries, both in domestic and international markets. The Australian Government sets high-level priority research and development objectives covering community, industry, and environmental concerns. MLA works closely with peak industry councils and service providers to address issues and opportunities for the industry. The structure of the overall red meat industry is set out below:



MLA’s key operations are broadly categorised as follow:

Key operations	Supply chain
<p>Research, development, adoption, and extension activities</p> <ul style="list-style-type: none"> • MLA invests in both on-farm, off-farm and value chain information research, development, adoption, and extension programs to boost the productivity, sustainability and profitability of the Australian red meat industry. • Our research, development, adoption, and extension activities aim to invest in current and emerging industry leaders, innovators and scientists to enhance professional and business skills in the red meat industry. • In addition to these activities being funded through producer levies, MDC accelerates innovation across the value chain by attracting commercial investment from individual 	<ul style="list-style-type: none"> • We collaborate with peak industry councils (PICs), rural research and development corporations (RDCs), government bodies and state departments, universities, producer groups, pastoral groups, breeder societies, meat processors and retailers etc. to carry out these activities.

Key operations	Supply chain
<p>enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry.</p>	
<p>Traceability, integrity systems and programs</p> <ul style="list-style-type: none"> • MLA, through its subsidiary ISC, delivers the red meat and livestock industry’s traceability and quality assurance systems such as: <ul style="list-style-type: none"> ○ National Livestock Identification System (NLIS) ○ National Vendor Declarations (NVDs) ○ Livestock Production Assurance (LPA) program ○ Livestock Data Link ((LDL). • These activities aim to protect the Australian red meat and livestock industry by helping to protect its disease-free status and provide product assurance to customers and consumers. 	<ul style="list-style-type: none"> • ISC collaborates with technology providers, producers, processors, professional services consultants (including industry trainers, auditors, and accreditation bodies) to ensure we maintain the industry’s integrity and assurance programs.
<p>Marketing and industry insights programs (domestic and international)</p> <ul style="list-style-type: none"> • MLA is focussed on demand generation by: <ul style="list-style-type: none"> ○ Building awareness and preference for Australian red meat products through data insights, consumer marketing campaigns and partnering with exporters through co-marketing arrangements, both locally and globally. ○ Growing demand for Australian red meat products in global markets, by maintaining and improving access to global markets, through customised in-market consumer marketing and market access activities. 	<ul style="list-style-type: none"> • We engage a range of professional agencies to help implement these marketing strategies, including advertising, marketing, event management, branding, design, social media, public relations, market research agencies.
<p>Communication activities</p> <ul style="list-style-type: none"> • Our Communications program is committed to foster industry prosperity by ensuring MLA’s marketing, research and development products and services are known and accessible to levy payers and stakeholders (government, state farming organisations, the community and MLA members, as well as the industry corporate affairs). 	<ul style="list-style-type: none"> • We engage a range of consultants and professional agencies to undertake public relations, copywriting, events management, media, and social media management, as well as printing of industry materials.

Key operations	Supply chain				
<ul style="list-style-type: none"> It also seeks to build confidence in the industry through strong stakeholder engagement, publication of magazines, print and social media presence, industry events. 					
Operational Support <ul style="list-style-type: none"> MLA’s business activities are supported operationally by an in-house corporate services team performing functions relating to: <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> ○ Finance ○ Monitoring and Evaluation ○ Office Services ○ Human Resources </td> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> ○ Information Technology ○ Knowledge and IP Transfer ○ Projects and Process Improvement </td> <td style="width: 33%; vertical-align: top;"> <ul style="list-style-type: none"> ○ Financial Planning and Analysis ○ Legal and Contracts ○ Risk and Compliance </td> </tr> </table> 			<ul style="list-style-type: none"> ○ Finance ○ Monitoring and Evaluation ○ Office Services ○ Human Resources 	<ul style="list-style-type: none"> ○ Information Technology ○ Knowledge and IP Transfer ○ Projects and Process Improvement 	<ul style="list-style-type: none"> ○ Financial Planning and Analysis ○ Legal and Contracts ○ Risk and Compliance
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More information on MLA’s programs and deliverables can be found in our 2020 – 21 annual report at [Meat & Livestock Australia | Annual Report | 2020-21 \(mla.com.au\)](https://meatandlivestock.com.au/annual-report-2020-21).

Approximately 87% of MLA’s total spend during FY21 was with suppliers located in Australia. 59% of the total costs were related to research and development activities, 21% related to marketing activities and 20% related to administration support costs. Our largest categories of spend were made to suppliers operating in the following sectors, making up 61% of all spend categories:

- Universities (approximately 19%)
- Research and Development Corporations (approximately 14%)
- Professional services and consultancy firms (approximately 12%)
- Government agencies (approximately 10%)
- Advertising agencies (approximately 6%)

Our top suppliers by value were:

- Australian Meat Processor Corporation (R&D investments)
- University of New England (R&D, adoption, and extension investments)
- Commonwealth Scientific and Industrial Research Organisation (CSIRO) (R&D, adoption, and extension investments)
- Universal McCann (media and advertising activities)
- Teys Australia Pty Ltd (R&D and marketing activities)
- Department of Regional NSW (R&D, adoption, and extension investments)
- Murdoch University (R&D, adoption, and extension investments)
- Queensland University of Technology (R&D, adoption, and extension investments)
- University of Queensland (R&D, adoption, and extension investments)
- EPM Operations Trust (printing of industry standards guides and books).

Of the 13% of overseas spend, a majority of the costs were related to marketing activities (72%) and administration support costs (28%). Reputable advertising agencies, PR and media consultants, data insights and brand strategists were engaged in delivering marketing activities in our overseas regions.

3 Potential risks in our operations and supply chains

In FY 2021, MLA continued to review its supply chain and refined risk assessments of service providers and suppliers engaged by MLA and its subsidiaries. The risk assessments considered factors that may possibly cause, contribute, or be directly linked to modern slavery practices as outlined in the Department of Home Affairs' Commonwealth Modern Slavery Act (2018) Guidance for Reporting Entities.

A majority of MLA's business relationships with its supply chain is in the capacity of collaborating on research, development, adoption, extension, and marketing activities with universities, professional services, government entities, as well as businesses in the food, beverage, and agriculture (FBA) sectors. There are multiple modern slavery risk factors present in the FBA sector such as high demand for base-skilled labour in production, processing, packaging, transport, and services. Numerous instances of exploitation have been found in the labour sourcing industry and the FBA sector more broadly. MLA recognises that there is risk that MLA may be directly linked to modern slavery practices through operations of business partners in countries and sectors reported to have a higher prevalence of modern slavery.

In FY 2021, MLA engaged approximately 1,600 suppliers from five regions (spanning Australia, Asia, North America, Middle East, the UK, and Europe) with 69% of suppliers rated as low for modern slavery risks and 31% of suppliers rated medium. MLA has identified a potential for higher risks of modern slavery practices in the following sectors that form part of its business relationships:

- Farming and feedlotting
- Meat processing
- Food services, catering, and hospitality
- Manufacturing / factories (food, machinery, clothing, uniforms, and promotional items)
- Commercial cleaning
- Information Technology
- Logistics (relocation).

4 Actions taken by MLA to assess and address modern slavery risks

Policies and processes

MLA has several policies to ensure we conduct business in an ethical and transparent manner. These policies establish practices and behaviours that demonstrate our commitment to addressing modern slavery risks, ensure MLA has fair and ethical practices in place and is compliant with workplace laws. Our policy framework includes:

- **Code of Business Conduct and Ethics:** A set of guiding principles and minimum standards of ethical behaviour expected of staff when conducting business activities, including zero-tolerance towards any conduct that may constitute modern slavery.
- **Whistleblower Policy:** Our Whistleblower Policy supports our commitment to maintain an open working environment, in which staff may raise or report concerns of business and personal ethics being breached while carrying out duties and responsibilities. In addition to internal reporting channels through our Whistleblower Protection Officer, senior management or the Board, MLA has also made available an independent and confidential whistleblower service for its staff, contractors, and other stakeholders to enable reporting of any issues and grievances that may adversely affect MLA, its people or its reputation.
- **Procurement Policy:** A policy is in place that prohibits modern slavery practices and reiterates the Code of Business Conduct and Ethics.
- **Grievance & Dispute Resolution Procedure:** A procedure is in place to handle grievances and resolving disputes at work. Employees may informally or formally raise grievances related to work or the work

environment where they think any act, omission, situation, or decision is unfair, discriminatory or unjustified. The resolution steps are also outlined in the procedure to provide transparency to the process.

Recruitment

MLA's staff is largely employed in professional roles, delivering research and development, and marketing programs for the industry. 76% of our staff are subject to an Enterprise Agreement, including administrative and support staff. In addition, one of the responsibilities of the Remuneration Committee is to review and have oversight of strategic human resources policies to ensure they are appropriate and consistent with MLA's objectives and values. Our Recruitment Policy underpins our commitment to a fair and transparent process, with recruitment strategies developed with the Human Resources team. Candidates are sourced either via external advertising on notable job boards, social channels, and forums, or through reputable recruitment agencies, which are vetted for modern slavery risks.

Further, MLA has in place a Consultative Committee and a Work, Health and Safety Committee that meet on a quarterly basis, with representation across all levels of the organisation. All staff are invited to put forward their thoughts, opinions and ideas on matters relating to terms and conditions of employment, the workplace, MLA's operations, safety, and wellbeing initiatives.

Due diligence

MLA operates a zero-tolerance approach to modern slavery and are committed to acting ethically in all our business dealings and relationships. MLA has adopted a risk-based approach in our modern slavery due diligence, by applying risk factors such as sector, industry, types of products and services and geographic locations.

In FY21, MLA implemented systems and controls to record modern slavery risk assessments that were consistent with the modern slavery risk management methodology developed in FY20. All MLA staff with procurement duties were required to assess suppliers and business partners prior to engagement. New suppliers, as well as renewing suppliers were subjected to the due diligence processes prior to onboarding.

Where suppliers were flagged as being of higher risk for modern slavery practices, due diligence questionnaires were issued and assessed by our Risk and Compliance team. As part of the assessment process, MLA referred to information from reliable sources such as the Department of Home Affairs, the UN Guiding Principles on Business and Human Rights, the Global Business Initiative on Human Rights, the Business and Human Rights Resource Centre, the Global Slavery Index 2018. In FY 2021, further reviews were conducted by the Risk and Compliance team on suppliers flagged as moderate or high for modern slavery risks, with 114 questionnaires issued to suppliers where information was not readily available.

Modern slavery risk management activities are reported to MLA's senior management and the Audit, Finance and Risk Committee on an annual basis.

Service provider contracts

MLA has updated contractual terms in our standard agreements relating to the requirement for service providers to adhere to Ethics Laws, including the Modern Slavery Act 2018 (Cth). These agreements are made available on [MLA agreements | Meat & Livestock Australia](#).

Knowledge and awareness

In FY 2021 MLA has continued to provide targeted training to MLA staff (including its subsidiaries), both in Australia and in our overseas offices. The trainer-led sessions were aimed at raising staff awareness of what constitutes modern slavery and educating staff on their obligations in identifying, mitigating, and reporting such risks within the supply chain. Staff were also trained in performing and recording modern slavery risk assessments prior to engaging suppliers. In addition, internal guidelines and resources were developed to supplement the

training provided and made available on a dedicated modern slavery resource page on MLA's intranet. In addition to mandatory e-learning modules, these trainer-led sessions continue to be offered on a quarterly basis to encourage engagement on modern slavery discourse, awareness of such risks as well as compliance with the modern slavery risk management processes developed.

Staff is also frequently reminded to report to the Risk and Compliance team should they become aware of modern slavery practices in our supplier's operations, for further escalation to senior management. MLA is required to be a part of the remediation process with the supplier, if deemed to be the cause of modern slavery.

MLA has also published the [FY20 Modern Slavery Statement](#) to our website.

Covid-19

During the Covid-19 pandemic, we continued to apply our modern slavery risk management methodology across our business and operations. Our modern slavery risk assessments and responses to our modern slavery due diligence questionnaires did not indicate any material impact due to COVID-19.

5 Assessment of the effectiveness of MLA's due diligence process

Appointing a dedicated team to champion modern slavery risk management has strengthened the organisation's understanding of our obligations in mitigating modern slavery risks. In the reporting period, MLA did not identify any instance of modern slavery practices caused by our own operations, or through our supply chains. We did not receive complaints or concerns raised through our reporting channels, including the whistle-blower hotline. However, we recognise that there are opportunities to improve the framework through stronger systems and controls.

Future and continuous improvements

In FY21, MLA engaged KPMG to conduct an independent review of MLA's modern slavery maturity level and its readiness to comply and respond to the Act. Through the review, a number of improvement opportunities in the short, medium, and long term have been identified to help MLA build a stronger framework for managing modern slavery risks. A roadmap is being developed by the Risk and Compliance team to address these improvement opportunities to work towards a target maturity level fit for MLA's environment. The outcomes of the report were presented to the Audit, Finance and Risk Committee.

The roadmap will include actions to strengthen:

- Modern slavery risk management systems and controls
- Supplier engagement in relation to modern slavery risk management
- Continuous monitoring of suppliers' modern slavery risks
- Grievance mechanisms and remediation procedures in relation to modern slavery.

6 Consultation with MLA subsidiaries

MLA has addressed the requirements under the Modern Slavery Act 2018 (Cth) and the due diligence process it has implemented for the Group as part of its Audit, Finance and Risk Committee meetings. Both subsidiaries have endorsed the due diligence process.

This statement was endorsed and approved by the MLA Board on 24 November 2021.

This statement was endorsed and approved by the MDC Board on 25 November 2021.

This statement was endorsed and approved by the ISC Board on 23 November 2021.

Signature:



Date: 8 December 2021