



## **Modern Slavery Statement**

For the reporting period 1 July 2019 to 30 June 2020

### **Introduction**

This is the first Modern Slavery Statement (“Statement”) for the Meat and Livestock Australia Group (MLA), which includes its subsidiaries, MLA Donor Company and Integrity Systems Company. This statement is made pursuant to Section 13 of the Modern Slavery Act 2018 (Cth).

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 corporate activities. 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 was established in 1998 as a public company limited by guarantee, and 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.

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, and development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

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

MLA operates in partnership with industry and government to deliver marketing, research and development products and services to the cattle, sheep and goat industries. Peak industry councils provide policy direction, scrutinise budgets and monitor MLA's performance on behalf of the red meat and livestock industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheepmeat Council of Australia. MLA also works closely with the Australian Meat Processor Corporation, Australian Meat Industry Council, LiveCorp and Australian Livestock Exporters' Council to address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.

MLA's head office is located at Level 1, 40 Mount Street, North Sydney NSW 2060. The company has approximately 280 employees operating across several countries in Asia, North America, Europe, Middle East and Northern Africa, and has offices located in the United States of America, Japan, South Korea, Singapore, Malaysia, Indonesia, China, United Arab Emirates, Belgium and United Kingdom.

Contact details for these international offices can be found on the MLA website at <https://www.mla.com.au/about-mla/contact/>.

MLA owns two operating subsidiary companies, MLA Donor Company (MDC) and Integrity Systems Company (ISC), formerly NLIS Ltd:

- MDC accelerates innovation across the value chain so the Australian red meat and livestock industry can remain competitive on the world stage. It does this by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry.
- ISC is responsible for delivering the red meat and livestock industry's traceability and quality assurance systems such as the Livestock Production Assurance (LPA) program, National Vendor Declarations (NVDs) and the National Livestock Identification System (NLIS).

Both MDC and ISC are located at the MLA head office in Sydney.

## 2 Our operations and supply chain

For the purposes of this statement, our key operations and the associated supply chains are tabled below:

Operations	Supply Chains
MLA invests in both on-farm, off-farm and value chain information research, development and adoption programs to increase the productivity	<ul style="list-style-type: none"><li>• Peak industry councils</li><li>• CSIRO</li></ul>

Operations	Supply Chains
<p>and profitability of Australia’s cattle, sheep and goat businesses.</p>	<ul style="list-style-type: none"> <li>• Leading Australian universities and research bodies</li> <li>• Breed societies</li> <li>• Pastoral companies</li> <li>• Producer groups</li> <li>• Meat processors</li> <li>• Feedlotters</li> <li>• State departments</li> <li>• Technology and automation service providers (including international collaboration such as in the United States).</li> </ul>
<p>MLA’s marketing (domestic and international) and industry insights programs are focused on demand generation by:</p> <ul style="list-style-type: none"> <li>• Building awareness and preference to purchase Australian red meat products through consumer marketing campaigns and partnering with exporters through co-marketing arrangements.</li> <li>• 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"> <li>○ A list of international trade shows that MLA will have a presence at can be found on MLA’s website at <a href="https://www.mla.com.au/marketing-beef-and-lamb/international-markets/international-event-calendar/">https://www.mla.com.au/marketing-beef-and-lamb/international-markets/international-event-calendar/</a></li> </ul> </li> <li>• Providing market information and analysis service to the red meat industry to generate industry insights.</li> </ul>	<p><u>Domestic marketing</u></p> <ul style="list-style-type: none"> <li>• Marketing, advertising and events management agencies (including road shows and conferences)</li> <li>• Social media and PR agencies</li> <li>• Market research agencies</li> <li>• Professional services consultants</li> <li>• Photographers and videographers</li> <li>• Catering services (including casual staff at events).</li> </ul> <p><u>International marketing at MLA’s international office regions noted in Section 1</u></p> <ul style="list-style-type: none"> <li>• Marketing, design, social media and PR agencies</li> <li>• Market research agencies</li> <li>• Promotional agencies (food sampling activities)</li> <li>• International trade shows (including casual staff at events)</li> <li>• Printing services (such as banners, MLA branded products)</li> <li>• Photographers and videographers</li> <li>• International office maintenance services (office consumables, catering services, office cleaning services, IT and office equipment / furniture).</li> </ul>
<p>Deliver on industry integrity systems and programs such as:</p> <ul style="list-style-type: none"> <li>• National Livestock Identification System (NLIS)</li> <li>• Livestock Production Assurance program (LPA)</li> <li>• LPA National Vendor Declaration (LPA NVD).</li> </ul>	<ul style="list-style-type: none"> <li>• Professional services consultants (for accreditation, auditing and training services)</li> <li>• Technology providers.</li> </ul>
<p>Build industry capability by investing in current and emerging industry leaders, innovators and</p>	<ul style="list-style-type: none"> <li>• Leading Australian universities (through scholarship programs)</li> </ul>

Operations	Supply Chains
scientists to enhance professional and business skills.	<ul style="list-style-type: none"> <li>• Professional services consultancies (development programs, rural consultancies)</li> <li>• Peak industry councils</li> <li>• Processors and retailers (implementation of whole-of-value chain digital strategy, implementation of innovation and growth strategies).</li> </ul>
Communications program to manage stakeholders such as the government, state farming organisations, the community and MLA members, as well as the industry corporate affairs.	<ul style="list-style-type: none"> <li>• Professional services consultants</li> <li>• Peak industry councils</li> <li>• Event management agencies (such as the annual general meeting, Red Meat event, industry events)</li> <li>• Catering services (including casual staff at events).</li> </ul>
Corporate services functions include: <ul style="list-style-type: none"> <li>• Finance</li> <li>• Financial Planning and Analysis</li> <li>• Business Services</li> <li>• Office Services</li> <li>• IT</li> <li>• HR</li> <li>• Legal</li> <li>• Commercialisation and IP Management</li> <li>• Evaluation</li> <li>• Risk and Compliance.</li> </ul>	<ul style="list-style-type: none"> <li>• Office consumables and promotional merchandise</li> <li>• MLA branded uniforms and work attire.</li> <li>• Catering services</li> <li>• Office cleaning services</li> <li>• IT equipment, systems, software and services</li> <li>• Professional services consultants.</li> </ul>

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.

### 3 Potential risks in our operations and supply chains

In 2019, MLA reviewed its supply chain and performed a risk assessment of service providers and vendors engaged by MLA and its subsidiaries during the reporting period. The risk assessment 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.

MLA recognises that there is a 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. Following a risk assessment of MLA's operations and supply chains (including those of its subsidiaries), 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 (clothing, uniforms and promotional items)
- Commercial cleaning.

It should also be noted that majority of our business relationships with the farming, feedlotting and processing sectors are in the capacity of collaborating on research, development, adoption, extension and marketing activities.

In FY20, MLA engaged directly with more than 1800 suppliers from five regions (spanning Australia, Asia, North America, Middle East, UK and Europe), where approximately 89% of the total spend was with suppliers located in Australia. Our largest category of spend was on research and development activities undertaken by universities, government bodies, research centres and in collaboration with other research development corporations (RDCs), which accounted for approximately 37% of total spend. The next largest category of spend was for professional services with consultants (approximately 17%). Other significant categories of spend related to marketing, advertising and communications activities (approximately 9%).

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

### 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's ability to assess potential modern slavery risks was dependent on the visibility it has over the supply chains of its business partners. We 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. Where a supplier was identified as being engaged in a sector or location that is deemed as being at risk for modern slavery practices, further due diligence was carried out. Questionnaires were developed for completion by identified higher risk suppliers that we could not obtain information on their commitment to corporate social responsibility and / or modern slavery. Feedback from MLA's business units and stakeholders was obtained in developing these questionnaires.

Where MLA was too many tiers removed from the sector that forms part of its business partner's supply chain (e.g. where MLA purchased technology product / services or kitchen equipment, food or products such as garments or branded merchandise on a casual basis), MLA was not in a position to assert control or influence over that part of the supply chain. Similarly, where MLA was not able to assert control or influence over its business partner or their supply chains due to its size or market position, MLA endeavoured to obtain more transparency by observing the company's policies or modern slavery statements published on the company's website. MLA also searched for available information in the registry established under the UK Modern Slavery Act or other legislation dealing with supply chain transparency as well as from NGO websites.

Should MLA be aware that our activities were the cause of or contributed to modern slavery practices, we will engage in a remediation process immediately with the supplier to correct that breach. Where our activities are directly linked to a supplier's modern slavery practices, we will take action to prevent that risk and / or strongly consider terminating our business relationships with such supplier.

### Policies and Processes

MLA updated its [Code of Business Conduct and Ethics](#), expanding on our principles of responsible business conduct to make it clear that all of our suppliers are expected to treat their employees fairly and ethically, and that MLA has a zero tolerance approach towards any conduct that may constitute modern slavery. During the reporting period, we also formalised a Procurement Policy as our policy on purchasing activities that prohibited modern slavery practices, and reiterated the Code of Business Conduct and Ethics. Our [Whistleblower Policy](#) further supports our commitment to

maintaining an open working environment, in which staff may raise or report concerns of high standards of business and personal ethics being breached while carrying out duties and responsibilities.

### **Raising Awareness**

MLA has provided initial training to its staff on modern slavery and how risks can be identified and assessed. This training will continue to evolve in FY21 and presented to ensure staff are aware of their obligations in performing supplier risk assessments and reporting on modern slavery practices in the supply chains. A review of [MLA agreements](#) was also undertaken to include compliance with the principles of MLA's Code of Business Conduct and Ethics as an obligation under MLA terms and conditions with vendors and business partners.

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

### **Future and Continuous Improvements**

MLA recognises that more work is required to develop a more mature and efficient approach to performing supplier risk assessments and we will continue to work towards improving the systems and controls.

All of the key modern slavery risk assessment related controls and documents will be regularly reviewed to ensure we have robust processes in place to minimise the risk of modern slavery in our operations and supply chain. The supplier risk factors will also be regularly reviewed to ensure considerations remain relevant and current. An internal audit of MLA's compliance with the modern slavery act has also been planned for FY21 to improve on existing processes.

## **6 Consultation with MLA subsidiaries**

MLA has addressed the requirements under the Modern Slavery Act 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 March 2021.

This statement was endorsed and approved by the MDC Board on 23 March 2021.

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

Signature: 

Date: 24 March 2021