

Modern Slavery Statement 2026

Pūrongo Ponongatanga Moroki Te Mātāpuna



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This Modern Slavery Statement is prepared for the period 1 August 2025 to 31 July 2026. It covers Fonterra Co-operative Group Limited and its subsidiaries.

Further details of Fonterra's subsidiaries are outlined in the Governance Disclosures section of Fonterra's 2026 Annual Report, available at [Fonterra.com](https://www.fonterra.com).

This statement was approved by the Fonterra Board of Directors on 23 September 2026.

We welcome feedback on this report. For more information or to provide comments, please email us at sustainability@fonterra.com.

Message from the CEO and Chair of the Board

Manaaki whenua, manaaki
tāngata, haere whakamua

If we take care of the land
and the people, we will take
care of the future



As a co-operative owned by farmers, we understand how important it is to care for the people that help make our business successful – both in our own backyard, and throughout our global supply chain. When it comes to people, we believe that everyone has the right to be treated with respect and dignity, regardless of background and circumstances.

As a large, global business, we have a responsibility to respect universally recognised human rights and to contribute to positive human rights outcomes. Our human rights commitments, which are embodied in our global policies and standards, include providing safe, secure and non-discriminatory working environments, good working conditions, recognising the right to freedom of association and the value of collective bargaining, and prohibiting all forms of modern slavery.

Since 2020, Fonterra has reported on progress made toward understanding and addressing modern slavery risk. Over the past year, we have updated our human rights and environmental risk assessment in alignment with the European Union Corporate Sustainability Due Diligence Directive. We have also strengthened our policies and standards by developing a new internal Human Rights and Environmental Due Diligence Standard and updating our Supplier Sustainability Code of Practice.

Preventing and mitigating modern slavery risk requires continuous focus and effort, and we remain committed to making progress. Our priorities for the year ahead include further embedding our Human Rights and Environmental Due Diligence Standard across the business, and deepening due diligence throughout our value chain.

Peter McBride
Chair

Richard Allen
Chief Executive Officer

Our structure, operations and supply chain

About us

Fonterra is a dairy co-operative owned and supplied by thousands of farming families across Aotearoa New Zealand. We collect and process raw milk, which we convert into high-quality, foodservice and ingredient dairy products.

We supply many of the world's leading food companies through our foodservice business, Anchor Food Professionals, and our ingredients business, NZMP.

Our global supply chain spans from the farms where we source our raw milk, and our sourcing of non-milk goods and services, through to our owned and third-party manufacturing facilities, and downstream to the distribution of products to customers in more than 100 markets.

Divestment of Mainland Dairy and associated businesses

Fonterra divested Mainland Dairy in March 2026. This included the entities that have been captured under the Australian Modern Slavery Act (2018). Fonterra no longer meets the threshold to report against this Act.

Our purpose

Our Co-operative, empowering people
to create goodness for generations

You, me, us together

Tātou Tātou



Our vision

The source of the world's
most valued dairy



Our values

Good Together

Better Every Day

Every Drop Counts





Fonterra Centre, Auckland

Our people

Our long-term success depends on our people, and we are committed to building an inclusive and equitable workplace where our people feel supported and are able to thrive in order to contribute to our success.

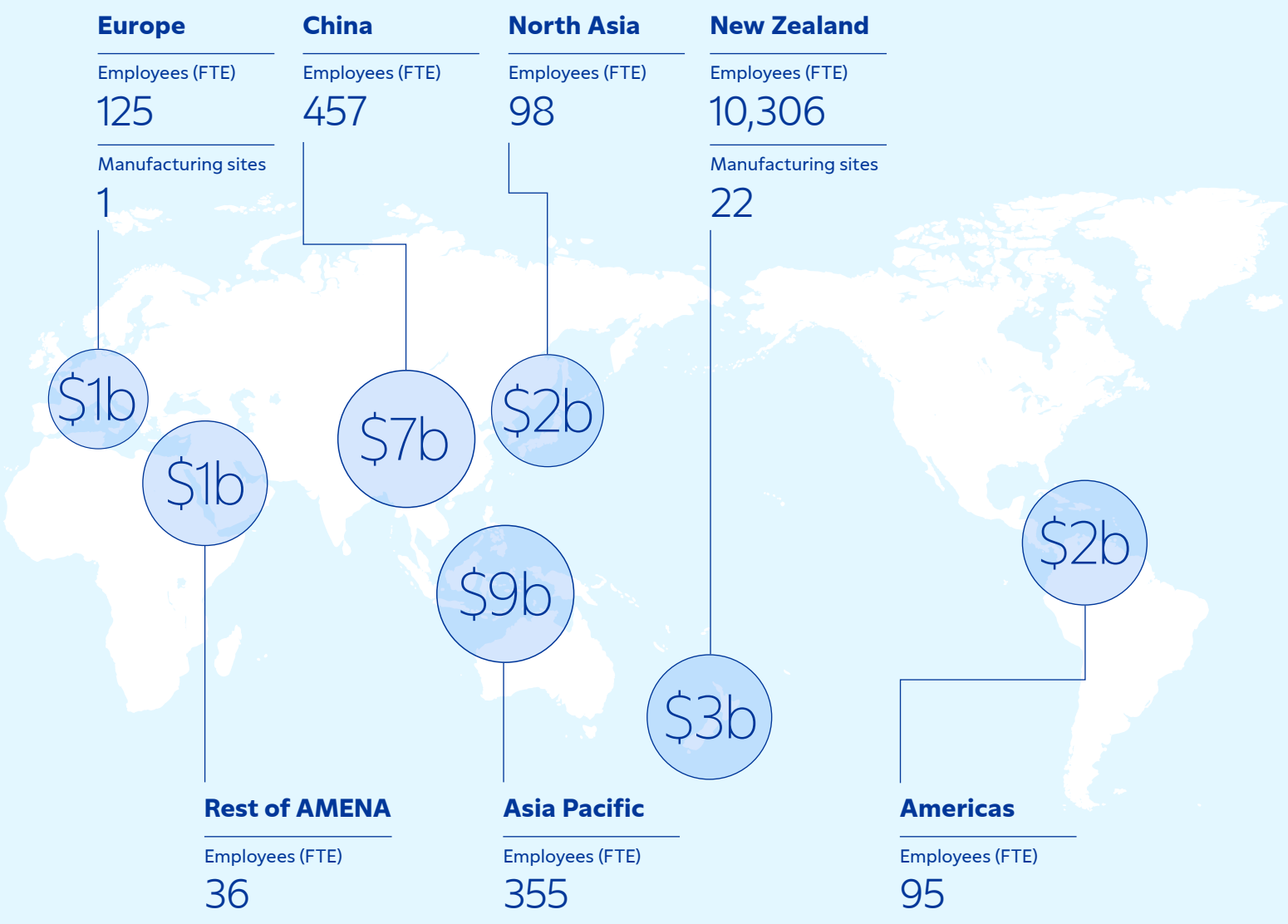
As of 31 July 2026, we directly employed 11,472 permanent full-time equivalents (FTEs), with the majority based in New Zealand.

Our people work in a wide range of roles including in manufacturing, on-farm, logistics and distribution, research and development, sales and marketing, and in other functions, such as strategy, legal, finance, and people and culture.

As part of our commitment to being a good employer, we:

- comply with international minimum labour standards set down by the International Labor Organisation (ILO)
- recognise the value of employees being able to choose to bargain collectively (for example, through a union or workers' council)
- commit to not discriminating against our people for joining, or not joining, a union.

Our agreements with the International Union of Food, Agricultural and Allied Workers' Associations (IUF) and the New Zealand Dairy Workers Union (NZDWU) reinforce these commitments. 60% of our New Zealand based employees were covered by collective employment agreements in FY26.



Employees (FTE)

11,472

Revenue (NZD)

~25b

Our core operations

In FY26 our full year NZ milk collections were 1,573 million kgMS. Our milk is sold through our ingredients and foodservice businesses across China, Africa, Middle East, Europe, North Asia, Americas, New Zealand, Australia, Pacific Islands, Southeast Asia and South Asia.

We have 22 manufacturing sites located in New Zealand and one in the Netherlands. We also work with around 38 third-party manufacturing suppliers globally.

In addition to our core operations, we operate 65 Farm Source retail stores across New Zealand, which sell agricultural supplies, and we manage 30 farms in New Zealand that are close to and complement our manufacturing sites. On-farm activities include forestry, livestock, cropping, and irrigation of excess water and nutrients from our manufacturing operations. We are also involved in joint ventures that operate freight logistics, dairy processing, innovation, research and development, and emissions reduction research.

Note: Permanent FTE employees only. Figures have been rounded. The data shown on this page reflects Fonterra's business as of 31 July 2026.

Raw milk suppliers

All our raw milk is sourced from farmers in New Zealand. Raw milk sourcing is managed by our Farm Source and New Zealand Manufacturing teams.

Other suppliers

We engage with around 9,000 other suppliers globally to source a wide range of commodities, goods, and services, including:

- transportation and storage services
- third-party manufacturing services
- farm supplies and services
- manufacturing equipment and services
- packaging materials
- energy supply
- ingredients
- chemicals and fertiliser
- professional and operational-related services.

The range of products, sourcing locations, and regulations associated with procurement from these suppliers can present sustainability-related risks, so we have taken steps to enable us to procure goods and services in an environmentally and socially responsible way.

Our [Supplier Sustainability Code of Practice](#) outlines our commitment to responsible sourcing and sets out our expectations of suppliers (of services and products other than raw milk) and associated subsidiaries with respect to ethical business conduct, care for people, and respect for the environment.



Governance and programme framework

Our Human Rights and Environmental Due Diligence programme is managed by Fonterra's sustainability function in collaboration with other functions and business units across the Co-op, including procurement, risk, legal, operations, external affairs, and people and culture.

In FY26 we combined several of our standalone Steering Committees into one larger Sustainability Steering Committee to provide greater cross-functional oversight of the programme. This Committee is responsible for providing strategic advice and decision-making in relation to Human Rights and Environmental Due Diligence and reporting and is accountable to the Managing Director, Co-operative Affairs and Managing Director, People and Culture, who report to the CEO and sit on Fonterra's Management Team.

Sustainability Steering Committee members

Membership includes senior leaders from across the organisation, including:

- Director of Sustainability (Chair)
- GM Union Relations
- Director Group Procurement
- General Counsel – Group and Operations
- Director Governance, Risk & Audit
- Group Director – Corporate Finance
- Group Director Global External Affairs
- Group Director Farm Source
- Director Global Engineering and Technical
- Global Director Market and Innovation Strategy (Global Ingredients)
- Director Global Foodservice Marketing and Innovation.

Governance structure

Fonterra Board

Has overall responsibility for our Human Rights and Environmental Due Diligence and approving our annual modern slavery statement

People, Culture and Safety Committee

Monitors our Human Rights Due Diligence programme and reviews our Modern Slavery Statement prior to full Board approval

Fonterra Management Team

Our Managing Director, Co-operative Affairs and Managing Director, People and Culture, are accountable for the implementation of our Human Rights and Environmental Due Diligence programme

Sustainability Steering Committee

Guides the effective day-to-day delivery of Fonterra's Human Rights and Environmental Due Diligence programme



Human Rights and Environmental Due Diligence framework

Our Human Rights and Environmental Due Diligence framework puts steps in place to prevent, mitigate and manage the risk of modern slavery in our value chain. The framework describes five key areas that help drive a continuous improvement approach.



Consultation with owned and controlled entities on this statement

Engagement and consultation with the Co-op's owned and controlled entities is facilitated through the Sustainability Steering Committee, which includes cross-functional representatives from across the global business. Subject matter experts from functions including sustainability, procurement, risk, people and culture, on-farm and legal also regularly engage with each other on the ongoing implementation of our Human Rights and Environmental Due Diligence programme.

Modern slavery risks across our operations and supply chain

As a large, global business we recognise that our modern slavery risk profile is not static and will evolve as our business changes or due to external factors such as supply chain disruption, conflict, or other events.

Modern slavery is an umbrella term that is used to describe serious situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery include human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour. We recognise that other non-minor breaches of employment standards may be present in our value chain and in situations of modern slavery, including underpayment of wages, excessive working hours and failure to provide holiday pay or annual leave entitlements. We consider these risks as part of our Human Rights and Environmental Due Diligence approach.

Identifying modern slavery risks

Our approach to assessing risk is aligned to international best practice, including the *UN Guiding Principles for Business and Human Rights*, and focuses on understanding actual or potential adverse human rights impacts on people due to our activities or business relationships.

We consider four key factors to determine actual or potential modern slavery risk in our operations and supply chain, these are:

- 1 **Geographic risk**
Sourcing from countries or regions that have a higher risk of modern slavery or other human rights breaches due to poor governance, corruption, conflict, or cultural norms.
- 2 **Sector or commodity risk**
Products or services that are considered to have a higher risk of modern slavery because of the nature of their supply chain or the location of raw materials.
- 3 **Business model risk**
Products or services that rely on business models with complex supply chains or high-risk work practices.
- 4 **Vulnerable group risk**
Individuals or groups that may be more susceptible to exploitation because of low education, language barriers, socio-economic status, or isolation.

We also consult a range of tools and sources to help determine our modern slavery risk. These include:

- Global databases such as the US Department of Labor List of Goods Produced by Forced Labor or Child Labor, Walk Free's Global Slavery Index and Verite's Forced Labour Commodity Atlas
- Government, academic and NGO reports, including those published by the International Labor Organisation, the Australian and New Zealand governments, the Business and Human Rights Resource Centre and Anti-Slavery International
- Media monitoring
- Engagement with suppliers
- Engagement with industry bodies.

Determining our role in relation to modern slavery risk

Our risk assessment and subsequent business response also considers the levels of involvement a business may have in relation to adverse human rights impacts, from directly causing or contributing to adverse impacts, through to being linked to adverse impacts because of our business relationships. The table below explains how Fonterra’s business activities or relationships could be linked to modern slavery risk.

Cause	An enterprise may cause modern slavery as a direct result of its own activities.	For example, a manufacturing worker at an owned or controlled site could be exploited and forced to work under duress or without pay.
Contribute	An enterprise may contribute to modern slavery through its activities or by facilitating or incentivising another party.	For example, if unreasonable requirements are placed on a supplier by a company, this may contribute to the supplier breaching labour standards to meet the requirements.
Directly linked	An enterprise may be directly linked to modern slavery through its business relationships, even if it has not directly contributed to those impacts.	For example, the purchase of ingredients or other materials sourced or produced using forced labour, which are then used in end products that are sold to customers.



Brown family farm, Bay of Plenty

Key risks across our operations and supply chain

In FY26, we updated our human rights and environmental risk assessment in alignment with the European Union Corporate Sustainability Due Diligence Directive. With this latest view, we consider the risk of modern slavery in our direct operations to be low, based on the controls, policies, and procedures we have in place. The updated assessment reinforces our belief that our greatest exposure to modern slavery risk is through our extended supply chain.

Our prioritised risks are outlined in more detail below.

RISK	INPUT	RISK INDICATORS	OUR CONNECTION TO THE RISK
The sourcing of commodities for use as ingredients, own brand clothing, packaging materials and energy	– Palm oil – Soy – Sugar – Dairy – Packaging (paper & plastic) – Biomass – Fossil fuels – Chemicals – Fabric	- Reliance on low skilled, temporary and migrant labour - Sourcing from high-risk geographies - Complex, global supply chains with reliance on sub-contractors - Use of third-party recruitment	Some of the commodities we source are linked to documented cases of human rights breaches. We rely on these commodities throughout our direct supply chain including in manufacturing, and in the sale and transportation of our products around the world.
The sourcing of commodities for use as energy, stock feed and as fertiliser on farm	– Imported feed – Fertiliser – Fossil fuels	- Reliance on low skilled, temporary and migrant labour - Sourcing from high-risk geographies - Complex, global supply chains with reliance on sub-contractors - Use of third-party recruitment	Some of the commodities we source are linked to documented cases of human rights breaches. Our raw milk suppliers rely on these commodities through their value chain.
The use of third-Party Manufacturing and distribution services for our products globally	Third-Party Manufacturing and distribution services	- Reliance on low-skilled labour - Locations in high-risk geographies - Geographic isolation	We rely on a global network of third-party manufacturing and distribution services to help produce and distribute our products, including the own brand products sold through our Farm Source stores. Some of these operations are in geographies that are considered at higher risk of human rights breaches.
The sourcing of raw milk from supplier dairy farms	Labour on farm (milk sourcing)	- Reliance on temporary and migrant labour - Use of third-party recruitment - Geographic isolation	Raw milk supply is a fundamental part of our supply chain. Our milk supply is from New Zealand where there have been independently documented risks of worker exploitation and forced labour in the agricultural sector.
The use of third parties for catering, cleaning, security services and contingent labour	People (indirect employees including contractors, outsourced roles and cleaners)	- Reliance on low skilled, temporary and migrant labour - Use of third-party recruitment - Locations in high-risk geographies	We procure catering, cleaning and security services through third parties at our corporate offices and manufacturing sites. We also indirectly employ some workers through agencies across our global business. Including IT services.

Taking action to address our modern slavery risks

Our policy framework

A key aspect of our mitigation activity is having a robust policy framework that provides clarity on our labour standards and respect for universally recognised human rights. Below describes the most relevant policies and standards related to our commitment to respecting human rights and how these are implemented in practice. Our key policies and standards are available on [Fonterra.com](https://fonterra.com) and all people managers, employees with manager in their tile and employees who work in a sensitive business function are required to complete an Annual Policy Commitment e-learning which covers the purpose and intent of all Fonterra global policies.

POLICY OR STANDARD	PURPOSE	IMPLEMENTATION
'The Way We Work' Code of Business Conduct	Sets out expected behaviours for our employees towards each other, our customers, and the wider community, and the expectation for our suppliers and business partners to uphold the standards and principles of the Code.	Our Code of Business Conduct is updated every second year and was last updated in September 2024. All new employees are provided with a copy of this Code, along with our other global policies. We also assign an annual e-learning about the Code to senior leaders and those in sensitive roles.
Global Legal and Compliance Policy	Sets out the beliefs, commitments and expectations of employees in relation to complying with all our obligations, including applicable laws, in the countries in which we operate.	This policy is updated every three years and was last updated in May 2025. It is supported by our compliance management, legal, anti-money laundering, samples and customs standards.
Global Ethical Behaviour Policy	Sets out our beliefs, commitments and expectations of employees in relation to ethical behaviour, including acting with integrity, honesty, and transparency.	This policy is updated every three years and was last updated in February 2024. It is supported by our ethical behaviour, conflict of interest, and employee lifecycle global standards, and annual conflicts of interest register.
Global Health, Safety and Wellbeing Policy	Articulates our ambition to achieve zero harm for our people, including contractors and visitors to our sites, and communicates our commitment to fostering a culture of shared ownership for health, safety and wellbeing.	This policy is updated every three years and was last updated in February 2025. All employees have access to health, safety and wellbeing training and a range of supporting tools and resources, including mental health and wellbeing services such as Employee Assistance Programme (EAP).
Global Sustainability Policy	Outlines our commitment to creating a sustainable future by focusing on environmental, social, and economic performance. This includes respecting universally recognised human rights and contributing to positive human rights outcomes.	This policy is updated every three years and was last updated in December 2024. It is supported by our sustainability standard which details the requirements to embed sustainability in the way that Fonterra operates.
Respect for Legitimate Land Tenure Rights Position Statement	Recognises the rights (including the human rights) of legitimate land tenure holders and stands against illegal activities in our supply chain.	This statement was last updated in March 2023 and is shared with interested parties as needed and available on Fonterra.com
Supplier Sustainability Code of Practice	Sets out our expectations for suppliers to align with our values and codes of conduct, including upholding human rights and fair working conditions.	Our Supplier Sustainability Code of Practice was updated in July 2026 to reflect changes in our internal policies and international best practice and regulation. The Code is referenced in several of our supplier terms and conditions and master services agreements, and adherence to the code is evaluated during onboarding through the Third-Party Risk Management process for high-risk suppliers.
Forest and Agricultural Products Standard	Defines our requirements for sourcing and procuring forest and agricultural products, including our expectations of suppliers to respect human rights, protect the environment, and operate with transparency.	This Standard guides the ethical procurement of primary-linked commodities, including palm oil and palm products, timber and wood fibre products, maize, cocoa, coffee and soy. In FY26, assessment of our most material primary-linked commodities has shown that 96% of our directly procured primary-linked commodities by spend are deforestation free or sourced from countries with low risk of deforestation.
Human Rights and Environmental Due Diligence Standard	Describes our internal expectations for conducting due diligence to identify and address adverse human rights and environmental impacts within our value chain.	This internal Standard was newly developed in 2026 and recognises that conducting effective due diligence is an important step in developing transparency as part of our responsibility to identify and address potential adverse human rights and environmental impacts associated with our chain of activities.



Smith farm, Southland

The Fonterra Group Risk Matrix includes specific criteria related to respecting human rights. The risk matrix requires our people to consider any potential human rights impacts as part of day-to-day business activities, whether that be in preparation for a capital project or when considering the impacts that our operations could have on local communities.

Engaging with our farmer suppliers

Farmers are at the heart of our Co-op and our approach is to work alongside them to build the collective strength of our Co-op and help them to improve their practices, profitability and environmental efficiency, including those that support positive outcomes for people. Farm Source is the connection point between our farmers and the Co-op. Working at a local level across the length and breadth of our farm base, our Farm Source teams work alongside our farmers to help them continue to lead the way in sustainable, efficient dairy farming.

Fonterra Farmers' Terms of Supply

Our Terms of Supply sets expectations for supplying farmers when it comes to people including labour rights, the environment, animal wellbeing, biosecurity, and food safety and quality. The Terms of Supply specify that farms must be compliant with all applicable legislation, including laws and regulations related to labour, employment, and health and safety.

Where we find mandatory requirements are not being met, we develop an action plan with the farmer, including target completion dates. We may also suspend the collection of milk until we are satisfied that all mandatory requirements are being met and that any actions required to avoid a repeat of the issue have been completed.

We refresh our Terms of Supply on an annual basis, and each new edition is sent electronically to our farmers in February, along with a list of substantive changes.

We also include a question relating to labour rights in the annual Farm Dairy Records, which supplying farmers are required to complete. The Farm Dairy Records collate information on animal health, farm management practices, and environmental sustainability efforts. These records are independently verified and used by Fonterra in conjunction with other internal data to assess the quality and safety of the milk we process and to support our farmer suppliers in improving farm efficiency and sustainability. The data collected can help our farmers make informed decisions about their operations and contribute to Fonterra's overall supply chain management and product quality assurance.

The Co-operative Difference

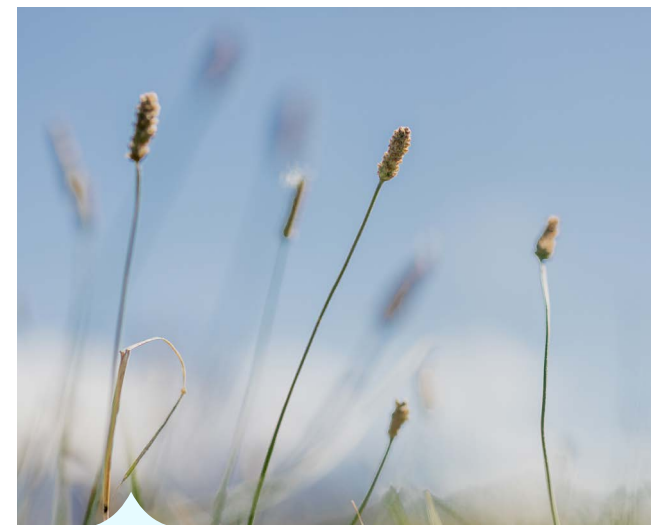
[The Co-operative Difference](#) was launched in 2019 and is about setting the Co-op up for success into the future by securing opportunities to create value and managing potential risks to existing value. Each season, New Zealand farms supplying Fonterra can receive extra payment for completion of specific activities. These activities and achievement criteria are reviewed annually and updated as needed to maintain alignment to our strategic objectives.

For the 25/26 season, completing a DairyNZ Workplace 360 assessment was one of the activities required for achieving Te Pūtake (the starting point for The Co-operative Difference). Farms reaching Te Pūtake were eligible to receive The Co-operative Difference payment of an extra 7 cents per kg of related milk solids. In the 25/26 season, 94% of farmers achieved the Te Pūtake level of performance.

Collaboration with partners

We have proudly partnered with the Rural Support Trust, a charity dedicated to helping rural communities in New Zealand, since 2022. The Trust provides a free and confidential employee information and support service, which can support on-farm workers with information about employment rights and living and working in New Zealand. It also provides a support line for farmer employers and helps facilitate good working relationships between employers and employees. Fonterra also provides New Zealand farmers with fully funded access to our EAP services.

Fonterra is a member of the Sustainable Dairy Partnership (SDP), which is an industry collaboration aimed at driving continuous improvement in sustainability. Through this partnership, Fonterra also reports annually using the Dairy Sustainability Framework, which includes minimum standards in relation to deforestation, human rights, animal welfare and legal compliance for procurement from supplying farmers. These reports are available to customers and other stakeholders who are members of SDP.



Worker exploitation in New Zealand and Australia's agriculture sectors

International workers play an important role in New Zealand's primary sector by filling critical skills gaps and labour shortages. However, breaches of labour standards involving migrant workers employed in the dairy sector have been reported in New Zealand. Vulnerability among migrant workers can stem from a limited understanding of the local context, particularly legal rights, and this may be exacerbated by a lack of formal training and language limitations.

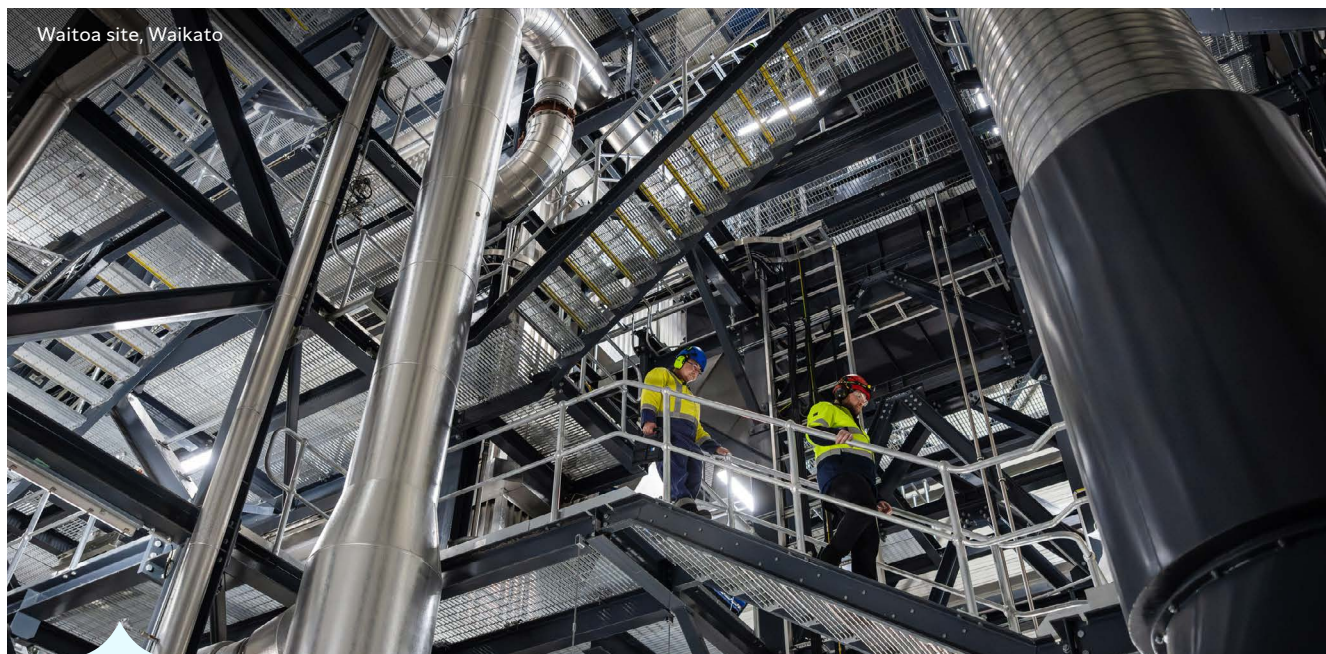
There were no reported incidents of modern slavery or worker exploitation on our New Zealand based supplier farms in FY26.

Training and awareness

Our employee e-learning on human rights, worker exploitation and modern slavery guides employees through an essential overview of these important topics, Fonterra's approach and responsibility, and our expectations of our people. It also includes important information about how to spot the signs of worker exploitation and modern slavery. As of 31 July 2026, 2,432 employees had successfully completed the learning programme.

Our broader employee learning and development programme includes training that supports our respect for human rights, including understanding diversity, equity and inclusion, navigating unconscious bias, supporting mental health and wellbeing in the workplace and employee relations.

As of 31 July 2026,
2,432 employees
had successfully
completed the
learning programme.



Independent evaluation and certifications

Our manufacturing sites are subject to regular internal and third-party audits. Internal audits are conducted by employees independent of the site and are used to identify areas for improvement (see here for more detail on our internal audit function, [page 85 Annual Report](#)).

Third-party audits give regulatory authorities and our customers independent assessments of our performance. For example, independent audits against the Sedex Member Ethical Trade Audit (SMETA) standard for labour practices, environment, health and

safety and business practices are requested by some of our customers.

Other customers request we undertake an annual assessment by EcoVadis. EcoVadis is a third-party risk management platform that allows organisations to assess suppliers on their ESG (environmental, social and governance) performance. It provides a globally recognised assessment and rating. In FY26 Fonterra received a Silver rating from EcoVadis, which places us in the top 15% of company rankings.

Engaging with our non-milk suppliers

We are proud of the strong relationships we have with the people and organisations that supply us with valuable products and services to help us achieve our strategic goals.

Our Supplier Sustainability Code of Practice (2026) sets out our expectation for suppliers to align with our values and policies, including our commitments to social and environmental responsibility.

Identifying high risk suppliers

As part of our wider approach to due diligence, we have worked across the business to assess risk from both a human rights and environmental perspective in alignment with the European Union Corporate Sustainability Due Diligence Directive. This has involved working with subject matter experts in relevant business units to understand the current risks and use Fonterra's risk matrix to assign the appropriate risk rating for each of these at the Group level. Regular engagement with the Sustainability SteerCo has provided governance oversight of the overall approach, rating outcomes, and development of action plans.

On an ongoing basis, both prospective and existing suppliers continue to be assessed by our procurement team. Where necessary, suppliers are asked to provide further detailed information to support better understanding of their risk profile. As of 31 July 2026 2,278 suppliers have been assessed using the framework, this included 672 existing suppliers.

Access to grievance and remediation

We fund an independently administered whistle-blowing hotline (The Way We Work Hotline), facilitated by Deloitte. The hotline is available to all Fonterra stakeholders globally, including farmers, workers, and suppliers, with a confidential and anonymous channel (by phone, email, mail, or online) to report concerns about serious wrongdoing or behaviour that does not meet the standards described in The Way We Work Code of Business Conduct.

All reported concerns and issues are investigated by a Fonterra team not involved in the substance of the concern (e.g., employment relations, internal audit, other specialist teams) or where appropriate, an external investigator, before action is taken. Timely updates are made available to the whistle-blower through the hotline.

The Fonterra 'The Way We Work' Investigation Guidelines require that investigations take a victim-centred approach, putting the rights and dignity of victims, including their wellbeing and safety, at the forefront of all efforts to respond to concerns and complaints raised. We also take steps to verify the subject of the complaint, and any witnesses, are protected from identification and victimisation.

In FY26, we received no reports relating to modern slavery from employees, farmers, or others in our value chain via this hotline.



Tracking the effectiveness of our actions

We are focused on building and maintaining an effective Human Rights and Environmental Due Diligence programme that helps us proactively manage modern slavery risk in line with global best practice and standards.

The table on this page outlines how we monitor effectiveness and progress against the key pillars of our Human Rights and Environmental Due Diligence programme.

We acknowledge that there is always more to learn and do to prevent modern slavery from occurring in our value chain. We will continue to monitor the effectiveness of our actions and continuously identify opportunities to improve. The next section outlines more information about our focus areas looking ahead to FY27.

DUE DILIGENCE PILLAR	WHAT GOOD LOOKS LIKE	OUR FY26 PERFORMANCE
Leadership and governance	There is clear accountability for modern slavery at an executive level and regular reporting through to the Fonterra Board.	Our Managing Director, Co-operative Affairs and Managing Director, People and Culture are accountable for our Human Rights and Environmental Due Diligence programme. The Sustainability Steering Committee provides senior day-to-day oversight of the programme and reporting. The Steering Committee met eight (8) times in FY26. The People, Culture and Safety Committee received an update on modern slavery four times in FY26.
Impact assessment	Regular risk assessments are undertaken, and these consider the severity, scale and scope of the impact as well as our degree of responsibility. Appropriate actions plans are developed in response to our risk assessments.	We updated our risk assessment in FY26 from both a human rights and environmental perspective in alignment with the European Union Corporate Sustainability Due Diligence Directive. Regular engagement with the Sustainability Steering Committee has provided governance oversight of the overall approach, rating outcomes, and development of action plans.
Mitigation	Policies and procedures are reviewed on a regular basis and modern slavery risks are integrated into systems and strategies. We have effective supplier engagement programmes and provide appropriate training and capability building for our teams.	Our policies and procedures are regularly reviewed by our governance team and subject matter experts. Key policy changes in FY26 included updating our Supplier Sustainability Code of Practice and developing a new internal Human Rights and Environmental Due Diligence Standard. During the process of updating our risk assessment, the capability of relevant business units was further developed, and documentation of mitigation actions currently deployed across our business was refined.
Remediation	We have appropriate remediation systems in place for impacted workers and collaborate with stakeholders to address modern slavery risk.	Our global whistleblower hotline is our primary mechanism for stakeholders to raise any concerns about modern slavery or other human rights breaches in our value chain. Ongoing work to raise awareness of the hotline will continue in FY27.
Monitoring and reporting	We regularly track our actions and their effectiveness, feeding any learnings into our ways of working. We communicate regularly with our stakeholders.	We continually review our overall Human Rights and Environmental Due Diligence approach and as action plans for identified priority risks are implemented, active monitoring will increase for select indicators at supplier level.

Looking ahead

Preventing and addressing modern slavery risk is part of an ongoing journey. As such, we are committed to developing and enhancing our approach to modern slavery and broader human rights due diligence.

Our focus for the coming year will include:

- Continuing due diligence on suppliers that have been identified as high risk for modern slavery and worker exploitation
- Continuing to develop and implement action plans for identified priority risks
- Further embedding our internal Human Rights and Environmental Due Diligence Standard across the business
- Engaging in the development of Modern Slavery legislation in New Zealand



Barnes family farm, Southland



Dairy for life