

DOING DAIRY BETTER TOGETHER





ABOUT THIS REPORT

This FY22 Sustainability Report provides an overview of Brownes Dairy's sustainability performance and achievements from 1st July 2021 to 30th June 2022. The report relates to Brownes Dairy's wholly owned and operated assets, including projects under development and delivery.

Throughout the report there is reference to data from periods prior to FY22 where this context may be useful. Where this occurs, it has been made clear which year(s) this data relates to.

This is Brownes Dairy's first sustainability report, with the intent being to continue to report on an annual basis. For this first report, we have not sought independent assurance, but will do for future reports.

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INTRODUCTION





CHIEF EXECUTIVE OFFICER
NATALIE SARICH-DAYTON

LETTER FROM OUR CEO

Brownes Dairy's first sustainability report comes at a time of significant economic, environmental, and geo-political change.

The impacts of these have created global challenges in food security, supply chain sustainability as well as for individuals and communities.

The Covid 19 pandemic and rising costs continued to challenge operations for another year. Our people have demonstrated incredible resilience throughout a period that has changed the way that the world works. We kept operations across the state running safely and we were able to continue to supply our consumers throughout these changes.

We recognise that this did not come without challenges, and as such, we upweighted our commitment to supporting the mental health of our people with the roll out of our Mental Health First aid programme, as well as strengthening our offering through our continued partnership with Converge International.

Environment, society, and economy have long underpinned many of the decisions that we make and despite the disruption linked with the above events, we continue to focus on reducing energy and water consumption whilst minimising waste throughout the supply chain.

The last 12 months saw us integrate ESG into our strategic themes, with Leading Environmental Sustainability becoming one of the core pillars that underpins our focus for the future. The continued work of the Sustainability Committee ensures that the Leadership Team can make informed decisions on both existing and emerging aspects. Looking to 2023, moving more formally into the ESG space ensures that these will remain as key focus.

We are committed to action on climate change with targets to reduce our absolute emissions by at least 30 per cent by 2030 and indeed across the wider supply chain with incentives for our farmers to better understand and manage their emissions.

Consumers are continuing to evolve in their requirements for new and innovative products that meet concerns around nutrition, climate change and animal welfare. We have a responsibility to ensure that the consumers who choose our dairy products for their great taste and quality, can also be assured that the products they buy are produced responsibly.

Our focus on the sustainability credentials of our packaging continues, including light weighting, increasing recyclability or reuse outcomes, and using fully renewable materials where possible. Launches such as our 1L Craft packaging is symbolic of the bravery we want to adopt when addressing issues of sustainability.

I'm encouraged by the collaboration across industry. Brownes' involvement in the WA Dairy Industry Working Group was a unique opportunity to work with other representatives from key stakeholders in the WA dairy supply chain. While recognising the current headwinds the WA dairy industry faces, now more than ever, this coming together of all stakeholders is critical to growing our primary resource, white milk on farms, and allowing our industry to continue to thrive.

I would like to thank our people, communities, farmers, and customers for the support over the last year.

Kind regards,

ABOUT BROWNES

PRODUCTION VOLUME 130K tonnes



2021 REVENUE \$225M net sales



CONTRACTED MILK SUPPLY 128M litres



TOTAL EMPLOYEES 243



TOTAL MILK SUPPLIERS 48 farms



COUNTRIES WHERE PRODUCTS
ARE DISTRIBUTED 6



SKUS 209



EMPLOYEES BY GENDER
male 70% : female 30%



LTIFR 3



BUSINESS OVERVIEW

Brownes Dairy (Brownes) is Australia's oldest dairy company. It is also one of Western Australia's most iconic businesses, established in 1886 by Edward Browne as a small dairy farm in what is now Shenton Park, WA.

Brownes operates from our main processing site in Balcatta WA and we also own a second site at Brunswick Junction WA, collecting over 125 million litres of milk each year from over 45 dairy farms in WA's South West region accounting for near 40% of the State's milk production.

We offer a diverse portfolio of dairy and other food products including white milk, cream, yoghurt, flavoured milk, juice, desserts and cheese.

We pride ourselves on our innovative products and services that are embedded in our DNA and consequently are a significant awards winner in the dairy industry. We supply all major retailers and food services companies in Australia, as well as being a standing exporter to Asia.

ORGANISATION STRUCTURE



OUR PURPOSE

**DOING DAIRY BETTER TOGETHER,
BRINGING JOY AND GOODNESS
TO FAMILIES AND COMMUNITIES**

OUR VISION

**THE BEST OF AUSTRALIAN DAIRY IS
ENJOYED BY FAMILIES AROUND
THE WORLD**



OUR PRODUCT



WHITE
MILK

NATURAL
YOGHURT

FLAVOURED
MILK

CREAM

SPECIALTY
MILK

CHEESE

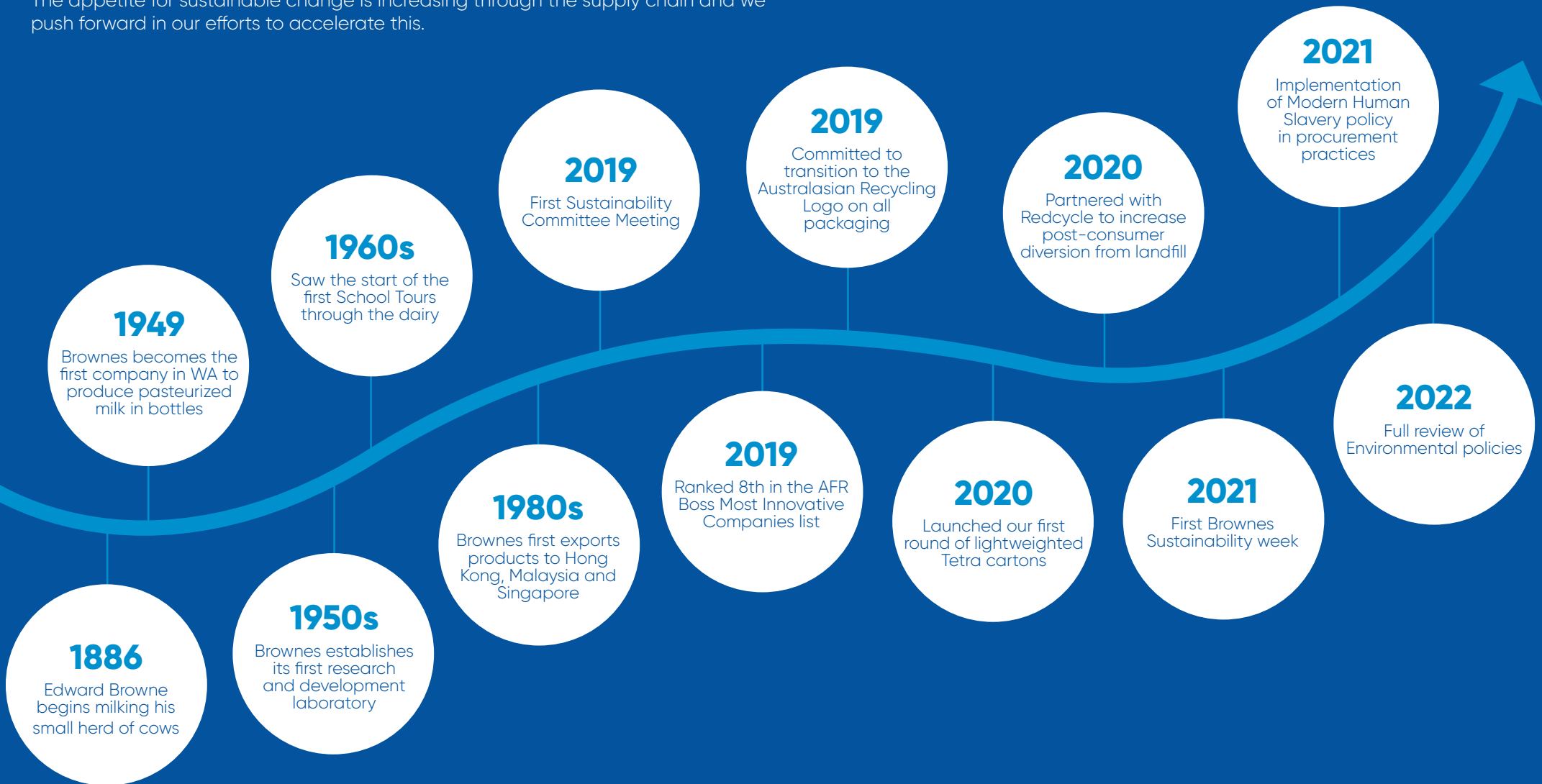
JUICE

DESSERT

OUR SUSTAINABILITY JOURNEY

For generations Western Australia has been our home, and its beautiful environment has provided the ecosystem that enables us to produce our natural dairy products.

The appetite for sustainable change is increasing through the supply chain and we push forward in our efforts to accelerate this.



OUR APPROACH TO SUSTAINABILITY

At Brownes, operating a sustainable business means we meet today's demand without compromising the ability to meet future dairy requirements. It requires balancing the needs of the planet and people, and ensure we conserve, reduce, recycle or reuse. Our Sustainability strategy underpins how we operate and drives outcomes to help us continuously manage a sustainable business.

Our commitment

PEOPLE

- Creating an inclusive culture and promoting a safe working environment
- Increasing access to nutrition by providing healthy and affordable dairy
- Focus our supply chain to ensure human rights embedded in all decisions

PLANET

- Invest in initiatives to reduce consumption and GHG emissions
- Improve our systems to reduce water consumption and waste
- Continue our focus across the supply chain to reduce dairy food waste

PRODUCT

- Innovating our portfolio to meet changing needs of customers and consumers
- Developing sustainable packaging solutions to increase recycled content and improve recyclability
- Investing in technology and innovation to enable growth

The Way We Work

ensures that Brownes continues as a sustainable business, able to deliver consistent value to its stakeholders on an ongoing basis. It is based on Brownes values, and is also shaped by good common sense.

OUR 2022 SUSTAINABILITY HIGHLIGHTS

PEOPLE

80% participation in our Employee Engagement Survey

66% female representation in senior leadership

2nd Modern Slavery Statement Published

103 TONNES dairy product donated to local communities

PLANET

150 TONNES manufacturing food waste saved

66% reduction in weight of our liquid paper board cartons

1749 KL water saved

PRODUCT

A rating achieved for BRC audit

1 AIM WA Environmental Excellence Packaging Award

1 Chief Growth Officer appointed

1 World Food Innovation Award

* All decreases presented are calculated in comparison to FY21 numbers.

MATERIALITY ASSESSMENT

In completing this, our first sustainability report we conducted a stakeholder-centric materiality assessment to identify the core sustainability-related issues that Brownes should focus on.

The process, which was grounded in internationally recognised sustainability frameworks included scanning of external fast-moving issues and trends, peer and customer benchmarking; stakeholder consultation throughout our supply chain; and reviewing feedback from farmers, consumers and communities to confirm the most important issues for Brownes.

As a result, we identified our material sustainability issue areas and several emerging or accelerating issues and activities that Brownes should be prepared to leverage or act on, including greenhouse gas emissions, economic performance & long term viability and waste management.

Following this assessment and to ensure that we keep line of sight on our sustainability performance we have developed a series of sustainability targets & goals aligned to the material topics identified during our assessment. We will provide annual progress updates in future sustainability reports.

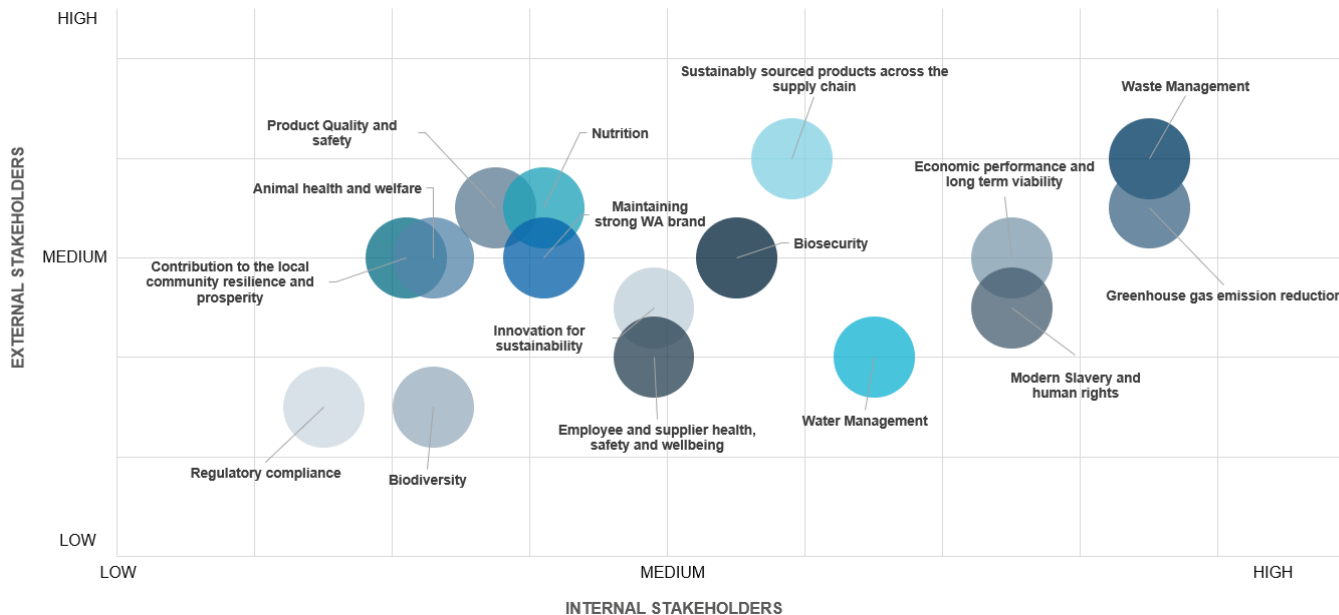


Figure 1. [Stakeholder Engagement process for our materiality assessment]

OUR INSIGHTS JOURNEY

1 survey conducted

9

external interviews conducted

2 industry bodies scanned

5 peers reviewed

36

key documents reviewed

12

internal stakeholders consulted

Examining..

- Where Brownes excels
- Opportunities for improvement
- Leading industry examples
- Areas of material risk
- Areas of strategic opportunity

Figure 2. [Mapping our Material Aspects]

OUR MATERIAL ASPECTS

Alignment to the UN Sustainable Development Goals (SDGs)

Launched in September 2015, the United Nations Sustainable Development Goals (SDGs) consist of 17 ambitious goals dedicated to improving the wellbeing of present and future generations. The SDGs aim to tackle the world's most pressing challenges through the promotion of sustainable development.

SDGs provides Brownes the structure for continual improvement of our Sustainability approach and identify opportunities to further lift our contribution to the SDGs in partnership with other organisations.

We have mapped the SDGs that we can most directly help to achieve, against our material issues.





















SUSTAINABLE DEVELOPMENT GOALS



Figure 3. [Wheel showing our material aspects and sustainability targets mapped to the UN SDGs]

SUSTAINABILITY PERFORMANCE

PILLAR	SDG	TOPIC	MATERIALITY ASPECT	TARGET OR GOAL		WHEN	STATUS	
 <p>SOCIAL</p>	    	Safe, diverse and inclusive workplace	Employee and supplier health, safety and wellbeing	Goal	LTRIFR <6	YoY	●	
		Ensuring future of the Dairy Industry	Local community resilience and prosperity	Goal	Upweight funding for innovation	YoY	○	
			Strong WA brand	Target	Ensure that Brownes are the brand bought most often in WA Dairy	YoY	○	
		Health and wellness of consumers	 	Nutrition	Target	80% of the product portfolio will meet Healthy Food Partnership Reformulation Program voluntary targets for sodium and/or sugar	2025	○
				Product quality and safety	Target	<13 Complaints per million units sold	YoY	○
					Goal	Zero product recalls	YoY	●
		Human rights of all stakeholders		Modern Slavery & human rights	Goal	Zero non compliance throughout the supply chain	YoY	○
 <p>ENVIRONMENT</p>	        	Climate related risks, emissions & energy	Greenhouse gas emission reduction	Target	30% reduction in carbon emissions at brownes processing sites ^[1]	YoY	○	
				Goal	30% reduction in carbon emissions across the value chain ^[2]	2025	○	
				Target	10% reduction of energy per L of milk	2030	○	
		Biodiversity	Target	100% of Brownes farms to have active biodiversity plans	2025	○		
		Water Management	Target	10% reduction of water per L of milk	2025	○		
		Animal health and welfare		Animal health and welfare	Target	Somatic Cell Count < 250,000 / mL	YoY	○
					Target	All Brownes farms to be working under an Antimicrobial Stewardship programme	YoY	○



Pillar	SDG	Topic	Materiality Aspect	Target or Goal		When	Status
		Waste management	Waste management	Target	Zero waste sent to landfill	2025	○
				Target	All packaging recyclable, reusable or compostable	2025	○
			Sustainably sourced products across the supply chain	Target	All key ingredients ethically, sustainably & socially responsibility sourced	2030	○
 GOVERNANCE		Risk Management	Biosecurity	Target	All Brownes farms to be working under a Biosecurity Plan	YoY	○
		Transparency at all levels of Corporate Governance	Regulatory compliance	Goal	No non compliances issued	YoY	●
			Economic performance and long-term viability	Target	Drive 20% revenue growth	YoY	●
		Commitment to growth	Innovation for sustainability	Goal	Upweight spend on Research and development	YoY	○

Table 1. [Mapping targets to material aspects]

[1] From a 2019 baseline, processing sites include Balcatta & Brunswick Junction facilities

[2] Value chain includes farmers, product transport, customers (retailers)

- Achieved
- On track
- At risk
- Not met



**PEOPLE,
COMMUNITY AND
SOCIAL PERFORMANCE**

OVERVIEW

Our Sustainability commitment reaches throughout the supply chain from our farmers and ingredient suppliers, through to our team members and the wider community in which we live and work.

It is important that we provide a working environment that focusses on the health, safety and wellness of our teams and achieve our ambition of zero harm.

Our employee engagement work helps us retain talent, and identify opportunities for attracting skilled people to our industry.

We support our local communities during times of need, with dairy nutrition and community investment.



BRAND ACTIVATION MANAGER
JO GRANBY

SAFETY, HEALTH AND WELLBEING

The health, safety, and wellbeing of our workers is our priority.

Safety culture is 'the way we do things around here' and reflects the values, beliefs and attitudes within an organisation. This has a significant influence on what people do and why they do it.



Our Approach to Safety

At Brownes, we believe that:

- All incidents are preventable – and everyone, through thoughts and actions, can make a difference and reduce harm.
- Safety is a shared responsibility – everyone is

- accountable for our own safety and the safety of others. Together, we can all become safety leaders.
- Workplace safety goes beyond compliance and checklists – to achieve our objectives, we need to capture the hearts and minds of our workers.
 - All workers, contractors, visitors and partner organisations have a part to play in improving health, safety and wellbeing practices and making our workplaces safer for everyone.

The foundation of our system is our company safety mantra, 'Think Safe, B-Safe'.

For our workers to think safe and b-safe – they need to feel safe.

Leadership is critical to developing and maintaining a mature safety culture. Effective safety leadership is a combination of commitment and action that influences others to do the same. Managers and supervisors make a major contribution to determining the safety culture. The decisions, actions and behaviours of these leaders set benchmarks for safety through the systems and processes they put in place and promote and support.

Safety Management

Commitment to safety is demonstrated through action. Safety leadership is demonstrated by a willingness and ability to influence others to manage WHS effectively. Our Executive Leadership Team drive a commitment to WHS and associated actions through the following processes:

- Endorsement – Personal endorsement of the HSW Policy and HSW Strategy.
- Accountability – Holding themselves and others accountable for health, safety and wellbeing.
- Review – Regularly review HSW procedures and performance information to drive continuous improvement.
- Tools – Ensure that workers understand and contribute to the development and refinement of tools to support contributions to improve the safety culture.

Our health, safety and wellbeing management system has been developed in alignment with global best practice (ISO 45001) and the WA's Work Health and Safety Act 2020. ISO 45001 is the new international standard for occupational health and safety management replacing the previous Australian standard. The standard reduces workplace risks to improve employee safety.

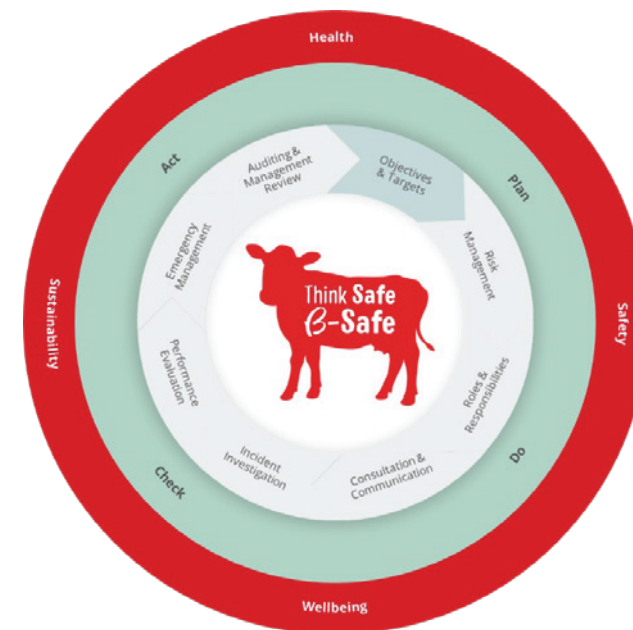


Figure 4. [Brownes Health, Safety and Wellbeing Management cycle]

The HSW management system is modelled on the Plan, Do, Check, Act (PDCA) cycle for continuous improvement.

The HSW management system safety management system (B-Safe):

- Details our requirements for effectively managing HSW, based on the scope and diversity of our business operations.
- Delivers the objectives set out in the HSW policy and strategy.
- Applies to all applies to all Brownes divisions and departments.

SAFETY PERFORMANCE

Brownes aim to achieve improvements to their safety performance every year through proactive safety targets for each team. In 2022, we aimed to prevent as many injuries and accidents by:

200 hazard/near miss reports

340 Job site interactions by way of Audit processes

41 Risk Assessments completed

Though a near miss is sometimes deemed too trivial to be worth a report, enforcing near miss reporting has many advantages. At Brownes, we encourage timely reporting of these events which helps in mitigating risks, preventing accidents, raising awareness about the hazards employees face, and ensuring a safer working environment for our employees.

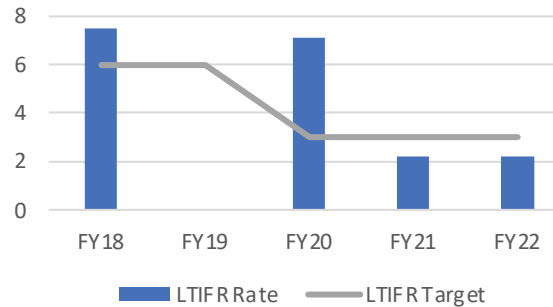


Figure 5. [Brownes LTIFR Rate vs target]

Case study

COVID AT BROWNES

In FY22, we continued to support our teams, customers and visitors during COVID.

The COVID19 Planning Committee that was established the year before, continued to guide our approach through the changing environment of the year. Our COVID19 roadmap provided clear direction and expectations for prioritising highest risk areas of the business and how to manage operations around this.

Our Business Continuity Plans and risk assessments resulted in adapted shift rostering and changeovers to reduce risk for those on site. Aiming to keep our

team members safe, those workers that could transitioned to working from home and all non essential work on site was cancelled. Visitors and contractors were not allowed on site unless business continuity was at risk.

In order to ensure we could continue to meet the needs of our consumers and communities, we implemented a COVID Vaccinations Policy, inline with State Government advice, requiring all workers on site to be double vaccinated.

As restrictions have eased more recently, we have transitioned to 'living with COVID', ensuring that we can continue to prioritise the safety of our teams and customers whilst remaining vigilant to any changes and following government guidelines.

COVID safe at

Physical distancing

Wear masks

Hand washing

Temperature checks

Stay home if you are sick and get tested

Our approach to Health and Wellness

We recognize the need for employees to have balance in their lives. We believe that achieving a healthy balance between home life and work contributes to the health and wellbeing of our employees, and to the long-term sustainable productivity of Brownes.

Last year we ran several initiatives to assist with Employee Wellness. This included a 'Wellness Week' which specifically targeted physical, workplace, emotional and social wellness.

Events included massages, fatigue management training, drugs and alcohol awareness training, healthy heart checks, walking groups, cancer awareness seminar, morning tea for R U OK Day and skin checks.

In 2023, we will introduce a wellbeing app provided by our EAP provider. The app uses award-winning technology to engage employees and gives them the tools, autonomy, self-awareness and motivation to take control of their health and wellbeing.



Case study

MENTAL HEALTH FIRST AID ROLL OUT

FY22 saw us enroll a cross section of employees from all of our departments to a nationally accredited

course named Mental Health First Aid (MHFA), resulting in Brownes now having 12 qualified mental health first aiders.

MHFA training helps mobilise and empower our employees in the workplace and community by equipping them with the knowledge, skills, and confidence to recognise, understand and respond to another adult experiencing a mental health problem or mental health crisis.

The course was split up into 2 parts with a practical component followed by an online assessment. Once completed employees were appointed as Mental Health First Aiders for Brownes and also their individual Departments.

This is just one in a long line of initiatives for our organization which will be implemented over the coming years in the Mental Health space.

EMPLOYMENT DIVERSITY & INCLUSION

Employee Engagement

Employee engagement is one of Brownes key focus areas and forms part of our strategic plan and key performance indicators. We measure the level of engagement within our workforce regularly, including development of an engagement survey annually.

We strongly believe in providing employees a confidential and anonymous way to provide feedback and identify improvement opportunities for the business. We hold all our leaders accountable to act on the feedback provided from these surveys.

We connected with Culture Amp which is an "Employee Experience Program" which provides tools and insights

needed to build a category defining culture. Engagement is a measure of people's connection and commitment to the company and our goals. Our aim is to lift it to improve our impact on performance, innovation, retention and attraction of talent.

During the reporting period, Brownes conducted an engagement survey with the results being compared with other organizations that fell into the benchmarks 'Manufacturing 2021' and 'Food and Beverage 2021'.

Participation rates help Brownes to understand how representative the feedback is. This survey observed a 75% engagement score with 195 respondents out of a total of 243 employees. (80% participation rate)

The survey results identified our strengths which were celebrated internally and are shown below:



Figure 6. [Highest 3 scores from our Employee Engagement Survey]

It was also identified that Brownes had opportunities to further relate individual projects to overall strategies, as well as upweight our IT systems to support our staff in a more effective way.

It is important to Brownes to ensure we remain focused on continuing our engagement with our workforce. In 2023, we will conduct another engagement survey to track progress of our actions and identify areas for further improvement.

Case study
A FOCUS ON OUR CULTURE

In 2021 we hosted two cultural events to launch our new company values and embrace the growth vision for the business.

Both cultural events consisted of cross departmental working groups which were facilitated by our general managers. Employees talked about what the new values meant to them and how their departments could contribute to the wider business.

Guest speakers were arranged to tell their unique stories to provide inspiration to our employees. Various team building activities were also undertaken during our events which gave a greater insight and appreciation between fellow employees.

The learnings and positive experiences from these events have had a strong long term positive impact on our workforce.



Brownes employees at cultural event

Flexible Working Arrangements

Brownes have implemented a flexible working policy that aims to enable further diversity in our workforce by offering formalised flexible working options suited to different demographics and individuals.

Our Flexible Working Arrangement Policy outlines the procedures and conditions applicable for the right to request flexible working arrangements for permanent full-time and part-time employees, it does not guarantee the acceptance of requests. This policy also encompasses the National Employment Standard (NES) on the right to request flexible Working arrangements for parents.

Brownes support all employees and their families through recognising the need for staff to balance home and work commitments and believes that flexible working is one way in which it can retain high quality motivated staff. Our Flexible Parental Working Arrangement Policy outlines the procedures and conditions applicable to permanent full-time and part-time employees, with children under school age, requesting flexible working arrangements.

Training and Development

Brownes is committed to providing useful and relevant training opportunities to our employees. We encourage our employees to actively seek development opportunities to improve their skills and enhance their careers.

Brownes recognises that providing training and development to our employees will ensure Brownes has the reserves of knowledge and experience and abilities to help achieve our vision and deliver on our customer promises.

Brownes invests in the development of employees across the business to create a culture focused on our core values and principles.

We partner with Nationwide Training and Australian College of Training which accredits our employees with national recognised accreditation within Warehousing and Food Processing.

We also partner with other external training providers like AIM and SAI Global to enable our employees to continually be updated to meet the needs of the business along with individual career growth and development.

Spend on Staff Training	FY20	FY21	FY22
	\$314,823	\$262,687	\$ 418,078

Table 2. [Staff training costs FY20-FY22]



Diversity and inclusion

Brownes are proud of the diversity of our workforce that includes a wide range of cultures, backgrounds, and ages.

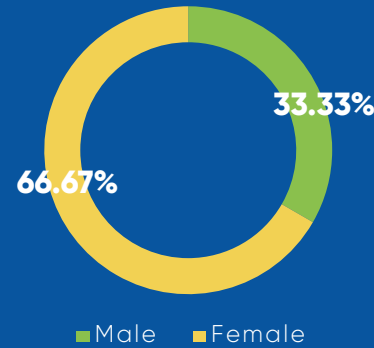
All employees enjoy equal opportunities for career growth and an inclusive and flexible working environment. The diversity and inclusive nature of our workforce is essential to our business success by giving us access to a greater range of perspectives and ideas.

This is supported by our Code of Business Conduct that reinforces our values of promoting an ethical, safe and fair workplace, free from all forms of discrimination and harassment. Our policy provides standards of behaviours that all Brownes employees must hold.

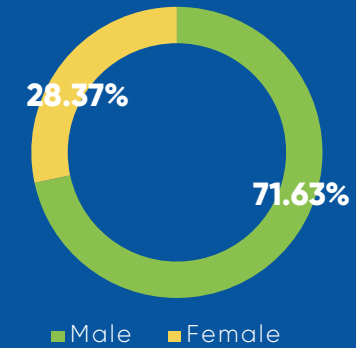
The data presented in this report is for all employing entities as reported to the Workplace Gender Equality Agency (WGEA). Employee data presented refers to the WGEA reporting period of 1 April 2021 to 31 March 2022.

GENDER REPRESENTATION

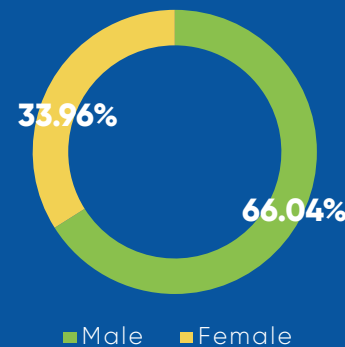
EXECUTIVE LEADERSHIP TEAM



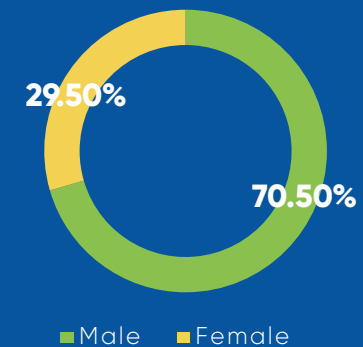
NON MANAGEMENT



MANAGEMENT

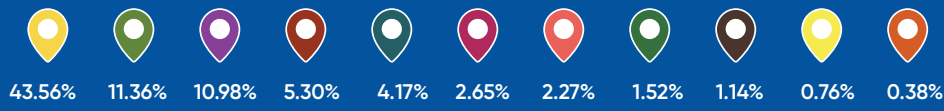


OVERALL WORKFORCE



At Brownes we employ people from 40 different nationalities.

We respect our employees' right to freedom of association and collective bargaining. We have 3 collective bargaining agreements which make up approximately 47% of our workforce.



WORKFORCE COUNTRY OF NATIONALITY

ENGAGING WITH OUR COMMUNITY

As a dairy business our stakeholder focus extends from before the farm to the plate. This means working with all the people who connect those dots from our farmers in rural communities, through to our retail customers who put the products on their shelves, and the consumers who enjoy our products everyday.

Our Farmers

Our business is based on sourcing high quality milk from local suppliers. We recognise the key contribution of our suppliers in developing a successful fresh dairy business, and the need to work closely together to ensure long term success.

Each year we collect milk from more than 45 farms in WA, most of which are owned and operated by WA families and businesses.

We have a strong and positive relationship with our farmers, and some of them have continued to choose to work with Brownes for over 100 years. We think the most important part in our partnership with our farmers is to listen to each other. We hold various forums each year to



both share information and to listen to our farmers and respond to their questions, queries and feedback. Each year we aim to meet with 100% of our farmers one on one or through these forums.

Our products depend on the quality and reliability of milk supply from our farmers and we in turn have the responsibility to drive consumer demand for the finished products. Our Milk Supply Agreements ensure that the milk that is collected complies with relevant state and federal legislation and that they are aware of any terms and conditions related to the sale of milk to Brownes, as well as making them aware of our responsibilities to them as a purchaser of the milk.

We also recognise the importance of ensuring that we have an industry aligned approach to ensuring the ongoing sustainability of dairy for our farming partners.

In FY22 Brownes were part of the WA Dairy Industry Working Group (WADIWG) which brought together representatives from farmers, processors, industry bodies and state government to start the development of a 5-year plan to diversify and expand the industry and meet rising expectations of the community in terms of sustainability.

Case Study

FARMER ENGAGEMENT

We hold Farmer Morning Tea events regularly through the year and in various locations through the state to allow as many farmers to attend as possible.

We try to make them informative and can include updates such as:

- Sustainability announcements and information.
- New product launches and marketing activity.
- Milk price announcements.
- Strategic direction and initiatives.
- Effluent code updates from WA Dairy.
- Brownes Dairy farm supply manual updates.
- Key focuses for the season ahead.

We have great support from the whole Brownes business with these sessions attended by our CEO, CCO and other senior management. We try to keep the sessions informative but relaxed with lots of opportunity for questions and discussions.



Our Distributors

One of the most important partnerships we have at Brownes is with our network of metro and regional distributors.

Operating on a proud and traditional model, our distributors each have their own exclusive customer and geographical territories that give us a superior depth of coverage in WA.

We are as loyal to our distributors as they are to us, many of them operating small businesses that have been passed down through generations of families. Some distributors have been our partners for more than 30 years.

We have over 100 trucks in our distribution fleet, delivering six days a week throughout WA. There are 414 Postcodes in WA and Brownes has customers in 335 of them.

Our Customers

We focus on customer advocacy to create joint category plans and partnerships that drive mutual, sustainable, long-term growth.

This is achieved by understanding our customers' needs and objectives whilst working together to capitalise on consumer, shopper, category and channel opportunities. Short and long-term goals are created to foster partnership which then also enable us to track and measure progress. We work together to minimise and avoid risk and share insights on how we can win together in the marketplace.

Ultimately, by driving advocacy, our customers and Brownes create shared long-term value through partnership and trust.



Our Communities

Brownes Dairy has its heartland in rural communities with our farmers. As the WA community celebrated being able to come together again for agricultural shows we once again shared the love with free product samples. This is an opportunity for Brownes to connect and give back to the wider community while showcasing the goodness of dairy.

In 2021 the Brownes caravan travelled to Waroona, Kelmescott, Brunswick and Wanneroo. Along the way we distributed over 7000 units of yoghurt and flavoured milk to the locals who attended.

Case Study MILKO

Covid-19 has continued to be felt by our community and as COVID lockdowns continued throughout FY22, Brownes ensured that we continued to support our more vulnerable members.

Staying at home was a necessity and we knew that a lot of families were struggling to get their basic groceries, so it was important to support our community.

A fully functional online store was created from scratch to let customers easily and effectively purchase fresh dairy products while integrating an end-to-end delivery system.

To help keep our essential workers safe, over 30 staff were re-deployed to assist with the home deliveries.



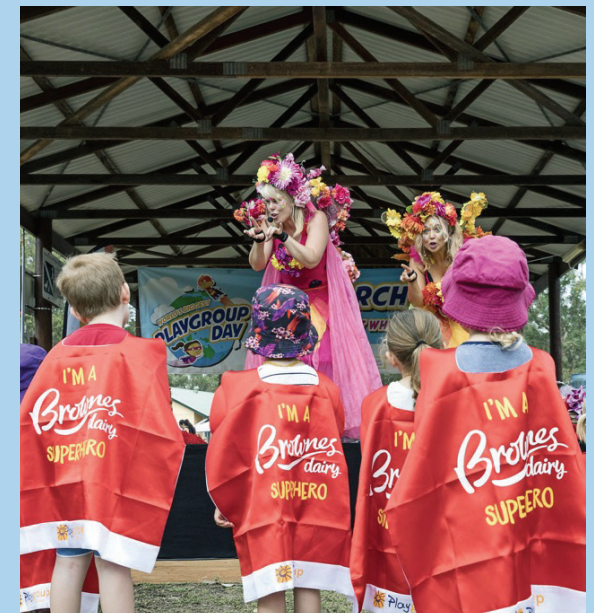
Case Study

COMMUNITY ENGAGEMENT PLAYGROUP WA

Parenting is a challenging journey, and playgroups provide a supportive environment for children and their family or carer. There is a sense of belonging to the community, opportunities to form friendships and share ideas and information.

Brownes partner with Playgroup WA. Formerly called the Playgroup Association of Western Australia, it was established in 1972 by volunteers who wanted to help support the growth of playgroups. They play a crucially important support role in the lives of WA families.

Brownes Dairy support Playgroups in WA with nutritious dairy products to encourage a healthy balanced diet. We sent stock out to individual playgroups as well as attending larger events such as the World's Biggest Playdate.



Our Donations

In FY22, Brownes Dairy continued to support communities in Western Australia through food donations, sponsorships and raising funds.

We have worked with OzHarvest WA since 2016, providing vital food relief to those in need in the local community.

FY22 saw us donate 103 tonnes of dairy products which is then distributed free of charge each week by OzHarvest WA to over 160 agencies each week across Perth and Greater Metropolitan area.

Donations included plain and flavoured milk, yoghurt, cream and cottage cheese. Brownes Dairy are committed to continuing to provide support to our community in need in FY23.



**A PROUD
SUPPORTER
OF OZHARVEST**



NUTRITION

Brownes are committed to bringing dairy goodness from our farms to the homes of our consumers and communities, with nutritious, accessible and sustainable products. Our goal is to improve nutrition through helping consumers to make informed choices for a healthier, balanced lifestyle.

The Australian and the New Zealand - Dietary Guidelines recognise dairy as a core food group. Milk contains nearly all the essential nutrients and is the richest dietary source of calcium. It is recommended that adults and children consume 2-3 serves of dairy daily.

Brownes embraces these guidelines, and in our endeavor to support them we will continue to follow sound nutrition policies to help guide future product development. The Brownes Dairy Nutritional Standards are used to identify where foods sit in the spectrum from everyday foods to occasional treats.

Our Nutrition Policy ensures Brownes products are nutritious and healthy and in line with national guidelines through reformulation and new product development where technically feasible, and in line with consumer expectations. Key areas include sugar reduction, ensuring pack and serve sizes are appropriate for the target and removal of unnatural additives.

Our on-pack labelling provides consumers with easy to understand nutrition information that is honest and transparent, helping them to make informed choices.

It is also important to Brownes that our products are affordable, accessible and widely distributed, including through negotiations with retailers and distributors. We actively support government led policies and initiatives on nutrition and actively educate our community about the goodness of dairy.



Case Study School tours

Brownes Dairy aims to educate people of all ages about the nutritional benefits of a well-balanced diet including dairy.

In FY22, Brownes Dairy School Tours recommenced as incursions after a break during 2020 due to COVID. The calendar was completely booked for the full calendar year within weeks of the announcement – that was 95 schools and over 8400 students. The beauty of the incursion model is that schools don't require bus transport to get to the dairy. This means we have been able to reach schools that might not have had the financial means to come to us.

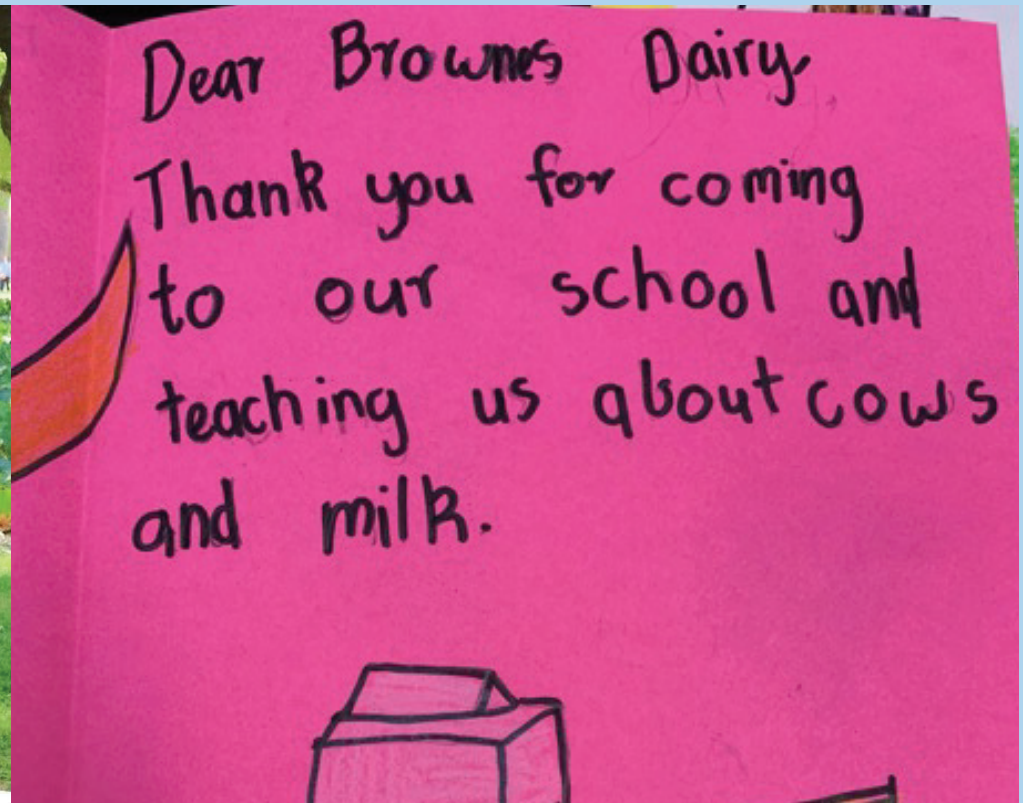
The Brownes Dairy School Tours program is unlike anything else that exists in Australia, our tours are free for all Primary Schools in Perth. Directly linked into curriculum learning, our mobile School Tours include an interactive kitchen experience and blind tasting session, an immersive and education video, a talk with a real farmer and of course the highlight is to meet and hand milk our beautiful dairy cow.

Educating young minds on the benefit of a balanced diet that includes dairy, sharing the Farm to Fridge journey of milk, discussing the environmental impact of food miles, sustainability, recycling and more, is enabling the students to connect with their food.

The Brownes Dairy School Tours program heroes local

fresh dairy and is cementing a positive message for the future of dairy here in Western Australia. It is a strong platform for communication to the young members of our community about nutrition, sustainability and how they can get involved.

Furthermore, Brownes Dairy School Tours have been running for generations and are underpinned by the rich heritage of being a family favourite for nearly 136 years. In addition, we work with Dairy Australia and other industry groups to share the nutritional messaging about the goodness of dairy.





ENVIRONMENT

OVERVIEW

Brownes are committed to protecting the environment in which we operate. Sustainability, good environmental practice and environmental improvement are cornerstones of our environmental commitment.

Collection and processing of milk into finished products comes with consumption of water and energy, generation of greenhouse gas emissions and waste. In order to meet our commitment, we need to ensure that our practices and improvements can mitigate these impacts.

We conduct activities in accordance with all relevant domestic and foreign legislation, including the Environment Protection Act 1986, the National Greenhouse and Energy Reporting Act 2007, the Clean Energy Act 2011, the Recycling and Waste Reduction Act 2020 and National Environment Protection Measures.

We are pleased to report that during the reporting year there were no breaches of any of our environmental licences.

Our farmers face the impacts of climate change on a regular basis and as such are aware of the need to act quickly and strategically on environmental issues. It is important that we work in partnership with them to promote sustainable management and use of the natural resources upon which we depend.

We have established specific objectives for recycling material and reducing waste, reducing pollution, minimising air emissions and noise and careful use of non-renewable resources and advocate environmentally responsible practices to both our employees and

stakeholders.

Whilst we monitor our environmental standards against internal standards, Brownes are committed to aligning this with the International Standard ISO14001:2016 and achieving certification in FY23.

CLIMATE RELATED RISKS, EMISSIONS AND ENERGY

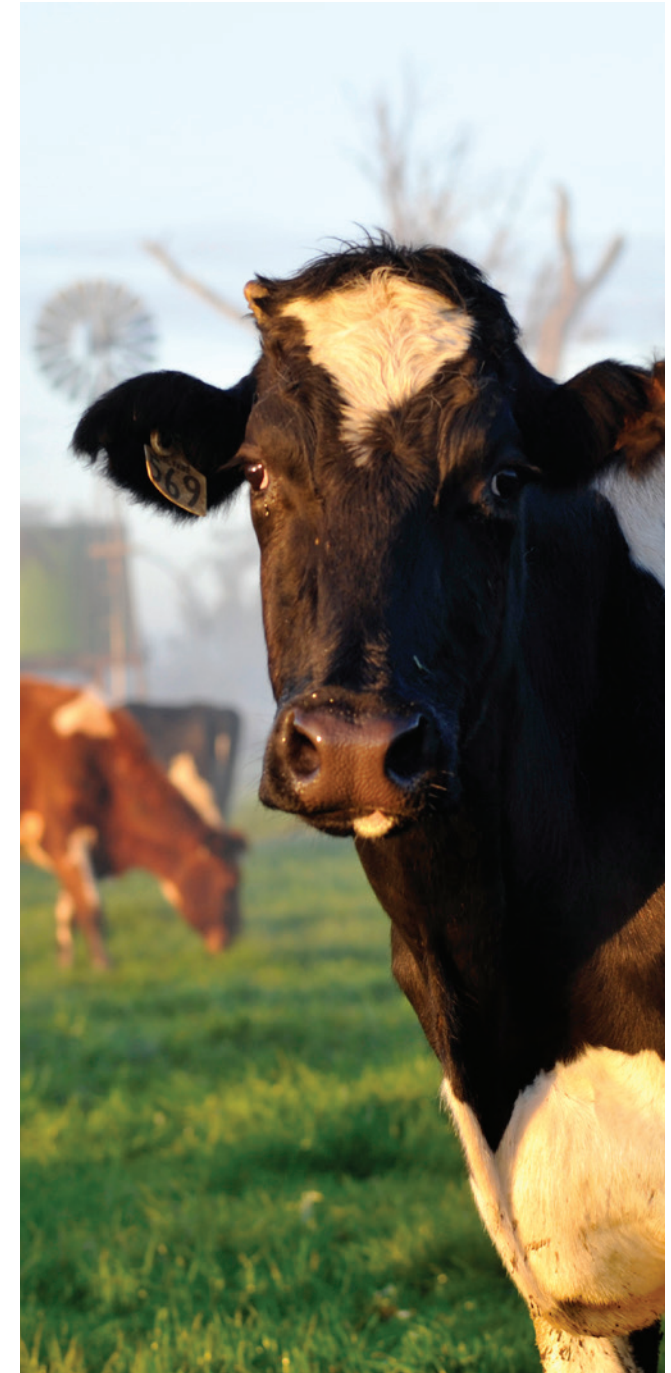
Our business activities have a direct impact on the environment, and it is our responsibility to ensure we can make a positive contribution to the action on Climate Change.

The processing and distribution of quality dairy products inherently consume large amounts of electricity, gas and water. Brownes have developed and implemented operational efficiency programs that target these three inputs to identify reduction initiatives.

GHG Emissions

The dairy industry is a significant contributor to Australia's greenhouse gas footprint and it important that Brownes support the transition towards a resilient and low-carbon economy.

We report our greenhouse gas emissions and energy use through the National Greenhouse and Energy Reporting Scheme. In FY22, we consumed 151,20 gigajoules (GJ) energy and emitted 16,549 tonnes of carbon dioxide equivalents (t CO₂-e).



Greenhouse Gas Emission (t CO ₂ -e)		
Scope 1	Scope 2	Total Scope 1 and 2
4,295	12,254	16,549

Table 3. [Brownes FY22 Total Scope 1 and 2 emissions]

The major consumer of electricity is the refrigeration and plant operation that produces the dairy products. Our gas requirements relate to steam and hot water generation.

FY22 saw us build our emissions reduction roadmap with key initiatives mapped to ensure we can reduce our Scope 1 and 2 emissions by 30% by 2025.

On-farm emissions

Brownes support the Australian Dairy Sustainability Framework in our commitment to reduce environmental impact, with a focus on climate change, including water scarcity and addressing greenhouse gas emissions. We believe that efficient farming practices can not only improve profitability but also significantly improve environmental outcomes.

During the reporting period we announced a pricing incentive for our farmers, to allow them to map their baseline farm emissions. As well as identifying which actions will drive the greatest change in emissions, it also creates visibility of the savings that adopting good management practices can drive.

Brownes is working with industry stakeholders on a range of possible solutions to reduce dairy farm emissions, including breeding for, feeding dietary additives to reduce enteric methane and strategic use of fertiliser.

We have set a climate target of a 30% reduction in scope 3 greenhouse gas emission by 2030.

Energy efficiency

Brownes have had an approach of continuous improvement when it comes to energy efficiency throughout our operations. We aim to reduce both consumption and emissions.

Throughout FY22 we have made improvements across all areas of our plant which included:

- Replacing lights with energy efficient LED lights
- Correcting our power factor resulting in higher operating efficiency, increasing equipment capacity, and prevented voltage drops as power losses reduced.
- Completing the installation of variable frequency drive (VFD) systems to induction motors
- Refrigeration upgrades and insulation renewal
- Whilst Brownes has been phasing out our existing LPG fuelled forklifts over the last few years, FY22 saw the remaining forklifts in our fleet of 54, transition to battery-electric.

We will continue to focus on energy efficiency to delivery emission reductions and ensure we are ready for a transition to low carbon energy sources.

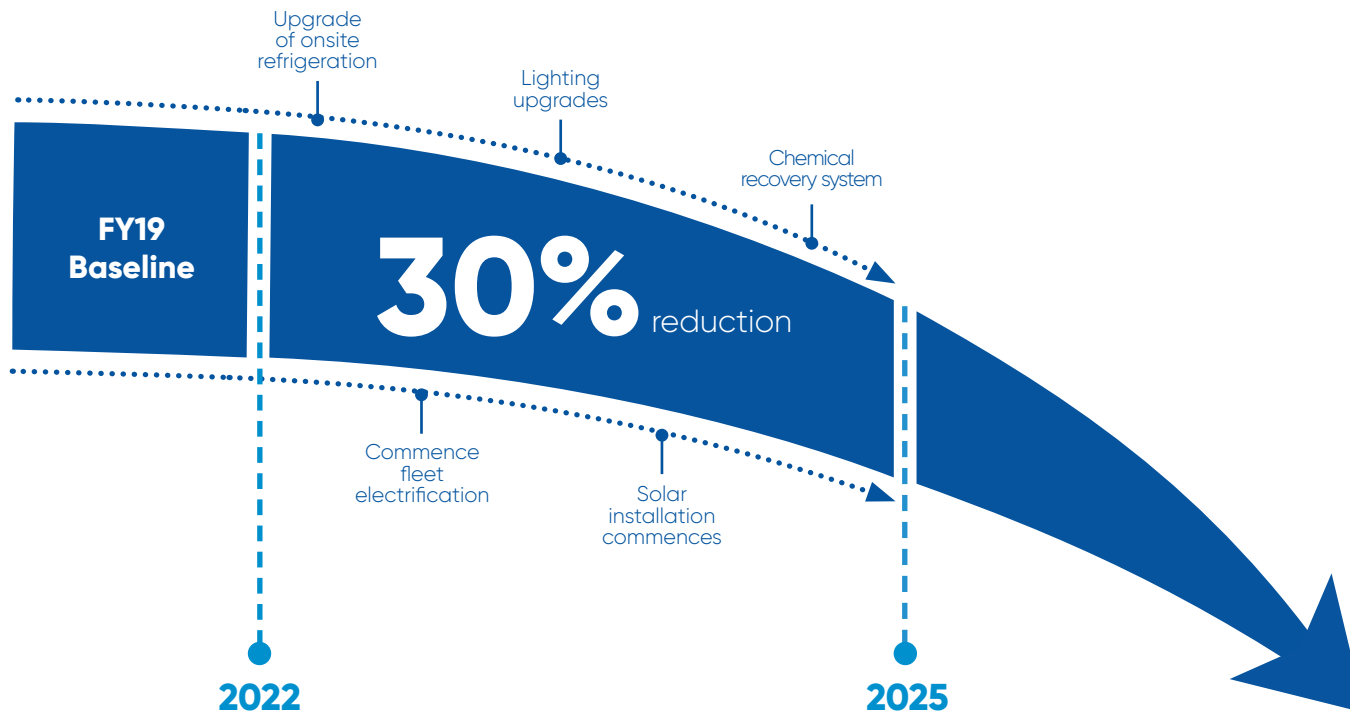


Figure 7. [Indicative Brownes Scope 1 and 2 emissions reduction roadmap]



CASE STUDY BROWNES HURST BOILER UPGRADE

Brownes identified an opportunity to reduce energy consumption at our Balcatta site by replacing the old boilers. The existing boiler used a conventional mechanical linkage control system and by installing a new Burner Management System which is electronically controlled, we were able to reduce the fuel usage.

Further efficiency improvements were made by adding oxygen trim and variable speed drive (VSD) control options. The O₂ trim reduces the excess air levels, resulting in a better fuel to air ratio which reduced our gas consumption by 3%.

The VSD saw the speed of the fan being reduced to the actual requirement in the mid and low firing range which consumes less power. The variations in motor speed also lead to a decrease of sound levels which eliminated the need for sound reduction measures in the plant. Overall, the upgrades saw a reduced gas consumption of 18,031GJ.



WATER STEWARDSHIP

Water has always been a precious resource and needs to be treated and used responsibly. We have focussed on aligning with best practice thinking when it comes to reducing water usage at our facilities.

The largest use of water at our facilities is for our cleaning processes, to ensure that our Food Safety standards are met. Our factories produce a diverse range of dairy products and juice which means frequent changeovers and associated cleaning processes are required.

Our objective is to increase water use efficiency by improving water productivity, actively monitoring water consumption, and developing opportunities to recycle water. To support this objective, we have developed specific targets for water reduction and wastewater treatment and allocated \$250,000 in the next 2 years for projects to achieve this.

Water reduction

This year we continued in our efforts to reach these targets with several key initiatives being implemented.

A major focus was roll out of Smart meters across our sites to enable us to break our consumption down into each specific area. Doing so has created immediate visibility of unexpected spikes which has enabled us to target issues such as water leaks across the site and prevent further, unnecessary water losses.

Our Dairy Foods plant has historically used standard spray

balls to clean the incubation tanks. With improvements in technology, we made the transition to new oscillating spray balls. These create a higher turbulence which in turn requires a lower water volume to perform the same task. This change made a saving of 165L water per minute.

We made a significant infrastructure upgrade to our hot water supply in our Balcatta Plant. The historical system was inefficient and resulted in unnecessary consumption and waste of heated water. An infrastructure upgrade meant that cooled water could be purged whilst steam heated water would remain in the system. As well as reducing water consumption by 3600kL, this upgrade saw a reduction in consumption of gas to heat the water.



Despite these measures our overall consumption grew vs FY21 which was due to an increase of demand in high water intensity products and a reduction of milk collection and processing volumes.

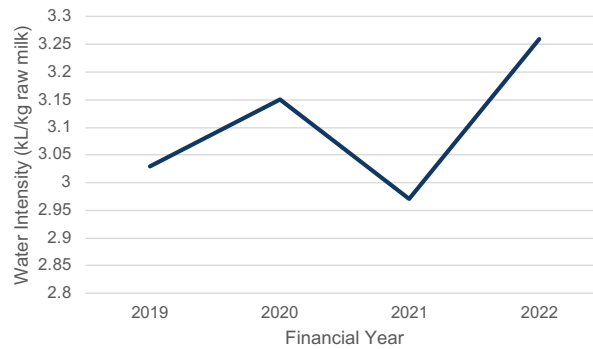


Figure 8. [Water Intensity (kL/Kg product)]

Water treatment

Our Balcatta site has two wastewater streams that are directed to a buffer tank prior to discharge. We are able to treat the wastewater stream from our Dairy Foods Plant to denaturate casein from the waste stream which ensure we can discharge cleaner water at a much lower pH. The oil and grease from the treated wastewater is then repurposed as compost.

MANAGING OUR WASTE

It is important that we fully understand how materials and resources are used and recovered at our sites as well as provide opportunities to improve the outcomes of materials previously sent to landfill. We have aligned with the Australian dairy industry to expand our focus on waste reduction to cover packaging, plastics and food waste. Brown's waste management strategy focuses on diverting waste from landfill, to recycling or composting wherever feasible. Our 2022 average of waste sent to landfill was 50%.

Materials	FY2022 (kg)	Percentage
Cardboard	270	11%
Plastic film	137	6%
Landfill	671	27%
Plastic bottles	302	12%
Liquid	1089	44%
Total	2470	100%

Table 4. [Breakdown of FY22 waste streams]

Waste management and landfill diversion improvements are ongoing with Brown's committing to restructuring our Waste Management on site in FY23 to allow for us to meet our commitment of zero solid waste to landfill by 2025.

We will continue to work with our supply chain to prevent non-recyclable materials being supplied to Brown's.

By including waste management as a consideration in all our decisions, FY22 saw us implement a Warehouse and Distribution improvement initiative to manage proof of deliveries, called "Sign on Glass".

In the 11 months of this period that the Sign on Glass project was in place, we reduced our paper usage by approximately 1.2 million pages or 6.8 tonnes of paper. With the project now rolled out across our entire metro distributor network, 75% of our orders are delivered with the Sign on Glass technology.



OUR PACKAGING

Brownes are aware of the importance of reduction of the impact of our packaging, whilst also ensuring that we are able to maintain the highest levels of food safety and quality.

Our commitments for our own branded packaging are:

- Ensuring all packaging is recyclable, reusable or compostable
- Phasing our problematic, unnecessary and single-use plastics packaging
- Increasing the level of recycled material content in our packaging.

Our Packaging Targets are aligned with the 2025 National Packaging Targets and to ensure that we are on track to meet these targets, we integrate steps to achieve this both into our Product Development process and our Procurement of Sustainable Packaging policy.

Our Performance

By continuing work on our Roadmap which takes us to 2025 and beyond, during the FY22 reporting period, on a tonnage of packaging basis 97.2% of our packaging was recycle-ready and 4.8% contained recycled content.

We work closely with our supply partners and industry through initiatives such as the APCO and Dairy Australia Dairy Roadmap Working Group to promote our sustainability objectives and understand best possible end of life solutions.

We will continue to transition our packaging to include more recycled content as well as move the remaining 3.8% of our packaging that is not currently recyclable into materials with a better outcome.

Australian Packaging Covenant

Australian Packaging Covenant Organisation (APCO)

is a co-regulatory not-for-profit organisation leading the development of a circular economy for packaging in Australia. Brownes are aligned with APCO's vision of a packaging value chain that collaborates to keep packaging materials out of landfill and retains the maximum value of the materials, energy and labour within the local economy.

In FY22 we completed our annual APCO report with an overall score across seven core criteria which resulted as in Brownes achieving a Leading performance. This level showed that we have made significant progress on our packaging sustainability journey.



Figure 9. [2022 APCO benchmarking result]

Case Study

Tetra Pak Plant-Based Cartons

Brownes were the first company in Australia to use Tetra Pak's unbleached, fully renewable, plant-based board to ensure that the most environmentally friendly carton possible was available for consumers.

Whilst our move in 2019 saw a significant reduction in weight of this packaging, by removing another layer, these packs have reduced by another 3.8%, optimising this packaging system. During FY22 we

saw 18 million cartons move to this format.

In order to reduce product waste, we have kept the traditional carton design, that allows all liquid to be fully dispensed from the packaging.

The use of renewable materials is important and replacing the traditional petrochemical PE with the plant-based alternative was a great match for the FSC certified carton especially when they are sources from forests where for every tree harvested, two new trees are planted.

Other elements of the lower carbon footprint is derived from them being produced with renewable energy.



Brownes partnered with Trillion Trees Australia, an environmental restoration not-for-profit organisation, to contribute to the Trillion Trees Challenge of planting a trillion trees to help address climate change through ecosystem restoration.



Highlights

Packaging Circularity

Brownes supply over 50% of our volume to our customers in returnable crates. These crates are designed to be used more than 140 times before being replaced and can last up to 10 years. Every time we supplied product in these crates, we replaced the use of a single use shipping container. FY23 will see Brownes transition these crates to be made from 100% post consumer, recycled plastic.

As part of our offering for our hotel, restaurant and café customers, we provide an HDPE bottle return programme to ensure that as many of these bottles can be recovered with maximum value. Our vendor partners collect the empty bottles and these are returned to Brownes where they collected and recycled by our waste management provider.

ANIMAL WELFARE

Brownes believe that Animal Welfare is vital to all stakeholders of the dairy industry including, farmers, customers and processors.

It is therefore important that our supply chain moves to end any animal husbandry practices that could cause unacceptable levels or pain or distress. We support the industry targets to manage livestock, which include: no calving induction; no tail docking; providing pain relief for disbudding horns and promoting positive stock handling practices.

Preventive healthcare, care of calves and antimicrobial stewardship should be a priority for our farmers, and our milk supply agreements advise that complying with the direction of Animal Health and Welfare Policy is a supply requirement.

We support the Australian Dairy Sustainability Framework which aims for full compliance with legislated Australian Animal Welfare Standards and our Milk Supply Agreements allow Brownes access to farms to conduct compliance audits of the supplier's animal welfare practices.



GOVERNANCE



ETHICAL BUSINESS PRACTICES

We have multiple policies that manage our governance, all of which are underpinned by The Way We Work which details the way we do business. It ensures that Brownes continues as a sustainable business, able to deliver consistent value to its stakeholders on an ongoing basis. It covers key topics including: anti-slavery, bullying and harassment.

All Brownes employees, officers, authorised representatives, independent contractors and consultants must comply with The Way We Work.

Training for existing employees and all new starters is provided via our online learning management system.

Approach to Tax

Our business acknowledges that the tax we pay is an important part of our economic impact and we keep a collaborative and trusted relationship with the Australian Taxation Office and other revenue authorities. We are committed to ensuring that we are compliant with applicable legislation, regulations, reporting and disclosure requirements in the countries in which we operate.

Brownes is subject to taxes such as: income tax, payroll tax, property taxes and fringe benefits tax. Brownes also collects and remits taxes including PAYG withholding tax, net goods and services tax and customs duty on behalf of the Australian Government.

Bullying and Harassment

Workplace bullying is repeated unreasonable behaviour directed towards an employee or group of employees, that creates a risk to health and safety.

Brownes has a zero tolerance for bullying and harassment and expects all employees to behave in a professional manner and treat each other with courtesy,

understanding and mutual respect. The policy should be read in conjunction with our Equal Opportunity in Employment Policy and outlays the procedure for making a report of any instance of bullying or harassment.

Confidentiality

All Brownes employees have a responsibility to protect confidential information. Examples of confidential information (whether in written or electronic form) include but are not limited to: cost and pricing figures; research and development ideas; propriety technical information; information about potential acquisitions, divestments and investments and all other non-public business information.

We also protect the confidential information of our colleagues, partners and stakeholders. We never try to persuade others to violate the confidentiality of other companies or competitors.

Conflicts of Interest

A conflict of interest occurs when private interests and/or outside activities interfere or appear to interfere with the interests of the company. We are required to avoid personal activities and financial interests that may conflict, or appear to conflict, with our work commitments.

Examples of conflicts of interest include but are not limited to: personal relationships and giving or receiving of gifts.

Brownes employees are required to disclose at the earliest, any situations that have potential to breach The Way We Work, or that may be misinterpreted by others.

Environmental Policy

Our Environmental Policy outlines our commitment to protect the environment through sound environmental management. It ensures that all activities are conducted in an environmentally sustainable manner, and established specific objectives for reducing waste, emissions and resource consumption.

Brownes are subject to a range of environmental legislation under Commonwealth Law as well as various

environmental protection regulations associated with State Legislation.

Responsible Marketing

The marketing and advertising of Brownes products follow honest and responsible practices. Products are correctly and truthfully represented. We do not make false or misleading claims or impressions about our products or those of our competitors. We do not promote unsafe or irresponsible consumption.

Both the content of and vehicles used for advertising always avoid messages, depictions or characterisations that denigrate or exploit other people. Brownes respects third party intellectual property rights.

Supplier Code of Conduct

Suppliers to Brownes need to be active in their approach to responsible and sustainable sourcing of packaging and raw materials in meeting the needs of dairy products for all consumers.

Our Sustainable Sourcing Code of Conduct ensures that suppliers must comply with all local laws and legislation and is aligned with our Brownes Anti Slavery Policy. Suppliers are encouraged to immediately notify Brownes where they become aware of any current or potential non-compliance under the Sustainable Sourcing Code of Conduct.

Whistle Blower Policy

Brownes Dairy's Whistle blowing Policy supports The Way We Work and helps reinforce our culture of ethical behaviour. It ensures that every employee has the chance to speak up when they feel that corporate values are not being adhered to. It creates a place to report misconduct where every report will be heard and acted on, and we will make improvements based on the results.

We believe everyone should be able to make reports anonymously and have established an externally facilitated, anonymous reporting hotline to enable employees and other stakeholders to raise concerns. In the reporting period there were no concerns raised.

MODERN HUMAN SLAVERY

Modern slavery is a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Brownes is committed to acting ethically and with integrity at all times in all our business dealings and relationships and to implementing and enforcing effective systems and controls against modern slavery taking place anywhere in our own business or in any of our supply chains.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with our disclosure obligations under the Australian Modern Slavery Act 2018. We expect the same high standards from all of our contractors, suppliers and other business partners.

As part of our contracting processes, Brownes include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.

We have conducted a preliminary internal assessment of risks and completed the below initiatives.

- Policy development – formal Anti Slavery Policy created in FY20
- Development of Brownes Supplier Responsible & Sustainable Sourcing code of Conduct to include awareness of the risks of Modern Human Slavery.
- Updated Procurement Supplier approval process to include acknowledgment of Brownes Supplier Responsible & Sustainable Sourcing code of Conduct.
- Performed staff education through;
 - Direct communication from the CEO introducing the

- policy and outlining staff and contractor expectations.
- Online training of all staff on a wider understanding of Modern Human Slavery and its implications for Brownes and its stakeholders.
- Drafted inclusion in induction programs for staff and contractors.
- Conducted preliminary assessments of geographical risks using the Walk Free Foundation Global Slavery Index to identify geographical areas of concern (<https://www.globalslaveryindex.org/resources/downloads/>).
- Engaged in an independent auditor to audit Brownes in June 2021 to validate initial assessments and lead formal risk assessment matrix creation and the action plan for 2021 onwards.
- In early 2022 we conducted a four pillar SMETA audit on our Balcatta production facility. Only six minor observations were picked up as part of this audit and all have been resolved at the time of writing this report.

RISK MANAGEMENT

Brownes is committed to proactively managing all risks that could impact our day-to-day operations. Risks are identified and managed across all areas of the business.

The Executive Leadership team has overall accountability for the business' risk management framework and ensure full disclosure of all material business risks including economic, environmental and social sustainability risks.

We promote a risk-aware culture and encourage smart risk-taking recognising that this approach can have both positive and negative outcomes.

Business Continuity Planning

Brownes has a robust Business Continuity Plan to ensure an orderly and effective response to any "disaster" situation. The plan will allow Brownes to restore time-critical business activities to acceptable levels within recovery time objectives whilst minimising the impact of a disaster on Brownes' operations.

Through this process we can provide assurance to our stakeholders that Brownes' operations remain strong and viable.

We regularly undertake exercises facilitated by external 3rd parties to assess the validity of our process and planning procedures. This opens our organisation's Business Continuity Management practices to analysis and allow for the identification and rectification of any gaps in a safe environment, rather than during a real incident.

Biosecurity

Prior to the COVID 19 pandemic, both our Balcatta and Brunswick sites received hundreds of interstate and international visitors. Restrictions to site and for travel during this reporting period enabled us to improve our biosecurity processes.

The emergence of Foot and Mouth disease at time of writing this report has resulted in the creation our Biosecurity Policy which includes actions and outcomes for both our sites and our milk suppliers.

Cybersecurity

Brownes Dairy has a strong culture of responsibility and integrity, and an important component of that is having strong cybersecurity capabilities built upon recommended industry best practices.

Cybersecurity covers all measures used to protect systems and information; processed, stored or communicated, from privacy, integrity and availability compromise.

It enables the secure and effective use of emerging technologies and ensures confidence in the services provided including;

- Operational Technology (OT) and Internet of Things (IoT) devices; and
- Information and communications technology (ICT) systems

Brownes is committed to constantly improving its security standards to mitigate the risk associated with the ever-evolving real-world cyberattacks that affect enterprises every day.

The cybersecurity roadmap is regularly reviewed and updated based on security advisories and changes to the IT environment.

Brownes has an incident management and recovery plan that is enacted quickly in the event of a crisis, that provides the procedures to recovery critical IT data and systems if required. We regularly simulate and validate our IT critical systems recovery plan.



Figure 10. [Brownes approach to building robust security capabilities]

REGULATORY COMPLIANCE

Food Quality and Safety

Brownes are committed to supplying products and services that conform to all contractual and regulatory requirements.

Brownes demonstrates our commitment to Food Quality and Safety by ensuring we have all resources necessary to support the development, implementation and continual improvement of our processes.

Our commitment is supported by implementation of the following processes;

- The implementation of management systems to ensure compliance to all applicable domestic/foreign government laws, including;
 - Export Control (Milk and Milk Products) Rules 2021,
 - Importing Country requirements,
 - British Retail Consortium (BRC) Global Standards
- Continually evaluating all business risks arising from food safety, including business continuance plans and crisis response plans should these risk eventuate
- Establishment of strong quality and food safety culture and awareness through training and enforcing a culture of continuous measurement and improvement of food safety practices
- The development of quality improvement and corrective action processes that aim to continually improve business performance
- Holding our suppliers to the same standards as Brownes and preferring partnerships with those who have certification to a GFSI recognised scheme
- Provision of information and support to consumers, government, and industry that promotes quality management and food safety

Brownes have a strong reputation for maintaining the very highest standards of taste, quality, freshness and food safety in all our products.

In FY22 we had zero public recalls of our products.

Decisions on whether to recall a product from the market will always be taken based on consumer safety.

For this reason, during writing of this report, Brownes did conduct a voluntary recall of our Brownes Dairy Mango Yoghurt 120g pouch as a precautionary measure due to concerns the affected yoghurt may be contaminated with low concentration sanitising solution.

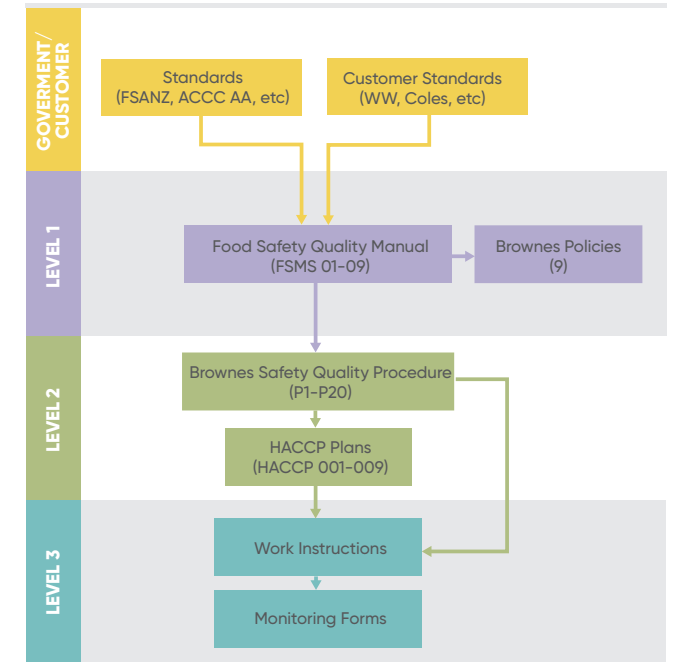


Figure 11. [Brownes Food Safety Management System (FSMS) Structure]

Legal Compliance

During the reporting period, Brownes were issued with two infringement notices for publishing two standard form milk supply agreements which allegedly did not comply with the Dairy Code of Conduct from the previous year. Brownes had already addressed the concerns in our FY22 agreements which were published ahead of this finding.

INDUSTRY PARTICIPATION

Brownes contribute to several industry bodies, some of which have a specific focus on sustainability. These include:

- Australian Dairy Products Federation Incorporated
- Australian Packaging Covenant Organisation
- Dairy Australia

Brownes are also members of various working groups such as:

- APCO National Packaging Targets Implementation Working Group
- APCO and Dairy Australia Dairy Roadmap Working Group
- Western Australian Dairy Industry Working Group
- Dairy Australia Modern Slavery Working Group



During FY22 some Brownes management members held positions on industry associations. Monica Doyle was Vice President of the Dairy Industry Association Australia. Marc Anderson, COO Brownes Dairy was part of the Western Australian Dairy Working Group. Natalie Sarich-Dayton, CEO was on the Executive Committee of the Australian Dairy Products Federation.

Long Term Profitability

Brownes are aware of the responsibility we have to support the future of our farmers, our staff and our communities. We are committed to delivering on our growth plans.

In FY22, Brownes generated Net Sales of \$225M, which was a 2% increase on the previous year.

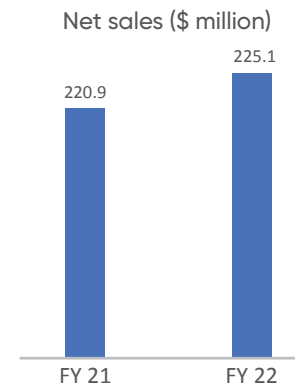




Figure 12. [Brownes net sales growth vs FY21]











APPENDICES

SUSTAINABILITY DATA TABLE

Environment						
INDICATOR	UNIT OF MEASURE	TREND	FY19	FY20	FY21	FY22
SCOPE 1	tCO2-e		7,028	6,772	4,224	4,295
SCOPE 2	tCO2-e		13,632	13,886	12,207	12,254
TOTAL SCOPE 1 AND 2	tCO2-e		20,660	20,658	16,431	16,549
SCOPE 1 AND 2 INTENSITY	tCO2-e/kL milk produced		0.15	0.16	0.12	0.13
ENERGY CONSUMED	GJ		207,397	202,521	149,135	151,280
ENERGY INTENSITY	GJ/kL milk produced		1.54	1.55	1.09	1.18
GAS	GJ		126,788	115,547	95,141	100,158
LPG	L		360	324	504	0
DIESEL	L		4,968	5,557	2,997	28,183 ⁽¹⁾
UNLEADED	L		-	28,856	47,133	55,980
ELECTRICITY	kWh		19,770,354	20,125,030	20,061,951	20,202,388
TOTAL WATER CONSUMPTION	kL		406,474	412,274	405,857	418,024

INDICATOR	UNIT OF MEASURE	TREND	FY19	FY20	FY21	FY22
WATER CONSUMPTION INTENSITY	L of water / L milk collected		3.03	3.15	2.97	3.26 ^[2]
NUMBER OF FARMS THAT HAVE ACTIVE BIODIVERSITY PLANS	% of farms		-	-	-	-
SOMATIC CELL COUNT OF MILK	Count of SCC/mL		190,833	189,250	202,333	217,417
NUMBER OF FARMS UNDER AMS PROGRAMME	% of farms		90	90	91	91
WASTE DIVERTED FROM LANDFILL	% of waste		-	-	-	-
AMOUNT OF PACKAGING THAT IS RE-USABLE, RECYLCE READY OR COMPOSTABLE	% of packaging		100	100	90	80 ^[3]

[1] Introduction of Milko operations into Brownes portfolio. Alternative fuel vehicles are being investigated

[2] Increase in production volumes of high intensity items such as yoghurt and cheese






[3] Decrease shown is against items previously kerbside recyclable. Work is underway in 2023 to move out of these packaging types

Where no data is presented, the information was not captured during this reporting period.

We will be capturing this moving forward into future sustainability reports.

Table 5. [Brownes Environmental performance data]




Social

INDICATOR	UNIT OF MEASURE	TREND	FY19	FY20	FY21	FY22
LTRIFR	Injury frequency rate		-	7.12	2.19	2.19
SPEND ON TRAINING	AUD\$		\$174,224	\$314,823	\$262,687	\$418,078
% OF PRODUCTS THAT WILL MEET HFP VOLUNTARY TARGETS FOR SODIUM AND/OR SUGAR	% of products		-	-	-	-
NUMBER OF COMPLAINTS	Complaints per million units sold		8.97	13.06	5.20	5.19
NUMBER OF PRODUCT RECALLS	Number of recalls		0	0	0	0

Where no data is presented, the information was not captured during this reporting period. We will be capturing this moving forward into future sustainability reports.

Table 6. [Brownes Social performance data]

Governance

INDICATOR	UNIT OF MEASURE	TREND	FY19	FY20	FY21	FY22
NUMBER OF FARMS THAT HAVE A BIOSECURITY PLAN	Number of farms with plans		-	-	-	-
DRIVE YOY REVENUE GROWTH	AUD\$		\$ 187,538	\$197,496	\$220,954	\$225,138
NUMBER OF TIMES OF NON-COMPLIANCE WITH REGULATION	Number of non-compliance events		0	1	0	0

Where no data is presented, the information was not captured during this reporting period. We will be capturing this moving forward into future sustainability reports.

Table 7. [Brownes Governance performance data]

DEFINITIONS

TERMS	DEFINITION
SCOPE 1	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level. Scope 1 emissions are sometimes referred to as direct emissions. ^[1]
SCOPE 2	Scope 2 greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity. For example, 'indirect emissions' come from the use of electricity produced by the burning of coal in another facility. ^[1]
SCOPE 3	Scope 3 emissions are indirect greenhouse gas emissions other than scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.
SOMATIC CELL COUNT (SCC)	Somatic Cell Count is the concentration of somatic cells per ml of milk. In Australia, the limit is generally below 400,000 cells/ml. ^[2]
LOSS TIME INJURY FREQUENCY RATE (LTIFR)	LTIFR is the number of Lost Time Injuries multiplied by 1 million divided by the number of manhours worked in the reporting period. ^[3]
NATIONAL GREENHOUSE AND ENERGY REPORTING ACT 2007 (NGER)	The National Greenhouse and Energy Reporting Act 2007 (NGER Act) introduced a single national framework for reporting and disseminating company information about greenhouse gas emissions, energy production and energy consumption. ^[4]
UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS (UN SDGS)	UN SDGs provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. ^[5]
TARGET	An intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
GOAL	An ambition to seek an outcome for which there is no current pathway but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions.
KEY INGREDIENTS	Highest volume and highest risk ingredients namely milk, coffee and juice. ^[6]

[1] Greenhouse gases and energy (cleanenergyregulator.gov.au)

[2] Is there an upper limit for somatic cells in cows milk in Australia? | You Ask, We Answer - Dairy Australia

[3] Lost Time Injury Frequency Rate - Workplace Health and Safety Australia (healthsafety.com.au)

[4] National Greenhouse and Energy Reporting NGER (cleanenergyregulator.gov.au)

[5] THE 17 GOALS | Sustainable Development (un.org)

[6] Global Slavery Index (globalslaveryindex.org)

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dairy