

*Elders Limited
Modern Slavery
Statement 2022*

The Elders logo, featuring the word "Elders" in a white, cursive script font, set against a red rectangular background with rounded corners.

Elders Limited ABN 34 004 336 636



Our People¹

3,213

workers
58% male – 42% female²

3,175

workers
in Australia

38

workers in China

2,580

permanent workers
59% male – 41% female

530

casual workers
58% male – 42% female

103

workers on fixed term contracts
41% male – 59% female

Our Suppliers

11,500

direct suppliers³

10,000+

Australian small business direct
suppliers

\$3.1b

spent on direct suppliers³

468

ethical risk ratings applied
to suppliers

14

site audits conducted on key
suppliers of own brand products

0

instances of modern slavery
reported in our operations and
supplier base

¹ As at 30 September 2022

² Including casual workers and workers on fixed term contracts in Australia and China.
Does not include one Indonesia-based, full-time male employee.

³ Suppliers who supply goods or services directly to Elders, or one of our subsidiaries.

Our Modern Slavery Statement

This statement is made by Elders Limited in accordance with section 14 of the Modern Slavery Act 2018 (Cth). It covers Elders and its subsidiary reporting entities, including Elders Rural Services Australia Limited (“Elders Rural Services”), Titan Ag Pty Ltd (“Titan AG”), Australian Independent Rural Retailers Pty Ltd (“AIRR”), Killara Feedlot Pty Ltd (“Killara Feedlot”) and B&W Rural Pty Ltd (“B&W Rural”). The statement describes our actions to address modern slavery risks in our operations and supply chains, and the operations and supply chains of the entities within our operational control, during the financial year ending 30 September 2022.

Our Structure, Operations and Supply Chains

Elders is a publicly owned agribusiness focused on creating value for all its stakeholders both in Australia and internationally. We achieve this through approximately 3,200 workers¹ across Australia and in China, most of which are permanent, full time staff.

Our Structure and Operations

In Australia, we work closely with primary producers to provide products, marketing options and specialist technical advice across rural, agency and financial product and service categories. Elders operates a leading Australian rural and residential real estate agency and management network, which includes both company owned and franchise offices throughout Australia in both major population centres and regional areas. We also operate a top-tier beef cattle feedlot in New South Wales. During the reporting period, Elders made the decision to close its Shanghai-based meat distribution business, Elders Fine Foods. More information is available in our Annual Report.²

Our Businesses

Products and services

Rural Products

Elders is one of Australia’s leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise. Our Retail Products division supplies these rural products to primary producers and corporate farm customers through 232 Elders owned retail stores.

We also operate a wholesale products business supplying independently owned member stores utilising the AIRR branding. AIRR also provides retail services through corporate owned stores and the Tuckers Pet and Produce brand to independently owned member stores.

Our backward integration strategy is facilitated through various brands, including Titan AG, Apparent, Pastoral AG, IO and Hunter River.

Agency Services

Elders provides a range of marketing options for livestock, wool, and grain. Our livestock network comprises livestock agents and employees operating across Australia conducting on-farm sales to third parties, regular physical and online public livestock auctions and direct sales into Elders-owned and third-party feedlots and livestock exporters.

Elders is one of the largest wool agents for the sale of Australian greasy wool and operates a brokering service for wool growers. Our team of dedicated wool specialists assists clients with wool marketing, in-shed wool preparation, ram selection and sheep classing.

Elders also has a 50% interest in AuctionsPlus, an online livestock auction platform, and a 30% interest in Clear Grain Exchange, an online grain trading platform.¹

Real Estate Services

Elders Real Estate Services include company owned rural agencies which are primarily involved in the marketing of farms, stations and lifestyle estates. It also includes a network of residential real estate agencies providing agency and property management services in major population centres and regional areas through company owned and franchise offices.² Other services offered through this business include water and home loan broking.

Financial Services

Financial Services are provided to our clients through Rural Bank, StockCo and QBE.¹ Our relationships with these entities support the delivery of financial and insurance products throughout our network, assisting our customers with growing their businesses and managing cash flow and risk.

Feed and Processing Services

In Australia, Elders operates Killara Feedlot, a beef cattle feedlot near Tamworth in New South Wales. Elders also imports, processes and distributes premium Australian meat in China through Elders Fine Foods. A closure plan has been formulated for Elders Fine Foods and the business will conduct an orderly wind down of operations in FY23.

Technical Services

Elders’ technical services model comprises three main elements: our foundation network of advisers who offer technical advice to clients across Australia, our independent consulting arm, Thomas Elder Consulting and our research and development arm, Thomas Elder Institute.

¹ These entities are not subsidiaries over which Elders has operational control.

² Franchised offices are not subsidiaries over which Elders has operational control.

¹ Including casual workers and workers on fixed term contracts in Australia and China.

² Available at: <https://elders.com.au/for-investors/performance/periodic-reports/>.

Our Supply Chains

Our businesses are supported by a large and diverse supply chain comprising global manufacturers and wholesalers as well as local small businesses. This includes approximately 11,500 "direct suppliers",¹ of which more than 10,000 are Australian small businesses.² We source products for resale and for our own internal use, as well as services. Our total spend on our direct suppliers¹ during the reporting period was approximately \$3.1 billion.

Our main spend categories were agricultural inputs, feedlot cattle, motor vehicles and rent.

The products which we source for resale include:

	Agricultural Chemicals	Fertiliser	Animal Health Products	General Merchandise	Seeds	Agricultural Machinery and equipment	Livestock ¹
Elders Rural Services	●	●	●	●	●	●	
AIRR	●	●	●	●	●		
Titan AG	●	●					
Killara Feedlot							●
B&W Rural	●	●	●	●	●		

¹ Elders Rural Services provides agency services for clients buying and selling livestock.

We also, from time to time, procure the provision of services by third parties for our clients. In our Real Estate Services business, our property managers procure the services of cleaning, repair and maintenance contractors to attend to properties Elders manages on behalf of its landlord clients. These contractors operate in local Australian communities. In our Agency Services business, our workers engage Australian trucking companies to transport our clients' wool and livestock.

The products which our businesses use internally include IT equipment and software, office supplies, uniforms, personal protective equipment, materials used to fit out our stores and warehouses, forklifts, machinery (used mainly at our Killara Feedlot) and vehicles in our fleet. These products are generally sourced from large, multinational suppliers. Fuel for our fleet vehicles and equipment is purchased in Australia. Killara Feedlot sources cattle and feed from growers operating in Australia and agricultural chemicals, animal health products and irrigation equipment from Elders and other Australia-based retailers.

The services our businesses procure to support our operations include cleaning, waste collection, IT services, general maintenance services and transport for goods and (in the case of Elders Rural Services and Killara Feedlot) livestock. We procure the professional services of consultants and advisors as required. For our operations in Australia, these services are mainly procured from Australian suppliers. IT support is provided by our supplier, HCL, predominately by workers stationed in its office in Adelaide, South Australia, with some work outsourced by HCL to staff operating in India. Elders Rural Services also engages contractor livestock agents, real estate agents and agronomists.

Our supply chains beyond our direct suppliers are extensive. Upstream, they include workers operating locally and internationally in:

- sourcing or producing raw materials and components of the products we use or sell
- transporting, processing, storing and distributing raw materials, components and finished products for our suppliers and us
- providing goods or services that our suppliers, and other members of our supply chains use in their own operations

Downstream, they include workers operating on farms producing crops and livestock, workers in food processing facilities and buyers and sellers of real estate, water, livestock, grain and wool.

¹ Suppliers who supply goods or services directly to Elders, or one of our subsidiaries.

² Businesses with a turnover of less than \$10 million per annum.

Risk Assessment

We recognise that modern slavery risks can appear in any supply chain and that, as a business, we have a responsibility to respect human rights by:

- avoiding causing or contributing to adverse human rights impacts through our own activities, and addressing such impacts when they occur
- seeking to prevent or mitigate adverse human rights impacts that are linked to our operations, products or services by our business relationships, even if we have not contributed to those impacts.³

Risks In Our Operations

We consider the risk of modern slavery in our workforce to be low. This is based on:

- feedback on engagement, enablement and safety received from our employees through our independently administered, annual Employee Effectiveness Survey. During the reporting period, Elders achieved record results which placed it well above the high performing benchmark compared with other companies globally⁴
- the location in which we predominantly operate, being Australia (which is recognised as having a low prevalence of modern slavery)⁵
- our recruitment, employee engagement and remuneration practices⁶
- our grievance reporting mechanisms⁶
- our actions to ensure the safety of our people⁶

Many businesses operating in Australia may have exposure to modern slavery risks in the industries they engage with. For Elders, the 'at risk' industries we engage with, and which may directly link us to adverse human rights impacts, include cleaning and hospitality, which are considered at a higher risk of forced labour.⁷ Our workforce procures goods and services from these industries primarily from the local community, sometimes through third party service providers. The workers in these industries, a high proportion of whom are migrant and unskilled workers who may be unaware of their rights or how to access protection, are inherently at a higher risk of exploitation.⁸ We consider the risk of modern slavery in the suppliers we engage within these industries to be low to medium. This is based on the controls we have in place to manage risks associated with the engagement of suppliers, including direct engagement where practicable (as opposed to engagement through organisations using subcontractors) and management oversight, as well as our ethical contracting framework, our approach to supplier relationship management and the terms of our standard form services agreements.⁹

³ As set out in the United Nations Guiding Principles on Business and Human Rights.

⁴ Benchmarking and the administration of our survey is conducted independent by Korn Ferry.

⁵ Walk Free Foundation, 2018, 'Global Slavery Index', accessed 20 January 2023 <www.globalslaveryindex.org>.

⁶ Outlined on page 11 of this statement.

⁷ Australian Red Cross, 2020, 'Addressing Modern Slavery – A Guide for Australian Businesses', accessed 20 January 2023, <<https://www.redcross.org.au/migration/support-for-trafficked-people/modern-slavery-resources/>>.

⁸ Walk Free Foundation, 2018, 'Global Slavery Index', accessed 20 January 2023, <<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>>.

⁹ Outlined in pages 8 and 9 of this statement.

Risks In Our Supply Chains

We continued to build on our risk assessments across our suppliers in our direct and indirect procurement supply chains, extending our focus from our top spend and own-brand suppliers to all direct suppliers in our direct procurement supply chains. These assessments included the following actions:

- compiling and reviewing supplier information from key personnel and systems across our corporate group (including the reporting entities referred to in this statement) to identify our suppliers, how much we spend on them, the types of products we procure from them and other relevant information
- engaging with our suppliers to obtain information from them to inform our risk assessment, including through discussions and the use of supplier questionnaires
- researching publicly available information relating to our suppliers, including information about their manufacturing processes and locations of operation, their actions on sustainability and how they address modern slavery in their operations and supply chains
- utilising publicly available information on the prevalence of modern slavery in different locations and product categories, including news media, the 2018 Global Slavery Index and the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor
- on-site audits of suppliers of own-brand products operating in China and India, conducted by independent auditors
- global reported risk and incident screening for key ethical risks (including modern slavery), conducted by an independent third party
- assigning risk ratings to our suppliers based on the outcomes of the above actions

Risk assessment overview

During the reporting period, our people applied ethical risk ratings to 468 suppliers, in accordance with our Ethical Contracting Framework.¹⁰ We rated 413 suppliers 'low' risk, 50 suppliers 'medium' risk, 3 suppliers 'high' risk, 1 supplier 'very high' risk and 1 supplier 'critical' risk. For all suppliers that were rated 'high', 'very high' and 'critical' risk, extended due diligence is required to be undertaken in accordance with our Ethical Contracting Policy and Framework.¹⁰

We understand that the procurement of the raw materials (in the origination of our supply chains) incorporated in the products we source from our direct suppliers may involve a higher risk of modern slavery. Additional risks may be present in our downstream supply chains, particularly in the operations of our customers working in horticulture and the meat processing facilities we engage with as agents for our livestock clients, or for purchasers of our Killara Feedlot cattle. These industries have a higher proportion of unskilled and migrant workers, and inherently a higher risk of worker exploitation.¹¹ These heightened risks may be present in points of our supply chains where we have little to no visibility, influence or control.

The actions we are taking or plan to take to address the risks of modern slavery in our operations and supply chains are outlined on pages 8 to 11 of this statement. Additional insights from our risk assessments are set out below.



¹⁰ See page 8 of this statement for further information on our Ethical Contracting Policy and Framework.

¹¹ Walk Free Foundation, 2018, 'Global Slavery Index', accessed 20 January 2023, <<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>>.

Products we sell

Fertiliser

Modern slavery risk: Low to medium

We source the majority of fertiliser sold through our wholesale and retail branches from major, Australian companies. Due diligence undertaken by senior management to date has not identified any high modern slavery risks in our direct suppliers. Our major suppliers have acknowledged that heightened risks may be present in their own supply chains and have disclosed several measures to manage those risks, including through policy implementation, staff training and working with third parties to undertake supplier due diligence. No instances of modern slavery were identified in the reporting period in respect of our suppliers of fertiliser. A key ethical risk managed in 2022 in respect of our fertiliser suppliers related to the conflict between Russia and Ukraine and associated sanctions that have been implemented as a result. Elders has ensured that it has not purchased stock from Russia since the relevant sanctions began.

Agricultural chemicals and animal health products

Modern slavery risk: Low

Due diligence undertaken by senior management to date has not identified any heightened risk of modern slavery associated with the manufacture of chemical products. We do, however, recognise the higher prevalence of modern slavery in countries we source, directly and indirectly, some chemical products from. We source most of our chemical products from Australian companies, but source most of our own-brand chemical products from China and India. Purchases from these suppliers represent less than 10% of our overall spend on our direct suppliers. Given our direct and long-standing relationships with our own-brand product suppliers, an elevated focus has been placed on them through extended due diligence, regular site visits (completed before COVID-19 travel restrictions were imposed), investigation through supplier questionnaires and onsite audits by independent third parties. Information from these sources to date indicate that our own-brand product suppliers are effectively managing modern slavery risks in their operations.

Seed

Modern slavery risk: Low

We recognise that the production of cottonseed in India has been associated with a heightened risk of child labour and forced child labour.¹² Elders only sources cottonseed grown locally by Australian farmers. No high risks of modern slavery were identified in the production of other seed varieties sold by Elders and no instances of modern slavery were identified in respect of our suppliers of seed in the reporting period.

General merchandise

Modern slavery risk: Medium

Elders sells a variety of textiles (for example, netting), clothing (including gloves and footwear) and electronics (including pumps and lights), all of which are supplied by Australian companies but some of which may be made in China or other overseas countries. A heightened risk of child labour and forced labour may exist in association with the production of these products in China or overseas.¹² High spend suppliers responsible for the production of these products to Elders were assessed by senior management and have disclosed several measures to manage those risks, including through policy implementation, staff training and working with third parties to undertake supplier due diligence.

Killara Feedlot goods and services

Modern slavery risk: Low

All cattle sourced by Killara Feedlot is produced by Australia-based livestock producers. All cattle feed including hay, cottonseed and corn silage is also sourced from Australian producers. Steel, cattle yard equipment and fuel are all sourced from Australia-based suppliers and fuel is purchased locally. Workers at Killara Feedlot are directly employed by Elders, with the exception of professional environmental, veterinary and animal nutrition consultants.

Products we use

Uniforms, office supplies and IT hardware

Modern slavery risk: Medium

The highest risk products and services procured for use in our operations are:

- IT hardware sourced from Malaysia, which is associated with a heightened risk of forced labour, and China, which is associated with a heightened risk of both forced labour and child labour
- Office supplies sourced from China, which is associated with a heightened risk of forced labour, and Indonesia, which is associated with a heightened risk of child labour
- Uniform items sourced from Pakistan and Madagascar, which are associated with a heightened risk of child labour, and Bangladesh, China and India which are associated with a heightened risk of both forced labour and child labour

Suppliers providing goods falling within the above categories to Elders are large, Australian companies operating multinationally, who have been assessed by senior management and have disclosed several measures to manage modern slavery risks, including policy implementation, staff training and working with third parties to undertake supplier due diligence. In the course of dealing with these suppliers in the reporting period, there have been no instances of modern slavery identified.

¹² U.S. Department of Labor, 2022, 'List of Goods Produced by Child Labor or Forced Labor', accessed 7 December 2022, <<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>>.

Actions Addressing Modern Slavery Risks

In line with our ambition to ensure human rights are respected across our business and supply chains, we take a number of actions to address modern slavery risks, safeguard human rights and promote ethical behaviour throughout our business. These actions are outlined in pages 8 to 11 of this statement.

Ethical Contracting Policy and Framework

Our Ethical Contracting Policy and Framework requires Elders people who propose to engage a supplier to first assess and rate that supplier having regard to key risks to our business, including modern slavery and human rights risks.

To determine whether a supplier is exposed to a high risk of modern slavery, our Framework guides our people to consider whether the products they procure:

- are manufactured in a jurisdiction with a high prevalence of modern slavery
- fall within a higher modern slavery risk product category

For suppliers presenting a 'high', 'very high' or 'critical' risk, extended due diligence is required. This involves completion of a due diligence questionnaire which asks whether the supplier has in place documented policies, procedures and controls to manage various ethical risks. Our Ethical Contracting Framework requires our people to consider the responses to the due diligence questionnaire. Where those responses suggest inadequate controls or a risk of modern slavery in relevant supply chains, the Framework directs our people to consider whether it is appropriate for Elders to deal with the supplier and, if it is, to ensure adequate internal controls are in place having regard to our internal Resilience Framework. Where appropriate controls appear to exist to mitigate identified risks, Elders will likely proceed to engage that supplier. Where insufficient controls exist, Elders will likely work with suppliers to mitigate those risks. The impossibility of remedial action, or the unwillingness of a supplier to act, will likely result in our inability to work with the supplier. We were not required to terminate any relationships with our suppliers based on the risk of modern slavery in their operations or supply chains in the last financial year. Further information on the outcomes of our risk assessments is available on page 6 of this statement.

Our Ethical Contracting Framework has been communicated to all employees via email and reinforced to select staff through face to face modern slavery awareness training sessions. The Framework is available on our intranet, together with resources to assist our people performing ethical contracting risk assessments (including internal guidance documents on modern slavery product and jurisdictional risks). As our business continues to grow, our Ethical Contracting Framework is being reviewed so as to ensure it remains adequate for our purposes and appropriate having regard to our procurement activity. Updates to the Framework will be communicated to employees as required.

Independent site audits and screening

Recognising our increased capability to oversee production and influence positive change where required with respect to the production of our own-brand products, during the reporting period, we engaged independent auditors to undertake site audits on key suppliers of our own-brand products operating in China and India. Suppliers were selected for auditing at random, for the purpose of enabling us to better understand the risks present with our suppliers and identify opportunities to drive improvements. Fourteen site audits were completed in 2022. No incidents of modern slavery were identified, however, several sites indicated instances of employees working long hours without adequate breaks, minor safety hazards and inadequate policy documentation and employee records. These suppliers have been informed of our expectations through our Responsible Sourcing Code and we are in the process of working with relevant suppliers to remediate identified issues, with several of the suppliers subject to the audit already implementing improvements.

In late 2022, we also commissioned global reported risk and incident screening for key ethical risks (including modern slavery) across all direct suppliers to Elders Rural Services, Titan AG, AIRR and B&W Rural of products sold to our customers during the reporting period. The screening was undertaken by a third party and focused on identifying ethical risks such as modern slavery, breaches of various laws (including environmental, consumer and competition laws) and other instances of unethical or unlawful conduct. Identified risks are presently being reviewed by our Sustainability team and senior management to determine what appropriate responsive action (if any) is required. No identified issues necessitated the adjustment of the modern slavery risk ratings outlined on page 7 of this statement.

It is our intention to commission further supplier audits in 2023 and to arrange for supplier screening to be conducted on a regular basis. These activities enable us to:

- independently verify the internal risk ratings applied to suppliers and product and service categories
- identify potential or realised modern slavery risks at the individual supplier level and take action accordingly, including engaging with the supplier as required
- identify trends at the industry/sector level that may indicate a heightened risk of modern slavery and proactively engage with suppliers within this industry/sector as required.

Supplier Relationship Management

Many of our key suppliers are large, multinational entities which demonstrate actions to address modern slavery risks in their operations and supply chains through public disclosures. These measures include supply chain due diligence procedures, auditing and incident reporting. Relationships with our key suppliers are managed by staff operating in senior leadership positions. We have worked closely with some of our key suppliers for decades, and regularly review our contracts with them to ensure they are up to date and reflect each party's expectations of the other.

We recognise that factors like short lead times may impose stress on suppliers to meet demand in short time frames, which may increase the risk of downward pressure on workers to work longer hours, or more quickly and increase the risk of exploitation. Where practicable, we provide adequate lead times, long term forecasting and planned orders.

For property managers in our Real Estate Services business engaging workers to clean or maintain properties on behalf of landlords, our workers are encouraged to:

- directly engage contractors (limiting the use of subcontractors and as a result, the risk of undetected exploitation)
- engage and pay contractors directly (limiting instances where remuneration is handled by third parties and the risk of underpayment)
- request copies of certificates of relevant insurance coverage

Contractual Obligations and our Responsible Sourcing Code

Our Responsible Sourcing Code is informed by the International Labour Organisation (ILO) Conventions and the UN Universal Declaration of Human Rights. It sets out the minimum ethical expectations we have of our suppliers, including the specific expectations we have of our suppliers to manage modern slavery risks in their own operations and supply chains. Through our Code, we strongly encourage our suppliers to exceed our expectations where possible. Our Responsible Sourcing Code will be provided to all new direct suppliers during onboarding following the launch of our new onboarding app in 2023. Our Code is also available publicly online.

Our standard form rural supply and services agreements require our suppliers to:

- comply strictly, and use reasonable endeavours to ensure that their suppliers comply strictly, with all laws prohibiting the bribery of public officials and private persons, influence peddling, money laundering and modern slavery
- keep complete and accurate records of any non-compliance and immediately notify Elders of any breach
- comply with all relevant laws
- ensure that products are delivered in a safe manner and in compliance with Chain of Responsibility Laws¹³

Elders seeks to negotiate equivalent provisions into agreements not governed by its standard form documents. Contracts which are not in our standard form are required, in accordance with our Delegation of Authority Policy,¹⁴ to be:

- approved by a member of Elders' Executive
- reviewed by Elders' Legal team and other relevant functional business areas
- executed by two directors of Elders, or a Director and the Company Secretary

This policy applies to all contracts not in Elders' standard form, regardless of their value. We recognise that contractual mechanisms are most effective when accompanied by robust contract management and compliance monitoring. In the coming years, we are investing significantly in the upgrade of our IT systems, which will include the implementation of new systems (including a contract lifecycle management system scheduled for launch in 2023) to better support our teams.



¹³ The Road Traffic (Vehicles) Act 2012 (WA), the "Heavy Vehicle National Law" set out in the schedule to the Heavy Vehicle National Law Act 2012 (Qld), and laws that are substantively modelled on the "Heavy Vehicle National Law".

¹⁴ An internal document.

Elders' Code of Conduct

Our Code of Conduct¹⁵ details the acceptable standards and the behaviour and responsibilities expected of all our directors, employees, agents, contractors and consultants ("Elders People"). The Code exists to ensure that all Elders People:

- conduct all business safely, fairly, honestly and ethically
- comply with Elders' policies and procedures as well as all laws, regulations and industry codes
- behave in accordance with the One Elders Values referred to below

Our Code of Conduct specifically requires compliance with our Ethical Contracting Framework. Compliance with our Code of Conduct is a condition of employment for all our staff. The Code of Conduct is made available to all staff when they join Elders and is available on our website. All staff are required to read and acknowledge our Code of Conduct annually as part of their ongoing mandatory training.

One Elders Values

Our One Elders Values, enforced through our Code of Conduct, are integral to the way we do business. They embed the behaviours we expect of all our employees and directors. The Board believes the tone is set from the top and remains engaged with senior management to ensure our values align with what we do in practice. Our One Elders Values are communicated to our people periodically, including annually through our Code of Conduct training. We recognise high-achieving employees and teams whose performance demonstrate our values through monthly awards and our annual One Elders Awards. The Elders Staff Foundation is an example of our One Elders Values being demonstrated in practice. Employees are able to contribute \$2.50 per month to the Foundation, with Elders matching every dollar. The Foundation uses this money to gift financial assistance to employees during times of hardship. During the reporting period, the Foundation collected \$41,000 from employees and paid \$90,000 to staff in need.

ONE ELDERS VALUES



INTEGRITY
Doing the
right thing



ACCOUNTABILITY
Owning
the outcome



TEAMWORK
Using the power of
the pink shirt team



INNOVATION
Embracing
new ideas



CUSTOMER
Partnering and
adding value

¹⁵ Available at: <https://elders.com.au/for-investors/governance/>

Governance and Training

We are committed to promoting conduct and behaviour that is honest, fair, legal and ethical and respects the rights of our stakeholders, including clients and customers, suppliers, creditors and employees. We seek to promote a culture of ethical dealing through our key ethical dealing policies, including our Anti-Fraud and Anti-Bribery and Corruption Policies, and staff training on legal and ethical dealing. Annual training on anti-bribery and corruption is provided to all employees. In addition to this regular training, throughout the reporting period, face to face modern slavery awareness sessions were provided to staff operating in South Australia and Queensland, with further presentations planned for 2023. As part of our efforts to continually educate our staff on this topic, we also recently published an internal guidance note to our staff on:

- our obligations under the Modern Slavery Act
- how to recognise risks and incidents of modern slavery
- how to respond to an incident or suspected incident of modern slavery (whether in our operations or upstream or downstream supply chains).

Our Board Audit, Risk and Compliance Committee and Management Audit, Risk and Compliance Committee meet at least four times per year to oversee our actions and performance. During the reporting period, the Board approved the expansion of the Board Work Health and Safety Committee to include sustainability. The newly-named Board Safety and Sustainability Committee provides a forum for communicating and managing sustainability-related matters, including matters relating to modern slavery.

Reporting Grievances and Whistleblower Protection

Elders is committed to providing a workplace with fair, equitable and safe work practices. If an employee believes they have been adversely impacted by a decision, action or behaviour by another party in the workplace, they may choose to resolve the matter through an informal or formal grievance resolution process. Elders' Grievance Resolution Policy¹ articulates the process employees can follow to raise workplace grievances and the principles that apply through the grievance resolution process, which include grievances being dealt with as expeditiously as possible and all parties involved in the investigation maintaining confidentiality. Through our annual employee survey, 75% of our staff said they felt they could raise concerns outside of their immediate work area and felt they would be taken seriously.

We encourage all our stakeholders (including our employees, customers and suppliers) to report any actual or suspected unacceptable conduct, including fraud or illegal activity. Our Board has adopted a Whistleblower Policy² to encourage and facilitate disclosure. The policy requires Elders to take certain steps to protect the anonymity of reporters. Our external and independent whistleblower telephone hotline, maintained to facilitate the reporting of unacceptable conduct, is advertised on posters in our work locations. All reports are dealt with in accordance with the terms of the Policy, and corrective actions are put in place where necessary. During the reporting period, we received zero reports relating to modern slavery from whistleblowers through our hotlines. We recognise the fact that zero complaints can mean that risks are being effectively managed. It can also mean that our reporting and grievance mechanisms are not effective at identifying risks, which is why appropriate reporting mechanisms are just one of the controls we rely on.

¹ An internal document.

² Available at: <https://elders.com.au/for-investors/governance/>.

Health and Safety

One of the key objectives of our third Eight Point Plan, supported by our Work Health Safety Management System ("WHSMS") is to "provide a safe working environment", for our workers as well as any person (including customers, supplier staff and visitors) attending an Elders worksite. During the reporting period, through our annual employee survey our staff said:

- My work area is safe: 92%
- I always prioritise safety when undertaking an activity: 94%
- We practice what we preach - Nothing is so important that it cannot be done safely: 90%

The policies and procedures which underpin our WHSMS apply to all our employees and our contractors, in all our workplaces – whether they are worksites we control (like our branches, warehouses or offices), or sites our workers work in which we do not control (like customer properties or saleyards).

Our WHSMS reflects the requirements of various State-based work, health and safety legislation and our Safety Manual draws on the principles of AS/NZS ISO 45001:2018. Our WHSMS is monitored periodically and evaluated to ensure its suitability and effectiveness.

Elders maintains workers compensation insurance cover for all its employees. Trained first aid officers are required to be stationed in every site and Elders makes personal protective equipment, safety guidance materials and relevant and regular training available to all employees as required.

Employee Recruitment and Remuneration

Recruitment is managed internally through our centralised People and Culture and Payroll teams, which are required to comply with all applicable laws and regulations relating to fair work, minimum wages and leave entitlements and strict onboarding, recruitment and payroll procedures. These procedures include right to work checks, reference checks and police checks. Approximately 90% of our employees (excluding those based in China) are covered by collective bargaining agreements.

Employees are paid through our centralised Payroll team in accordance with their employment agreements and through fortnightly and monthly pay cycles. Elders pays superannuation for employees at the statutory rate. All employees have access to payslips and timesheets.

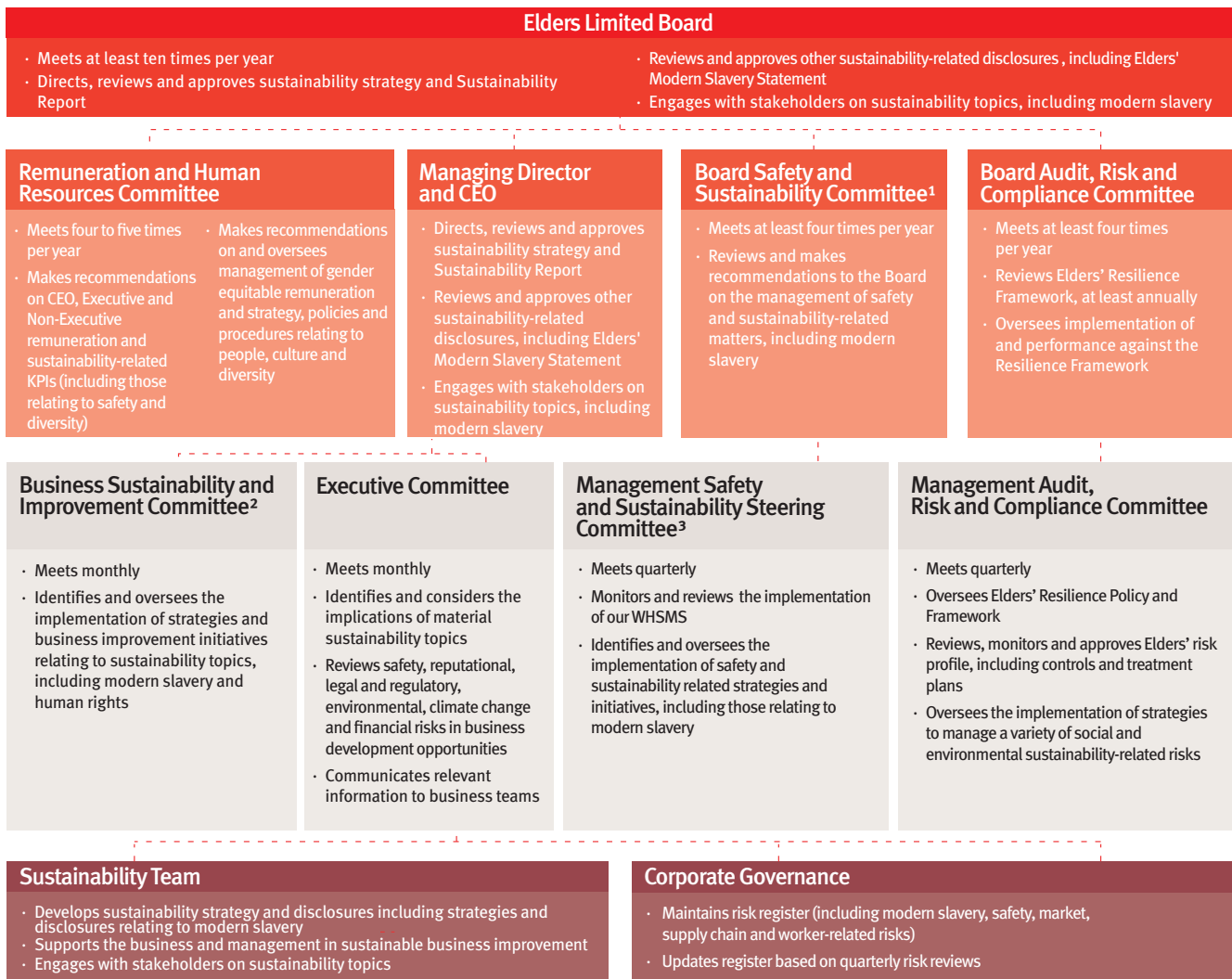
Contractors are paid on invoice in accordance with agreed payment terms by our centralised Accounts Payable team.

Assessing The Effectiveness Of Our Actions

We assess our performance on ethical dealing and sustainability more broadly in the following ways.

Corporate Governance

Our Board oversees all matters relating to Elders' economic, environmental and social sustainability, including modern slavery. Our formal framework for the management and communication of sustainability-related topics is represented in the figure below. In addition, our Sustainability team is engaged by our Board, Executive members and wider business on an 'as needs' basis to provide support and advice on engaging with suppliers, customers and other stakeholders on the topic of modern slavery and managing modern slavery risk.



¹ During the reporting period, the Board approved the expansion of the Board Work Health and Safety Committee to include sustainability. This committee was renamed the Board Safety and Sustainability Committee.
² The Business Sustainability and Improvement Committee undertook the functions listed here during the reporting period. Following the expansion of the Board Work Health and Safety Committee to include sustainability, the Safety Steering Committee was also expanded to include sustainability. From the 2023 financial year onwards, the newly-named Management Safety and Sustainability Steering Committee will be responsible for identifying and overseeing the implementation of safety and sustainability related strategies and initiatives, including those relating to modern slavery.
³ Following the expansion of the Board Work Health and Safety Committee to include sustainability, the Safety Steering Committee was also expanded to include sustainability. The newly-named Management Safety and Sustainability Steering Committee will undertake the functions listed here from the 2023 financial year onward.

During the reporting period, our Business Sustainability and Improvement Committee met monthly to discuss actions and progress on key sustainability initiatives, including the implementation of our Ethical Contracting Framework and our response to modern slavery risk. Progress on the management of modern slavery risks and our Ethical Contracting Framework, as detailed in this Statement, was reviewed by our Board Safety and Sustainability Committee and Management Audit, Risk and Compliance Committee, who each meet quarterly. Our Board Safety and Sustainability Committee is tasked with:

- reviewing our annual modern slavery statement
- providing direction to the business on actions to develop our response to the risk of modern slavery
- recommending our modern slavery statement to the Board for approval

Further information about how Elders is governed, including the structure and operation of our Board and governing committees, is available in our Corporate Governance Statement.¹⁶

Stakeholder Engagement

Stakeholder engagement is vital to understanding the impact of our operations and is used to inform and support our Board and broader business in identifying, managing and reporting on material sustainability topics and their associated risks and opportunities.

Elders' approach to engaging with stakeholders is set out below. Not all methods are utilised annually.

Stakeholder	Engagement approach
Investment Community	Elders' website, AGM, public reporting and announcements, briefings, conferences, regular meetings, discussions and surveys
Regulators	Meetings, site visits, through industry associations and responses to enquiries
Customers	Surveys, meetings, industry events, information sessions, Elders' website and media communications
Communities	Participation in community programs and events, industry events, our website, media communications and surveys
Employees	Surveys, performance reviews, presentations, training, meetings, social events, email and intranet
NGOs	Meetings and through industry associations
Financiers	Regular meetings, discussions and surveys
Industry bodies	Industry conferences, meetings and presentations
Contractors and Suppliers	Meetings, supplier conferences and surveys

¹⁶ Available online at <https://elders.com.au/for-investors/performance/periodic-reports/>.

Incident and Risk Management and Escalation

Our internal Resilience Framework details the metrics and assessment criteria used to evaluate risk. Our risk appetite is set by the Board and is based upon feedback from our Executive via the Management Audit, Risk and Compliance Committee.

The figure below illustrates the broad oversight of strategic and operational risks and the effective lines of communication between the Board, Executive and Senior Management, and key operational personnel.

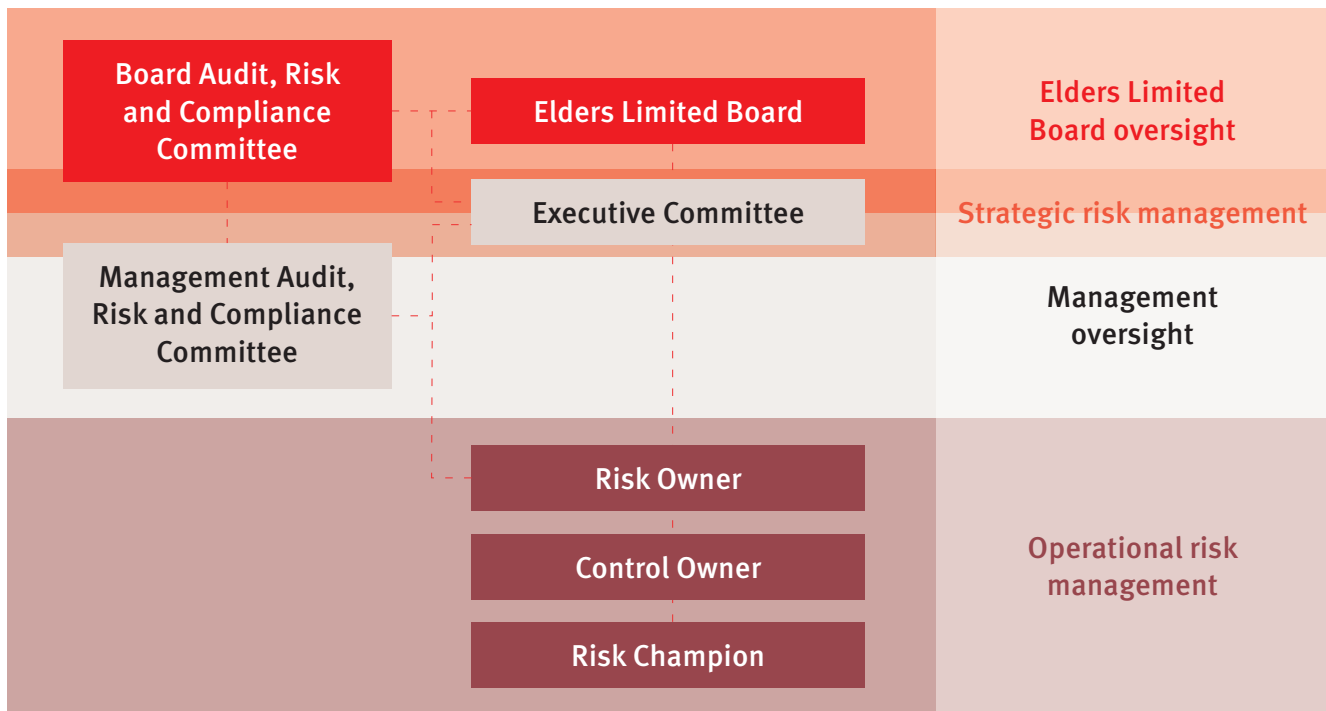
We regularly review the risks on our enterprise risk register, including those related to modern slavery. Our process includes evaluating control effectiveness, identifying new controls or mitigants, and updating treatment plans. The Management Audit, Risk, and Compliance Committee periodically reviews our risk profile and treatment plans, and is notified of risks beyond our established risk appetite.

Modern slavery risks identified in supplier due diligence, site audits or risk and incident screening are considered by our Legal team and/or Sustainability team, who work with senior management to identify any remedial action available to mitigate the risk. We seek to work with suppliers to mitigate any risks of modern slavery identified in their supply chains. Remedial action is determined on a case by case basis. The impossibility of remedial action, or the unwillingness of a supplier to act, will likely result in our inability to work with the supplier. We were not required to terminate any relationships with our suppliers based on the risk of modern slavery in their operations or supply chains in the last financial year.

Where a Serious Risk or Incident¹⁷ is identified or occurs, our workers are required to follow our incident escalation process, displayed at all our branches. This involves the following steps:

- a verbal report to a manager within one hour;
- a verbal report to a Safety Partner;
- reporting the risk or incident online; and
- managers escalating the report through to our Managing Director and CEO within one hour.

Major and severe risks must also be reported to the responsible General Manager, Risk Manager, our Company Secretary and CEO immediately, in accordance with our Resilience Framework. No Serious Risks or Incidents, or moderate, major or severe risks relating to modern slavery were reported during the reporting period.



¹⁷ Any event that has the potential to significantly impact our employees, clients, business or brand, which includes: safety - fatality or serious injury; animal - significant threat to health/safety/welfare of livestock; environmental - chemical spill, natural disaster, biosecurity threat; business - significant business disruption, delay, likely to cause serious financial impact; media - incident likely to result in significant media attention; criminal - suspected criminal activity or fraud; regulatory - incident that must be reported to authorities (EPA, WorkCover, WorkSafe etc); and other serious incidents.

Consultation With Our Subsidiaries

Elders' Sustainability team coordinated a process across our corporate group whereby key personnel from each of our reporting entities were consulted in the drafting of Elders' Modern Slavery Statement. Our Statement was reviewed by the Management Audit, Risk and Compliance Committee, the Board Safety and Sustainability Committee and endorsed by the Board.

Improvement in the identification and mitigation of modern slavery risks will be a focus for Elders over the coming years. We will continue to measure and report on our performance through our annual Modern Slavery Statement.



Mark Allison
Managing Director
and Chief
Executive Officer

