



22 April 2022

## Elders Limited 2021 Modern Slavery Statement

Attached is the Elders Limited (ASX:ELD) 2021 Modern Slavery Statement, prepared pursuant to the *Modern Slavery Act 2018*.

This statement is also available on the [Australian Border Force Register for Modern Slavery Statements](#).

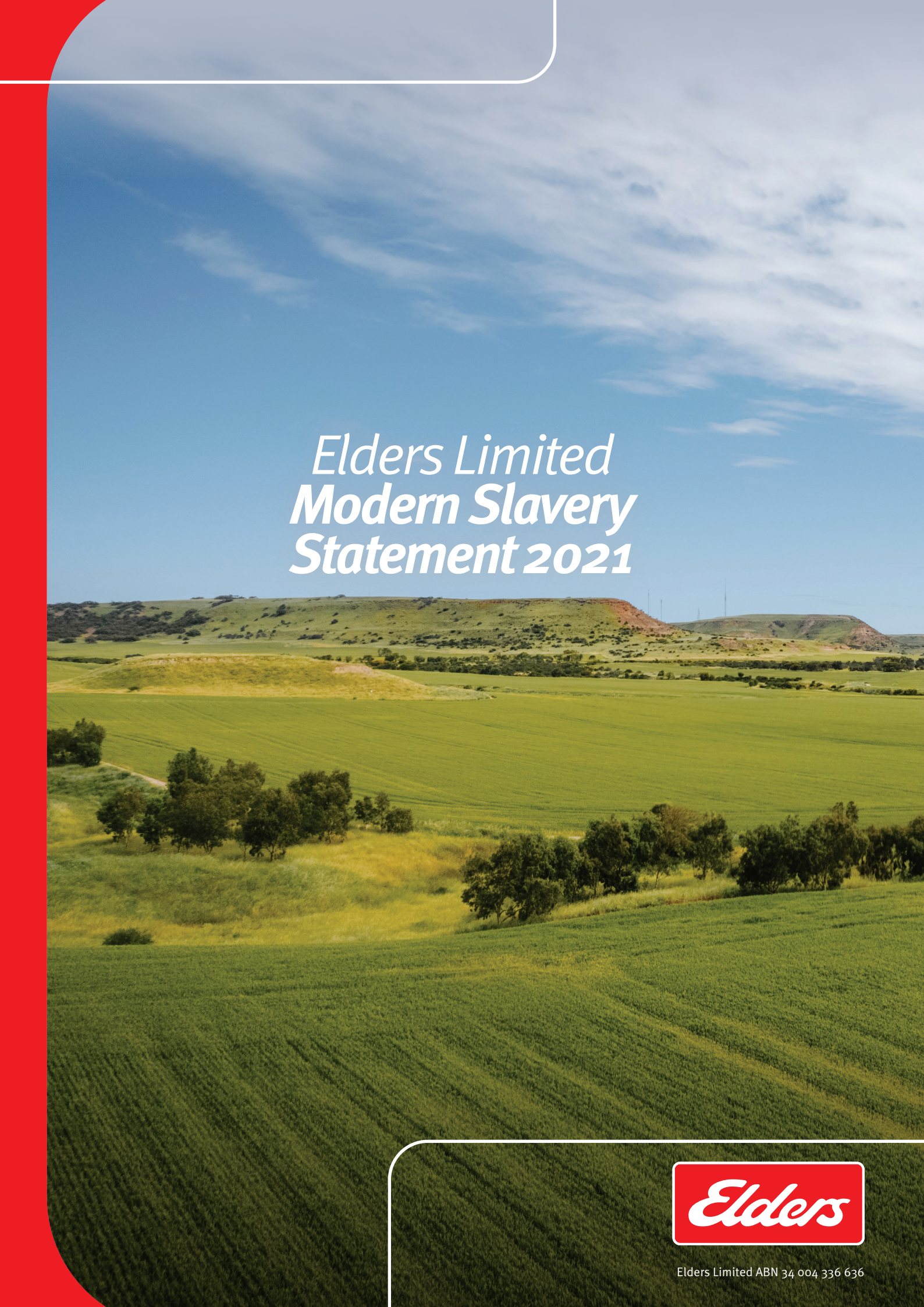
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**Further Information:**

Peter Hastings, Company Secretary, 0419 222 489

**Authorised by:**

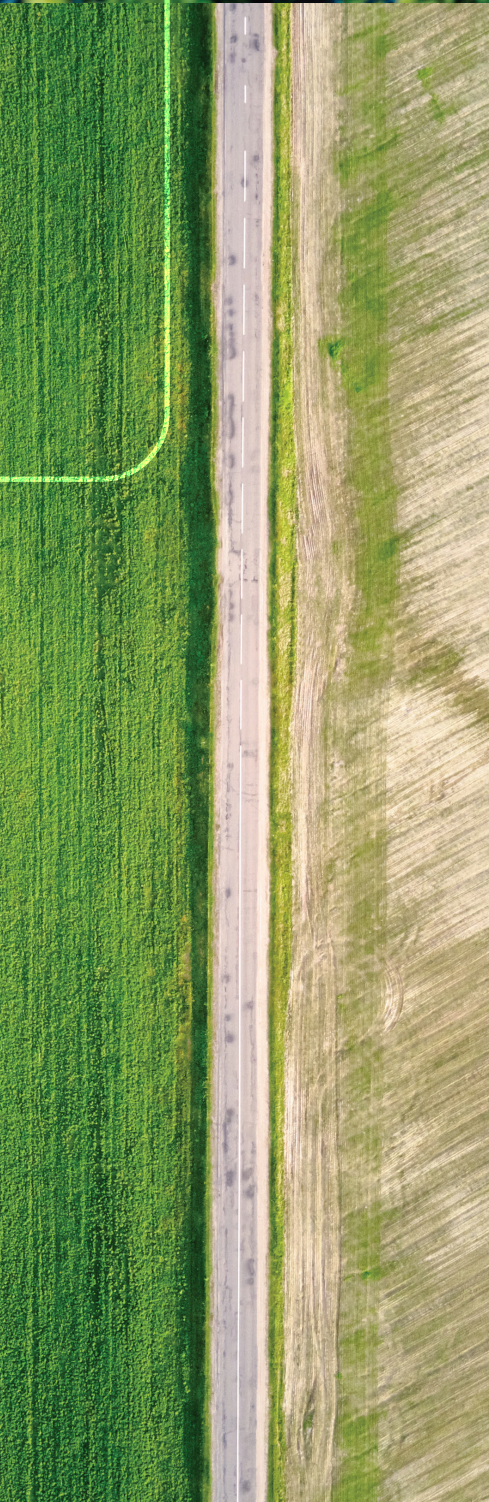
Peter Hastings, Company Secretary



# *Elders Limited Modern Slavery Statement 2021*



Elders Limited ABN 34 004 336 636



## Our People<sup>1</sup>

**2,917**

workers  
58% male – 42% female<sup>2</sup>

**2,848**

workers  
in Australia

**69**

workers in China

**2,272**

permanent workers  
59% male – 41% female

**539**

casual workers  
57% male – 43% female

**106**

workers on fixed term contracts  
32% male – 68% female

## Our Suppliers

**8,600**

direct suppliers<sup>3</sup>

**7,000+**

Australian small business direct  
suppliers

**\$2.2b**

spent on direct suppliers

**163**

Ethical Contracting Framework risk  
assessments completed

**40**

top spend own-brand suppliers  
subject to extended due diligence

**0**

instances of modern slavery  
identified in our supplier base

<sup>1</sup> As at 30 September 2021

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

<sup>3</sup> 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 2021.

## Our Structure, Operations and Supply Chains

Elders is a publicly owned agribusiness focused on creating value for all its stakeholders in Australia and internationally. We achieve this through approximately 2,900 workers<sup>1</sup> across Australia and in China, most of which are permanent, full time staff.

## Our Structure and Operations

In Australia, Elders works 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 property agency and management network, which includes both company owned and franchise offices operating throughout Australia in both major population centres and regional areas. Our feed and processing business operates a top-tier beef cattle feedlot in New South Wales and a premium meat distribution model in China. Additional information about our operations and structure is available in our 2021 Annual Report.<sup>2</sup>

## Our Businesses

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### Products and services

|                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rural Products</b>               | Elders is one of Australia's leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise. Elders Rural Services' Retail Products division, as well as B&W Rural and AIRR, supply these rural products to primary producers and corporate farm customers through over 200 retail stores across Australia. AIRR additionally supplies independently owned member stores with wholesale products for on-selling.<br><br>AIRR and Titan AG also facilitate the formulation and wholesale of our own-brand agricultural chemical and animal health products, including Titan, Apparent, Pastoral AG, IO, and Hunter River.                                                                                                                                                                        |
| <b>Agency Services</b>              | Elders Rural Services provides a range of marketing options for livestock, wool and grain. The Elders Rural Services 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 Killara Feedlot, third-party feedlots and livestock exporters. Elders Rural Services 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.<br><br>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. <sup>1</sup> |
| <b>Real Estate Services</b>         | Elders Real Estate (a business operated through Elders Rural Services) is comprised of company owned rural property agencies which are primarily involved in the marketing of farms, stations and lifestyle estates and a network of residential real estate agencies providing agency and property management services in major population centres and regional areas through company owned and franchised offices. <sup>2</sup> Other services offered through this business include water and home loan broking.                                                                                                                                                                                                                                                                                                                                                                |
| <b>Financial Services</b>           | Financial services are provided to our clients by Rural Bank, StockCo and Elders Insurance. <sup>1</sup> Our relationships with these entities support the delivery of financial and insurance services throughout our network, assisting our customers with growing their businesses and managing cash flow and risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Feed and Processing Services</b> | In Australia, Elders operates Killara Feedlot, a beef cattle feedlot near Tamworth in New South Wales. Through Elders Fine Foods, Elders also imports, processes and distributes premium Australian meat in China from its facility based in Shanghai.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Technical Services</b>           | Elders Rural Services' 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. The Institute also works with Thomas Elder Markets to deliver analysis, feasibility studies and reports to industry partners.                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

<sup>1</sup> These entities are not subsidiaries over which Elders has operational control.

<sup>2</sup> Franchised offices are not subsidiaries over which Elders has operational control.

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<sup>1</sup> Including casual workers and workers on fixed term contracts in Australia and China.

<sup>2</sup> Available at <https://investors.elderslimited.com/investor-centre/?page=annual-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 8,600 "direct suppliers",<sup>1</sup> of which more than 7,000 are Australian small businesses.<sup>2</sup> We source products for resale and for our own internal use, as well as services. Our total spend on our direct suppliers this year was \$2.2 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' |
|-----------------------|------------------------|------------|------------------------|---------------------|-------|--------------------------------------|------------|
| Elders Rural Services | ●                      | ●          | ●                      | ●                   | ●     | ●                                    |            |
| AIRR                  | ●                      | ●          | ●                      | ●                   | ●     |                                      |            |
| Titan AG              | ●                      | ●          |                        |                     |       |                                      |            |
| Killara Feedlot       |                        |            |                        |                     |       |                                      | ●          |
| B&W Rural             | ●                      | ●          | ●                      | ●                   | ●     |                                      |            |

<sup>1</sup> Elders Rural Services provides agency services for clients buying and selling livestock.

We also 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 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.

<sup>1</sup> Suppliers who supply goods or services directly to Elders, or one of our subsidiaries.  
<sup>2</sup> 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.<sup>3</sup>

## Risks In Our Operations

We assessed the risk of modern slavery in our workforce to be low. This assessment was based on:

- the location in which we predominantly operate, being Australia (which is recognised as having a low prevalence of modern slavery<sup>4</sup>)
- internal reviews of our recruitment, employee engagement and remuneration practices
- our grievance reporting mechanisms
- our actions to ensure the safety of our people<sup>5</sup>

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.<sup>6</sup> 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.<sup>7</sup> We assessed the risk of modern slavery in the suppliers we engage with in these industries to be low to medium. This assessment was based on the controls we have in place to manage risks associated with the engagement of suppliers; including direct engagement (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.<sup>5</sup>

## Risks In Our Supply Chains

This year we continued risk assessments across our direct and indirect procurement supply chains, focusing on our top spend and own brand direct suppliers. 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, where they manufacture their products and the types of products we procure from them
- 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
- assigning risk ratings to our suppliers based on the outcomes of the above actions

## Risk assessment overview

Our people completed 163 ethical contracting risk assessments in accordance with our Ethical Contracting Framework<sup>8</sup> on a variety of new and existing suppliers providing a range of goods and services. We rated 152 suppliers 'low' and 11 suppliers 'medium' risk, having regard to key ethical risks including those relating to modern slavery, safety and the environment. No suppliers were rated 'high' risk.

Senior management completed additional reviews on the following suppliers for modern slavery risk:

- 40 of 47 suppliers in the top 92% of spend associated with our own-brand agricultural chemicals made in Australia, China and India. We assessed the modern slavery risk in these suppliers to be low
- 423 rural product suppliers, including seed, fertiliser, agricultural chemical, animal health product and general merchandise suppliers, including 34 of 53 suppliers in the top 90% of spend by Elders Rural Services
- All Elders uniform, office supplies and IT hardware suppliers

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

<sup>4</sup> Walk Free Foundation, 2018, 'Global Slavery Index', accessed 11 February 2022 <[www.globalslaveryindex.org](http://www.globalslaveryindex.org)>.

<sup>5</sup> Outlined on pages 7 to 11 of this statement.

<sup>6</sup> Australian Red Cross, 2020, 'Addressing Modern Slavery – A Guide for Australian Businesses', accessed 11 January 2021, <<https://www.redcross.org.au/migration/support-for-trafficked-people/modern-slavery-resources/>>.

<sup>7</sup> Walk Free Foundation, 2018, 'Global Slavery Index', accessed 11 February 2022, <<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>>.

<sup>8</sup> Outlined on page 9 of this statement.

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.<sup>1</sup> 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 7 to 11. Additional insights from our risk assessments are set out below.

## 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.

### 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) and investigation through supplier questionnaires. 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 to medium

The production of cottonseed in India has been associated with a heightened risk of child labour and forced child labour.<sup>2</sup> Australian companies responsible for the supply of cottonseed to Elders for on-sale to customers 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. No high risks of modern slavery were identified in the production of other seed varieties sold by Elders.

### 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. A heightened risk of child labour and forced labour exists in association with the production of these products in China.<sup>2</sup> 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, and uniform and office supplies sourced from China, which are associated with a heightened risk of forced labour
- Uniform items sourced from Vietnam, China and Madagascar, which are associated with a heightened risk of 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.

<sup>1</sup> Walk Free Foundation, 2018, 'Global Slavery Index', accessed 11 February 2022, <<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>>.

<sup>2</sup> U.S. Department of Labor, 2021, 'List of Goods Produced by Child Labor or Forced Labor', accessed 9 March 2022, <<https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>>.

## Actions Addressing Modern Slavery Risks

Our ambition is to ensure human rights are respected across our business and supply chains.

This year, we developed and launched our Responsible Sourcing Code, and continued to embed our Ethical Contracting Framework, with senior procurement staff assigned responsibility to review suppliers and assess and verify that ethical risks, including modern slavery, are being managed. We continued to monitor developments and trends on initiatives to address modern slavery globally and domestically, engaged with stakeholders on human-rights related disclosures and researched actions by our peers to further develop our own controls.

We also developed a training module for all staff on modern slavery that covers:

- 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)

This module is scheduled for launch in 2022. Further information on the measures we have in place to safeguard human rights and promote ethical behaviour throughout our business are outlined pages 8 to 11.



## Elders' Code of Conduct

Our Code of Conduct<sup>1</sup> 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

This year, our Code of Conduct was updated and re-launched to better reflect our commitments to ethical conduct, with specific reference to 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 VALUE



**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

## 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.

## 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. Our Board Audit, Risk and Compliance Committee and Management Audit, Risk and Compliance Committee meet quarterly to oversee our actions and performance.

## 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 89% 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.

<sup>1</sup> Available at: <https://investors.elderslimited.com/investor-centre/?page=corporate-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.

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.

## 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. Risk assessments are driven by senior management operating in our procurement teams, who draw on publicly available resources to inform their assessments, responses to questionnaires and queries from suppliers, their industry knowledge and the expertise of Elders’ Sustainability team.

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 the completion of a due diligence questionnaire, through which information concerning the controls our suppliers have in place to manage ethical risks is obtained and considered. Where appropriate controls exist to mitigate identified risks, Elders is likely to continue working with that supplier. Where insufficient controls exist, Elders will 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 pages 5 and 6 of this statement.

Our Ethical Contracting Framework was initially communicated to all employees via email. 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).

## 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 supplier relationship managers 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

Recognising our increased capability to oversee production and influence positive change where required with respect to the production of our own-brand products, in 2022 we will aim to further engage with our own-brand suppliers, including through site visits. We will also investigate opportunities to partner with third parties to assist with site inspections and due diligence.

## 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 Code is provided to our direct suppliers and is available 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 Laws<sup>1</sup>

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,<sup>2</sup> to be:

- approved by a member of Elders' Executive
- reviewed by Elders' Legal team and other 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. It is designed to control the obligations which Elders agrees to and ensure the key expectations we have of our suppliers are legally enforceable. We recognise that contractual mechanisms are only 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 to better support our teams.



<sup>1</sup> 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".

<sup>2</sup> An internal document.

## 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 Policy<sup>3</sup> 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 possible and all parties involved in the investigation maintaining confidentiality.

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 Policy<sup>4</sup> 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 required to be advertised on posters in all our locations. All reports received are investigated through our incident management process and corrective actions are put in place where deemed necessary. This year, 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.

## Next Steps

Over the coming years, we intend to progressively assess and engage with suppliers across our supply chains to improve our identification and mitigation of modern slavery risks.

Outlined below is our progress against the actions we committed to in our 2020 Modern Slavery Statement:

| Actions                                                                                                                                                                                                | Status                                                                              | Notes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continuing to implement our Ethical Contracting Framework, with extended due diligence on modern slavery risks associated with suppliers of our own brand products                                     |    | Implementation of our Ethical Contracting Framework is an ongoing task, as is extended due diligence. This year, we directly engaged with our suppliers on modern slavery risk and began developing a supplier on-boarding application to support the implementation of our Ethical Contracting Framework. The launch of this application is anticipated in FY22. In 2022, we will also investigate third party assurance mechanisms to complement our existing risk assessment processes.                                               |
| Developing an audit program to assess the effectiveness of our Ethical Contracting Framework                                                                                                           |   | Following the launch of our Ethical Contracting Framework, this year we undertook periodic reviews to ensure its appropriateness and operational effectiveness, including steps to embed ethical contracting risk assessments into "the way we do things around here". These actions will provide us with a pathway to allow for a meaningful audit process going forward.                                                                                                                                                               |
| Providing further training on recognising and addressing modern slavery risks to our workforce                                                                                                         |  | Workshops were held with senior staff in procurement roles in the lead up to the launch of our Ethical Contracting Framework and our Sustainability team, who are responsible for assisting the business in developing its approach to modern slavery risk management, attended seminars to enhance their knowledge and capabilities.<br><br>Our Modern Slavery Training module has been prepared and will be provided to all staff in 2022. This module will form part of the ongoing, mandatory training we provide annually to staff. |
| Enhancing our internal policies and documenting and publishing a code outlining the expectations we have of our suppliers to specifically address human rights and other sustainability-related topics |  | This year we launched our Responsible Sourcing Code and updated our Code of Conduct to specifically address ethical contracting. Compliance with our Responsible Sourcing Code will be considered in supplier relationship management going forward.                                                                                                                                                                                                                                                                                     |

<sup>3</sup> An internal document.

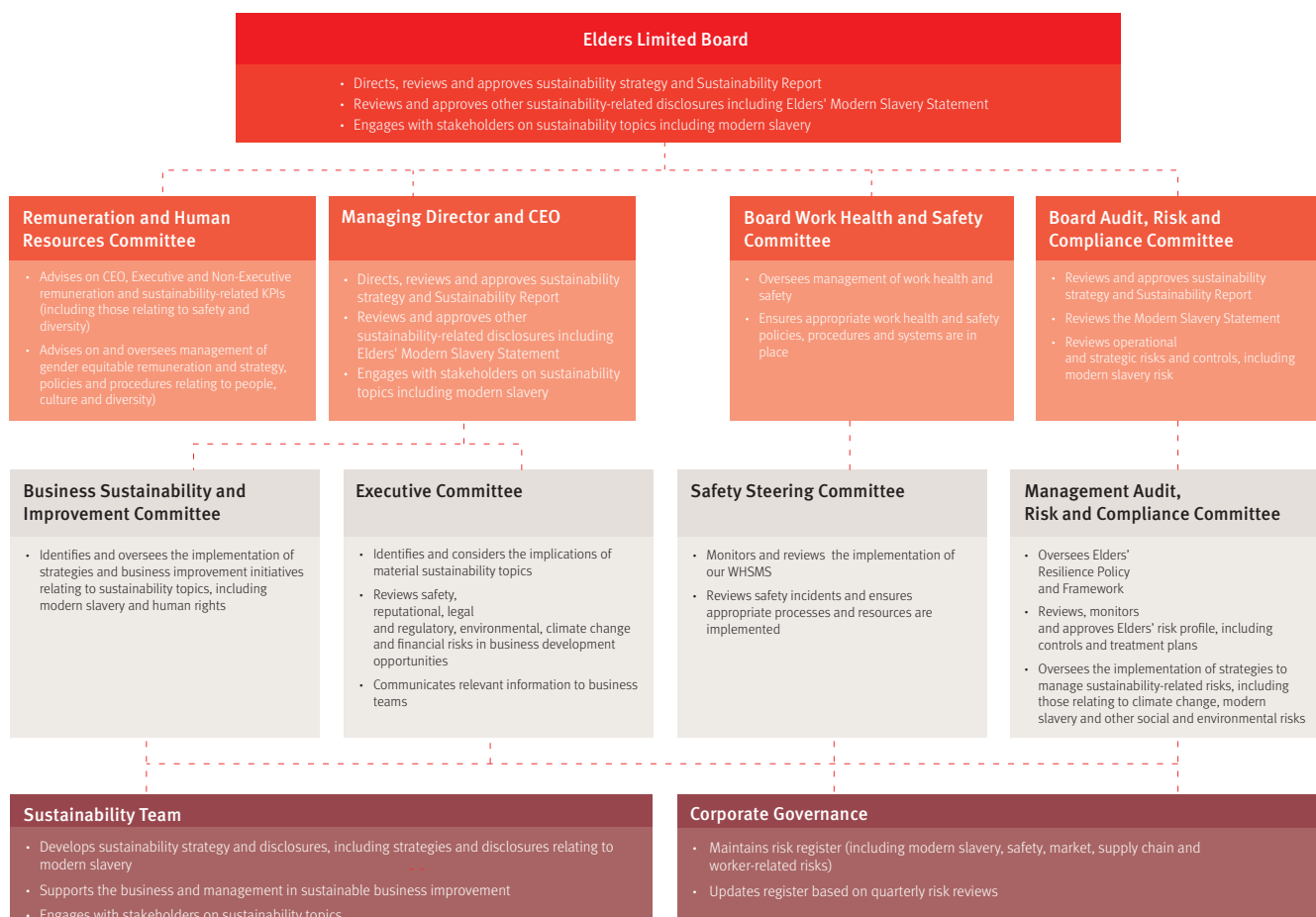
<sup>4</sup> Available at: <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

# 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.



Our Business Sustainability and Improvement Committee meets monthly to discuss actions and progress on key sustainability initiatives, including the implementation of our Ethical Contracting Framework, our response to modern slavery risk and the development of our modern slavery statement.

Progress on the management of modern slavery risks and our Ethical Contracting Framework is further considered by our Board Audit, Risk and Compliance Committee and Management Audit, Risk and Compliance Committee, who each meet quarterly. Our Board 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
- approving our modern slavery statement

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.<sup>5</sup>

## 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.

| 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                                                                                  |

In 2021, we:

- engaged with several investment community representatives who provided feedback on our disclosures and actions relating to human rights and modern slavery. We incorporated a number of their suggestions and feedback into this statement
- arranged for staff to attend webinars on modern slavery hosted by regulators, the investment community and NGOs
- engaged with suppliers and customers on responsible sourcing and modern slavery

<sup>5</sup> Available online at <https://investors.elderslimited.com/investor-centre/?page=annual-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.

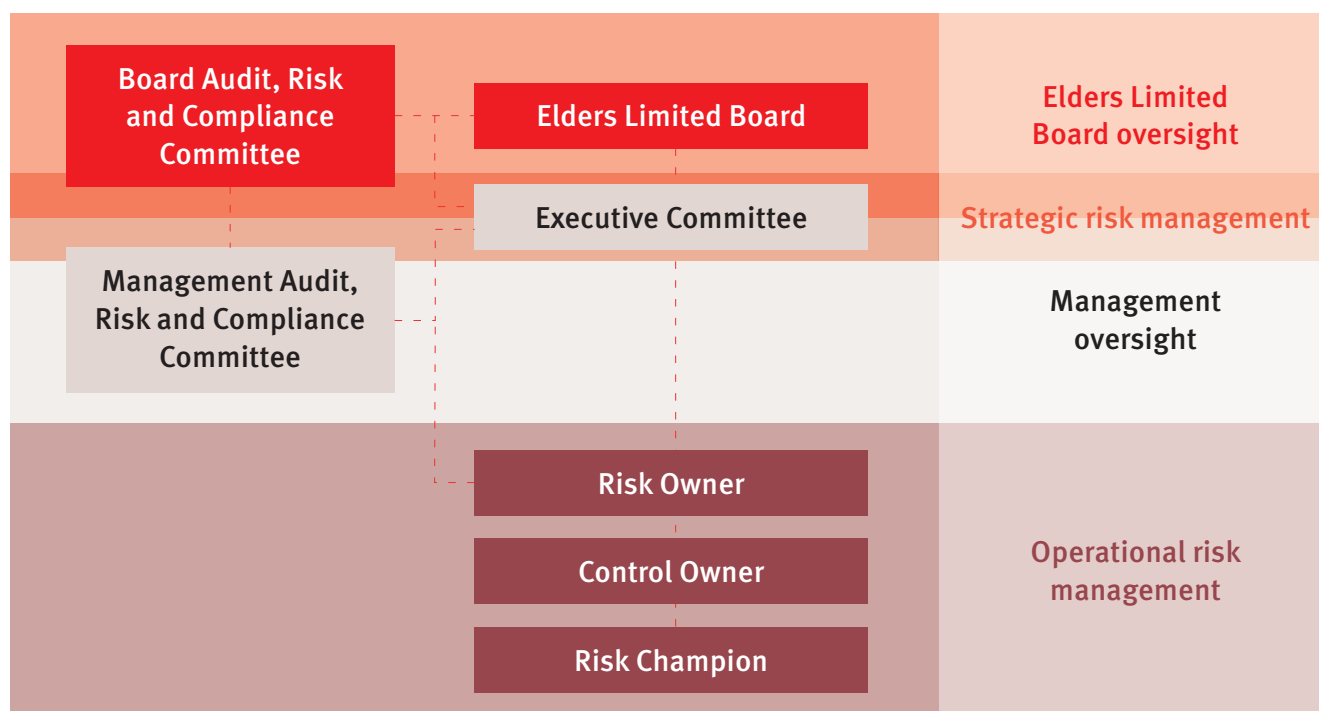
Modern slavery risks are reviewed as part of our quarterly risk review process to ensure appropriate controls are in place. That process requires new controls to be considered and endorsed by the Management Audit, Risk and Compliance Committee and approved by the Board Audit, Risk and Compliance Committee.

Modern slavery risks identified in supplier due diligence (mandated for every supplier Elders engages with under Elders' Ethical Contracting Framework) are considered by our Legal Team, who work with our businesses 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 accordance with our Resilience Framework, 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 Incident<sup>1</sup> 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, Risk and Environment Business Partner;
- reporting the risk or incident online; and
- managers escalating the report through to our CEO within one hour.

Moderate, major and severe risks must also be reported to the responsible General Manager, our Company Secretary and the Board in accordance with our Resilience Framework. No Serious Risks or Incidents, or moderate, major or severe risks relating to modern slavery were reported in the last financial year.



<sup>1</sup> 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 or 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 to implement the Ethical Contracting Framework. This process culminated in the drafting of Elders' Modern Slavery Statement, which was reviewed by senior management within each of our reporting entities, the group's Business Sustainability and Improvement 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

