



Monday 14 November 2022

## 2022 Sustainability Report

Attached is the Elders Limited (**ASX:ELD**) Sustainability Report for the 12 month period ended 30 September 2022.

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**Further Information:**

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**Authorised by:**

Peter Hastings, Company Secretary

# FOR AUSTRALIAN AGRICULTURE

*Elders*

2022 Elders  
*Sustainability Report*

Elders Limited ABN 34 004 336 636



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# Message from the Managing Director and CEO



**Sustainability for Elders means looking after our people, communities and the environment to ensure that we are here to continue serving clients across rural and regional Australia for the long term - like we have for over 180 years.**

I am proud to share with you the excellent progress our people have made over the last year through our 2022 Sustainability Report.

## Safety

The safety of our people at work continues to be our priority.

This year, we reported 6 lost time injuries (LTIs), which is not acceptable. We continue to work hard to achieve a zero harm work environment - this year investing \$3.3 million in safety capital expenditure throughout the Elders network. We also launched practical training for manual handling and livestock handling to help staff further develop techniques that optimally protect their personal safety.

With the assistance of our employee Wellbeing Committee, this year we reviewed our current risk controls around psychosocial hazards and trained selected staff in mental health first aid, with further investment to be made. In addition to these initiatives, Elders is in the process of implementing a plan for all branches to host a defibrillator, so that any employee or member of the community can access this potentially life-saving equipment in an emergency.

## Communities

This year, we joined the Regional Australia Council, collaborating with corporate businesses to support the development, investment and prosperity of regional Australia. As a member, we have pledged to:

- create long-term career pathways for regionally based people
- support initiatives that enable rural and regional communities to reduce waste through reusing and recycling
- contribute to innovation and productivity in the agriculture industry

We have already made great progress on each of these fronts. This year, we gave \$2.69 million in sponsorships and donations, which included over \$1 million to agriculture industry and innovation; sponsoring national grower associations, industry bodies and grass roots organisations and local town shows across the country. We took on 658 new employees and supported the professional development of 201 rural and regionally based employees through our internal Retail Academy. Our continued support of recycling initiatives in local communities saw our branches collect over 41,000 chemical containers from farmers for recycling.

## Climate change

Our strategic response to climate change has developed over the last two years, with continued work aligning our climate-related disclosures with the TCFD Recommendations, and the setting of our targets to reduce emissions in 2021.

This year, ahead of our target of 2025, we have achieved 100% renewable electricity in all our Australian sites. This has been accomplished largely through the procurement and retirement of Large-scale Generation Certificates (LGCs), which we aim to minimise in the coming years as we install more on-site solar power systems. Elders Killara Feedlot has already made impressive progress in this regard, with a significant investment in solar energy generation through its 500kW solar farm, due to be operational in early FY23.

Our total Scope 1 and 2 emissions this year increased by 3,944 tCO<sub>2</sub>e from 2021, as anticipated with the progression of our Eight Point Plan ambitions to grow our business and market share. Notwithstanding this, we have made progress against our 2030 target to reduce our Scope 1 and 2 emissions intensity by 50% (tCO<sub>2</sub>e/\$m revenue) against a baseline year of 2021.<sup>1</sup> This has been achieved through record revenue results, as well as LGC procurement and retirement and changes at Killara Feedlot to reduce diesel fuel usage. Reducing emissions from cattle remains a challenge for us and many of our clients. Last year, we committed to partnering with industry on the development and implementation of technology to tackle the carbon footprint of our cattle. This year, we worked with beef supply chain participants and the Climate Leaders Coalition on a case study to map the carbon footprint of beef mince across the supply chain, and identify and model the impact of opportunities to reduce greenhouse gas emissions. We continue to monitor innovation in technology to reduce enteric emissions through our research and development arm, Thomas Elder Institute.

## People and culture

Our One Elders Values continue to drive the way we do business; with integrity, accountability and teamwork and through embracing new ideas and partnering with and adding value for our customers.

This is demonstrated through the actions and initiatives described throughout our Sustainability Report - including through responsible sourcing, supporting innovation and technology, community investment and supporting our people. This year, we invested approximately \$1.2 million in the professional development of our staff and achieved record high employee engagement, enablement and effectiveness scores through our Employee Effectiveness Survey. Our leadership team is integral to our continued success and I thank each of them for their support throughout this year.

These are only some of the highlights of our performance to date. In acknowledging the excellent work we have done, and continue to do, we recognise that we can and must do more to achieve our ambition of delivering an industry leading sustainability program.

This year, our Board announced the evolution of our Board Work Health and Safety Committee to the Board Safety and Sustainability Committee, which from 2023 will meet every quarter to oversee the strategies and performance of our safety and sustainability-related initiatives.

As we continue to grow and drive improvements in sustainability across our business, I encourage you to provide feedback to our Sustainability Team (sustainability@elders.com.au). I look forward to sharing with you our progress in future Sustainability Reports.

## Mark Allison

Managing Director and CEO

<sup>1</sup> Subject to commercially viable technology being available to address feedlot cattle emissions.

# CLIMATE TARGETS TO REDUCE GREENHOUSE GAS EMISSIONS<sup>1</sup>

## TARGET

## FY22 PROGRESS

### 2025

100% renewable electricity  
in all Australian sites by 2025

Target achieved through the  
procurement and retirement  
of Large-scale Generation  
Certificates (LGCs)

500kW solar farm in development  
Progressive increase in onsite solar  
generation from FY23

### 2030

50% reduction in Scope 1 and  
2 emissions intensity  
(tCO<sub>2</sub>e/\$m revenue) by 2030,  
against a baseline year of 2021<sup>2</sup>

18.8 tCO<sub>2</sub>e/\$m revenue in 2022

Down from 23.86 tCO<sub>2</sub>e in 2021

Achieved through record revenue, LGC  
procurement and reduced equipment  
fuel use at Killara Feedlot

### 2050

Net zero Scope 1 and 2  
emissions by 2050

64,772 tCO<sub>2</sub>e this year  
(Scope 1 and 2)

Up from 60,828 tCO<sub>2</sub>e in 2021

<sup>1</sup> Targets are based on Elders' financial year ending 30 September.

<sup>2</sup> Subject to commercially viable technology being available to address feedlot cattle emissions.

# SUSTAINABILITY PERFORMANCE

**50%**

Board positions held by women

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**17%**

Women in senior management  
Improvement programs in place

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**6**

Lost Time Injuries (up from 3 in FY21)  
\$3.3m invested in safety capital expenditure

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**12.6**

TRIFR  
Down from 15.1 in FY21

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**\$2.69m**

Donations and sponsorships

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**1,000+**

Local community sports teams  
and events sponsored

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**41,000+**

Agricultural chemical containers collected  
for reuse or recycling

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**APCO**

Joined the Australian Packaging Covenant  
Organisation and committed to  
reducing packaging waste

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# Sustainability at Elders

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## Our key sustainability principles

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**We provide our customers and clients with the goods and services they need**



**We support our people and the industries and communities in which we operate**



**We do our part to look after the environment and the animals in our care**



**We operate ethically and to the highest standard**

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Our ambition is to develop and then deliver an authentic and industry leading sustainability program which acknowledges and builds on the initiatives in which Elders participates and leads throughout rural and regional Australia, for and on behalf of the entire agriculture industry.

This is highlighted in our current Eight Point Plan, which sets out Elders' key strategic priorities from 1 October 2020 through to 30 September 2023. Our Eight Point Plan was developed by our Board and Executive through a series of workshops and strategy sessions in 2020.

## Reporting on Sustainability

Our Sustainability Report has been developed to inform our stakeholders of our actions and performance on material topics from 1 October 2021 to 30 September 2022 (referred to herein as 'the reporting period'), except where otherwise indicated.

The content of this report was determined using the GRI reporting principles for defining report content; namely:

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

The report reflects the most important topics (Materiality) raised by a wide range of stakeholders (Stakeholder Inclusiveness) in the context of current and emerging domestic and international trends in the agriculture industry and the ASX100 (Sustainability Context). It is based on information available and reported throughout the reporting period (Completeness).

Ernst and Young has provided limited assurance in relation to certain disclosures in our Sustainability Report. A copy of its assurance report is available on page 63.

## About Elders

Elders is a publicly owned agribusiness focused on creating value for its stakeholders both in Australia and internationally. 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. This year, Elders made the decision to close its Shanghai-based meat distribution business, Elders Fine Foods. More information is available in our Annual Report.<sup>1</sup>

## Our operations

<b>Rural Products</b>	<p>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.</p> <p>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.</p> <p>Our backward integration strategy is facilitated through various brands, including Titan AG, Apparent, Pastoral AG, IO and Hunter River.</p>
<b>Agency Services</b>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Real Estate Services</b>	<p>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. Other services offered through this business include water and home loan broking.</p>
<b>Financial Services</b>	<p>Financial Services are provided to our clients through Rural Bank, StockCo and QBE. 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.</p>
<b>Feed and Processing Services</b>	<p>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.</p>
<b>Technical Services</b>	<p>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.</p>

## 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 and discussions, surveys
Regulators	Reporting, meetings, site visits, through industry associations and responses to enquiries
Customers	Elders' website, surveys, meetings, industry events, information sessions and media communications
Communities	Elders' website, participation in community programs and events, industry events, 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 and discussions, surveys
Industry bodies	Industry conferences, meetings and presentations
Contractors and suppliers	Elders' website, meetings, supplier conferences and surveys

We aim to engage with all members of our investment community, customer, communities and employee stakeholder groups to varying extents through one or more of the methods outlined above. In selecting which regulators, NGOs, financiers, contractors and suppliers to engage with, we consider their relationship with Elders, and their knowledge and experience of the markets important to our business.

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

## Voluntary Alignment

### GRI Standards

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards “Core” option. To enhance our transparency, we have elected to report on additional disclosures which are not required for the Core option.

### TCFD Recommendations

We have chosen to align our climate-related disclosures with the TCFD Recommendations. Details on the actions we have undertaken this year and our plan for full alignment are on page 33 of this report.

### United Nations Sustainable Development Goals

Our approach to sustainability is informed by the following Sustainable Development Goals, which we believe we can contribute to most as part of our business:

 <p><b>2</b> ZERO HUNGER</p>	<p><b>Target 2.4: By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.</b></p> <p>We support agricultural productivity and sustainable food production by helping farmers access productive resources and inputs, knowledge, financial services and markets and supporting and undertaking research, development and extension services. More information is available in the following sections of this report: Community Impact and Investment, Climate Change, Severe Weather, Sustainable Farming, Water Availability and Innovation and Technology.</p>
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>Target 3.8: Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</b></p> <p>In Australia, access to essential health-care services, medicines and vaccines is publicly funded through the Australian Medicare scheme. In addition, at Elders, all our employees are provided with access to counselling services, discounted health insurance, free flu and Q-Fever vaccinations and paid personal leave. Within our local communities, we support several charities and non-for-profit organisations supporting access to health care for people in rural and regional communities, including the Royal Flying Doctor Service and Beyond Blue. More information is available in the following sections of this report: Community Impact and Investment and Health and Safety.</p>
 <p><b>5</b> GENDER EQUALITY</p>	<p><b>Target 5.5: Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.</b></p> <p>Gender equality has been the focus of our diversity program for several years. We promote gender equality within our organisation through our Board-approved diversity objectives, policies and training. More information is available on page 19 (Diversity) of this report.</p>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.</b></p> <p>Recognising the importance of a well-established, sustainable energy system, we set a target of 100% renewable electricity in our Australian sites by 2025. We achieved this target in 2022 through the procurement of Large-scale Generation Certificates (LGCs), and going forward, intend on progressively installing solar panel systems on suitable sites to generate more of our own renewable electricity. More information is available in the following sections of this report: Climate Change and Energy and Emissions.</p>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>Target 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</b></p> <p>Our Ethical Contracting Framework requires us to assess suppliers for a variety of ethical risks (including those relating to modern slavery) before engaging them and our Responsible Sourcing Code sets out the minimum ethical expectations we have of the suppliers we deal with. Our actions addressing the risk of modern slavery in our operations and supply chains are published annually in our Modern Slavery Statement.<sup>1</sup> More information is available on page 58 (Responsible sourcing and modern slavery) of this report.</p> <p><b>Target 8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</b></p> <p>Safety is Elders’ number one priority. Our approach to managing safety within our organisation is set out in the Health and Safety section of this report, and our expectation of our suppliers is set out in our Responsible Sourcing Code.<sup>1</sup></p>
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>Target 9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.</b></p> <p>We invest and participate in industry research, development and extension through our Thomas Elder Institute and Elders Plant Genetics. More information on our contribution and work is available throughout this report, and particularly in the Innovation and Technology section.</p>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><b>Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</b></p> <p>We support initiatives aimed at reducing negative environmental impacts, including reducing waste and reusing and recycling products within our own operations and the operations of our clients. More information on our actions is set out in the Waste section of this report.</p>
 <p><b>13</b> CLIMATE ACTION</p>	<p><b>Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</b></p> <p>We are taking steps to analyse and develop our resilience to the impacts of climate change and natural disasters. Our actions to date are set out in the following sections of this report: Climate Change and Energy and Emissions.</p> <p><b>Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</b></p> <p>We are also engaging with our workforce and industry on climate change adaptation and mitigation, including through our Carbon Farming Advisory Services initiative. More information is available in the Sustainable Farming section of this report.</p>

<sup>1</sup> Available online at <https://elders.com.au/sustainability/>.

## Our Material Topics

The following topics were initially identified as material to Elders' stakeholders through a Materiality Assessment undertaken with support from Ernst and Young in 2020. We regularly review these topics and the contents of our reports following stakeholder engagement to ensure we continue to address the issues our stakeholders consider to be material to our business.

Topic	Description	Stakeholders who raised this topic
<b>Community impact and investment</b>	Supporting local communities and managing community expectations and relations	Staff, customers, investors, industry groups, regulators and financiers
<b>Health and safety</b>	Maintaining our commitment to providing a safe work environment	Staff, customers, investors and financiers
<b>Employee attraction and retention</b>	Investing in the present and the next generation of our workforce and ensuring that our people are enabled to support service delivery and create meaningful work outcomes	Staff, customers, investors, industry groups and regulators
<b>Climate change</b>	Addressing the risks and opportunities presented by climate change mitigation and adaptation	Staff, customers, NGOs, investors, industry groups, regulators and financiers
<b>Water availability</b>	Addressing the issue of water availability to the communities in which Elders operates and its impact on the operation and performance of Elders' business	Staff, customers, investors, industry groups, regulators and financiers
<b>Animal welfare</b>	Ensuring the wellbeing and proper treatment of livestock	Staff, customers, NGOs, investors, industry groups, regulators and financiers
<b>Severe weather</b>	Addressing the issue of severe weather events and their impact on the operation and performance of Elders' business	Staff, customers, investors, industry groups and regulators
<b>Energy</b>	Managing our energy consumption and greenhouse gas emissions through the responsible use and reliable sourcing of energy	Staff, customers, investors and financiers
<b>Waste management</b>	Responsibly managing waste in our own operations and our role in managing agricultural waste from our customers' operations	Staff, customers, investors and industry groups
<b>Corporate governance</b>	Delivering on our commitment to high quality governance, transparency and ethical business practices	Staff, NGOs, investors and industry groups
<b>Innovation and technology</b>	Demonstrating our investment in innovation and technology in the agriculture industry	Staff, investors, industry groups, regulators and financiers

## Our Materiality Assessment involved:

1. Extensive research	2. Stakeholder engagement	3. Prioritisation	4. Validation and reporting
<ul style="list-style-type: none"> <li>Media analysis</li> <li>Peer analysis and benchmarking</li> <li>Internal document assessment</li> <li>Customer surveys</li> <li>Staff surveys</li> </ul>	Interviews with a range of stakeholders including: <ul style="list-style-type: none"> <li>Investors</li> <li>Superannuation funds</li> <li>Analysts</li> <li>Federal and State Governments</li> <li>Agriculture industry bodies</li> <li>Financiers</li> <li>NGOs</li> <li>Proxy advisors</li> <li>Our Executive and other Senior Management</li> </ul>	<ul style="list-style-type: none"> <li>Consolidating data from steps one and two for qualitative and quantitative analysis</li> <li>Scoring identified topics in order of importance to stakeholders and impacts on our business</li> </ul>	<ul style="list-style-type: none"> <li>Validating prioritised topics with our Sustainability team, Executive and Board</li> <li>Validating prioritised topics through Ernst and Young's proprietary assessment framework</li> </ul>



# Community Impact and Investment



**Through assisting generations of Australian farmers over more than 180 years in business, we recognise that our long term sustainability is dependent on us maintaining strong relationships with the communities in which we operate, and connected to their economic prosperity and resilience.**

Our rural communities continue to face a number of challenges presented by changing agribusiness models, increasing automation and corporatisation of farms, the environmental impacts of drought, flood, and more broadly, climate change.

As a key member of the agriculture industry and our rural communities, we recognise that we have a role to play in providing support. We primarily do this through:

- investments in local events and organisations, and by participating in local community programs
- supporting local businesses and employing local workers
- maintaining a physical presence in the communities we serve, through good times and bad
- adapting and providing the goods and services our local customers and clients need at any given time

## \$2.69 million

### IN SPONSORSHIPS AND DONATIONS

This year we gave nearly \$2.69 million in sponsorships and donations, comprising of \$2.49 million in cash, \$64,000 in costs, and \$133,000 in in-kind products and support. The majority of our spend was directed to the following areas:



## \$1,250,000

### TO LOCAL COMMUNITIES

Supporting the Regional Australia Institute in its mission to support the development, investment, and prosperity of rural and regional communities and directly supporting a variety of local community organisations and events, including rural schools, clubs, and more than 1,000 local community sports teams and events.



## \$1,190,000

### TO INDUSTRY AND INNOVATION

Sponsoring initiatives and organisations supporting the agriculture industry at a local and national level, including major field days like Elders Farmfest 2022. We continue to support national growers' associations, industry bodies, and several grassroots organisations, with approximately \$310,000 directed to local grower groups, town agriculture shows, and field days in rural and regional communities across Australia.



## \$217,000

### TO HEALTH AND WELLBEING

Donating funds to major charitable organisations like the Royal Flying Doctor Service (RFDS), Dolly's Dream, and Beyond Blue as well as supporting local fundraising events for local and national causes.

Our investments and participation in local community events, organisations and programs are run independently by our branches and are tailored to local community needs as informed by the people that live and work in them.

Our Board has approved delegations of authority (set out in our internal Delegation of Authority Policy) for making budgeted and unbudgeted sponsorships and donations. Budgets for community investments are reviewed and established in line with our annual budgeting process.

Major sponsorships and donations are evaluated and agreed to by our Marketing and Communications team to drive support to organisations and programs that have a connection and synergy which resonates with our business and employees, and have a positive impact on the communities we operate in.

This year, our staff directed over \$36,000 to the Foundation for Rural and Regional Renewal, the Royal Flying Doctor Service, Beyond Blue and BlazeAid through our matched employee payroll giving program.

## Supporting local people and business

### Industry and education

A large portion of our community investment is directed to supporting local industry groups and field days, facilitating the sharing of information on region-specific best practice farming and overall, helping our communities to build productivity and resilience.

Elders hosts educational workshops and webinars for growers across the country through our Technical Services business and Thomas Elder Institute. We also support industry conferences, trial site field days and local grower demonstrations.

### Economic development

Given the wide geographic spread of our operations, Elders employs many local people in rural communities, with around 86% of our staff working in rural or regional areas. We also support other local businesses within our communities, with our branches maintaining unique relationships with local suppliers. Through our AIRR business, we support smaller, independent rural product retailers with marketing, networking and accessing stock at a competitive price.

## Volunteering at Elders



*"Giving back to the community in some way is the Aussie way and I think most people do"* - Mark Meldrum, Branch Manager - Elders Beaudesert

With the majority of our staff living and working in rural and regional communities, the time dedicated to supporting local communities and the people that live in them is immeasurable. Elders supports its staff by supporting volunteering through work, and providing paid volunteering leave.

Mark and his wife have been volunteers in the Queensland Rural Fire Service since 1983. He has held the positions of 2nd Officer, 3rd Officer, Chairperson, Secretary and Treasurer and currently Firefighter.

## Elders and the Royal Flying Doctor Service



This year, Elders continued to sponsor the Royal Flying Doctor Service with a national contribution of \$100,000 in FY22. The RFDS is a key player in the delivery of 24/7 emergency aeromedical and essential primary health care services to people living, working and travelling in rural and remote Australia.

The Elders branded RFDS Pilatus PC-12 aircraft (VH-FXW), 'Whiskey' has airlifted thousands of patients from different country hospitals and outback locations for specialist care and life-saving treatment.

In addition, Whiskey has been used to transport RFDS primary health care teams from the RFDS Port Augusta Base to deliver 'fly-in' primary and dental health clinics to remote communities, and 37 COVID-19 related aeromedical transfers.



# Health and Safety



## Safety continues to be a critical and non-negotiable objective of Elders as we continue to improve our work health and safety systems to achieve our goal of zero harm in our business.

This year, Elders developed and launched its new Safety Plan, focusing on risk and incident management, compliance and education. We held our annual ‘Safety Week’, which saw staff across the country working together to complete branch risk reviews, attending our sun safety webinar and registering for sun cancer skin checks. Through our MyWellbeing Committee, we launched awareness campaigns on fatigue management and long distance driving, and began reviewing our current controls around psychosocial hazards and mental health. To support members of the wider agriculture industry, Elders continued to be a gold sponsor of Trialsafe; a forum for agribusinesses convened to support the sharing of safety-related improvement ideas and outcomes specific to the agriculture research sector through seminars and podcasts.

While our Total Recordable Injury Frequency Rate (TRIFR) continues to trend down, this year we recorded an increase in Lost Time Injuries (LTIs), which is not acceptable. Four of our six recorded LTIs occurred at acquired subsidiaries, which we are working closely with to ensure an aligned focus and culture related to safety.

### Safety performance

Our employees say:

- My work area is safe: 92% (up from 91% last year)
- I always prioritise safety when undertaking an activity: 94% (maintained from last year)
- We practice what we preach – Nothing is so important that it cannot be done safely: 90% (down from 92% last year)

### Lost Time Injuries



### Total Recordable Injury Frequency Rate



### Assessing performance on safety

One of the objectives of our third Eight Point Plan is to 'provide a safe working environment'.

The key indicators of our performance against our safety objectives at an organisation level include:

- Total Recordable Injury Frequency Rates (TRIFR), Lost Time Injury Frequency Rates (LTIFR) and Lost Time Injuries (LTIs)
- improved safety culture measured through our annual Employee Effectiveness Survey
- dedicated safety visits to branches by our Executive

Achievement of targets relating to TRIFR and completion of risk radars by branches are conditions of our Managing Director and Chief Executive Officer's Short-Term Incentive. More information is available in our Annual Report.<sup>1</sup> Additional indicators have been developed at both an Executive and local level to align safety-related behavioural expectations with the achievement of our Eight Point Plan. Those additional indicators for Executives include participation in a set number of Safety Action Team (SAT) meetings and 100% completion of online safety training by staff within each Executive's business unit. 'Driving significant progress in achieving a "zero harm" workplace' is one of the conditions of our Executive level Short-Term Incentives, while employees who have not completed safety training are typically precluded from receiving any work-related financial bonuses.

### Safety training

Each Elders employee is required to complete mandatory safety training annually, including general and role-specific courses. Each new employee is also required to complete mandatory safety training during induction.

Our Safety Business Partners are engaged to oversee compliance with safety training schedules and deliver face to face induction presentations and safety training to our employees as required. Elders provides online training, guidelines and Safe Work Instructions, and partners with AgSafe<sup>2</sup> and other third parties for practical training on driver safety, livestock and dangerous goods handling. Elders ensures nominated First Aid Officers (required at every worksite) are provided with first aid training. This year, Elders also introduced mental health first aid training to its Safety and Human Resource Business Partners, ensuring each state in which Elders operates has representatives equipped to respond to mental health incidents.

Managers are required to ensure that all employees have completed their required training and are competent to perform their role safely. Training requirements are determined based on the employee's background and experience, the requirements of their role and the level of risk that the employee may be exposed to. Management incentives are dependent on employees completing mandatory training.

### Safety Governance

Our commitment to establishing and maintaining a safe and healthy work environment is set out in our Work Health and Safety Policy<sup>3</sup> and implemented through our Work Health and Safety Management System (WHSMS), which responds to our evolving business requirements. The policies and procedures which underpin our WHSMS apply to all our employees and our contractors (Workers), 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 key principles of AS/NZS ISO 45001: 2018. Our WHSMS is monitored periodically and evaluated to ensure its suitability and effectiveness. Our sites are audited by our safety team and externally by AgSafe to ensure compliance with our WHSMS and that appropriate safety standards are maintained.

Our Safety Steering Committee (SSC), which includes our full Executive team, meets quarterly to consider matters relevant to Elders' safety strategy and to review and consider reports from other management regarding safety matters. Our Board Work Health and Safety Committee (BWHSC) meets twice a year to monitor our WHSMS and performance against the Safety Plan and our Board considers work health and safety at every meeting.



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

<sup>2</sup> Agsafe is a third party, industry-led, non-profit organisation that provides safety training and site assessments for Elders. Sites are accredited "Agsafe Industry Standards Premises" if they meet the Agsafe Industry Standards for Safe Transport, Handling and Storage of Packaged Agricultural and Veterinary Chemicals. More information is available at [www.agsafe.com.au](http://www.agsafe.com.au).

<sup>3</sup> Available online at <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

## Safety risk management

Work-related risks and hazards are primarily identified through:

- observations from Workers
- industry research
- incident or hazard reports
- branch safety audits conducted by our Safety Business Partners, AgSafe and regulators

We aim to control work-related risks and hazards (including high-consequence injury risks) in accordance with the following hierarchy of controls set out in our Safety Manual: Eliminate the hazard, Substitute, Isolate, Engineering controls, Administrative controls and Personal Protective Equipment. This year, we introduced monthly hazard reporting KPIs for all branches to drive more regular risk assessment, reporting and control management.

All incidents and near-misses are required to be reported to management immediately and on our reporting platform within 24 hours. The incident escalation and investigation process outlined on page 56 of this report applies to the investigation and escalation of serious safety risks. Information regarding safety incidents (as well as the results of branch audits and work, health and safety related statistics) are reported to the Safety Steering Committee and Board to continuously monitor. Our staff, Branch Safety Administrators, Safety Action Teams (SAT) and Critical Risk Teams perform risk assessments on identified and reported risks and make recommendations to the business on any corrective actions and improvements required.

Workers are regularly engaged on the development, implementation and evaluation of our WHSMS and are provided with several forums to raise and discuss work health and safety matters. To support meaningful and effective consultation, Elders has 7 SATs, comprising a total of approximately 70 members representing our branches across Australia.<sup>1</sup> Our SATs are responsible for identifying and attending to safety issues for the locations they represent, and operate as an additional conduit for safety-related information between Senior Management and our branches. During the reporting period, all 70 scheduled monthly SAT meetings were held.

Workers are encouraged to raise safety-related matters with their relevant SAT member. They are also engaged on local safety-related matters at branch meetings (where safety is required as the first agenda item), by their Branch Safety Administrator and their relevant Safety Business Partner. Our Safety Business Partners are members of SATs and report significant safety issues to the Safety Steering Committee for consideration.

Lost Time Injuries and serious incidents that are notifiable to a regulator are subject to a more formal investigation process, which involves the preparation of an incident report reviewed by the Head of Safety and our CEO. These reports are circulated to internal parties involved in the incident. Corrective actions and learnings are implemented to prevent future harm. The report is also provided to the Safety Steering Committee and the Board for discussion.

All Workers have the right to stand down or refuse to carry out work if they reasonably believe that to continue would put their safety or health at risk. Information on how grievances and unacceptable conduct relating to safety (as well as other matters) may be reported is available on page 58 of this report. Our Whistleblower Policy protects reporters who wish to remain anonymous from being identified and from any victimisation or liability for making a report.

<sup>1</sup> The number of SATs and members reduced from last year to streamline our communication processes and better reflect our business requirements.

### Material safety risks

Our risk register specifically addresses work-related hazards which pose a risk of high-consequence injury – namely handling livestock, manual handling and driving. These risks are managed in accordance with our Resilience Policy<sup>2</sup> and Framework<sup>3</sup> (described in more detail on page 56).

In 2021, Elders established three critical risk teams comprising employees across Australia to review the current controls for our high-consequence injury risks. Recommendations for improvements were provided to the Safety Steering Committee, which Elders reviewed and began implementing during the reporting period. These included policy and procedure updates, enhanced training programs and the introduction of new mechanical aids in branches for manual handling.

Elders also established a new critical risk team through the MyWellbeing Committee on psychosocial hazards; defined as hazards that may arise from or in relation to the design or management of work or the working environment or workplace interactions or behaviours, which may cause psychological or physical harm. Potential psychosocial hazards identified by the team included high or low job demands, bullying and harassment and traumatic events like bushfires and floods. Recommendations from the team in managing psychosocial hazards will be implemented over the coming months. These include mental health first aid training, promotion and education on psychosocial hazards and processes, plans and the establishment of an action team to enable our people to swiftly respond to traumatic events and provide ongoing support after the event has passed.

An additional risk associated with our business is the storage, handling and transport of chemicals and dangerous goods. Several chemicals and fertilisers used in agricultural production pose environmental and safety risks if not handled correctly. Elders has a number of measures in place to manage these risks, including site reviews by our Safety Business Partners and Agsafe, annual site self-assessment processes, the maintenance and monitoring of store manifests, facility designs to ensure appropriate site bunding,<sup>4</sup> sumps and product segregation, and the provision of guidance materials, spill kits and training to our Workers.

Storing, handling and transporting chemicals and dangerous goods can also pose health and safety risks to our customers and freight providers. We seek to prevent and mitigate those risks by:

- providing customers with Safety Data Sheets containing instructions on the safe use of dangerous goods
- offering customers tailored agronomic advice on the application of agricultural chemicals and hosting trials and demonstrations for customers and growers demonstrating product stewardship and safe use
- training our employees on safe product use and handling to support the provision of advice to customers
- training our employees on the safe transportation of goods, including their responsibilities to prevent or reduce potential harm or loss to others as required under the Chain of Responsibility Laws

### High-consequence injury risks

Risk	Driving	Livestock handling	Manual Handling
Controls	<ul style="list-style-type: none"> <li>• Regular vehicle servicing and safety checks</li> <li>• Driver safety training</li> <li>• Specific driver training</li> <li>• Vehicle specifications (safety rating approach)</li> <li>• Fatigue management</li> <li>• In-vehicle safety systems for emergency assistance (trials in FY22)</li> </ul>	<ul style="list-style-type: none"> <li>• Livestock handling inductions</li> <li>• Livestock handling procedures</li> <li>• Safe work method statements</li> <li>• Livestock handling booklet</li> <li>• Face-to-face training delivered by expert external providers</li> <li>• Assessment of saleyard facilities</li> <li>• Fitness for work</li> </ul>	<ul style="list-style-type: none"> <li>• Use of mechanical aids</li> <li>• Targeted manual handling training</li> <li>• Product labelling highlighting heavy products</li> </ul>

### Q-Fever

Q Fever is an infectious disease which can cause severe illness with inflammation of the liver and heart. People working with cattle, sheep and goats are at high risk of contracting Q-Fever.

All employees who are exposed to livestock are required to be tested and provide proof of immunity against Q Fever. If no immunity is present, employees must be vaccinated before they are allowed to interact with livestock as part of their role. Elders funds the costs of the immunity checks and vaccinations for all employees.

<sup>2</sup> Available online at <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

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

<sup>4</sup> Surrounding an area with a retaining wall to contain any unintended escape of material.

**Promoting good health**

Elders' 'MyWellbeing' program comprises a variety of initiatives facilitated by Elders for staff which focus on the following key pillars of wellness:

- MIND**  
Mental health (taking care of our minds)
- BODY**  
Not just physical exercise, but movement, nutrition, sleep and restoration
- CONNECTION**  
Positive relationships, enhanced communication (internally at Elders and externally at home and in the community)
- FINANCIAL**  
Financial safety brings security and peace of mind. Experiencing mental health issues can lead to financial stress and vice versa

This year, Elders developed its MyWellbeing Committee, comprised of staff from all over Australia. Our Committee launched the online MyWellbeing Hub, which includes guidance on nutrition, exercise and mental health for staff, and a volunteering drive to encourage volunteering throughout our organisation.

Other initiatives we offer as part of our MyWellbeing program include:

**Free access to counselling**

We offer free, confidential counselling services to our employees, their immediate family members, and 'in need' clients in person and remotely, through our independently administered Employee Assistance Program (EAP)

**Flu and Q Fever vaccinations**

Elders covers the cost of the above vaccinations for all employees

**Company funded clothing and PPE**

Every Elders employee has an annual allowance to purchase uniform items, which include sun-safe and wet weather-resistant clothing

**Access to our Reward Gateway**

Discounts and rewards are available for shopping at various chemists, gyms, sporting goods stores and health product retailers through our Reward Gateway





## Employee attraction and retention



**The success of Elders is reliant on us attracting, retaining and developing the best people in agriculture and ensuring our people are engaged and enabled to create meaningful work outcomes.**

Management of employee engagement and enablement is a condition of our Executive level Short-Term Incentives.<sup>1</sup> This year, we once again achieved record results through our annual Employee Effectiveness Survey, placing Elders well above the high performing benchmark compared to other companies globally.<sup>2</sup>

We continued to develop our people and culture, focusing on:

- attracting and developing young people and women in our workforce
- investing in upskilling and developing our staff through internal training programs, including frontline manager and retail products training across our entire employee cohort
- addressing gender pay equity through our internal review

### Employee effectiveness survey results

- Employee engagement: 79% (up from 78% in FY21)
- Employee enablement: 82% (up from 79% in FY21)
- Employee effectiveness: 69% (up from 64% in FY21)

<sup>1</sup> For more information, see our Remuneration Report within our 2022 Annual Report, available at <https://investors.elderslimited.com/investor-centre/?page=annual-reports>.

<sup>2</sup> Benchmarking and the administration of our Employee Effectiveness Survey is conducted independently by Korn Ferry.

## Our workforce<sup>1</sup>



Our operations are mainly conducted through our employees. We also engage people on fee-for-service contracts to provide consulting, livestock and real estate agency services. This year, we engaged 363 livestock and real estate agent contractors. No employees were stood down or required to work less hours as a result of COVID-19.

Our workforce profile is reported to our Board monthly, where any issues are discussed and changes to our management approach are agreed for implementation. Attracting and retaining quality people is managed as a business risk, using the procedure outlined on page 56 of this report. Our progress is measured through regular performance reviews, training, assessments and surveys.

The Fair Work Act 2009 (Cth) and applicable awards set out the entitlements of our Australia-based workers, including rights relating to remuneration, minimum wage, work hours and freedom to associate with an industrial association. Our Compliance Policy<sup>2</sup> requires us (as well as all our directors, employees, agents, contractors and consultants) to comply with all applicable laws and regulations.

## Employee development

We demonstrate our commitment to the development of our workforce through our investment in learning and development programs, remuneration and reward frameworks and succession and retention models. Career development is a standing item of every employee's annual personal development plan and performance review. This year we spent over \$1.2 million on professional development and continued to provide internal training programs virtually, in person and online. Training programs for employees are developed based on their experience and position within the organisation.

Workers beginning their careers in Elders or the agribusiness industry are supported through work experience, school-based trainee placements and professional development programs, including:

- our Graduate Agronomy Program
- our Livestock Trainee Program
- real estate agent introductory training
- monthly property management training

We also periodically take on candidates for work experience in other roles throughout our business, including corporate roles at our Head Office.

### AGRIBUSINESS LEADERSHIP PROGRAM



From left to right: 2022 program graduates Sam Whiting, State Operations Manager and Karena Milios, Head of Sustainability.

Each year Elders supports employees in completing the Agribusiness Leadership Program; a bespoke leadership development program provided by the Australian Rural Leadership Foundation, designed to challenge and support participants in responding to complex, real life situations faced in the agribusiness sector and facilitate the creation of new and diverse professional networks.

This year, our 2022 program graduates were Sam Whiting, State Operations Manager and Karena Milios, Head of Sustainability.

<sup>1</sup> As at the 30th of September 2022.

## Diversity and inclusion

We recognise that a diverse and inclusive workforce is critical to achieving our objective of attracting, retaining and leveraging talent, and we are committed to providing a workplace that promotes equal opportunity and an environment that is free from all forms of discrimination, including race, colour, national extraction, social origin, age, marital status, family or carer responsibilities, sex or chosen gender, sexual preference, religion and physical ability.

Our Diversity and Inclusion Policy<sup>3</sup> sets out the key elements of a diverse organisation and the value derived from embedding diversity and inclusion throughout our business. Our workforce profile is reported to our Board monthly. In addition, the diversity of our workforce is reported on and reviewed on a quarterly basis by Elders' Executive team through quarterly business reviews.

Positive movement in the representation of women in management and employee engagement and enablement are conditions of our Executive level Short Term Incentives. More information is available in our Annual Report.<sup>3</sup> We also continue to report annually to the Workplace Gender Equality Agency outlining our workplace profile in accordance with the Workplace Gender Equality Act 2012.

### Gender diversity

Gender remains a focus of our diversity program given the significant gap of female representation in leadership positions across the agriculture industry and our continued growth through agribusiness acquisitions. Within Elders, while female representation at Board level remains high, representation at other levels of management requires improvement.

This year, we engaged an independent, third party to undertake a desktop audit and review of our systems, policies, procedures, internal communications and current practices to identify opportunities which will facilitate the increase of women in management positions across our organisation. This included interviews with State and Executive Managers. Following our audit and review, we:

- continued to deliver unconscious bias training to managers as part of our Frontline Manager program
- completed our internal gender pay equity review and actioned salary increases where pay disparities were identified
- made changes to our leave policy, introducing paid family and domestic violence leave
- engaged independent consultants to continue our analysis on gender pay equity, with the aim of identifying root causes of inequity and further improvement opportunities
- launched new, Board-approved gender diversity targets

In FY23, we are aiming to engage an independent, third party to deliver inclusive leadership training to our Board and Executive to further support management in driving an increase in diversity in leadership positions.

### Our broader diversity program

Our broader diversity program focuses on addressing categories of diversity other than gender. As at 30 September 2022, within our workforce:

- 1% of employees have a disability or impairment
- 1.3% of employees identify as LGBTQI+
- 3.9% of employees speak a language other than English
- 27.4% of employees are primary carers
- 1.2% of employees identify as Aboriginal or Torres Strait Islander
- 6.6% of employees were born outside of Australia

90% of respondents to our annual Diversity and Inclusion Survey stated that they felt safe to be themselves at work, compared to 83% last year. We are continuing to develop strategies and programs to further improve on the findings of our diversity and inclusion survey and further our diversity objectives.

### Performance against our Board-approved measurable diversity objectives

	Actual Sept-22
Maintain the representation of women in Non-Executive Director roles at 40% or above by 30 September 2025	60%
Maintain the representation of women in Senior Executive Positions <sup>1</sup> at 40% or above by 30 September 2025	27%
Increase the representation of women in senior positions <sup>2</sup> to 25% by 30 September 2025	17%
Increase the overall diversity of Elders' workforce (including cultural background, sexual orientation, disability, impairment, caring responsibility)	33%
Maintain the feeling of belonging by allowing Elders' people to be themselves at work	90%

<sup>1</sup> Senior Executive Positions are all positions on Elders' Executive Committee, including the Managing Director.

<sup>2</sup> Senior positions are Korn Ferry (Hay) level 16 and above.

### Supporting diversity in industry leadership



Elders' State Rural Products team in New South Wales is the first all-female network-based leadership team within Elders. Lauren Marchant (State Rural Products Manager), Kate Woodbridge (State Rural Products Specialist) and Sally Broadhead (Technical Services Manager) work with Elders branches in New South Wales to support the supply of rural products through to Elders' New South Wales-based customers.

Recognising the benefits of diversity in the agriculture industry, this year Elders donated \$15,000 to the National Farmers Federation (NFF) to support the delivery of their Diversity in Agriculture Leadership program to women working across Australia. The program has been designed to increase the representation of women in leadership positions in Australian agriculture and support the NFF's goal to double the number of women in agriculture leadership positions by 2030.

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

<sup>3</sup> Available online at <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

### Elders staff at Sheepvention 2022



## Employee benefits and support

In addition to the benefits and support outlined on page 16 of this report, we offer the following to our employees:

### Access to the employee share plan

Employees can salary sacrifice to acquire shares in Elders.

### Service recognition

Employees are recognised for reaching service milestones and provided monetary rewards, gift cards and acknowledgements.

### One Elders Awards

This program recognises and rewards employees and teams whose performance and safety outcomes significantly contribute to business results, and demonstrate our values-based culture.

### Employee referral program

Employees referring a candidate who successfully gains employment with Elders are entitled to an incentive payment.

### Short-term incentives

Eligible employees can share in Elders' success when financial targets are met. Short-Term Incentives are awarded to high-performing employees.

### Access to a range of corporate discounts

Employees can access discounts on clothing retailers; health, motor and home insurance; vehicle rentals and purchases; travel and IT.

### Flexible working policy

Eligible employees can negotiate changes to their work hours, patterns and locations to

support a healthy balance between personal and professional commitments.

### Purchased leave

Employees can "purchase" additional periods of paid leave through a salary sacrifice arrangement over 12 months to reduce cost impacts.

### Staff foundation

Employees can contribute \$2.50 per month to the Staff Foundation with Elders matching every dollar. The Foundation uses this money to gift financial assistance to employees during times of hardship. The Foundation has 1,550 employee members. During the reporting period, it collected \$41,000 from employees and paid \$90,000 to staff in need.

### Paid parental leave

Carers (regardless of gender) who have worked for Elders for at least 12 continuous months and are permanent employees are entitled to paid parental leave. Primary carers are entitled to eight weeks of fully paid leave, while secondary carers are entitled to two.

### Paid personal and carers leave

All permanent employees are entitled to paid personal leave each year to cover absences for personal illness or injury, or to care for or support immediate family or household members.

### Paid domestic and family violence leave

Permanent employees may apply for up to five days paid domestic and family violence leave in addition to other forms of leave offered by Elders. This is to support staff in (amongst other things) seeking safe accommodation, attending medical appointments and organising alternative care for children.

### Paid employee transfer and relocation leave

Elders provides up to four days paid leave to support staff relocating for work by Elders.

### Paid study leave

Employees can be granted paid leave (subject to management approval) to undertake study and further education.

### Paid emergency service and volunteering leave

Employees who are members of a recognised emergency service organisation can be granted paid leave (subject to management approval) to assist in emergency situations. Elders employees are also entitled to two paid leave days each year to volunteer for community-based non-for-profit organisations.

### Supporting our leavers

The average length of service for our employees is 5.4 years, and as at 30 September 2022, 204 of our employees have served us for more than 20 years.

Our Redundancy, Redeployment and Retrenchment Policy<sup>1</sup> sets out our commitment to responsible workforce restructuring, requiring management to engage with our human resources team to ensure all relevant legislative and industrial obligations are considered and appropriately managed and impacted employees are treated respectfully and fairly. Elders also funds confidential external career support to employees who experience retrenchment, including confidential career coaching and assistance in securing another role.

<sup>1</sup> An internal document.



# Environmental Management



**Recognising the support that nature provides for our operations and the operations of our agribusiness clients, we are committed to looking after our land and managing our environmental impacts.**

## Regulation and risk management

Elders has sites and responsibilities throughout Australia where environmental legislation and regulations vary between states, territories, local authorities and various regulators. Compliance with relevant legislation is managed on the ground by our branches and overseen and guided by our Safety Business Partners and Legal and Compliance Team. Environmental risks and hazards are managed in accordance with our Resilience Framework (outlined in greater detail on page 56 and in our Corporate Governance Statement<sup>1</sup>), with key risks and incidents communicated between key operational personnel, Senior Management, the Executive and the Board.

Our performance in relation to environmental management and the various applicable environmental regulations across our various businesses over the reporting period is as follows.

### Killara Feedlot

Elders operates its beef cattle feedlot, Killara Feedlot in Quirindi, New South Wales. Killara is subject to both state and local government environmental legislation, and its operation is conditional on it maintaining its environment protection and water licences.

In accordance with its environment protection licence (EP Licence), Killara is required to undertake a significant number of environmental management activities to ensure that it is managing its waste, dust and odour emissions to minimise pollution of the surrounding community and to avoid groundwater and soil contamination. Failure to manage these emissions can affect the amenity of the local community and contaminate private and public property.

Emissions are monitored internally by Killara, and externally by the New South Wales Environment Protection Authority (NSW EPA) and the National Pollutant Inventory (NPI). Killara submits NPI reports to the NPI detailing emissions of NPI substances (including ammonia, carbon monoxide and oxides of nitrogen) and activities Killara has participated in to reduce these emissions. Killara also submits annual reports to the NSW EPA describing (amongst other things) management systems in place to manage soil health and nutrient levels, odour and dust, waste, protection of local waterways and details of any pollution complaints received in the reporting year. These reports are prepared by an external consultant. No confirmed breaches of environmental regulations or pollution complaints affecting Killara were reported during the reporting period.

Killara's performance on the management of its water consumption and discharge is detailed on page 44 of this report, while its performance on waste management is detailed on page 25.

### Saleyards

Saleyards are subject to various state, territory and local government environmental requirements, particularly relating to effluent management, dust and noise. These obligations vary from place to place and generally only apply to saleyards above a prescribed size. Elders expects its saleyard operations, irrespective of their size, to abide by the applicable laws and regulations.

No breaches of environmental regulations affecting Elders' saleyards were reported during the reporting period.

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

### Retail and wholesale operations

Elders' retail and wholesale operations are subject to state environmental regulations relating to the storage, handling, transport and sale of dangerous goods, which include some of the agricultural chemicals, fertilisers and poisons we supply. Although these regulations are based on nationally recognised standards, the regulatory environment for the transporting, handling, storage, sale and use of such dangerous goods, chemicals and scheduled poisons is complex and subject to regulations imposed by each state and territory. Elders' Safety Business Partners monitor compliance. In addition, many of Elders' branches and personnel participate in an accreditation, training and audit program operated by AgSafe. These assurance activities are being progressively rolled out to our wholesale operations.

Elders is not aware of any breaches of environmental regulations affecting Elders' retail or wholesale operations that were reported during the reporting period.





# Waste Management



**Effective waste management is essential to ensuring the health, safety, productivity and marketability of Australian agribusiness. As a provider of key inputs to Australian farmers, we recognise our responsibility to properly manage our waste and support effective waste management in our supply chains.**

Inappropriate management of waste by our operations and in our supply chains can contribute to pollution, the depletion of natural resources and the generation of greenhouse gas emissions, all of which could negatively impact the environments that Elders and its clients and customers operate in.

Given the geographic spread of our operations, with many of our locations operating in rural and remote areas, waste is generally managed locally, at site level. Our operations vary from location to location, with some sites operating retail stores, real estate agency services, livestock agency services, warehousing or a combination of activities. Accordingly, the quantum and type of waste produced by our operations varies from site to site. Waste is mainly produced in our operations and supply chains from:

- the packaging of the goods we receive and supply in our stores
- livestock, including organic waste produced by cattle at our Killara Feedlot
- paper printing
- staff (general waste such as food scraps and packaging)

Sites manage waste according to the types of waste they produce, and waste management service providers available in their area. While this enables Elders to effectively manage waste throughout its operations, it presents challenges to obtaining comprehensive data to enable us and our stakeholders to monitor and track our group-wide performance.

This year, we undertook further analysis of our waste management approach, with the objective of developing a waste management strategy that will enable us to track our group-wide performance and develop and implement a national strategy to reduce waste. Our analysis included:

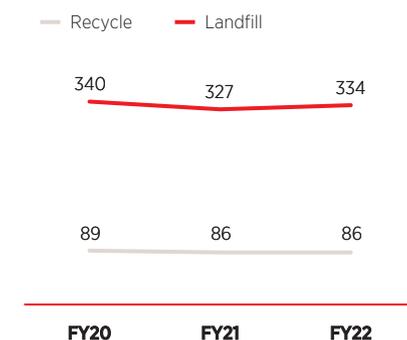
- surveying and auditing our sites to verify our waste streams, identify key waste issues and determine the types of waste collected by local councils and third party waste management service providers
- obtaining information from waste management service suppliers where available

We identified that:

- many of our branches use kerbside waste collection services operated by local councils and local waste providers<sup>1</sup>
- many of our largest retail sites and warehouses use third party contractors to manage waste

Available information on waste collected by third party contractors shows that during the reporting period, the amount of waste collected for recycling has remained at 86 metric tonnes while the amount of waste collected for landfill has increased by 7 metric tonnes compared to last year. We are aiming to develop strategies to improve on this in FY23.<sup>2</sup>

Waste removed by contactors (metric tonnes)



<sup>1</sup> Presently, information relating to the quantum of kerbside waste collected by local councils and local waste providers is not available.

<sup>2</sup> Based on data obtained from Elders' third party waste contractor. Metrics below represent waste collected from approximately 35% of Elders' property portfolio. Waste is weighed on collection. Elders' third party waste contractor has provided assurance that all waste collected is managed in accordance with all relevant laws and regulations.

**Elders Muchea Warehouse**



**Reducing waste**

The initiatives which we currently have in place to manage waste are as follows.

**Packaging**

This year, Elders joined the Australian Packaging Covenant Organisation (APCO) and became a signatory to the Australian Packaging Covenant. We are committed to implementing the Sustainable Packaging Guidelines (SPGs) and doing what we can reduce packaging waste associated with our products. A comprehensive review of all our own-brand product packaging against the SPGs is underway. Most of the agricultural chemicals produced under our own brands (Titan AG, Apparent, Independents Own, Pastoral AG and Benchmark) are produced in recyclable containers and where commercial and possible, in reconditioned and recycled intermediate bulk containers (IBCs).

**4,500 IBCs reconditioned and redistributed through Titan AG**

Some of our products, like fertilisers and seeds, are also sold in large plastic bags. Big Bag Recovery is an Australian Government accredited product stewardship scheme that facilitates the recycling of large bags. Elders facilitates the collection of large bags for recycling through Big Bag Recovery at several branches.

**9.9 tonnes of plastic bags collected by branches for recycling through Big Bag Recovery**

Elders' branches also sell recyclable and reusable IBCs and chemical drums for packaging and transporting agricultural chemicals manufactured by other suppliers. Many of our branches collect empty IBCs and 100 - 110 litre chemical drums from customers for cleaning and re-distribution.

**Over 40,000 IBCs and chemical drums collected by branches for reuse or recycling**

Other eligible chemical drums can also be provided directly to drumMUSTER for recycling. DrumMUSTER provides Australian agricultural and veterinary chemical users with a recycling pathway for labeled, triple rinsed, empty agricultural and veterinary chemical containers.<sup>1</sup> As a member of drumMUSTER, Elders pays voluntary levies to ensure that chemical containers for its own brand products are eligible for recycling. Several sites in the Elders group also facilitate the collection of used chemical drums.

**Supporting drumMUSTER**

- 1,600 drums collected for drumMUSTER by Elders sites<sup>2</sup>
- \$548,000 paid to drumMUSTER by Elders

Through many of our sites, foam boxes used to transport cold items like vaccines are reused or donated to customers and community groups for reuse.

The majority of the pallets used throughout the Elders network for transporting the goods we sell to our customers are reused. Many of our sites give away single-use wooden pallets to local community members for re-purposing or use as firewood.

<sup>1</sup> More information is available at <https://www.drummuster.org.au/>.  
<sup>2</sup> Drums collected for DrumMUSTER in FY22.

**Killara Feedlot**



**Recycling at Killara Feedlot**

A portion of the organic waste generated by Killara Feedlot is used to fertilise surrounding paddocks which produce the feed provided to feedlot cattle. Killara maintains records of all manure harvested from pens and applied to nominated utilisation areas within the paddocks, which are selected based on advice from agronomists who conduct regular soil testing before any nutrients are applied.

Organic waste is composted on-site and excess manure is sold to a third party for processing and retail distribution. Approximately 34,000 tonnes of manure was sold during the reporting period, generating an additional income stream for the business.

**Chemical and hazardous waste**

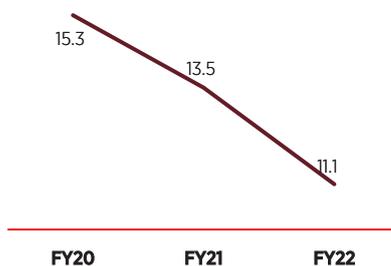
As a member of drumMUSTER, Elders also supports the ChemClear program<sup>3</sup> - a service which helps farmers and other users of agricultural and veterinary chemicals in managing chemical storage and safely disposing of chemical waste by collecting full and partly-full containers of unwanted chemicals across Australia. Elders promotes ChemClear and drumMUSTER to many of its clients in store and on farm, and utilises ChemClear to coordinate the safe disposal of chemicals stored at its sites when required.

**Paper and other business waste**

This year, Elders continued implementing system improvements to reduce paper waste within its branches, with an aim to eliminate unnecessary printing throughout our operations. This included the introduction of DocuSign, through which over 183,000 pages of documents were processed this year. Double page printing is automated and staff are required to verify printing before pages are released to prevent accidental and unwanted printing. A progressive reduction of waste is expected over the next three years as Elders undergoes a major modernisation of its IT and data platforms.

Our Head Office in Adelaide, South Australia, hosts the largest number of our staff in one location. Individual desk bins have been removed to direct waste to central repositories for separation into general, paper, cardboard and organic waste to enable appropriate waste management and recycling. Similar initiatives exist in our branches. Several branches also participate in bottle and can collection drives to raise funds for local community groups and charities. Work is currently underway to further separate waste streams and develop staff waste management strategies across our network.

Number of pages printed (million)



<sup>3</sup> More information is available at <https://www.chemclear.org.au/>.





## Climate Change



### Australia's changing climate presents systemic challenges to the agriculture sector, as well as to our clients and farming activities.

Hotter and drier conditions, prolonged droughts and more extreme weather events have profound effects on farmers, associated businesses, the communities in which we operate and Australia's economy more broadly. Our role as a provider of products and services to Australian primary producers places us at risk to both direct and indirect effects of climate change.

In 2022, a change in Federal Government saw Australia reaffirming its commitment to net zero emissions by 2050 and announcing more ambitious interim targets to reduce greenhouse gas emissions by 2030.

Reducing emissions in the agriculture sector presents some challenges and many opportunities to improve productivity and resilience while benefiting the environment. As a valued partner of the agriculture sector, we have an important role to play in contributing to the sector's resilience and helping develop technologies to assist with emissions mitigation and climate change adaptation. We also acknowledge our own responsibility to address climate change and in particular, manage and reduce greenhouse gas emissions associated with our own operations.

This year, we completed qualitative climate change scenario analysis. Ahead of our 2023 ambitions, we also identified and quantified select categories of our Scope 3 emissions, and made progress against our emissions reductions targets, achieving 100% renewable electricity in all our Australian sites through the procurement of Largescale Generation Certificates. More information on this work is detailed on page 36 of this report.

## Climate change governance

Elders considers climate change to be a material business risk with potential impacts on our economic, environmental, and social sustainability. Our Climate Change Policy<sup>1</sup> sets out:

- Our commitment to supporting the global effort to reduce greenhouse gas emissions in alignment with the 2015 Intergovernmental Panel on Climate Change Paris Climate Agreement
- The role of our Board and Executive in managing climate change strategy, risks and opportunities.

Both the operational and strategic risks posed by climate change are captured under our current governance, risk management and resilience frameworks.<sup>2</sup>

To increase transparency with our stakeholders and investors, and to bring a spotlight on what Elders is contributing in this space, the Board has set a target of fully aligning our disclosure of climate-related risks with the TCFD Recommendations by 30 September 2023, in alignment with the completion of our third Eight Point Plan. The TCFD Recommendations form the preferred climate disclosure framework of the Australian Securities and Investments Commission (ASIC) and the ASX Corporate Governance Council. They are structured around four core elements (governance, strategy, risk management and metrics and targets) and ultimately demonstrate our Board's consideration and oversight of climate issues and Elders' progress in managing climate-related risks and opportunities.

Our Board has been briefed on the requirements of the TCFD Recommendations and is responsible for reviewing and approving the climate-related disclosures contained within this report.

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

<sup>2</sup> Full details on the role of our Board and Executive in managing risk, including climate-related risks, can be found on page 55 and within our Annual Report, Corporate Governance Statement and Audit, Risk and Compliance Committee Charter.

## Risks and opportunities

Climate change presents both risks and opportunities to Elders' businesses and will impact regions within Australia differently, requiring varying forms and levels of adaptation.

Its impacts on Elders are broadly managed through:

- our diverse product and service offering provided across our national footprint, which supports risk mitigation and the ability to deliver products and services required by our clients and customers as they adapt and respond to climate-related impacts
- our strategic and disciplined approach to growth, pursuant to which our key sustainability principles, as well as local climate trends and impacts and the carbon footprint of our target (where material) are evaluated as part of our due diligence process for potential business acquisitions

### Assessing risks and opportunities

In assessing the specific climate-related risks and opportunities for our business, we consider both short-term (0-3 years) and medium to long-term (0-30 years) physical and transitional impacts. Climate-related risks are then assessed in accordance with our Resilience Framework, with added analysis on the shift in risk ratings projected over the long term.

Below is an overview of the key risks identified by Elders. The risks noted are not exhaustive and are in no particular order.

#### TCFD risk categories

**Physical risks:** **A** – Acute **C** – Chronic

**Transitional risks:** **PL** – Policy & Legal **M** – Markets **R** – Reputation **L** – Liability

#### TCFD opportunity categories

**RE** – Resource efficiency **E** – Energy source **PS** – Products/Services **M** – Markets **R** – Resilience

### Climate-related risks and strategies

Risks and impacts	Our strategy
<b>Crop yields</b>	
<b>C</b> Crop yields may be adversely impacted by a fall in total annual rainfall, prolonged drought, future rainfall occurring in fewer, heavier events, higher temperatures, increased fire risk and an increased prevalence of pests, diseases and weeds. This could impact farm profitability and the demand for the goods and services which Elders supplies.	<b>PS</b> Continue to offer supportive rural products, including water efficient and heat tolerant plant varieties and plants with shorter growing seasons
	<b>PS</b> Continue to offer agronomic advisory services and supportive AgTech assisting farmers with effective cropping, pest, disease and weed management and farm adaptation
	<b>R</b> Maintain effective inventory management practices to mitigate the impact of demand variability
	<b>PS</b> Investigate opportunities to partner with additional suppliers providing climate-resilient plant varieties
<b>Health and safety</b>	
<b>C</b> Increased frequency and severity of extreme heat days may result in reduced productivity, increased changes of heat-related illness and exposure to heat-related injury.	<b>R</b> Continue to implement and improve our WHSMS, provide appropriate, sun-safe uniforms and PPE and maintain appropriate and effective incident management plans
<b>Livestock production</b>	
<b>C</b> Livestock production may be affected by variability in pasture quality driven by prolonged drought, higher temperatures and heat stress and flood-related mortality. This could impact the demand for animal health, feed products and agency services. Killara Feedlot may also be impacted due to increased mitigation requirements.	<b>M</b> Retain our existing, geographically diverse livestock agency base to serve clients across the country and mitigate the impacts of regional adverse conditions
	<b>PS</b> Continue to offer supportive rural products, including pasture varieties that maximise water use efficiency, heat tolerance and shorter growing seasons and feed supplements that mitigate the effects of heat-stress, dehydration and physical stress in animals in extreme weather
	<b>PS</b> Continue to offer livestock production advisory services, advising farmers on the selection of animals based on genetic resilience and appropriate seedstock and commercial replacements
	<b>R</b> Scenario analysis and an increased understanding of the likely geographical shifts of livestock production may identify further opportunities and controls
<b>Severe weather</b>	
<b>A</b> Tropical storms and cyclones may increase the risk of heavy, prolonged rainfall events and the potential for widespread flooding and destruction of infrastructure, physical assets, crops and livestock.	<b>M</b> Retain and grow our national footprint to serve customers and clients across the country in responding to the impacts of severe weather
	<b>R</b> Maintain our incident management, emergency evacuation and business continuity plans.
	<b>R</b> Maintain effective inventory management practices to mitigate the impact of demand variability

Risks and impacts		Our strategy	
<b>Storm impacts</b>			
<b>A</b>	Coastal events like cyclones, storms and associated storm surges may result in damage to port infrastructure, vessels or goods, which could impact Elders' supply chain.	<b>M</b>	Maintain and diversify our supplier base to mitigate supply chain disruptions
		<b>R</b>	Continue working with suppliers to manage risks and implement effective inventory management practices, including holding stock in our Australia-based AIRR warehouses and working with local suppliers
<b>Demand for key products</b>			
<b>R</b>	Consumer preferences shifting to 'green' labelled products may result in a decreased demand for some of Elders' product lines.	<b>PS</b>	Maintain and grow our diverse product offering
		<b>M</b>	Continue to investigate opportunities to expand our range to accommodate changes in demand
<b>Water availability</b>			
<b>C</b>	Decreases in average rainfall and an increase in the frequency and duration of drought conditions limits the replenishment of dams, reservoirs and aquifers. This could impact both water supply for on-site usage (drinking and irrigation), trading, and could see changes to license terms. Water scarcity could impact farm operations and reduce the demand for the goods and services which we supply.	<b>RE</b>	Monitor and maintain Killara Feedlot's water licences, centre pivot irrigation system and relationships with third party feed suppliers
		<b>M</b>	Manage the impacts of water price volatility on our water trading business by aligning fees with water value
		<b>M</b>	Continue to explore opportunities to increase our offering of water capture and storage equipment
<b>Climate change policy and carbon charges</b>			
<b>PL</b>	International pressure or changes at a Federal government level have the potential to rapidly shift the types of obligations faced by Australian companies in the coming years. Changes may include the introduction of a carbon charge, which may impact Elders' operational costs and that of its customer base. International changes may also impact Elders' ability to conduct business in foreign jurisdictions.	<b>R</b>	Fully align our climate-related disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures
		<b>RE</b>	Implement strategies to reduce Elders' greenhouse gas emissions in alignment with our emissions reduction targets.

## Climate-related opportunities

Through our risks and opportunities analysis, we also identified the following further opportunities for Elders arising from climate change.

Opportunity	Strategy
<b>PS</b> Grow and diversify our fertiliser product offering and our use of advanced software and technology to optimise fertiliser application.	Continue to partner with suppliers and support the development of alternative fertiliser products. Support the continued Fertcare accreditation of our advisers and industry uptake of precision AgTech <sup>1</sup>
<b>PS</b> Continue to support AgTech uptake and development to assist farmers with monitoring and managing pests and diseases, and provide data driven insights for stocking pest and disease control products in specific locations.	Continue to partner with AgTech providers and support industry uptake, including through on farm demonstrations <sup>1</sup>
<b>PS</b> Develop and/or partner with third parties to supply climate-smart crops, including selecting traits for more resilient plants, such as heat and/or drought resistance.	Continue to partner with third parties through our Thomas Elder Institute and Elders Plant Genetics to support development and commercialisation of new plant varieties
<b>PS</b> Support client diversification and strategies to access growing markets for alternative protein sources (including plant-based protein "meat alternatives").	Continue to provide advisory services to growers through our agronomy network and Thomas Elder Consulting
<b>PS</b> Offer services assisting farmers with climate change adaptation and mitigation by supporting carbon farming and the generation of carbon credits through the Australian Government Carbon Farming Initiative.	Further develop and grow our existing Carbon Farming Advisory Services offering to serve more clients across Australia
<b>RE</b> Expand consultancy services to cover herd stocking strategies to support climate change adaptation, working with clients to identify desirable genetic traits for selective breeding and opportunities to improve pasture quality and diversify livestock.	Expand our genomic testing service offering, livestock production advisory services and involvement in plant breeding and support industry adaptation of new technology and resilience

<sup>1</sup> See page 49 of this report for information on how Elders presently supports innovation and technology.

## Climate change scenario analysis

During the reporting period, we undertook a qualitative analysis of the physical impacts of climate change on the Australian agriculture industry and consequent impacts on Elders' business. The purpose of this analysis was to develop our understanding of how climate change will impact the production of key agricultural commodities in Australia through acute and chronic changes to temperature and rainfall, and ways in which Elders may be able to support its clients in sustainably mitigating and adapting to those changes.

Our analysis focused on climate-related impacts to the meat, grains and dairy sectors. We worked with independent climate change consultants to understand productivity in these sectors up to 2030 and 2050, using emissions scenarios developed by the Intergovernmental Panel on Climate Change (IPCC); namely Representative Concentration Pathways (RCP):

- 2.6, which is a low concentration pathway resulting in global heating by the end of the century of less than 2°C
- 4.5, a mid-case scenario where global heating surpasses 2.6°C by 2100
- 8.5, which models 'runaway' climate change resulting in greater than 4°C heating by the end of the century.

Additional models recommended by the CSIRO and developed by Dairy Australia under the Dairy Business for Future Climates project were also used.

### Our findings

Conditions in Australia have long challenged Australian farmers to maintain and increase productivity. Climate change has the potential to present further challenges, with projections under each scenario showing an increase in the frequency and intensity of events like drought and flood, and chronic changes in heat, humidity and rainfall. Without adaptation, these changes can negatively impact productivity. With adaptation, productivity may be sustained and even increase in certain regions.

The productivity in the Australian agriculture sector directly links to market conditions and demand for Elders' goods and services. As a critical intermediary to the sector, we occupy a key role in facilitating agribusiness operations and supply chains. Our geographical and commercial diversity means our business is well positioned for resilience to a range of climate-related risks impacting the industry, and to capitalise on opportunities for growth and driving climate adaptation solutions.

Key opportunities for Elders include:

- Continuing to diversify Elders' product range and redistribute skills, resources and expertise as required in response to environmental changes
- Supporting clients in transitioning farming operations through agronomic and livestock production advisory services
- Leveraging our networks and partnering with suppliers, industry and AgTech developers to commercialise innovative goods and services to drive sector adaptation and productivity



## Our findings- continued

### Meat production

More than half of Australia's land is used for grazing purposes. Queensland produces the largest number of beef cattle, while Western Australia and the Northern Territory comprise the largest grazing areas. The primary driver of beef productivity is pasture quality, and there are many variables which directly impact pasture quality; rainfall being the primary driver.

Without producers implementing adaptive measures, livestock productivity is projected to decrease in each of the climate change scenarios considered in our analysis. By 2030, production may decrease by between 5 and 10%, followed by further declines through to 2050. Reduced productivity may impact the demand for the products and services Elders supplies; demand may increase as producers implement adaptation measures, and decrease if they do not. Agency commissions linked to livestock prices will also fluctuate with supply and demand.

With adaptation, livestock production may be maintained or even improve in certain areas.<sup>3</sup> Adaptation measures available to producers include:

- Improving pasture quality by sowing heat and drought tolerant grasses and legumes,

fertilising pastures to improve soil quality and deploying technology to optimise water usage and manage soil nutrient levels

- Using livestock breeds or species that are genetically more heat-tolerant (e.g. plain-bodied instead of wrinkly skinned sheep, and Brahman cattle and cross breeds)
- Establishing new protocols around moving, handling and transporting livestock during hot weather
- Improving access to clean and cool water and shading

Changes which may be made to livestock production and feeding include shifting to confined feeding systems to enable the more efficient use of feed supplements and support better management of ground cover and pasture growth. The operation of feedlot farming systems may increase as the climate changes, as feedlot farming enables cattle to be shaded and localised cooling systems to be used to control environmental conditions. It is noted that this will increase the demand for feed rations (the production of which is itself exposed to climate change impacts).

As a provider of animal health products, feed and livestock production advisory services, Elders is well positioned to support livestock producers in adapting to physical climate risks.

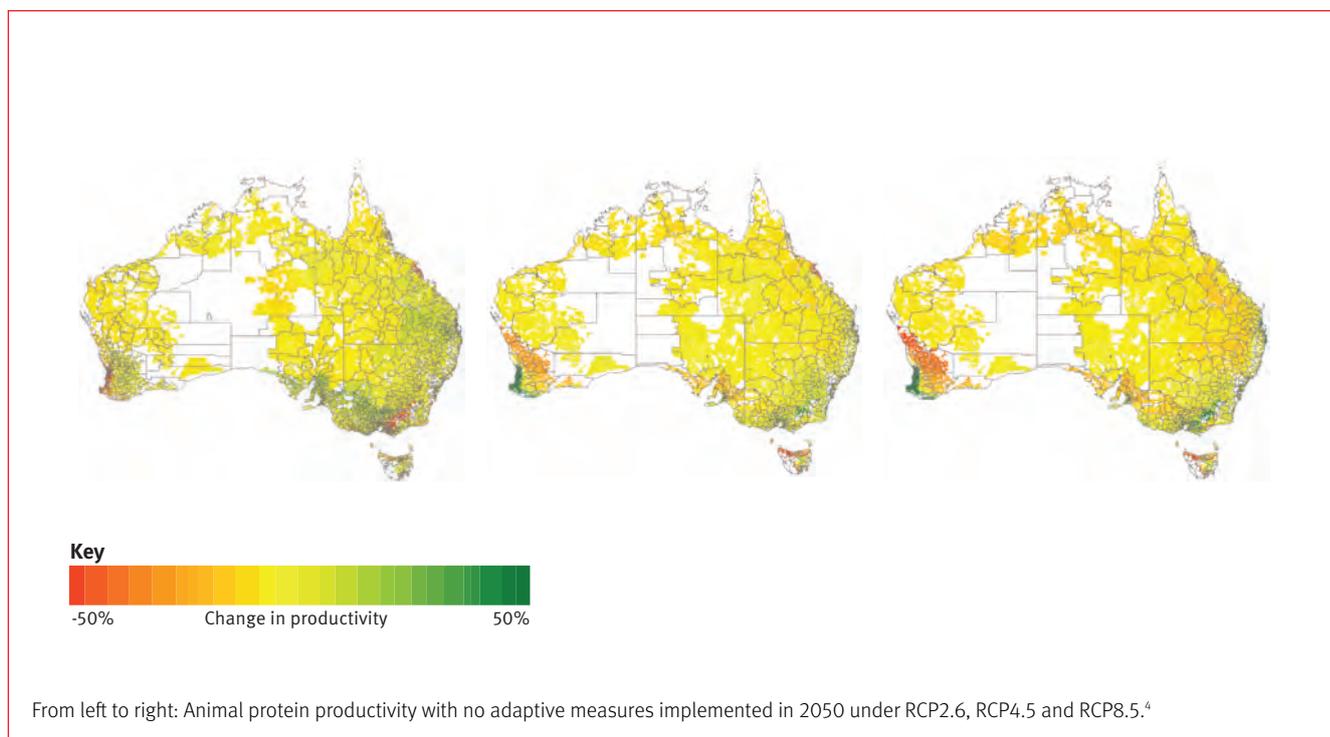
### Dairy

Dairy cattle are farmed in higher rainfall regions that mostly fall outside of the main grains cropping regions (as detailed on page 32). Without adaptation, declines in productivity in all dairy regions (in particular, the Murray region) are projected in the RCP8.5 scenario based on changes in temperature and rainfall. While dairy cattle are more likely to be fed supplementary feed compared to beef cattle, pasture quality remains an important yield factor. In some regions, warming is projected to increase winter pasture growth, while other regions experience reduced spring growth.

As in the case of livestock production, decreases in productivity may affect the demand for products and services supplied by Elders.

Adaptive measures, which Elders is positioned to support the uptake of, may improve dairy production. These include:

- Selective breeding (using breeds or species that are genetically more heat-tolerant and productive)
- Optimising supplemental feed
- Implementing shading and cooling systems



<sup>3</sup> See for example Department of Primary Industries and Regional Development, 2021, "Climate change and broadacre livestock production in Western Australia", <https://www.agric.wa.gov.au/climate-change/climate-change-and-broadacre-livestock-production-western-australia>, accessed 2 September 2022.

<sup>4</sup> Underlying data provided by CSIRO Climate Science Centre 2021. For the purposes of this illustration, "productivity" means the quantity of outputs produced with a given quantity of inputs (e.g. land availability, labour, materials and other natural resources). As a measure, it represents the relative ability of farms to convert inputs into outputs, whereby increased efficiency and advancements in technology can lead to growth in productivity over time.

**Grains**

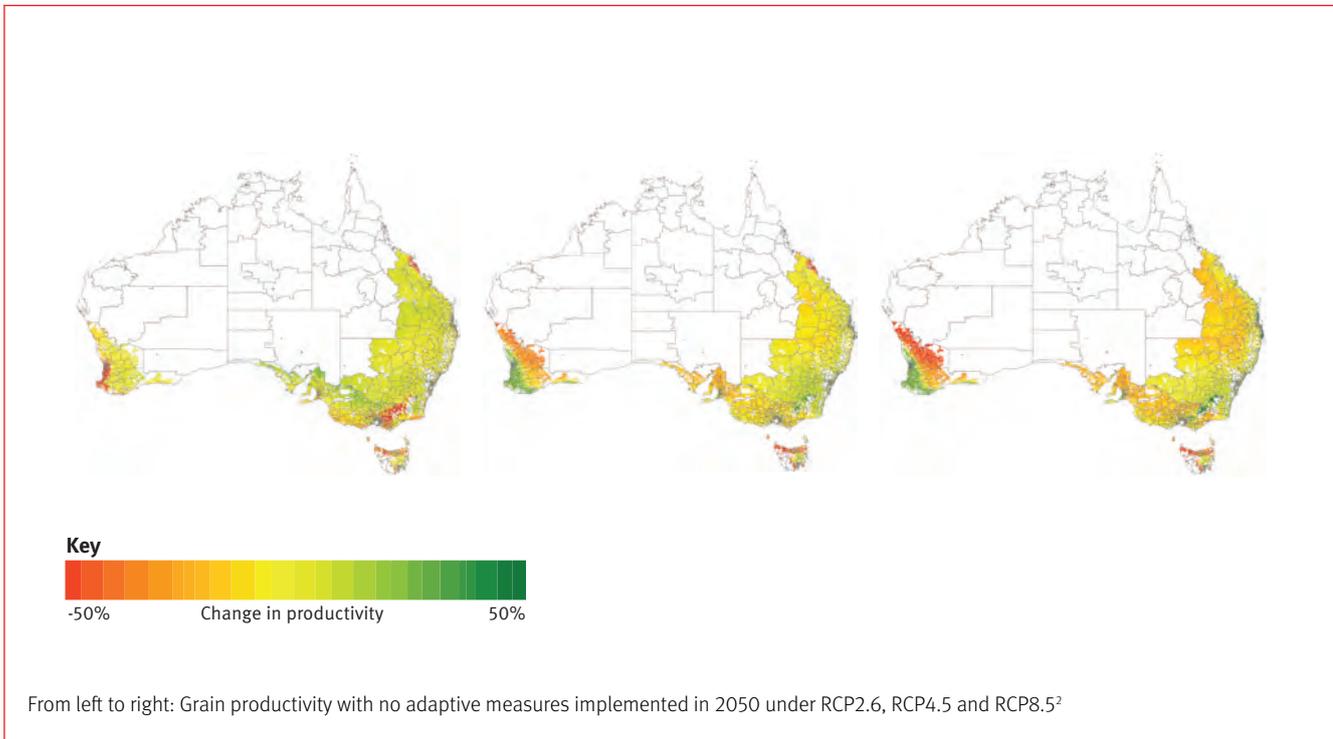
Grains are primarily grown in the south-west, south-east and eastern parts of Australia. Grain production is highly concentrated in the Western Australian wheatbelt and inland New South Wales. Without adaptation, climate impacts on grain production are projected to be most severe in the western and southern cropping regions; declining rainfall being the greatest driver for falling productivity. The Western Australian wheatbelt is the key region at risk for the grains sector, and is projected to experience an average 25% decrease in productivity out to 2050 under RCP8.5. Decreases in yield may reduce farm profitability and as a consequence, the demand for Elders' products and services.

Adaptation may, however, enable grain producers to maintain and potentially improve productivity in some regions. As a supplier of key inputs and technical advisory services to grain producers across the country, Elders is well positioned to support such adaptation.

Measures such as the following could have positive impacts on crop yields:

- breeding and planting drought and heat tolerant crops
- implementing technology to maximise water use efficiency and optimise the use of agricultural chemicals and fertilisers
- shifting sowing windows to accommodate changes to optimal growing seasons

Better management of fertiliser use could also have a positive impact on greenhouse gas emissions from cropping. Recent studies have shown that it is possible to increase grain production without significantly increasing overall on-farm emissions.<sup>1</sup> In areas like the Western Australia wheatbelt, where grain production is projected to be more significantly impacted by climate change, shifts to mixed farming or livestock production may be the optimal outcome for producers operating in the region. Elders is well positioned to support such a transition through its established agronomy and livestock production advisor network.



<sup>1</sup> Although off-farm emissions associated with the production of fertiliser may increase: Sevenster M., Bell L., Anderson B., Jamali H., Horan H., Simmons A., Cowie A., Hochman Z. (2022) Australian Grains Baseline and Mitigation Assessment. Main Report. CSIRO, Australia.

<sup>2</sup> Underlying data provided by CSIRO Climate Science Centre 2021. For the purposes of this illustration, "productivity" means the quantity of outputs produced with a given quantity of inputs (e.g. land availability, labour, materials and other natural resources). As a measure, it represents the relative ability of farms to convert inputs into outputs, whereby increased efficiency and advancements in technology can lead to growth in productivity over time.

## Next steps

To achieve full alignment with the TCFD Recommendations requires a staged approach. Our current achievements and objectives are detailed in the table below, and our present alignment with the TCFD Recommendations is outlined in our TCFD Index on page 64 of this report.

### Elders' staged action plan for full alignment with the TCFD Recommendations by 30 September 2023

	Governance		Risk Management		Strategy		Metrics & Targets	
<b>FY20</b>	Comprehensive disclosure of our climate-risk management process, roles and responsibilities.	✓	Initiated internal and independent review of climate-related risks and opportunities.	✓	Detailed the role risk plays in our decision making.	✓	Reported our Scope 1 and 2 emissions from energy use and feedlot cattle.	✓
<b>FY21</b>			Detailed our climate-risk assessment methodology and disclosed our climate-related risks and current mitigation actions.	✓	Identified climate-related opportunities.	✓	Reported our Scope 1 and 2 emissions, including emissions from feedlot waste and fertiliser management	✓
<b>FY22</b>					Qualitatively assess future climate-related risks and impacts using appropriate climate scenarios.	✓	Develop our Scope 3 emissions profile	✓
							Set climate related targets and metrics	✓
<b>FY23</b>					Disclose impacts of, and business resilience to, climate-related risks and opportunities including commentary on financial implications under each scenario.		Report on performance against targets.	✓





## Energy and Emissions



**Energy is essential to our business and understanding how it is used and the associated greenhouse gas emissions produced is key to reducing our organisation's impact on the environment and ensuring our ability to transition to a low carbon economy.**

### Greenhouse gas emissions and energy

We produce greenhouse gas emissions through our activities both directly and indirectly. The greatest source of our emissions are our cattle production activities at Killara Feedlot. Enteric fermentation by livestock, the practice of applying fertiliser to soil and manure and effluent management all produce greenhouse gas emissions, which represent around 69% of our carbon footprint. Conversely, minimum till farming practices (which many Australian operations, including Killara Feedlot, use to better manage available moisture in soil) are understood to increase soil carbon sequestration, reduce N<sub>2</sub>O emissions (as a result of reduction in nutrient run-off) and reduce scope 3 emissions from the manufacture of fertiliser.

Our other main sources of greenhouse gas emissions are from the consumption of energy, in the form of:

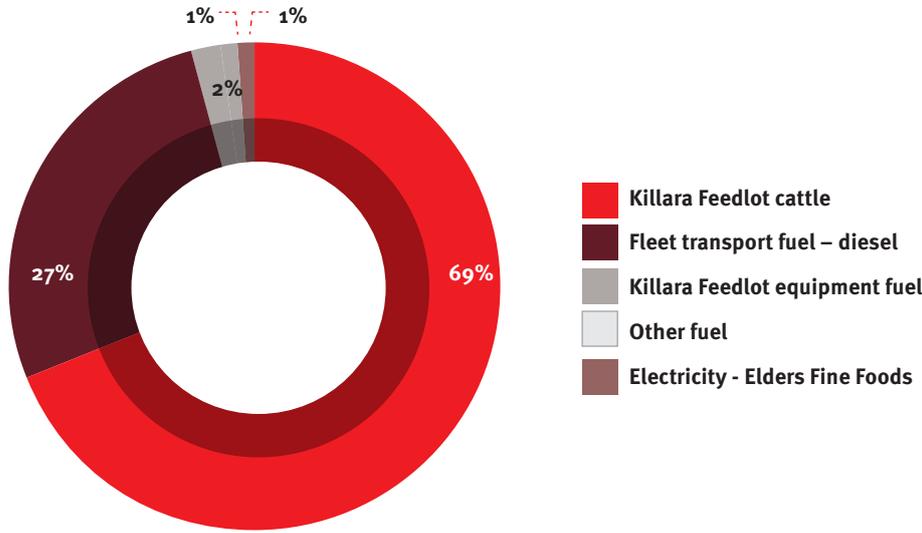
- electricity, which is used to power our worksites
- fuel (primarily diesel) which is used to power our fleet vehicles, forklifts and other machinery

Our energy consumption is managed locally by our employees, while contracts with our energy retailers are managed centrally by our Indirect Procurement and Fleet teams. These teams monitor overall consumption and costs, and together with our Sustainability team, engage with independent third parties to assist with:

- determining our energy usage
- calculating our carbon footprint

This data is reviewed periodically to identify opportunities for energy and cost savings.

## Our emissions profile



Scope 1 emissions - Source	tCO <sub>2</sub> e	Scope 2 emissions - Source	tCO <sub>2</sub> e
Killara Feedlot cattle	44,826	Electricity - Australian sites	0
Fleet transport fuel - diesel	17,450	Electricity - Elders Fine Foods, China	385
Killara Feedlot equipment fuel (diesel and gasoline)	1,418		
Other (including fleet transport fuel (gasoline), stationary forklift fuel (LPG) and natural gas)	693		

**Total Scope 1 and 2: 64,772 tCO<sub>2</sub>e**

Our emissions profile reflects our emissions between 1 July 2021 and 30 June 2022, and was calculated using the following methodologies:

- For electricity use in our Australian sites: We have procured and retired a number of Large-scale Generation Certificates (LGCs) equivalent to our usage, less a number of LGCs which we have assumed have been surrendered by our electricity retailers on our behalf
- For fuel use: the methodology set out in the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (as updated from time to time)
- For electricity used by Elders Fine Foods in our Shanghai facility: Emissions factors published by Climate Transparency<sup>1</sup>
- For cattle production: the methodology set out in the Greenhouse Gas Accounting Framework for Feedlots produced by the University of Melbourne and based on the Australian National Greenhouse Gas Inventory methodology, with global warming potential factors updated to align with the IPCC 5th Assessment Report.<sup>2</sup> This methodology is unable to account for sequestered carbon from minimum till farming practices at the feedlot or specific manure and fertiliser management practices used by the feedlot.

Further information on our energy, emissions and procurement of LGCs is contained in the performance tables on page 61.

### Scope 3 emissions

This year we began work developing our Scope 3 emissions profile, having regard to the Scope 3 emissions categories set out in the GHG Protocol Corporate Accounting and Reporting Standard. Our Scope 3 emissions represent emissions along our value chain. They include emissions from business travel, which from 1 July 2021 to 30 June 2022, generated 308 tCO<sub>2</sub>e. Other sources of Scope 3 emissions are set out on page 62. Over the coming years, we aim to work with supply chain partners to further quantify our Scope 3 emissions and identify opportunities to reduce them.

<sup>1</sup> Climate Transparency, 2021, "Climate Transparency Report - China, Country Profile 2021", <https://www.climate-transparency.org/media/china-country-profile-2021>, accessed 8 November 2022.

<sup>2</sup> The Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change.

## Performance on reducing emissions

In 2021 we set the following targets to reduce our greenhouse gas emissions.

### Our energy use and emissions targets

- 100% renewable electricity in all Australian sites by 2025
- 50% reduction in Scope 1 and 2 emissions intensity (tCO<sub>2</sub>e/\$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)
- Net zero Scope 1 and 2 emissions by 2050

Our targets apply to the sites over which Elders has operational control<sup>3</sup> and are based on our financial year ending 30 September. Further details, including our performance against our targets and our strategy for achieving them is set out below.

### Our strategy and performance

#### 100% renewable electricity in all Australian sites by 2025

- Target achieved through LGC procurement and retirement
- LED lighting installed at 47% of our sites<sup>1</sup>
- 500 kW solar farm in development at Killara Feedlot

<sup>1</sup> This does not include sites outside Elders' operational control or sites unsuitable for installs due to location or condition

This year, we achieved our target of 100% renewable electricity in all Australian sites. This was largely achieved through the purchase and retirement of LGCs produced by Australia-based solar and wind farms.

Over the coming years, we intend on progressively reducing the number of LGCs we procure as we install and generate more solar power onsite. Work is already underway at two of our largest sites; namely Killara Feedlot and our new Melbourne-based wool handling facility.<sup>4</sup> We also intend on continuing to strategically upgrade our sites to increase the uptake of LED lighting and energy efficient equipment.

Given Elders leases most of the sites it operates in on short terms, we anticipate upgrades may not be possible, practical or commercial for some of our locations. In these instances, we intend to continue procuring LGCs, or renewable electricity from our energy retailers.

#### Killara Feedlot solar farm



Transitioning to a low carbon economy requires investment in renewable energy generation. This year we commissioned the development of a 500 kW solar farm at our Killara Feedlot, scheduled for completion in early FY23.

The solar farm features a ground-mounted array which is expected to cover almost half of the feedlot's entire electricity requirements (almost 70% of the electricity used by the existing onsite feed mill to generate the feed provided to feedlot cattle) and export over 200 MWh of renewable electricity per annum. In the coming years, upgrades to the mill are expected to improve electricity use efficiency even further, enabling the solar farm to provide an even higher proportion of the total electricity needs of the feedlot.

<sup>3</sup> This does not include Elders' franchised real estate offices and several saleyards at which Elders operates.

<sup>4</sup> More information is available on page 50.

### 50% reduction in Scope 1 and 2 emissions intensity (tCO<sub>2</sub>e/\$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions)

- 18.8 tCO<sub>2</sub>e/\$m revenue (against a baseline of 23.86 tCO<sub>2</sub>e/\$m revenue in 2021)
- Diesel fuelled boiler at Killara decommissioned - up to 2,000 tCO<sub>2</sub>e eliminated per annum
- Industry collaboration on beef supply chain emissions

Strategic priorities of our Eight Point Plan include winning market share through strategic acquisitions, strengthening and expanding our service offerings and further backward integration. This will result in the year on year expansion of our businesses and potentially, the expansion of our "business as usual" carbon footprint. To enable us to account for anticipated growth in the short term, we set a target to reduce our scope 1 and 2 emissions intensity (tCO<sub>2</sub>e/\$m revenue) by 2030, against a baseline year of 2021 (subject to commercially viable technology being available to address feedlot cattle emissions). Between 1 July 2021 and 30 June 2022, we emitted 18.8 tonnes of carbon dioxide equivalent emissions per million dollars of revenue (AUD).

We emitted 64,772 tCO<sub>2</sub>e (Scope 1 and 2) from 1 July 2021 to 30 June 2022, increasing our overall emissions by 3,944 in 2021. Increases were mainly shown in fuel use and cattle at Killara Feedlot. Notwithstanding this, we have made progress against our 2030 intensity target, largely driven by record results in FY22 revenue, followed by the procurement and retirement of LGCs and reductions in fuel-related emissions from Killara Feedlot.

To maintain progress against our 2030 target, we will need to address emissions from our fleet vehicles and feedlot cattle. Our success is, to an extent, dependent on innovation and technological development which is not within our control. In the event new technology and supportive infrastructure is not commercially viable or available by 2030, we will consider investing in carbon offsets.

### Reducing fleet fuel emissions

Our fleet comprises vehicles and trucks driven by staff across the country and forklifts used in our sites. Most of the vehicles in our fleet are four wheel drive utility vehicles, required to enable staff to safely drive on all terrains and transport products and equipment to clients as required. In 2022, our transport vehicle fleet used 6,421 kilolitres of diesel and 96 kilolitres of other fuel (mainly unleaded petrol).

Our vehicle fleet produces approximately 27% of our total emissions and is likely to increase over time with projected business growth. Presently, the options for decarbonising our fleet are limited. Although hybrid and electric vehicles are available, they are not presently suitable substitutes for a number of our fleet vehicles given many of our staff travel long distances over varying terrains to attend to clients and livestock. While the range of electric vehicles is improving, the present lack of charging facilities across rural Australia remains prohibitive.

Hybrid and electric vehicles may, however, be a suitable substitute for some of our fleet vehicles operating in regional areas in the short term, particularly for staff working in our real estate business. We already have several hybrid vehicles in our fleet and intend to introduce more as infrastructure across Australia and electric vehicle technology improves. We also anticipate improvements in fuel efficiency in vehicles with internal combustion engines over the coming years. Our fleet vehicles are leased, mitigating the cost impact of upgrading technology.

In the meantime, we will:

- continue to encourage and educate our staff on efficient driving practices
- monitor fuel efficiency across our fleet
- develop a strategy for fleet procurement to support the increase and use of hybrid and electric vehicles

### Reducing cattle emissions

Without carbon sequestration at Killara Feedlot, achievement of our 2030 target is dependent on the development and commercialisation of technology that reduces emissions produced by our feedlot cattle. In recent years, there have been promising developments in new feed supplements to reduce enteric emissions.<sup>1</sup> We understand that presently, however, maximising production efficiency is the most effective emissions abatement method. Feeding practices at Killara Feedlot are already focused on maximizing productivity without compromising nutrition and animal welfare.

We aim to partner with industry on the development and implementation of technology to tackle the carbon footprint of our cattle. This year, Elders partnered with supply chain participants and the Climate Leaders Coalition to develop a case study quantifying the carbon footprint of beef mince from farm to retail, and identifying and modelling the impacts of various emissions abatement opportunities across the supply chain. We also established an internal working group comprising staff in our Sustainability Team, Killara Feedlot and Thomas Elder Institute to monitor and engage with industry partners on emerging technology aimed at reducing methane emissions from cattle.

Work is also underway to evaluate the entire carbon footprint of Killara Feedlot. The methodology we have used to date relies on desktop evaluations which are unable to take into account carbon sequestration through cropping activities or tree planting, or greenhouse gas emissions cycled through the feedlot's specific manure and effluent management practices. They also do not enable Killara to account fully for emissions from grass fed cattle; a program recently introduced for a select number of cattle at the Feedlot. We anticipate the outcomes of this work to be made available next year.

### Net zero Scope 1 and 2 emissions by 2050

- 64,772 total Scope 1 and 2 emissions in 2022

Building on the actions required to achieve our 2025 and 2030 targets, by 2050, we aim to achieve net zero Scope 1 and 2 greenhouse gas emissions from our operations. The achievement of this target is reliant on the emergence of supportive technology, particularly to address greenhouse gas emissions produced by enteric fermentation. Carbon offsets may also have a role to play. We will further develop our strategy and position on carbon offsets in the coming years and communicate this in future annual and sustainability reports. We will aim to reduce and eliminate our emissions where possible and commercially sensible in the first instance.

<sup>1</sup> For example, the seaweed feed supplement "Asparagopsis", which when fed to cattle has been found to drastically reduce the production of methane emissions: CSIRO, 2021, "FutureFeed", [www.csiro.au/en/research/animals/livestock/futurefeed](http://www.csiro.au/en/research/animals/livestock/futurefeed), accessed 8 November 2022.





## Severe Weather



### Severe weather events such as frost, drought, flood and fire can affect the productivity of our agribusiness customers and in turn, increase the variability of Elders' financial performance.

As a result, we manage severe weather events as a material business risk in accordance with our risk management and resilience frameworks.<sup>1</sup> Given Australia's vast and diverse landscape, severe weather events rarely occur across multiple regions at the same time. By maintaining a geographical spread of operations across the country and a diverse product and service range, the negative impacts of severe weather events on our organisation are limited and mitigated.

The impacts of severe weather events on Elders' financial performance are further mitigated due to Elders being a supplier of the inputs, equipment and services our farmers require to operate through, and recover from, severe weather events. To assist our customers with managing their agribusiness through events like drought, excessive rain, flooding, fire and heatwaves, Elders:

- supports clients in managing their productivity through our network of agronomists and livestock agents
- provides access to technology which supports the efficient distribution of water, nutrients and chemicals (see page 49 of this report)
- supplies crop protection products and herbicides to manage weeds and pest infestation
- supplies general merchandise and equipment required on farm, such as fence posts, personal protective equipment, shade cloths, irrigation equipment, tanks, troughs and fire pumps
- facilitates the sale and purchase of water through Elders Water Trading

Our approach to managing severe weather risks will be evaluated and further developed as we continue to investigate and develop our response to climate-related risks and opportunities.

### Northern Rivers Flooding



This year, extreme flooding devastated areas surrounding the Northern Rivers of New South Wales, including local crop and livestock producers.

Ace Ohlsson Bangalow donated over \$16,000 in stock to flood affected communities, which included cleaning products, water and oil. They also coordinated feed drops for displaced livestock.

Branch Manager Dan Rollinson participated in boat rescue operations helping people trapped in the floods and staff continue to support affected growers. The branch also undertook sap testing of local trees to identify which trees had survived and which trees were lost to flooding.

<sup>1</sup> Outlined in further detail on page 56 of this report.



# Sustainable Farming



**With global population expected to grow to 9.7 billion people by 2050<sup>1</sup> and increasing pressure to minimise the environmental impacts of agriculture and improve the climate-related resilience of Australian food production, Elders has an opportunity to tailor its product and service offering to better support farmer productivity and efficiency.**

Three major environmental issues the agriculture industry in Australia faces are:

- climate change (discussed on page 27 of this report)
- water availability (discussed on page 43 of this report)
- soil health

## Soil health

Healthy soil influences environmental health by facilitating the removal of carbon from the atmosphere, improving water holding capacity and plant growth, ensuring greater water quality through reduced run-off and erosion and overall promoting biodiversity. Healthy soil is also imperative to supporting resilient agricultural production through improved water retention, soil structure and nutrient utilisation. No-till farming is understood to optimise soil health, and the proportion of Australian grain growers using no-till farming is high,<sup>2</sup> however, further development, innovation and soil monitoring will be vital to sustain production and take action against climate change.

Elders' network of agronomists (including its Thomas Elder Consultants) support more than 6,000 clients across Australia in managing the productivity of their farms, providing advice to clients on crop rotation, pest and disease management and soil health, facilitating over 24,000 soil tests every year.

## Carbon Farming

We also provide technical advisory services to clients who are aiming to reduce their carbon footprint and sequester carbon in their soil.

This service supports clients with climate change adaptation and mitigation by assisting them to participate in the Australian Government's Carbon Farming Initiative.

The Carbon Farming Initiative allows for formal recognition of the change in carbon emitted or stored, and assigns "carbon credits" based on the tonnes of carbon reduced or sequestered. Once generated, these carbon credits can be used to offset existing business greenhouse gas emissions and make an enterprise carbon neutral, or be sold (domestically or internationally) to generate income.

Elders has carbon farming specialists working across the country, supporting our technical agronomy and livestock production service providers working with farmers and other clients to plan, register and implement their carbon farming projects to generate carbon credits. Elders is not itself involved in carbon credit trading. Its offering is based on an up-front fee for service model, enabling clients retain the full benefit of the carbon credits generated from their project.

Eligible carbon farming projects involve practice changes in land management strategies to sequester carbon, which are driven by practical and sustainable approaches to rectify physical and chemical soil constraints, minimising soil disturbance (tillage) and maintaining year-round ground cover through stubble retention and the establishment of perennial pastures in cropping and grazing systems respectively. Where livestock are part of a farming enterprise, practices to increase carbon sequestration can include maximising pasture utilisation whilst maintaining plant health and root biomass. Practice changes not only support climate change adaptation and mitigation, but in the short term can improve on farm productivity and efficiency.

<sup>1</sup> United Nations Department of Economic and Social Affairs, Population Division (2022). *World Population Prospects 2022: Summary of Results*. UN DESA/POP/2022/TR/NO. 3.

<sup>2</sup> Lewellyn, R.S., D'Emden, F.H., Kuehne, G. 2012. *Extensive use of no-tillage in grain growing regions of Australia*. *Field Crops Research* <http://dx.doi.org/10.1016/j.fcr.2012.03.013>

## Research Hub for Smart Fertilisers



Elders continues its engagement and support of The University of Melbourne and Incitec Pivot Limited (IPL) led Australian Research Council (ARC) “Research Hub for Smart Fertilisers” at the University of Melbourne, which aims to develop a new class of nitrogen fertilisers and inhibitors.

Currently, 50–80% of nitrogen fertiliser, essential to modern agriculture, is lost to the environment through leaching and volatilisation, which represents a substantial environmental and financial cost.

The hub has been established within the University of Melbourne’s School of Agriculture and Food and seeks to:

- develop a new class of fertilisers with metal-phenolic network coatings that will deliver controlled release of nitrogen for intensive agricultural systems including fruit, nut, vegetable, sugar and cotton industries
- develop new urease and nitrification inhibitors suitable for use with this new class of fertilisers or with conventional coated fertilisers, and a new dual action urease-nitrification inhibitor
- gain new insights into how the root biome integrates signals from plants and soil to optimise nutrient capture and use
- maximise sector-wide value from new knowledge and technologies through the development of engagement and adoption strategies and the measurement of net value-add and co-benefits
- measure, validate and demonstrate the agronomic, environmental, and social impacts of these new fertiliser products at commercial scale

## Agricultural chemicals

Maintaining safety and managing the environmental impacts associated with agricultural chemical use is critical to sustainable farming.

To mitigate the risk of negative crop, animal, environmental or safety impacts, Elders only sells and uses agricultural and veterinary chemical products which have met all relevant regulatory requirements. Further information on how Elders manages safe chemical use in its operations and supports safe chemical use by its customers is detailed on page 15 of this report.

During the reporting period, Elders ran over 100 trials throughout Australia demonstrating best practice management and product stewardship. Our agronomists are provided with regular training and knowledge through various mediums including online, in field training, industry training, supplier training and the maintenance of formal accreditations like Fertcare.<sup>1</sup>

## Glyphosate

Following a classification made by the IARC<sup>2</sup> in 2015 that glyphosate is “probably carcinogenic to humans”, glyphosate has been the subject of litigation in several countries, with a number of users alleging that glyphosate-based products cause cancer.

Glyphosate is registered for use in Australia by its national regulator, the Australian Pesticides and Veterinary Medicines Authority (APVMA). Rigorous scientific assessments are required to be undertaken before agricultural chemicals are approved for sale by the APVMA, which has maintained that APVMA-approved products containing glyphosate can continue to be used safely according to label instructions<sup>3</sup>.

Accordingly, we intend to continue to stock and sell products containing glyphosate, noting that the sale of glyphosate-related products represent an immaterial proportion of Elders’ revenue and earnings. As a percentage of Elders’ total Rural Products business (which includes our retail and wholesale businesses), glyphosate-related products represent approximately 7.2% of revenue and 7.5% of gross margin.

<sup>1</sup> Fertcare is a training, accreditation and certification program that is managed by Fertilizer Australia and focused on promoting productivity whilst protecting the environment. Elders recognises the importance of having Fertcare trained and accredited staff to support the provision of detailed, current fertilizer advice based on soil and plant analysis, with a focus on the environment and food safety.

<sup>2</sup> International Agency for Research on Cancer.

<sup>3</sup> Australian Pesticides and Veterinary Medicines Authority, 2019, ‘Glyphosate’, viewed 6 September 2022, <apvma.gov.au/node/13891>.



## Water Availability



**The Australian climate has always involved an element of volatility and hot, dry summers, but climate change is projected to increase the frequency and intensity of extreme heat and periods of drought.**

With water availability already an issue that many farmers are required to address, finding opportunities to improve water use efficiency and ensuring the sustainability of shared water sources is directly linked to the sustainability of the agriculture industry.

Elders recognises that the availability of water can have a significant impact on its operations and performance in the following ways:

- directly: Killara Feedlot requires water for its paddocks, animals and facilities. Our branches and warehouses also require access to water in much smaller quantities for cleaning and drinking
- indirectly: Water availability impacts the productivity of Elders' grower customers, which in turn increases the variability of Elders' sales of agricultural inputs

Elders has partnered with several AgTech providers supporting efficient on-farm water use. More information is available on page 49 of this report.

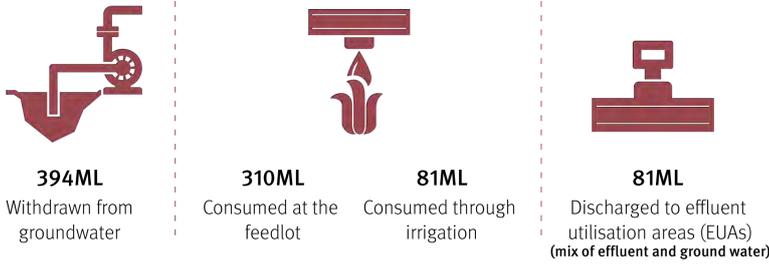
### Elders Water Trading



Through Elders Water Trading, our water brokers assist clients in buying, selling and leasing water entitlements and allocations, supporting them in the development of strategies to ensure the security of their irrigation practices. Our water brokers have expertise in a number of different Australian water trading schemes and regions and assist customers in sourcing and selling water as permitted by the rules of their relevant water authority and water licence. Different authorities in each State regulate the trade and usage of water through State-based legislation.

**Water and Killara Feedlot**

Killara Feedlot water usage



While Elders itself is not an intensive consumer of water across its operations, we recognize the importance of understanding our own water consumption and managing use and discharge, particularly at our Killara Feedlot. Killara obtains water for use at the feedlot and surrounding paddocks from rainfall, run-off and groundwater.

**Groundwater consumption**

Consumption of groundwater by Killara is limited by its water licence (issued by Water NSW), which authorised a withdrawal of 806ML from July 2021 to June 2022. Killara is prohibited from drawing water in excess of its allocated amount.

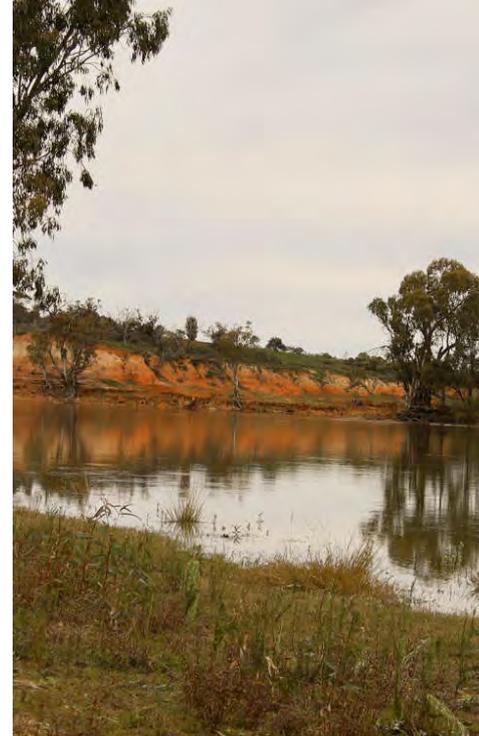
Following a review of Killara’s water use and management, significant planning and investment has been committed to the implementation of a centre pivot irrigation system. The installation was completed in 2022 (following staged constructions 2020 and 2021). It now covers a total of 158 hectares of land and can disperse up to 553ML of mixed water and effluent annually. The installation of this system is expected to enable Killara to reduce its water use by up to 40% for summer cropping through the automation and control of even water dispersal, compared to the historical use of flood irrigation techniques; driving more efficient water use, sustainable and even nutrient distribution, compliance with Killara’s EP licence conditions and improved crop productivity.

**Rainwater and run-off**

Killara’s practices and infrastructure have been developed to capture rainwater and prevent it from escaping into the surrounding environment. Given the operations of the feedlot, rainwater falling onto the facilities can be contaminated by the waste produced by cattle, and an overflow of contaminated water into the surrounding environment could adversely impact other water resources and soil quality.

The entire feedlot is bunded and all run-off is diverted to effluent holding ponds. The ponds are regularly maintained, with effluent mixed with water before being redistributed to Killara’s nominated effluent utilisation areas (EUAs), providing fertiliser and moisture to support the growth of food fed to cattle on site. Strip cropping on the farmland surrounding the feedlot is an additional initiative to prevent effluent from reaching nearby water sources in the event of an overflow. Groundwater and soil quality are regularly tested at several monitoring points for nutrient contamination, and effluent quality is monitored at EUAs, discharge points and holding ponds. Elements such as phosphorus, calcium, nitrogen, potassium and sodium are all monitored to ensure nutrient levels are maintained in accordance with the requirements of the NSW EPA.

This year, Killara Feedlot experienced record rainfall and several flooding events. Management have worked closely with the EPA in line with licensing obligations to proactively work through this.







## Animal Welfare

### With many of our staff and contractors interacting with livestock<sup>1</sup> regularly in the course of their work, we recognise our responsibility to ensure we look after the animals in our care.

This is one of our key sustainability principles. The way we treat animals can impact our reputation and the relationships we have with our suppliers and customers.

Our commitment to the humane and considerate treatment of livestock is set out in our Livestock Handling and Animal Welfare Policy.<sup>2</sup> Our staff are also guided by our Livestock Handling Guide<sup>2</sup> and industry standards, and are required to comply with all local laws and regulations relating to handling animals. We are currently reviewing our internal policies to ensure that they are consistent with contemporary practice. We anticipate new policies will be introduced in early FY23. Elders is not aware of any incidents of significant non-compliance with laws or regulations relating to animal welfare during the reporting period.

### Interaction with animals

Elders mainly interacts with livestock in the following ways:

- at Killara Feedlot, where cattle are unloaded, grown, managed and transported to customers for processing
- through our livestock agency and advisory businesses, where our agents assist clients in buying and selling livestock privately and at saleyards, and our advisors assist clients in managing animal health and production

The standards set out in our Livestock Handling and Animal Welfare Policy and Livestock Handling Guide apply to all of our interactions with livestock. Incidents involving a significant threat to the health, safety or welfare of livestock are required to be reported in accordance with our incident escalation process.<sup>3</sup>

Our internal livestock production training program is targeted at upskilling our advisors on best practice in feed management, stocking rates, health, welfare and nutrition and enabling them to pass on knowledge and support to our clients. This year, Elders launched a new practical livestock handling training program, which saw livestock staff across the country receive both theory and practical training handling cattle in saleyards. This training is planned to roll out nationally.

### Safe transport of livestock

Following the divestment of our Live Export business in 2016, Elders is no longer involved in live export logistics and does not export cattle internationally live from its Killara Feedlot. We do, however, assist our clients to ensure the safe live transport of their own livestock, domestically and internationally.

Our Workers are required to ensure that animals are loaded and unloaded for transport with minimal stress at all times. As part of Elders' effort to minimise stress to livestock, our Workers are directed to:

- use accredited TruckSafe carriers where possible
- inspect livestock prior to transport to ensure their fitness to travel
- supervise the loading and unloading of livestock where possible
- monitor the condition of the livestock and respond as required to any distressed or unfit animals

<sup>1</sup> Elders generally only interacts with sheep and cattle as part of its agency, feed and processing businesses.

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

<sup>3</sup> See page 56 of this report for further information.

## Zero tolerance practices

Under our current Livestock Handling and Animal Welfare Policy, the following 'zero tolerance' practices (as they relate to animal welfare) are prohibited for all Workers that handle animals as part of their duties:

- castrating livestock
- dehorning cattle
- mouthing or tagging cattle without a fully operational crush
- removing spare teats
- using electric prodders

Our Workers are also prohibited from carrying out the following animal health activities alone; dipping, drenching, vaccinating, fire and freeze branding, shearing, crutching, mulesing, pregnancy testing and implanting. Elders' employees are only permitted to assist a qualified person with these activities.

We recognise that animals which are suffering from distress, disease or injury and cannot be reasonably treated must be put down promptly, safely and humanely – the primary consideration being to prevent the animal from suffering further pain or distress. Humane destruction of livestock is the responsibility of the owner of the livestock, or at saleyards, the relevant State Government Inspectors of Stock (for example, PIRSA) or an external authorised contractor.

## Animal welfare at Killara Feedlot

During the reporting period, Killara processed approximately 65,300 head of beef cattle comprising approximately 65% Angus/Angus cross, and 35% Bos Taurus non-Angus. Cattle are housed on the feedlot in pens which are constructed with a gravel base and soft topsoil for animal comfort. All pens are cleaned regularly and (with the exception of short-stay holding pens) have shaded areas to mitigate the risk of heat-stress. Heat-stress management plans are developed annually in conjunction with veterinarians and animal health nutritionists to ensure appropriate actions are implemented to address forecast heat and weather events, and staff training is undertaken to ensure the successful implementation of the plan.

Cattle that are destined for the feedlot are screened before transportation to prevent the movement of unwell or pregnant animals. Staff also perform health checks on cattle on arrival. Only reputable and accredited carriers are engaged for transporting livestock.

Staff inspect all pens daily to detect animal health issues as early as possible. Veterinarians inspect cattle at the feedlot every month and additional animal health audits are conducted by qualified staff every six months. These audits review Killara's infrastructure and approach to animal treatment, handling and training. Killara also engages with external animal welfare trainers at least four times a year for training on low stress handling techniques.

Any animals found to be sick or injured on the feedlot are treated with the objective of full recovery and a return to the animal's home pen as soon as possible.

### Killara Feedlot Animal Welfare Protocol



Killara only provides veterinary medicines (including antibiotics and anti-inflammatory treatments) to cattle when required to maintain their health and welfare. Only medicines which have been approved for use by the APVMA are used. Hormone growth promoters are selectively used on approval by Killara's customers, with a downward trend in use observed over the last five years. Anaesthetics can only be provided by an accredited veterinarian. All cattle processed through Killara Feedlot are tracked through the NLIS system to ensure integrity to the supply chain, and animals treated with veterinary medicines are isolated until the medicine withholding period has elapsed to ensure the safety of meat produced from the cattle.

Killara maintains the following accreditations which are conditional on it maintaining strict animal welfare standards:

- **The National Feedlot Accreditation Scheme**, which undertakes independent audits and quality assurance on animal welfare. Requirements of accreditation include having approved Risk Assessment Programs for livestock, Excessive Heat Load Action Plans and Quality Assurance Officers on site
- **Livestock Production Assurance**, which provides assurance of on-farm practices and maintains records of livestock history, location, disease and injuries sustained for each animal on a central database
- **Meat Standards Australia**, which requires feedlots to follow strict feeding and animal welfare practices to enable livestock to achieve a higher MSA grading after processing
- **The European Union Cattle Accreditation Scheme – High Quality Beef**, which requires full traceability and identification of animals

It also uses and contributes to third party data to benchmark its animal welfare practices and performance against other Australian feedlots and identify trends and opportunities for improvement.

### Protecting animal health through vaccines

Killara Feedlot is the first in Australia to introduce an autogenous vaccine for all cattle entering the feedlot through Killara's backgrounding program (approximately 20% of all cattle processed through the feedlot).

The vaccine, developed in conjunction with Apiam, is aimed to improve cattle immune response and is part of a committed long-term pre-vaccination programme at Killara that now sees over 90% of all cattle arrivals pre-vaccinated for Bovine Respiratory Disease (BRD) protection. The objective of this strategy, together with Killara's antimicrobial stewardship program (outlined below), is to reduce the use of reactive medication at the feedlot to treat sick cattle.

### Antimicrobial stewardship

Antimicrobial resistance in livestock is an area of a concern for producers, veterinarians and the broader community alike, as the welfare of livestock animals is dependent on the effective treatment of illness. As members of the National Feedlot Accreditation Scheme (NFAS), Killara Feedlot is required to demonstrate antimicrobial stewardship. Killara monitors antibiotic usage in aggregate and by active ingredient. More recently, it has taken steps to enhance its approach to antibiotic use by:

- Establishing and monitoring key performance indicators in animal health management, such as first treatment success rate
- Conducting rolling antibiotic resistance surveillance, in the form of lab analysis directed at pathogenic bacteria culture, isolation and antibiotic susceptibility testing, combined with full genome sequencing of identified resistant isolates

These activities, combined with frequent auditing, are aimed to continuously improve our approach to the use of antibiotics and reduce usage over time.





## Innovation and Technology



**Our ability to provide our customers with the goods and services they need is critical to our economic sustainability. In a constantly changing and challenging environment, this requires investment in and the delivery of innovative technology, and a continual assessment of the platforms we provide to ensure that they are delivering value for our customers.**

We believe that supporting the adoption of AgTech is key to helping our customers achieve their sustainable farming practices. AgTech is the collective term for physical and digital technologies - including physical sensors, digital software and remote imagery, along with new chemicals, compounds and formulations - that enable best agricultural practice to be achieved. These tools aim to inform management decisions on farm, reducing cost, increasing productivity and ensuring product quality and consistency. One such example is AgIntel by Elders, a satellite remote sensing tool used by Elders' advisors to monitor crop performance at the paddock level. AgIntel allows monitoring of spatial variation across the paddock, crop growth, crop stressors and yield prediction. Measuring these parameters remotely saves considerable time in the field monitoring and collecting data manually.

Our dedicated AgTech development officer and AgTech Committee has been established to provide an official forum for:

- identifying and establishing relationships with suppliers
- reviewing emerging technologies for use by our clients and/or staff
- educating and advising staff on AgTech solutions available to them

During the reporting period we continued to partner with AgTech providers assisting farmers with:

- **Farm management:** using digital farm management software tools like AgWorld and AgriWebb, which enable record keeping, reporting and benchmarking of farm management activities and inputs at the individual paddock and whole farm level
- **Precision soil sampling:** using services from Precision Ag, which provide mapping and soil sampling services
- **Remote water monitoring:** monitoring water availability to maintain consistent supply to animals, maximising their welfare and minimising wastage through fast detection of leakages
- **Irrigation scheduling:** monitoring soil moisture to optimise irrigation timing and water use efficiency
- **Soil moisture probes:** informing decisions about sowing times and pasture management by recognising changes in soil moisture
- **Remote sensing satellite imagery:** utilising satellite imagery, monitoring soil, pasture and crop characteristics to review variability across paddocks in plant health and yield
- **Remote livestock weighing:** minimising the labour associated with mustering and weighing animals regularly whilst providing continual updates on animal growth performance and any required management interventions, such as supplementary feed
- **In-line mineral supplementation technology:** controlling in-line dosing of

water lines on farm to enable the consistent application of trace mineral supplements

We will continue to support the development and commercialisation of emerging technologies within the agriculture industry through partnerships with AgTech providers, research and development through the Thomas Elder Institute, product development through Titan AG and Hunter River Company and the delivery of agricultural advisory services through our network of agronomists and Thomas Elder Consulting. A major component of our third Eight Point Plan is the modernisation of our IT and data platforms to invest in best of breed solutions to drive efficiency and improve customer experience to better accommodate change. This will support us in implementing new ways to support our clients and customers to ensure their continued and long-term productivity and profitability.

### Product development

Titan AG and Hunter River Company invest in research and trial work to support the manufacture and commercialisation of their own agricultural chemicals and animal health products. We also work with suppliers in researching and evaluating current products and developing new products.

### Innovation in wool handling



Elders is establishing a world-first, automated wool handling business, to be launched in 2023.

The business will complement Elders' existing wool offering, providing a full end-to-end service that will improve efficiency and outcomes for clients.

The wool handling operation will be based around two centralised hubs (Melbourne and Perth) that will be supported by an extensive network of receival centres. The two hubs will offer industry-leading innovations and improve sustainability outcomes within the supply chain.

The first in the world, the Melbourne warehouse will move wool bales using Autonomous Guided Vehicles (AGVs). The AGVs and supply chain optimisation will provide significant long-term operational and safety benefits for both Elders and its clients. Elders is also developing its own industry-leading software to deliver a more efficient end-to-end selling process for its clients.

With environmental sustainability a key objective, Elders is aiming to minimise greenhouse gas emissions from its hubs through the use of solar power, LED lighting and energy efficient equipment.

Elders' expert wool network has partnered with global companies to design and structure this new business and is consulting closely with industry, associations and buying partners to ensure the best customer service outcomes.

Elders currently provides a range of selling tools and options for wool growers, including auction, auction forward, Wooltrade, and AuctionsPlus Wool. Elders handled approximately 350,000 wool bales in FY22.

## Research and development

We proudly support research and development, recognising that the long-term growth and sustainability of agriculture in Australia is reliant on innovation and the adoption of science-backed practices and technologies.

Research and development is primarily managed by our Thomas Elder Institute and Elders Plant Genetics. These functions partner with government and research institutions, multinational supply partners as well as private enterprises to run industry research and development projects on trial sites across Australia. This year, they supported 42 trial sites across Australia supporting the development and adoption of innovation and best practice management in winter crop production. Our Thomas Elder Institute also led 14 industry-funded research projects, working with Elders staff.

One of the biggest challenges which innovation of the agriculture industry faces is the extension of findings from research and development activities to farmers. With Elders' geographical spread and customer reach, along with its reputation and standing in the industry and local community, we are in a unique position to reach farmers with new practices and technology aimed at improving their productivity and resilience. During the reporting period, Elders hosted a variety of webinars, workshops and training sessions and attended and presented at conferences on AgTech innovation, regenerative agriculture and genomics to a variety of growers in horticulture, cropping and livestock production.

Some of our current research and development projects are highlighted throughout this report.

### Struan and Kybybolite Best Practice Demonstration Farm



In partnership with Primary Industries and Regions South Australia (PIRSA), Elders is using a research farm based in Struan, South Australia as a "Best Practice Demonstration Farm" to demonstrate the use of new technologies which aim to maximise production efficiency and profitability.

Commercial suppliers of AgTech can express their interest to demonstrate their products. Eligible suppliers and equipment are installed on farm and their performance is benchmarked and on-farm value quantified and documented.

The farm is being run as a commercial wool, lamb, beef and cropping enterprise. Productivity and profitability will be closely monitored and measured to demonstrate how investment in innovation and upgrades can sustainably drive business improvement.

This year, Thomas Elder Institute hosted farmers at Struan for a farm field day. Presenters included suppliers demonstrating new technology and speakers on the topics of remote monitoring technology, soil amelioration, carbon farming and genomics for commercial cattle herds. Current technology the farm is demonstrating can be viewed on an online virtual tour at [www.farmvr.com/virtual-tours/pirsa-bpdf/](http://www.farmvr.com/virtual-tours/pirsa-bpdf/). Physical tours are available by appointment.

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**Research and development in 2022**


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<b>Genomics</b>	Elders continues to offer genetic selection tools to enable precision selection of commercial livestock. Our commercial cattle genomics service enables pure bred and cross bred cattle to be tested for a range of production traits. This enables superior animals to be selected earlier in life, enabling improved productivity.
<b>Machine learning and crop management</b>	Thomas Elder Institute continues to partner with several stakeholders on this research project which aims to discover the underlying relationships between climate, crop and soil factors that cause variability in crop growth and yield using machine-learning methods and simulations. Ambitions for this project are the development of a web-based tool that will enable growers to utilise their crop and soil variability mapping to investigate the underlying causes of spatial and temporal variation to better inform in-crop management. The Thomas Elder Institute and the Elders agronomy network have supplied commercial crop data to assist the development of algorithms to predict crop yield outcomes under different environmental conditions. These algorithms will inform a web-based tool that will assist growers with more accurate predictions of crop performance and drive cost-effective management solutions.
<b>Meat and Livestock Australia Co-Innovation Project</b>	The aim of this project is to increase the adoption of research and development in the livestock industry and improve the information flow from Meat and Livestock Australia to producers (while at the same time increasing the depth and breadth of Elders' service offering) by surveying producers and regions in need of research and development and running workshops on animal nutrition and genetics. This project provided a range of insights for the next steps for Elders to work with industry bodies. The project concluded March 2022.
<b>De-risking broad acre cropping options for Northern Queensland</b>	With the support of the Cooperative Research Centre for Developing Northern Australia, Elders is partnering with several parties on an on-farm project with growers to better understand optimal combinations of grain cultivars and agronomic practices for the growing conditions markets of Northern Australia. Anticipated research outcomes include the identification of profitable and low risk broadacre cropping options for producers.
<b>Deep ripping to improve lentil production in acid soils</b>	The aim of this project is to improve pulse production, specifically lentil production, on acid soils in the lower mid-north of South Australia. This project will provide insight into the effect of ripping depth and number of passes and the resultant effect on soil characteristics and lentil crop yield. The project was successfully completed in March 2022 and provided valuable insights on optimal soil amelioration strategies to sustainably boost lentil crop yields.
<b>Faba bean nutrient omission trial</b>	Elders is exploring and quantifying responses to fertilisers by faba beans to support efficient, sustainable and optimal fertiliser use. A complete nutrient omissions trial was conducted through Thomas Elder Institute to obtain insights into the optimum levels of calcium, magnesium, sulphur, potassium, boron, molybdenum, zinc, manganese and copper required by faba bean crops grown in south-east South Australia. This project was successfully completed in March 2022 and has led to the successful funding of a second year of work.
<b>Past, present and future drivers of soil change</b>	This project is led by the The University of Adelaide and the South Australian Research and Development Institute (SARDI). The project will analyse historical soil samples to determine if the diversity and composition of soil communities of past farming systems has changed from those of present farming systems. Elders agronomists will play a key role in this project, providing background context on historical samples, providing new samples and conducting field trials.
<b>Rapid detection of significant crop diseases</b>	This project is led by SARDI and aims to develop rapid detection tests for common cereal crop diseases. Elders agronomists will work with the project team to submit samples and trial in store testing methodologies.
<b>Nitrogen strategies for HRZ wheat in waterlogged soils and denitrification</b>	The aim of this project will be to quantify, if any, the amount of nitrogen lost from denitrification in typical loam duplex cropping soils in South Australia's Sout East which most years endure significant waterlogging. The project will also assess and compare the effectiveness of all the various nitrogen application strategies applied to waterlogged crops whilst allowing a scientific look at less commonly used tools and models for nitrogen budgeting.
<b>Innovation at work</b>	This project will investigate alternative and innovative methods of extending research and development outcomes to the Australian horticultural industry. Co-funded by Hort Innovation and Elders through Hort Innovation's "Hort frontiers" program, this action research pilot will seek to investigate how a commercial agribusiness can work with industry bodies and primary producers to facilitate the extension and adoption of research outcomes in the horticultural industry.





## Governance



**Our One Elders Values set the tone of Elders' culture from the top, establishing the behaviours we expect from all our employees and our Board.**

### One Elders Values

Our One Elders Values are integral to the way we do business.

#### The 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



##### Customers

Partnering and adding value

These values, together with our Eight Point Plan, our corporate governance and risk management frameworks, underpin our key sustainability principle of operating ethically and to the highest standard. We recognise high-achieving employees and teams whose performance demonstrate our values through monthly awards and our annual One Elders Awards, held each year in December.

Our governance practices are aligned with the fourth edition of the ASX Corporate Governance Principles. Our Board continued to comprise our Chair, Ian Wilton, Non-Executive Directors Robyn Clubb, Diana Eilert, Matthew Quinn and Raelene Murphy together with our Managing Director and CEO, Mark Allison. We are proud to have met our Board approved measurable diversity objective, with women representing 50% of our Board and 60% of our Non-Executive Directors.

### Director skills, experience and knowledge

The sustainability-related attributes we specifically look for in our Board are set out below:

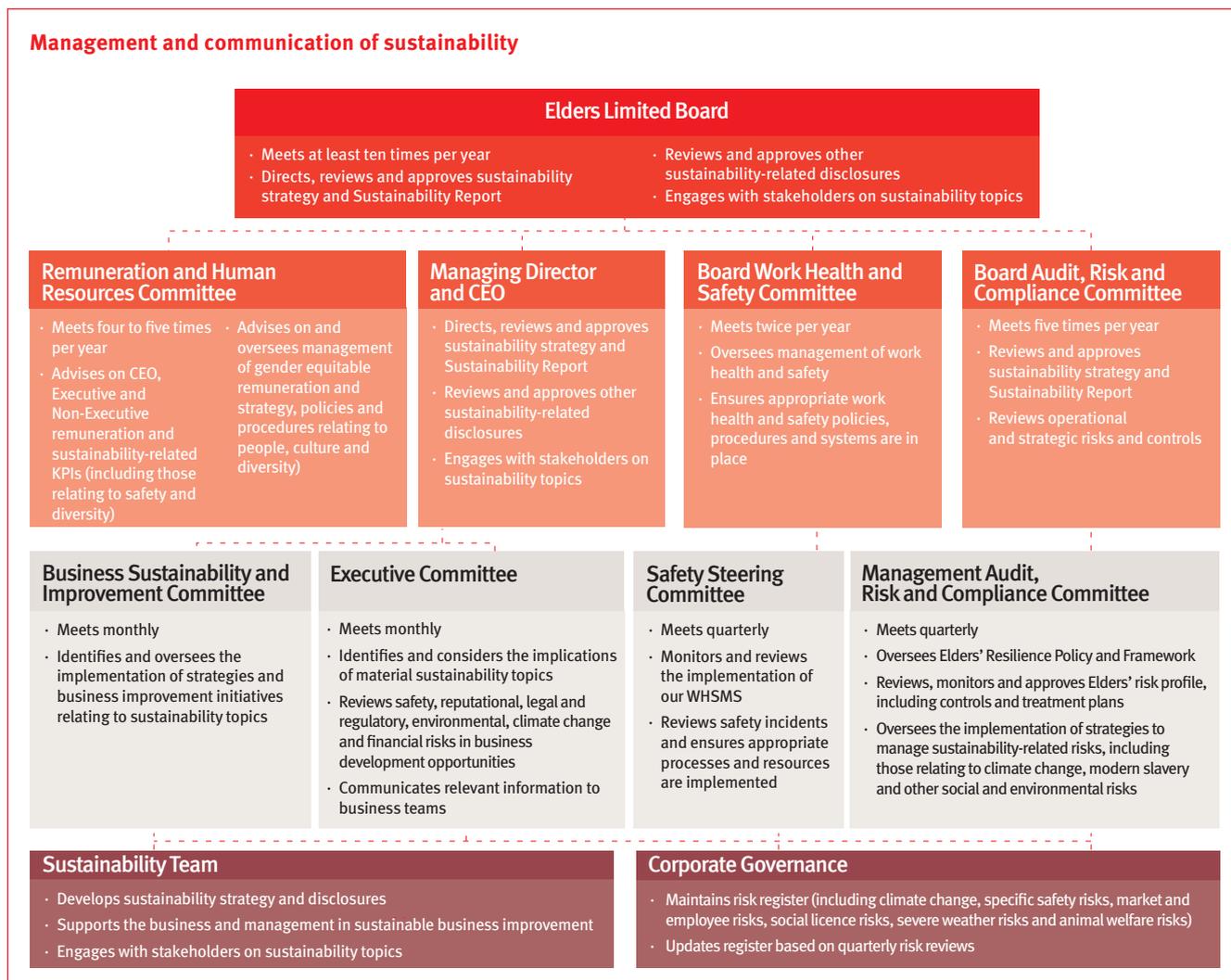
- **Sustainability** governance, climate change and emissions oversight, environmental impact oversight, human rights and modern slavery oversight and community and social responsibility oversight
- **Customers and Consumers:** customer advocacy, current customer needs and frustrations
- **Talent and Remuneration:** Setting a balanced remuneration framework, external remuneration engagement, short- and long-term incentives, succession planning
- **Safety:** safety culture oversight, safety reporting oversight, root cause analysis and linkage of safety to KPIs
- **Risk Management:** risk management systems, risk reporting to the board, crisis management, regulatory risks management and HR and people risks.
- **Government relations:** political, policy and regulatory process, communicating policy positions, government relations strategy and key government relationships

Full details are available in our director skills matrix, contained in our Corporate Governance Statement.<sup>1</sup>

<sup>1</sup> Available online at [investors.elderslimited.com/investor-centre/?page=annual-reports](https://investors.elderslimited.com/investor-centre/?page=annual-reports)

## Sustainability communication and management

Our Board oversees all matters relating to Elders' economic, environmental and social sustainability. Our formal framework for the management and communication of sustainability in the reporting period 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 stakeholders on sustainability topics and managing different sustainability-related risks, projects and initiatives.



During the reporting period, Sustainability was a standing item on the agendas of both the Business Sustainability and Improvement Committee, which met monthly, and the Management Audit, Risk and Compliance Committee, which met quarterly. Each of these committees include members of Elders Executive team. A summary of the minutes of meetings held by the Management Audit, Risk and Compliance Committee are provided to the Board Audit Risk and Compliance Committee. This year, the Board approved the expansion of the Board Work Health and Safety Committee to include sustainability. The newly-named Board Safety and Sustainability Committee will provide a forum for communicating and managing sustainability-related matters from 2023. Elders also established a new Strategy, Sustainability and Innovation Team, which will result in new Executive-level management and communication lines.

Material sustainability-related topics are discussed at other internal Committee meetings periodically. Action items on material topics are identified and agreed in Committee meetings and responsibility is delegated to relevant senior managers and employees. Members of Elders' Executive are ultimately responsible for the management of material sustainability topics as they relate to their business unit. The Executive report directly to Elders' Managing Director and CEO and are supported by Elders' Sustainability Team.

Directors are primarily informed and engaged through meetings with the Managing Director and CEO, the Company Secretary and their membership on the Audit, Risk & Compliance Committee, Work, Health and Safety Committee and Remuneration and Human Resources Committee. They are briefed regularly on Elders' operations and on the industry, technical and legislative issues which may impact our business, including those relating to economic, environmental and social topics. They provide insights and direction to the business as required.

Policies relating to our material sustainability topics are developed, reviewed and updated by Senior Management and are approved by Executive management. Significant policies (including our internal Delegation of Authority Policy) are also reviewed and approved by the Board. The Board reviews and approves this Sustainability Report to ensure all material topics have been addressed. 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>2</sup> Some of our most important governance policies, including our Work Health and Safety Policy and Diversity and Inclusion Policy, are available online.<sup>3</sup>

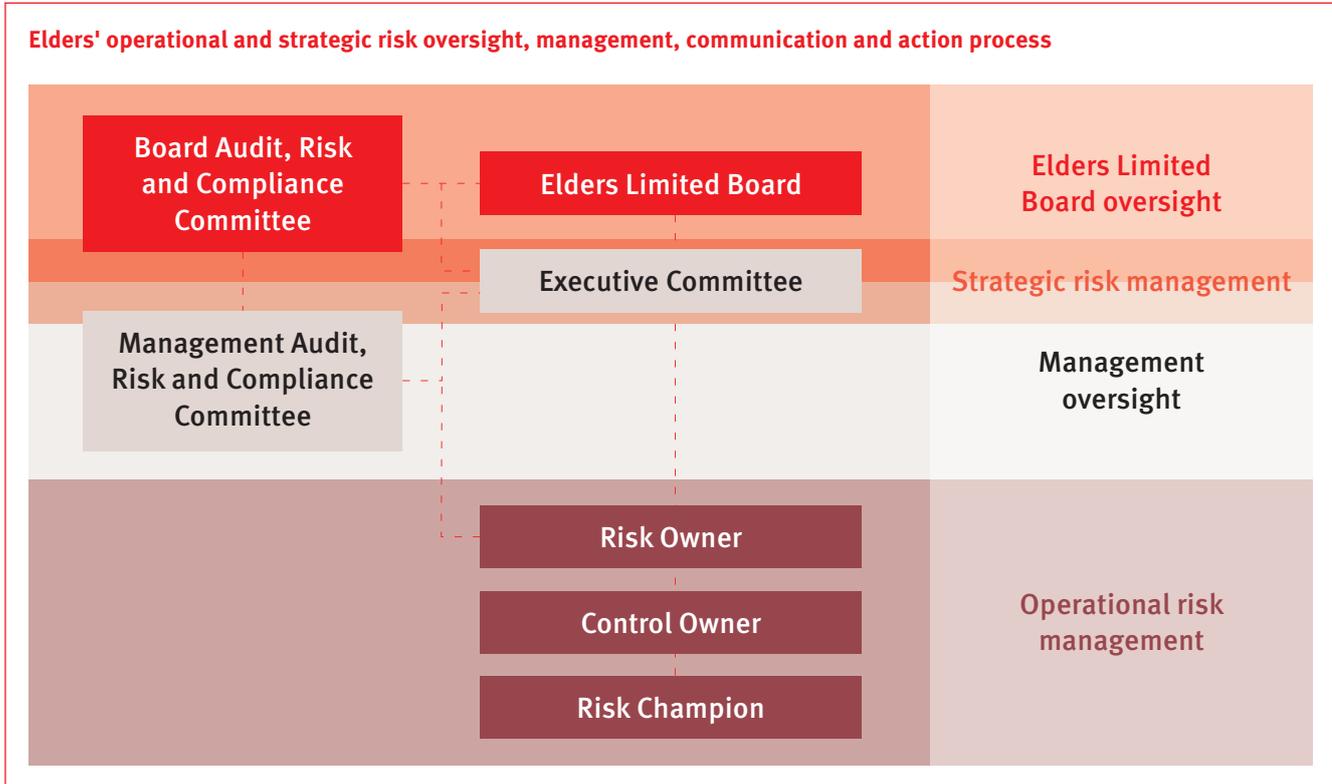
<sup>2</sup> Available online at [investors.elderslimited.com/investor-centre/?page=annual-reports](https://investors.elderslimited.com/investor-centre/?page=annual-reports)

<sup>3</sup> Available online at [investors.elderslimited.com/investor-centre/?page=corporate-governance](https://investors.elderslimited.com/investor-centre/?page=corporate-governance)

## Risk management

We recognise that all elements of our business involve a degree of risk and believe that a robust risk management system, integrated into our work culture, is key to ensuring those risks are managed appropriately. Our internal Resilience Framework details the metrics and assessment criteria used to evaluate risk. Our risk appetite is set by the Board in their review of our Resilience Framework annually. We take a conservative view to risk accepting minimal levels of uncertainty and exposure across the following key areas: safety, reputation, legal and regulatory, environmental, financial, business disruption and customer service.

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.



The Executive Committee is management’s paramount decision-making forum with responsibility for the development, review, implementation, and assessment of all critical business decisions. It considers risk in making all decisions. Our Executive also monitor and review the operational and strategic risk registers regularly in the Management Audit, Risk and Compliance Committee for completeness, continued relevance and effectiveness of risk treatment actions, taking into consideration current business conditions.

Operational climate-related risks (such as extreme weather events and heat-related illnesses) and other sustainability-related risks (such as animal welfare, health and safety and attracting and retaining staff) are managed by the identified Risk Owner. Risk Owners are responsible for completing risk assessments, determining the risk treatment strategy including the identification and implementation of controls, and the setting and monitoring of key milestones, risk indicators and review dates.

Fundamentally, our risk management and resilience processes seek to ensure we are prepared and capable of ensuring business continuity. Significant potential disruptions we aim to assess include the loss of key employees or a counterparty, a breakdown in supply-chains, a large-scale bio-security threat, an extreme weather event such as a bushfire, long-term drought, major flood or severe storm, a cyber-attack or loss of access to operational locations.

### INCIDENT AND RISK ESCALATION

Where a Serious Risk or Incident is identified or occurs, workers are required to follow our incident escalation process, required to be 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
- managers escalate 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, our Company Secretary and the Board in accordance with our Resilience Framework.

For a summary of our material economic, environmental and social sustainability-related risks, please see Elders Annual Report.<sup>1</sup> Further information about how Elders manages business risks is also available in our Corporate Governance Statement.<sup>1</sup>

<sup>1</sup> Available online at [investors.elderslimited.com/investor-centre/?page=annual-reports](https://investors.elderslimited.com/investor-centre/?page=annual-reports)

### COVID-19 RISK RESPONSE

As in FY20 and FY21, Elders' response to COVID-19 has been a "safety first" programme aimed at keeping our employees, customers, contractors and other stakeholders as protected from COVID-19 infection in the workplace as possible. This approach has also focused on the mental health consequences of the pandemic and responses to it on our employees.

A range of measures have been implemented to help manage the risk of COVID-19 infection in our workplaces, and the mental health issues that can be a consequence of COVID-19 and societal restrictions introduced to combat it. Key employees across the country received mental health first aid training and Elders' myWellbeing team continue to roll out communications to increase understanding and awareness around health and wellbeing.

Throughout Elders' network we have, through our COVID-safe plans, worked to minimise the spread of COVID-19. Fortunately the impact to our business has been minimal and contingency plans have enabled Elders to continue to service our customers. Our stores continue to maintain a thorough cleaning regime in line with our COVID-safe plans.

While COVID-19 has introduced significant uncertainty, both globally and domestically, Elders fulfilled strong demand for its products and services by engaging in extended forward orders, mitigating the international supply chain constraints for farm supply inputs. Agency Services did not experience any material supply chain impacts with Wool and Livestock markets improving due to strong export demand and favourable prices. Real Estate Services benefited from increased residential and farmland turnover with low market supply and high demand for properties.

Further disclosures relating to the impacts of COVID-19 are included in our Annual Report.<sup>2</sup>



<sup>2</sup> Available online at [investors.elderslimited.com/investor-centre/?page=annual-reports](https://investors.elderslimited.com/investor-centre/?page=annual-reports)

## Ethical dealing

Our Board is committed to promoting conduct that is honest, fair, legal and ethical and respects the rights of Elders' stakeholders.

Our people are held accountable by our One Elders Values and our Code of Conduct, which are reviewed periodically to ensure they remain relevant.

Our culture of ethical conduct is further enforced through our key ethical dealing policies, including our Anti-Fraud and Anti-Bribery and Corruption Policies<sup>1</sup>. Annual training on anti-bribery and corruption is provided to all employees, including managers. Elders strictly prohibits (amongst other things) the provision of any sort of improper benefit or facilitation payment to influence a decision in Elders' favour, or accepting any sort of benefit from another person that could be construed as an improper inducement to influence a business outcome. Elders also prohibits staff from accepting a gift from a supplier worth \$250 or more.

## Responsible sourcing and modern slavery

In accordance with the Modern Slavery Act 2018 (Cth), each year Elders publishes a Modern Slavery Statement,<sup>2</sup> outlining the risks of modern slavery in its operations and supply chains and the actions Elders is taking, or has taken, to address those risks. The minimum expectations we have of the suppliers we deal with are set out in our Responsible Sourcing Code.<sup>2</sup>

This year we continued risk assessments across our direct and indirect procurement supply chains, focusing on our top spend and own brand direct suppliers. Our people completed 163 ethical contracting risk assessments in accordance with our Ethical Contracting Framework,<sup>3</sup> which requires all employees (including management) who propose to engage a supplier to assess and rate that supplier having regard to key risks to our business (including safety, human rights and environmental risks) and undertake extended due diligence on high risk suppliers. 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.

In addition, 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. 13 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. Our suppliers are aware of our expectations set out in our Responsible Sourcing Code and we will work with relevant suppliers to remediate identified issues.

## Reporting grievances

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 to report any actual or suspected unacceptable conduct, including fraud or illegal activity. Our Board has adopted a Whistleblower Policy<sup>1</sup> to encourage and facilitate disclosure. The policy requires the identity of whistleblowers to be protected, including by allowing them to remain anonymous. Elders' branches display posters advertising our external and independent whistleblower telephone hotline, which is maintained to facilitate the reporting of unacceptable conduct. During the reporting period, three reports were made through our whistleblower hotline. All reports received are investigated, and acted upon, in accordance with our Whistleblower Policy.

## Cybersecurity

We take cybersecurity very seriously in an effort to ensure all information (including personal information) is kept secure and to ensure business continuity. Our security policies are developed in line with industry standards, prioritising the maintenance of confidentiality and data integrity. Cybersecurity risks are regularly reported to the Board Audit, Risk and Compliance Committee. Cybersecurity is also reviewed as part of Elders' internal audit program.

During the reporting period, Elders has reported no security breaches involving customer data, no outages to internal systems from security incidents and no events that significantly impacted business operations. Elders has redeveloped its formal cyber security strategy and multi-year enhancement roadmap. Over the past 12 months, we executed multiple initiatives, providing significant uplift to our cyber security capabilities. These improvements were delivered as part of Elders cyber security enhancement strategy. Our cyber security enhancement strategy is tightly aligned to the NIST Cyber Security Framework. Elders' recent focus has been on enhancing the following cyber capabilities, as aligned with the NIST Cyber Security Framework competencies:

Capability	NIST Domain Mapping
Vulnerability Management	Identify
Cyber Governance	Identify
Mobile Device Management	Protect
Data Loss Prevention	Detect and Protect
Asset Management	Identify
Encryption Services	Protect
Supply Chain Risk Management	Identify
Endpoint Device Protection	Detect and Protect
Cloud Security Controls	Protect
Cyber Incident Response Simulation	Respond and Recover

Elders continues to update and enhance its cyber security in response to new and emerging threats. Elders maintains assurance activities against its cyber capabilities and ongoing enhancement strategy through Elders' Internal Audit functions. To date, Elders has completed audit activities against the NIST domains "Identify", "Detect" and "Protect". Future audit activities will commence early in 2023 against the remaining two NIST domains, "Respond and Recover".

<sup>1</sup> Available online at [investors.elderslimited.com/investor-centre/?page=corporate-governance](https://investors.elderslimited.com/investor-centre/?page=corporate-governance)

<sup>2</sup> Available online at <https://elders.com.au/sustainability/>.

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



## Performance Tables

Questions relating to this Sustainability Report can be directed to our Head of Sustainability, Karena Milios at [sustainability@elders.com.au](mailto:sustainability@elders.com.au).

### People (as at 30 September 2022)

Workforce		FY21		FY22	
		Australia	China	Australia	China
Full time employees	female	754	45	868	22
	male <sup>1</sup>	1338	24	1492	16
Part time employees	female	210	-	237	-
	male	33	-	52	-
Casual employees	female	215	16	221	1
	male	298	10	305	3
Permanent employees	female	914	7	1055	10
	male	1342	9	1505	10
Fixed Term Contract employees	female	50	22	50	11
	male	29	5	39	3

#### Employees covered by enterprise agreements

Total (excludes employees based in China) 90%

Gender diversity	female	Male	Total
Non-Executive Directors	3	2	5
Senior Executive	3	8	11
Senior positions	75	363	438

<sup>1</sup> Elders also employs one manager based in Indonesia

### People continued (as at 30 September 2022)

	Under 30		30-50		Over 50		Total
	Female	Male	Female	Male	Female	Male	
<b>Workforce - Gender and age ranges</b>							
Australia	312	241	509	696	284	607	2649
China	2	0	19	12	1	4	38
Total number	314	241	528	708	285	611	2687
<b>New hire – Gender and age ranges</b>							
Australia	128	78	140	173	46	84	649
China	1		5	3			9
Total number	129	78	145	176	46	84	658
<b>Turnover – Gender and age ranges</b>							
Australia	87	44	93	74	40	52	390
China	3		12	4			19
Total number	90	44	105	78	40	52	409

## Health and safety

	FY20	FY21	FY22
LTI (employees)	2	3	6 <sup>1</sup>
LTIFR (employees)	0.5	0.7	1.1
LTI (contractors)	-	0	0
Fatalities (employees)	0	0	0
Fatalities (contractors)	0	0	0
TRI (employees)	77	84	66
TRIFR (employees)	19.7	15.1	12.6
Total hours worked (employees)	4,012,627	4,311,064	5,238,091

<sup>1</sup> Male: 5, Female: 1.

## Energy and emissions (1 July to 30 June)

	2020	2021	2022
<b>Australia - Scope 1</b>			
Fuel consumption (Gj)	207,569	255,873	278,969
Emissions from fuel consumption (tCO <sub>2</sub> e)	14,574	17,957	19,561
Emissions from Killara Feedlot cattle (tCO <sub>2</sub> e)	-	37,462	44,826
<b>Australia - Scope 2</b>			
Electricity consumption from the grid (Gj)	41,051	24,201	29,104
Electricity consumption from the grid (MWh)	11,403	6,722	8,084
Mandatory LGCs <sup>1</sup>	-	-	1,503
Voluntary LGCs	-	-	6,581
Total renewable electricity (MWh)	-	-	8,084 (100%)
Emissions from purchased electricity (tCO <sub>2</sub> e) <sup>2</sup>	8,946	4,982	5,801
<b>Total energy (Australia)</b>			
Total energy consumption (Gj)		280,074	308,073
<b>China - Scope 2</b>			
Electricity consumption from the grid (Gj)	-	2,466	2,580
Scope 2 GHG emissions from electricity consumption (tCO <sub>2</sub> e)	-	427	385

<sup>1</sup> Elders has assumed that each of its electricity retailers are surrendering LGCs on Elders' behalf as required by the Renewable Energy (Electricity) Act 2000 and are not submitting shortfall amounts or relying on the 'carry forward' liability method to dispense with their obligations.

<sup>2</sup> Location based, Australia only. Calculated using the methodology set out in the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

## Scope 3 emissions profile

Scope 3 emissions category	Main emissions source
1. Purchased goods and services	Energy used in the manufacture of the products we sell and the packaging and advertising material sold and used in our sites
2. Capital goods (assets)	Energy used in the manufacture of our sites, fittings, and fixtures
3. Fuel and energy-related activities	Upstream emissions of purchased fuels and electricity that Elders uses, including the extraction, production, and transportation of fuels, and transmission and distribution losses
4. Upstream transportation and distribution	Transportation and distribution of products purchased or sold by Elders, and transportation and distribution between facilities
5. Waste generated in operations	Disposal and treatment of waste generated by Elders
6. Business travel	Transportation of employees for business-related activities (in vehicles not owned or operated by Elders)
7. Employee commuting	Transportation of employees between their homes and their worksites (in vehicles not owned or operated by the reporting company)
8. Upstream leased assets	Not applicable - emissions are either accounted for in our Scope 1 and 2 emissions, or in category 15.
9. Downstream transportation and distribution	Transportation and distribution of products sold by Elders to customers
10. Processing of sold products	Processing of intermediate products sold; for example, cattle sold by Killara Feedlot
11. Use of sold products	End-use of goods sold by Elders, in particular fertiliser
12. End-of-life treatment of sold products	Waste disposal and treatment of products sold by Elders
13. Downstream leased assets	Operation of assets owned/leased by Elders and leased to other entities (not already included in Scope 1 & 2); namely, residences which Elders leases to staff working remotely.
14. Franchises	Fuel and electricity used by Elders Real Estate franchises
15. Investments	Operation of investments such as AuctionsPlus, Cleargrain and Elders Insurance.

## Economic performance

Total revenue (\$ million)	3,445.3
Net Debt (\$ million)	(284.9)
Total Equity (\$ million)	860.7
Total Capitalisation (\$ million)	575.8
JobKeeper received from Australian Government (\$ million)	0

## Other

Industry memberships, accreditations and standards	<p><b>General corporate memberships:</b> Australian Packaging Covenant Organisation; Agribusiness Australia; Australian HR Institute; Australian Cyber Security Centre</p> <p><b>Rural Services:</b> Australian Seed Federation, drumMUSTER, Fertilizer Australia, AgSafe, CropLife, Potatoes SA, Australian Crop Breeders, AuSPICA; Crop Consultants Australia, Ag Institute Australia (Chartered Practising Agriculturalist), Accredited Agricultural Adviser (AAA) Great Barrier Reef catchments, Fertcare accreditation (maintained by Elders agronomists), Livestock Data Link advisory and Cattle Council Australia; Integrity Systems and Food Safety</p> <p><b>Feed and Processing:</b> Angus Australia, Aus-Meat, Dairy Beef Alliance, Australian Lot Feeders' Association, National Feedlot Accreditation Scheme, Livestock Production Assurance, European Union Cattle Accreditation Scheme – High Quality Beef, Meat Standards Australia, Australian Beef Sustainability Framework Council</p> <p><b>Real estate:</b> State and Territory based Real Estate Institute memberships, Australian Livestock &amp; Property Agents Association</p> <p><b>Home loans:</b> Mortgage and Finance Association of Australia, Australian Financial Complaints Authority (External Dispute Resolution Scheme), Connective (our aggregator), FINA Financial</p>
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## Independent Limited Assurance Statement to the Management and Directors of Elders Limited

### Our Conclusion

Ernst & Young ('EY', 'we') were engaged by Elders Limited to undertake 'limited assurance' as defined by International Auditing Standards, here after referred to as a 'review', over 'selected sustainability performance data' included in Elders Limited's Sustainability Report for the year ended 30 September 2022. Based on our review, nothing came to our attention that caused us to believe that the selected sustainability performance data has not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

### What our review covered

We reviewed Elders Limited's selected sustainability performance data for the year ended 30 September 2022, as shown in the table below.

Selected sustainability performance data	Sustainability Report page
Greenhouse gas emissions (tCO <sub>2</sub> e) [Scope 1 and Scope 2 for FY22]	61
Diversity (percentage) [% representation of females by level]	60
Safety Total recordable injury frequency rate (TRIFR) and Lost time injury frequency rate (LTIFR), including Lost Time Injuries, Total Recordable Injuries and Total Hours Worked	61
Contribution to local communities (\$AUD million)	10

### Criteria applied by Elders Limited

The following Criteria have been applied:

- ▶ Definitions as per the Global Reporting Initiative's (GRI) Sustainability Reporting Standards
- ▶ Other criteria and methodologies as disclosed in Elders' 2022 Sustainability Report

### Key responsibilities

#### EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on the disclosures of selected sustainability performance data.

We were also responsible for maintaining our independence and confirm that we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants and have the required competencies and experience to conduct this assurance engagement.

#### Elders Limited's responsibility

Elders Limited's management was responsible for selecting the Criteria, and preparing and fairly presenting the selected sustainability performance data in accordance with that Criteria. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates that are reasonable in the circumstances.

### Our approach to conducting the review

We conducted this review in accordance with the International Federation of Accountants' *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000') and the terms of reference for this engagement as agreed with Elders Limited on 29 April 2022.

### Summary of review procedures performed

Our procedures included, but were not limited to:

- ▶ Gaining an understanding of the processes supporting the development of data for Elders Limited's selected sustainability performance data
- ▶ Conducting interviews with key personnel to understand Elders Limited's process for collecting, collating and reporting the selected sustainability performance data during the reporting period
- ▶ Checking that the Criteria have been correctly applied in the calculation of the selected sustainability performance data
- ▶ Undertaking analytical review procedures to support the reasonableness of the data
- ▶ Identifying and testing assumptions supporting calculations
- ▶ Testing the calculations performed by Elders Limited
- ▶ Testing, on a sample basis, underlying source information to check the accuracy of the data
- ▶ Reviewing the appropriateness of the presentation of information.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Ernst & Young  
Adelaide, Australia  
11 November 2022

Fiona Hancock  
Partner

### Limited Assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

### Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Elders Limited, or for any purpose other than that for which it was prepared.

# TCFD Index

<b>Governance</b>		<b>Notes</b>	<b>Page number</b>
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities.		27, 56
	b) Describe management's role in assessing and managing climate-related risks and opportunities.		27-29, 56
<b>Strategy</b>			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is available	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.		28-32
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		28-32
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		28-32
<b>Risk Management</b>			
Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks.		28-32, 56
	b) Describe the organisation's processes for managing climate-related risks.		28-32, 56
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		28-32, 56
<b>Metrics and Targets</b>			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We will aim to disclose our metrics as they are further analysed through climate change scenario analysis.	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our methodologies for calculating GHG emissions are set out on pages 36 and 61 of this report.	36-38, 61
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		36-38, 61

# GRI Content Index

GRI Standard	GRI Standard	Notes	Page number / URL
<b>General standards</b>			
102-1	Name of the organisation	Elders Limited.	
102-2	Activities, brands, products and services		7
102-3	Location of headquarters	Level 10, 80 Grenfell Street, Adelaide, South Australia.	
102-4	Location of operations		7
102-5	Ownership and legal form	Elders Limited is a public, ASX listed corporation.	
102-6	Markets served		7
102-7	Scale of the organisation	Elders serves customers through six core business areas.	7, 18, 62
102-8	Information on employees and other workers	This information has been compiled using data maintained within our internal human resources systems.	18, 60
102-9	Supply chain		See Elders' Modern Slavery Statement, available at <a href="http://www.elders.com.au/sustainability">www.elders.com.au/sustainability</a> .
102-10	Significant changes to the organisation and its supply chain		See Elders' Annual Report, available at <a href="http://investors.elderslimited.com/investor-centre/?page=annual-reports">investors.elderslimited.com/investor-centre/?page=annual-reports</a>
102-11	Precautionary Principle or approach	The principles of the precautionary approach are reflected in Elders' Resilience Framework, which guides our workers on the management of risks, specifically including risks to the environment.	
102-12	External initiatives		47, 54, 62
102-13	Membership of associations		62
102-14	Statement from senior decision-maker		2-3
102-15*	Key impacts, risks and opportunities	Key impacts, risks and opportunities related to Elders' material sustainability topics are detailed throughout the Sustainability Report.	See Elders' Annual Report, available at <a href="http://investors.elderslimited.com/investor-centre/?page=annual-reports">investors.elderslimited.com/investor-centre/?page=annual-reports</a>
102-16	Values, principles, standards and norms of behaviour		54
102-17*	Mechanisms for advice and concerns about ethics		58
102-18	Governance structure		55-56
102-19*	Delegating authority		11, 55-56
102-20*	Executive-level responsibility for economic, environmental, and social topics		55-56
102-26*	Role of highest governance body in setting purpose, values and strategy		6, 54
102-27*	Collective knowledge of highest governance body		55
102-29*	Identifying and managing economic, environmental and social impacts		7, 55
102-30*	Effectiveness of risk management processes		56
102-32*	Highest governance body's role in sustainability reporting		55
102-40	List of stakeholder groups		7
102-41	Collective bargaining agreements		60
102-42	Identifying and selecting stakeholders		7
102-43	Approach to stakeholder engagement		7
102-44	Key topics and concerns raised		9

GRI Standard	GRI Standard	Notes	Page number / URL
<b>General standards</b>			
102-45	Entities included in consolidated financial statements		See Elders' Annual Report, available at <a href="https://investors.elderslimited.com/investor-centre/?page=annual-reports">investors.elderslimited.com/investor-centre/?page=annual-reports</a>
102-46	Defining report content and topic Boundaries		6, 69
102-47	List of material topics		9
102-48	Restatements of information	No restatements made in this report.	
102-50	Reporting period		6
102-51	Date of most recent report	2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report		60
102-54	Claims of reporting in accordance with the GRI Standards		8
102-55	GRI Content Index		65-68
<b>Economic</b>			
<b>GRI 201: Economic Performance 2016</b>			
103-1	Explanation of the material topic and its Boundary		27-33, 69
103-2	The management approach and its components		27-33, 56
103-3	Evaluation of the management approach		27-33, 56
201-2	Financial Implications and other risks and opportunities due to climate change	Elders intends on progressively aligning its disclosures with the TCFD Recommendations. Its staged action plan for full alignment is described on page 33 of this report.	27-33
<b>Environmental</b>			
<b>GRI 302: Energy 2016</b>			
103-1	Explanation of the material topic and its Boundary		35-38, 69
103-2	The management approach and its components		35-38
103-3	Evaluation of the management approach		35-38
302-1	Energy consumption within the organisation	Fuel types included in calculation: Diesel, electricity, ethanol, LPG, natural gas and petrol. No reported heating, cooling or steam consumed and no reported heating, cooling, steam or electricity sold. Not reported: Energy consumption from solar power generated onsite due to unavailability of data.	37-38, 61
<b>GRI 303: Water and Effluents 2018</b>			
103-1	Explanation of the material topic and its Boundary		43-44, 69
103-2	The management approach and its components		43-44
103-3	Evaluation of the management approach		43-44
303-1	Interactions with water as a shared resource		43-44
303-2	Management of water related discharge impacts		44
303-3	Water withdrawal	Water withdrawal is determined having regard to water meters available at Killara Feedlot. Acidity and nutrient levels of water withdrawn from bores are consistent with freshwater.	44
303-4	Water discharge	Water discharged to EUAs and paddocks at Killara Feedlot originates from bore water. Amounts discharged have been estimated based on paddock requirements for water and nutrients.	44
303-5	Water consumption	Water consumption is monitored through water meter readings.	44
<b>GRI 305: Emissions 2016</b>			
103-1	Explanation of the material topic and its Boundary		35-38, 69
103-2	The management approach and its components		35-38
103-2	The management approach and its components		35-38
103-3	Evaluation of the management approach		35-38
305-1	Direct (Scope 1) GHG emissions	Gases included in the calculation: CO <sub>2</sub> , N <sub>2</sub> O and CH <sub>4</sub> . Elders has accounted for emissions using an "operational control" consolidation approach.	36, 62
305-2	Energy indirect (Scope 2) GHG emissions		
<b>GRI 306: Waste 2020</b>			
103-1	Explanation of the material topic and its Boundary		23-25, 69

<b>GRI Standard</b>	<b>GRI Standard</b>	<b>Notes</b>	<b>Page number / URL</b>
<b>General standards</b>			
103-2	The management approach and its components		23-25
103-3	Evaluation of the management approach		23-25
306-1	Waste generation and significant waste-related impacts		23-25
306-2	Management of significant waste-related impacts		23-25
306-3	Waste generated		23-25
<b>Social</b>			
<b>GRI 401: Employment 2016</b>			
103-1	Explanation of the material topic and its Boundary		17-20, 69
103-2	The management approach and its components		17-20
103-3	Evaluation of the management approach		17-20
401-1	New employee hires and employee turnover		18, 60
<b>GRI 403: Occupational Health and Safety 2018</b>			
103-1	Explanation of the material topic and its Boundary		12-16, 69
103-2	The management approach and its components		12-16, 56
103-3	Evaluation of the management approach		12-16, 56
403-1	Occupational health and safety system		14
403-2	Hazard identification, risk assessment, and incident investigation		12-16, 56
403-3	Occupational health services		13-15
403-4	Worker participation, consultation, and communication on occupational health and safety		13-15
403-5	Worker training on occupational health and safety		13-15
403-6	Promotion of worker health		16
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		14-15, 42
403-8	Workers covered by an occupational health and safety management system	Elders maintains a single WHSMS, which has been internally audited with the assistance of external consultants. It covers all 2,649 of Elders' employees and all contractors (100%), including 363 contractor real estate and livestock agents. No workers have been excluded from this disclosure. This information has been compiled using data maintained within our internal human resources systems, and by our People, Culture & Safety, Real Estate and Agency teams.	
403-9	Work-related injuries	Information in relation to this disclosure has been compiled having regard to Elders' internal incident and hazard reports, maintained by our People, Culture and Safety team. For the purposes of this disclosure, Elders has assumed all incidents and risks have been reported in accordance with our policies and procedures (detailed on pages 14 and 56 of this report).  Injury frequency rates for contractors are not available. Elders' reporting software captures comprehensive information on third party incidents and injuries to support effective response, but does not track contractor work hours to enable frequency rate calculation. Data relating to "high-consequence" injuries is also not separately available, but is captured within data relating to fatalities and total recordable injuries.	12-16, 61, 70
<b>GRI 413: Local Communities 2016</b>			
103-1	Explanation of the material topic and its Boundary		10-11, 21, 69
103-2	The management approach and its components		10-11, 21
103-3	Evaluation of the management approach		10-11, 21
413-2	Operations with significant actual and potential negative impacts on local communities		21
<b>Animal Welfare</b>			
103-1	Explanation of the material topic and its Boundary		46-48, 69
103-2	The management approach and its components		46-48
103-3	Evaluation of the management approach		46-48
G4-DMA		Animal welfare disclosures are sourced from the GRI G4 Food Processing Sector Disclosure.	
G4-FP9	Percentage and total of animals raised and/or processed, by species and breed type		47
G4-FP10	Policies and procedures by species and breed type, related to physical alterations and the use of anaesthetic		47

<b>GRI Standard</b>	<b>GRI Standard</b>	<b>Notes</b>	<b>Page number / URL</b>
<b>General standards</b>			
G4-FP11	Percentage and total of animals raised and/or processed, by species and breed type, per housing type		47
G4-FP12	Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments by species and breed type		47
G4-FP13	Total number of incidents of significant non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial animals	Referred to as “incidents of significant non-compliance with laws or regulations relating to animal welfare” within this report. For the purposes of this disclosure, Elders has assumed all incidents have been reported in accordance with our policies and procedures (detailed on page 56 of this report).	46

# Definitions and Topic Boundaries

This report covers the assets and operations of Elders Limited and companies over which Elders Limited or its subsidiaries have control<sup>1</sup>. Activities or entities over which Elders (or a subsidiary) does not have a control, including some saleyard operations, are excluded from the scope of this report unless specifically stated otherwise.

## Topic boundaries

An outline of where the impacts for each material topic occur and Elders' involvement with this impacts appears below:

Key topic	Impact within the Elders group	Impact outside the Elders group
Community impact and investment	Yes	Yes – communities
Health & Safety	Yes	Yes – contractors, customers, joint venture participants and regulators
Employee attraction and retention	Yes	No
Climate change	Yes	Yes – customers, communities, joint venture participants and contractors
Water availability	Yes	Yes – customers, communities, joint venture participants and contractors
Animal welfare	Yes	Yes – customers, contractors and regulators
Severe Weather	Yes	Yes – customers, communities, joint venture participants and contractors
Energy	Yes	Yes – landlords and regulators
Waste management	Yes	Yes – customers
Corporate governance	Yes	Yes – contractors, suppliers, joint venture participants, regulators and investors
Innovation and Technology	Yes	Yes – contractors, suppliers and customers

<sup>1</sup> As defined by section 50AA of the Corporations Act 2001.

## Definitions

Capitalised terms in this report have the following meaning, unless the context of this Report indicates otherwise.

**AgTech:** digital technology for use in agriculture and horticulture which aims to improve yield, efficiency and profitability.

**APVMA:** the Australian Pesticides and Veterinary Medicines Authority.

**Chain of Responsibility Laws:** 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”.

**Executive:** our Executive Management described in our Annual Report.

**LTI or lost time injury:** something that results in a fatality, permanent disability or time lost from work.

**LTIFR or lost time injury frequency rate:** the number of LTIs relative to 1,000,000 hours worked.

**MLA:** Meat and Livestock Australia.

**NLIS:** National Livestock Identification System.

**PIRSA:** The Government of South Australia Department of Primary Industries and Regions.

**Senior Management:** managers which report directly, or through one person, to the CEO.

**Serious Risk or Incident:** any event that has the potential to significantly impact our employees, clients, business or brand, which includes:

- A fatality or serious injury
- A significant threat to health/safety/ welfare or livestock
- Chemical spills, natural disasters, biosecurity threats
- Significant business disruptions or delays likely to cause serious financial impact
- Incidents likely to result in significant media attention
- Suspected criminal activity or fraud
- Incidents that must be reported to authorities (EPA, WorkCover, WorkSafe etc)
- Other serious incidents, for example terrorism, significant property damage or fire

**TCFD Recommendations:** the recommendations of the Taskforce on Climate-related Financial Disclosures.

**TRI or total recordable injuries:** the total number of work-related fatalities, LTIs and other injuries requiring medical treatment beyond first aid.

**TRIFR or total recordable injury frequency rate:** the number of TRIs relative to 1,000,000 hours worked.

**Worker:** employees and contractors.

