

Warakirri 2 Pty Ltd
(Warakirri Cropping)

Modern Slavery Statement

December 2022

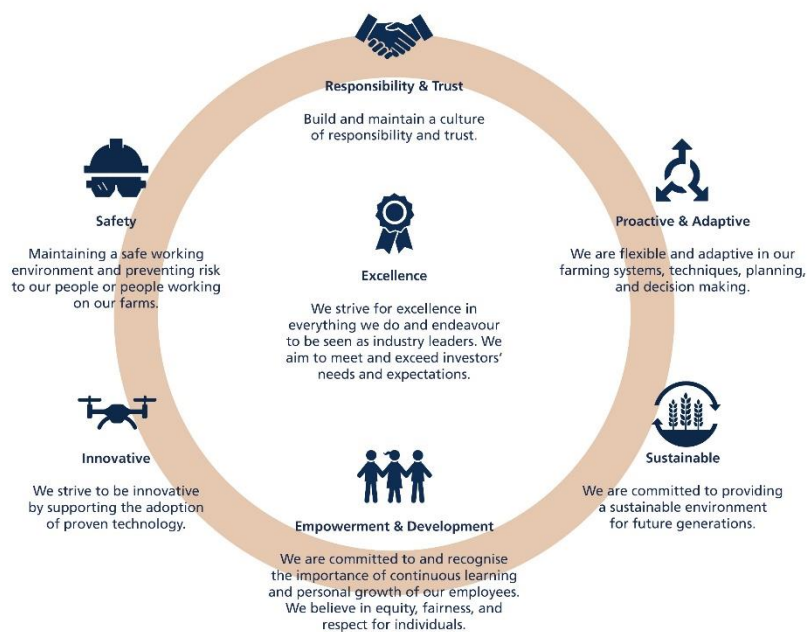


1. Introduction

This statement is made by Warakirri 2 Pty Ltd ABN 98 064 530 454 (Warakirri Cropping) in accordance with section 14 of the Modern Slavery Act 2018.

Warakirri Cropping conducts its business in a way that is open and accountable to its stakeholders. Our corporate governance and business practices are rigorous and adopt a standard of continually maintaining and adhering to the highest levels of honesty, integrity and ethical standards. At the heart of our company values we believe in equity, fairness and respect for all individuals including the rights of our people, customers, suppliers and contractors to be free from practices of modern slavery.

Our Values



Warakirri Cropping is committed to complying with the labour rights standards, legislation and statutory requirements and provides this first Modern Slavery Statement covering the period 1 July 2021 to 30 June 2022 and describes the actions taken to address modern slavery risk in its operations and supply chain for this period.



2. About Us and Our Structure (Criteria 1, 2)

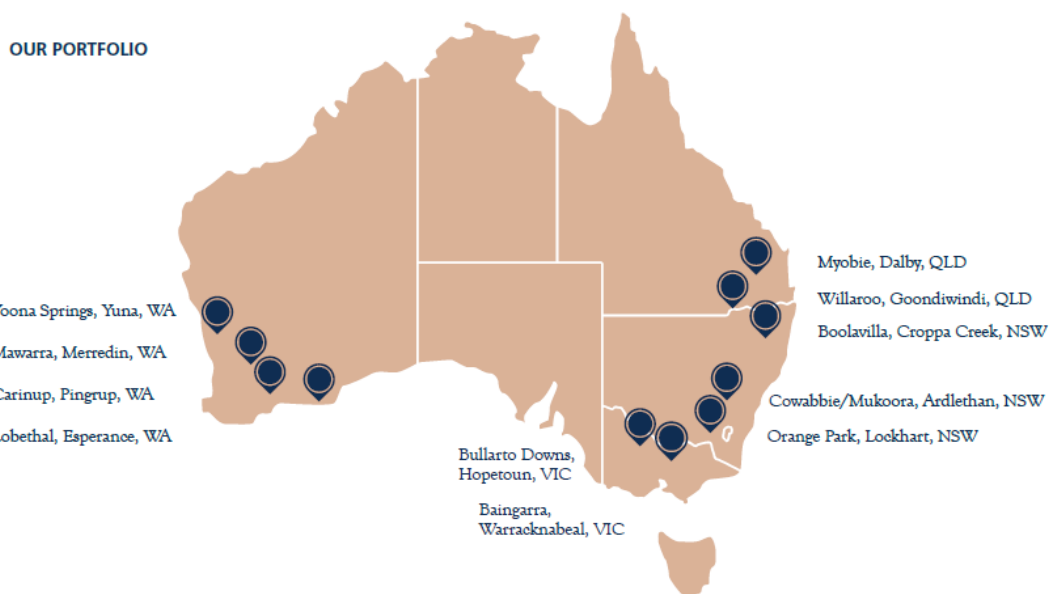
Warakirri Cropping is an Australian business that was established in 1996 and has a proud history as one of the largest, most diverse, and progressive broadacre cropping businesses in Australia. The business operates eleven geographically diverse, investment grade, broadacre cropping properties across the three main production regions of Australia.

Warakirri Cropping is a wholly owned entity of Warakirri Agricultural Land Trust II (WALTII), a unit trust beneficially owned by an Australian superannuation fund, which owns the land on which Warakirri Cropping conducts its operations. Warakirri Asset Management Limited is the trustee and manager of WALTII and provides corporate services and governance oversight of the Warakirri Cropping's operations.

3. Our Operations, Supply Chains and Associated Risks (Criteria 3, 4)

Warakirri Cropping operates a diversified portfolio of broadacre properties across eleven large-scale properties located in the New South Wales, Victoria, Western Australia and Queensland.

For the reporting period ending 30 June 2022, Warakirri Cropping's portfolio consisted of ~164,000 hectares of farmland, producing ~400,000t of crops.



Warakirri Cropping categorise its business as follows:

- **Operational Implementation:** farming employees, consultants and contractors used across the portfolio to execute farming activities.
- **Farming Supplies:** the products that we source and use including seed, fertiliser, agricultural chemicals, machinery and PPE. This category also covers the uniform and personal protective equipment used in our operations.
- **Product Marketing:** including storage, transportation, and end customers of our produce.

An assessment of modern slavery risk has been completed across the above categories for the reporting period to consider whether Warakirri Cropping is causing, contributing, or directly linked to modern slavery practices. For each of the defined areas of operation and supply chain categories, we have identified the types of risks caused by, or contributed to by our business.

- Sector and Industry risks (**low** risk)
- Products and services risks (**low to medium** risk)
- Geographic risks (**low to medium** risk)

Operational Implementation

Warakirri Cropping farming operations is supported by approximately 100 employees and a network of advisors, consultants and contractors. Our farming operations consist of full-time, part-time and casual workforce who are either Australian or hold working rights in Australia.

We have identified the following modern slavery risk factors throughout our Operational Implementation:

- **Sector and Industry risks – low** risk
 - Whilst our operations are solely located in Australia, our workforce does consist of temporary, seasonal or foreign labour.
 - At certain peak periods e.g., during harvest, we use short-term contracts / outsourcing.
- **Products and Services risks – low** risk
 - Some of our delivery timeframes during peak harvest periods may require employees and service providers to engage in excess working hours.
- **Geographic risks – low** risk
 - We operate in remote locations which necessitate some of our employees to live at residences owned and controlled us.



We have assessed the risk of modern slavery in our Operational Implementation category to be low. This assessment is based on the controls we have in place to counter the above identified risk factors including, but not limited to:

- All employees have entered into an employment agreement directly with our business.
- Annual remuneration is paid in accordance with the National Employment Standards (NES) or the relevant award applicable to the employee's role.
- Casual employees are remunerated at or above minimum award classification plus casual loading.
- Accrued time-off in lieu (TOIL) allowance for periods that may require employees to engage in excess working hours.
- Superannuation contributions in accordance with the superannuation guarantee legislation but not exceeding in respect of the maximum contributions base; and
- Specified notice of termination provisions which comply with, at a minimum, the NES.
- Provision of safe working environment and positive safety culture with shared accountability for employees, contractors, advisors and families.
- A Remuneration Policy that includes support for families living and working in remote locations who have limited access to childcare and/or have children in boarding schools by providing a remote family support allowance.
- A Health and Safety policy that actively support of our employee's health and wellbeing with initiatives around mental and physical health, including, but not limited to, the implementation of Fatigue Management Guideline.
- Dedicated human resources team who are committed to develop and retain engaged employees across the business and grow our own leaders within farm and corporate teams.
- Promoting and enhancing diversity, specifically gender diversity and be recognised as an employer of choice by fostering a healthy, positive and inclusive culture.
- Independent and tailored Employee Assistance Program for employees and their families offering a wide range of services in areas of physical and mental wellbeing, career, conflict resolution, money management and legal assistance.
- Established grievance mechanisms and Whistleblower policy.

Warakirri Cropping also uses a network of service providers e.g. agronomists, agricultural consultants and contractors who are local to the regions in which we operate. These are strong relationships forged over 25+ years and are covered by detailed service agreements which stipulate service level expectations, roles and responsibilities including the obligation for our service providers to adhere to our Code of Ethics and Conduct, uphold strong professional standards and meet all legal requirements. Where third party contractors are engaged to do works or provide services, Warakirri Cropping ensures that:

- We have a contracting agreement in place with all contractors which includes service level expectations.
- the Contractor is paying any workers in accordance with any relevant industrial instruments (i.e., a modern award or relevant enterprise agreement);
- where applicable, the Contractor is complying with the relevant pay slip and record keeping requirements in accordance with the Fair Work Regulations; and
- the Contractor holds appropriate workers' compensation or income protection insurances and public liability insurances.



Farming Supplies

Due to the scale of our operations, Warakirri Cropping has entered into a national procurement agreement for our farming supply requirements. This means that 90% of our farming inputs, including but not limited to fertiliser, seed and other agricultural chemicals, are sourced from one large-scale Australian domiciled supplier of agricultural products. The remaining 10% of farming inputs are sourced from alternative Australian domiciled suppliers in situations where our requirements cannot be met under our national procurement agreement, for example due to product unavailability.

Other ad-hoc farming supplies include, but not limited to, machinery, uniforms, personal protective equipment (PPE), IT equipment and office supplies which are typically sourced from multinational suppliers.

We have identified the following modern slavery risk factors within our Farming Supplies category:

- **Sector and Industry risks – low risk**

- Our major suppliers have reported the use of unskilled, temporary or foreign labour in their workforce. However, we have contract agreements in place with all suppliers which includes service level expectations and an obligation for our suppliers to meet all legal requirements, which includes the requirement to pay their employees in accordance with any relevant industrial instruments.
- Our uniforms and PPE are sourced from Australian based and branded.

- **Products and Services risks – low to medium risk**

- The major supplier of fertiliser and agricultural chemicals has reported that the products sold through their wholesale and retail branches are sourced from major Australian companies. However, the supplier has also acknowledged the heightened modern slavery risk that may be present in their underlying supply chains for this product.
- Additionally, our major supplier of cotton seeds has identified the heightened risk of child labour and forced child labour associated with the productions in India. However, they have also reported that the Australian companies responsible for the supply of cotton seed to them for re-sale have implemented several measures to mitigate this risk. Our supplier has also confirmed that the production of other seed varieties did not present a high risk of modern slavery.

- **Geographic risks – low to medium risk**

- We have assessed that, although our supplier source our inputs from Australian companies, the countries from which our inputs (e.g. fertiliser and cotton seed) originate, may have inadequate protections for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards. This risk is however considered reduced through the measures our supplier has implemented across its supply chain.

Overall, we have assessed our modern slavery risk in our Farming Supplies category to be low to medium. This assessment is based on the controls we, and our underlying suppliers and their supply chains, have implemented to counter the above identified risk factors including, but not limited to:

- We conduct extensive due diligence prior to the appointment of suppliers / service providers. This process is covered by our External Service Providers guideline which includes extensive procedures of the selection, appointment and monitoring of both outsourcing arrangements for material business activities, and the engagement of professional advisors and key business partners.
- We have entered into detailed service agreements with all our suppliers which include service level expectations, roles and responsibilities and an obligation for our service providers to uphold strong professional and to, at all times, meet all health and safety and other legal requirements. For our major supplier, a large-scale business, this also includes the obligation to protect human rights in its operations and supply chains and the requirements to actively identify and report on any indication of modern slavery within its operations and supply chains. In doing so, our major suppliers issue annual modern slavery statements outlining the risks in each area of its business operations and supply chains.
- We strive to source responsibly and sustainably and actively seek to understand our supplier's operations and their underlying supply chain. During the reporting period, we conducted a detailed review of the actions taken by our suppliers to combat the risk of modern slavery within their supply chains through evaluating their issued modern slavery statement.



Product Marketing

Warakirri Cropping's Product Marketing process includes the storage, transportation and sale of our produce (grain and fibre) to end customers. Warakirri Cropping has a concentrated customer base that is approved by its Board and subject to counter party financial viability risk assessment. Our top five customers account for 75% of product sales, with the top 10 customers making up 90% of the total product sales.

We have identified the following modern slavery risk factors within our Product Marketing process:

- **Sector and Industry risks – low risk**
 - Use of unskilled, temporary, seasonal or foreign labour by our contractors who provide transportation or storage services. However, we have contract agreements in place with all contractors which includes service level expectations and payment terms and an obligation for the contractor to pay their workers (if any) in accordance with any relevant industrial instruments (i.e. a modern award or relevant enterprise agreement);
- **Products and Services risks – low risk**
 - Some of our delivery timeframes during harvest period may require contractors to engage in excessive working hours. All contracting agreements includes reasonable service level expectations and fair payment terms and an obligation for the contractor to pay their workers (if any) in accordance with any relevant industrial instruments (i.e. a modern award or relevant enterprise agreement);
- **Geographic risks – low to medium risk**
 - The countries from which the buyers of our produce originate, or provide service to, may have inadequate protections for workers, including no or weak capacity to effectively monitor workplace standards and enforce compliance with national standards.

Overall, we have assessed the modern slavery risk in our Produce Marketing category to be low. This assessment is based on the controls we have in place to counter the above identified risk factors including, but not limited to:

- Review 100% of the modern slavery statements of those customers who had published a statement to better understand our customer's exposure to modern slavery risk. The majority of our customers are large-scale businesses that have an obligation to protect human rights in their operations and supply chains and the requirements to actively identify and report on any indication of modern slavery within their operations and supply chains.



4. Risk Management and Future Actions (Criteria 5, 7)

Risk management is an important part of Warakirri Cropping’s normal business operations, processes and strategy. The approach to risk management is not intended to eliminate risk completely, rather providing a sound framework to identify and manage risks, maximize opportunity, minimise adversity and to achieve overall improved outcomes based on informed decision-making. Warakirri Cropping has implemented a Risk Management Strategy and Program (RSMP) that is in line with AS/NZ 31000. The RSMP documents the process for identifying, monitoring, and management of material risks associated with Warakirri Cropping’s business activities. We manage the identified risks, including the risk of modern slavery, by implementing controls designed to mitigate those risks to an acceptable level as defined by the Board’s risk appetite.

Warakirri Cropping made significant progress in identifying and implementing several measures and controls (as outlined in section 3 of this statement) to address modern slavery risks identified in its operation and supply chains. As part of the risk management process undertaken during the period, we have identified additional controls and other measures to enhance the mitigation of modern slavery risk across our Operational Implementation, Farming Supplies and Product Marketing categories.

During the next reporting period we commit to undertake the following additional actions:

CATEGORY	ACTIONS
Operational Implementation	<ul style="list-style-type: none"> - Training of employees to increase the understanding of modern slavery risk. - Define clear metrics to assess the effectiveness of the defined controls in this category.
Farming Supplies	<ul style="list-style-type: none"> - Extend the procedures in our External Service Provider guideline, for the selection, appointment and monitoring of service providers / contractors, to include initial and ongoing assessment of modern slavery risks, with consideration to the following risk factors; jurisdiction, sector and industry, product and service and geographical location. - Continual monitoring of our supplier’s exposure to modern slavery risk. Whilst the agreements we have in place with our suppliers include the requirement to report any contravention or breach of legal obligations, we will ensure that our supply agreements are updated to include specific clauses to address the requirement to actively monitor and report on modern slavery risks. - For any small-scale supplier which may not have an obligation to report on modern slavery risk or does not voluntarily prepare a modern slavery statement, we will implement periodic questionnaires targeting modern slavery risk and where inadequate actions have been taken to address modern slavery risk, we will engage with our suppliers and endeavour to assist them with undertaking a risk assessment.
Product Marketing	<ul style="list-style-type: none"> - Continue to review the Modern Slavery Statements issued by our customers to better understand the risk of Warakirri Cropping causing, contributing, or being directly linked to modern slavery practices. - Where a high risk of modern slavery is found in our customer base, engage with the customer to address this risk and reserve the right to no longer engage in business.

Additionally, Warakirri Cropping has implemented policies which assist in the effective management of modern slavery risks.

Policies and Guidelines:

Warakirri Cropping has implemented the following policies and guidelines which have been identified as relevant for the effective management of modern slavery risk. These following policies and guidelines are easily accessible by all employees and available to contractors:

- **Code of Ethics and Conduct:** to ensure high standards of corporate and individual behaviour by all employees and that stakeholders have confidence in the integrity, trust and collaboration of Warakirri.
- **Agriculture Remuneration Guideline:** outlines the remuneration framework for corporate, farm and casual employees to ensure employee's remuneration, short term incentives and long-term incentives, are reviewed and communicated in a fair and transparent manner with the appropriate levels of confidentiality.
- **Whistleblower Policy:** aims to provide employees, contractors and agents with a supportive working environment in which they feel confident to be able to raise issues of legitimate concern to them and to Warakirri.
- **Complaints Handling Policy:** to ensure fair, efficient and accessible avenue for expressing dissatisfaction and resolve complaints fairly and efficiently.
- **Compliance Reporting Policy:** to ensure that any matters that have occurred which may be in contravention of applicable laws and regulations, Warakirri's processes, policies, guidelines or contracts or agreements with third parties are identified and appropriately reported.
- **Human Resources Policy:** a framework for human resource arrangements which is supported by guidelines for talent acquisition, remuneration, unacceptable behaviour and grievance procedures.
- **Health, Safety and Environment Policy:** establishes Warakirri Cropping's commitment to ensuring all employees, contractors and visitors experience a healthy and safe work environment, enabling them to return safely home each day. The policy provides an overview of the workplace health, safety and environment (HS&E) management system which deals with the management of HS&E risks associated with Warakirri Cropping's business operations, including but not limited to implemented procedures to deal with fatigue management.
- **External Service Provider Guideline:** which governs the appointment and monitoring of external service providers (including suppliers). The guideline covers both outsourcing arrangements for material business activities, the engagement of professional advisors and key business partners.

All policies reviewed and updated at regular intervals by Warakirri's Audit, Risk and Compliance Committee and approved by Warakirri Cropping's Board.

5. Review

This Modern Slavery Statement will be reviewed annually by Warakirri Cropping's Board to ensure it complies with relevant laws and remains relevant and effective.

The Modern Slavery Statement was reviewed and approved by the Board on 1 December 2022.



James McKay
Director – Warakirri 2 Pty Ltd

