



Elders Limited
**Modern Slavery
Statement 2020**

Elders

Elders Limited ABN 34 004 336 636

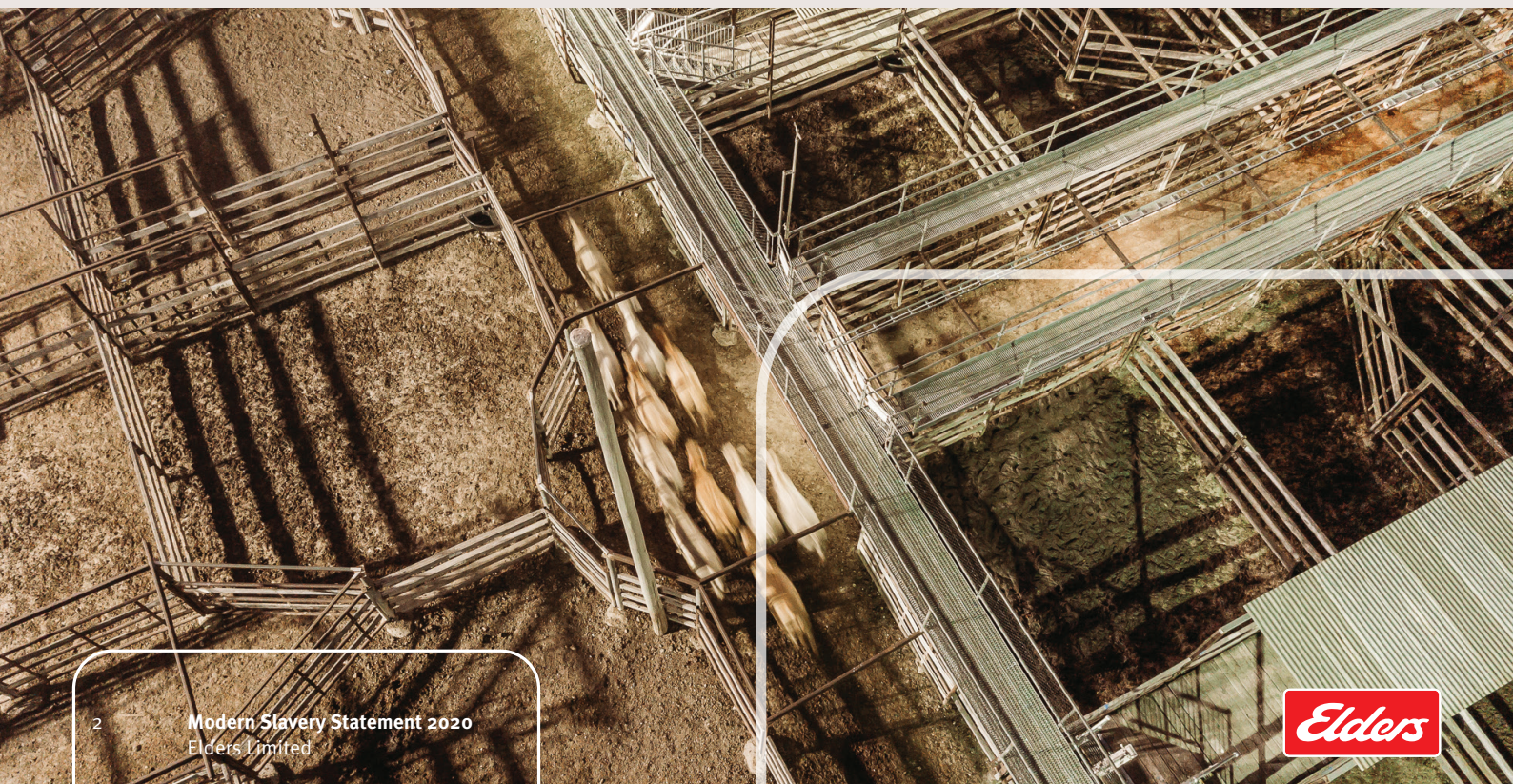
This statement is made by Elders Limited in accordance with section 14 of the Modern Slavery Act 2018 (Cth). It is our first Modern Slavery Statement and covers Elders and its subsidiary reporting entities, including Elders Rural Services Australia Limited (“Elders Rural Services”), Titan Ag Pty Ltd (“Titan AG”), Australian Independent Rural Retailers Pty Ltd (“AIRR”) and Killara Feedlot Pty Ltd (“Killara Feedlot”). The statement describes our actions to address modern slavery risks in our operations and supply chains, and the operations and supply chains of the entities within our operational control, during the financial year ending 30 September 2020.

Our Structure, Operations and Supply Chains

Elders is a publicly owned agribusiness focused on creating value for all its stakeholders in Australia and internationally. We achieve this through approximately 2,100 employees across Australia and in China, most of which are permanent, full time staff.

Our Structure and Operations

In Australia, Elders works closely with primary producers to provide products, marketing options and specialist technical advice across rural, agency and financial product and service categories. Elders operates a leading Australian rural and residential property agency and management network, which includes both company owned and franchise offices operating throughout Australia in both major population centres and regional areas. Our feed and processing business operates a top-tier beef cattle feedlot in New South Wales and a premium meat distribution model in China.



Our Businesses

Rural Products

Elders is one of Australia's leading suppliers of rural farm inputs including seeds, fertilisers, agricultural chemicals, animal health products and general rural merchandise. We provide these rural products via more than 400 retail channels to corporate farms and primary producers across Australia. We also provide professional production and cropping advice with over 170 agronomists nationwide, including 12 specialists operating through Thomas Elder Consulting, and market analysis services through Thomas Elder Markets.

Elders Rural Services and AIRR provide rural farm inputs to farmers through their retail branches, while AIRR additionally supplies independently owned member stores with wholesale products. AIRR and Titan AG also facilitate the formulation and wholesale of our own-brand agricultural chemical and animal health products, including Apparent, Pastoral AG, IO, and Hunter River.

Agency Services

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

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

Real Estate Services

Elders Real Estate (a business operated through Elders Rural Services) is comprised of company owned rural property agencies which are primarily involved in the marketing of farms, stations and lifestyle estates and a network of residential real estate agencies providing agency and property management services in major population centres and regional areas through company owned and franchise offices.¹ Other services offered through this business include water and home loan broking.

Financial Services

Financial services are provided to our clients through Rural Bank, StockCo and Elders Insurance.² Our relationships with these entities support the delivery of financial and insurance services throughout our network, assisting our customers with growing their businesses and managing cash flow and risk.

Feed and Processing Services

In Australia, Elders operates Killara Feedlot, a beef cattle feedlot near Tamworth in New South Wales. Through Elders Fine Foods, Elders also imports, processes and distributes premium Australian meat in China from its facility based in Shanghai.

¹ Franchise offices are not subsidiaries over which Elders has operational control.

² These entities are not subsidiaries over which Elders has operational control.

Our Supply Chains

Our businesses are supported by a large and diverse supply chain comprising global manufacturers and wholesalers as well as local small businesses. We source products for resale and for our own internal use, as well as services.

The products which we source for resale include:

	Agricultural Chemicals	Fertiliser	Animal Health Products	General Merchandise	Seeds	Agricultural Machinery and equipment	Livestock ³
Elders Rural Services	●	●	●	●	●	●	●
AIRR	●	●	●	●	●		
Titan AG	●						
Killara Feedlot							●

Our largest spend on these products is with suppliers who operate or manufacture their products in Australia, followed by China and India.

The products which our businesses use internally include IT equipment, office supplies, uniforms, personal protective equipment, materials used to fit out our stores and warehouses, forklifts and vehicles in our fleet. These products are generally sourced from large, multinational suppliers.

The services our businesses procure include cleaning, IT services, general maintenance services and transport for goods and (in the case of Elders Rural Services and Killara Feedlot) livestock. We procure the professional services of consultants and advisors as required. Elders Rural Services also engages contractor livestock agents, real estate agents and agronomists. For our operations in Australia, these services are mainly procured from Australian suppliers, with some IT support provided from the offices of our supplier, HCL, in India.

³ Elders Rural Services provides agency services for clients buying and selling livestock.



Risk Assessment

We recognise that modern slavery risks can appear in any supply chain and operation and we have a zero tolerance for worker exploitation.

Risks In Our Operations

We assessed the risk of modern slavery in our own operations to be low. This assessment was based on internal reviews of our recruitment, employee engagement and remuneration practices (described in further detail below) and publicly available information indicating the low prevalence of modern slavery in the locations and businesses in which we operate.

Risks In Our Supply Chains

This year we undertook preliminary risk assessments of the top 90% of our tier-one suppliers in our IT, Indirect Procurement and Rural Products supply chains. These supply chains were selected based on our awareness of a higher risk of modern slavery in the categories of products we procure from them. We believe that the supply chains associated with our Agency Services, Real Estate and Feed and Processing businesses are low risk given their comparatively small size and mostly local presence.

Our risk assessments this year and in the lead up to the publication of our Modern Slavery Statement included the following actions:

- compiling and reviewing supplier information from key personnel and systems across our corporate group (including the reporting entities referred to in this statement) to identify our tier one suppliers, how much we spend on them, where they manufacture their products and the types of product we procure from them
- researching publicly available information relating to these suppliers, including information about their manufacturing processes and locations of operation, their actions on sustainability and how they address modern slavery in their operations and supply chains
- researching publicly available information on the prevalence of modern slavery in different locations and product categories, consulting various resources including news media, the 2018 Global Slavery Index⁴ and the U.S. Department of Labor's 2018 List of Goods Produced by Child Labor or Forced Labor⁵
- assigning risk ratings to our suppliers based on the outcomes of the above actions
- verifying our findings and risk ratings with our key personnel

Through our risk assessment, we found that:

- most of the products we procure come from Australia, which we understand to have a low prevalence of modern slavery
- products imported from countries with a higher prevalence of modern slavery were mostly:
 - in product categories which have not been identified as having a prevalence of modern slavery (for example, agricultural or veterinary chemicals and fertiliser)
 - supplied by suppliers who have publicly disclosed several measures to manage modern slavery risks in their operations and supply chains

⁴ Available at <https://www.globalslaveryindex.org/>.

⁵ Available at <https://www.dol.gov/sites/dolgov/files/ILAB/ListofGoods.pdf>.

Risk Assessment

As a result, we assessed the risk of modern slavery in our tier one suppliers operating in our IT, Indirect Procurement and Rural Product supply chains to be low to medium. The highest risks (which in most cases appeared to be mitigated by our suppliers' published policies and procedures) can be summarised as follows:

Country	Risk	Example of product/service sourced
Australia	Migrant labour exploitation in horticulture production	Potatoes
Bangladesh	Child labour	Uniforms
China	Forced labour	Uniforms, general merchandise and office supplies
Indonesia	Child labour	Uniforms
Malaysia	Forced labour	IT hardware
Sri Lanka	Child labour	Uniforms

We understand that the procurement of the raw materials used in the manufacture of the products we source from our suppliers may involve a higher risk of modern slavery. This heightened risk may be at the beginning of our supply chains, where we have little to no visibility, influence or control.

The actions we are taking or plan to take to address the risks of modern slavery in our operations and supply chains are outlined on page 7.

Actions Addressing Modern Slavery Risks

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

This year and in the period leading up to the publication of our first Modern Slavery Statement, we took the following actions to upgrade our risk management controls:

- introduced “Modern Slavery” as a standalone risk on our risk register, requiring management in accordance with our Resilience Policy⁶ and Framework⁷ (outlined in further detail below)
- engaged independent consultants to review our payroll systems, enterprise and remuneration agreements to identify and remedy any underpayment risks
- developed and launched our Ethical Contracting Policy and Framework (described in more detail on page 9)
- hosted workshops with key personnel on addressing modern slavery and the risks presented by the suppliers they presently deal with

Other measures we have in place to safeguard human rights and promote ethical behaviour throughout our business are outlined pages 8 to 11.

⁶ Available at : <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

⁷ This is an internal document.

Actions Addressing Modern Slavery Risks

Elders Code of Conduct

Our Code of Conduct⁸ details the acceptable standards and the behaviour and responsibilities expected of all our Directors, employees, agents, contractors and consultants (“Elders People”). The Code exists to ensure that all Elders People:

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



One Elders Values

Our One Elders Values are integral to the way we do business. They embed the behaviours we expect of all our employees and Directors. The Board believes the tone is set from the top and remains engaged with senior management to ensure our values align with what we do in practice.

Governance and Training

Our Board is committed to promoting conduct and behaviour that is honest, fair, legal and ethical and respects the rights of Elders’ shareholders and other stakeholders, including clients and customers, suppliers, creditors and employees. We seek to promote a culture of ethical dealing through our key ethical dealing policies, including our Anti-Fraud and Anti-Bribery and Corruption Policies, and staff training on legal and ethical dealing. Our Board Audit, Risk and Compliance Committee and Management Audit, Risk and Compliance Committee meet quarterly to oversee our actions and performance.

Employee Recruitment and Remuneration

Recruitment is managed internally through our centralised People and Culture and Payroll teams, which are required to comply with all applicable laws and regulations relating to fair work and strict onboarding, recruitment and payroll procedures. These procedures include right to work checks, reference checks and police checks. Approximately 95% of our employees (excluding those based in China) are covered by collective bargaining agreements.

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

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

⁸ Available at: <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.

Actions Addressing Modern Slavery Risks

Health and Safety

“Driving significant progress in achieving a ‘zero harm’ workplace” is a key corporate objective of Elders, which is supported by our Work Health Safety Management System (“WHSMS”).

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

Our WHSMS reflects the requirements of various State-based work, health and safety legislation and our Safety Manual (currently being updated) draws on the principles of the AS/NZS 4804-2001 occupational health and safety management system. Our WHSMS is monitored periodically and evaluated to ensure its suitability and effectiveness.

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

Ethical Contracting Policy and Framework

Our Ethical Contracting Policy and Framework requires Elders people who propose to engage a supplier to first assess and rate that supplier having regard to key risks to our business, including modern slavery and human rights risks. The Framework guides our people to consider where products they procure are manufactured and whether they fall within a higher risk product category, with extended due diligence required for suppliers presenting a ‘high’, ‘very high’ or ‘critical’ risk. The policies or procedures our suppliers have in place to manage modern slavery risks in their operations and supply chains are considered in determining whether those risks are being effectively managed.

Supplier Relationship Management

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



Actions Addressing Modern Slavery Risks

Our standard form supplier agreements do not mandate delivery times for products, allowing our suppliers to accept or reject purchase orders and enabling them to plan their manufacturing and logistics accordingly. Where practicable, we provide adequate lead times, long term forecasting and planned orders.

Contractual Obligations

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

- comply strictly, and use reasonable endeavours to ensure that their suppliers comply strictly, with all laws prohibiting the bribery of public officials and private persons, influence peddling, money laundering and modern slavery
- keep complete and accurate records of any non-compliance and immediately notify Elders of any breach
- comply with all relevant laws
- ensure that products are delivered in a safe manner and in compliance with Chain of Responsibility Laws⁹

Elders seeks to negotiate equivalent provisions into agreements not governed by its standard form documents. Contracts which are not in our standard form are required, in accordance with our Delegation of Authority Policy¹⁰, to be:

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

This procedure applies to all contracts not in Elders' standard form, regardless of their value. It is designed to control the obligations which Elders agrees to and ensure the key expectations we have of our suppliers are legally enforceable.

⁹ 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".

¹⁰ An internal document.



Actions Addressing Modern Slavery Risks

Whistleblower Protection

We encourage all our stakeholders (including our employees, customers and suppliers) to report any actual or suspected unacceptable conduct, including fraud or illegal activity. Our Board has adopted a Whistleblower Policy¹¹ to encourage and facilitate disclosure. The policy requires Elders to take certain steps to protect the anonymity of reporters. Our Whistleblower telephone hotline number, maintained to facilitate the reporting of unacceptable conduct, is advertised on posters in all our locations. This year, we received zero reports from whistleblowers through our hotlines.

Next Steps

Over the coming years, we intend to progressively assess suppliers across our supply chains to improve our identification and mitigation of modern slavery risks. Our focus for the financial year ending 30 September 2021 will be on:

- continuing to implement our Ethical Contracting Framework, with extended due diligence on modern slavery risks associated with suppliers of our own brand products
- developing an audit program to assess the effectiveness of our Ethical Contracting Framework
- providing further training on recognising and addressing modern slavery risks to our workforce
- enhancing our internal policies and documenting and publishing a code outlining the expectations we have of our suppliers to specifically address human rights and other sustainability-related topics

¹¹ Available online at <https://investors.elderslimited.com/investor-centre/?page=corporate-governance>.



Assessing The Effectiveness Of Our Actions

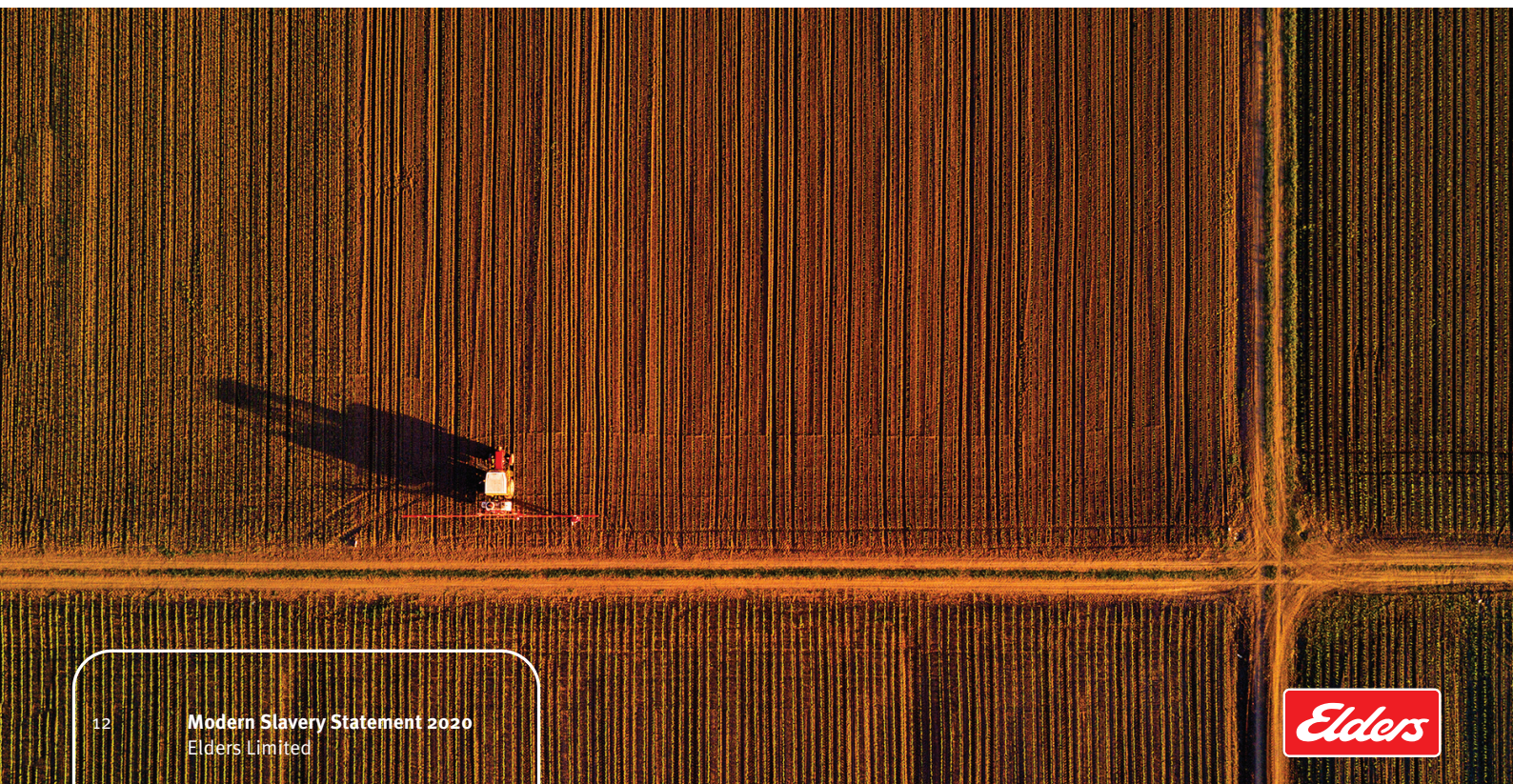
We assess our performance on ethical dealing and sustainability more broadly in the following ways.

Stakeholder Engagement

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

Elders' approach to engaging with stakeholders is set out below.

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



Incident and Risk Management and Escalation

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

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

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

Modern slavery risks identified in supplier due diligence (mandated for every supplier Elders engages with under Elders' Ethical Contracting Framework) are considered by our Legal and Compliance Team, who work with our businesses to identify any remedial action available to mitigate the risk. We seek to work with suppliers to mitigate any risks of modern slavery identified in their supply chains. Remedial action is determined on a case by case basis. The impossibility of remedial action, or the unwillingness of a supplier to act, will likely result, in accordance with our Resilience Framework, in our inability to work with the supplier. We were not required to terminate any relationships with our suppliers based on the risk of modern slavery in their operations or supply chains in the last financial year.

Where a Serious Risk or Incident¹² is identified or occurs, our workers are required to follow our incident escalation process, displayed at all our branches. This involves the following steps:

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

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



¹² Any event that has the potential to significantly impact our employees, clients, business or brand, which includes: safety-fatality or serious injury; animal – significant threat to health/safety/welfare or livestock; environmental – chemical spill, natural disaster, biosecurity threat; business – significant business disruption, delay, likely to cause serious financial impact; media – incident likely to result in significant media attention; criminal – suspected criminal activity or fraud; regulatory – incident that must be reported to authorities (EPA, WorkCover, WorkSafe etc); and other serious incidents.

Consultation With Our Subsidiaries

Elders' Sustainability and Legal and Compliance teams coordinated a process across our corporate group whereby key personnel were consulted to identify major suppliers and supplier groups, products types and origins, to assist with the risk assessment performed, and to implement the Ethical Contracting Framework. This process culminated in the drafting of Elders' Modern Slavery Statement, which was reviewed by the group's Management Audit, Risk and Compliance Committee and endorsed by the Board.

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



Mark Allison

Managing Director and Chief Executive Officer

