

NUFARM LIMITED

2022

Modern  
Slavery  
Statement



# About this statement

**The following modern slavery statement is made on behalf of Nufarm Limited (Nufarm) as required under the Australian Commonwealth Modern Slavery Act 2018 and the UK Modern Slavery Act 2015. Nufarm is the global parent company of a number of wholly owned crop protection and seed technology businesses.**

Nufarm is publicly owned and listed on the Australian Securities Exchange (ASX), with symbol NUF. Our corporate head office is located at 103–105 Pipe Rd, Laverton North in Victoria, Australia. As permitted under the Australian Commonwealth Modern Slavery Act, this is a joint statement prepared by Nufarm for the following reporting entities.

- Nufarm Limited (ABN 37 091 323 312)
- Nufarm Australia Limited (ABN 80 004 377 780)
- Medisup Securities Limited (ABN 13 090 761 523)
- Agryl Holdings Limited (ABN 61 005 968 178)
- Nuseed Global Holdings Pty Ltd (ABN 36 623 104 950)
- Nuseed International Holdings Pty Ltd (ABN 30 623 104 987)

which all had a consolidated revenue greater than AUD100 million for the reporting period and conducted business in Australia during the reporting period. Medisup Securities Limited, Agryl Holdings Limited, Nuseed Global Holdings Pty Ltd and Nuseed International Holdings Pty Ltd are deemed resident in Australia for income tax purposes, however, operate as holding companies only.

As Nufarm Limited is also the controlling entity, this statement describes the supply chain and operations for reporting and non-reporting entities within the Nufarm Group globally and

actions taken to assess and address modern slavery risks. It also responds to the requirements of the UK Modern Slavery Act 2015 for our company Nufarm UK Limited (Company number 02882993) which had an annual turnover of more than GBP36 million and conducted business in the United Kingdom during the reporting period.

A full list of entities covered by this report is included in Appendix 1.

**This statement applies to our financial year, 1 October 2021 to 30 September 2022, referred to as ‘FY22’ and ‘this year’.**

This statement contains forward-looking statements which involve known and unknown risks, uncertainties and assumptions, some of which are beyond Nufarm’s control. As a result, actual performance or achievements may be significantly different.

This statement was approved by Nufarm’s board of directors on 30 March 2023 and signed by Nufarm’s managing director and chief executive officer, Greg Hunt. It was submitted to:

- Australian Border Force’s online register for modern slavery statements as required of the Australian Commonwealth Modern Slavery Act; and
- the UK Modern Slavery Statement Register, as required by the UK Government.

It was also published on the home page of our corporate and United Kingdom company websites.



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# A message from our Managing Director and CEO

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Nufarm is committed to conducting business honestly, ethically and responsibly. We uphold human rights, and we seek to partner with suppliers who share our standards. We take a zero-tolerance approach to modern slavery practices, and we work to address modern slavery risks.

As part of our commitment, I'm pleased to present our Modern Slavery Statement for FY22 which outlines our operations and supply chain, and the actions we are taking to identify and reduce our modern slavery risk.

As an agricultural innovator, we recognise that modern slavery can potentially enter our supply chain and operations in higher risk countries. We remain vigilant for modern slavery risks in countries and industries where people are more vulnerable to exploitation and where legal and institutional protections are weak.

In accordance with our human rights policy, we remain committed to employing workers who have freely given their consent to employment, and who are of legal age and status to work, and to undertaking business with suppliers and contractors who share this goal. This year we continued to focus our modern slavery risk mitigation efforts on the areas of our operations

where our employees are located in countries we identified as higher risk, on the most significant purchasing spend in our supply chain in higher risk countries, and on areas where we are most at risk of causing or contributing to modern slavery.

We continue to work with our suppliers to uphold our position on human rights and to comply with regulatory requirements in relation to their employees and workplaces.

Nufarm recognises that identifying and addressing modern slavery risk in our operations and supply chain requires ongoing focus and continuous improvement, as well as positive collective action. We will continue to assess and act on our commitment to this important issue.



**Greg Hunt**  
Managing Director and Chief Executive Officer



# Our company

Nufarm is a global crop protection and seed technology company that has been helping growers fight disease, weeds and pests for more than 100 years. We do this by developing innovative crop protection solutions and BEYOND YIELD™ seed technologies. Our purpose is to help our customers grow a better tomorrow. Our ambition is to grow our relevance by delivering more sustainable solutions over more acres every year.



We develop, manufacture and sell crop protection solutions including herbicides, insecticides and fungicides that help growers protect crops against weeds, pests and disease. We operate primarily in the off-patent market, providing customers with longstanding foundational products and unique formulations. Our business is focused on five core crops across key geographies: Europe, Middle East and Africa, North America, and Asia Pacific. The crops we focus on are cereals; corn; soybean; pasture, turf and ornamentals; and trees, nuts, vines and vegetables.



Our seed treatment products provide protection and treatment for damage caused by insects, fungus and disease. Our Value BEYOND YIELD™ seeds strategy focuses on providing sustainable plant-based solutions to address global issues and provide new social and economic opportunities for farm and end-use customers.

## At a glance

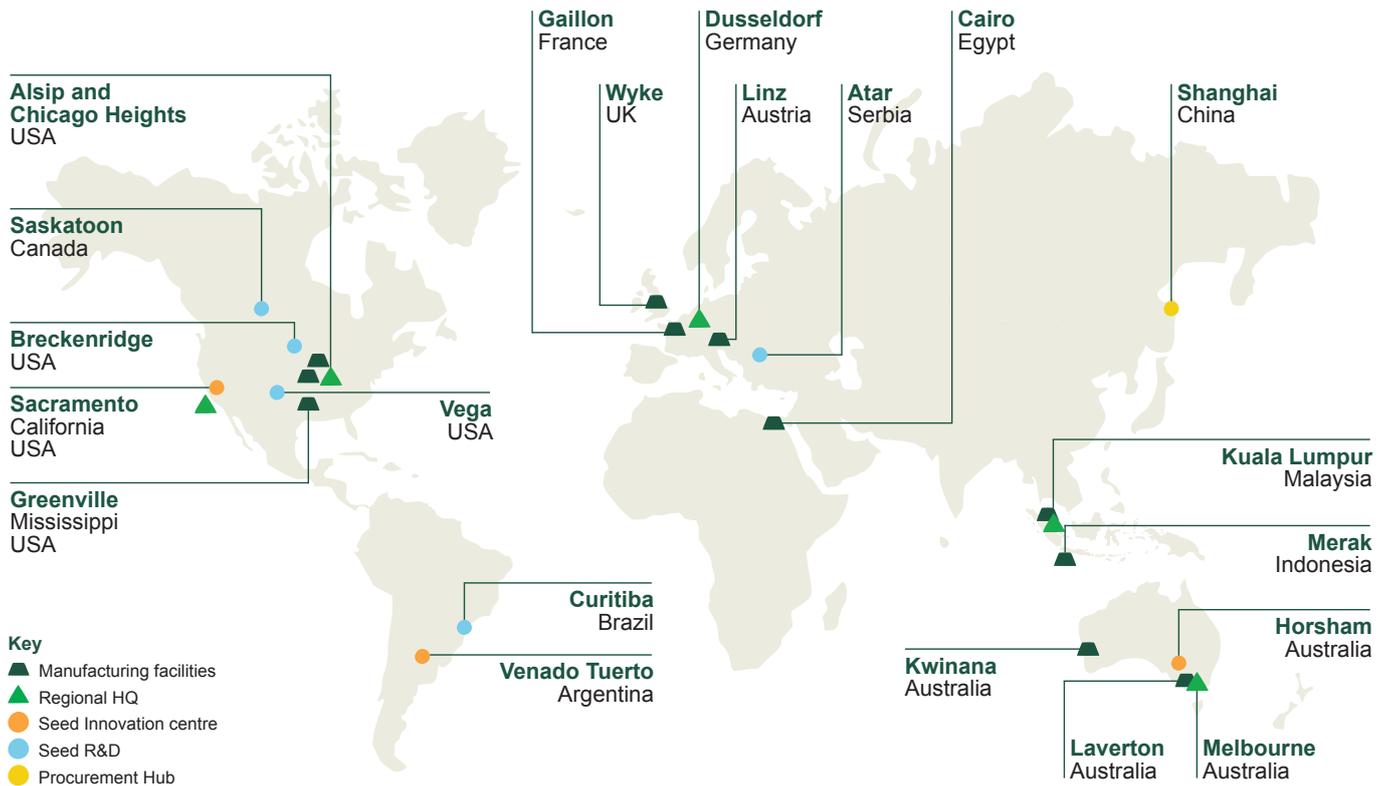
FY22		Crop protection business	Seed technologies
Our business	Revenue	\$3,477 million	\$296 million
	Selling countries	≈ 100	≈ 30
	Products	≈ 3,200 registrations	≈ 200 commercial varieties
Our operations	Employee headcount	2,528	310
	Number of operations	11 crop protection manufacturing facilities	8 seed technology research and development facilities and seed innovation centres
	Employee location countries	29	9
Our supply chain	Estimated direct and indirect purchasing spend <sup>1</sup>	\$2,732 million	\$114 million
	Suppliers	> 3,000	> 500
	Direct and indirect supplier countries	> 40	> 10

### Notes

1. We do not yet have centralised procurement reporting on all spending across the entire Nufarm Ltd Group. Indirect spending at some of our smaller crop protection businesses is not captured here.
2. Crop protection employee headcount includes global employees.

# Our operations and supply chain

We operate a global manufacturing and distribution platform with an extensive network of local distributors and a strategy to manufacture close to our main customer markets.



## Our operations

### Crop protection

Nufarm has 11 crop protection manufacturing facilities in eight countries: the United States, the United Kingdom, France, Austria, Egypt, Malaysia, Indonesia and Australia. Our largest facilities are in Australia, Austria, the United Kingdom and North America. In some regions, we also have sales offices independent from our manufacturing locations.

Nufarm synthesises key active ingredients used in crop protection. Using these and other purchased chemicals we formulate our broad range of herbicides, insecticides and fungicides. Some of our significant crop protection brands are Crucial, Gladiator, Clinic, Diablo, Carnadine, Estercide Xtra, Triflur X and Agroxone.

We pack our products into a range of pack sizes to suit on-farm application and sell and distribute our products to our customers, primarily through third party logistic providers. Our customers are wholesalers of agricultural goods, and our consumers are

the farmers who use our products on their fields and crops. We engage professional, engineering and trade services providers to support our business and manufacturing sites.

### Seed technologies

Our global seeds business produces canola, carinata, sunflower and sorghum seed. We develop seeds using our own in-house research and development team and by collaborating with industry and government agencies. We make our products available to growers through local sales, distribution, and retail networks specific to each relevant region in Australia, Europe, North America and Latin America.

### Our workforce

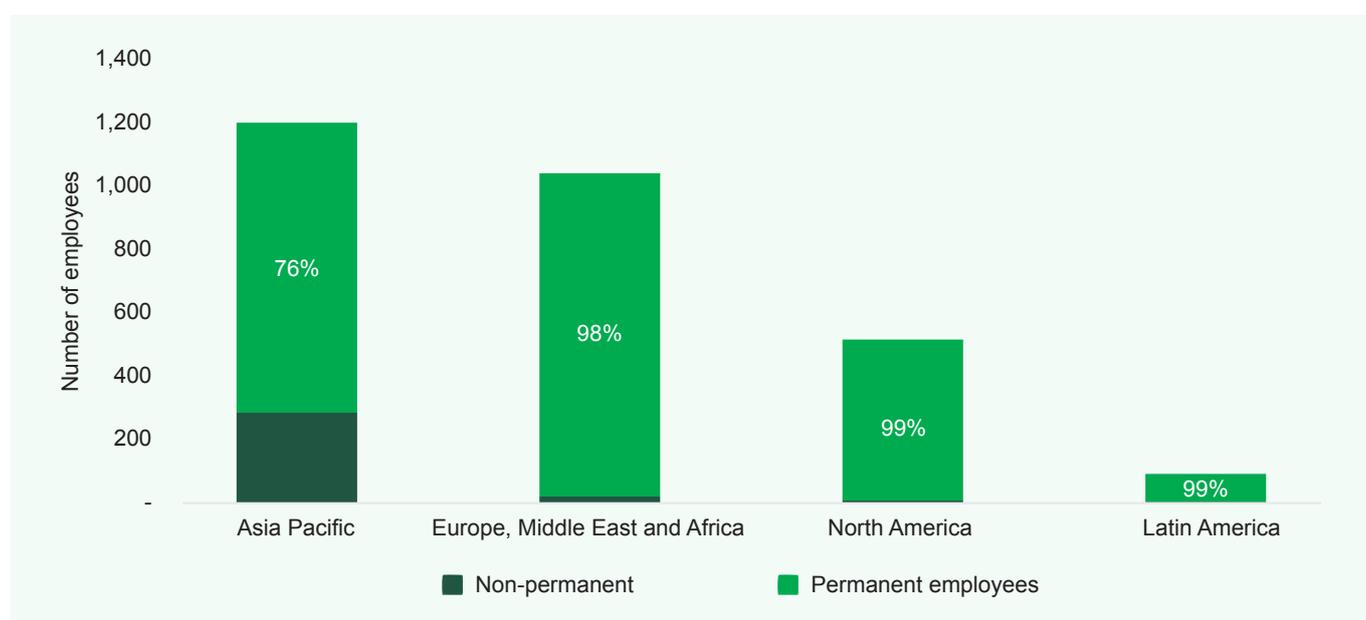
The majority of our people work at our manufacturing plants, in our sales teams or support the business in product development and administrative functions. We also employ some casual contract labour for short periods to support manufacturing activities, such as labelling and packing tasks, during high

seasonal demand. Due to historical labour shortfalls, we continue to employ a small number of foreign workers at our manufacturing facility in Port Klang, Malaysia.

In FY22 we employed 2,838 people (or 2,811 full-time equivalent people) across more than 30 countries. Almost 90 per cent of our employees are on permanent contracts and over 70 per cent of our workforce is located in just five countries: Australia, the United States, Indonesia, the United Kingdom and Austria. In addition, this year we employed approximately 130 temporary workers at our manufacturing sites in France, Austria and Australia to support seasonal demand.

**Table 1. Employee employment contract by our business regions in FY22**

	Permanent employees	Non-permanent employees	Total
Asia Pacific	914	282	1,196
Europe, Middle East and Africa	1,018	18	1,036
Latin America	90	1	91
North America	510	5	515
<b>Total</b>	<b>2,532</b>	<b>306</b>	<b>2,838</b>



**Figure 1. Employee employment contract by our business regions in FY22**

**Notes to table and figure 1:**

1. This information is sourced from our corporate human resources information system and measured as head count.
2. Permanent employees are those on employment contracts with no fixed end date, while non-permanent employees are those on fixed term contracts. In addition to our permanent and non-permanent workers, we employ temporary workers through labour hire companies to support our manufacturing operations during high seasonal demand. Seasonal temporary workers are not included in Table 1 since this information is not reported in our corporate human resources business system.

## Our supply chain

### Crop protection

We endeavour to source materials close to our manufacturing sites where we can, but crop protection industry regulations and our own quality standards limit the availability of suppliers of active ingredients we need, so we mostly source these materials internationally. The most significant sources of our materials are China, the United States, Australia, Germany and Indonesia.

Our direct suppliers are those that supply the chemicals inputs, packaging materials and finished goods ready for sale.

Our indirect suppliers are those that provide the ancillary materials and services that support our business and operations. While we have over 3,000 suppliers spread across more than 40 countries, 80 per cent of spending in our crop protection supply chain is concentrated on chemical inputs, packaging materials and finished goods ready for sale. The number of vendors who supply these materials make up just 2 per cent (or 64) of our crop protection suppliers.

Like us, most of our suppliers are a part of the global chemical industry, a heavily regulated industry that employs a modest sized but skilled workforce to operate sophisticated processing equipment.

In FY22, our global procurement operation worked out of two key hub locations: one in Australia and one in China. This operation is responsible for sourcing and purchasing our direct materials.

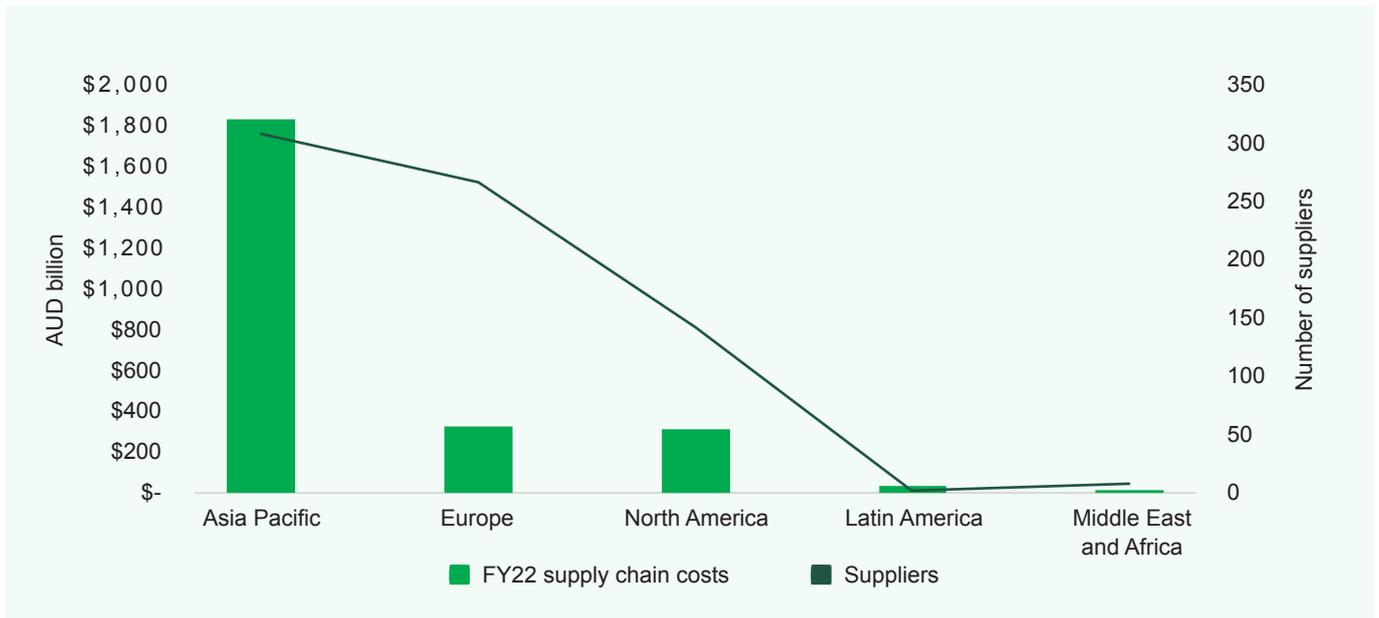


Figure 2. Geographic location of our crop protection suppliers

**Seed technologies**

Once seeds are bred, we distribute them to our operations around the globe and contract directly with local growers to use their land to grow the seeds or with seed producing companies. Our seeds supply chain team in Australia, the United States and Argentina oversees these activities, with the support of more than 400 seasonal contract farm labourers, contracted through local agencies.

Once harvested, the commercial seed is cleaned, sized, treated, and packed at either our own facilities or contract locations, ready for sale. The most significant volumes are produced in Argentina, Turkey and the United States. We establish long-term

relationships with these seed production companies to ensure reliable, quality supply of seeds.

The growers and producers of our seed are our biggest seed technologies supplier category, which we refer to in this report as agricultural services. As a naturally grown product, our seed production uses few other inputs: crop protection products which are manufactured by our own operations or purchased from other producers; laboratory supplies and equipment; packaging materials to pack seeds for transport and sale; and seed treatment chemicals to protect the seeds once they are planted. We source materials and services for our seeds business from over 500 suppliers located in more than 10 countries.



# Our governance and risk management framework

We have governance frameworks and risk management in place to monitor for modern slavery risk, supported by our policies outlined in pages 17-18 of this statement.

Nufarm's highest governing body is the board of directors and has delegated to the CEO, Greg Hunt, responsibilities for the management of the company's affairs and implementation of the strategic objectives, the annual budgets and policy initiatives. The CEO in turn delegated certain responsibilities relating to modern slavery to the executive team, including the Group Executive, Manufacturing and Supply Chain, the Group Executive, People and Performance, and the Group General Counsel and Company Secretary.

Board committees assist the board in carrying out its responsibilities. The board recognises that effectively identifying and managing risk reduces the uncertainty in executing the company's business strategies.

The board has delegated oversight of the ongoing risk management program to the board risk and compliance committee. This committee is responsible for overseeing and monitoring the identification, assessment, management, prioritisation and reporting of financial and non-financial risks that are material to the operations and achievement of Nufarm's strategy. The scope of the committee's responsibilities extends to health, safety and environment (HSE) and environment, social and governance (ESG), which includes modern slavery.



# Modern slavery risk in our operations and supply chain and actions taken

## Our approach to identifying and managing modern slavery risk

We identify the modern slavery risk factors that are relevant to:

- the locations from where we work or source materials
- the supplier industries from which we purchase materials, and
- the specific products that we purchase.

We have identified a number of risk factors which may expose Nufarm’s operations and supply chain to the risk of modern slavery practices, including those set out below:

Country	<p>Some countries in which we operate have been identified as having a higher risk of modern slavery practices due to country-specific weaknesses. These weaknesses include governance issues, lack of basic needs, inequality, internal conflict, and the presence of people vulnerable to exploitation. We employ people in Egypt, Mexico, Ukraine, Turkey, Russia, China, South Africa and Indonesia, which we classify as countries at higher risk of modern slavery practices using the Walk Free Foundation’s Global Slavery Index.<sup>1</sup></p> <p>Some of the countries from which we source materials we also classify as countries at higher risk of modern slavery practices, including China, Indonesia and India.<sup>1</sup> Direct and indirect spending in these three countries represents almost 50 per cent of our supply chain and operational spending.</p>
Employment arrangements	<p>Employment conditions, such as temporary or uncertain employment arrangements or visa status, can make people more vulnerable to exploitation, particularly for workers in higher risk countries when working in low-skilled roles. This can be exacerbated for people with limited education, local knowledge or language.<sup>2</sup></p>
Industry	<p>The sector or industry, either by itself or combined with an at-risk source country, contributes to modern slavery risk. Some of the industries from which we source materials or services, such as agricultural and logistics services, have been found to have modern slavery practices occurring within them.<sup>3,4</sup></p> <p>Together, spending in these two industries comprises over 6.5 per cent of our supply chain and operational spending.</p>
Commodities	<p>Specific products or commodities are at risk of modern slavery practices when sourced from high-risk countries.</p> <p>For example, we purchase finished products containing copper and solvents and surfactants derived from palm oil.<sup>5</sup> While we do not directly source the commodity items, our suppliers use them to manufacture the products that we buy from them.</p> <p>Together, spending on these products represents almost 2.5 per cent of our supply chain and operational spending.</p>

<sup>1</sup> Walk Free Foundation (2018) *The global slavery index 2018*, Walk Free Foundation.

<sup>2</sup> Gangmasters and Labour Abuse Authority (2023) *Modern slavery*, GLAA.

<sup>3</sup> International Labour Organization (ILO), Walk Free, and International Organization for Migration (IOM) (2022) *Global estimates of modern slavery forced labour and forced marriage*, ILO.

<sup>4</sup> Caskey, C, O’Sullivan, N and Pickette, R (2022) *Modern slavery within maritime shipping supply chains: guidance for Australian businesses in identifying, managing, and mitigating modern slavery risks within maritime shipping*, Global Compact Network Australia & Maritime Union of Australia.

<sup>5</sup> Office of Child Labor, Forced Labor, and Human Trafficking, Bureau of International Labor Affairs, United States Department of Labor (2022) *List of goods produced by child labour or forced labour*, United States Department of Labor.

In identifying risk factors and evaluating our risks, we have consulted sources such as the International Labour Organisation (ILO), US Customs and Border Protections, US Department of Labour, Australian Government – Australian Institute of Criminology (AIC), Australian Border Force, UK Government’s Gangmasters and Labour Abuse Authority, the Walk Free Foundation, Verité, Anti-slavery International, International Finance Corporation, Responsible Sourcing Tool and various other non-government organisations and public media sources.

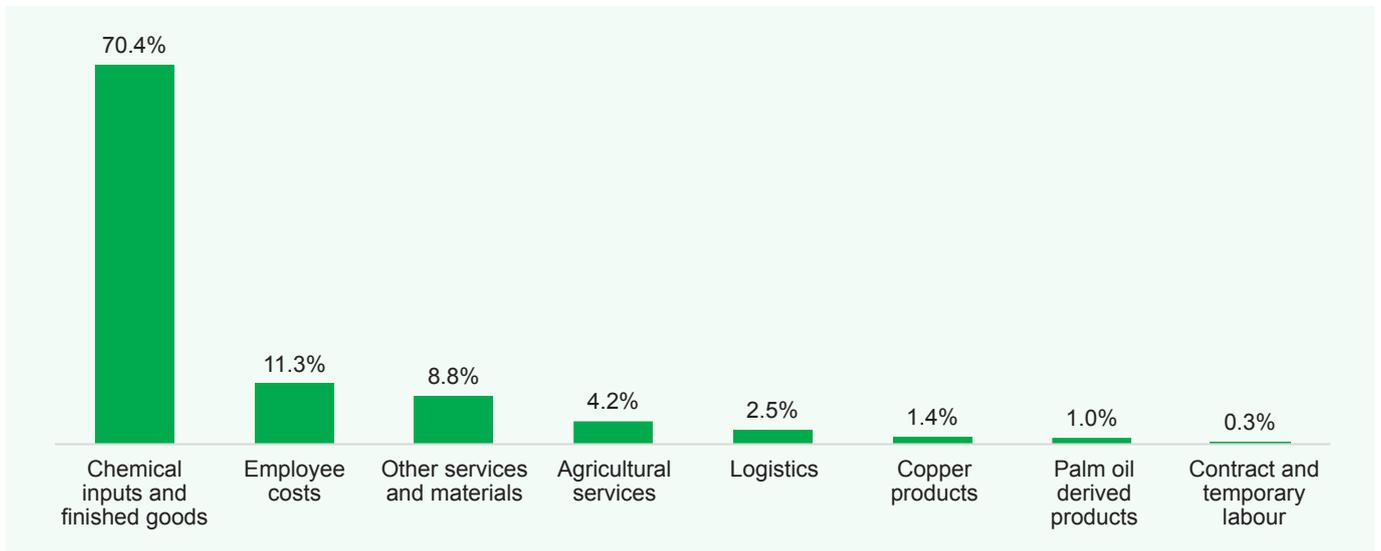
Taking these risk factors into consideration, we are progressively assessing the risks and implementing corrective actions, prioritising the areas of highest spending in our supply chain and operations where:

- Nufarm’s activities may cause the modern slavery risk, and

- Nufarm’s activities directly link or contribute to the modern slavery risk, and where Nufarm has a high influence over the risk.

**We take our existing control measures into consideration when assessing the risk and developing action plans.**

We have identified eight areas of operational and supply chain spending in this statement which may have some exposure to modern slavery risk, but depending on chemical inputs and finished goods for manufacturing is our largest spend category, followed by employee costs at our operations. These two spend categories are our main focus since they are the areas of our business where we can have the most impact on reducing modern slavery risk.



**Figure 3. Supply chain and operational spending**

**Note**

We do not have central reporting on all indirect suppliers. Indirect suppliers for our businesses in Indonesia, Malaysia, Singapore, Spain, Netherlands, Portugal, Germany, Italy and Hungary are not captured here.

Table 2 outlines our more significant modern slavery risks at our operations and in our supply chain and the actions we have taken to better understand and mitigate the risks.

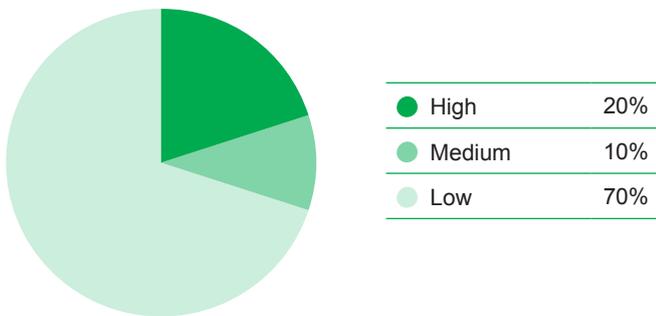
**Table 2. Modern slavery risk at our operations and in our supply chain**

**Key**

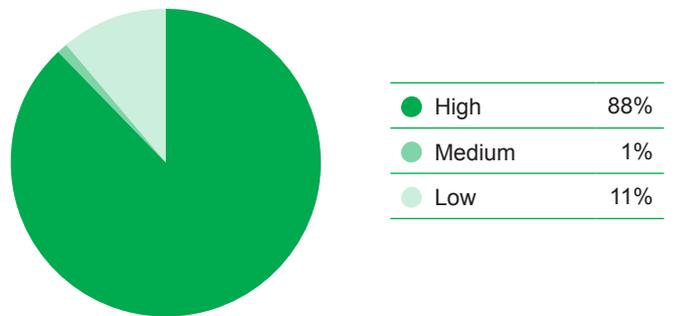
Caused by	where there is a risk that Nufarm’s activities (or inaction) at its operations could directly result in modern slavery practices
Contribute to	where there is a risk that Nufarm’s activities (or inaction) at its operations or in its supply chain could lead to other parties engaging in modern slavery practices
Directly linked to	where there is a risk that Nufarm could be linked to third parties who are engaged in modern slavery practices through its business relationships (excluding customers)

**Risk 1. Operations that employ workers in higher risk countries**

We have manufacturing, sales and seed production in Egypt, Mexico, Ukraine, Turkey, Russia, China, and Indonesia where we employ 566 people. These countries have a higher prevalence of, and vulnerability to, forced labour practices. Over 80 per cent of the 269 non-permanent employees in higher risk countries are engaged as sales representatives in Indonesia. Uncertain employment in higher risk countries can make a person more vulnerable to exploitation.<sup>6</sup>



**Figure 4. Percentage of employees located in countries vulnerable to high, medium or low modern slavery practices**



**Figure 5. Percentage of non-permanent employees located in countries vulnerable to high, medium or low modern slavery practices**

The war in Ukraine increases the Ukrainians’ vulnerability to human trafficking. The millions of displaced people and refugees are especially vulnerable to forced labour or to being forcibly removed from Ukraine and trafficked into other European or Asian countries.<sup>7</sup> Nufarm employed 29 people in Ukraine in FY22.

**Nufarm’s relationship to the modern slavery risk:** Caused by

**Risk:** Low

**Nufarm’s ability to influence the risk:** High

**Note**  
6. See note 1 above.

### Mitigative controls and actions taken

We have due diligence processes and controls in place to prevent modern slavery entering our business. Where we use third party labour hire, we require those organisations to comply with the local regulations, employment standards and awards through the contractual terms of their engagement.

To provide assurance that our people are of legal age and status to work and have freely consented to work for us, we undertake self-assessments. These examine employment conditions and the effectiveness of our employment procedures, seeking to confirm that:

- our employees are of appropriate age and status to work
- we return employees' identification and visas to them once verified
- we fully inform employees of their legal labour rights and working conditions when first engaged so they can make an informed decision to work for us
- our employees do not work in excess of legal overtime limits
- our employees can terminate their positions and are free to leave their place of work
- we pay employees at least a minimum wage, pay all legal entitlements on a regular basis, and compensate employees monetarily
- labour hire companies (where we use them) meet the same requirements for their staff.

During FY22 we completed self-assessments of Nufarm companies operating in the higher risk countries of Egypt, Mexico, Ukraine, Russia, China and Indonesia. We also launched this assessment to all other entities across the business in FY22 and will complete the assessment in FY23. In the assessments completed to date we have not found any significant gaps in our controls but have identified some opportunities for further improvement. We also identified that our joint venture in China, which employs 45 people, was not covered by our assessment program. We plan to address this in FY23.

As a global organisation, each of our businesses has employment standards that align with local regulatory requirements, but we are developing a corporate employment standard that will align with the requirements of the International Labour Organization's Standards and equal or exceed the minimum standards set by local regulators in the jurisdictions where we operate. We plan to apply this as the minimum employment standards for all of our operations globally. The information from our modern slavery self-assessments is an important input to this process.

This work is ongoing, and we expect it will take several years to implement such a broad-reaching standard across all of the countries in which we operate. We will monitor and report on implementation progress.

Our Indonesian non-permanent sales representatives have the same employment conditions as our permanent employees—covering, for example, leave entitlements, remuneration, incentive schemes, etc—except they are on fixed term contracts.

This year we put a three-year plan in place to progressively transition our non-permanent employees in Indonesia on to permanent contracts, starting from FY23.

When the war broke out in Ukraine, we took steps to protect our employees and their families from the effects of the war and the risks to their health and safety. These measures also made our people less exposed to exploitation. This year we helped provide financial security to our employees by advancing them their salaries. Some of our employees chose to move away from the war zone and we relocated them and their families to housing away from the impacted towns. Other employees chose to stay and we supplied these employees with generators to power and heat their homes.

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## Risk 2: Employing foreign workers in Malaysia

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Within Malaysia there is a high prevalence of labour rights abuses and modern slavery for foreign workers, with cases of workers being subject to debt bondage and forced labour in both the recruitment and employment practices.<sup>8</sup> We employ 14 foreign workers from Nepal and Indonesia at our operations in Malaysia; they have been working for Nufarm for over 4 years.

**Nufarm's relationship to the modern slavery risk:** Caused by

**Risk:** Low

**Nufarm's ability to influence the risk:** High

### Mitigative controls and actions taken

Our policy is to apply the same employment terms and conditions for our foreign workers employed in Malaysia as for our permanent Malaysian employees; for example, annual leave entitlements, annual salary review, promotion opportunities etc. We periodically review employment conditions to ensure equity between our Malaysian employees and foreign workers. Local regulation allows foreign workers to work in Malaysia for up to 10 years with an annual renewal of their work visa. We support the visa renewal process, subject to the employee wishing to continue employment with Nufarm and government approval. If an employee chooses to cease employment and return home, Nufarm pays for and organises their return flight.

<sup>7</sup> Office to Monitor and Combat Trafficking in Persons (2022) *2022 trafficking in persons report*, United States Department of State.

<sup>8</sup> See note 7 above.

Effective January 2023, the Malaysian Government introduced amendments to their foreign worker employment regulations, increasing protections for new foreign workers. Nufarm fully supports and will comply with these additional requirements.

In our review of our foreign worker employment conditions this year, we identified that they were not included in our short-term incentive plan (STIP) or bonus. We will address this for FY23 onwards. In addition, five of our foreign workers elected to return home this year and Nufarm repatriated them to their home countries.

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### **Risk 3: Low-skilled temporary and contracted third party labour at our operations**

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We employ temporary labour through labour hire companies at our operations to support seasonal demand. This year, we estimate we employed 130 people. We also engage service providers for low-skilled labour, such as office cleaners. Cleaning is at higher risk of modern slavery. Vulnerable people, such as those who are on temporary visas or who have limited local language skills in low-skilled work, are at increased risk of being exploited.<sup>9</sup>

The use of labour hire companies and third party service providers can reduce transparency of at-risk employment practices.

**Nufarm's relationship to the modern slavery risk:** Contribute to

**Risk:** Medium

**Nufarm's ability to influence the risk:** Medium

#### **Mitigative controls**

We have a global supplier code of conduct that sets out our human rights expectations of all suppliers. We communicated this to all suppliers of temporary labour in FY21. Raising suppliers' awareness of our human rights standards is a first step towards minimising risk to their workers. In FY23 we plan to take further steps to verify these suppliers are abiding by our supplier code of conduct.

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### **Risk 4: Materials purchased from suppliers operating in countries at higher risk of modern slavery practices**

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The source country can contribute to a higher risk of modern slavery practices in a supply chain due to a range of factors such as inadequate social governance structures and social protections, the presence of vulnerable people, or a higher prevalence of modern slavery practices, according to the Walk Free Foundation.<sup>10</sup> China, India and Indonesia are the higher risk countries that are our most important sources of chemical inputs for manufacturing and finished products ready for sale for our crop protection business.

**Nufarm's relationship to the modern slavery risk:** Directly linked to

**Risk:** Medium – Low

**Nufarm's ability to influence the risk:** Medium

#### **Mitigative controls and actions taken**

We have a supplier corporate social responsibility (CSR) assessment program to target our direct suppliers of chemical inputs for manufacturing and packaging materials. We engaged EcoVadis, a global leader in this field, to support us in this activity. Our supplier CSR assessments cover a comprehensive range of environmental, corporate governance and human rights topics, including modern slavery. EcoVadis undertakes an independent assessment of our suppliers' policies, actions and outcomes, providing us with insight into our suppliers' potential risks and impacts. While this program is broader than modern slavery, modern slavery is an important element of the assessment. We use a risk-based approach to determine supplier priority for CSR assessment. Our risk assessment considers a range of factors, including the supplier's country of operation and industry. Direct suppliers with higher CSR risk were given high priority for CSR assessment.

Our global supply team also directly engages with and conducts on-site audits with lower-scoring companies in China to help them better understand and improve their CSR performance.

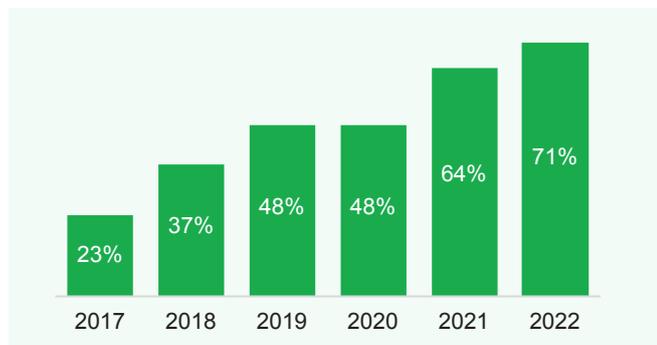
We work to build long-term relationships with our direct suppliers and there is not a significant turnover in our major supplier base. All suppliers are subject to our global supplier code of conduct and ongoing evaluation process, and we communicate our code to our direct suppliers when commencing a relationship with them.

<sup>9</sup> Cleaning Accountability Framework (2023) *Modern slavery in cleaning supply chains*, CAF.

<sup>10</sup> See note 1 above.

We continued to maintain our CSR assessment program this year. In total, 71 per cent of our direct spend in FY22 was with suppliers who have agreed to participate in the CSR assessment program, up from 64 per cent last year. In addition, 74 per cent of our direct spend in higher risk countries was with our assessed vendors. While we added two additional suppliers to the program this year, the main reason for the increase in coverage was a short-term increase in raw material prices with some of the assessed suppliers.

Through our assessment process and direct engagement with suppliers, we continue to see improvements in CSR performance among our supplier community, with 88 per cent of assessed suppliers now exceeding our internal score threshold this year, up from 84 per cent last year. Through EcoVadis we also assess whether our suppliers can demonstrate that they are addressing modern slavery risk and broader human rights issues in their own operations and supply chain. Seventy-two per cent of all our assessed suppliers demonstrated they were taking action to address modern slavery this year, as did 46 per cent of assessed suppliers in higher risk countries.



**Figure 6. Percentage of direct spend covered by our CSR assessment program**



**Figure 7. Percentage of assessed suppliers in higher risk countries addressing human rights matters in their operations and supply chain**

This year we engaged a product development manager in India who will support our plans to implement our direct supplier engagement and auditing program with our Indian suppliers in FY23.

### Risk 5: Engaging agricultural service providers who contract farm workers

We engage agricultural service providers to support field trials and contract with growers to grow our seed products. Incidents of modern slavery have been found to occur in agriculture in Turkey and Argentina, which are two of several locations where we carry out these activities. There is a risk that these farmers or companies, either directly or through third party recruiters, use forced or bonded agricultural workers.<sup>11</sup>

**Nufarm’s relationship to the modern slavery risk:** Directly linked to

**Risk:** Medium – Low

**Nufarm’s ability to influence the risk:** Medium

#### Mitigative controls and actions taken

Last year, our key seed partners were formally advised of and committed to conducting business in a manner consistent with our corporate social responsibility policies, including our global supplier code of conduct and human rights policy.

During FY22 we made all seed producers and processors aware of our modern slavery standards and expectations on them. We visited some contracted farms in Argentina and Turkey and inspected agricultural labourers’ living and working conditions.

This year we also revisited the current incidence of modern slavery in the countries in which we are engaging agricultural services and identified that the high number of Syrian refugees in Turkey living in refugee camps has made these people vulnerable to exploitation and there have been cases of forced labour in agriculture. Incidence of modern slavery in Argentina are lower.<sup>12</sup> We plan to conduct more formal audits at some of our grower locations in Turkey during FY23.

### Risk 6: Workers in third party logistics

We use third party shipping, distribution and storage services for bringing raw materials to our sites and distributing our products to our customers. In some countries, workers in logistics industries have been found to be at risk of modern slavery practices. This spend category represents 2.5 per cent of our supply chain and operational spending.

**Nufarm’s relationship to the modern slavery risk:** Directly linked to

**Risk:** Not yet assessed

**Nufarm’s ability to influence the risk:** Low

<sup>11</sup> See note 7 above.

<sup>12</sup> See note 7 above.

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### Risk 7: Purchased products that contain copper

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We purchase fungicides that contain copper, which are made by third party suppliers. Copper mining is known to be at risk of modern slavery practices in certain countries. These products represent 1.4 per cent of our supply chain and operational spending.

**Nufarm's relationship to the modern slavery risk:** Directly linked to

**Risk:** Low

**Nufarm's ability to influence the risk:** Medium – Low

#### Mitigative controls and actions taken

Suppliers of our copper-based fungicide products are all included in our CSR assessment program. This year we reviewed current information on countries at risk of modern slavery practices in copper mining and processing and identified the Democratic Republic of the Congo (DRC), Zambia and Zimbabwe. We reviewed our suppliers of copper-based fungicides and determined that the majority of the products (75 per cent) were purchased and manufactured from Chilean-sourced copper which is not considered at risk of modern slavery.<sup>13</sup> We will investigate our other suppliers of these products in FY23.

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### Risk 8: Purchased products that contain palm oil

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Our suppliers use palm oil to manufacture some of our solvents and small quantities are present in some of our surfactants. These products represent 1.0 percent of Nufarm's overall supply chain spend. Palm oil is at risk of modern slavery practices in Indonesia, Malaysia, Myanmar, Cameroon, Guinea, Colombia and Ecuador.<sup>14 15</sup>

**Nufarm's relationship to the modern slavery risk:** Directly linked to

**Risk:** Low

**Nufarm's ability to influence the risk:** Very Low

#### Mitigative controls and actions taken

We buy from global producers who operate sustainability programs. All of our suppliers of palm oil-derived solvents underwent a CSR assessment this year in our EcoVadis platform and demonstrated they are responding to modern slavery risk. We identified that all of these suppliers are members of the Roundtable on Sustainable Palm Oil (RSO). The RSO standards cover a broad range of sustainability topics relevant to the palm oil industry, including controls that mitigate modern slavery risks. Members of RSO undertake third party certification to the standards with annual audits to provide ongoing compliance assurance.

## Modern slavery training

This year we provided training in modern slavery risk factors to our human resources teams responsible for our operations in higher risk countries and to our regional human resources and procurement management teams. We also prepared training material and plan to launch modern slavery training to a broader employee group through our learning management system platform in FY23.

## The impact of COVID-19 on our modern slavery response

As an essential supplier of inputs to global food supply, Nufarm continued operating throughout the COVID-19 pandemic. As restrictions began easing in most geographies early in FY22, some of our people began returning to onsite work arrangements, but freight disruptions continued.

The main impact of COVID-19 on our modern slavery response in FY22 was in China, where lockdowns and travel restrictions continued. Prior to COVID-19, our local supply team had a process of engaging directly with suppliers to better understand and improve their CSR activities, including human rights and modern slavery. We continued this practice this year, but where cities were locked down and we were unable to visit suppliers for onsite audits the team undertook online audits with affected suppliers. Suppliers would provide supporting evidence and photos by email. In-person audits resumed in FY23.

<sup>13</sup> See note 7 above.

<sup>14</sup> Responsible Sourcing Tool (2022) *Visualize risk*, Responsible Sourcing Tool.

<sup>15</sup> International Labour Organization (ILO), (2022) *Advancing worker's rights in Indonesia and Malaysia's palm oil sector*, ILO.

# Our policies

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**We have codes and policies that embody Nufarm's values, setting out our expectations of employee and supplier behaviour and standards.**

## Our code of conduct

Nufarm has a code of conduct that applies to all directors, employees, contractors, agents and representatives of the company. The code of conduct makes clear that:

- All actions must be governed by the highest standards of personal integrity and honesty, and ethical and responsible conduct, including the ethical handling of actual or apparent conflicts of interest, and in accordance with Nufarm's values.
- All decisions must be made in accordance with the spirit and letter of applicable law.
- Business must be conducted honestly and ethically, with skill and best judgement, and for the benefit of customers, employees, investors and the company.

The code of conduct outlines expected workplace behaviour, including upholding our values, maintaining workplace safety, protecting company assets, operating lawfully, not misusing corporate opportunities, maintaining privacy and confidentiality, dealing fairly with customers and suppliers, upholding human rights, and speaking up about improper conduct. The board may amend the code. The group general counsel and company secretary is responsible for the code's administration. Material breaches of the code of conduct are reported to the human resources committee.

Various policies support the code of conduct, including those relevant to modern slavery risk: our human rights policy, our equal employment opportunity policy and guidelines, our inclusion and diversity policy, our speak up (whistle-blower) policy, and our supplier code of conduct.

## Our human rights approach

Nufarm is committed to providing a work environment where human rights are respected and upheld. We expect the same from all parties with whom we do business. Our human rights policy, our code of conduct and our supplier code of conduct set out our expectations of employees, officers, contractors, distributors and suppliers in upholding our human rights obligations and responsibilities in our business, supply chain and the communities in which we operate, consistent with the United Nations' Universal Declaration of Human Rights.

We believe that respecting human rights in all we do is integral to the sustainability and success of our business because employees and communities who act with integrity contribute to a more sustainable and profitable business. The board reviewed and updated our human rights policy in September 2022,

committing to the protection of human rights in our business, supply chain and communities.

We recognise modern slavery can take many forms: child labour, forced labour, servitude, slavery, human trafficking and bonded or indentured labour. People in modern slavery and slavery-like conditions can be subjected to threats, abuse and violence. Our human rights policy establishes our commitment to workplaces free from harassment, violence or threats of violence, in keeping with our goal of zero harm to our employees.

Nufarm believes that slavery and trafficking in people and child labour are very serious issues. Depriving another human being of their liberty is one of the worst violations of a person's fundamental human rights, and our human rights policy explicitly establishes our zero tolerance for modern slavery in our operations and supply chain. We are committed to:

- employing workers who have freely given their consent to employment, who are of legal age and status to work
- undertaking business with suppliers and contractors who share this goal.

We respect the rights and freedom of our employees to join or not join organisations of their choosing, to associate freely and bargain collectively and to do so free from any discrimination or harassment. Where we operate in countries that restrict these rights by law, we facilitate open communication and engagement between workers and management.

## Our inclusion and diversity commitment

Nufarm promotes a culture of inclusion, diversity and equity, fostering workplaces free from discriminatory activities and practices. We work towards providing an inclusive work environment where individuals are valued for their diversity, can bring their whole self to work and be empowered to reach their full potential. Nufarm's policy is to take all reasonable measures to ensure equal opportunity for all employees, making merit-based decisions on employment matters at all of our locations around the world.

Women and girls are disproportionately affected by modern slavery, and we recognise we have a role to play in helping to break down the systematic gender inequalities that exist in society and that contribute to making women more vulnerable to exploitation. We actively work to progress gender diversity and we are committed to working towards our target of having not less than 35 per cent of either gender represented in our workforce by 2025. Looking ahead to FY23, we will pursue a new aspiration to have 40:40:20 representation by 2030 for our senior leadership team (CEO-1 and CEO-2): 40 per cent who identify as female, 40 per cent who identify as male, and 20 per cent who identify as male, female or other.

## Supplier code of conduct

Our global supplier code of conduct prohibits our suppliers from engaging in any form of modern slavery. We communicate this code to our key direct suppliers as part of our procurement process, and our Global Strategic Procurement Manager approves the global supplier code of conduct.

Our supplier code of conduct also extends our broader position on human rights to our suppliers. We require all our suppliers to comply with regulatory requirements in relation to employees and workplaces and in particular to:

- provide workplaces free of harassment and discrimination
- treat their employees fairly and abide by all local labour laws regarding minimum pays, working hours, benefits etc.
- provide a safe and healthy workplace, with processes to identify and manage risks, investigate injuries, and implement effective preventative actions
- provide employees basic necessities, such a potable drinking water, adequate restrooms, first aid and fire suppression equipment
- provide employees with the appropriate safety equipment required for each job function
- comply with national laws and the International Labour Organization's standards on workers' age.

## Our integrity helpline and speak up (whistle-blower) policy

Nufarm has a speak up (whistle-blower) policy that outlines how employees, contractors and other external stakeholders can report unethical, unlawful or irresponsible behaviour without fear of intimidation or recrimination. It outlines how we protect people who speak up, how we investigate disclosures, and the option to make a disclosure anonymously.

The policy aims to help detect and address any conduct that is:

- corrupt, illegal or unlawful
- contrary to, or in breach of, any Nufarm policy or code of conduct, including harassment, bullying, discrimination, and victimisation
- seriously harmful or potentially seriously harmful activity and poses a threat to our employees, shareholders, clients or third parties, such as deliberate unsafe work practices with wilful disregard for the safety of others.

In the case a report is lodged, it is referred to the Global General Counsel and Company Secretary and the Group Executive, People and Performance as appropriate to the nature of the issue. Investigations are conducted fairly, independently and in strict confidence.

We reviewed, and the board approved, updates to the speak up policy in June 2022. During the year, we raised employee awareness of our integrity hotline by promoting it on our intranet.



# Our effectiveness in addressing modern slavery

We use several leading and lagging metrics to measure the effectiveness of our approach to modern slavery.

Table 3. Our modern slavery key performance indicators (KPIs)

KPI	Description	Performance
Supplier participation	Supplier participation in our CSR assessment program (EcoVadis): up from 155 or 64% of our total crop protection procurement spend in FY21	▲ 157 suppliers or 71%
Supplier performance	Supplier CSR assessment score on social themes (including human rights and modern slavery) benchmarked against more than 100,000 suppliers assessed by EcoVadis globally: no change from FY22	■ 22% above global average
Supplier action on modern slavery	Suppliers in higher risk countries who have undertaken CSR assessment and demonstrated they are working to modern slavery risk: down from 63% in FY21	▼ 46% of our procurement spend in these countries
Employee modern slavery education	Senior leadership team engaged in a two-yearly modern slavery education activity: no change from 24% in FY21	■ 24%
	Human resources talent acquisition and business partners engaged in a two-yearly modern slavery education activity: up from 66% in FY21	▲ 80%
	Procurement team engaged in a two-yearly modern slavery education activity: up from 0% in FY21	▲ 15%

# Our engagement with entities covered by this statement

We took the following steps to consult with the entities covered by this statement this year:

- We trained senior global supply chain and human resources managers who have regional responsibilities for the policies and procedures implemented by the entities that this statement covers.
- Our Group Executive, Manufacturing and Supply Chain Group Executive, People and Performance and Global General Counsel and Company Secretary reviewed the statement and approved the FY23 action plan.
- We communicated the statement to the regional general managers of the entities covered by this statement.
- Our board of directors reviewed and approved this statement.

# Our next steps

We recognise that identifying and addressing modern slavery risk in our operations and supply chain requires an ongoing focus and commitment to continuous improvement. Table 5 summarises our progress in FY22 and our focus for FY23:

Table 5. Summary of Nufarm's progress

Activities at risk of modern slavery practices	FY22 action plan	Status	FY23 action plan
Risk 1: Operations in higher risk countries	<ol style="list-style-type: none"> <li>1. Progress the development of a corporate employment standard to be applied to all entities globally.</li> <li>2. Complete the self-assessment of entities operating in higher risk countries.</li> <li>3. Complete the self-assessment of all other entities.</li> </ol>	<p>In progress</p> <p>In progress</p> <p>In progress</p>	<ol style="list-style-type: none"> <li>1. Continue the development of a corporate employment standard to be applied to all entities globally.</li> <li>2. Complete the entity modern slavery self-assessments of all other entities and our joint venture in China. Audit assessments and identify corrective actions.</li> <li>3. Begin transitioning our non-permanent employees in Indonesia to permanent contracts.</li> </ol>
Risk 2: Employing foreign workers in Malaysia	<ol style="list-style-type: none"> <li>4. Investigate overseas recruitment practices and procedures for foreign workers in Malaysia.</li> </ol>	No new foreign workers recruited for FY22	<ol style="list-style-type: none"> <li>4. Implement our bonus scheme for our foreign workers.</li> <li>5. Verify our current processes will comply with the new foreign work regulatory requirements in Malaysia.</li> </ol>
Risk 3: Low-skilled temporary and contracted third party labour at our operations	<ol style="list-style-type: none"> <li>5. Develop an internal survey into contracting practices and procedures across the business.</li> </ol>	Action revised	<ol style="list-style-type: none"> <li>6. Identify suppliers of temporary labour, security and cleaning staff and verify suppliers understand and are compliant with our supplier code of conduct.</li> </ol>
Risk 4: Materials purchased from suppliers operating in countries at higher risk of modern slavery practices	<ol style="list-style-type: none"> <li>6. Maintain current CSR assessment program and continue to assess and identify high-risk suppliers for further investigation.</li> </ol>	Complete	<ol style="list-style-type: none"> <li>7. Maintain current CSR assessment program and continue to assess and identify high-risk suppliers for further investigation.</li> <li>8. Expand our supplier audit program to our suppliers in India.</li> </ol>
Risk 5: Engaging agricultural service providers who contract farm workers			<ol style="list-style-type: none"> <li>9. Conduct in-person modern slavery audits at a selection of grower locations in Turkey.</li> </ol>
Risk 6: Workers in third party logistics			<ol style="list-style-type: none"> <li>10. Investigate our modern slavery risk in our logistics service providers.</li> </ol>
Risk 7: Purchased products that contain copper	<ol style="list-style-type: none"> <li>7. Investigate supply chain for copper used by our suppliers of finished goods containing copper.</li> </ol>	Complete	<ol style="list-style-type: none"> <li>11. Extend our CSR assessment program to more of our copper fungicide suppliers.</li> </ol>
Other actions: Modern slavery training	<ol style="list-style-type: none"> <li>8. Continue educating our senior leadership and our human resources and procurement teams in modern slavery risks and controls.</li> </ol>	In progress	<ol style="list-style-type: none"> <li>12. Expand modern slavery awareness training to a broader employee group.</li> </ol>

## Appendix 1 – Entities covered by this statement

Entity	Place of incorporation		
<b>Company</b>		Nufarm Portugal LDA	Portugal
Nufarm Limited (ultimate controlling entity)	Australia	Nufarm Romania SRL	Romania
<b>Subsidiaries</b>		Nufarm s.a.s	France
Atlantica Sementes SA	Brazil	Nufarm Services (Singapore) Pte Ltd	Singapore
Croplands Equipment Ltd	New Zealand	Nufarm Services Sdn Bhd	Malaysia
Croplands Equipment Pty Ltd	Australia	Nufarm Turkey Import & Trade of Chemical Products LLP	Turkey
Medisup Securities Ltd.	Australia	Nufarm UK Limited	United Kingdom
Agryl Holdings Limited	Australia	Nufarm Ukraine LLC	Ukraine
Nufarm Agriculture Inc	Canada	Nuseed Americas Inc	USA
Nufarm Agriculture (Pty) Ltd	South Africa	Nuseed Canada Inc	Canada
Nufarm Americas Inc	USA	Nuseed Europe Ltd	United Kingdom
Nufarm Australia Ltd	Australia	Nuseed Global Holdings Pty Ltd	Australia
Nufarm BV	Netherlands	Nuseed Global Innovation	United Kingdom
Nufarm Chemical (Shanghai) Co Ltd	China	Nuseed International Holdings Pty Ltd	Australia
Nufarm Deutschland GmbH	Germany	Nuseed Global Management USA Inc	USA
Nufarm España SA	Spain	Nuseed Nutritional Australia Pty Ltd	Australia
Nufarm Europe GmbH	Germany	Nuseed Nutritional US Inc	USA
Nufarm GmbH & Co KG	Austria	Nuseed Pty Ltd	Australia
Nufarm Hungária Kft	Hungary	Nuseed Russia LLC	Russia
Nufarm Italia srl	Italy	Nuseed SA	Argentina
Nufarm KK	Japan	Nuseed Serbia d.o.o	Serbia
Nufarm Korea Limited	Korea	Nuseed Ukraine LLC	Ukraine
Nufarm Malaysia Sdn Bhd	Malaysia	PT Nufarm Indonesia	Indonesia
Nufarm Mexico	Mexico	Richardson Seeds	USA
Nufarm Middle East Operations	Egypt	<b>Joint Ventures</b>	
Nufarm Nordics AB	Sweden	Leshan Nong Fu Trading Co., Ltd <sup>16</sup>	China
Nufarm NZ Limited	New Zealand		
Nufarm Polska SP.Z O.O	Poland		

<sup>16</sup> Leshan Nong Fu Trading is a joint venture in which the group has joint control and a 35 percent ownership interest. The joint venture is focused on sales and marketing of formulated crop protection products in China. Of the policies and procedures set out in this statement, this entity's supply chain is currently subject to our global supplier code of conduct and our supplier corporate social responsibility assessment program only. In FY23 we plan to undertake a self-assessment to provide assurance that the people employed by the joint venture are of legal age and status to work and have freely consented to work for it.

## Appendix 2 – Addressing modern slavery reporting criteria

Table 4 gives the location of the disclosures that meet the mandatory reporting criteria of both the Australian Modern Slavery Act 2018 and the UK Modern Slavery Act 2015:

Table 4. Addressing the mandatory modern slavery reporting criteria in this statement

Australian Modern Slavery Act 2018 mandatory reporting criteria	References in this statement	UK Modern Slavery Act 2015 mandatory reporting criteria	References in this statement
Identify the reporting entity	Pages 2 and 20	Identify the reporting entity	Pages 2 and 20
Describe the reporting entity's structure, operations and supply chains	Pages 2, 5–8 and 21	Organisation's structure, business and supply chain	Pages 2, 5–8 and 21
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Pages 10–16	Policies in relation to slavery and human trafficking	Pages 17–18
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Pages 10–18	Due diligence processes	Pages 9–11 and 17–18
Describe how the reporting entity assesses the effectiveness of these actions	Pages 19	Risk of slavery and human trafficking in the business and supply chain and steps taken to assess and manage the risk	Pages 10–16
Describe the process of consultation with any entities the reporting entity owns or controls	Page 19	Key performance indicators to measure effectiveness of steps being taken	Pages 19
Other relevant information	Page 20 – actions we plan to take in FY23 to further identify and reduce modern slavery risk in our operations and supply chain	Training on modern slavery and trafficking	Page 15 and 19
Approval by the principal governing body and signed by a responsible member of the reporting entity	Pages 2 and 4	Approval by the board of directors (or equivalent) and signed by a director (or equivalent) or designated member	Pages 2 and 4
Publish the statement within 6 months of the organisation's financial year-end	This statement was published on 31 March 2023, six months after Nufarm's financial year end on 30 September 2022.	Publish the statement within 6 months of the organisation's financial year-end	This statement was published on 31 March 2023, six months after Nufarm's financial year end on 30 September 2022.
		Publish the statement on the organisation's UK website	Modern Slavery Statement 2022