

# **Delta Agribusiness**

## **2023 Joint Modern Slavery Statement**

under the *Modern Slavery Act 2018* (Cth)

REPORTING PERIOD:


1 January 2023 – 31 December 2023

This Statement has been approved by the Board of Delta Agribusiness on behalf of the two reporting entities and all owned/controlled entities listed below in relation to the First Reporting Criteria

Pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)*, the contents of this Statement have been reviewed and confirmed as accurate by a duly authorised person.

This statement is signed by Chris Duff in his role as Executive Director on 17<sup>th</sup> September 2024.

**Chris Duff**  
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A handwritten signature in black ink, appearing to read 'Chris Duff', with a stylized flourish at the end.

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## MD Statement for Delta Agribusiness Modern Slavery Statement

As the Managing Director of Delta Agribusiness, I am proud to reaffirm our commitment to upholding the highest standards of ethical conduct and human rights in all aspects of our business operations. We recognise the profound responsibility we have in addressing the risks associated with modern slavery, both within our organisation and throughout our supply chain.

Delta Agribusiness operates with integrity, transparency, and respect for human dignity at the forefront of our company values. We fully support the principles set forth in the Australian Modern Slavery Act 2018, and we are dedicated to fulfilling our obligations under this important legislation.

Our approach to combatting modern slavery is grounded in the following key commitments:

**Risk Identification and Assessment:** We proactively assess and identify potential risks of modern slavery across our operations and supply chains. This process includes a thorough review of suppliers, partners, and third-party contractors to ensure compliance with ethical labour practices.

**Due Diligence and Continuous Improvement:** We are committed to ongoing due diligence processes that monitor, review, and improve our business practices. We are working more closely with suppliers and stakeholders to promote transparency, ethical conduct, and responsible sourcing.

**Training and Awareness:** We are working to ensure all employees, contractors, and partners are educated and informed about the risks of modern slavery. Through training and ongoing awareness initiatives, we are working towards empowering our teams to identify, report, and address potential instances of exploitation.

**Collaboration and Engagement:** We believe in the power of collaboration and are committed to working with industry peers, non-governmental organisations, and regulatory bodies to foster a collective effort to eradicate modern slavery.

**Accountability and Reporting:** We will continue to provide clear and transparent reports on our progress in addressing modern slavery risks, as required by the Modern Slavery Act 2018. This includes documenting the steps we take to prevent and mitigate the risk of modern slavery in our operations and supply chains.

At Delta Agribusiness, we remain steadfast in our commitment to ethical business practices, ensuring that our operations and supply chains are free from modern slavery. Together, we can make a lasting impact in protecting human rights and promoting sustainable, responsible business.

I thank all our employees, partners, and stakeholders for their continued dedication to this vital cause.

Gerard Hines.

## **Reporting Criteria #1 & 2:** The reporting entities – structure, operations and supply chains

The two reporting entities covered by this joint modern slavery statement are:

- **Delta Agribusiness Pty Ltd** – ACN 118 781 445
- **Delta Agribusiness WA Pty Ltd** – ACN 601 254 899

(referred to collectively throughout this Statement as “Delta, “we”, “us”, and “our”, unless the specific context requires reference to an individual reporting entity or owned/controlled entity).

All numbers, statistics and facts described in this Statement are as at 31 December 2023, unless otherwise stated.

Delta also owns/controls the following entities:

### Operational subsidiaries:

- South East Rural Traders Pty Ltd – ACN 639 231 584 (a majority-owned subsidiary of Delta Agribusiness WA Pty Ltd)
- Marketsmart Commodity Management Pty Ltd – ACN 119 932 722
- Four Seasons Agribusiness Pty Ltd – ACN 115 133 189
- Agrivision Consultants Pty Ltd – ACN 050 270 543
- Crown Analytical Services Pty Ltd – ACN 129 249 789

### Non-operational or holding company subsidiaries:

- Hidupa Pty Ltd – ACN 088 489 936 (Holding company for Lachlan Fertilizers Rural Pty Ltd (ACN 000 488 004 – no longer operational)
- Farmflex Pty Ltd – ACN 636 759 174
- Northwest Ag Services Pty Ltd – ACN 050 270 543, this entity is also the Trustee for the Quambatook Rural Supplies Unit Trist (no longer operational)

These subsidiary entities are also covered by the descriptions contained in this Statement.

All Delta entities report to, and are led by, a single executive team and a single Board of Directors.

## Our Operations

Delta was found in April 2006. Today, we are a leading force in independent rural inputs and advisory services in regional Australia with a strategic footprint across New South Wales, Queensland, South Australia, Victoria, and Western Australia. We are a dynamic and diverse agribusiness which takes pride in being a significant employer of choice in regional communities.

At Delta Agribusiness we partner with farmers to make the right decisions. In a highly competitive marketplace, it is the integrity of our people that makes the difference. We are committed to being innovative and making smart decisions to add value to our clients. With a culture of empowering staff and branches, we are passionate about rural communities, the profitability of our clients and the sustainability of agriculture at all levels.

The principal activities of Delta during the reporting period consisted of:

- Supply of rural farm inputs including seed, fertilisers, agricultural chemicals, animal health products, fuel and general rural merchandise.
- Farm consultancy.
- Livestock marketing & Grain marketing.
- Contract spraying and spreading services.

The business operates from **68 retail branches** with **518 employees**. The retail branch teams are supported by a regional operational management team, centralised procurement team, and centralised finance and administration team.

A general breakdown of employment areas within the Delta team is 10% Management Personnel, 30% Professional Services and Administration, and 60% Sales and Customer Service.

Delta's head office is in Young, New South Wales. We operate in a wide range of locations, which are primarily across rural and regional NSW, including:

### **Branch locations**

Ardlethan, NSW	Burren Junction, NSW	Caragabal, NSW
Coolamon, NSW	Coonamble, NSW	Cootamundra, NSW
Cowra, NSW	Dubbo, NSW	Dunedoo, NSW
Goulburn, NSW	Grenfell, NSW	Goondiwindi, QLD
Henty, NSW	Gunnedah, NSW	Harden, NSW

Moree, NSW	Lockart, NSW	Marimuru, NSW
Quandialla, NSW	Narrabri, NSW	Nevertire, NSW
Tottenham, NSW	Sydney, NSW	Temora, NSW
Wee Waa, NSW	Trangie, NSW	Wagga Wagga, NSW
Swan Hill, VIC	Yass, NSW	Yerong Creek, NSW
Charlton, VIC	Beulah, VIC	Boort, VIC
Marnoo, VIC	Donald, VIC	Hopetoun, VIC
Quambatook, VIC	Nullawil, VIC	Ouyen, VIC
Warracknabeal, VIC	Sea Lake, VIC	St Arnaud, VIC
Naracoorte, SA	Woomelang, VIC	Horsham, VIC
Burton, SA	Keith, SA	Tintinara, SA
Jamestown, SA	Warooka, SA	McLaren Vale, SA
Kimba, SA	Clare, SA	Coonalpyn, SA
Brookton, WA	Esperance, WA	Wellstead, WA
Cadoux, WA	Many Peaks, WA	Albany, WA
Gnowangerup, WA	Dalwallinu, WA	Geraldton, WA
Lake Grace, WA	Hyden, WA	Kelannie, WA
Perth, WA		

## **Our supply chains**

Delta's core supply chains and key supplier relationship has remained consistent across reporting periods.

We engaged with a total of **1,358 suppliers** for the reporting period.

Significant industry categories represented by our direct suppliers include:

<b>Travel and logistics suppliers</b>	<b>Chemicals and fertiliser suppliers</b>	<b>Grains and seed products</b>
<b>Technical equipment</b>	<b>Office suppliers</b>	<b>Construction and maintenance suppliers</b>
<b>Computer and technology suppliers</b>	<b>Stock feed</b>	<b>Fertilisers</b>
<b>Animal health products</b>	<b>Merchandise</b>	<b>Oils and lubricants</b>
<b>Fencing systems</b>	<b>Water equipment</b>	<b>Farming equipment</b>
<b>Staff uniforms</b>	<b>Consultants and professional service providers</b>	<b>Marketing and signage products</b>
<b>Timber products</b>	<b>Catering services</b>	<b>Fuel</b>

The overwhelming majority of our supply chain (both by individual supplier numbers and as a proportion of total procurement spend) is with Australian-based companies. However, we do have a small number of direct international suppliers, including:

Chemical suppliers in China, Singapore, Belgium and Hong Kong	Postage services in the USA
Computer services in Germany and Ireland	Transport services in New Zealand



## **Reporting Criteria #3 and 4: Identifying, assessing and addressing potential modern slavery risk**

Delta did not receive any reports, or otherwise become aware, of any actual or suspected incidences of modern slavery practices of any kind in its operations or supply chains during the reporting period.

### **Potential supply chain risk**

In accordance with a continuous improvement approach, Delta has, for the first time, undertaken comprehensive identification and assessment of areas of potentially elevated risks in our supply chains by utilizing the proprietary technology and methodology of external consultants. Our overall procurement spend data for the reporting period was comprehensively analyzed for this risk assessment.

FairSupply's proprietary technology traces the economic inputs required to produce products and services sourced from Tier 1 suppliers all the way to Tier 10 suppliers of the supply chain of our suppliers by spend. A balanced, global Multi-Regional Input-Output (MRIO) table is used to perform the supply chain mapping, which links supply chain data from 208 countries, and 37,318 unique industry/country combinations. Fair Supply's data universe comprises over 35,000 local industries categories, which represents more than 98% of global GDP. The MRIO is regularly updated and draws from the most comprehensive and credible global data inputs available, including the United Nations' (UN) System of National Accounts; UN COMTRADE databases; Eurostat databases; the Institute of Developing Economies, Japan External Trade Organisation (IDE/JETRO); and official statistical data from many national agencies worldwide, including the Australian Bureau of Statistics.

The synthesis of global economic supply chain data is overlaid, via a proprietary algorithm, with the best available research and estimates of modern slavery incidences at the national and industry levels, including the Walk Free Foundation's Global Slavery Index (last updated in May 2023); the International Labour Organisation's Global Estimates of Modern Slavery; official reports published by the United States on International Child Labour, Forced Labour and Human Trafficking, and Fair Supply's internally developed database of modern slavery risk factors by country and sector.

The following table provides a brief overview of the results of this assessment of Delta's supply chain risk profile:

<b>Measure of risk exposure</b>	<b>Potentially elevated risk areas</b>
By Industry	Fuel and Petrol Textiles Chemicals

By Country	Australia China India (no direct suppliers – based on derivative risk assessment and likely deeper tier suppliers)
By Tier	Tiers 2 and 3
By Individual Supplier	Chemical Suppliers in Hong Kong and China Footwear Suppliers in Australia Uniform Suppliers in Australia

The following provides brief description of the risks associated with these assessed areas of potentially elevated risk (relative to Delta’s overall procurement activity), including some recognised factors as to why each of these areas are considered to have potentially elevated risks.

### **Fuel and Petrol**

Delta sources fuel and oil from an Australian based suppliers, as part of one of its business offerings - bulk fuel deliveries to farms. Assessed risks in this procurement area is most likely associated with the actual extraction and refinement of fuel/oil related inputs. There are industry-wide practices of extracting these inputs from offshore and remote refinery sites, and these sites have a higher prevalence of foreign migrant workers in their workforce, potentially in temporary or less-secure positions. The remote nature of the work sites often creates barriers for workers to seek assistance and prevents transparency over working conditions.

### **Textiles**

Delta has several Australian-based uniform and apparel suppliers, both for staff uniforms and also some apparel merchandise sold through our retail stores. As indicated by the assessment results indicating the most concentrated risk at Tiers 2 and 3, it is not the operations of our direct suppliers but rather, the textile supply chain that is the primary source of elevated risk. The Walk Free Foundation’s 2023 Global Slavery Index provides a spotlight on the garment sector, with some key observations extracted below<sup>1</sup>:

“There are risks of modern slavery at each stage of the garment supply chain, from growing and producing raw materials, to processing these into inputs, to manufacturing.”<sup>2</sup>

### **Raw material**

<sup>1</sup> <https://www.walkfree.org/global-slavery-index/findings/spotlights/stitched-with-slavery-in-the-seams/>

Raw materials that feed into textile production range from synthetic fibres such as polyester and polyamide, plant fibres including cotton and rubber, manmade cellulosic fibres such as viscose and acetate, and animal fibres such as wool, silk, and leather. The production of many of these materials have been linked to forced labour.

Cotton production has a long history of slavery, and continues to be harvested by men, women, and children working in conditions tantamount to modern slavery. Children are recruited to pick cotton due to the perception that smaller hands reduce damage to crops. Forced labour was used to produce cotton in Benin, Burkina Faso, China, Kazakhstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan, though the circumstances giving rise to exploitation may vary... In some countries, such as Turkmenistan, China, and formerly in Uzbekistan, governments have forced their citizens to work in the production of cotton.

#### *Textiles/inputs*

During processing, raw cotton is ginned, spun, and woven into textiles. Fibres sourced from multiple countries are combined into a singular fabric at a textile mill, complicating efforts to trace the origins of a finished product. In response to tight turnaround times and reduced profit margins, suppliers sub-contract their production to home-based workers, often women and girls, reducing brand oversight of their supply chains. Informal and home-based workers usually lack formal contracts, making them even more vulnerable to exploitation.

Risks of child and forced labour follow the raw materials into textile production, particularly in countries based in the Asia and the Pacific region. Forced labour has been documented in major exporting countries such as China, where Uyghurs and other Turkic and Muslim majority groups have been forced to work in the production of textiles.

#### *Manufacturing*

Vulnerable groups such as women and girls are particularly at risk of exploitative conditions in garment manufacturing. Although women and girls are overrepresented in garment factories across the globe, they are relegated to lower-paid and subordinate roles, such as machine operators and checkers. Even if their tasks are the same, women generally receive lower wages than male garment workers due to perceptions that female income is “complementary” to income generated by male breadwinners.

Migrant workers are also highly vulnerable to exploitation in the garment sector, receiving lower wages and unfair wage deductions, and facing precarious working conditions and higher risks of debt bondage, retention of documents, and threats of violence or deportation. In countries where migrant workers cannot join or form trade unions, they face greater risk as employers exploit their lack of legal protection. In a 2021 survey of factory workers in China, 45 per cent of those who had migrated from another state in China reported that they worked more than 60

hours per week, compared to 31 per cent of those who had not migrated for work.”

The Global Slavery Index further describes garment products as being the second highest overall imported product at risk of modern slavery, when sourced from Argentina, Bangladesh, Brazil, China, India, Malaysia.<sup>2</sup>

## **Chemicals**

One of Delta’s highest spend products/procurement categories is in chemicals, which is reflective of agricultural chemicals being one of the main product lines that we on-sell. We source agricultural chemicals from a variety of suppliers, including Australian, Hong Kong, China, Singapore and Belgium suppliers. Overall (by spend and number of suppliers), Delta primarily sources chemicals from Australian companies.

The risks with chemicals are more associated with the refinery process or sourcing of supply chain inputs, such as the manufacturing and extraction of feedstocks. However, there are more immediate risks associated with the international sourcing of chemical products, including from China.

## **Potential operational risk**

With Delta’s entire operations exclusively within Australia and all our employees engaged with written employment contracts, we consider our operational risk of modern slavery to be very low. Delta’s workforce is not reliant on contractors, seasonal or temporary workers and we consider our organization to be highly skilled with many professional and tertiary-educated staff.

Whilst not an issue of potentially elevated risk within our direct operations, Delta recognizes that, even within Australia, the agricultural industry is a relatively high-risk sector for modern slavery practices. As providing direct service to this sector is a core part of our day-to-day operations, including delivering direct to farms and other rural facilities, we recognize that this may place us in relatively proximity to potentially vulnerable workforces.

## **Specialist modern slavery training for senior personnel and procurement team members**

In recognition of the fundamental need to increase overall awareness and knowledge levels within Delta to effectively implement a holistic modern slavery response framework, our Procurement and Senior Management teams attended a Modern Slavery training session<sup>3</sup>, which was run by an external third-party provider and covered the following key areas:

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<sup>2</sup> <https://www.walkfree.org/global-slavery-index/country-studies/australia/>

<sup>3</sup> This occurred after the completion of the reporting period, but prior to submission of this Statement.

- Most common forms of modern slavery practices and key risk factors
- Overview of key 2023 Global Slavery Index statistics about the prevalence of modern slavery
- Summary of the concept of ‘risk to people’ and an overview of the legal, financial, and reputational risks for not properly managing modern slavery risks
- Explanation of the Modern Slavery Act, mandatory reporting criteria and the key recommendations from Professor McMillan’s Report on the statutory review of the Act’s operation.
- Suggested approaches for managing modern slavery risk, including detailed recommendations and examples of the evolving phases of a modern slavery response framework.

### **Updated Policy and Governance Framework to more specifically address modern slavery risk**

Prior to the submission of this Statement, Delta remained in the process of finalising several measures in relation to a policy and governance framework that specifically addressed modern slavery risk. These included:

- Modern Slavery Policy
- Supplier Compliance Code and Responsible Sourcing Code
- Grievance Mechanism for external stakeholders (i.e. outside of Delta’s directly employed workforce) to report human rights-related concerns, including alleged modern slavery practices.

Delta updated<sup>4</sup> its in-house (i.e for our direct workforce) Grievance Policy and Procedure to include specific provisions relating to modern slavery. The Policy confirms Delta’s commitment to endeavour to take decisive action in addressing any grievances related to modern slavery, providing a transparent and accessible mechanism for reporting and resolving such issues, and working collaboratively with our partners and suppliers to promote fair and humane working conditions throughout our operations.

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<sup>4</sup> This occurred after the completion of the reporting period, but prior to submission of this Statement.

## Reporting Criteria #5: Measuring effectiveness

Delta recognises that we are still in the early stages of developing a formal modern slavery response framework, particularly in relation to undertaking substantive, supplier-specific due diligence in relation to identified and assessed areas of potentially elevated risk. We consider that steps taken during this reporting period have laid a foundation of key priority areas for potential future targeted due diligence and supplier engagement.

The following is a baseline measuring effectiveness framework that we consider appropriate for monitoring the implementation of an improved, more holistic response framework:

Focus Area	Action Item	Key performance indicators (KPIs)
<b>Governance and Policy</b>	Roll out modern slavery clauses for supplier agreements	Track % of new supplier contracts with modern slavery clauses.
	Establish Modern Slavery Working Group to provide regular updates to key internal stakeholders, develop and implement our response framework.	Track number and frequency of Working Group meetings held.  Membership includes senior executive leadership position(s) to ensure driven from top-down.
<b>Training and Education</b>	Roll out modern slavery training for all staff.	Track % of staff that have completed modern slavery training, with breakdowns for new staff (employee onboarding / induction) and existing team members.
<b>Risk Assessment</b>	Annual risk assessment of total procurement spend.	Track % of suppliers assessed and changes in supply chain risk profile across reporting periods
<b>Supplier Due Diligence</b>	Commence supplier-specific due diligence on overseas suppliers of chemical products.	Track number of suppliers reviewed, follow-up action, and quality of engagement.
	Issue self-assessment questionnaires to priority suppliers	Track number of surveys issued and supplier response rates.

<b>Grievance and Remediation</b>	Monitor accessibility of existing grievance procedures.	Track number of modern slavery related complaints received.
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**Reporting Criteria #6 & 7: Consultation with owned entities and other information**

All Delta entities have been involved in appropriate consultation in relation to the preparation and contents of this Statement, and in relation to our modern slavery response more generally.