

# Modern Slavery Act Statement 2021



*A diversified livestock, genetics, food security  
and bio-security Group*

## Overview

This statement has been made in accordance with section 16 of the Modern Slavery Act and is published by AgTrade International Pty Ltd (ACN 139 280 461) and its subsidiaries (the “**AgTrade Group**” or “**AgTrade**”). The AgTrade Group seeks to be a socially responsible organisation, and is committed to preventing and addressing modern slavery in supply chains.

AgTrade is an Australian-owned livestock, genetics, food security and bio-security group based in Brisbane, Australia. AgTrade is proud to own and operate a diversified portfolio of agribusinesses developed over almost 50 years. We publish a detailed sustainability report to our investors in respect to the social responsibility and governance aspects of our operations, including Modern Slavery Act compliance.

## Structure, Operations and Supply Chains

### **Structure at 31 March 2021**

AgTrade International Pty Ltd is the parent company of the Group and controls a number of wholly-owned subsidiaries which operate as autonomous businesses, but with equity and debt capital provided by the AgTrade Group. These businesses are required to operate in accordance with AgTrade Group investment, finance and risk management requirements, including social and environmental responsibility and governance. We have a range of governance and reporting structures and systems in place directed at assuring and supporting effective and pro-active AgTrade oversight.

The key businesses operated by these companies during the FY20 reporting year and for the FY21/22 financial period are:

- An Australian-processed premium beef and protein export business (Paradigm Foods)
- An animal nutrition products business (ThriveAgri); and
- Three businesses operating under the AUSTREX brand
  - Global breeder cattle and genetics
  - Feeder cattle
  - An elite breeding business.

### **Operations and Supply Chain**

**Supply chain purpose:** A shared common purpose of all the businesses listed above is to create, build and nurture long-term sustainable and premium export markets for Australian primary producers. We are an important source of farm income for many primary producers and farming families, and contribute to the prosperity of rural communities. Our supply chain typically starts on farm (predominantly in Australia and New Zealand) and continues through to a point of sale – usually customer delivery by air, land or sea.

**Procurement, including cattle breeding and backgrounding:** AgTrade’s supply chain operations involve sourcing cattle, other livestock and produce such as hay from primary producers, predominantly in Australia and New Zealand. AgTrade also maintains a breeder cattle herd in Tasmania and agists AgTrade-owned breeder cattle on approximately 50 selected rural properties in south-eastern Australia. In backgrounding and preparing these cattle for both domestic processing and export markets, we also engage the services of a range of rural businesses including feedlots, quarantines, veterinarians, and bio-security and animal health professionals.

**Australian processors and international transport carriers:** Our supply chains to our end customers include Australian abattoirs with whom we contract, and specialist sea, land and air transport providers.

**Team:** AgTrade employs a team of approximately 150, headquartered in Brisbane Australia, with employees in most Australian States and the Northern Territory plus some offshore employees, predominantly in Indonesia (14) in respect of whom we comment further below.

### **General:**

- Our team and business is very customer focused with our brand directed at assuring bio-security, genetics, animal welfare and origin traceability, as well as other requirements of Australia’s international export market customers.
- The companies listed utilise feedlots and quarantines in most States and Territories of Australia, and both the North and South Islands of New Zealand.
- In the case of breeder livestock and genetics, we also provide post sale technical support (for example, veterinary and other animal husbandry advice and services) to our international customers.

## Risks of Modern Slavery Practices in AgTrade’s Operations and Supply Chains

A risk assessment has been completed on the AgTrade supply chains by the Company Secretary and Legal Counsel to identify possible exposure to modern slavery. While risk was assessed to be low overall, the Board of AgTrade acknowledges as a governance principle that there can be no room for complacency and requires all businesses in which AgTrade invests to demonstrate appropriate vigilance.

Points noted in reaching a low risk assessment overall included: (1) the positive responses of a number of significant AgTrade suppliers, some of which had produced their own Modern Slavery Act statements or other assurance materials; and (2) AgTrade’s cattle procurement and some other key supply chains are predominantly in Australia and New Zealand, jurisdictions with low prevalence of modern slavery according to the latest edition of the Global Slavery Index. Some of the possible risks identified in our supply chains arise, generically, from the lack of visibility into supplier businesses.

## Actions Taken to Assess and Address Modern Slavery Risks

### *Due diligence, systems and related actions*

Area	Status and actions
<b>Australian and New Zealand farms and primary producer properties</b>	We share this supplier class in common with other Australian consumer supply chains including supermarkets and abattoirs. We note substantive work undertaken by a number of counterparties in these supply chains and will continue to engage with those fellow offtakers and with industry associations in pursuit of global best practice.
<b>Transport (air, land and sea)</b>	Many of our major air and sea transport providers have provided us with Modern Slavery Act statements or other Board-level assurances. We will continue to engage with suppliers in this regard in pursuit of global best practice.
<b>Employment and engagement terms</b>	AgTrade regularly obtains legal and other professional advice in Australia and New Zealand to ensure that employment and other team engagement terms are appropriate. While most of our approximately 150 team members are located in Australia and New Zealand, we also have a team of 14 in Indonesia. During the year, we obtained external assurance with regard to the appropriateness of those employees’ remuneration as an additional routine governance step.
<b>Recruitment and Selection Policy</b>	AgTrade gains assurance from our third-party HR Business Partners (part of our annual audit) to ensure our recruitment and selection processes are efficient, robust and delivered in a manner that ensures candidates are treated fairly, equitably and consistent with legislative requirements and stakeholder expectations.

### *Policies and Procedures*

AgTrade has comprehensive policy frameworks and operating procedures in place to ensure that our employees and contractors clearly understand our expectations while also providing them with our commitments to how they will be treated at AgTrade.

Policy/Procedure	Purpose
<b>Code of Conduct</b>	Outlines a minimum set of standards and behaviour required of all AgTrade Employees, Contractors and Directors.
<b>Anti-Bribery Policy</b>	Affirms that AgTrade has never tolerated, and will not tolerate, any form of bribery and corruption within its business.
<b>Anti-discrimination, Bullying and Harassment Policy</b>	Outlines the relevant definitions, principles and obligations in relation to unlawful discrimination, bullying and harassment, as well as AgTrade’s expected standard of conduct in these areas.
<b>Whistleblower Policy</b>	Encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving AgTrade and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal.

### ***Due Diligence and Remediation***

Other steps taken to assess and address modern slavery risks include the following:

#### *Employees/Contractors*

- AgTrade's team consists of approximately 150 people, all engaged under employment contracts or negotiated agreements.

#### *Service Providers and Suppliers*

- AgTrade will continue to communicate with its suppliers to encourage them to review their own supply chains.

### **Measuring Effectiveness**

Effectiveness of actions taken will be measured through a range of activities including our risk management and assessment process, policy reviews, supply chain disclosures to the AgTrade Board, site visits and team engagement. AgTrade will continue to monitor our compliance with our overseas workforce obligations, in partnership with our payroll and tax advisory teams located in each jurisdiction.

AgTrade is further developing the process to measure effectiveness.

### **Consultation with Controlled / Owned Entities**

All Australian entities share the same Company Secretary who has been involved in the preparation of this statement.

### **Next Steps**

The next steps to be taken include the following:

- Continue to seek Modern Slavery Act assurances and commitments from our suppliers where adjudged appropriate;
- Add a modern slavery clause into supplier contracts for products or services with a higher level of modern slavery risk;
- Team member training on modern slavery, prioritising those people managing higher risk activities; and
- Develop and set key performance indicators to measure the effectiveness of our actions to assess and address modern slavery risks.

### **Our Commitment**

AgTrade is committed to working collaboratively with our stakeholders to increase our understanding of modern slavery risks and how we can address them.

This is our Modern Slavery Statement for the financial year ending March 2021, made pursuant to the Modern Slavery Act (2018). It has been approved by the Board of AgTrade International Pty Ltd in this form on 29 June 2021.

Signed in accordance with a resolution of Directors.



**Justin Slaughter**

Managing Director and Chief Executive Officer

