



marnco

Together, we do grow.

**Marnco**

**Modern Slavery Statement**

**Financial Year December 2022**

## The identity of the reporting entity:

Marnco Pty. Ltd. is fertiliser importer and distributor based in Melbourne, VIC. We aim to position ourselves as a sustainable and innovative company within the Australian fertiliser industry, operating with the highest standards of integrity.

This Modern Slavery Statement has been conducted to meet the mandatory reporting criteria set out by the Modern Slavery Act 2018. The table below identifies the content location for each of the compulsory criteria addressed in the statement:

Reporting Criteria	Page Number
The identity of the reporting entity	1
Group structure, operations, and supply chains of the reporting entity	2
The risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls;	4
The actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks;	5
How the reporting entity assesses the effectiveness of such actions;	6
The process of consultation with any entities the reporting entity owns or controls or is issuing a joint modern slavery statement with; and	6
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	6

At Marnco, we have recently produced our first comprehensive emissions and Environmental, Social, and Governance (ESG) reports to develop transparency for our stakeholders.

We are presently developing an understanding of the implications of operations within our supply chain partners. We recognise our responsibility to create positive influence throughout our supply chain, advocating for the widespread empowerment of at-risk people and providing our suppliers with standards and support to make systematic changes to end modern slavery.

This Modern Slavery Report, from 1 January 2022 to 31 December 2022, is the first for Marnco.

As of FY 2022, we entered the mandatory Modern Slavery Reporting consolidated income threshold of \$100m AUD and seek to utilise this framework to drive positive influence throughout our supply chain. This statement and the framework of the Modern Slavery Act will support Marnco's approach to ensure robust checks and balances as the business expands while minimising the risks of modern slavery. In implementing this framework, Marnco hopes to identify any past issues within our supply chain to aid in the remediation of past issues, supporting our supply chain to amend harmful activities and practices. We recognise that supporting our supply chain to amend harmful operational procedures is a better outcome than severing ties with those partnerships.

We are committed to identifying and addressing risks with strong transparency and due diligence, ensuring the participation of all relevant stakeholders upstream and downstream. To ensure the delivery of a robust framework, this report will work in accordance with Commonwealth Modern Slavery Act 2018 criteria along with The UN Guiding Principles.

## Group structure, operations, and supply chains of the reporting entity:

Marnco is a privately owned, Large Party Ltd. company, comprised of four full-time employees with equal gender diversity. In 2022, our business experienced significant growth. The company's operational control includes organising a multitude of contracted operators to deliver products purchased by Marnco. This process includes working with industry groups, upstream manufacturers and distributors, shipping brokers, shipping companies, port employees, road transport companies, storage shed operators, and local fertiliser distribution companies.

Marnco is also actively approaching various entities for investment and collaboration opportunities and believes the framework and topics covered in Modern Slavery reporting are essential to integrating into the engagement of new business opportunities, partnerships, and supply chains.

In the expansion of its current product range, Marnco is actively establishing Research and Development projects and will be transparent in reporting any human rights risks that may evolve. In response to ESG-related efforts, Marnco is devising opportunities for community engagement within our procurement and distribution networks to identify and mitigate risks associated with fertiliser usage, including education, research, and ecological remediation.

## Risk Atlas:

Type: Good/ Service	Description	Associated/ Potential Risks
Fertiliser	Marnco imports and distributes bulk fertiliser from international manufacturers to the Australian agriculture market.	We recognise potential exploitative labour risks in this portion of our supply chain. Vulnerable groups are more susceptible to modern slavery risks in mining and manufacturing. We also recognise regional acquisition as an essential lens concerning fertiliser; some countries our product is produced have a higher rate of modern slavery than others. The high-risk countries we have identified through the Walk-Free Index are China, Indonesia, Malaysia, Thailand, and Vietnam.
Contractors	Marnco uses various contracted companies to manage the delivery of products throughout our supply chain.	Subcontracting can further abstract the working conditions of our suppliers, including the potential for wage exploitation, poor working conditions and workplace health and safety. Additionally, risks in recruitment and debt bondage can be present in employees and companies hired by contractors we have hired. We believe these to be low risk in Australian supply chains but higher internationally. Most subcontractors

		hired to assist in delivering Marnco operations are based in Australia.
Transport Logistics (International-Maritime)	Once the fertiliser is purchased, Marnco uses a shipping broker to hire shipping companies to deliver fertiliser to Australia from manufacturers around the world.	The International Shipping industry is one of the highest-risk industries globally. Seafarer exploitation, including forced labour, human trafficking, wage exploitation, unsafe working conditions, and unethical recruitment is associated with the global maritime shipping industry. "Flag of Convenience" is also a significant operational risk that causes difficulty in tracking and reporting injustices, as well as creating instances of exploitative behaviour as the countries associated with Flag-of-Convenience have more lenient regulations. In 2022 we had 12 Vessels that operated under a Flag-of-Convenience (5-Panama, 4-Liberia, 2-Cyprus, 1-Marshall Islands). We seek to work with our shipping broker to understand the best ways to mitigate risks associated with companies that operate under Flags-of-Convenience.
Transport Logistics (Road)	Marnco hires various road distribution companies to collect fertiliser from ports and deliver products to a storage facility (In Australia)	Marnco recognises that the transport industry has the potential for exploitative conditions but believes that the Labour laws and unions in Australia support workers' rights. We also think the companies with which we work have high operational standards. Safeguards and reporting mechanisms are being implemented to identify any issues that may persist with our transport companies.
Professional Services	Marnco uses a variety of professional services, including lawyers, accountants, and other relevant industry consultants	We believe the professional services we use in Australia to be low risk but seek to adhere to and implement effective due diligence to create prevention. Outsourcing, Global operations and inadequate labour and diversity practices carry risks in professional services.
Utilities	Marnco hires various utilities and trades to deliver necessary energy and fuel-related services in our Australian-based operations	The complex nature of utility supply chain delivery is the most significant risk, and materials used in the delivery may be difficult to track. The diverse network of suppliers and contractors creates incredible difficulty in fully comprehending the

		network of people at risk in delivering utilities. We seek to understand the reputation of our providers and their use of outsourced labour to drive decision-making regarding utility delivery.
Office management, supplies, and equipment	Various office supplies rented and purchased for the delivery of office-based work, such as computers, printers, and other office-based management.	Marnco's head office is managed and provides services by third-party subcontractors and companies. We recognise the potential for injustices in cleaning services and other office support operations that can pose risks. Also, materials used to fit out the office, such as desks, chairs and various office supplies, have complex supply chains in which modern slavery persists.
IT - Tech Support	Marnco uses a contracted IT - team that delivers necessary tech-related support, software, and hardware to our company	We utilise an Australian based IT firm to assist in the internal system operations that provide tech support, software, and hardware. We understand risks in global electronics manufacturing and the raw materials used to create products we use in our day-to-day operations.

## **The risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities that the reporting entity owns or controls:**

Identifying the highest-risk areas within our supply chain, Marnco recognises that the mining and manufacturing of fertilisers, as well as international shipping, pose significant modern slavery implications. To mitigate these risks, we have integrated mechanisms into our contracts with current and potential partnerships. These contractual provisions address modern slavery and outline our expectations for transparency in their engagement with employees. These contracts will also be shared with our brokers, ensuring that our operational standards are communicated to manufacturers and shipping companies.

We believe that it is essential to develop a deeper understanding of regions and companies to promote transparent working conditions effectively. To achieve this, Marnco aims to establish effective communication channels with our suppliers, fostering a high standard of operation throughout our supply chain. It is important to note that we do not view severing relationships with non-compliant suppliers as the sole solution to addressing modern slavery injustices. Instead, we believe in working collaboratively with our supply chain partners to develop better operational standards that benefit all parties involved.

To better understand and address injustices within regions and industries directly relevant to our supply chain, we rely on the recent report completed by the International Labour Organization (ILO)

and Walk Free – Global Slavery Index<sup>1</sup>. This comprehensive report provides valuable insights into specific injustices within regions, enabling us to make informed decisions and progress towards higher operational standards. We acknowledge that the most prevalent injustices occur in the lowest tiers of the supply chain, particularly in the extraction of raw minerals and the manufacturing of fertilisers.

As a Melbourne-based importer and distributor of bulk fertilisers from international supply chains, Marnco operates primarily in the Port of Geelong, with additional operations in Flinders Port (Adelaide) and the Melbourne Port. Our supply chain begins in the mining industry, where raw materials are extracted to produce various chemicals and feedstock used in fertiliser manufacturing. The distribution of products to Australian distributors, who sell to end customers, relies on the vast international shipping industry. Throughout the Australian-based supply chain, including port workers, road transport, and mobile machinery, Marnco is committed to ensuring that high operational standards are upheld.

### **The actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks:**

Our first action was to develop a comprehensive questionnaire and send it to our suppliers, brokers, and other relevant businesses in our network. We believe this is a crucial step in creating a dialogue and setting a standard of operation and will aid in identifying modern slavery risks within our supply chain. By being proactive with our partners, we aim to establish a foundation to base actionable strategies to drive changes and achieve positive outcomes in our supply chain.

It is important to note that this is our first year of Modern Slavery Reporting, as well as the first year we have produced a Sustainability/ ESG report. These milestones enable us to better understand risks in our supply chain and the industries in which we operate. Through the conduction of these reports, we have identified the high-risk areas of our operation and partnerships and regions modern slavery may persist at higher rates. We are committed to creating upstream and downstream transparency in our supply chain, allowing us to display due diligence in our path to make systemic changes.

By engaging with our shipping and product brokers to communicate our concerns, we can collaborate to create a strategy to identify and remediate contemporary slavery issues within our supply chain. We seek to use these strategies to establish communication channels for whistleblowing and mechanisms to support reporting cases of modern slavery. Ensuring strong integrity in our actions is paramount to achieving widespread change, and we are leveraging the evolving understanding and education to target risks.

While we believe our downstream risks to be low due to robust labour laws and policies in Australia, we remain vigilant in ensuring workplace health and safety, and ethical recruitment is a top priority with our Australian partners. Through these actions, we believe in our ability to continually reinforce our commitment to high operational standards throughout our supply chain and aim to establish transparency to all stakeholders.

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<sup>1</sup> <https://www.walkfree.org/global-slavery-index/>

## **How the reporting entity assesses the effectiveness of such actions:**

We are in the infancy of Modern Slavery action and believe the steps are a practical starting point for creating meaningful action in our supply chain and with supply chain partners. These actions cannot be fully assessed for success rates at this early stage; however, we are committed to annual reporting and believe consistent and robust reporting will display effectiveness and allow us to move forward with conviction.

We believe in being proactive and that operating with high integrity will be critical to the long-term success of our company. The guidelines set out by the Modern Slavery Act 2018 support our vision of what integrity means to our supply chain. We also recognise some of our partners are already developing modern slavery mechanisms. We seek to leverage those relationships to build dynamic and effective remediation action.

## **The process of consultation with any entities the reporting entity owns or controls or is issuing a joint modern slavery statement with; and**

Marnco has no ownership or control of other relevant entities to add as a joint statement, and further consultation is not necessary for Marnco Pty. Ltd. We have conducted a thorough assessment and disclosure of our efforts to establish mechanisms to combat modern slavery. We will continue to integrate themes relevant to the Modern Slavery Act 2018.

## **Any other information that the reporting entity, or the entity giving the statement, considers relevant.**

Marnco recognises that in the past, we have had limited contact with upstream suppliers. However, we are fully committed to engaging with our supply chain to comprehensively understand our operations and address any potential risks of modern slavery and human rights injustices. We are proud to be part of the global effort to eradicate modern slavery, and it is our utmost pleasure to contribute to this vital cause. We are dedicated to leveraging our influence and taking all necessary measures within our power to drive meaningful change throughout our supply chain.

This Statement has been approved and endorsed by Marnco Pty. Ltd. board of directors in accordance with the Modern Slavery Act 2018

Signed and approved June 27, 2023, by:



Mark Been,

Managing Director