

Modern Slavery Statement 2020

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A wide-angle photograph of a vast agricultural field, likely a cornfield, stretching towards a horizon under a dramatic sunset sky. The sun is low on the horizon, casting a golden glow over the field and illuminating the clouds. The field is filled with rows of young corn plants. A large, semi-transparent green circle is overlaid on the bottom right portion of the image, containing white text.

Our commitment

We believe that depriving another individual of their liberty is a violation of the individual's fundamental human rights and have adopted a zero-tolerance approach to the practice of modern slavery.

Introduction

The following is Nufarm Limited's (Nufarm) modern slavery statement as required under the Australian Commonwealth Modern Slavery Act 2018 and the UK Modern Slavery Act 2015.

This statement provides information on the steps taken by Nufarm to identify and reduce the risk of modern slavery in our operations and supply chain. Modern slavery risk is the risk of people being forced into slavery or slavery like conditions through undermining or depriving them of their freedom. Modern slavery is the most serious form of human exploitation and includes child labour, forced or indentured labour, human trafficking, forced marriage, servitude, slavery and deceptive recruiting for labour or services.

This statement was submitted to Australian Border Force's online register for modern slavery statements, as required by the Australian Commonwealth Modern Slavery Act on 31st March, 2021. We also publish it on the home page of our [corporate](#) and [UK websites](#), as required by the UK Modern Slavery Act.

The reporting period for this statement is our 12-month fiscal year ending 31st July, 2020. On the 23rd of July 2020, Nufarm announced that we would change our financial year end from 31st July to 30th September to better align the half year reporting period with our key sales periods. Our 2021 modern slavery statement will address actions taken between 1st August, 2020 and 31st October, 2021.

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.

Nufarm is the parent company of a number of wholly owned crop protection and seed technology businesses globally. 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); and
- Agryl Holdings Limited (ABN 61 005 968 178).

which all had a consolidated revenue greater than AUD 100 million for the reporting period and conducted business in Australia during the reporting period. Medisup Securities Limited and Agryl Holdings Limited are 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 all reporting and non-reporting entities within the Nufarm Group and actions taken to assess and address modern slavery risks.

Our structure

About Nufarm

Nufarm is a leading developer and manufacturer of crop protection solutions and seed technologies. Our crop protection business represents over ninety percent of our total business.

Nufarm Limited



Nufarm
Crop Protection



nuseed[®]
Seeds Technology

We aim to create long term shareholder value by helping farmers get more from their land through the provision of crop protection focussing on five core crops.



Cereals



Corn



Pasture, turf & ornamentals



Soybean



Trees, nuts, vines & vegetables



Sustainability at Nufarm

Nufarm has an important role to play in supporting sustainable agriculture.

With the world's population increasing in size and prosperity, farmers around the world are being called on to produce more food while reducing the impact of agriculture on our precious ecosystems. Agricultural and ocean environments are under intense pressure to feed our planet and climate change is adding urgency to the need for innovation and change.

Our crop protection and seed technologies help farmers feed more people and play an important role in using natural resources, such as land and water, more efficiently. We are committed to improving our own ESG performance and helping farmers feed the world and transition to more environmentally beneficial products and solutions. We published a 2020 Sustainability Review and GRI Content & Index that provide more detail on our approach and sustainability performance.



Crop Protection

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.

We partner with leading industry and research organisations around the world to develop and offer new solutions to meet existing and emerging farmer needs across the lifecycle of our chosen crops.

Significant active ingredients in our products include glyphosate, 2,4-dichlorophenoxyacetic acid (2,4-D), 2-methyl-4-chlorophenoxyacetic acid (MCPA), Dicamba and Mecoprop-p. We sell these in leading brands such as: Crucial, Agroxone, Weedmaster, Amicide, Credit and Diablo.



Seed Technology

Seed technology combines our seed treatment portfolio and the Nuseed business. Our seed treatment products provide protection and treatment for damage caused by insects, fungus and disease.

Nuseed develops unique plant output traits with specific customer benefits. We call this our BEYOND YIELD™ strategy. Nuseed distributes high yielding sunflower, sorghum and canola seed, adding a new oilseed crop, carinata, to the portfolio in 2020.

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 customers are primarily distributors of agricultural inputs and advice.

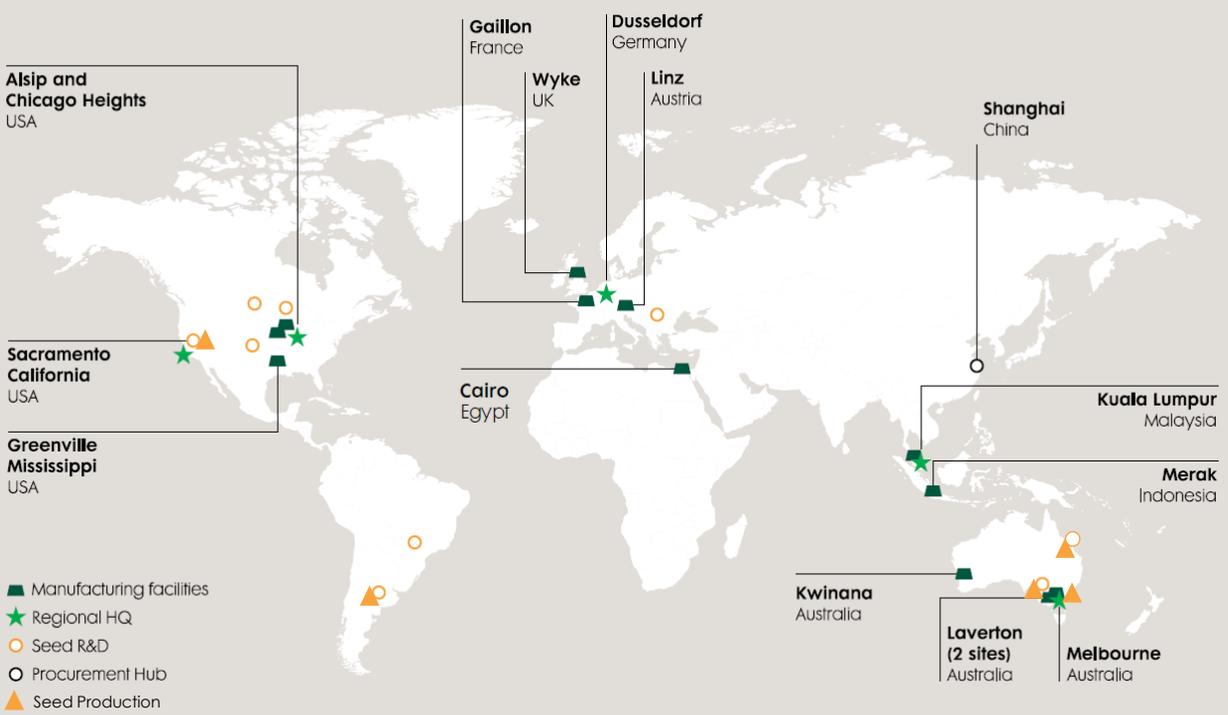
Our Operations & Supply Chain

27
crop protection manufacturing and seed production facilities globally

2,702
full time equivalent (FTE) employees across our global footprint

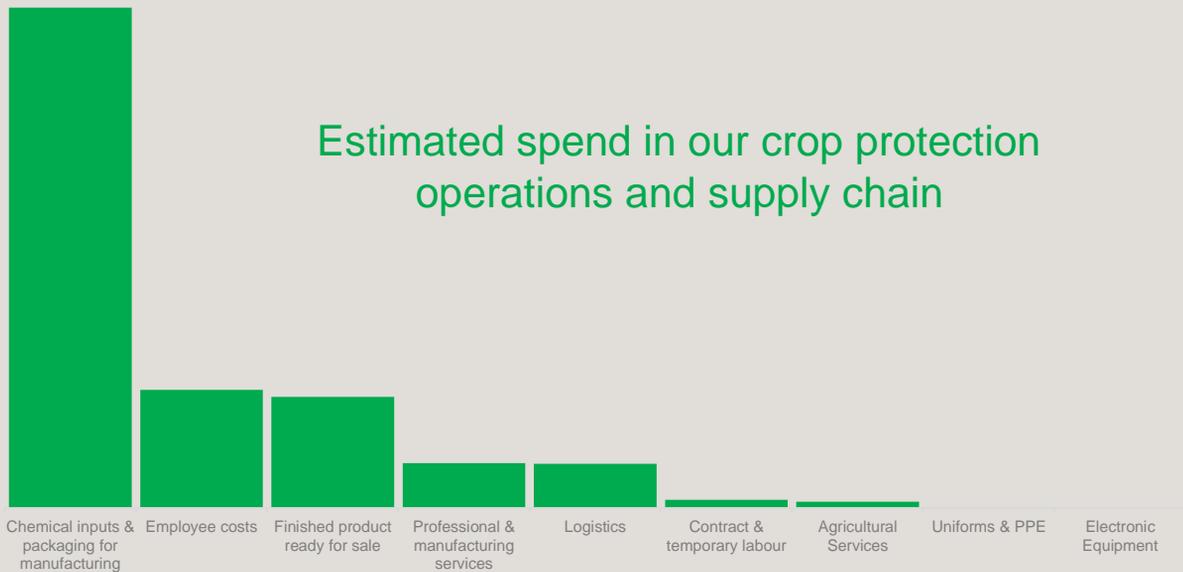
>3,000
suppliers in over 40 countries

>\$1.7b
spent on raw materials and packaging



Crop Protection

Estimated spend in our crop protection operations and supply chain



Our operations

Nufarm has twelve crop protection manufacturing facilities located in eight countries: the USA, the UK, France, Austria, Egypt, Malaysia, Indonesia and Australia. The largest of our facilities are in Australia, Austria, UK and, North America. In some regions we also have sales offices independent of 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. We purchase packaging and labelling materials to pack our products into a range of pack sizes to suit on-farm application. We sell and distribute our products to our customers, primarily through third party logistic providers.

Over 2,600 of our people are employed in Nufarm's crop protection business. They work in our manufacturing plants, as a part of our skilled sales team or support the business through a range of administrative functions. We also employ some casual, contract labour for short periods of time to support manufacturing activities such as labelling and packing tasks during periods of high seasonal demand. Due to local labour shortfalls we employ a small number of foreign workers at our manufacturing facility in Port Klang, Malaysia.

A small portion of our purchasing spend is directed to the services that support our manufacturing operations and businesses, these include; professional and trade services, travel, manufacturing services (e.g. energy, waste management, etc), contract and casual labour, logistics and office equipment.

In June 2020 we announced two significant operational changes with the planned closure of our Raymond Rd site in Laverton North, Australia by the end of 2021 and the cessation of synthesis operations at our Linz site in Austria in early 2021.

Crop Protection

Our supply chain

We source our materials locally where we can, however the unique chemistry and propriety technology used to manufacture many of our ingredients limits the supplier base. We have significant suppliers located through Europe, China, India, North America and Australia, and more than 3,000 suppliers in total who are spread across 40 countries. Chemical raw materials are our most significant purchasing category.

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

The process of registering crop-protection products is long and rigorous and includes a source registration for the active ingredient. To support this, we establish long term relationships with our raw material suppliers and have a low turnover of our supplier base.

Our purchasing organisation was operated out of three key hub locations in Australia, China and Switzerland in 2020. We have since closed our Swiss operation.



Seed Technology

Our operations

Nuseed produces canola, carinata, sunflower and sorghum seed with a group of less than 100 dedicated employees. Our products are made available to growers through local sales, distribution and retail networks specific to each Nuseed region in Australia, Europe, North America and Latin America. Quality Assurance (QA) teams and protocols are in place throughout Nuseed's global supply chain.

We develop seeds using our own inhouse research and development team as well as through collaboration with industry and government agencies. Once seeds are bred, our supply chain advances them through several production stages each of which progressively narrows the seed selection to the best performing seeds and increases their volume. This process takes several years and allows us to grow sufficient quantity of the best quality seeds for commercial production.

Nuseed runs these operations by directly contracting with local growers to use their land to grow our seeds. In most cases, these activities are undertaken by our small Nuseed workforce in Australia, United States, Argentina with the support of more than 200 seasonal labourers, contracted through reliable local agencies. We also carry out seed cleaning, sizing, treating and packing activities, either at our own facilities or at contract locations.



Seed Technology

Our supply chain

Once seed is ready for commercial production, we contract with seed producing companies to grow, process and pack our seed in ten countries across Australia, Latin America, North America and Europe; with the most significant volumes being 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.

- Nuseed Carinata seed is currently produced in South America as a contract cover crop and processed into a low carbon renewable fuel in Europe.
- Nuseed Omega-3 Canola is the world's first land-based source of comprehensive omega-3 for Nuseed's aquafeed customers. It is produced under contract in the U.S. with supply chain transparency certified by Excellence Through Stewardship (ETS), requiring industry best practices in biotechnology. We contract with third party oil crushing operators to extract the Omega-3 rich oil from the seed.

As a naturally grown product our seed production uses few purchased inputs, the primary ones being: 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.



Risk management governance framework

We have a risk management framework and policies and procedures which are based on the concepts and principles identified in the Australia/New Zealand standard on Risk Management (AS/NZ ISO 31000:2009). The risk framework, policies and procedures set out the roles, responsibilities and guidelines for managing financial and non-financial risks associated with the Company's business. Our [Risk Management Policy](#) is available in the Corporate Governance Section of Nufarm's website.

Nufarm is committed to continuing to improve its enterprise risk management practices to protect and enhance shareholder value. During our financial year 2020 an Executive Risk, Health, Safety and Environment Committee was established. This committee reports to our Board Risk and Compliance Committee and has oversight of modern slavery risk. Its role is to assist with overseeing, directing and supporting the implementation and operation of the risk management framework and the internal compliance and control system across our company.

Our Board Risk and Compliance Committee has been tasked by the Board to assess the effectiveness of our risk management framework, including whether it is operating within the risk appetite set by the Board and whether Nufarm's management is taking corrective actions for risks that fall outside the agreed risk appetite level. These risks include those arising from relevant economic, environmental and social impacts.



Policies and Codes of Conduct

Nufarm has a Board approved [Code of Conduct](#) which guides employees' decision-making and behaviour. The code of conduct has executive ownership through the Nufarm leadership team and new employees are inducted into the code when they join.

Our [Whistleblower Policy](#) supports our code of conduct, providing a mechanism for current and former employees or their family, suppliers and other third-party service providers to anonymously report unethical, illegal or unsafe activity or misconduct. Last year we launched an independently operated [Integrity Helpline](#) where employees can confidentially raise these types of concerns for resolution.

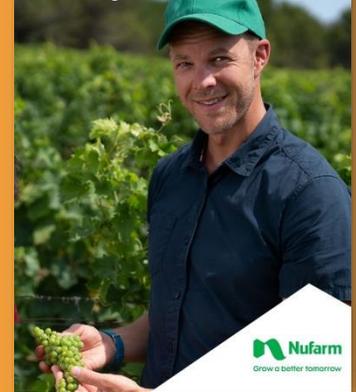
Our [Human Rights Policy](#) sets out our position on matters such as collective bargaining, modern slavery, inclusion and diversity and equal opportunity. Nufarm has adopted a zero-tolerance approach to all forms of modern slavery across our business and supply chain. We are committed to only employing people who have freely given their consent to work for us and to working with suppliers who share the same objectives. This policy also sets our expectation on other human rights issues such as freedom of association and collective bargaining, diversity and inclusion and equal opportunity. It is approved by our Group Executive Manufacturing and Supply Chain and Group Executive People and Performance. Our 2020 performance in these human rights areas is reported in our [GRI Content & Index](#).

Our [Global Supplier Code of Conduct](#) prohibits our suppliers from engaging in any form of modern slavery and the use of any child labour must conform to national laws and the International Labour Organisations (ILO) standards on workers age. This code of conduct is communicated to our direct suppliers as a part of our procurement process and is approved by our Global Strategic Procurement Manager.

Our Code of Conduct



Whistleblower Policy



Human Rights Policy



Modern slavery risk in our business

To expand our understanding of our potential exposure to modern slavery risk we conducted a review of our activities, identifying areas of our operations and supply chains that could be at risk of modern slavery practices due to either country or industry modern slavery risk factors. In assessing these risks, we have considered our existing mitigating controls.

In our Operations

Activities at risk of modern slavery practices	Preliminary risk assessment outcome	Nufarm's ability to influence modern slavery risk in our operations and supply chain
<p>We have operations located in higher risk countries, predominately Indonesia and Egypt, where we employ approximately 500 people. Within these countries, regulatory frameworks and oversight can be more vulnerable to the poor labour practices that may lead to modern slavery.</p>	<p>Low</p>	<p>High</p>
<p>We employ 23 foreign workers at our operations in Malaysia. Incidents of debt bondage and enforced labour have been found to occur in other industries in Malaysia when recruiting or employing overseas workers.</p>	<p>Low</p>	<p>High</p>
<p>We use third-party companies to provide temporary labour for low skilled activities, such as cleaning and seasonal manufacturing or agricultural work at our operations. Incidents of modern slavery have been found to occur in agriculture and cleaning and temporary workers can be more vulnerable to exploitation.</p>	<p>Medium</p>	<p>Medium</p>

Modern slavery risk in our business

In our Supply Chain

Activities at risk of modern slavery practices	Preliminary risk assessment outcome	Nufarm's ability to influence modern slavery risk in our operations and supply chain
<p>The use of 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 these industries have been found to be at risk of modern slavery practices.</p>	Not yet assessed	Medium to low
<p>We use contract growers to grow our seed products in countries where some incidents of forced labour have been found to occur in agriculture, such as Brazil and Russia.</p>	Not yet assessed	Medium
<p>In 2020 we procured over AUD 1.7 billion in chemical raw materials and packaging from approximately 700 suppliers in 40 countries. Raw materials sourced from higher risk countries, such as India, China and Indonesia, may be exposed to an increased risk of modern slavery compared to materials purchased from lower risk countries. We have approximately 180 suppliers in these countries.</p>	Medium to low	Medium
<p>Copper is known to be at risk of modern slavery practices in some countries and we purchase some manufactured products that contain copper.</p>	Not yet assessed	High
<p>Palm oil is used by our suppliers to manufacture some of our surfactants and solvents. Palm oil is at risk of modern slavery practices in some countries, however we buy from global producers who operate sustainability programs. We are a very small customer in the global market.</p>	Not yet assessed	Low
<p>Uniforms and personal protective equipment purchased from local suppliers but potentially originating from at risk countries, such as India.</p>	Medium	Medium
<p>Electronic goods purchased from local suppliers but sourced from at risk countries such Malaysia.</p>	Medium	Very low

We are progressively assessing each of these activities in more detail and working to improve gaps in our knowledge. We are implementing actions to address modern slavery risk, proportionate to the level of risk and our level of influence over it.

Steps taken to identify & action modern slavery risk

In response to the UK Modern Slavery Act requirements, Nufarm commenced activities to assess and respond to modern slavery risk four years ago. We focussed our initial efforts on our two largest spend areas, being employment and raw material purchasing within our crop protection business – and more specifically, raw materials purchased from higher risk countries.

Employees at our operations

We have due diligence processes and controls in place to prevent modern slavery entering our business. These processes and controls include recruitment practices such as verification of age, identification and legal work status and the provision of employment contracts or terms of employment for all employees.

Where we use third party labour hire, we require them to comply with the local regulations, employment standards and awards through the contractual terms of their engagement.

We recruit our foreign workers in Malaysia directly, rather than use a third party, and apply the same employment procedures that we use for all of our Malaysian employees. This policy avoids the potential risk of exploitation by travel or recruitment agencies operating in the foreign labour market. Our foreign workers have substantially the same employment terms and conditions as our permanent Malaysian employee's i.e. annual leave entitlements, annual salary review, promotion opportunities, etc. The difference between our local and foreign employees is that local regulation requires foreign workers to be non-permanent employees and hold a work visa. The visas are renewed annually, subject to government approval.

In 2018 and 2019 we undertook self-assessment of employment controls and conditions at all of our entities to provide assurance that our people are of legal age and status to work and had freely accepted to work with Nufarm. The self-assessment identified that the systems and controls in place minimise the risk of modern slavery to our employees.



Our crop protection supply chain

While our supply chain includes countries at higher risk of modern slavery practices, such as China, India and the Philippines, the complex nature of chemical manufacturing and the need for trained and skilled workers helps reduce the chemical industry's risk to modern slavery practices. This is particularly the case in China where the Chinese government has relocated the chemical industry to industrial parks and increased the level of government oversight.

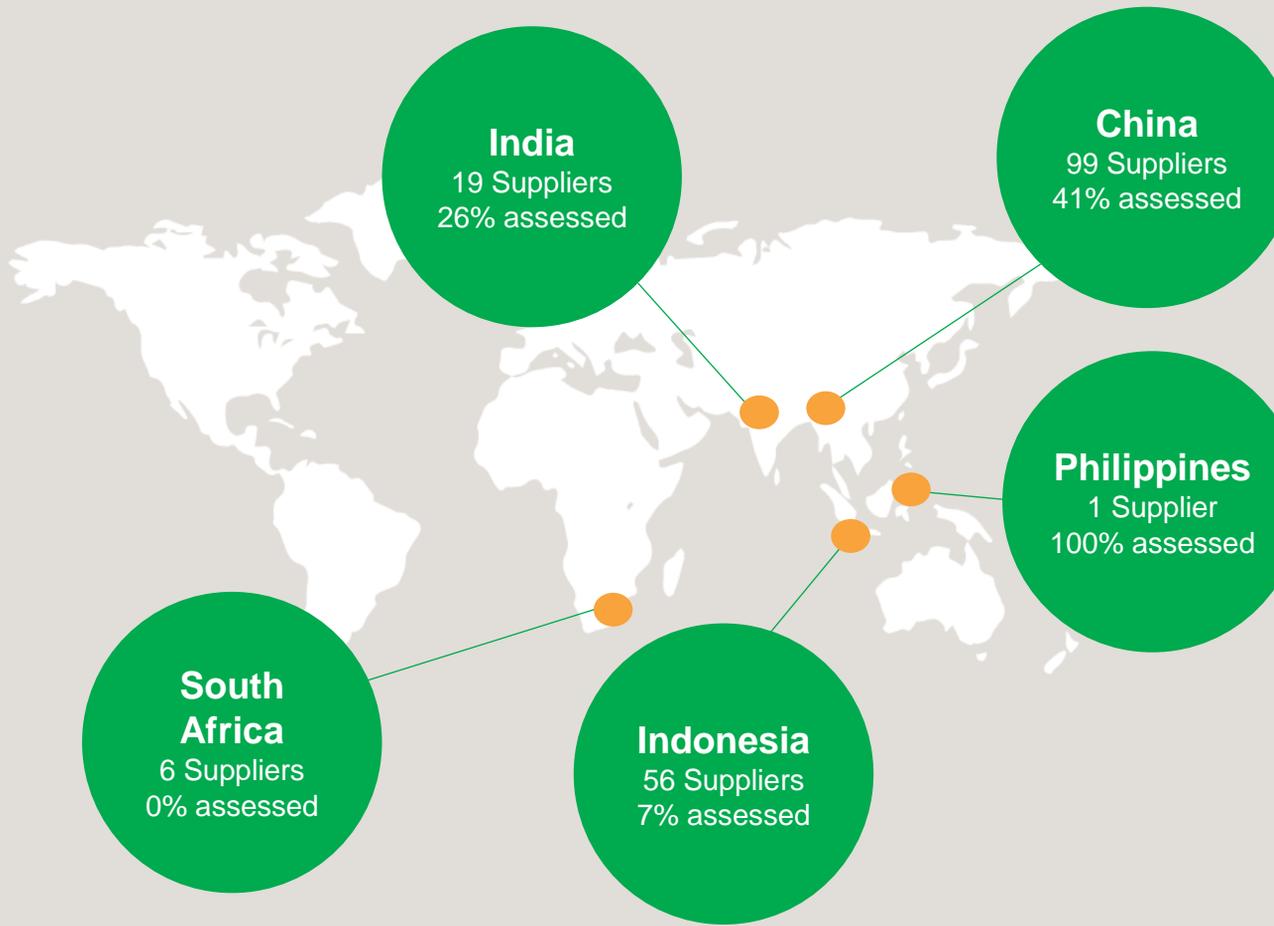
Four years ago, we established a supplier corporate social responsibility (CSR) assessment program to target our direct suppliers – that is the suppliers of our raw materials and packaging. We engaged Ecovadis, a global leader in this field, to support us in this activity. Our supplier CSR assessments 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, which are also modern slavery risk factors. While we have over 3,000 suppliers, the initial focus of our program was on direct suppliers considered to be at higher CSR risk. These were given high priority for CSR assessment. More recently we have expanded our program to include some specific indirect supplier industries which included logistics service providers. In 2020 we continued to expand our supplier CSR risk management platform, increasing the number of suppliers participating in CSR assessments.

We also have a second and more targeted supplier management program which we implemented in 2019. This is an improvement process that focusses on our lowest performing suppliers. We have an internal hurdle rate for our suppliers based on both their CSR assessment score and our quality standards. Where a supplier falls short of our expectations, our global supply team actively works with the supplier to improve their performance and reduce their environmental and social risk. We partner with the supplier to establish mutually agreed upon corrective action plans. We undertake quarterly reviews and audits with each of the suppliers to help keep them on track with their improvement commitments. This program is currently focused on improving supplier health, safety and environmental outcomes, however we intend to expand it in the future to include modern slavery risk.



CSR assessment of higher risk suppliers



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.

Effectiveness of our approach to modern slavery

Currently we measure the effectiveness of our approach to modern slavery through several leading and lagging metrics in our supplier CSR assessment program.

KPI	Description	Performance
Participation	Supplier participation in our CSR assessment program. <i>Up from 117 in 2019 or 49% of our direct procurement spend.*</i>	136 suppliers or 48 % of our direct procurement spend
Performance	Supplier CSR assessment score on social themes (including human rights and modern slavery) benchmarked against 60,000 suppliers assessed by Ecovadis globally.	20% above global average
Supplier action on modern slavery	High risk suppliers who have undertaken CSR assessment and demonstrated they are working to reduce child and forced labour risk.	27%
Evidence of supplier modern slavery practices	A review of media, NGO's and human rights organisations' reports for claims of potential modern slavery or modern slavery like practices amongst our assessed suppliers.	None identified

*the increase in assessed suppliers was not accompanied by an increase in percentage of spend due to a reduction in the underlying total procurement spend in Australian dollars in 2020.

The impact of COVID-19 on our modern slavery response

The health and safety of our people was the key priority for our business response to the COVID-19 pandemic. With many of our employees required to work on-site in roles that are critical to maintaining essential supplies for global food chains, the introduction of a range of physical safety measures to protect these employees was the focus of the initial phase of our pandemic planning. Our COVID safe plans allowed us to continue operating all of our manufacturing sites through 2020.

The pandemic has had financial ramifications on some workers in other industries and companies. However, to protect our employee's jobs from the potential COVID-19 business impacts, we made the difficult decision to freeze salary increases for one year. This meant we were able to maintain full employment and did not need to stand-down or lay-off any of our employees during 2020 due to COVID-19. Our foreign workers in Malaysia had the same protection as our permanent employees and were fully employed through 2020.

COVID-19 restrictions and responding to the challenges they presented had a high priority in 2020. While this had some impact on progressing modern slavery action, we were still able to move forward on the issue, preparing our strategy, undertaking a high-level review of modern slavery risks in our operations and supply chain and expanding the number of suppliers participating in our supplier CSR assessment program.

Engagement with entities covered by this statement

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

- It was prepared in consultation with senior global supply chain and human resources managers who have corporate responsibilities for the policies and procedures implemented at the entities covered by this statement;
- It was reviewed by Nufarm's Group Executive Manufacturing and Supply Chain and Group Executive People and Performance;
- It was communicated to the Regional General Managers of the entities covered by this statement; and
- It was endorsed by our Board Risk and Compliance Committee and approved by our Board of Directors.

Our next steps

We recognise that identifying addressing modern slavery risk in our operations and supply chain requires an ongoing focus and commitment to continuous improvement.

Our focus for 2021 will be:

Activities at risk of modern slavery practices	Planned actions for 2021
In our Operations	
Operations located in higher risk countries, such as Indonesia and Egypt, where local recruitment and employment regulations may not meet our corporate expectations.	<ol style="list-style-type: none"> 1. Develop a plan to formalise the minimum corporate employment standards to be applied to all entities with embedded expectations for managing potential exposure to modern slavery risk. 2. Review our modern slavery entity self-assessment process and commence a reassessment of entities operating in higher risk countries.
The use of third-party contract service providers. Within Nufarm, engaging contractors is a decentralised activity, being undertaken by numerous departments within each entity.	<ol style="list-style-type: none"> 3. Develop a methodology to carry out an in-depth review of contracting practices across our business for implementation in 2022.
In our Supply Chain	
We procured over AUD 1.7 billion in packaging and chemical raw materials from approximately 700 suppliers in 40 countries in 2020. Raw materials sourced from higher risk countries, such as India, China and Indonesia, may be exposed to an increased risk of modern slavery compared to materials purchased from lower risk countries.	<ol style="list-style-type: none"> 4. Continue to expand our CSR assessment of our suppliers in higher risk countries. 5. Extend our high-risk supplier audit process to include human rights and modern slavery items.
Governance Framework	
	<ol style="list-style-type: none"> 6. Establish Modern Slavery KPI's for measuring the effectiveness of our actions within our operations 7. Review our Human Rights Policy and Supplier Code of Conduct and obtain Board approval for both.



Greg Hunt
Managing Director and Chief Executive Officer