

MODERN SLAVERY STATEMENT 2023

STATEMENT REVISION FORM

Revised criteria: Our Structure & Operations & Supply Chain		
Revision Date	Revision Content	Reasons for Revision
30.08.2024	Restructured sentence pattern to: These customers form an extensive dealer network through South-Eastern Australia. They not only sell our products along with other agricultural inputs to Australian farmers, but also help them to reach their full potential by providing world class fertiliser products and services.	Fluency
30.08.2024	Labour Hire Authority description removed.	Information Validity
Revised criteria: WFA's Risk in Supply Chain		
Revision Date	Revision Content	Reasons for Revision
30.08.2024	Replaced modern slavery practices to the UN Guiding Principles on Business and Human Rights.	Information Accuracy
Revised criteria: Actions Taken		
Revision Date	Revision Content	Reasons for Revision
30.08.2024	Country risk amendment for United Arab Emirates and Jordan to increase from Low to Medium.	Information Accuracy
30.08.2024	Included Pty Ltd to Unchained Solutions under the section of Effectiveness measurement workshop.	Information Complete
30.08.2024	Combined the final two ending paragraphs under Improvement Road Map.	Fluency

CEO'S STATEMENT



Wengfu Australia is committed to upholding human rights and fighting modern slavery in our operations and supply chains. This Modern Slavery Statement 2023 reconfirms our dedication to identifying and addressing the risks of modern slavery. Throughout the year, we worked hard to improve processes and systems for better identification and mitigation of these risks. By improving supplier onboarding, increasing transparency, and raising awareness through training and communication, we are firmly committed to our mission to eliminate modern slavery. Our actions today will shape a future that removes exploitation and ensures ethical and responsible practices throughout our industry.



DAMIEN HEATH

WENGFU AUSTRALIA, CEO

INTRODUCTION

Modern forms of slavery, such as forced labour and debt bondage, are unfortunately present in various industries and sectors. Agriculture, textile manufacturing, food processing and packaging are just a few examples of industries where contemporary slavery can be found in supply chains. The fertiliser industry is no exception, and workers involved in mining, production, transportation or distribution of fertiliser products can be particularly vulnerable to exploitation. Migrant workers who face language barriers and lack of legal protections, as well as subcontracted workers who may experience precarious working conditions without proper oversight, are among those most at risk of exploitation. Detecting modern slavery in complicated multinational supply chains beyond the first tier can be extremely challenging.

This is our third Modern Slavery Statement and covers the financial year (January 1, 2023 - December 31, 2023). As a reporting entity under the Modern Slavery Act 2018 (Cth), Wengfu Australia, (WFA), is committed to addressing the risk of modern slavery in our operations and supply chains. In previous reporting years, we have taken decisive actions, including forming a dedicated modern slavery working group, engaging experts, and aligning fundamental policies with ethical standards. With a three-year action roadmap in place, we continuously strive for improvement, aiming to reduce the impact of modern slavery. Our goal is to foster a socially responsible fertiliser industry that respects human rights. Through transparency, accountability, and ethical practices, WFA seeks to create a future free from exploitation, inspiring others to join the fight against modern slavery.

REPORTING ENTITIES

Wengfu Australia Pty Ltd, ABN 31 141 160 581 is a private company registered in Victoria with an annual consolidated revenue of AUD\$568.2 million for the 2023 financial year. WFA does not control any other entities.

WFA is a wholly owned subsidiary of Graceland Industry Pty Ltd based in Singapore. Our ultimate parent is the Guizhou Phosphate Chemical Group (GPC) based in China. GPC established in 2019 is a leading state-owned enterprise in the phosphate chemical industry ranking among the top three globally.

WFA is governed by a Board of Directors. The Board is made up of Directors appointed from the parent company, and the CEO of WFA. The Board is responsible for ensuring that WFA has an appropriate corporate governance structure, and that WFA continues to grow and develop for the advancement of Australian agriculture and the fertiliser industry, and in line with its charter.

WFA is committed to conducting all its activities ethically, with integrity, and in a lawful manner as detailed in our Code of Conduct and supported by training and communications provided to employees, contractors and business partners.



OUR STRUCTURE & OPERATIONS

WFA is an importer and wholesaler of fertiliser products and has storage and despatch facilities along Australia's east coast, servicing important agricultural producing regions. Sourcing products from reliable global partners and through our own manufacturing facilities, WFA has sites in Adelaide, Portland, Geelong, Newcastle and Brisbane supporting our distribution customers. These customers form an extensive dealer network through South-Eastern Australia. They not only sell our products along with other agricultural inputs to Australian farmers, but also help them to reach their full potential by providing world class fertiliser products and services.

WFA distributes a range of proprietary and commodity granular fertilisers for use in broadacre cropping, horticulture, pasture production and a wide range of other agricultural enterprises.

Our products include Urea, Single Super Phosphate, Mono-Ammonium Phosphate, Di-Ammonium Phosphate, Muriate of Potash and Sulphate of Ammonia together with a range of unique and versatile products developed to specifically meet the needs of Australian farmers to improve the productivity and profitability of their crops and pastures, such as: uniSZon ®, and soliSZTM.

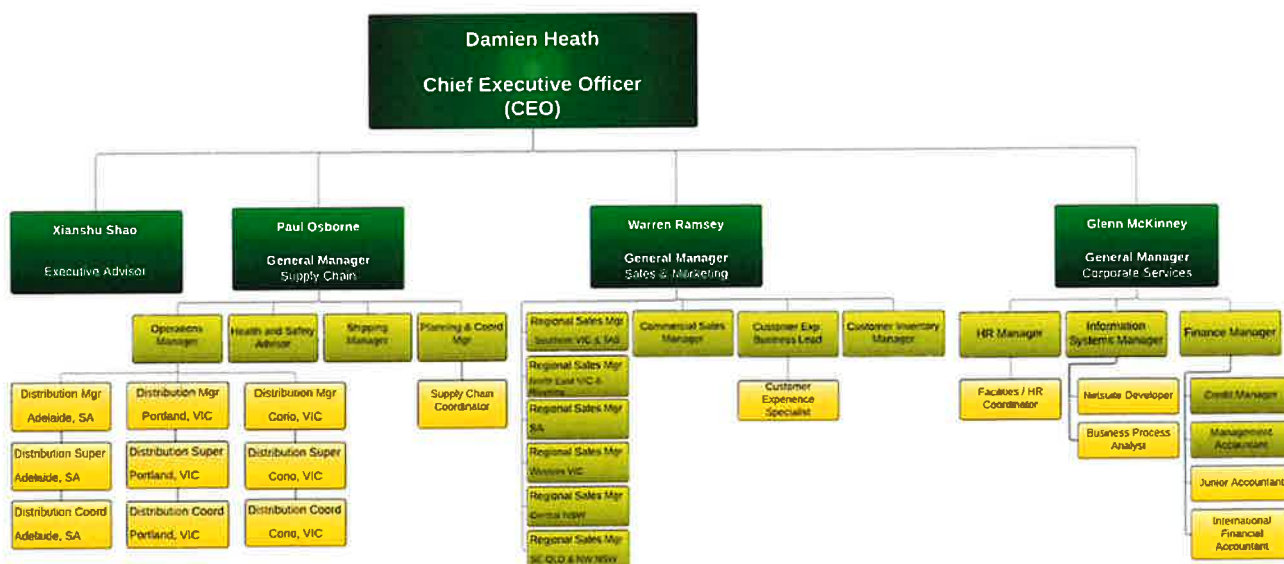
WFA has well-established modern manufacturing storage and handling facilities and processes. Our modern blending facilities and liquid coating operations enable us to blend products specific to each grower's needs. Products can be supplied either in bulk or in bulk bags at each of our locations. These facilities are a mix of operations staffed by WFA employees and third party operated sites.



OUR PEOPLE

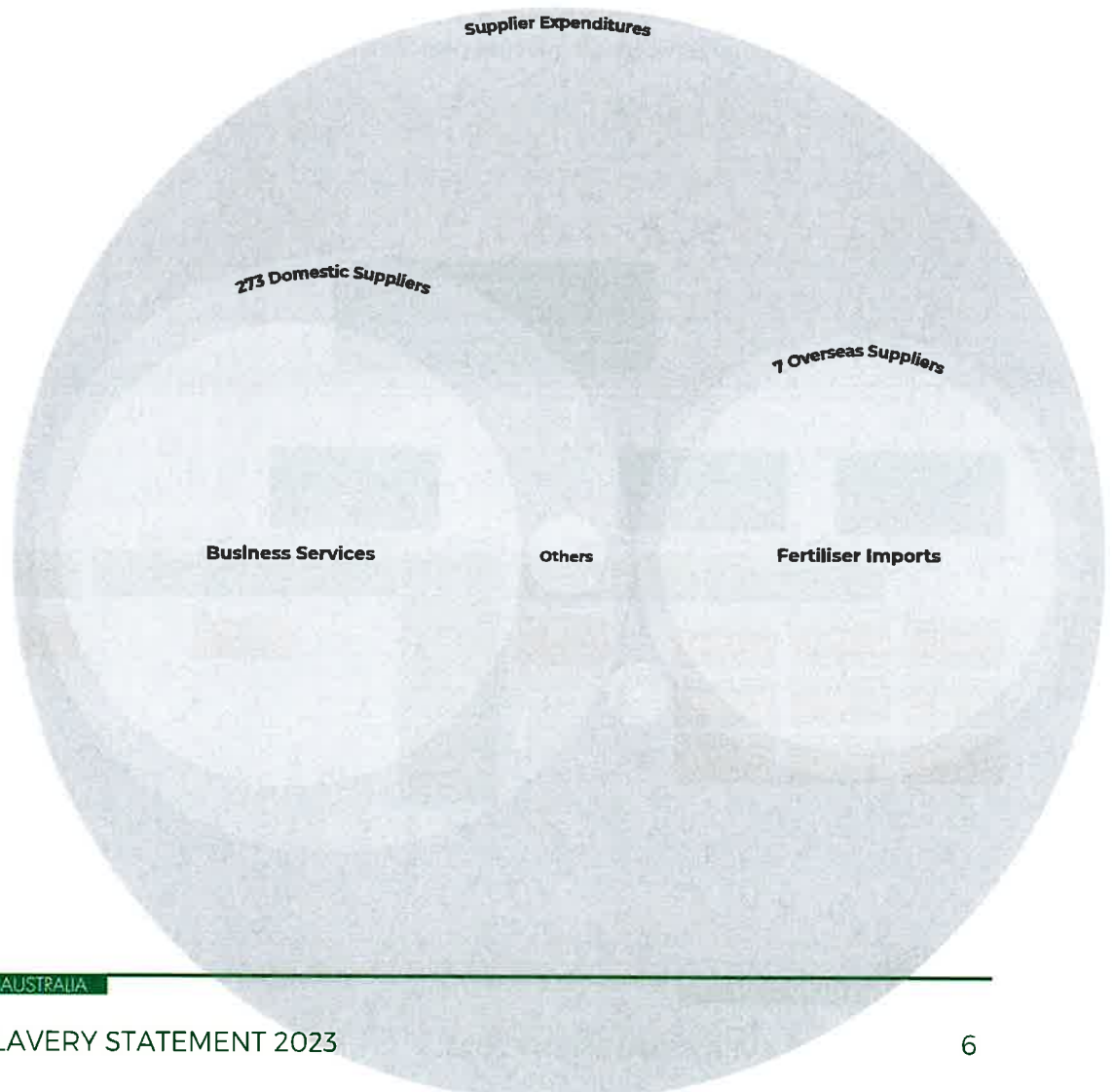
WFA employs a diverse workforce consisting of permanent full-time, fixed-term, and casual employees. As of 2023, we have 50 permanent full-time employees, 5 fixed-term employees, and 3 casual employees, as well as 3 agency staff. None of our employees are represented by a union. We do not hire any workers outside of Australia.

Most of our workforce are based at our Port Melbourne head office, with six Sales Managers based in regional locations and approximately 19 operations personnel located at our storage and distribution facilities in Adelaide, Portland and Geelong. A combination of fixed-term contract employees and agency or labour hire staff are used to supplement permanent employees during the seasonal periods where throughput at sites and demand on the customer service team reaches peak levels.



SUPPLY CHAIN

WFA procures fertilizers and associated products for direct supply to customers, as well as goods and services that support our operational and business activities. During the 2023 reporting year, WFA directly engaged approximately 280 suppliers, with 7 of these suppliers located overseas and the remainder being domestic. The majority of our expenditures are with Australian suppliers and are categorized as business services to support operational activities. It is worth noting that the majority of the expenditure corresponding to overseas suppliers is for fertiliser imports, which are direct raw materials for the WFA fertiliser business. The indirect supply chain for WFA's imports includes fertilizer production and the transportation of goods to WFA's storage facilities.



WFA'S RISK SUPPLY CHAIN

WFA conducted a high-level assessment of the potential risk presented by suppliers based on the supplier location in the 2023 year and are pleased to report that 98% of our suppliers are from low-risk countries, with 58% of direct suppliers based in Australia. However, we understand that modern slavery issues in our supply chain may extend beyond the first tier and outside of our national borders. To address this, we are focused on strengthening our understanding of our suppliers' supply chains and raising awareness of this issue among them. We are committed to improving our supplier onboarding processes and ensuring compliance with modern slavery regulations.

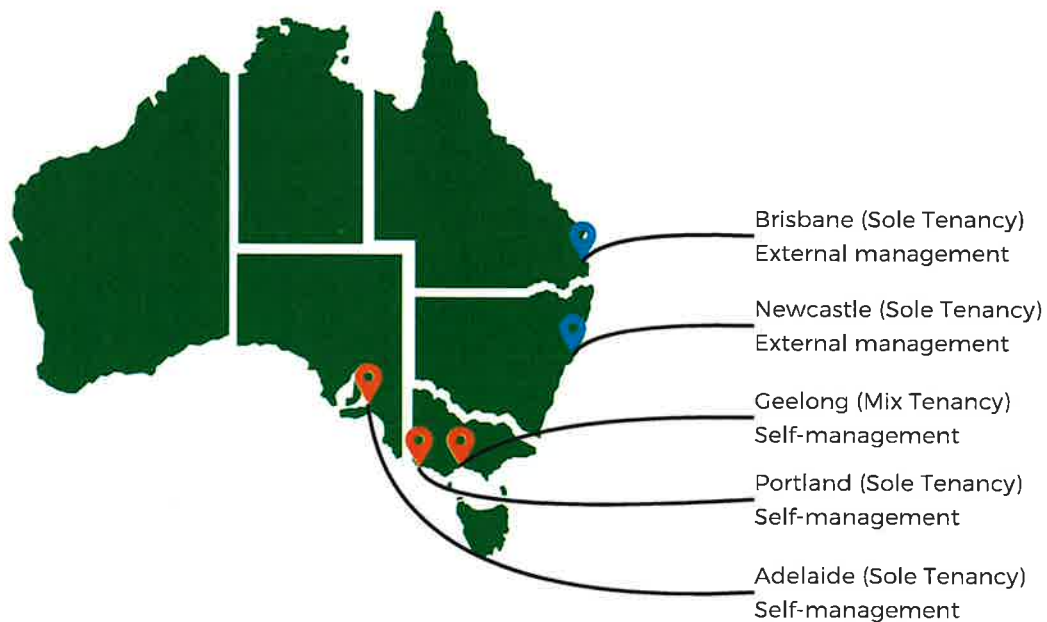
We have taken several critical actions to enhance our supply chain resilience, such as attending industry conferences and initiating open dialogues with tier 2 suppliers. A significant highlight of these efforts is the diversification of our supplier base, deepening cooperation with suppliers to ensure adherence to the UN Guiding Principles on Business and Human Rights, including engaging key suppliers through on-site visits. In the next reporting year, we plan to develop a Supplier Self-Assessment Questionnaire (SAQ) with a comprehensive rationale, including context, purpose, and an explanation of international legislative developments.

We believe these proactive measures will enhance our understanding of our suppliers' supply chains and help address the issue of modern slavery. WFA remains committed to working closely with our suppliers to ensure that we collectively contribute to eradicating modern slavery from our supply chain.

WFA'S RISK FACILITY ASSESSMENT

WFA is thorough in identifying and addressing modern slavery risks at its main operational sites. WFA acknowledges the risk factors associated with hiring through agencies and seasonal recruitment models. WFA carries out due diligence by evaluating agency publications, reviewing agreements, and conducting site management interviews at each location to ensure compliance with modern slavery requirements and effectively address any identified risks.

WFA operates in...



FACILITY RISK

SA — Adelaide

Self-managed site with no security personnel. The cleaning service on site is provided by a sole trader who is knowledgeable about his rights and obligations. WFA provides a mandatory site induction for any contractor and temporary staff. During peak seasons or as required throughout the year, labour services are provided by Corestaff, operating under the governance and management of CGH Group. The service agreement with WFA incorporates a Modern Slavery clause and outlines comprehensive health and safety requirements for contract employees. The group has issued its Modern Slavery Statement for 2023, recognizing potential risks within operations and supply chains. However, the statement categorizes Australian field staff as low risk in operations. Additionally, the group has instituted seventeen policies, along with various controls and measures in staff training, customer management, and labour recruitment.

VIC — Geelong

Out of the total six sites, WFA occupies four. The on-site cleaning service is provided by a sole trader who possesses comprehensive knowledge of their rights and responsibilities. All seasonal staff are mandated to undergo a WFA site induction. During the reporting year, labour services for this location were supplied by PJ&T McMahon's Excavation. Through its supplier review, WFA has obtained a thorough understanding of PJ&T's internal governance through a policy framework and grievance mechanism. The company's Operations manual has undergone assessment, explicitly outlining expectations towards stakeholders in addressing modern slavery and human rights cases. The manual provides detailed information on seven policies, five compliance standards, and established grievance mechanisms. Furthermore, the company is a member of the Civil Contractors Federation Victoria, which collaborates with a corporate social responsibility (CSR) technology platform named Informed 365 to adopt a proactive approach in engaging suppliers regarding modern slavery risks.

VIC — Portland

Self managed site with no security personnel. The cleaning service on site is provided by a sole trader who is knowledgeable about their rights and obligations. WFA provides a mandatory site induction for any contractor and temporary staff. The site labour service provider company is Programmed Skilled, which is a business unit under Persol group, with its headquarters based in Tokyo, Japan. The group published a Modern Slavery Statement in 2022, recognized its ongoing efforts in managing the risks associated with its business. Programmed is committed to ensuring that all parties it engages with are aware of the Act and must abide by it. The company has included relevant warranties in its terms and conditions, requiring its suppliers and subcontractors to comply with the Act and verify that their own supply chain meets the Act's requirements.

NSW — Newcastle

External management by Linx Cargo Care Group, LINX CCG has been and will continue working with providers to ensure agreements are implemented that provide contractual commitments covering modern slavery requirements for any providers working for LINX CCG. In their 2022 Modern Slavery Statement they have identified temporary labour hire and cleaning services as high risk categories, with both service areas covered by detailed service agreements with contractual obligations to ensure ongoing compliance with modern slavery legislation.

QLD — Brisbane

External management through QUBE Ports Pty Ltd. Through their 2023 Modern slavery statement Qube disclosed their Australian site-based workforce showing medium risk.



ACTIONS TAKEN

Below is a graph demonstrating our commitments from the Wengfu Australia 2022 Modern Slavery Statement for the 2023 reporting period.

In the 2023 reporting period, we have committed to the following actions:		Silent	Scheduled	Actioned
1	Develop Impact Measurement Framework		●	●
2	Engage key Australian suppliers with a medium to high risk profile as per risk assessment		●	●
3	Continue review and improvement of Policy portfolio		●	●
4	Consider the risk profile of key tenancies		●	●
5	Awareness training of key stakeholders through e-learning module			●
6	Developing SAQ		●	
7	Consultation with modern slavery experts			●
8	Development of modern slavery statement for 2023 reporting year			●

ACTIONS TAKEN

DIRECT SUPPLIER RISK ASSESSMENT

WFA conducted a modern slavery risk assessment among our direct suppliers, representing 99% of our spend. A review of the 2023 reporting period spending data and categorisation of the spend allowed us to conduct an assessment based on three risk factors: Sector and industry risks, Product and services risks, and Geographic risk. With 3 key factors we are able to assess WFA's supplier portfolio on risk.

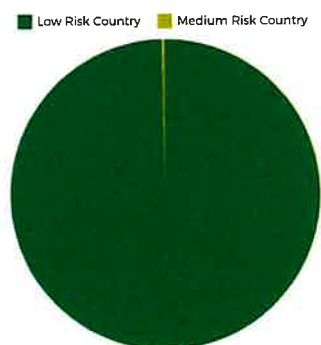
Our assessment shows most of the direct suppliers posed a low modern slavery risk based on the supplier countries. WFA understand modern slavery risk can be hard to detect and challenging to unveil when it goes beyond the first-tier supplier chain and be hidden deep in long and complex international operations. Hence, we assess further and beyond tier one where the risk of modern slavery is increased.

Below are the key findings of WFA Supplier portfolio risk:

- 89% of WFA spend is concentrated in two suppliers: Graceland Industry Pty Ltd and Corpay.
- 99% of WFA spend are represented by 12 suppliers.
- 58% of Tier-One is based in Australia.
- 99% of suppliers are from Low risk countries in low risk portfolio.
- 20% of WFA tier 2 supplier spend (via Graceland) was based in Medium risk countries, representing 8% of total spend.
- Products such as boron and phosphate fertilisers may carry medium risk of modern slavery in their production.

Country risk of Direct Suppliers:

- 58.61 % of Wengfu spend is based in Australia - **Low country Risk**
- 41.34 % of Wengfu spend is based in Singapore - **Low country Risk**
- 0.01 % of Wengfu spend is based in USA - **Low country Risk**
- 0.04 % of Wengfu spend is based in Denmark - **Low country Risk**
- 0.01 % of Wengfu spend is based in Thailand - **Medium country Risk**



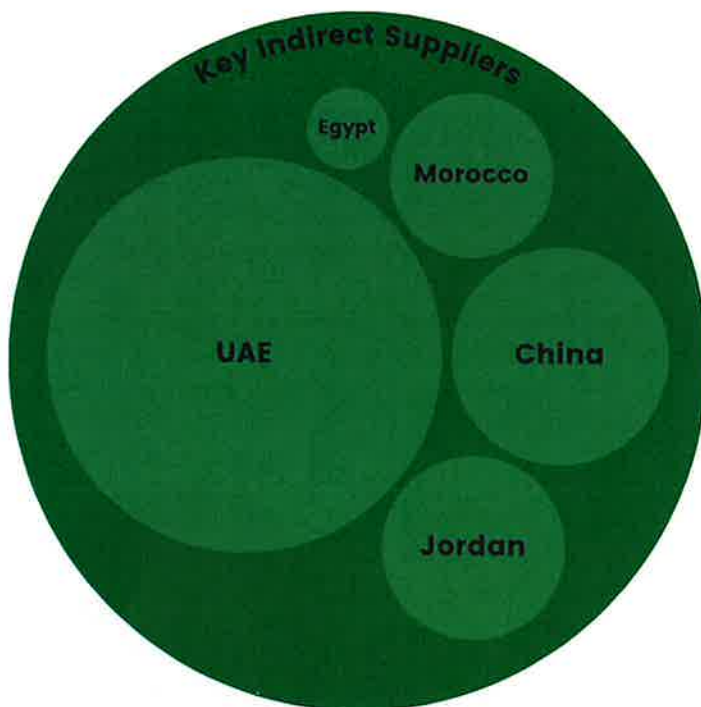
ACTIONS TAKEN

INDIRECT SUPPLIERS RISK ASSESSMENT

WFA understands that conducting a risk assessment of indirect suppliers (tier-two and below) will give us greater transparency of the risk of modern slavery in our business supply chain. In 2023 WFA extended the review of spend through Graceland Industry (41% of spend) to the second & third tier to identify the point of origin of products sourced through this avenue.

This analysis identified the following countries from which goods are sourced at the lower level:

- United Arab Emirates 23% of total spend – **medium country risk**



- Egypt 1% of total spend – **medium country risk**
- Morocco 4% of total spend – **Low country risk**
- China 7% of total spend – **medium country risk**
- Jordan 5% of total spend – **medium country risk**

ACTIONS TAKEN

Awareness training

WFA is committed to providing modern slavery awareness training to its employees and stakeholders. This includes induction sessions for new employees, as well as ongoing training and awareness programs to increase understanding of modern slavery risks. Through these initiatives, employees are educated on how to identify and report concerns related to modern slavery. WFA also ensures that all stakeholders are kept informed about this policy and the threats of modern slavery that exist in our supply chains.

The training program outlines the actions that an organization should take in response to modern slavery and the damage that can be caused if it is ignored. By actively promoting modern slavery awareness, WFA aims to prevent modern slavery and protect the rights of all individuals involved in its operations and supply chains.

WFA took a step towards ensuring ethical and sustainable practices by conducting a workshop on modern slavery for key managers. The workshop helped them gain a deeper understanding of the detrimental impact of modern slavery on WFA's key supply chain and encouraged them to implement measures to prevent it.

Anti-modern slavery posters

WFA has taken a positive step towards combating modern slavery by introducing Anti-Modern Slavery posters to its self-managed sites and Port Melbourne office. These posters have been strategically placed to increase visibility and awareness among employees, visitors, and stakeholders about the issue of modern slavery and the importance of ethical practices.

The posters have proven to be a great tool for starting conversations among employees about the impact of modern slavery and actions that can be taken to prevent it. These discussions have helped to create a culture of awareness and responsibility within the organization.

By providing accessible resources such as helpline and hotline numbers, WFA empowers employees to take action and contribute to the company's efforts in addressing modern slavery risks. The posters also serve as a constant reinforcement of WFA's values and expectations regarding human rights and ethical business practices.

The visual design of the posters is eye-catching and the messaging is clear, making the information easy to understand and retain. This approach ensures that the message is delivered effectively and serves as a reminder of the importance of combating modern slavery within the organization and its supply chain.

ACTIONS TAKEN

Effective grievance mechanisms

During 2023 WFA developed and implemented various policies including a Whistleblower Protection Policy and Grievance and Dispute Policy. Further policies under development include a Modern Slavery Policy, Procurement Policy and Supplier Code of Conduct.

These policies are designed to promote awareness of acceptable practices and behaviours, as well as provide a reporting mechanism for any concerns regarding inappropriate behaviour. To facilitate this, WFA has incorporated online modules that will be used to launch the updated policies. The mandatory training will ensure that everyone is aware of modern slavery risks and will provide step-by-step guidance on how to report incidents, helping to identify potential red flags or suspicious activities related to modern slavery within the organization or its supply chain.

Effectiveness measurement workshop

WFA has taken an active stance against modern slavery by developing a comprehensive approach to assessing and addressing risks. To ensure the efforts are effective, WFA partnered with Unchained Solutions Pty Ltd, a specialist in measuring the impact of actions taken to combat modern slavery, to facilitate a 90-minute interactive workshop.

The workshop proved to be a valuable platform for key stakeholders to explore various impact areas crucial for addressing human rights issues, including modern slavery. Through the workshop, WFA defined key objectives and identified areas for measuring impact within their business ecosystem (value chain). Participants also received advice on a data strategy to track progress, emphasizing the importance of continuous improvement, responsible policy development, and good governance.

The workshop served as a starting point for WFA to create a structured approach to measure the impact of their actions accurately. It provided insights into why measuring effectiveness is crucial and equipped participants with tools for accurate impact assessment. WFA is committed to applying these learnings to enhance our efforts in combating modern slavery and promoting ethical practices in our operations and supply chains.

ACTIONS TAKEN IMPROVEMENT ROAD MAP

WFA has engaged Unchained for the 2024 reporting period to assist is in complying with the Modern Slavery Act 2018 (Cth). The following steps will be undertaken to strengthen our modern slavery risk controls within our supply chain and operations:

1

Supplier Engagement

- Develop and rollout Self-Assessment Questionnaire (SAQ) to key suppliers.
- Assess response and identify high risk areas for further investigation.

Policy Development

Implement:

- Procurement Policy;
- Human Resource Policy;
- Modern Slavery Policy;
- Supplier Code of Conduct.

2

Training and Awareness

- Ongoing training and engagement with employees.
- Survey employees regarding awareness and any behavioural impact.

3

Measuring Effectiveness

- Develop Impact Measurement Framework.
- Report on training Completion.
- Report on supplier response.

4

There are no entities owned or managed by WFA that require a consultation process.

This third annual Modern Slavery Statement 2023, marks the continued progress of our organisations journey to assess, engage, address, and monitor modern slavery risks and to take positive actions against violation of human rights.

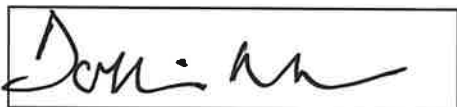
MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE

Principal Governing Body Approval

This revised modern slavery statement was approved by Wengfu Australia's Board of Directors and Executive Leadership Team on AUGUST 2024.

Signature of Responsible Member

This modern slavery statement is signed by a responsible member of WFA as defined by the Act:



Damien Heath
Chief Executive Officer

Mandatory Criteria

Below table outlines the page number/s of our statement that addresses each of the mandatory criteria in section 16 of the Act.

Mandatory criteria	Page number/s
a) Identify the reporting entity	3
b) Describe the reporting entity's structure, operations and supply chains.	4
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	7
d) 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.	10
e) Describe how the reporting entity assesses the effectiveness of these actions.	15
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultations with the entity covered by the statement) *.	Do not own or control any other entities
g) Any other information that the reporting entity, or the entity giving the statement, consider relevant. **	N/A

*If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own or control any other entities' instead of a page number.

**You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

[1] Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.