

Thursday, 16 December 2021

Chair's 2021 AGM Address

Attached is a copy of the Chair's Address to the Elders Limited 2021 Annual General Meeting being held virtually today.

Further Information:

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Authorised by:

Peter Hastings, Company Secretary

In the past year we have been faced with a range of challenging circumstances. These include the impact of the Covid 19 pandemic, supply chain disruptions and trade embargoes. The Australian agricultural industry has faced these challenges successfully and has continued to provide Australians with food security. It has also delivered its greatest ever contribution to the Australian economy. Elders has played a critical role in supporting our primary producers to achieve this all-time high production value. The outlook for the industry remains overwhelmingly positive. As the most trusted partner of Australian primary producers, we intend to support them to capitalise on this opportunity and to grow our own business into the future.

For the year ended 30 September 2021, we recorded an underlying after-tax profit of \$151.1 million which was 40% above the previous year.

Our Managing Director and Chief Executive Officer, Mark Allison, will go into more detail of our operational achievements in his address. From your Board's perspective however, the results demonstrate excellent progress in implementing our third Eight Point Plan and realising further improvements and growth initiatives.

Key components of our Eight Point Plan are to capture more margin through optimised pricing, backward integration and supply chain efficiency. At the same time, winning more market share through both organic and acquisition initiatives. These ongoing business improvements and the successful integration of key strategic and bolt on acquisitions have combined with favourable seasonal and market conditions to deliver outstanding growth.

The improved earnings have allowed us to declare total dividends for the year of 42 cents per share, partially franked. This represents a substantial increase from the 22 cents per share paid in respect of the previous year.

We remain committed and focused on continuing to improve the business with a view to consistently growing returns for our shareholders.

Moving now to governance and culture.

The Elders Corporate Governance Statement summarises the key elements of our governance framework and practices. Our One Elders Values of integrity, accountability, teamwork, innovation and customer focus are put into action everyday by our people. They are ingrained in our culture and are key reasons Elders continues to be ranked as the most trusted agribusiness brand in Australia according to independent research.

Elders is also proactively applying those expectations and values to third parties who we deal with. This year, along with the launch of our first Modern Slavery Statement, we launched our Ethical Contracting Framework and Responsible Sourcing Code. This provides an important framework to guide decision making on procurement and third party dealings having regard to ethical contracting, human rights, environment and safety matters.

Elders is also committed to being an industry leader in adopting the best governance and sustainability standards practised in corporate Australia. Climate change is one of the most significant challenges we face. Action to address climate change is not only a corporate social responsibility, it is critical to ensure the sustainability of Australian agribusiness into the future. As an industry leader, we acknowledge the role we play in leading by example to accelerate the adoption of sustainable farming practices throughout Australia. We have committed to aggressively and transparently reduce the greenhouse gas emissions associated with our own activities to net zero through a staged emissions reduction plan. We will achieve full alignment of our climate related reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures by the end of our third Eight Point Plan in September 2023. Our second Sustainability Report is available in the Elders Investor Centre on our website.

Our business is built on relationships and our people are our most valuable assets. Their abilities, knowledge, experience and dedication are irreplaceable. We continue to support them to achieve their best. It was very pleasing to receive the results from a detailed Korn Ferry survey across our business which ranked the engagement and enablement of our workforce above the high performance benchmark. I commend our leadership team for their ongoing commitment to attracting and developing the very best talent in our business, and positioning Elders as an employer of choice.

I would like to thank every member of the Elders team for their tireless work in supporting our clients throughout the year. Your hard work and commitment are greatly appreciated.

I would also like to recognise my fellow Directors for their contribution and support and, of course, to thank you, our shareholders, for your continued support.