

A photograph of a family of four standing in a vast cornfield. The father, wearing a blue checkered shirt and a hat, stands on the left. The mother, in a blue patterned top, stands on the right. A young boy in a green shirt stands between them. The field is filled with rows of green corn plants stretching towards the horizon. The sun is low in the sky, creating a warm, golden glow and long shadows. A road and trees are visible in the background.

# Modern Slavery Statement

2020/21

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## About this statement

This statement has been prepared by Horticulture Innovation Australia Limited ABN 71 602 100 149 (Hort Innovation, our, us and we) pursuant to section 16 of the Modern Slavery Act 2018 (Cth) (Modern Slavery Act) for the financial year 2020-2021. Hort Innovation does not own or control any other entity.

This statement has been endorsed by Hort Innovation's Board. More information on our business and how we operate can be found at the Hort Innovation website.

## A message from our Chair and Chief Executive Officer



*At Hort Innovation we recognise that every person is entitled to a universal set of human rights. Since publishing our first Modern Slavery Statement in April 2021, this updated statement seeks to build on our approach to modern slavery. While the COVID-19 pandemic has presented challenges we continually assess our Modern Slavery Framework and thank our suppliers, employees and other key stakeholders on their contribution and shared approach to jointly addressing modern slavery.*

**JULIE BIRD**  
CHAIR

**MATT BRAND**  
CHIEF EXECUTIVE OFFICER

### REPORTING ENTITY

## Who we are

The Australian Government established Hort Innovation in 2014.

We are an unlisted public company limited by guarantee and the declared industry services body for horticulture under the *Horticulture Marketing and Research and Development Services Act 2000* (Cth).

Our history runs much deeper. We transitioned to become a grower-owned company from the former industry services body, Horticulture Australia Limited, which operated between 2001 and 2014.

We are the grower-owned, not-for-profit research and development corporation for Australian horticulture. Each year we invest millions of dollars into critical research and development (R&D), extension, marketing and international trade initiatives.



## Business structure, operations and corporate governance

Hort Innovation is governed by its Board and three subcommittees of the Board who act and guide Hort Innovation, including the Audit & Risk Committee, which has oversight of the Hort Innovation modern slavery response. Hort Innovation's Modern Slavery Team reports to our Chief Operating Officer.

### CORPORATE GOVERNANCE

Hort Innovation's corporate governance practices and structures help guide our people and approach to modern slavery.

We continue to operate within the requirements of:

- **The Hort Innovation Constitution**, which outlines our broad priorities as Australian horticulture's research and development corporation.
- **Our Deed of Agreement with The Department of Agriculture, Water and the Environment**. This is the funding agreement that allows for levies and Australian Government contributions to be transferred from the government to Hort Innovation, and that governs how we subsequently invest those funds.

### SUPPLY CHAIN

Hort Innovation's key suppliers and business partners are primarily located in Australia. Our 10 largest suppliers by spend during 2020/21 included:

- Department of Agriculture, Water and the Environment
- MicroChannel Services Pty Ltd
- The Department of Agriculture Fisheries, Queensland
- The University of Queensland
- State of Victoria through the Department of Jobs, Precincts and Regions
- Western Sydney University
- Atomic Search Pty Ltd
- TBWA Sydney Pty Ltd
- Bastion Effect Pty Ltd
- Department of Regional NSW.

### SUSTAINABILITY FRAMEWORK

The Australian-Grown Horticulture Sustainability Framework provides a guide for the sector to share its stories about sustainable, ethical, and safe farming practices with stakeholders.

More than 600 industry participants told Hort Innovation what areas they see as priorities in the sustainability space. The framework was developed with input from producers, employees, industry peak bodies, service and input suppliers, and researchers. Financers and investors, marketers and exporters, retailers, governments, and consumers also had input.

The framework details 17 focus areas that align with existing business measures, as well as the United Nations' Sustainable Development Goals. Each area contains its own sustainability goals and indicators to measure progress. The framework also provides data sources to help growers gather the facts.

As consumers and investors increasingly ask for evidence of ethical and sustainable practices from their food producers, the initiative aims to arm industry with tools to help share their sustainability credentials and stories.

Read more about the project and access the guide at [hortinn.com/sustainability-framework](https://hortinn.com/sustainability-framework).

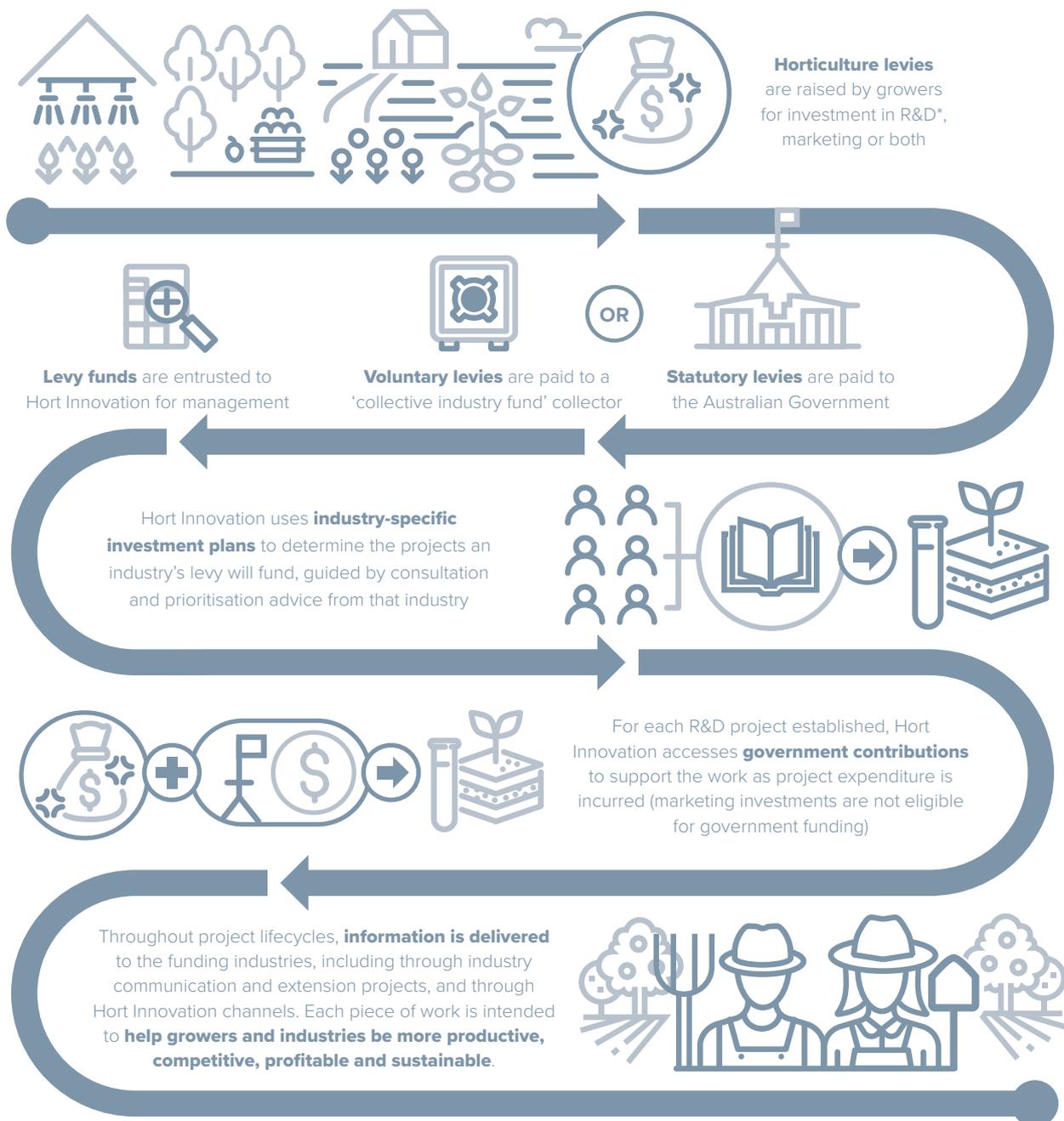


## Investment models

Two main funding and investment models were used by Hort Innovation in 2020/21 – one for strategic levy investments and one for investments within our Hort Frontiers strategic partnership initiative.

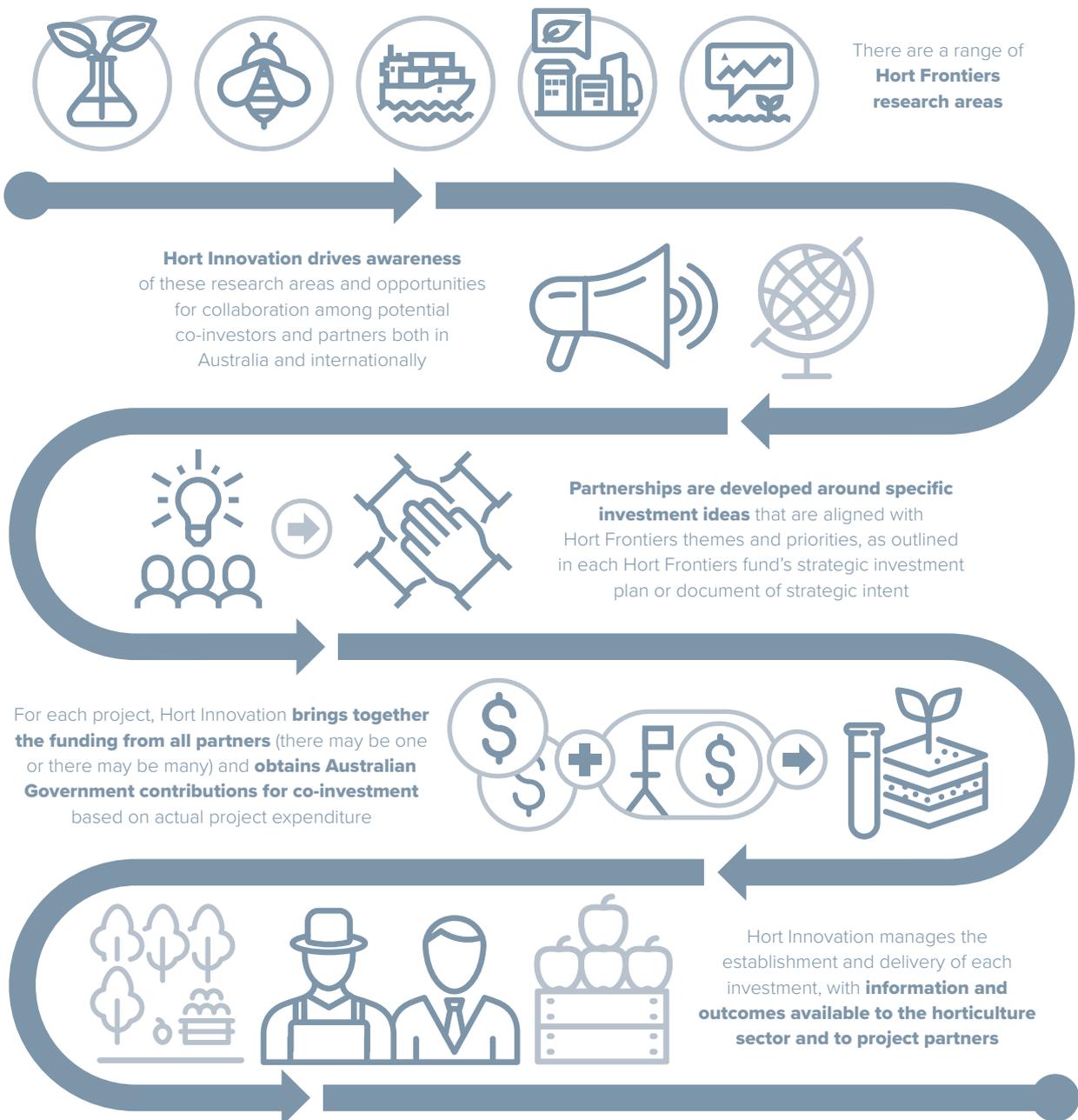
### LEVY FUNDING

This is the core funding model for Hort Innovation’s work, involving the investment of statutory or voluntary industry levies, together with government contributions where applicable, into R&D, extension, marketing and international trade efforts. Levy investments are specific to each industry’s needs, but the projects can be collaborative across multiple industries for maximum efficiency and impact.



## HORT FRONTIERS FUNDING

This is our co-investment model, where R&D projects are funded through strategic partnership money that is sought, brokered and combined, together with government contributions, by Hort Innovation. Projects funded in this way are generally longer-term, cross-industry investments focused on complex areas critical for the future of the horticulture sector.



## Australian horticulture at a glance

The R&D, extension, marketing and international trade activities that Hort Innovation is involved in exist for one very important reason: to drive a prosperous and healthy Australia by creating a world-class horticulture sector. Here's the sector at a glance.



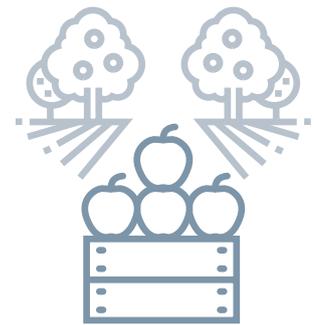
**\$15.1B**

The total production value of the Australian horticulture sector in 2019/20\*



**27%**

Remaining the fastest-growing agricultural sector in Australia, horticulture's production value increased 27 per cent over the five years to 2019/20\*



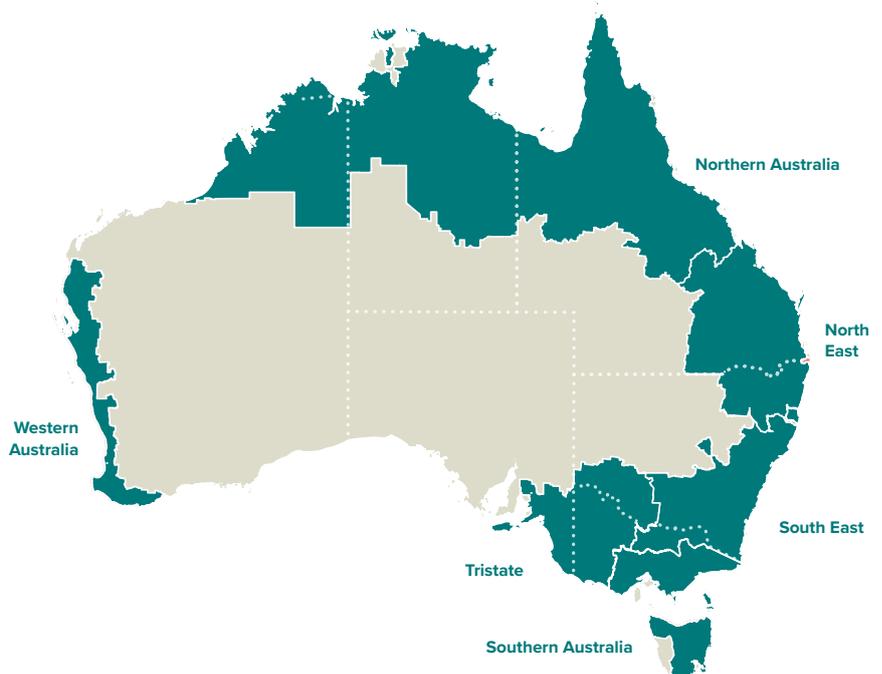
**3rd**

Horticulture represented 20 per cent of the total agriculture production value in Australia in 2019/20 – making it the country's third-largest agriculture sector^



### Key production regions

Rich in growing regions, most of Australia's rural and regional areas produce horticulture products of some kind. The six regions on the right capture 94 per cent of all horticulture's activity, by employment and production value. They're where Hort Innovation's Regional Extension Managers are operating.





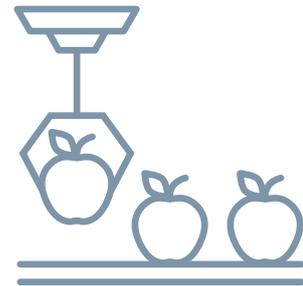
**\$2.49B**

The total value of Australia's fresh horticulture exports in 2020/21<sup>†</sup>



**87**

In 2020/21, we exported to some 87 countries, with the top five based in China, Japan, Hong Kong, Vietnam and Singapore<sup>†</sup>



**28%**

The percentage of Australian horticulture's production volume processed into dried, canned and shelf-stable juice products in 2019/20<sup>\*</sup>



**67,100**

The number of people employed in Australian horticulture in 2019/20<sup>†</sup>



**11,826**

The number of horticulture businesses across Australia in 2019/20<sup>†</sup>

\* Australian Horticulture Statistics Handbook 2019/20

^ ABARES Agricultural Commodity Statistics 2020

† IHS (2021) Global Trade Atlas

## Our partners

Hort Innovation works with a wide range of partners to deliver results for the horticulture sector.

|   |   |   |  |
|---|---|---|--|
| <p><b>Our project delivery partners</b></p>   | <p><b>Industry agencies such as Plant Health Australia and the government’s Cooperative Research Centre network</b></p>                 | <p><b>The Australian Government, through the Department of Agriculture, Water and the Environment</b></p> | <p><b>Horticulture representative bodies, including peak industry bodies and other groups</b></p>                                  |
| <p><b>The wider research community in Australia and overseas</b></p>  |   |   | <p><b>Supply chain participants and partners, such as retail supermarkets and the Central Markets of Australia Association</b></p> |
| <p><b>Australia’s other rural research and development corporations</b></p>   |   |   | <p><b>Trade partners, such as Austrade and the Australian Horticultural Exporters’ and Importers’ Association</b></p>              |
| <p><b>Partners in collaborative initiatives, such as through the Plant Biosecurity Research Initiative and National Horticulture Research Network</b></p> | <p><b>Associations relevant to horticulture, such as PMA A-NZ, Nuffield Australia and the Australasia-Pacific Extension Network</b></p> | <p><b>Growers, including regional and state-based grower groups across the country</b></p>                | <p><b>Co-investors in our research, particularly through Hort Frontiers</b></p>  |

## RISK MANAGEMENT

Our modern slavery questionnaire is a key tool in our approach to modern slavery risk management and is implemented within the organisation to assess the risk of modern slavery in our supply chains. We do this by also incorporating our modern slavery questionnaire in our procurement processes and, as appropriate, advisory mechanisms.

As Hort Innovation's operations are primarily based in Australia, our most at risk suppliers operate in the corporate services sector (such as cleaning service providers).

Due to the nature of the sector that Hort Innovation operates in, horticulture remains an inherently higher risk area. While our key interaction with the horticultural sector comes through our trade and advisory mechanisms, part of our ongoing approach to risk management is to assess Hort Innovation's exposure to modern slavery in regard to the horticultural sector.

We also engage with suppliers located in jurisdictions located outside of Australia. We have identified 21 suppliers with operations located in jurisdictions located outside of Australia including China, Japan, Germany, USA and New Zealand. We engage directly with each of the suppliers located in these jurisdictions to assess their modern slavery actions.

## MITIGATION

Hort Innovation's key mitigation actions have been to:

- Embed our modern slavery questionnaire into our procurement and as appropriate in our advisory mechanism processes to gain further insights into our supplier's operations as they pertain to modern slavery.
- Provide further training to key internal stakeholders
- Review the effectiveness of Hort Innovation's current modern slavery policy and governance framework.

## **Policies and Governance Framework**

Hort Innovation's policies and Governance Framework is comprised of the following mechanisms that Hort Innovation uses to guide its approach to modern slavery.

### **CODE OF CONDUCT AND BUSINESS ETHICS**

The Hort Innovation Code of Conduct and Business Ethics sets out clear behavioral expectations of all staff, including our policy in relation to modern slavery as well as other compliance matters.

### **MODERN SLAVERY QUESTIONNAIRE**

Hort Innovation requests that suppliers submit information and respond to key questions on modern slavery by using our modern slavery questionnaire. The questionnaire focuses on the supplier's awareness of modern slavery, their scope of policies regarding supply chain transparency and modern slavery, and their subcontracting activities.

The questionnaire assists Hort Innovation gather further information and create a baseline for due diligence and to improve our understanding of how we can encourage continuous improvement in relation to modern slavery risks whilst working with our suppliers.

### **MODERN SLAVERY POSITION**

Hort Innovation's Modern Slavery Position was developed to clarify our position on modern slavery and sets out, among other things, a commitment to developing further risk-based assessments and protocols for working with our suppliers.

### **WHISTLEBLOWER, COMPLAINTS AND GRIEVANCE POLICY**

Hort Innovation has established a Whistleblower Policy (which also includes an anonymous third-party reporting service) and a Complaints and Grievance Policy. Hort Innovation encourages employees and external stakeholders to report any improper conduct they encounter. All complaints are investigated in a fair and objective manner, including the involvement of external parties where appropriate. Our Complaints and Grievance Policy applies only to Hort Innovation employees.

### **CONTRACT OBLIGATIONS**

Our Policy and Governance Framework is supported by modern slavery clauses that are set out in Hort Innovation's template contract suite. In respect of modern slavery, contracting parties must ensure that:

- They comply with all applicable modern slavery laws and any other laws relating to anti-slavery and human trafficking
- They report of any actual or suspected instances of modern slavery
- No supplier or any member of its personnel has engaged in, or will engage in, modern slavery.

## Assessing effectiveness of our actions

Hort Innovation is committed to the continuous improvement of our processes and actions to address modern slavery risks within our supply chain, which includes:

- The use of contractual clauses in supplier contracts requiring adherence to our policy standards and modern slavery legislation
- Conducting due diligence on suppliers in relation to modern slavery
- Incorporating our modern slavery processes in our advisory mechanisms, as appropriate
- Auditing rights that allows us to audit contracted parties.

Hort Innovation's approach to modern slavery is an evolving assessment that incorporates the following practices:

### GOVERNANCE:

- Regularly reviewing our modern slavery position and activities with oversight from our Audit & Risk Committee
- Providing training and information resources to key internal stakeholders on the modern slavery
- Training new employees about modern slavery as part of their induction.

### RISK MANAGEMENT:

- Requiring (as appropriate) our suppliers that are on-boarded through our procurement process to complete our modern slavery questionnaire
- Regularly reviewing and updating (as required) our standard contract suite
- Monitoring the quantity and range of suppliers who have been issued and have completed our modern slavery questionnaire.

### COMPLAINT AND GRIEVANCE MECHANISMS:

- Continuing to monitor our whistleblower and grievance channels and procedures. During 2020/21, we did not identify any potential modern slavery risks from our whistleblower or grievance reporting channels.

### MOVING FORWARD

Hort Innovation's approach to modern slavery will be an evolution of assessments and procedures undertaken in previous reporting periods. We are committed to engaging with our internal and external stakeholders on our future priorities that include:

- Further mapping of our supply chain
- Engaging directly suppliers who we consider most at-risk of instances of modern slavery.

### STATEMENT APPROVAL

This statement was approved on 19 November, 2021.

## Compliance schedule

This Modern Slavery Statement was prepared to meet the seven mandatory reporting criteria set out under the Modern Slavery Act. The table below identifies where each criterion is disclosed within the different sections of the statement.

|  |   |
|--|---|
| <b>1. Identify the reporting entity</b>  | Reporting entity (page 3)   |
| <b>2. Describe the structure, operations and supply chains of the reporting entity</b>   | Procurement processes and actions to address modern slavery risks (pages 5 to 11) |
| <b>3. Describe 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</b>                            | Addressing the effectiveness of our actions (page 13)                             |
| <b>4. Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes</b> | Policies and governance framework (page 12 to 13)                                 |
| <b>5. Describe how the reporting entity assesses the effectiveness of such actions</b>   | Assessing the effectiveness of our actions (page 13)                              |
| <b>6. Describe the process of consultation with any entities that the reporting entity owns or controls</b>  | No additional information relevant  |
| <b>7. Provide any other information that the reporting entity considers relevant</b>   | No additional information relevant  |



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