

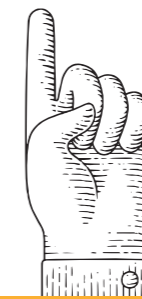


*the  
Baru Project*

**Voluntary Modern  
Slavery Statement**

2019-20

The Baru Project acknowledges  
Tasmanian Aboriginal People as the  
Traditional Owners and ongoing  
custodians of lutruwita, Tasmania. We pay  
our respect to all Aboriginal and Torres  
Strait Islander people and to their Elders  
past, present and emerging.



**The Baru  
Project  
acknow-  
ledges**

*the  
Baru Project*



## Our business

The Baru Project is a small family business based in Tasmania, Australia and in Goias and Federal District, Brazil. The project was created in 2017, by Ricardo, Anna and Thiago with the vision to introduce the nutritious and delicious baru nut to the Australian consumer while helping to preserve and restore the Cerrado ecosystem of Brazil, baru's native habitat, and bring meaningful and fair employment to people in this region. We are determined for The Baru Project to have a positive social and environmental impact.

The baru nut is endemic to the Cerrado region of Brazil (a small part of which extends into Bolivia), where two of The Baru Project's three founders come from, and one, Thiago, is still based. Baru trees grow wild in this region and have a crucial role in preserving and restoring the Cerrado biome. In addition to being an incredible food, the baru nut holds an important place in indigenous Brazilian culture. The Baru Project's baru nuts are harvested by Thiago, a Syntropic Farming specialist, and a local rural worker and his wife, who bring a deep knowledge of the ancient indigenous agronomy practices of the region.

Our mission is that everything baru related be positive, from the consumers who eat the nutritional and delicious baru nut, to the people who forage, crack and roast the nut, to the complex and fragile ecosystem and native animals that rely on baru trees.

The Baru Project is founded upon six values which guide all activities and decisions. They are:

1. Integrity - we are transparent about how we do business and committed to doing what is best for people and the environment.
2. Respect - we respect the environment of the baru tree, we respect all people we interact with, we respect the local indigenous culture, traditions and knowledge.
3. Accountability - we seek feedback and opportunities to learn and do better.
4. Equality - we oppose all forms of modern slavery in our operations and supply chains.
5. Relationships - we seek to establish harmonious relationships with people and the environment.
6. Leadership - we seek to inspire those in our supply chain as well as other people and businesses to prioritise social and environmental responsibility.

These six values have impelled us to submit a voluntary modern slavery statement. We want to keep ourselves accountable to our commitment to do no harm and rather maximise our positive impact on people and the environment. We want to demonstrate leadership by showing other small businesses the imperative of investigating modern slavery in their supply chains. We respect the trust that our customers and stockists give us and want to be transparent about where our product comes from, the people who work with us and The Baru Project's impact on people and environment. Finally, we want to demonstrate integrity by acknowledging that we still have more to learn and invite feedback from the Australian government and our customers on how we can use our small business to tackle modern slavery and other forms of labour exploitation in the Cerrado region of Brazil.

We are determined to end labour exploitation and modern slavery in all its forms. We work alongside the family we employ, we have regular meetings with them to ensure that they are happy with the terms of their employment, we maintain a culture of openness and communication so that they feel safe to report any concerning situations. We are aware that the work is physically demanding and

are continuously monitoring health and safety while also considering processes we can improve to make the work as enjoyable as possible. Thiago joins our employees as often as he can to help harvest and crack the baru nut.

We have also begun forming relationships with external suppliers with the goal of establishing trusted and transparent relationships and knowledge of their supply chains for when we need to source from an external supplier. Ricardo and Thiago regularly have Whatsapp video meetings with potential suppliers and Thiago, who lives in the Cerrado in Brazil, frequently travels long distances to attend face-to-face meetings. We are determined to avoid conducting business solely 'online', having realised the limits of 'online' relationships and the reduced transparency and increased risks of modern slavery of solely online relationships.

As the word 'project' suggests, we do not do business simply for business' sake. The Baru Project is a strategic tool to create positive environmental and social change. The project was founded on a passion to help preserve and restore the Cerrado region of Brazil and help end labour exploitation and modern slavery practices in Brazil.

## The Baru Project's structure,



This is a portrait of Pedrinho, our co-op leader.

## operations and supply chains

### Structure

The Baru Project was founded by Anna and Ricardo (married and living in Australia) and Thiago (living in Brazil). The company is based in Hobart, Tasmania and Goias and Federal District in Brazil. It is legally a private company in Australia, and the legal aspects of the project are still being organised in Brazil. The Baru Project does not own or control any subsidiaries.

### Employees

To date, The Baru Project has employed five people. Anna and Ricardo in Australia, and Thiago, Pedrinho and his wife, Lucienne, in Brazil.

### Operations and Supply Chain

The Baru Project operates in the food production industry. Currently, all stock is sourced by Pedrinho, Lucienne and Thiago. The company's supply chain begins in Brazil and ends in Australia, as outlined below:

	Operation/Supply Chain	Relevant employee/s
1	Foraging windfall baru fruit from the wild	Pedrinho, Lucienne and Thiago
2	Transporting the nuts to be processed	Pedrinho and Thiago
3	Cracking the nut	Pedrinho and Thiago
4	Sorting the nuts	Thiago
5	Woodfire roasting the nuts	Thiago
6	Transporting the nuts to Brasilia	Thiago
7	Vacuum sealing the nuts	Thiago
8	Packaging the vacuum sealed bags for exportation	Thiago
9	Organising and sending the freight	Thiago
10	Receiving the freight	Anna and Ricardo
11	Storage	Anna and Ricardo
12	Re-sorting	Anna and Ricardo
13	Re-packaging	Anna and Ricardo
14	Transportation, marketing and sales	Anna and Ricardo

## External Suppliers

In the event of stock being insufficient to meet demands, the plan is to source from an external supplier. This external sourcing will be done by Thiago (on the ground) and Ricardo (by online communication) who are both Brazilian and therefore proficient at communication in Portuguese. Materials for re-packaging are sourced from Read Labels & Packaging in Melbourne, who manufacture their packaging in Australia.

The Baru Project is committed to upholding the rights of all people with whom the company interacts. This includes our employees in Brazil and Australia, our customers and retailers in Australia, others in our supply chains and everybody the company indirectly affects. We also seek to have a positive impact on the communities in which we operate. Being a small company in its early stages of development, we have the opportunity to begin a robust mapping of our supply chain, from tier 1 upwards. This will enable us to be transparent with our stakeholders and increase visibility to monitor for any forms of slavery and exploitation.

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# The risks of modern slavery practices in the operations and supply chains of The Baru Project

The Baru Project acknowledges the risk of modern slavery occurring in the company's supply chain and operations. The Global Slavery Index (2020) conservatively estimates that on any given day in 2016, there were approximately 369,000 people trapped in situations of slavery in Brazil. The majority of these people can be found in those sectors experiencing the most rapid economic development, one of which is the agricultural sector, in which The Baru Project primarily functions.

Risk factors which we are aware of that may increase the risk of modern slavery occurring, include the unregulated nature of the baru industry, seasonality of the work, the values and processes of other companies sourcing baru, the isolated and rural locations where baru are harvested which make inspection difficult, low levels of literacy and government corruption. Considering these risk factors, we have identified that modern slavery has the potential to occur in The Baru Project's operations and supply chain in the form of:

- forced labour
- child labour
- debt bondage
- wage exploitation
- deceptive recruiting

## Operations

Since all operations are located in Australia and conducted by Anna and Ricardo, co-founders, the risk of modern slavery has been assessed as very low.

## Supply Chain

Currently, all staff in The Baru Project's supply chain are known and directly employed by the founders. In addition, Thiago regularly visits the worksite, and often works alongside Pedrinho and Lucienne and conducts most of the preparation work himself. This significantly lowers the risks of modern slavery. We have clearly communicated that no other person can be involved in foraging, unless they are directly employed by us, including Pedrinho and Lucienne's children. Our biggest risk of indirectly contributing to the above forms of modern slavery will occur when we have to engage external suppliers to source nuts from outside our company. It is expected that this will become a reality for us in the 2021 financial year, with the demand for baru in Australia growing faster than our company's production capacity in Brazil.

Since its inception in 2017, we have worked diligently to be conscious of the risks of causing, contributing to or being indirectly linked to modern slavery. We are continually reviewing media reports on the industry, information from the agricultural and baru community, conducting confidential conversations with Pedrinho and Lucienne and meeting with potential suppliers. We will continue to utilise tools such as The Global Slavery Index (GSI) and the US Department of Labour 2020 List of Goods Procured by Child Labour or Forced Labour to review country and sector risk indicators. In addition, we will review and update The Baru Project's Modern Slavery Statement annually to continually assess the risk of modern slavery occurring in the company's own operations and supply chain.



**Actions taken by The Baru Project to assess and address these risks, including due diligence and remediation processes**

The United Nations Guiding Principles (UNGPs) states that businesses should conduct due diligence to 'identify, prevent, mitigate and account for any adverse human rights impacts' in their operations and supply chains. Because The Baru Project's overall mission is to positively impact the communities in which we work, we have enacted the following actions as part of our due diligence over the last financial year:

### Assessing risks

- **Risk assessments** - Conducted taking into account natural disasters, the sector, suppliers, country and product risk factors using the GSI, US Government's List of Goods Produced by Child Labour or Forced Labour, reports from local NGOs and the baru community in Brazil as well as Table 6 of Appendix 1 of the Modern Slavery Act Guidance for Reporting Entities (2018).
- **In-person audits** - We are engaging with potential suppliers in-person as much as possible rather than conducting business solely online, despite the convenience of online communication especially given the vast area of the Cerrado and the travel required to meet in-person. Thiago frequently visits Pedrinho and Lucienne when they are harvesting, often travelling many hours to ensure activities are in line with our commitments and values. He is also pursuing relationships with the extended baru community, including visiting, where appropriate other families that forage for baru, attending related conferences and developing relationships with academics at universities who are researching baru.
- **Screening future suppliers and reviewing existing relationships** - We are conducting risk assessments of potential suppliers, asking them to disclose the ages of their workers, information about where they source their baru nuts from, what they pay their staff, including the people that forage for and break the nut. We also thoroughly investigate for child labour as this is one of the biggest areas of modern slavery in Brazil. We are also seeking to obtain personal references for all potential suppliers by inquiring in the community and checking the company against any recorded violations.
- **Policies and Procedures** - While conducting an initial scoping exercise, we identified a gap in our company. Being a small and new company, we do not currently have a formal list of policies and procedures. As mentioned previously, currently all staff in our operations and supply chains are known to and directly employed by the company's founders. However, as we are preparing

to source nuts from external suppliers next financial year onwards, our priority is to create a code of conduct for all staff and suppliers, contracts for suppliers, a human rights commitment policy, a grievance policy for staff and an action plan to improve our response to the risks of modern slavery. Once completed, these will be translated into Portuguese for our staff in Brazil so that all stakeholders will have access to clear information about their rights and obligations as well as procedures to access support.

These documents will be developed according to Walk Free's Guide to Tackling Modern Slavery in Supply Chains and consistently reviewed and updated.

This said, we are aware of some of the possible difficulties in using contracts and codes in rural Brazil due to the informal nature of the sector and the low literacy rates. However, we are determined, alongside any policies and procedures that we develop, to build relationships with the community to foster partnerships, negotiation and open communication rather than solely enforcing contracts in the current context.

- **Fair Wage and Fair Price** - We ensure we are not inadvertently contributing to or causing slavery and exploitation by paying a living wage to our workers. Wage is determined by consulting with workers regarding their needs and living costs and observing the Global Living Wage Coalition's definition of a 'living wage'.

As is the case with the majority of workers in the baru sector currently, Pedrinho and Lucienne work on a seasonal/casual basis. We are working towards being able to offer our workers full-time permanent positions as we understand the importance of permanent employment for job security, improving labour rights and breaking cycles of poverty.

## Addressing risks

- **Develop an Action Plan** - We will develop an action plan that will cover how we will respond to the risks of modern slavery in our operations and supply chains. The plan will identify targets for improvement, measurable outcomes and opportunities for growth.
- **Remediation** - In conjunction with an action plan, we will develop a confidential mechanism for staff to report any concerns and provide access to remediation that is timely, confidential and safe. This procedure will be developed in collaboration with staff.

- **Creating Community** - Engaging with the baru community in Brazil is a critical part of reducing the risks of modern slavery in this industry. With the lack of business regulations and laws, people often rely on verbal agreements. We will continue to focus on building trust and collaboration with the community as a way of reducing risk. We are looking for external suppliers who share similar values and goals. Thiago and Ricardo, who speak Portuguese, regularly speak with potential suppliers online. Thiago also creates community by sharing life outside of work with our staff and others in our supply chain, from freight providers to suppliers. We have also built collaborative and trusted relationships with local leaders, authorities, NGOs and co-ops.

- **Training and education** - We use our position to increase awareness about modern slavery in the baru community and empower workers. We understand the importance of community and deeply value our place within it. If we find slavery or the potential for slavery, we will leverage our relationships to educate, build capacity and influence behavioural change, rather than terminating the relationship. We will then monitor responses and enact a '3-strike policy'.

In addition, we will use our online platforms to educate our global customers about modern slavery, fair prices and environmental responsibilities. As a company, we continually strive to increase our own learning, especially in the context of rural Brazil.

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Being a small company in the early stages of development, we acknowledge the gaps in our framework and the limited leverage we have in the sector. We also acknowledge that the risks of modern slavery in our operations and supply chains will increase as we move to engage external suppliers in the 2021 financial year. Therefore, we will prioritise developing a framework of transparency, ethics, human rights and accountability to guide the company's direction and growth and to prevent and mitigate the risks of modern slavery in our operations and supply chains.

We will create a system of policies and procedures as part of our due diligence actions from the perspective of "at risk to people" including a code of conduct for staff and suppliers, human rights statement, WH&S, contracts for suppliers, grievance policy for staff and an action plan to improve our response to the risks of modern slavery in our operations and supply chains. These documents will be developed according to the UNGP and Walk Free's Guide to Tackling Modern Slavery in Supply Chains and made available in English and Portuguese. We will conduct annual risk assessments to evaluate where the risks of modern slavery are highest and prioritise which risks we will respond to first.



## How The Baru Project assesses the effectiveness of these actions

One of The Baru Project's foundational values is Accountability, understood as a commitment to continuous learning and improvement and holding ourselves to this commitment. We recognise that measuring the effectiveness of our actions is necessary to track progress and ensure that we are moving towards our goal of helping end modern slavery in Brazil.

### Current Approach

- Consultation and training with stakeholders, focusing on the most vulnerable people first, to identify possible risks and to measure the effectiveness of our actions and to ascertain whether expectations are being met. Stakeholders include staff, freight suppliers, community leaders, baru co-ops, local authorities, universities and NGOs.
- Building relationships with potential suppliers and understanding their supply chains.
- Having conversations to determine community awareness about modern slavery and in particular, the risks of child slavery.

### Future Approach

- Encourage engagement with policies and practices regarding modern slavery across all levels of operations and supply chain to align stakeholder values with company values.
- Create a survey for staff, suppliers and community to identify where they would like to see improvement from us and convert these to future outcomes if appropriate.
- End of year business performance feedback surveys for staff to rate The Baru Project's responses to stakeholder needs and expectations.
- Develop an effective action plan with measurable outcomes, including targets for 2021.
- Measure ourselves against The United Nations Sustainable Development Goals (SDGs), UNGP, Walk Free's Guide to Tackling Modern Slavery in Supply Chains, and business leaders such as Konica Minolta.
- Create a post-training assessment for staff and suppliers to measure their understanding of modern slavery and company expectations around the issue. Monitor supplier behaviour post identification of modern slavery, enacting a '3-strike policy' if necessary.
- Looking into the 3rd and 4th year of reporting, we will conduct a UNGP gap analysis to further tighten measures against modern slavery.

# The process of consultation with any entities The Baru Project owns or controls

The Baru Project does not own or control any entities.

## Other relevant information

### Looking forward

To enable us to carry out our mission to ensure that every aspect related to the baru is positive, we have set the following as goals for the 2021 financial year:

1. Development of policies and procedures - code of conduct for staff and suppliers, contract for suppliers, human rights statement, WH&S policy and a grievance policy.
2. Development of an action plan, including an effective mechanism for remediation.
3. Training and awareness of modern slavery for staff and suppliers in conjunction with local leaders, authorities and NGOs.
4. Monthly posts on social media to educate global consumers about modern slavery.
5. Submit a Modern Slavery Statement for the 2021 financial year.
6. Explore opportunities to collaborate or partner with other organisations committed to preserving the Cerrado and eliminating modern slavery in Brazil.
7. Robust mapping of supply chains as we engage with external suppliers - including more information from our packaging manufacturer in Melbourne.

### Intersection between environmental degradation and modern slavery

The Baru Project recognises that modern slavery is a symptom of other systemic issues such as poverty, gender inequality, lack of education and environmental pressures. One of the major environmental pressures in this region is the destruction of the Cerrado due to large-scale logging, mining, and damaging agricultural practices. These practices lead to decreased variety of employment options, biodiversity, food security and water availability and destruction of native habitats of endemic fauna. People in rural areas of the Cerrado are made more vulnerable to modern slavery by these pressures. These people depend on the Cerrado for their income, food, water and security, and when these are threatened, they become susceptible to forced migration to cities, human trafficking, deceptive recruitment, child slavery, forced labour and wage exploitation.

The Baru Project, alongside other stakeholders in the sector, are working to create an economic incentive to keep baru forests protected and restore the Cerrado by planting more trees, engaging in responsible forms of agriculture, with a focus on syntropic farming, a form of agroforestry, and banning unsustainable burning off practices. We do this knowing that a healthy ecosystem which produces food and income for local people indirectly reduces the risks of modern slavery in the area.

In addition, led by Thiago in Brazil, we are working on a food forest project. We are looking to partner with cattle farmers to mobilise land restoration with increased food production for their cattle as well as food, including baru, for human consumption. In exchange, The Baru Project will be given permission to forage for windfall baru nuts on their properties. As we grow, we envision providing meaningful employment, training and leadership opportunities to more local people, especially those experiencing situations of poverty as a way to help end modern slavery in Brazil.

## Conclusion

The Baru Project is committed to the health of the Cerrado, with a focus on flora, fauna, water and people. We recognise the intersectionality of environmental, social (including modern slavery, labour exploitation and community health), economic and cultural issues. Our mission is to use the baru tree and baru nuts to maximise our positive environmental and social impact - regenerating the Cerrado and helping end modern slavery in Brazil, both of which we believe are inherently connected.

Our values have compelled us to write a voluntary Modern Slavery Statement not only because we strongly support The Modern Slavery Act 2018 and its aim to use businesses to tackle all forms of modern slavery, but also because we have recognised this as an opportunity for us to identify where we can improve and to strategically achieve our goals.

While there are disadvantages to being a small and relatively new company, we recognise the opportunity to 'start well'. An initial scoping exercise quickly revealed the gaps that we have and we are grateful for this learning opportunity. Our supply chain begins in Brazil and ends in Australia. Since we have personal relationships with our staff and work alongside them we have determined the risk of modern slavery in our current supply chain to be low. However, as we move to sourcing from an external supplier in the next financial year, this risk will increase.

We have begun taking actions to assess and address the risks of slavery in our operations and supply chains and are enacting further actions to measure their effectiveness. However, in line with our commitment to continuous improvement, we have identified areas of growth which have been made into goals for 2021 financial year.

We acknowledge that eliminating modern slavery is a complex and lengthy process. We also acknowledge the difficulty in doing so due to the intersectionality of various issues, deep systematic factors and cultural norms that perpetuate and enable it to continue. In addition, we recognise that we cannot do this alone, and will partner with local leaders, authorities, NGOs and social and environmental organisations and invite our global customers to join us on this journey. In line with our mission, we support The Modern Slavery Act 2018 as a tool to keep The Baru Project accountable and therefore welcome any feedback from the Australian government and our customers on how we can continually improve and achieve our goals.

This voluntary Modern Slavery Statement is approved by the directors of The Baru Project on March 7, 2020, as per the requirements of the Modern Slavery Act 2018 (Cth).



Anna Freeman  
Director



Ricardo Chaves Rocha Lima  
Director

