

Oz Group Co-op Limited

# Modern Slavery Statement

ABN: 73 482 255 177

FY21

# Statement of the reporting entity

Oz Group Co-op Limited (ABN: 73 482 255 177) ("Oz Group") is a 100% Australian owned Cooperative, made up of over 130 members. This Modern Slavery Statement ("Statement") is made in accordance with the Australian Modern Slavery Act 2018 (Cth). It describes the steps taken by Oz Group during the financial year ending 30 June 2021 to mitigate modern slavery within the organizations supply chain.

This statement was approved on 31 December 2021 by the Oz Group Board of directors.



**James Kellaway**  
CEO

## Our Approach

Oz Group is committed to identifying, assessing, and mitigating human rights impacts, providing access to remedy through effective grievance mechanisms and ensuring continuous improvement to strengthen Oz Group's actions.

This is Oz Group's second Modern Slavery Statement, which outlines the progress the organisation has made to identify, manage and mitigate the specific risks of modern slavery in the operations and supply chain.

### Key actions undertaken in FY21 include:

- Formed a Modern Slavery Project Group with key personnel to review modern slavery risks related to Oz Group internal and external supply chains, and provide recommendations to the Board of directions.
- Reviewed and updated the organisation's Whistleblower Policy to ensure that it was accurate and sufficient.

- Developed and implemented the Grower Code of Conduct for Oz Group members, which has a specific focus on the organisation's commitment to stamping out modern slavery practices within the operation and supply chain. To date, 102 of 130 growers have signed the document. Oz Group is now waiting on the remaining growers and should have their signatures by the end of FY21.
- Board of directors completed online modern slavery training which provided a good introduction into the key issues of modern slavery and human rights.
- Engaged Stoplevel Pty Ltd who are a third-party whistleblower service. They are an independent and confidential service available to receive information relating to improper conduct, unlawful or unethical behaviour and supports Oz Group's Code of Conduct.
- Oz Group growers continue to participate in ethical sourcing programs, which are conducted via third party auditors. As at FY21, Oz Group had 24 of 130 growers audited under SEDEX (Supplier Ethical Data Exchange)/ SMETA or Fair Farms.

# Structure, operations and supply chains

This statement covers the operations of Oz Group, which is a registered co-operative and is located in the mid north coast of New South Wales, Australia.

## Structure and operations

Oz Group (formally named 'Oz Berries') was formed in 2001 as a partnership between four families from the Coffs Coast Sikh community. In 2013, Oz Group Co-operative Limited was formed, and in 2015 built a centralised packhouse facility in Coffs Harbour, NSW to process all the fruit for its grower members. Fast forward to 2021, Oz Group is made up of over 130 members and has three separate sites.

A Board of directors is elected by its members, and they oversee the business and set the strategic direction for the senior management team to deliver key outcomes to move the organization forward.

In simple terms, members grow the fruit, its then processed and packed in a centralized facility in Coffs Harbour and then distributed around Australia to all the major supermarkets, other retail outlets and food service operators.

Staff employed at Oz Group work and support the organisation's grower base, allowing growers to focus on farming and producing quality fruit. Some of these roles include administration, finance, compliance, health and safety, agronomy, operations and more.

In FY21, Oz Group employed over 400 people. The directly employed workforce comprised of 41 permanent employees (32 full time and 9 part time) and over 380 casual staff. Staff numbers vary from month to month, depending on the season of the fruits and weather conditions.

## Supply chains

Oz Group's supply chain consists of two main streams. Firstly, **operational supply chain** which relates to the procurement of goods and services to support the packing operations.

Secondly, the **grower member supply chain** which will be described in more detail further on.

### Operational supply chain

Oz Group procure a range of goods and services from a diverse supply chain. The supplier arrangements range from one-off purchases with non-contracted suppliers through to regular purchases with formal agreements and contracts.

Oz Group work with over 200 direct suppliers who provide goods and services to support the operations. Oz Group aims to procure products and services from local businesses. The majority of our total spend is paid to entities located in Australia, with only one being from New Zealand.

The top ten suppliers of goods and services by spend in FY21 is grouped below into four categories:

- Logistics and transport
- Packaging (plastic and cardboard)
- Machinery and equipment
- Insurance and legal

Five of the top ten suppliers submitted a modern slavery statement with Australian Border Force in FY20.

### Grower member supply chain

Our members will procure goods and services related to their farm operation. Generally, the top suppliers of goods and services by spend for members is grouped below into three categories:

- Supply of labour
- Packing fees, insurances, and other related fees
- Fertilizers and other chemicals

# Risk of modern slavery practices

## Operational supply chain

During FY21, Oz Group conducted risk assessments on the supply chains to identify the organisation's risk of involvement in modern slavery. As previously noted, the majority of total spend is paid to entities located in Australia, with only one being from New Zealand.

According to the Global Slavery Index 2018, Australia has a low prevalence of modern slavery; however, this does not discount the fact that these practices exist within certain industries within our operational supply chain.

At this stage, it's unclear exactly which forms of modern slavery exist within the operational supply chain but we plan to investigate further through a deep dive risk assessment in FY22 through various programs and actions.

We recognize that there are risks of modern slavery practices across the operations and supply chain, including through various roles as a:

1. purchaser of goods and services;
2. employer; and
3. supporter of communities.

## As a purchaser of goods and services

There is a risk that Oz Group could purchase goods or services from a supplier involved in modern slavery. The level of involvement may be influenced by sourcing practices, particularly through engaging in one-off purchases and/ or the use of non-contracted suppliers. Oz Group also recognise that these risks in our supply chain may be higher where goods and services that are manufactured in industries and/or countries that are at a higher risk for modern slavery.

In FY21, Oz Group began the process of mapping all first tier suppliers within the supply chain. The next step in FY22 is to commence an industry risk profiling exercise to understand specific industry risks, which will ultimately provide an indication of all high risk suppliers.

## As an employer

In FY21, Oz Group recruited staff primarily either through an Employment Services Provider or directly. Oz Group acknowledge that the risk of exploited labour is higher in relation to low-skilled and indirect employment arrangements, however the risk is perceived as low for the operational supply chain.

## Supporter of communities

Oz Group acknowledge that there may be a level of risk where the organisation supports other organisations involved in modern slavery through donations.

## Grower member supply chain

Oz Group believes modern slavery practices may exist within our grower supply chain, most likely through contractors engaged to supply labour for picking fruit. Oz Group further believes that the types of slavery that may be involved within this supply chain are: forced labour, debt bondage and deceptive recruiting for labour or services.

The agriculture industry is considered high risk for instances of modern slavery. The industry relies on backpackers and migrant workers, English may not be their first language and they may be less aware of their human rights.

The grower member supply chain is complex and multi-tiered. There is less visibility of the risk of modern slavery in complex, multi-tiered supply chains within the horticulture industry. This can limit the ability to have clear oversight of working conditions, which create a greater risk of modern slavery issues.

In FY22, Oz Group plans to work with all associated growers and their contractors to get a better understanding of the risks involved within our grower member supply chain so Oz Group can implement measures to address these risks.

# Governance

Oz Group's Board of directors is responsible for the oversight of human rights issues, as it relates to the operations and supply chain, with the Modern Slavery Project Group responsible for ensuring the effective management of the human rights related risks, including modern slavery.

Oz Group's CEO is accountable for the overall implementation of the organisation's human rights programs, supported by our Compliance Manager, Chief Financial Officer, Operations Manager and Senior Management Team.

The day to day implementation and coordination of the human rights activities is undertaken by the internal compliance team in close collaboration with other areas of the organisation.

Oz Group's Modern Slavery Project Group includes representatives from operations, human resources and compliance and is responsible for assessing current activities and providing recommendations to the Board of directors.



# Due diligence

Oz Group's due diligence is an ongoing process of identification, prevention and mitigation that considers involvement in both actual and potential adverse human rights impacts through our activities and business relationships.

The four key elements of Oz Group's human rights due diligence are:

1. Identification and assessment
2. Prevention and mitigation
3. Assessing the effectiveness of our actions
4. Communication

## Identification and assessment

Oz Group uses a number of mechanisms to identify and assess the actual and potential human rights impacts that may be caused by the organisation's actions, to which Oz Group may contribute or be directly linked.

### Identifying labour hire contractors

Oz Group has identified that all grower members may be indirectly linked to modern slavery practices through the use of labour hire contractors.

In FY21, Oz Group sent out a survey to all grower members and requested that they provide us with their contractor details. The results showed that 68% of all respondent growers engaged labour hire companies, and almost one in two of these growers used contractors that are either licensed to a state scheme, staffsure accredited or use an approved employer who is part of the Seasonal Worker Program. In FY22, Oz Group plans to work very closely with all grower members and their labour hire contractors to improve compliance.

### Grievance mechanisms

Oz Group provides grievance mechanisms to identify and escalate issues consistent with the organisation's Whistleblower Policy. This policy applies to all directors and team members within Oz Group and external whistleblowers, including growers and their employees and relatives. Oz Group continue to build awareness and knowledge among team members, encouraging them to voice their concerns without fear of retribution and with full confidentiality.

In FY21, Oz Group engaged Stoplevel Pty Ltd who are a third-party whistleblower service. They are an independent and confidential service available to receive information relating to improper conduct, unlawful or unethical behaviour and supports Oz Group's values and Code of Conduct.

## Prevention and mitigation

### Ethical sourcing program

Oz Group's ethical sourcing program includes the use of SEDEX and Fair Farms. As at FY21, there were 24 of 130 growers audited under SEDEX/ SMETA or Fair Farms.

Ninety-nine of all grower members have also registered with Fair Farms, completed the Online Self-Assessment (OSA) component and have undergone face to face training. Each of these growers have also been provided with a comprehensive manual in English (as well as in Punjabi as this is their second and sometimes preferred language) which covers critical topics based on human rights, employment law, and work health and safety.

### Training

Oz Group maintains an ongoing focus on ethical sourcing and modern slavery training of all relevant team members, including senior management and directors. In FY21, the Board of directors completed online modern slavery training which provided a good introduction into the key issues of modern slavery and human rights.

## Assessing the effectiveness of our actions

### Current actions

Oz Group recognizes the value of continual improvement and the importance of assessing the effectiveness of actions taken to address modern slavery risks. Oz Group's Modern Slavery Project Group leads our evaluation process, which includes:

- Continuous modern slavery risk assessments covering the operations and supply chain
- Review of all processes and procedures relating to human rights

- Seeking feedback from employees on training and grievance processes
- Collaborating with other organisations to share knowledge and identify gaps

### Future plans

In FY22, Oz Group plan to action the following:

- Measuring performance through the establishment of Key Performance Indicators (KPI) with focus on the delivery of training and compliance
- Distribute self-assessments to all top suppliers by spend, and all grower members each year to get an idea of risk
- Progress remaining growers to complete ethical sourcing certificate education
- Run several workshops with growers relating to human rights issues
- Conduct a deep dive risk assessment on all operations and supply chain to get a better understanding of risk
- Review contracts with top suppliers by spend and consider including provisions regarding expectations around modern slavery risk
- Work with all growers and their labour hire contractors to improve overall compliance

# Communication

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Engagement with stakeholders, including grower members, suppliers, and industry peers, is a critical component of Oz Group's commitment to stamping out modern slavery within all operations and supply chain.

This statement, together with other means of formal and informal communication, including the Annual General Meeting, provide a key mechanism for disclosing Oz Group's actions in this area. Throughout the year Oz Group may also communicate through media statements, company publications and the organisation's website.

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