

Modern Slavery Act 2018 (Cth)
STATEMENT OF OCEAN SPRAY
INTERNATIONAL, INC.
(Fiscal Year 2023)



1. INTRODUCTION AND IDENTITY

The Modern Slavery Act 2018 (Cth) (the “Act”) requires certain entities to publish annual modern slavery statements that describe their actions to assess and address modern slavery risks. This statement is prepared and filed by Ocean Spray International, Inc. (OSI).

OSI is a foreign entity carrying on business in Australia and has annual consolidated revenue of at least \$100 million. It therefore has an obligation to report under the Act for the financial reporting year ending August 31, 2023 (the “Reporting Period”). It is a wholly-owned subsidiary of Ocean Spray Cranberries, Inc. (“Ocean Spray”).

Ocean Spray is a farmer-owned agricultural cooperative and globally recognized brand. Ocean Spray's purpose is Connecting Our Farms to Families for a Better Life; however, this is more than just a company purpose statement—it is the foundation for our strategic direction, shaping who we are, and who we want to be, as an organization.

As an organization, we put people first. We make investments in our team members, raise up the communities we serve, and support the livelihoods of our team members and our farmers. That work includes ensuring, through policies, processes, and values-based culture and ethics codes, that we reduce the risk of modern slavery practices in our operations and supply chains.

2. STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Structure

Originally founded and incorporated in 1930, Ocean Spray is a Delaware corporation that operates as an agricultural cooperative, owned by roughly 700 cranberry farmers in the United States, Canada, and Chile. It produces cranberry-based juice drinks, dried fruit, sauce, snacks, and fresh fruit. OSI is also a Delaware corporation and has been engaged by Ocean Spray to manage Ocean Spray business activities and contracts outside the United States, including in Australia.

Together, Ocean Spray and OSI employ approximately 2,000 team members worldwide, the majority of whom are located in the United States. The corporate headquarters of both Ocean Spray and OSI are located at One Ocean Spray Drive, Lakeville-Middleboro, MA 02349, United States. Ocean Spray and OSI do not employ any individuals in Australia.

Ocean Spray International Services, Inc. (“OSIS”) is another Delaware corporation that has been engaged by OSI to provide marketing, liaison, and business development services on an inter-company basis and includes a subsidiary in Australia, Ocean Spray International Services (AU) Pty Ltd (“OSIS AU”). OSIS AU is a non-sales entity that employed six (6) employees during the Reporting Period. OSIS AU is not controlled to any extent by Ocean Spray International, Inc.

Operations/Supply Chains

Imports

In Australia, OSI imports a variety of materials including finished products for sale to customers as well as cranberry materials for further production. The overwhelming majority of imports into Australia by OSI are cranberry products that were produced by a company-owned Ocean Spray facility or an Ocean Spray contract manufacturer. In addition, OSI contracted with approximately two co-manufacturer facilities in Australia to produce cranberry products during the Reporting Period.

Processing and Production

Ocean Spray's production network includes company-owned and operated food and beverage manufacturing facilities in the U.S. (Massachusetts, Pennsylvania, Wisconsin, Texas, Nevada, Washington), as well as Canada (Manseau) and Chile (Lanco). Ocean Spray contract manufacturers are located around the globe.

Supply and Receipt of Fruit

Ocean Spray is not a typical consumer packaged goods ("CPG") company. Operating as an agricultural cooperative, Ocean Spray's shareholders are its farmer-owners. This group both delivers cranberries to the cooperative, as patrons, and owns the company, as shareholders.

Under their Cooperative Marketing Agreements ("CMAs"), Ocean Spray's farmer-owners agree to deliver the cranberries harvested from certain acres to Ocean Spray. They deliver those cranberries to designated receiving facilities, which are located in cranberry growing regions in the U.S. (New Jersey, Massachusetts, Wisconsin, Washington, and Oregon), as well as in Canada (British Columbia, Quebec, and New Brunswick) and Lanco, Chile.

These receiving stations are either owned and operated by Ocean Spray or owned and operated by the farmers themselves.

All receiving stations serve two primary functions: (1) to sample and grade delivered fruit to determine viability and quality; and (2) to clean, sort, and ship fruit to various freezers and/or manufacturing facilities within our supply chain.

Farmers deliver this fruit during the harvest period (September-November for North America and March-June in South America).

3. RISKS OF MODERN SLAVERY PRACTICES IN OPERATIONS AND SUPPLY CHAINS OF OSI AND THE ENTITIES IT OWNS AND CONTROLS

Ocean Spray's unique structure as a farmer-owned agricultural cooperative (wherein our shareholders are also our cranberry suppliers), coupled with our strong practices, policies, and procedures, keep the risk of modern slavery practices low for our organization.

What could be considered highest risk for our company are areas of our supply chain not fully within our control and not always fully visible to us. We acknowledge that the risks of modern slavery may be heightened in some aspects of our supply chains as a result of the geographical location of some suppliers and the nature of the products that we acquire. That is why we are developing a Supplier Code of Conduct, which will also include an assessment and auditing component when launched.

4. ACTIONS TAKEN TO ASSESS AND ADDRESS THE RISKS OF MODERN SLAVERY PRACTICES

Ocean Spray has undertaken the following steps to reduce the risks of modern slavery practices in its operations and supply chains and provides further information in relation to key measures below:

- **Direct Supplier Relationship with our Farmer-Owners.** As a farmer-owned cooperative, our cranberry supply comes directly from our farmer-owners pursuant to CMAs – their membership agreements.

- **Contracts with contract manufacturers.** Ocean Spray's contracts with its co-manufacturers around the globe require those facilities to adhere to our high standards for safety and quality, as well as compliance with applicable laws and regulations.
- **Contracts with farmer-operated receiving stations.** All farmer-operated receiving stations are required to have a contractual agreement in place
- **Ocean Spray Code of Conduct.** Rules of the road all Ocean Spray team members are required to follow to act with integrity in all aspects of their work.
- **Supplier Code of Conduct.** Development of an Ocean Spray supplier code began in fiscal year 2023.
- **External Auditing of Manufacturing Production Facilities.** Ocean Spray has been an active Sedex member since 2018, and Sedex Members Ethical Trade Audits (SMETA) are regularly conducted at our manufacturing locations.
- **Adherence to all US Customs and Border Control Regulations.** Much of our manufacturing takes place in the United States. The United States Customs and Border Protection have taken multiple measures to prevent goods sourced from forced labor from entering the United States. Importantly, Ocean Spray is also already certified as a Tier 3 CTPAT (Customs and Trade Partnership Against Terrorism) importer.
- **Internal Employment Policies.** Ocean Spray includes minimum age requirements and child labor prevention measures in this important policy.
- **Enterprise Risk Management (“ERM”) Program and Governance.** We have a robust ERM program to continuously audit, monitor, and mitigate any key risks identified in our organization.
- **Ethics Reporting.** All team members have access to an anonymous ethics reporting system to raise concerns or questions regarding potential unethical business practices.

Ocean Spray’s **Code of Conduct** represents our rules of the road. It establishes the behavior that is expected of our team members and our company as a whole. Grounded in our purpose and values, the Code ensures we act with Integrity Above All in every aspect of our work. Every team member is required to take Code of Conduct compliance training.

Our Code is activated through our **policies and procedures**, which every Ocean Spray team member is required to adhere to and understand. The Code is our means for holding team members and Ocean Spray accountable to always engage in ethical business practices. In fiscal year 2023, Ocean Spray embarked on a reinvigorated approach to revise and improve all company-wide policies and standard operating procedures. The goal of this revision process was to create consistency and equity among policies, clarify language, and strengthen elements of compliance where necessary.

The 2023 revision process included amendment to our Employment Policy, which now better reflects our commitment to mitigating the risk of child labor. Additionally, our Employment Policy mandates we only select candidates for hire based on all minimum age laws and regulations where we operate. Ocean Spray also utilizes an **applicant tracking system**, which automatically rejects anyone identified as being under the age of 18 from applying for a role. We also conduct candidate background checks to further ensure no one under 18 is employed at Ocean Spray.

All team members are required to adhere to Oceans Spray’s high standards of ethical business practice. This means avoiding unethical behavior and empowering team members to speak up if they witness or become aware of unethical activity, including modern slavery practices. Team members are encouraged to talk with their manager or Human Resources in those instances, but we also offer an **ethics reporting platform** (web or phone) to make sure team members have an anonymous option for sharing concerns. Part of this commitment is a no-retaliation policy: Ocean Spray will not tolerate retaliation against anyone who reports a concern.

Ocean Spray further developed and enhanced its **enterprise risk management (ERM)** program in fiscal year 2023, enabling us to be both proactive and protective—a best practice approach that ensures we are identifying and working to mitigate enterprise level risks. Structurally, we have a Management Risk Committee and Charter (to guide the Management Risk Committee), with clearly identified Risk Owners who have responsibility for any risk mitigation planning activities. These plans, and related actions, are reviewed with the Management Risk Committee and reported to the Audit Committee and Board, so that all levels of our organization have line of sight to protect our agricultural cooperative—and by extension our farmer-owners.

Ocean Spray has been an active **Sedex member since 2018**. Ocean Spray conducts Sedex Members Ethical Trade Audit (SMETA) 4-Pillar audits at all Ocean Spray-owned manufacturing plants regularly to monitor compliance and proactively identify opportunities for continuous improvement. Our Sedex membership provides us with the tools to manage and improve working conditions and adhere to responsible sourcing practices. SMETA is one of the most widely used social audit schemes in the world, providing a globally recognized way to assess responsible supply chain activities, including labor rights, health and safety, environment, and business ethics.

Additionally, Ocean Spray is committed to the highest level of supply chain security. In fiscal year 2023, Ocean Spray began developing a **Supplier Code of Conduct**. It is slated for release in calendar year 2024. We are also already certified as a Tier 3 CTPAT (Customs and Trade Partnership Against Terrorism) importer, which indicates that we have voluntarily participated in, and received the highest distinction of achievement for our participation in, the Customs and Border Protection’s (“CBP”) CTPAT program.

5. ASSESSMENT OF EFFECTIVENESS OF ACTIONS

In recognition of our assessment that our greatest area of risk is in our supply chain, Ocean Spray undertook development of a comprehensive Supplier Code of Conduct in fiscal year 2023. The Supplier Code of Conduct will include sections prohibiting modern slavery practices and is slated for release in calendar year 2024.

In conjunction with the Supplier Code of Conduct, Ocean Spray will onboard an auditing partner to ensure our suppliers can be assessed for compliance. We will engage in assessment of the effectiveness of this action in subsequent reporting periods.

We recognize that, while we have implemented a number of measures intended to reduce the risks of modern slavery in our organization, we are continuing to develop our assessment of the risks, measures to address the risks and means of assessing the effectiveness of those measures. OSI remains committed to progressing our identification and assessment of the risks of modern slavery practices in our operations and supply chains and to the continual evolution of measures to address those risks to ensure they are and remain effective.

6. CONSULTATION WITH ENTITIES OWNED OR CONTROLLED BY OSI

For clarity, OSI does not own or control any entities that perform services or execute contracts in Australia. However, all entities within Ocean Spray’s control abide by the same policies, rules and processes.

APPROVAL

This statement was approved by the board of Ocean Spray International, Inc. in their capacity as principal governing body of Ocean Spray International, Inc. on 26 June 2024.

This statement is signed by Thomas P. Hayes in their role as President and Director of Ocean Spray International, Inc. on 11 July 2024.

A handwritten signature in blue ink, appearing to be "THOMAS P. HAYES", written over a horizontal line.

Name: Thomas P. Hayes

Title: President and Director of Ocean Spray International, Inc.

Date: 11 July 2024