

A man wearing a brown hat and a plaid shirt is walking away from the camera down a dirt path in a field. To his right, there are long, narrow raised beds covered with white plastic mulch, with small plants growing in them. In the background, there are irrigation systems with water spraying from nozzles. The scene is bathed in the warm, golden light of a sunset or sunrise, with long shadows cast across the field.

Modern Slavery Statement

2019/20

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Introduction

Hort Innovation is committed to assessing and addressing risks of modern slavery and human rights abuses within our organisation and throughout our supply chain in accordance with our own corporate values, our stakeholder expectations, community expectations and the law. This Modern Slavery Statement is prepared in respect of the reporting period 2019/20.

A message from our Chair



We wish our stakeholders and members to know that we take seriously our governance and compliance obligations as they relate to our business. This means committing to, taking account of, and reporting in accordance with the Modern Slavery Act 2018 ("MSA").

This Modern Slavery Statement was approved by the Executive and Board of Horticulture Innovation Australia Limited.

A handwritten signature in black ink that reads "Julie Bird". The signature is written in a cursive, flowing style.

JULIE BIRD
CHAIR

REPORTING ENTITY

Who we are

Horticulture Innovation Australia Limited is the research and development corporation for Australia's horticulture sector.

The company was established by the Australian Government 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. Our history runs much deeper, though. We transitioned to become a grower-owned company from the former industry services body, Horticulture Australia Limited (HAL), 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 R&D, extension, marketing and international trade initiatives.

We are extremely proud of the work we do to drive productivity, profitability and demand for Australian growers, and for the horticulture sector at large.

Hort Innovation's head office is located at Level 7, 141 Walker Street, North Sydney, NSW, Australia. We also have offices in Melbourne and Brisbane, with some staff working remotely in other Australian states.

During 2019/20 we employed 87 employees all located in Australia, of which 81 were full time and six were part time (permanent and temporary staff members). This translated to a full time equivalent (FTE) of 84.8.

Company structure during 2019/20

Hort Innovation is governed by its Board and three subcommittees of the Board who act and guide the company, including the Audit & Risk Committee, which has oversight of the Hort Innovation Modern Slavery response. The Audit & Risk Committee meets quarterly and receives reports on the Hort Innovation Modern Slavery Program.

The Chief Executive Officer (CEO) reports directly to the Board. The CEO leads a team of six Executives, each with their respective teams.

The Modern Slavery Team reports to the General Manager, Finance & Investments.

During the relevant reporting period Hort Innovation employed 87 staff members.

All Board members, Executive Team and staff are based in Australia.



Hort Innovation’s work is funded by statutory and voluntary horticulture industry levies (raised by growers and collected by the Australian Government), co-investment dollars that we broker from a range of partners, grant support that we apply for throughout the year, and Australian Government contributions. Other sources of funding can also come into play, including royalties and the company’s centralised strategic levy reserves.

Industry-specific funds:

37
horticulture
industries

Hort Innovation invests statutory and voluntary R&D and marketing levies on behalf of 37 horticulture industries, including through these industry-specific funds:

- Almond Fund
- Apple and Pear Fund
- Avocado Fund
- Banana Fund
- Blueberry Fund
- Cherry Fund
- Chestnut Fund
- Citrus Fund
- Custard Apple Fund
- Dried Grape Fund
- Dried Tree Fruit Fund
- Lychee Fund
- Macadamia Fund
- Mango Fund
- Melon Fund
- Mushroom Fund
- Nashi Fund
- Nursery Fund
- Olive Fund
- Onion Fund
- Papaya Fund
- Passionfruit Fund
- Persimmon Fund
- Pineapple Fund
- Pistachio Fund
- Potato – Fresh Fund
- Potato – Processing Fund
- Processing Tomato Fund
- Prune Fund
- Pyrethrum Fund
- Raspberry and Blackberry Fund
- Strawberry Fund
- Summerfruit Fund
- Sweetpotato Fund
- Table Grape Fund
- Turf Fund
- Vegetable Fund

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Frontier
Investments

We also invest in R&D projects through our Hort Frontiers strategic partnership initiative:

Hort Frontiers is focused on achieving transformative outcomes and addresses longer-term, often complex issues and opportunities critical to the future of Australian horticulture. In 2019/20, there were seven Hort Frontiers funds:

- Advanced Production Systems Fund
- Asian Markets Fund
- Fruit Fly Fund
- Green Cities Fund
- Health, Nutrition and Food Safety Fund
- Leadership Fund
- Pollination Fund

All of our funds are managed by our team in Australia. Our research is conducted in Australia with limited exceptions.



Investment service providers

Hort Innovation engages world-class service providers to deliver the work that we fund.

During the 2019/20 financial year, we partnered with some 270 service providers for the continued delivery of projects across R&D and marketing. Our service providers are predominately based in Australia, with some exceptions. They include a large number of Australian universities, state research agencies and other government entities (such as CSIRO), as well as a number of subject matter experts and delivery experts working in private enterprise.

Hort Innovation has a fair and equitable procurement process in place to ensure the best service provider is selected for any given piece of work. To be selected as a service provider for a project (investment), a potential service provider must submit a detailed response to the request for a project proposal (“RFP”) distributed by Hort Innovation. Current opportunities can be seen at www.horticulture.com.au/partnership-opportunities and are also advertised at www.tenders.net. All responses to an RFP are evaluated against set criteria, and against each other, by an evaluation panel. Each panel is specific to the project being procured and may be comprised of Hort Innovation experts, industry representatives (including growers) and, where relevant, independent subject experts. The best response is selected based on the above methodology and a contract is issued to the selected service provider.

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main research categories

The majority of our R&D work is aligned to these categories:

- Land and crop management
- Pests, diseases and biosecurity
- Varieties and rootstocks
- Postharvest and supply chain
- International trade and market development
- Consumer and market research
- Industry data and insights
- Industry development, extension, and communication
- Leadership
- Health and nutrition
- Pollination
- Green space and the environment
- Technology

In addition to R&D, Hort Innovation traditionally delivers marketing campaigns across a range of mediums and channels on behalf of individual horticulture industries, to drive awareness, consumption and usage occasions for Australian horticultural produce.

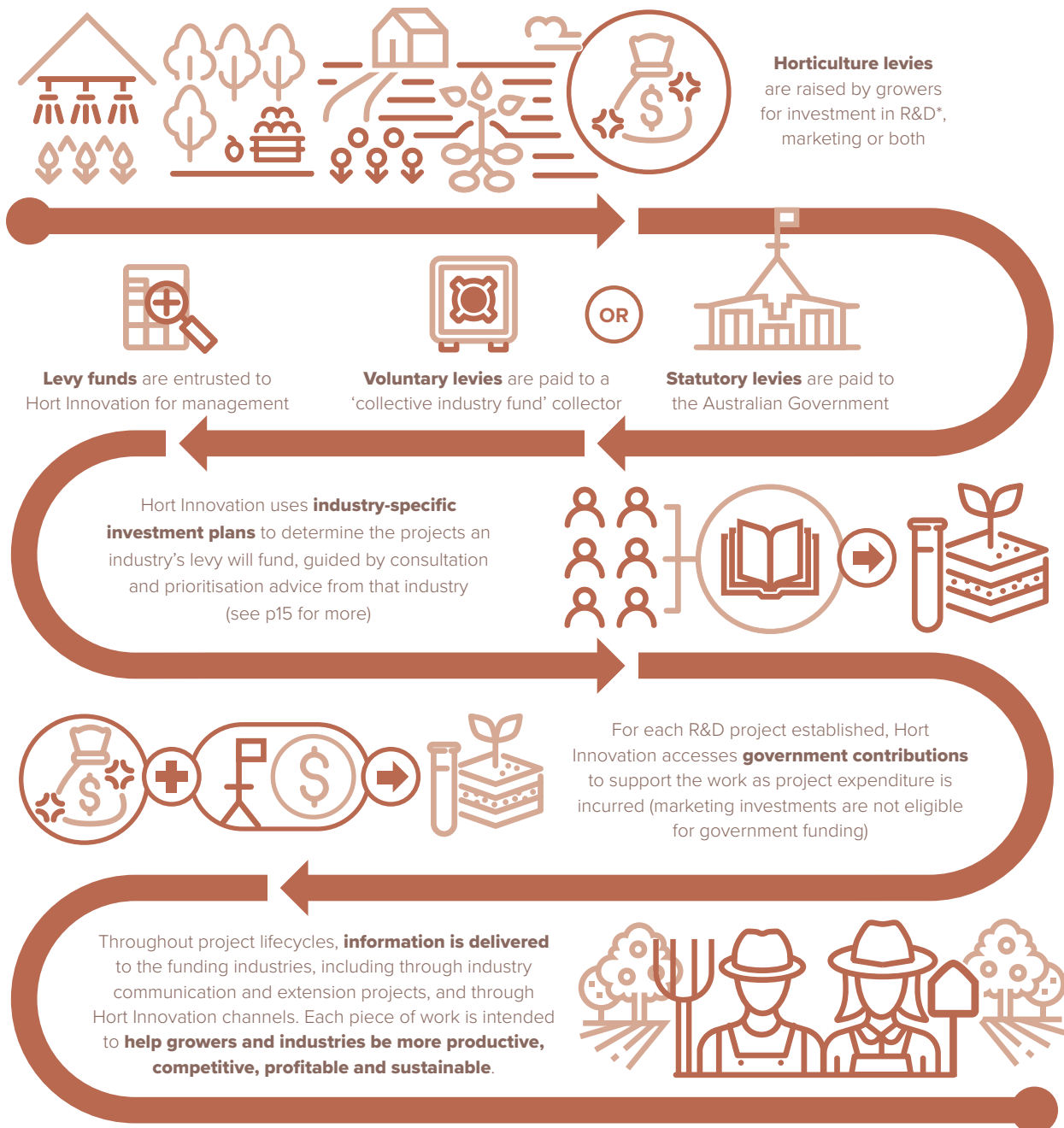
Hort Innovation also supports Australian horticulture in access to timely and relevant data, from whole-of-horticulture facts and figures to industry-specific consumer information and trends. Getting information into the hands of growers is central to the success of Hort Innovation’s research and other investments. Our work in extension and communications provides access to project recommendations and resources, and keeps growers connected to the company that they own.

In addition Hort Innovation delivers marketing campaigns across a range of mediums and channels on behalf of individual horticulture industries, to drive awareness, consumption and usage occasions for Australian horticultural produce. These marketing campaigns may have domestic and/or export focus.

Investment models

LEVY FUNDING

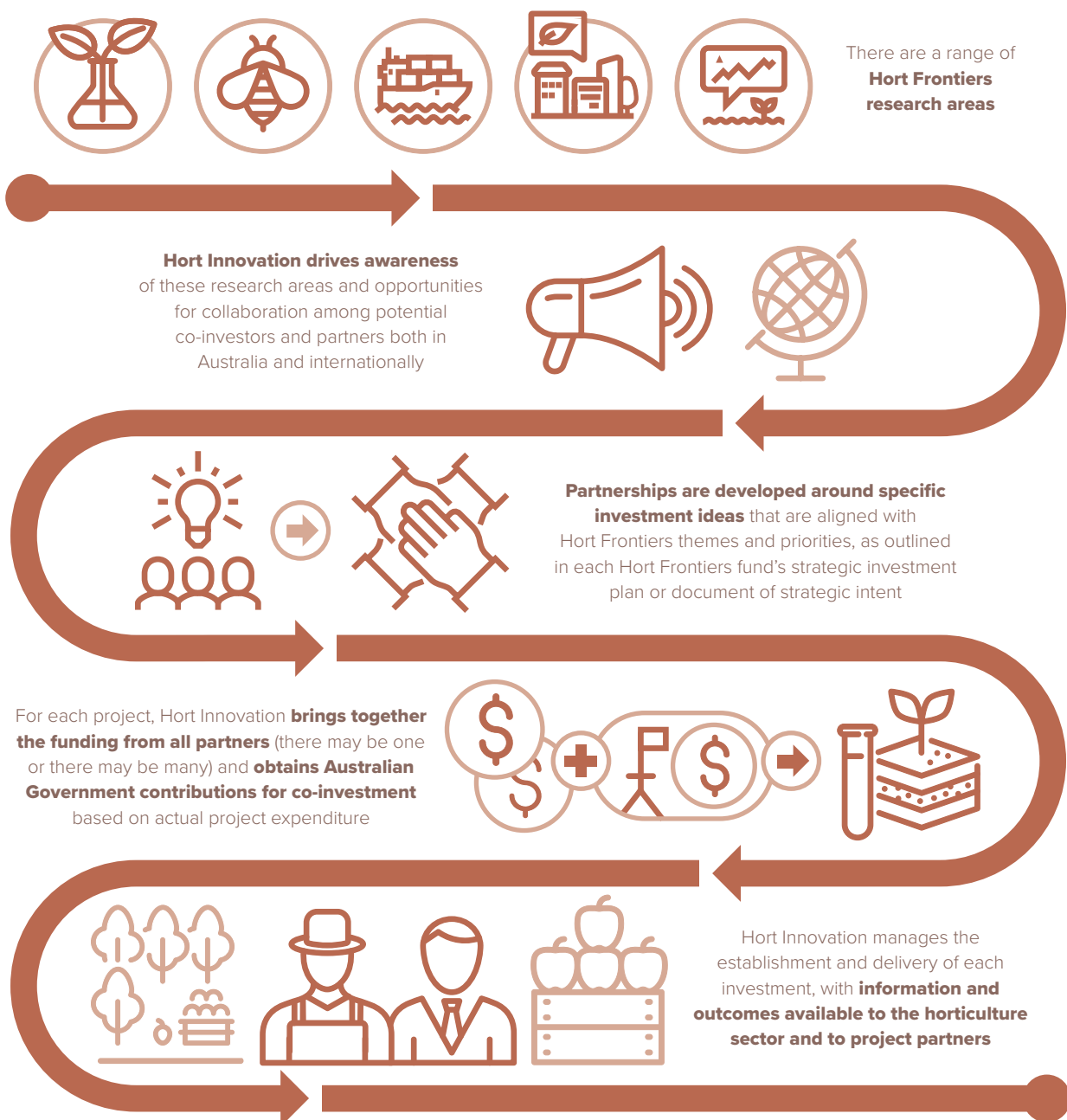
This is the core funding model for Hort Innovation’s work, involving the investment of statutory or voluntary industry levies, together with government contributions where applicable, into R&D, extension, marketing and international trade efforts. Levy investments are specific to each industry’s needs,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



* Encapsulating extension and international trade

HORT FRONTIERS FUNDING

This is our co-investment model, where R&D projects are funded through strategic co-investment 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.





Supply chains

SOME OF OUR TOP SERVICE PROVIDERS BY DOLLAR VALUE DURING 2019/20 WERE:

1. The Queensland Department of Agriculture and Fisheries
2. Ikon Communications Pty Ltd
3. Macquarie University
4. Western Sydney University
5. The University of Queensland
6. Almond Board of Australia Incorporated
7. The Department of Primary Industries and Regional Developments previously DAFWA
8. Ausveg Ltd
9. State of Victoria through the Department of Jobs, Precincts and Regions
10. South Australian Research and Development Institute
11. Commonwealth Scientific and Industrial Research Organisation (CSIRO)
12. NSW Department of Industry, Skills and Regional Development

13. University of Tasmania
14. Bite Communications
15. University of New England
16. University of Melbourne
17. Plant Health Australia
18. Staphyt Pty Limited
19. The New Zealand Institute for Plant and Food Research Ltd

The above service providers represented approximately 61 per cent of our total spend for 2019/20.

We also engaged several top tier consulting firms such as KPMG and Ernst & Young, as well as data analytics and consumer research providers such as Nielsen.

Further details of our service providers can be found in our 2019/20 annual report at www.horticulture.com.au/annual-report-portal

Our service providers are Australian based organisations with some minor exceptions.

INVESTMENTS

Hort Innovation is a services organisation. We do not manufacture or distribute goods. We engage with a range of service providers to ensure top-quality research, marketing, and data and extension programs for the horticulture sector. We also collaborate with other rural research and development corporations for research purposes and to share knowledge in the corporate area, where appropriate.

FACILITIES MANAGEMENT

In addition to the service providers, we engage across R&D and marketing, we also engage several service providers for corporate-related services, such as IT, recruitment, cleaning, catering, and office supplies. All our IT infrastructure is based in Australia. Our facilities management suppliers are in Australia.

CROSS COLLABORATION

We connected with other research and development organisations to leverage knowledge and resources in relation to their process for compliance with Modern Slavery legislation.

Modern Slavery approach

Hort Innovation has followed the below methodology to approach its modern slavery obligations.



Modern Slavery Framework

Our Modern Slavery Framework comprises existing governance and risk structures with the addition and implementation of specific meaningful measures to address our Modern Slavery risk response.

BOARD OVERSIGHT

The Board, through the Audit & Risk Committee (ARC) has overall oversight for the Modern Slavery Program within Hort Innovation.

COMMITMENT

The Board has approved a Modern Slavery Policy, which is embedded in the Hort Innovation Code of Conduct and Business Ethics.

MANAGEMENT SYSTEMS AND CONTROL

Modern Slavery team

A cross-functional team which leads the Modern Slavery Program across the organisation

Supplier risk assessment

Developed and conducted supplier risk assessments

Modern Slavery questionnaire

Developed and implemented a Modern Slavery supplier questionnaire as part of the onboarding of service providers

Online Modern Slavery training module

For existing and new staff members

Policies

Reviewed our policies

Contract templates

Standard contract templates updated to include Modern Slavery provisions

Recruitment practices

Considered recruitment practices within the organisation and wages against industrial awards

GRIEVANCE MECHANISMS

Whistleblowing policy and process

Including an independent third-party reporting mechanism

Complaints and Grievance Policy

CONTINUOUS IMPROVEMENT

As this is our first Modern Slavery Statement, we are committed to continuous improvement in our Modern Slavery Program.

ACTIONS TO ADDRESS RISKS

INTERNAL:

We have established a Modern Slavery Team to assist Hort Innovation's compliance with its modern slavery obligations. As Hort Innovation only has 87 employees, all based in Australia we believe that the predominant risk to our business and operations is in our supply chains.

MITIGATION:

1	SUPPLY CHAIN	<p>We have mapped our service providers from a financial and geographical perspective.</p> <p>A modern slavery due diligence questionnaire has been developed and implemented within the organisation to assess the risk of modern slavery in our supply chains. Service providers have been sent the questionnaire to complete based on geographic and other perceived risk factors.</p> <p>The questionnaire is also incorporated into our procurement process and project related service providers are required to complete the questionnaire on an annual basis. The responses are assessed to determine risk and possible remediation and then escalated for resolution within the organisation and to the CEO, if required. Perceived high-risk service providers will be referred to Hort Innovation's Audit and Risk Committee (a sub-committee of the company Board) for oversight and review as approximate.</p>
2	POLICY FRAMEWORK	<p>Code of Conduct and Business Ethics: The Hort Innovation Code of Conduct and Business Ethics sets out clear behavioural expectations of all staff, including our policy in relation to modern slavery as well as other compliance matters.</p> <p>Whistleblowing Policy and Framework: We have an established Whistleblower Policy, and an anonymous reporting facility through an independent third party. We have appointed a Whistleblower Protection Officer. All reports are investigated, and appropriate remedial action taken.</p> <p>Bullying, harassment, and discrimination: We have a Bullying, Harassment and Discrimination Policy which includes Hort Innovation's commitment to being an equal opportunity employer and sets out the standard we expect of all employees in relation to anti-discrimination and victimisation.</p> <p>Complaints: Our Complaints and Grievance Policy sets out the mechanism for raising and resolution of staff related grievances.</p>
3	TRAINING	<p>During 2019 Hort Staff and the Board were required to complete face to face Whistleblower training. Going forward this module will be included in our e-learning platform. All Hort Innovation staff are required to complete Modern Slavery and Bullying and Harassment training through our e-learning platform. Refresher training will be provided from time to time.</p>
4	SERVICE PROVIDER CONTRACTS – INVESTMENTS & CORPORATE CONTRACTORS	<p>We have included contractual provisions in our standard form contracts that, among other things, requires our service providers to adhere to modern slavery legislation, conduct their own due diligence in their supply chains, and to advise if they have any modern slavery convictions or violations.</p>
5	STAFF	<p>Our 87 staff are largely employed in professional roles. Our administrative and support staff may be subject to industrial Awards and are paid in accordance with such Awards.</p> <p>Recruitment of staff is conducted through reputable third party recruiters, with prospective employee credentials (including qualifications and age) verified by an independent third party.</p>

ADDRESSING THE EFFECTIVENESS OF OUR ACTIONS

We are taking measures to include our modern slavery risk management process within our operations and supply chains.

A. MODERN SLAVERY TEAM:

We have appointed a dedicated Modern Slavery Team to implement and manage our Modern Slavery framework.

B. SUPPLY CHAINS:

IDENTIFICATION OF RISK OF MODERN SLAVERY IN OUR SUPPLY CHAINS:	<ol style="list-style-type: none"> 1. Supplier segmentation by country and financial spend. 2. Supplier questionnaire is incorporated into our procurement process with review of responses by the Modern Slavery Team to identify risk and recommend remedial action.
MITIGATION:	<ol style="list-style-type: none"> 1. Our policies: Code of Conduct and Business Ethics (including modern slavery policy statement); Whistleblower Policy and framework; Bullying, Harassment and Discrimination Policy; and a Complaints and Grievance Policy. 2. Mandatory Modern Slavery and Whistleblowing training for all staff. 3. Supplier Modern Slavery review through our questionnaire process.
REMEDATION:	<p>The Modern Slavery Team will provide proposed remediation actions when escalating modern slavery high risk to the organisation. The final determination of remedial action is determined by the CEO.</p>
RISKS:	<p>Risks of modern slavery may be heightened with service providers in foreign jurisdictions such as New Zealand, Japan and Germany. However, (i), these service providers are small in number (ii) the country risk is low according to the 2018 Global Slavery Index (“GSI”), and (iii) the industry risk for our foreign service providers is also low according to the GSI. As part of our continuous improvement process, further due diligence will be conducted (as required) on those Service Providers deemed to be higher risk by virtue of operating in higher risk jurisdictions or other risk factors.</p> <p>We are aware that certain sectors of facilities management in Australia have experienced instances of modern slavery, such as cleaning services. Accordingly, considering this additional perceived risk we vetted our cleaning services company for our Sydney and Melbourne office (we are subtenants in our Brisbane office) using our standard modern slavery due diligence questionnaire.</p>

COVID-19

We have reviewed our modern slavery framework through the COVID-19 lens and formed the view that there is no material impact on our current business and operations from a modern slavery perspective. Responses to our Modern Slavery due diligence questionnaire do not indicate any material impact due to COVID-19.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

The Hort Innovation Board, through the Audit and Risk Committee, has oversight of our modern slavery governance framework.

The CEO has responsibility for the operational elements of the modern slavery framework.

We have a process for the evaluation of risk in supply chains and an escalation process. We will review the effectiveness of our processes over the course of time.

Hort Innovation is committed to continuous improvement of our modern slavery framework. In 2020/21 we will work towards implementing further assessment of and addressing modern slavery risks, including working towards assessing the risk of modern slavery in some of our tier two suppliers.

Additional steps we will take include:

1. Further embed our Modern Slavery Questionnaire in our processes;
2. Reviewing and assessing any updated or additional Information provided by Suppliers for modern slavery risks;
3. Engaging with suppliers where their responses indicate heightened risks.

RELATED ENTITIES

Hort Innovation does not own or control any other entity and accordingly Mandatory Reporting Criteria six does not apply.

Compliance schedule

This 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.

COMPLIANCE SCHEDULE		
1.	Identify the reporting entity	Introduction (page 3)
2.	Describe the structure, operations and supply chains of the reporting entity	Our business structure, operations and supply chain (pages 5 to 11)
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	Addressing the effectiveness of our actions (page 13)
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	Actions to assess and address risk (page 14) Remediation (page 15)
5.	Describe how the reporting entity assess the effectiveness of such actions	Assessing the effectiveness of our actions (page 15)
6.	Describe the process of consultation with any entities that the reporting entity owns or controls	Process of consultation (not applicable)
7.	Provide any other information that the reporting entity considers relevant	No additional information relevant

Hort Innovation

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