



MODERN SLAVERY STATEMENT 2021

**For the partnership between:
Berry Holdings of Australia Pty Ltd and
Costa Berry Holdings Pty Ltd
(trading under the name Driscoll's Australia Pty Ltd)
ABN 32 685 595 255**

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INTRODUCTION

This is the second Modern Slavery Statement for the Driscoll's Australia Partnership between Berry Holdings of Australia Pty Ltd and Costa Berry Holdings Pty Ltd (trading under the name Driscoll's Australia Pty Ltd) ABN 32 685 595 255 ("we" or "Driscoll's") in accordance with the *Modern Slavery Act 2018* (Cth) (the "Act").

This modern slavery statement outlines the activity and progress we have made to understand, mitigate and address human rights and modern slavery risks within our operations and supply chain for the financial year ending on 26 December 2021 ("Reporting Period").

At Driscoll's we are committed to respecting human rights across all our operations. We are committed to a program of continuous improvement to ensure our processes, policies and actions remain effective in identifying the risk of and remediating modern slavery and protecting human rights.

We recognise that much remains to be done and we look forward to building on the actions outlined in this statement.

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Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity	7
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Describe how the reporting entity assesses the effectiveness of these actions	12
Any other information that the reporting entity considers relevant	13

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure

Driscoll's is a general law partnership and joint venture. Driscoll's is owned 50:50 by Berry Holdings of Australia Pty Ltd ABN 95 108 172 425 and Costa Berry Holdings Pty Ltd ABN 15 142 331 780.

Berry Holdings of Australia Pty Ltd is a wholly owned subsidiary of Driscoll's Incorporated, domiciled in California, USA. Costa Berry Holdings Pty Ltd is a wholly owned subsidiary of Costa Group Holdings Limited. Costa Group Holdings Limited shares are quoted on the Australian Securities Exchange (referred to as Costa in this statement).

As Costa has a 50% interest in Driscoll's, is the largest individual Grower, and provides services to Driscoll's, we also refer interested parties to the Costa Modern Slavery Statement 2021.

As Driscoll's is a partnership, Driscoll's Australia Pty Ltd (ACN 141 680 364) acts as its manager and may enter into supply and distribution agreements as manager of the partnership.

Operations

Driscoll's registered office is located in Ravenhall, Victoria. Driscoll's core operations include the licensing of berry plant genetics and the supply of berry plants and the marketing and distribution of berries on behalf of producers. We do not commercially farm berries, however we do manage a small test plot where berries can make their way into the supply chain.

At the end of the Reporting Period, Driscoll's had a total of 104 full-time equivalent employees, excluding workers sourced through labour hire providers. All these employees had a contract of employment with Driscoll's and all are employed within Australia.

The Driscoll's business model is built on the 52 week supply of fresh quality strawberries, raspberries, blueberries and blackberries to consumers. As a result our supply base extends from Far North Queensland, south to Tasmania, and west to Western Australia, depending upon seasonality in the different climatic conditions

Licensing berry plant genetics:

Driscoll's holds authorities to sub-licence berry plant genetics licenced by the joint venture partners to third party growers as well as Costa (collectively referred to as "Growers"). Driscoll's directly contract with the Growers for the supply of these genetics and the exclusive marketing rights for the fruit produced.

Driscoll's licence those plants, grown in Australia at internal and third party nurseries from authorised source material, to the Growers for a plant fee. The Growers produce fresh berries from the plants supplied. These fresh berries are packed and

returned to designated Driscoll's distribution centres for marketing and distribution by Driscoll's, primarily domestically in Australia, to both retailers and wholesalers.

Producing berry plants:

Driscoll's plant nurseries and tissue culture facilities produce the plants for sub-licencing to Growers. In addition, Driscoll's outsource to other Australian based plant nurseries the generation of plants for sub-licencing to Growers. All commercial plant production for growing in Australia occurs within Australia.

Buying and distributing berries:

In addition, Driscoll's may buy berries from a grower, or co-operative of growers, who have grown berries from plant genetics licenced by other parties, and market that fruit for agreed returns to each party.

Driscoll's co-ordinate berry packaging for the Growers and may also co-ordinate freight to the customers, from designated distribution centres. Two of these distribution centres are managed and controlled by Driscoll's (Coffs Harbour, NSW and Ningi, Qld) with other distribution centres managed and controlled by third parties or Costa.

The Grower base and operations are supported by regional agronomy teams, tissue culture facilities, nurseries, distribution centres, a test plot and head office. The Driscoll's managed facilities are displayed below.



Palmwoods, Queensland – Tissue culture facility

Redlands, Queensland – Tissue culture facility

Ningi, Queensland – Distribution centre and regional staff

Coffs Harbour, NSW – Distribution centre and regional office

Ravenhall, Victoria – Head office and administration

Pakenham, Victoria (under construction) – Tissue culture and plant nursery facility

Perth, Tasmania – Plant nursery operations

Cressy, Tasmania – Plant nursery operations

Launceston, Tasmania – Regional office

Evandale, Tasmania – Test plot

Perth, Western Australia – Regional staff

Supply Chain

Driscoll's source fresh berries from contracted Growers in Australia. In addition we source fresh berries from other suppliers in Australia on an agreed basis, and source some fresh berries from New Zealand.

During 2021, over 98% of our fresh berry sourcing is Australian produced, with the remainder from New Zealand.

During 2021, in excess of 99% of our sales of fresh berries occurred to retail and wholesale customers within Australia for consumption within Australia. The remaining small percentage was for export, with the joint venture partner, Driscoll's Incorporated being our customer.

The berry plant genetic Licensors import small number of plants, for quarantining and clearance by Australian authorities and regulators. Once cleared, Driscoll's manufacture berry plants at our internal nurseries in Australia but also at industry available third party nurseries within Australia, under agreement. All commercial plant production for growing in Australia occurs within Australia.

Driscoll's supply chains also include labour hire and procurement of other services (such as transport) and goods (such as packaging, agricultural inputs and machinery). While these are predominantly sourced from Australian based companies, their supply chains may be geographically diverse.

During the Reporting Period, Driscoll's sourced workers through 5 labour hire providers for circa 90 full-time equivalent employees. All are engaged within Australia, in different states, at different times of the year, depending in seasonality of production cycles. The maximum FTE equivalent at any one time from labour hire providers is circa 130.

With the exception of suppliers of fresh berries, and transactions with the joint venture partners, Driscoll's have classified suppliers with which Driscoll's has an annual spend of greater than \$50,000 as "Major Suppliers". During the reporting period, Driscoll's identified its Major Suppliers as part of the supply chain mapping process. Circa 95 per cent of Driscoll's total 2021 procurement spend (excluding suppliers of fresh berries, and joint venture partner spend) was contributed by Major Suppliers, and represent approximately 90 individual suppliers.

Many of these are Australian based suppliers who may also make submissions under Modern Slavery Statements.

RISKS OF MODERN SLAVERY PRACTICES

The Global Slavery Index 2018 identified forced labour of temporary work visa holders (in particular individuals on working holiday visas, Seasonal Work program visas, international student visas and skilled temporary 457 visas) as a risk in Australian industries including agriculture, and a range of other sectors.

(source: <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>)

In horticulture, the types of slavery Driscoll's have identified as being most likely are: forced labour, debt bondage and deceptive recruiting for labour or services.

These types of slavery have been identified as the horticultural sector has a high reliance on migrant workers, many of whom may have limited understanding of English and who may be less aware of their human rights. They are primarily undertaking seasonal tasks (ie. picking and packing work) and are often employed under temporary or casual employment arrangements. Workers may be on temporary visas, with some of these visa categories binding an employee to a specific employer for the duration of their stay in Australia, for example through the Australian Government's seasonal worker program.

Driscoll's continue to assess our direct workforce as being of low risk to modern slavery, and believe our people and policies (including recruitment due diligence) further mitigate this risk. Driscoll's has identified that our greatest risk of involvement in modern slavery is being indirectly linked to it through our supplier relationships. In particular, the risk is considered to be greater where labour is being outsourced, such as:

- Sourcing produce from Growers and other suppliers of fresh berries where these suppliers outsource labour.
- Labour hire companies which supply labour to Driscoll's operations.

Driscoll's also identified geographic risks of modern slavery in its supply chain in relation to:

- packaging products sourced from overseas, such as punnets from China.
- agricultural inputs sourced from overseas, such as coir from India and Sri Lanka.

In addition to sector and geographic risks of modern slavery, within Driscoll's supply chain, services that have lower skill base entry requirements and where recruitment may be outsourced were also identified for potential modern slavery risks, such as cleaning and courier services:

ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

During the reporting period, Driscoll's continued to develop plans to assess and address modern slavery risks in our operations and supply chain.

Governance

Driscoll's has a suite of policies that reflect our core values, and which outline our ways of working and expectations for our employees and suppliers. Policies are reviewed and updated on a regular basis.

Outlined below are the policies, processes and activities that are most relevant to mitigate human rights and modern slavery risks for Driscoll's operations and supply chain:

- **Recruitment and Selection Policy**
Sets our recruitment and selection practices to be fair, equitable and free from discrimination. This includes eligibility to work in Australia and compliance with child labour laws.
- **Code of Conduct and Behaviour Standards**
Sets out the values, commitments, ethical standards and policies of Driscoll's and outlines the standards of conduct expected of our business and people.
- **Human Rights Policy**
Sets our commitment to respecting internationally recognised human rights and our expectations for the conduct of our employees and suppliers.
- **Supplier Code of Conduct**
A Supplier Code of Conduct has been developed and we continue to aim to include into new or renewed agreements.

Supply chain management and due diligence

- Ethical sourcing program

Driscoll's ethical sourcing program, includes the use of Sedex (Supplier Ethical Data Exchange) and Fair Farms as management tools to help the company understand the level and scope of social sustainability practices across our own sites and within our Grower base.

Fair Farms is an industry-led initiative aimed at fostering fair and responsible employment practices in Australian horticulture, and was utilised in 2021 as an option to Sedex for our berry supplier base.

Fair Farms is developed and implemented by horticulture peak industry body Growcom, with support from the Federal Department of Agriculture, Water and the Environment, AUSVEG, Fresh Markets Australia and the National Farmers Federation Horticulture Council. It is designed to help growers improve their compliance with workplace laws and to demonstrate to buyers and the community that they treat workers in a fair, ethical, and responsible manner.

Sedex and Fair Farms are used to help assess our supply base risk and forms a key part of Driscoll's internal system to assess risks of forced labour. They also facilitate due diligence monitoring and form part of any remediation activities.

Driscoll's requires its Growers to register on Sedex or Fair Farms and complete self-assessment questionnaires (SAQ).

Supply chain mapping

During the reporting period, Driscoll's continued to categorise our Australian suppliers of berries into two groups:

- the first, larger, source being Growers who pack the fruit into punnets themselves for delivery to Driscoll's for onselling to customers. The Growers are direct (tier 1) suppliers of Driscoll's; and
- the second source, where a Packing Operator receives fruit into their packing operation, packs into punnets and delivers the fruit to Driscoll's for onselling to customers, after having received the fruit from their suppliers. The Packing Operator is a direct (tier 1) supplier of Driscoll's and its suppliers are indirect (tier 2) suppliers of Driscoll's.

At the end of the reporting period, 100% of our tier 1 suppliers, were registered on either Sedex or Fair Farms and shared visibility of their site information with Driscoll's. During the reporting period, we used this information to risk assess employment management practices and identify areas of potential risk including forced labour.

During 2021, 12 SMETA (Sedex Members Ethical Trade Audit) and 4 Fair Farms independent audits were performed on our berry suppliers, including circa 34% of tier 1 growers. In these audits non-conformances were identified. All were remediated within 2021 with the exception of one audit that was subsequently remediated in 2022, leaving 100% remediated at the date of this report and verified as closed by the independent auditor.

Driscoll's continues to raise awareness to assist suppliers of berries to improve in this area, acknowledging that some suppliers are significantly less resourced, primarily in the tier 2 category. Driscoll's have invested in a full-time permanent Compliance Officer. The role of the Compliance Officer includes providing region assistance and support to the Growers and other suppliers of berries to Driscoll's.

- **Labour hire firm audits**

During the Reporting Period Driscoll's worked with 100% of our 5 labour hire providers to undertake audits ensuring compliance with the Driscoll's Supplier Code of Conduct. All of these audits identified no remedial action. Investigations are undertaken should issues be discovered, followed by appropriate remediation.

Driscoll's have used consistent labour hire providers for a number of years. Agreements with those Driscoll's direct labour hire providers include reference to Driscoll's expectations for such providers, including that they are registered, where required. All have been issued with the Driscoll's Supplier Code of Conduct.

Labour hire licensing schemes have been introduced in several states to regulate the labour hire sector, including in Queensland, Victoria and South Australia

Direct labour recruitment

Driscoll's have been undertaking a process through 2021 to obtain a Horticultural Labour Agreement with the Australian Government to enable the business to directly source and secure agricultural roles. This has been approved in 2022 and provides further control to Driscoll's to mitigate modern slavery risks.

Training and communication

As a result of Covid-19 restrictions again in 2021, Driscoll's was hampered in key actions such as face-to-face staff and supplier training. As restrictions continue to lift we intend to continue our training.

Our on-line training module has allowed education of new staff to our key HR policy expectations around human rights, equal employment opportunity, harassment and discrimination, as well as biennial refresher training for existing staff.

Remediation – grievances/complaints

Driscoll's have a Grievance and Dispute Resolution Policy, which provides a channel for employees, contractors, and visitor stakeholders to raise concerns about suspected instances of modern slavery.

The complaints procedure provide information on the key steps to follow for personal workplace grievances (such as discrimination, harassment or bullying in the workplace) to ensure the situation can be dealt with in an effective and prompt manner.

Responding to COVID-19

Driscoll's are proud of the commitment and professionalism of our teams in the face of the pandemic. This has enabled our workforce and our berry suppliers to continue to operate to meet the needs of our customers and consumers.

Throughout the pandemic our response has been in line with the relevant Australian federal and state health departments and workplace health and safety authorities.

We recognise the COVID-19 pandemic has increased the risk of vulnerability of our, and our Growers, workforce and labour supplied through labour hire contractors. Border closures and travel restrictions have left some workers displaced from their home countries. Throughout the pandemic, Driscoll's has worked closely with our Growers and industry bodies including the Australian Fresh Produce Alliance.

A COVID-19 plan continues to be followed ensuring a range of safeguards including the provision of PPE and testing to reduce the risk of spreading the virus. As case numbers increased in the latter part of 2021 our response included support for employees isolated with COVID-19.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Driscoll's worked during the reporting period to understand the effectiveness of initiatives outlined in this statement and broader activities across the business which impact human rights, and to further develop a framework for the ongoing assessment of our performance.

During the reporting period, we assessed our effectiveness through the following mechanisms:

Governance

- Policy reviews
- Joint Venture partners, Board and Executive oversight

Risk Management

- Sedex and Fair Farms implementation
- SMETA audits (Sedex Members Ethical Trade Audit) and Fair Farms audits
- Labour Supplier audits for Driscoll's labour hire providers for compliance to the Driscoll's Supplier Code of Conduct
- Full time permanent Compliance Officer role

Monitoring

- Supplier self-assessment questionnaire (SAQ) for SEDEX and Fair Farms
- Supplier audits
- Site visits – as a result of Covid-19, Driscoll's were again restricted in 2021 in our abilities to conduct sites visits during the reporting period. As restrictions continue to lift, this monitoring process will continue
- Training participation

Grievance mechanisms

- Complaints Procedure

Consultation with Related Entities

As a joint venture, the two partners, Costa and Driscoll's Incorporated, ensure Driscoll's is committed to developing a company wide approach to managing and mitigating the risks of modern slavery.

With both Costa and Driscoll's operating in Australia, there are common suppliers of goods and services not for resale. Where appropriate, the two organisations have common supply agreements and common risk mitigation practices on those suppliers in regards to the risks of modern slavery.

Prior to being put to the Board and Management Committee for review and approval, this modern slavery statement has been reviewed by senior management of Driscoll's.

ADDITIONAL INFORMATION

Driscoll's recognises that modern slavery in horticulture cannot be resolved in isolation. Driscoll's is a member of the Australian Fresh Produce Alliance which continues to advocate for enhanced workforce policies including visa arrangements and incentives. AFPA has also sought funding for a dedicated horticultural taskforce within the Fair Work Ombudsman for educating, investigating, and undertaking compliance and enforcement activities in the sector ahead of the changes to piece rate provisions.

AFPA supports the implementation of national labour hire licensing.

Costa, our 50% joint venture partner, is a member of the Fair Work Ombudsman's Horticulture Reference Group. The membership of this Group consists of industry associations, unions, retailers and employers.

We also acknowledge the work being done by Australia's major retailers with respect to modern slavery. We work closely with our retail partners to ensure processes and actions are effective in mitigating the risk of modern slavery and protecting human rights. We support an ongoing process of continuous improvement in the fresh produce sector and encourage the country's major retailers to ensure that all of their fresh produce suppliers are held to the same high standards.

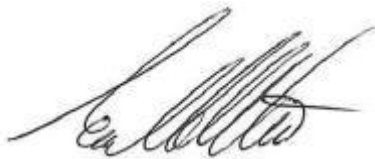
LOOKING AHEAD

As we continue to mature in our response to modern slavery risks, Driscoll's remains focussed on a process of continuous improvement in relation to the protection of human rights and reduction of risks of modern slavery.

In future years, actions may include:

1. Continue to develop systems to measure the effectiveness of our actions
2. Expand modern slavery training through Awareness Training Modules and materials to a greater number of staff
3. Continue to work with partners in this area and identify opportunities for supplier cooperation, including scheduled independent audit activity on supplier SEDEX and Fair Farm registrations, and internal Driscoll reviews of berry supplier compliance, including Tier 2 suppliers of berries.
4. Further establish remediation activities in the supply chain, including providing an independently operated whistleblower reporting mechanism.

This statement was approved by the Board of Driscoll's Australia Pty Ltd, as manager of Driscoll's and by the Management Committee of Driscoll's on 23rd June 2022.



Sean Hallahan

Member of the Driscoll's Australia Partnership Management Committee, and
Director of Driscoll's Australia Pty Ltd