

MODERN SLAVERY STATEMENT 2022



Mandatory reporting criteria of the Modern Slavery Act

This Modern Slavery Statement (the Statement) is made by Oz Group under the Commonwealth Modern Slavery Act 2018 (Modern Slavery Act) for the period 1 July 2021 to 30 June 2022 (the reporting period of FY22).

MSA CRITERIA	REFERENCE IN THIS STATEMENT
Identify the reporting entity	Page 2
Describe the reporting entity's structure, operations and supply chains	Page 4
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 6
Describe the actions taken by the reporting entity and any entity it owns or controls to assess and address those risks, including due diligence and remediation processes	Page 6
Describe how the reporting entity assesses the effectiveness of these actions	Page 8
Describe the process of consultation with any entities that the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 8

IDENTIFY THE REPORTING ENTITY

Oz Group Co-op Limited (ABN: 73 482 255 177) is a berry co-operative owned by its farmer members who operate Australian berry farms. The company is registered at 31-51 Isles Drive, North Boambee Valley NSW, Australia. This Statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (MSA or Act). It describes the steps taken by Oz Group to identify, assess, mitigate and remediate modern slavery risks in its operations and supply chain during year ending 30 June 2022 (FY22)

Message from our Chief Executive Officer

At Oz Group, we are led by our purpose yet guided by our values. Our values and behaviour of Respect, Accountability, Innovation, Safety and Excellence reflect the professional approach we take to deliver our suite of services to our members and other stakeholders.

Our approach to modern slavery is one of continuous improvement and since we published our second statement in January 2022 for FY21, we have gained greater insight into risks and trends relating to modern slavery, which has enabled us to strengthen our approach.

Key highlights in FY22 include:

- Our growers continued to participate in social compliance programs, which are conducted via third party auditors. As at FY22, 28 of circa 142 growers were audited under Fair Farms or SEDEX (Supplier Ethical Data Exchange)/ SMETA.
- Pillar-Two delivered modern slavery training in April 2022 to the Board of Directors and Senior Management Team, which went through key issues of modern slavery and human rights particularly in horticulture. Further training was delivered by NS8 Lawyers & Advisors

in October 2022, which consisted of key topics including Director responsibilities and linking it back to modern slavery and human rights.

- Permanent staff were required to complete online modern slavery training, increasing awareness about these important issues relating to human rights.
- All blueberry growers were encouraged to attend workplace relations training which covered various topics including employment law, health and safety, human rights and more.
- Distribute self-assessments to top four suppliers by spend to understand their risks and most importantly what steps they're taking to mitigate those risks.
- Delivered several online webinars and face to face workshops to growers, mainly focusing on piece rate calculation and general payroll compliance. Oz Group also collaborated with several state government departments to increase awareness to growers on compliance related matters including health and safety on farm, chemical management and wastewater management, water regulations and much more.
- A comprehensive internal risk assessment was conducted to examine modern slavery risks that may exist within our grower base. This information was presented to the Board of Directors and shared with senior managers.
- Implemented a process whereby growers conduct basic due diligence checks on labour hire providers and record this information on a register. This also allows better visibility of labour hire providers and their workers.

In the year ahead we will continue to develop our approach to managing the risk of modern slavery within our business and supply chains and ensure our strategy responds to changing risks.

This statement was approved by the Board of Directors of Oz Group and signed by James Kellaway, as Chief Executive Officer.



A handwritten signature in black ink that reads "James Kellaway". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

James Kellaway
Chief Executive Officer
30 December 2022

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Our structure

Oz Group is an Australian co-operative based on the Coffs Coast (mid-North Coast of NSW) and is made up of over 140 members who grow the finest quality berry fruits (blueberries, raspberries and blackberries). Oz Group is structured as a co-operative and managed by a Board of Directors who are elected by its members.

At the end of the reporting period, Oz Group employed 48 permanent workers (40 full time, 8 part time) and an average of 258 casual workers across our packhouse, receival points and support office.

- 65% male and 35% female
- Over 15 different nationalities

In early 2022, Oz Group became an approved labour hire company under the PALM scheme. At the end of the reporting period, Oz Group employed 83 PALM workers (28 directly employed, 55 indirectly employed) to work on farm with growers who participated in the PALM scheme. Jobs Australia Enterprises Pty Ltd (approved labour hire company) supplied the 55 indirect workers.

Our operations

Packhouse operations

Once the fruit is harvested on farm, it's delivered to our centralized packhouse facility in Coffs Harbour. Oz Group's core business is the receival, grading, packing and dispatching of berry fruits to the major supermarkets and central markets Australia-wide via our marketing partner.

In 2020, Oz Group introduced a frozen line of blueberries to complement the fresh supply to the market. This also allowed us to reduce our waste and employ more local workers.

A team of dedicated professionals are employed by Oz Group to support our grower base, allowing growers to focus on farming and producing quality fruit. The key functions within Oz Group are divided into the following teams: agronomy, operations, co-op services, HR and risk/ compliance.

Labour hire

As at mid-2021, Oz Group purchased a backpacker accommodation facility and signed a long-term lease on a second facility, both based in the Coffs Harbour area. Oz Group controls both accommodation facilities, which is primarily used to house seasonal workers for our members who participate in the Pacific Australia Labour Mobility (PALM) scheme. The name of the facility owned is Jetty Blue Backpackers, and the name of the facility we lease is Aussietel Backpackers. Each facility is managed by an independent contractor, Oz Group currently do not employ workers for either of these sites.

Grower members

Oz Group is passionate about providing the freshest berries through sustainable and best farming practices. Our growers are located largely from Macksville in the South to Grafton in the North and are spread along the coastline to the East and to the foothills of the Great Dividing Range in the West.

- Total farming footprint of 886 hectares
- Total number of plants 2.835M
- 32 different plant varieties

Our supply chain

Oz Group procure a range of goods and services from a diverse supply chain. Oz Group has a wide range of suppliers providing products and services including but not limited to packaging, logistics, machinery, maintenance, training, consulting, legal and financial services.

To simplify our supply chain, this report will separate suppliers into two groups. Firstly, **packhouse & labour hire supply chain** which relates to the procurement of goods and services to support our core function which is packing and grading berries from our members. Secondly, our **grower member supply chain** which relates to suppliers who provide goods or services to our growers.

Packhouse & labour hire supply chain

Our supplier arrangements range from one-off purchases with non-contracted suppliers through to regular purchases with formal agreements and contracts.

We work with over 200 direct suppliers who provide goods and services to support our operations. This includes packaging (plastics and cardboard), logistics and transport, machinery related expenses and more. Where possible, Oz Group will make it a priority to procure products and services from Australian based businesses. The majority of our total spend is paid to entities located in Australia.

The top suppliers by spend (\$1M and over) in FY22 are categorised below:

- Packaging (plastics and cardboard) – over \$8M
- Logistics and transport – over \$4M
- Insurance, legal and other professional services – over \$1.5M

Note: expenses related to labour hire did not reach \$1M.

40% of these suppliers we spend \$1M over submitted a modern slavery statement with Australian Border Force in FY21.

99% of total expenditure was paid to Australian based businesses

Grower member supply chain

Our members will procure goods and services related to their farm operation. Some expenses will be one-off and others will be on-going. The top suppliers of goods and services by spend is categorized below:

- Labour including packing fees
- Fertilizers and other chemicals
- Plants and materials
- Fees and licenses, diesel and other operating costs

RISKS OF MODERN SLAVERY PRACTICES

This is Oz Group's third Modern Slavery Statement; however, it was prepared in conjunction with the first and second statement.

We recognize that our review and assessment of our actions to identify and address our modern slavery risks in our operations and across our supply chain will be an ongoing and an evolving process.

In FY21, we mapped our first-tier suppliers within our supply chain as mentioned in our previous statement. In FY22, we conducted an internal risk assessment to identify Oz Group's involvement in modern slavery. This assessment focused on our grower members. Due to time constraints, Oz Group's packhouse & labour hire operations were not included in the assessment.

We recognize that there are risks of modern slavery practices across our operations and supply chain. The risks of modern slavery practices mean the potential for Oz Group to cause, contribute to, or be directly linked to modern slavery through its operations and supply chains. This statement will outline risks in terms of these categories.

Packhouse and labour hire supply chain

We recognize that there are risks of modern slavery practices across our operations and supply chain.

Potential to cause modern slavery practices

Whilst we acknowledge that there are risks of modern slavery practices across Oz Group's operations and supply chain, it's unlikely our operations may directly result in modern slavery practices.

In FY24, Oz Group plans to include packhouse and labour hire operations into the risk assessment to further assess these risks.

Potential to contribute to modern slavery practices

Whilst we acknowledge that there are risks of modern slavery practices across Oz Group's operations and supply chain, the risk rating of our operations contributing to modern slavery practices is possible/ probable. In FY24, Oz Group plans to include packhouse and labour hire operations into the risk assessment to further assess our supply chain.

Potential to be directly linked to modern slavery practices

Whilst we acknowledge that there are risks of modern slavery practices across Oz Group's operations and supply chain, the risk rating of our operations being be directly linked to modern slavery practices is possible/ probable. In FY24, Oz Group plans to include packhouse and labour hire operations into the risk assessment to further assess our supply chain.

Grower member supply chain

Being a co-operative, Oz Group farmer-members are at the heart of the organisation. Our farmers are our focus and their progress is central to our success. Growers are separate entities who operate independently of one another. They are members of Oz Group and are provided with the benefits of a co-operative structure.

We believe modern slavery practices may exist in our grower supply chain, most likely through contractors engaged to supply labour for picking fruit. The internal risk assessment focused on risks that may exist within our grower member supply chain, and not whether growers cause, contribute to, or be directly linked to modern slavery. The plan for FY23-24 is to conduct the risk assessment again with the focus on these factors.

The internal risk assessment indicated that the following types of slavery involved within the grower member supply chain are: forced labour, debt bondage and deceptive recruiting for labour or services. As mentioned in the previous statement, the horticulture industry is considered high risk for instances of modern slavery.

Potential to cause modern slavery practices

The internal risk assessment did not identify that grower operations may directly result in modern slavery practices.

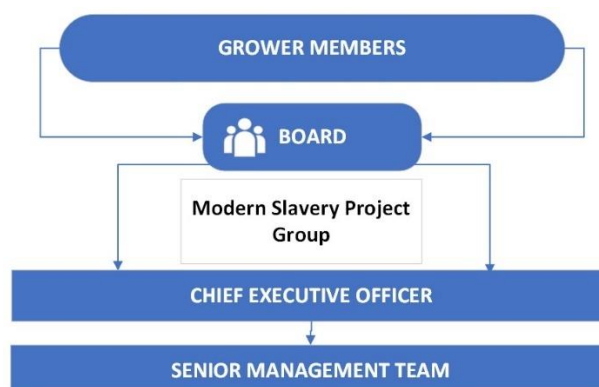
GOVERNANCE

Oz Group is a co-operative which is a member owned business designed to serve the interest of its grower members. The nature of a co-operative is to serve members by providing goods and services that may be unavailable or too costly to access as individuals. Members are separate entities who operate independently of one another.

Our Board of Directors are responsible for the oversight of human rights issues, as it relates to our 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.

Our Chief Executive Officer is accountable for the overall implementation of our human rights programs, supported by the Senior Management Team (SMT).

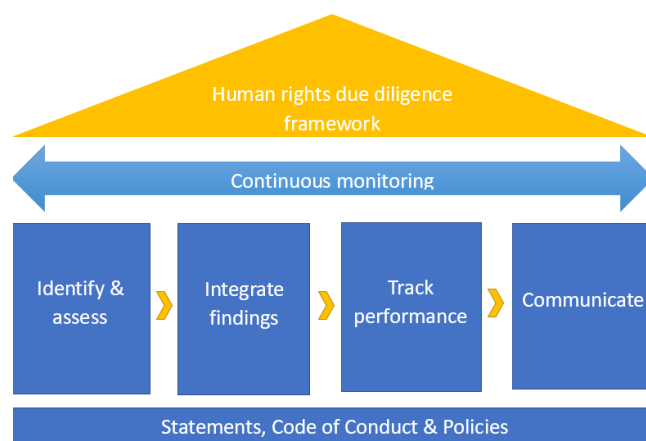
Our Modern Slavery Project Group includes representatives from operations, human resources and compliance and is responsible for assessing our current activities and providing recommendations to the Board.



DUE DILIGENCE

Our 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 our business relationships.

The four key elements of our human rights due diligence are:



Identify and assess

We use a number of mechanisms to identify and assess the actual and potential human rights impacts that may be caused by our actions, to which we may contribute or be directly linked.

Ethical auditing program

The ethical auditing program for Oz Group growers began in 2020. Growers initially audited under SEDEX/ SMETA, but then transferred over to the Fair Farms program. As at the end of 2022, 22 growers, mostly growing rubus crop, completed a Fair Farms audit. The majority of corrective actions from these audits related to minor health and safety issues on farm, which were addressed and closed out shortly after.

The plan for FY23-24 is for blueberry growers to register with either SEDEX/ SMETA or the Fair Farms program.

Labour hire contractors

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

A large number of our growers engage labour companies to supply labour primarily to harvest the crop, which is common in horticulture.

As at the end of 2022, circa 70% of our growers reported using labour hire companies. During this reporting period, no labour hire registration scheme exists for NSW or nationally. During this period, it was reported that more than 1/3 of growers who rely on external labour engaged contractors that were either registered to one of the States schemes and/ or they used seasonal workers from an approved employer under the PALM scheme.

The plan for FY23-24 is to develop a self-questionnaire for labour hire contractors to complete. This questionnaire will contain questions about the contractors operations, compliance with various laws and worker information. This will allow more visibility into the grower member supply chain and their contractors.

Integrate findings

Grievance mechanisms

Oz Group provides grievance mechanisms to identify and escalate issues consistent with our Whistleblower Policy. This Policy applies to all Oz Group operations including growers and their labour hire contractors. We continue to build awareness and knowledge among team members, encouraging them to voice their concerns without fear of retribution and with full confidentiality.

Anyone within our operations and supply chain can report improper conduct, unlawful or unethical behaviour through our third-party whistleblower service which is an independent and confidential service - Stopleveline.

Training

Oz Group maintains an ongoing focus on human rights and modern slavery training of all relevant team members, including senior management and directors.

In FY22, all permanent staff completed training through our online learning platform (GO1) around modern slavery awareness. In addition, Pillar-Two delivered training to the Board of directors and Senior Management Team (SMT) about human rights and modern slavery risks within horticulture. Further training was provided by NS8 Lawyers and Advisors regarding duties and responsibilities of directors as it relates to modern slavery.

Over 40 growers attended face to face training which covered various topics including workplace relations, health and safety, employment law and more. This is the second year we have delivered this training and which is conducted internally by staff who had adequate qualifications in these areas.

In FY23-24, we plan to continue increasing awareness to our staff and grower members about human rights issues and modern slavery through training.

Track performance

The ethical auditing program for Oz Group allows us to track the performance of our grower members by monitoring and analyzing the findings to identify common trends and therefore areas of improvement.

The plan for FY23-24 is to consider organizing semi-unannounced audits for blueberry growers, implementing an internal audit program for blueberry growers and implementing a self-questionnaire for contractors to complete. In doing so, this will improve visibility into our grower member supply chain and allow Oz Group to identify the potential risks of being involved in modern slavery practices.

Communication

Engagement with stakeholders, including grower members, suppliers, government agencies, non-government organisations and industry peers, is a critical component of our commitment to stamping out modern slavery within our operations and supply chain.

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