



PERFECTION FRESH GROUP

Modern Slavery Statement 2020

This first modern slavery statement (Statement) under the Modern Slavery Act 2018 (Cth) is made by the Perfection Fresh Group in respect of the period from July 1, 2019 to June 30, 2020 (Reporting Period).

MODERN SLAVERY STATEMENT

Perfection Fresh Australia and its associated companies are committed to respecting human rights as set out in the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights. We strive to foster safe, inclusive, and respectful workplaces wherever we do business and respect the fundamental rights of Perfection Fresh Group employees, which are: freedom from slavery and child labour; freedom to associate (or not associate) and collectively bargain; equal opportunity for everyone; a safe and healthy workplace; and freedom from discrimination and harassment. Where Perfection Fresh Group may impact the human rights of particularly vulnerable groups, such as migrant labourers, unskilled labourers, indigenous people, women, or children, we are also guided by other international standards that elaborate on their rights.

This Modern Day Slavery Statement is published in accordance with Modern Slavery Act 2018 (Cth) and Modern Slavery Act 2018 (the NSW Act). It outlines the approaches we have taken so far to prevent modern slavery in our operations and supply chains.

The principles are drawn from International Labour Organisation Conventions, Protocol, Recommendations, and Instruments such as the Declaration on Fundamental Principles and rights at work and the UN Guiding Principles on Business and Human Rights. The principles address businesses and aim to provide clear and practical interpretation of international labour standards.

We continue to build our knowledge of the risks of modern slavery and the areas of our business that could face some of these challenges. We work across our business and supply chains to put the right practises in place to prevent and respond to any potential risks. Modern Slavery is unacceptable within our business and supply chains. We have a responsibility to respect the rights of people who work for the company, and to do business with suppliers and business partners that respect human rights of their respective employees. We recognise there is no single solution to human rights issues which is why it is critical that we engage with all our stakeholders to build awareness and understanding.

Perfection Fresh Group has applied the principles below to its own operations and labour providers. These principles should also be applied by Perfection Fresh's suppliers and their labour providers.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Our Structure

Perfection Fresh Group is one of Australia's leading fresh produce companies, serving the Australian Wholesale Market, Retail Industry, Aged Care facilities and the Australian public.

Perfection Fresh Group harnesses their passion through growing their own produce, engaging with suppliers and employees, working together towards the common goal of delivering healthy, fresh innovative produce.

Perfection Fresh Group acknowledges the commitment of our growers and their communities to deliver the highest levels of quality and safety; and facilitating knowledge and sharing across more than 9,000 families in our employees and suppliers supply chain.

Our Operations

Perfection Group Companies:

- Perfection Fresh Australia Pty Ltd ABN 75 127 389 682
- Como Glasshouse No 2 Pty Ltd ABN 49 604 272 951
- Choice Pack Pty Ltd ABN 78 127 390 425
- Bartel Berries Caboolture Pty Ltd ACN 614 034 749
- Perfection Berries Tasmania Pty Ltd ABN 47 622 822 315
- Perfection Agrifresh ABN 59149811 156
- Perfection Fresh Direct Pty Ltd ABN 50 128 743 895
- Perfection Barwon Pty Ltd ABN 49 622 822 324
- GrowCo Holdings ABN 49 600 368 367
- Perfection Fresh Brisbane ABN 35 129 766 810
- Perfection Fresh Exports Pty Ltd ABN 42 127 390 210
- Como Wood Supply ABN 70 603 344 396

Perfection site numbers: 19

Employees across the business: 1,300 +

Perfection Fresh purchases over substantial produce from Australian farmers. Our growers are among the hardest workers in Australia and so are the workers on their farms. It is important that we work with them, labour hire providers and Industry bodies like Growcom, Fresh Produce Alliance, Produce Marketing Australia, National Farms Federation, AUSVEG, auditing companies and the broader industry to ensure that the people who have grown, picked, packed, stacked and delivered our fresh produce are treated ethically and fairly.

Our Supply Chain

Perfection Fresh has a diverse supply chain, with the Group and local supply chain partners, we employ between us at least 9,000 workers, with 57 different languages spoken.

Suppliers are a critical component of the Perfection Fresh business. We build strategic long-term relationships with our supplier partners and are proud that many of them have worked with us for decades. These long-term relationships enable us to have open and honest conversation and to share best practises.

We know that a large part of the success of the Perfection Fresh business lies in our trusted relationships with our supplier partners. We expect all suppliers, regardless of the cultural, social, and economic context, to meet our expectations of fundamental rights for all people. This means treating their employees with fairness, respect, and dignity, and following practices that protect health and safety for the workers on their sites.

Under ethical practices, Perfection Fresh Group impact areas of labour, health and safety, business ethics as well as environmental safeguarding.

We are committed to supporting Australian producers and always source from within Australia and New Zealand whenever it is viable and appropriate to do so. We are very proud of the reputation we have earned as Leaders in Australian Horticulture.

Our Values

PASSION

It's not just the secret ingredient for growing delicious fruit and veggies – it's how you grow a great and driven team, too.

RESPECT

We focus on building respectful relationships with our network of growers, suppliers, customers, and employees. It's key to having happy people, and a healthy business.

INNOVATION

We're all for Innovation. And in our world, that means encouraging everyone to come up with fresh tastes, techniques, and ideas. Because innovation can come from anywhere.

DISCIPLINE

While we love to have fun at work, we're all perfectionists at heart. Staying safe, professional, and focused is the only way we can live up to our name.

ETHICAL

Ethical – always. From our products and people to our sourcing and service, everything comes down to quality, safety, honesty, and trust. It's vital in our recipe for success.

IDENTIFYING RISKS OF MODERN SLAVERY PRACTICES

Perfection Fresh Australia recognises that given the complex and diverse nature of our supply chain; modern slavery risks can occur within our supply chains:

Forced Labour

- Restrictions of movements, intimidation, threats, human trafficking

Debt Bondage

- The payment of fees for recruitment or associated costs, and the retention of identity documents

Deceptive recruiting for labour

- Workers promised certain jobs, underpayment of wages, benefits, or conditions

Unsafe working conditions in the workplace

- No emergency evacuation processes, PPE not supplied, no training for fire evacuation or equipment use

Since 2016, we introduced and conducted supplier risk assessments designed to inform our Ethical Sourcing program on areas of focus and risk. These assessments focussed on the inherent risks of exploitation involved in growing and harvesting fresh produce.

Perfection Fresh Group acknowledges that there have been added challenges and risk due to the COVID-19 pandemic which have increased the vulnerability of many workers as a result. In order to support our seasonal workers Perfection Fresh Group implemented a program that allows temporary transfer of employees under the Health Management Plan within Government guidelines. Third party external audits were continued to be conducted throughout the period.

MITIGATING AND MANAGING RISKS

Supplier Code of Conduct

Perfection Fresh Group has introduced a Supplier Code of Conduct and Ethical Sourcing Policy that applies to all suppliers. It sets out our expectations for suppliers on critical topics including modern slavery/human rights, business integrity and environmental management. The Code forms part of our contractual agreements which suppliers must agree to. As a result, this will mean much more in-depth procurement processes, the requirement to sign warranties to mitigate liability and undertake internal and external audits to ensure compliance.

Training on modern slavery and human rights

Training and raising awareness remains a key focus for the business and our supply chains, building on the work since 2016 where we built the capacity of our key staff, practitioners; category teams who have been given increased responsibility for understanding and mitigating Modern Slavery risk across business.

Capacity building for our suppliers remains a key focus, where we believe our risk is the greatest. We have partnered with industry bodies, Growcom and AUS-QUAL, Woolworths Resourcing Project Pilot, Coles Ethical Sourcing supplier requirements and McDonalds Workplace Social accountability program. We consulted on the new Fair Farms certification program in conjunction with the Fair Work Ombudsman to build an Australian standard for the Horticulture Industry. We have worked with the Retail Roundtable and Elevate to identify and work towards mitigating the risk in our Industry to ensure eligibility to work, protecting the rights of Migrant Labour and implementing Grievance Mechanisms. Perfection Fresh Group are A/B members of Sedex and members of Sedex external reference committee.

Employment practices and remediation

Perfection Fresh Group are committed to inclusion, diversity and providing opportunities for all employees. From farm gate to consumer plate, our success would not be possible without the hard work of our people, which is why our people are always treated with dignity and respect. We promote equal opportunity (Gender Equity) to ensure that our employees enjoy a harmonious work environment that is free from harassment, bullying and discrimination.

We aim to create an environment of open and honest communication with our employees having the opportunity to have their say. We acknowledge that a motivated and engaged team of people in our business is vital when building a great place to work.

Perfection Fresh Group implemented a whistle blower policy in 2019. Development of internal anti-slavery policies and processes (internal audits) with developed compliant plans to reduce instances of modern day slavery and build on the awareness and knowledge of our workers.

Monitoring in practice – our Supply Chain

All suppliers are required to submit an annual SAQ on their social compliance management systems, which include how they identify and address potential modern slavery indicators. They are reviewed and assessed for any trends and possible red flags that may trigger supplier engagement and investigation. External audits ensure compliance with various laws such as Fair Work Act 2009, Workplace Health and Safety Act, including our enterprise agreement.

Monitoring Self-Assessment Questionnaires (SAQs) for suppliers and service providers (Labour Hire services) are a continuous improvement exercise to enable the provision of evidence to ensure compliance. Group wide risk assessments are undertaken on all current Labour hire providers.

This year we have undertaken on average 83 grower ethical training sessions per month.

- 67% of our direct suppliers completed 3rd party ethical audits
- 95% of all indirect and direct suppliers have completed the ethical self-assessment questionnaire
- 100% of all labour hire providers have undertaken internal audits
- Perfection Fresh Group have undertaken 8 external third party social audits on our sites

We understand supply chain audits do not eliminate modern slavery; however, they are one of the tools that prompt further investigation. Our Ethical Sourcing Team review each of the audit reports and identifies all non-compliance against the Ethical Sourcing Policy and legislative requirements and customer standards, including indicators of modern slavery. All non-compliance findings are escalated for additional supplier engagement and investigation. On average each supplier had 3 non-compliance issues on-site related to safety and/or forced overtime and labour underpayments. In line with our Policy we communicated our remediation expectations and worked with suppliers to resolve these issues.

Perfection Fresh Group has dedicated a senior manager to the ethical sourcing team whose role it is to conduct regular risk analysis and engage with suppliers to build knowledge and ensure compliance.

Worker engagement

We engage with our workers and our supply chain workers through onsite visits, internal and external audits, and structured meetings with worker representatives. This year, we undertook 15 site visits (reduced due to COVID restrictions on travel), assessed 35 external audits and conducted 10 internal audits.

Perfection Fresh is committed to support workers in our supply chain to:

- be protected if they report human rights violations
- be educated about their workplace rights, including their right to join a labour organisation of their choice; and
- have access to an effective grievance mechanism to ensure that human rights violations are reported, investigated, and remediated

GOING FORWARD 2021 AND BEYOND

Perfection Fresh Group will continue to strengthen our approach to managing the risk of modern day slavery within our businesses and supply chains. We're in the process of reviewing our approach and policies related to protecting human rights, with the aim of ensuing a more robust action plan to address modern slavery risk. We're using internationally recognised standards,

including the UN Guiding Principles on Business and Human Rights, and the views of external stakeholders, to guide this process.

Continuous improvement

- Continuing to work with our suppliers to drive improvements within our supply chain, including conducting audits with worker surveys
- Move beyond audit processes and build our worker capacity and engagement strategy to strengthen supply-chain intelligence
- Assess the practicality of effectiveness measurement and incorporate changes into a broader evaluation framework
- Category and procurement team member training on modern slavery
- Complete the Group-wide review of standard contracts to embed modern slavery clauses

Transparency

Be transparent about our risks and to engage with our supply chain by mapping key human rights indicators for strategic supplier alignment for non-produce and produce suppliers

Disclose any potential or actual situations of modern slavery (ensure worker protection)

Address the drivers of modern slavery risks through strategic and collaborative root cause interventions based on evidence-based research

Partnerships

Partner with our Industry associations, Customers and Suppliers to support and promote the protection of human rights and socially responsible practices.

Partner with and fund targeted community projects that address modern slavery risks and support at-risk workers.

Disclaimer

The purpose of the Statement is to provide general information only as required by the Act and is correct as at the date of publication.

This Statement was approved by the Perfection Fresh Group Board, being the principal body for Perfection Fresh Australia Pty Ltd and its associated companies, on March 31, 2021.



Michael Simonetta
Chairman, Perfection Fresh Group
Date: 31st March 2021