

Shepparton Partners Collective Operations Pty Ltd

Modern Slavery Statement 2019-2020

Introduction

Shepparton Partners Collective Operations Pty Ltd (ACN 633 532 162) (**SPC**) is acutely aware of and committed to its responsibility to respect human rights. As one of the biggest employers in the Goulburn Valley region, SPC is proud to support the local community and others through its day-to-day business activities as well as a wide range of philanthropic contributions and community programs. As agricultural supply chains become increasingly complex, SPC is determined to ensure that its impact outside of its immediate community is consistent with the values that have guided SPC for over 100 years.

This statement sets out more detail about SPC's operations and supply chains, and the means by which its gives effect to its commitment to respect human rights and to address the risks of modern slavery practices. As SPC is a reporting entity for the purposes of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**), this statement is intended to satisfy SPC's reporting obligations under the Modern Slavery Act.

Our business

SPC is based in the Goulburn Valley Region of Victoria, Australia. SPC's major site is based in Shepparton, Victoria and its head office is based in Richmond, Victoria. It also leases a facility in Ardmona, Victoria. SPC is wholly owned by Shepparton Partners Collective Ltd (ACN 633 389 394), and does not have any subsidiaries.

SPC employs approximately 470 permanent staff, with between 150 to 500 casual/seasonal employees engaged subject to production demand. From time to time, SPC also engages additional labour through labour hire arrangements with select providers.

SPC's operations include the manufacture and distribution of fruit and vegetables, food products and fruit juice.

SPC's main brands are SPC, Ardmona, Goulburn Valley, SPC ProVital and Pomlife.

Our supply chains

As a food manufacturer, our primary suppliers are:

- Contract packagers ("CoPackers")
- Packaging suppliers
- Raw material suppliers
- Growers

All of SPC's growers are located in Australia. Of the remaining suppliers, 36% are also located in Australia, 11% in the United States of America, 10% in China, 5% in Thailand, 3% in Germany and 3% in Indonesia. The remainder are from various parts of Asia, Europe, the Pacific and the Middle East.

In addition to the above suppliers, SPC also engages a number of secondary goods and services, for example office supplies, cleaning and security services.



Our policies

The key policies implemented by SPC to address the risk of modern slavery are its Human Rights Policy, Supplier Code of Conduct Policy and Whistleblowing Policy.

The Human Rights Policy applies to SPC, the entities that it owns, the entities in which SPC holds a majority interest, and the facilities that SPC manages. SPC is also committed to working with and encouraging its partners and suppliers to uphold the principles in the Human Rights Policy, and to adopt similar policies within their businesses. The Human Rights Policy affirms that SPC considers seriously human rights when deciding to engage or end business relationships.

The Supplier Code of Conduct sets out SPC's expectations that its customers, contractors, suppliers and sub-tier suppliers will adhere to the same high standards and values when conducting their business and business with SPC. Suppliers are required to adhere to all applicable laws and regulations and use their best efforts to comply with the principles set out in the Supplier Code of Conduct. Intentional disregard for the provisions of the Supplier Code of Conduct, or failure to meet the standards set out therein, may have an impact on the supplier's business relationship with SPC.

SPC is in the process of ensuring that all suppliers have been provided with a copy its Supplier Code of Conduct. It is SPC's intention that all suppliers have been provided with a copy of the Supplier Code of Conduct by the end of 2021.

SPC's Whistleblowing Policy provides its people, suppliers and growers with the confidence to talk freely about information that may potentially damage others. The Whistleblowing Policy is part of SPC's commitment to ensure the systems, processes and accountabilities are in place to fully support individuals who report wrongdoing or suspected wrongdoing, including with respect to matters relating to modern slavery.

Additionally, SPC has included a contractual obligation in its supply of goods template contract (amongst others) requiring counterparties to comply with their obligations under the Modern Slavery Act, and to provide any information required by SPC to enable SPC to comply with its obligations under the Modern Slavery Act.

Risks of modern slavery practices

To better understand the risks of modern slavery practices in its supply chains, SPC has become a member of Sedex to enable it to gain better visibility of its supply chain. This also enables SPC to better understand the risks of modern slavery practices across its entire supply chain.

SPC is continuing to develop its systems to map risks of modern slavery practices in its supply chain and across its operations. At this stage SPC has recognised the following specific risks:

- The International Labor Organisation (ILO) has identified that agricultural workers are at risk of poor work practices, and that agricultural workers are among the groups with the highest incidence of poverty in many countries.¹ As SPC's supply chain includes agricultural suppliers, this is an area in which there is a risk of modern slavery practices in SPC's supply chain.
- SPC utilises packing operations and has some raw materials suppliers located in countries that have been identified as having a higher level of prevalence of modern slavery, or a higher degree of vulnerability to modern slavery practices.²

Assessing and addressing the risks of modern slavery

SPC is undertaking a risk-based approach to addressing the risks of modern slavery in its supply chain and across its operations. The first phase of its strategy is to conduct an analysis and review of its supply chain. This process has commenced with the assistance of Sedex.

¹ ILO, Decent and Productive Work in Agriculture (2019) < https://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---sector/documents/publication/wcms_437173.pdf>

² Walk Free Foundation, 2018 Global Slavery Index.

SPC will then survey its suppliers, starting with any suppliers identified as high-risk, in order to better understand the strength of its management systems with respect to modern slavery risks, and compliance with other matters of ethical concern.

Where issues are identified, SPC will engage with the relevant supplier to discuss measures that the supplier can adopt in order to ensure that its operations are consistent with SPC's requirements, and take any further steps as necessary.

With respect to its Australian horticulture growers, SPC monitors risks of modern slavery by requiring all growers to provide an annual declaration that they have paid at least the award rate for all employees in the production and harvest of fruit and vegetables delivered to SPC. Growers are required to notify SPC of any changes in the details provided in their annual declaration.

Effectiveness

The effectiveness of the measures that SPC has implemented to address the risks of modern slavery in its supply chain and operations will be regularly reviewed by the Board's Regulatory and Compliance Committee, which has responsibility for compliance related matters including with respect to modern slavery.

Where necessary, including by utilising the tools provided by Sedex and considering the actions taken by industry peers, SPC will update its policies and practises to ensure the effectiveness of the measures that it has implemented to address the risks of modern slavery.

COVID-19 pandemic

SPC is aware that many businesses have been affected by the COVID-19 pandemic, and that these impacts may have flow-on effects that may increase the level of vulnerability experienced by workers within these businesses. These considerations will be taken into account in the risk analysis processes set out above.

The COVID-19 pandemic also had an impact on various aspects of SPC's business. However, the activities undertaken by SPC with respect to assessing and addressing the risks of modern slavery as set out in this statement have not been materially impacted by the pandemic.

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This statement was approved by the Board of SPC on 30 March 2021.

Signed,



Hussein Hani Rifai
Chair