



MODERN SLAVERY STATEMENT 2020

**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 first 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") under section 13 of the *Modern Slavery Act 2018* (Cth) (the "Act").

This modern slavery statement is prepared in accordance with section 16 of the Act. It outlines the steps we have taken to understand, mitigate and address human rights and modern slavery risks within our operations and supply chain for the financial year ending on 27 December 2020.

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 look forward to continuing to develop our response to modern slavery risks and protecting human rights.

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure

Driscoll's is 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 2020.

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 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 94 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

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

During the reporting period, 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 6 labour hire providers for circa 100 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 150.

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 2020 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

We have assessed 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.

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.

During the reporting period, 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 developed 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 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) as a management tool to help the company understand the level and scope of social sustainability practices across our own sites and within our Grower base.

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

As part of our rollout of Sedex within our supplier base, Driscoll's requires its Growers to register on Sedex and complete self-assessment questionnaires (SAQ).

Supply chain mapping

During the reporting period, Driscoll's categorised 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, all of our tier 1 suppliers, were registered on Sedex 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.

In addition, 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 on boarding

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. Driscoll's work with our providers to undertake audits. Investigations are undertaken should issues be discovered, followed by appropriate remediation.

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

Training and communication

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

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

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 was implemented which included a range of safeguards including: the provision of PPE, temperature testing of workers and contractors, and enhanced cleaning on site.

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

Monitoring

- Supplier self-assessment questionnaire (SAQ)
- Supplier audits
- Site visits – as a result of Covid-19, Driscoll's were restricted in our abilities to conduct sites visits during the reporting period. As restrictions 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 acknowledges 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.

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.

The Australian Fresh Produce Association, of which Driscoll's is a member, also supports the implementation of National Labour Hire Licensing.

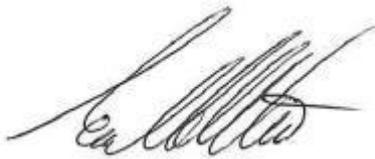
LOOKING AHEAD

Driscoll's is committed to a process of continuous improvement in relation to the protection of human rights and reduction of risk of modern slavery.

In future years, actions may include:

1. Continue to develop systems to measure effectiveness of our actions
2. Expand our modern slavery training to a greater number of staff
3. Continue to work with partners in this area and identify opportunities for supplier cooperation
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 25th June 2021.



Sean Hallahan

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