



Visy Retail Services

Modern Slavery Statement

FY2024





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This statement is made on behalf of **Visy Retail Services Pty Ltd (Visy Retail Services)**.

This statement sets out Visy Retail Services' commitment to preventing modern slavery in our operations and supply chain. This statement reflects the 2024 financial year and the information contained in this statement is current as at 30 June 2024.

Visy Retail Services is part of the Visy Group of companies (**Visy Group**). A separate modern slavery statement covering all other reporting entities of the Visy Group for FY2024 will be submitted.

A message from our CEO

Now in its second year, Visy Retail Services — Visy's first dedicated, retail business unit — continues to strive to uphold the highest ethical and professional standards in its sourcing activities.

Visy Retail Services, which began operating in May 2023, was created by our acquisition of the assets from the wholesale supply and distribution business of Sales Force National Pty Ltd. Visy Retail Services continues to work to prevent modern slavery, consistent with Visy's commitment to the human rights of people in our business and our supply chains.

Our highlights from this year include:

- Achieved 100% compliance to either SMETA or BSCI accreditation for all Southeast Asian based suppliers representing around 70% of our supply base by volume
- Continued to work closely with our suppliers based in countries assessed as high risk for modern slavery with zero ethical sourcing/modern slavery breaches recorded
- Added an additional layer of risk review by entering all suppliers into a third party software used by the Visy Group to assess and mitigate against potential modern slavery risks in our supply chain
- Integrated the Visy Group's *Supplier Code of Conduct* into our new supplier on boarding process

I am pleased to present Visy Retail Services' second Modern Slavery Statement.



MARK DE WIT

Chief Executive Officer, Visy





Introduction

We are proud to publish our Modern Slavery Statement as part of our compliance with Australia's *Modern Slavery Act (Cth) 2018*.

Modern slavery is a term used to describe situations where offenders use coercion, threats, or deception to exploit victims and undermine their freedom.

Practices that constitute modern slavery can include:

- human trafficking
- slavery
- servitude
- forced labour
- debt bondage
- forced marriage, and
- the worst forms of child labour.

We are committed to transparency in our supply chain and strive to work collaboratively and proactively with partners in our supply chain to prevent modern slavery in all its forms.

This statement was tabled to the Visy Executive Team in its capacity as the principal governing body of the Visy Group and approved by them on 20 November 2024.

Our business

Visy Retail Services is a supplier and distributor of major brand products spanning categories such as hardware, furniture, home décor, storage, bathroom and cleaning in Australia, New Zealand and the United Kingdom. We source white label products, develop our own brands and represent leading brand partners.

Summary of our operations as of 30 June 2024:

- 166 team members across Australia, New Zealand and the United Kingdom
- headquartered in Melbourne, Australia
- three Visy Retail Services operated distribution facilities in Australia (VIC, QLD, NSW) and third-party logistics partners in Western Australia, Auckland and Christchurch in New Zealand and North Hampton in the United Kingdom.
- strategic retail partner of Bunnings in Australia/New Zealand and Homebase in the United Kingdom.

We have long-standing partnerships within its supply chain to ensure products make their way from factory to store efficiently, and most importantly, in accordance with quality and ethical standards.

Our distribution centres



Our global suppliers



Region	% Spent
Asia	67%
Australia	27%
New Zealand	5%
United Kingdom	1%



Key personnel

Visy Executive Team

This is the governing body responsible for overseeing the performance and operations of Visy Retail Services in accordance with the Visy Group's values, code of conduct and ethical standards.

Senior Leadership Team

This team, which includes the General Manager and National Operations Manager, is responsible for the delivery of our corporate objectives through the effective execution of our strategic plan whilst ensuring our values, code of conduct and ethical standards are always upheld.

The team reports to a senior representative of the Visy Executive Team.

Quality and Compliance Manager

- One of two primary points of contact (along with our Source and Supply Manager) with our suppliers on ethical sourcing and modern slavery.
- Responsible for overseeing and managing compliance to our ethical sourcing standards and related obligations, including modern slavery.
- Primary point of contact with our strategic retail partners (Bunnings in Australia/New Zealand and Homebase in the United Kingdom) on all matters related to ethical sourcing.
- Oversees the adherence to our new supplier onboarding standard operating procedures which includes the requirement for independent verification to either Sedex Members Ethical Trade Audit (SMETA) or Business Social Compliance Initiative (BSCI) for all suppliers except those in Australia, New Zealand and the United Kingdom.
- Generates a monthly report that includes the ethical sourcing status (against either SMETA or BSCI) of our suppliers.

Source and Supply Chain Manager

- One of two primary points of contact (along with our Quality and Compliance Manager) with our suppliers on ethical sourcing and modern slavery.
- Has primary responsibility for managing our commercial relationships with our suppliers.

Supply Chain Risk Review Panel

The Visy Group's Supply Chain Risk Review Panel (SCRRP) is a panel comprised of executives or senior management from our legal, group commercial, audit and risk, sustainability, global procurement, operational excellence and cyber security teams, and Visy Retail Services. The SCRRP supports the Visy Group with its governance objectives through the effective and efficient identification of ethical risks and management of ethical standards in the buying activities of the Visy Group, including Visy Retail Services, and its supply chain. More information on the SCRRP can be found in the separate Modern Slavery Statement submitted by the Visy Group.

In FY2024, the National Operations Manager of Visy Retail Services was appointed as a member of the SCRRP. Through the National Operations Manager, relevant activities of Visy Retail Services are reported to the SCRRP.



Modern slavery risks

The obligation to mitigate the risk of modern slavery in our supply chain, as far as is reasonably practicable, is a responsibility we do not take lightly. Accountability for identifying, mitigating and remediating modern slavery risk in our supply chain is cross-functional with key personnel leading this responsibility.

To establish key risk factors, we reference third-party reporting and resources, covering global indicators of modern slavery, including the Global Slavery Index.

With a high proportion of our suppliers being based in China, these resources indicate to us that our international supply chain is most exposed to the following forms of modern slavery:

- forced labour
- deceptive recruitment often resulting in forced sexual exploitation of adults and children, underpayment, and poor conditions
- bonded labour
- child labour.

We use a formalised framework for assessing risk in our supply chain. Our framework uses four key factors to assess modern slavery risk factors:

- 1.** supplier information (e.g. financial stability, insurances, reputation, and safety, social and environmental compliance)
- 2.** geographical location, industry sector and product or service
- 3.** commercial relationship (e.g. presence of formal business terms, service level agreements, engagement with supplier, level/frequency of communication, longevity of relationship)
- 4.** compliance records (e.g. ethical audit results, supplier self-assessments, understanding and completion of new supplier onboarding requirements).

Using this framework we have assessed all our suppliers in Asia as high risk and our Australia, New Zealand and United Kingdom based suppliers as low risk.



Modern slavery remediation

We have established processes to mitigate risks in our supply chain, so far as is reasonably practicable, which we continue to review and seek to improve. These include formal mechanisms such as our new supplier onboarding program and third-party (SMETA and BSCI) ethical audits. We also use informal processes such as site visits and regular communication with our suppliers on matters of ethical sourcing, including modern slavery.

Supplier onboarding

Our supplier onboarding program requires suppliers read, confirm understanding and, where applicable, sign and return the following standards and documentation:

- *Supplier Code of Conduct* (in FY2024 we transitioned to Visy Group's *Supplier Code of Conduct*)
- Bunnings Anti Bribery Letter and Due Diligence Checklist
- Factory Onboarding Form
- Sedex Advanced and Sedex Number
- Factory Audit Report
- Bunnings Ethical Sourcing Program
- Bunnings Imports Program.

All new product suppliers undergo risk assessment related to the four key risk determining factors prior to engagement. In FY2024, we improved our risk mitigation by:

- reviewing our standard operating procedure for new supplier on-boarding
- creating a central repository to house new supplier on-boarding artifacts
- continuing to review modern slavery risk indicators.

Use of third-party software

Visy Group uses licenced third-party software to assess and mitigate potential modern slavery risks in its supply chain (for more information, see the separate *Modern Slavery Statement* submitted by Visy Group). In FY2024, all our suppliers were entered into the software, where they were assessed against a variety of risk indexes including entity country and sector, ownership, directors and shareholders, age of business, global slavery index country and sector. Suppliers who were assessed as high risk were subject to a more in-depth review process to address the identified risk factors to ensure suppliers were aligned with our requirements for responsible and ethical sourcing.

Visy Retails Services' suppliers will continue to be monitored through this software.

SMETA/BSCI compliance

In FY2024, we made it a requirement that all suppliers from geographical areas assessed as high risk achieved and maintained certification to either SMETA or BSCI ethical sourcing standards. This replaced the previous requirement for supplier self-assessment questionnaires.

Third-party ethical audit

All our suppliers in Asia are independently certified to either SMETA or BSCI ethical sourcing standards. Our Quality and Compliance Manager tracks and maintains records of annual audit renewal and audit outcomes which are required for continued certification. In the event of an identified non-compliance or breach, our Quality and Compliance Manager would engage further with the supplier and auditors.

In FY2024, there were no certification or audit non-compliances requiring corrective action.

Supplier site visits

In FY2024 key members of our team, including our General Manager and Source and Supply Manager, travelled to Asia and visited suppliers in-person.

We have dedicated quality assurance personnel in China, who work closely with our suppliers and regularly visit their sites to complete quality related tasks. In FY2024 the team were briefed on observations related to the risk factors of modern slavery for their supplier site visits.

This engagement provides for more timely identification, mitigation, and remediation activities around any actual or potential modern slavery risk.

Supplier communication

The Quality and Compliance Manager maintains regular communication with our suppliers on issues related to ethical sourcing and modern slavery.

Corrective action

In consultation with our own *Supplier Code of Conduct*, and those of our retail partners, we undertake a tiered approach to remediation. In the event of non-compliance or an identified violation, our approach to remediation begins with root cause analysis. Thereafter:

- If limited non-compliance or minor-moderate violations are identified, we work with our retail partners and/or supplier to quickly define corrective and preventative actions and then monitor the completion of the agreed actions.
- If continued non-compliance or high-risk violations are identified, we will work closely with the supplier to transition works to a suitable alternate supplier. We ensure the supplier does not face significant financial loss that would pose undue strain on the supplier or its workforce by finalising manufacturing that is in production and seeking to purchase raw materials destined for manufacturing of product.

Measuring effectiveness

We continue to work to understand the risks associated with modern slavery in our supply chain, and to mitigate those risks as far as is reasonably practicable.

We employ several internal and external mechanisms to assess the effectiveness of our mitigation strategies:

Governance

Action

- compliance with ethical sourcing standards, including those related to modern slavery, included as an objective in our strategic plan
- modern slavery obligations and reporting requirements communicated to the Visy Executive Team through the SCRRP
- annual review and revision of relevant policies and procedures
- annual executive, management and key personnel awareness training
- review of contract terms with labour hire providers and confirmation of working rights.

Measured by

- annual review that our strategic plan aligns with ethical sourcing and modern slavery objectives
- regular reporting to SCRRP for feedback
- end of financial year check against completion of required policy review
- % of awareness training completed across Visy Retail Services
- % of suppliers who maintained SMETA/BSCI accreditation during the financial year.

Monitoring

Action

- third-party ethical audits
- supplier corrective action plans
- supplier engagement
- supplier site visits.

Measured by

- % of audits completed
- audit grading
- number and % of non-conformances
- number and % of non-conformances closed
- number of suppliers suspended or ceased trade.

Risk management

Action

- risk update provided to the Board and Audit and Risk Committee at each scheduled meeting and to the SCRRP as required
- risk actively identified, recorded and mitigation strategies assigned
- all new overseas suppliers participated in supplier self-assessment questionnaire
- all new and existing overseas suppliers subject to independent certification to ethical sourcing standards (either BSCI or SMETA)

- supplier onboarding program
- formal risk assessment of overseas suppliers against identified risk factors.

Measured by

- % of risk assessments undertaken
- % of risk assessments undertaken for 'Tier 1' suppliers
- supplier self-assessment questionnaire completion rate
- number of identified risks without assigned mitigation strategy.

Disclosure

Action

- channels for grievances to be raised
- open dialogue with suppliers
- adherence to the *Whistleblower Policy*
- annual whistleblower awareness training.

Measured by

- total number of issues raised
- channels through which issues were raised
- number of issues remediated and remedy implemented
- analysis of investigation process.



Other information

Further assessing risk of modern slavery in our supply chain.

Rising cost of supplier inputs (raw material, labour cost, currency)

Risk

Rising input costs causes supplier to seek sub-contracted and/or low-cost labour to reduce their overall cost of supply.

Mitigation strategy

We work with suppliers to ensure an open dialogue is maintained in relation to raw material and other input costs to produce goods. Strong oversight by the Source and Supply Management team ensures trigger points are identified early, and strategies to recover costs are implemented to reduce pressure on suppliers.

FY2024 has seen low variability in input costs for our suppliers operating in high-risk locations.

Residual risk rating

Low

Supplier sub-contracting

Risk

Supplier sub-contracts work to a third-party to reduce overall input cost and manage workload, resulting in sub-standard ethical sourcing practices.

Mitigation strategy

We work with suppliers to ensure an open dialogue is maintained around labour inputs. Strong oversight by our Quality and Compliance Manager and our Source and Supply Chain Manager ensures any sub-contracted works are performed in accordance with the ethical standards framework. Our Quality and Compliance Manager ensures that all sub-contractors are certified to either BSCI or SMETA.

Residual risk rating

Low

International freight forwarding

Risk

The international freight forwarding (shipping) industry has been identified as high risk for modern slavery.

Mitigation strategy

We are actively working with our freight forwarding partners to ensure that they have appropriate mitigation strategies in place, including publishing their own modern slavery statement.

Residual risk rating

Moderate

Suppliers from low-risk countries

Risk

Suppliers classified as being from low-risk countries are not subject to formal ethical sourcing accreditation.

Mitigation strategy

Although the risk is lower, we will initiate a survey of these suppliers in FY2025 to ensure that they have appropriate internal policies and procedures for managing the risks of modern slavery. This survey will assess their ability to identify and combat the potential for modern slavery and ethical sourcing breaches.

Residual risk rating

TBC

Consultation

The Visy Executive Team, Senior Leadership Team, and Quality and Compliance Manager were all consulted during the preparation of this Modern Slavery Statement.

We have an open dialogue with our retail partners on modern slavery prevention, ensuring our activities complement their own.

The Visy Executive Team, which includes a senior representative of Visy Retail Services, is mandated to approve actions to address modern slavery for Visy's reporting entities.

This statement was tabled to the Visy Executive Team in its capacity as the principal governing body of the Visy Group and approved by them on 18 December 2024.



ROBERT KAYE

Company Secretary, Visy





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