

Modern Slavery Statement

This statement is made pursuant to the *Australian Modern Slavery Act 2018* (Cth) (**the Act**) in respect to the period 1 July 2019 to 30 June 2020.

Mandatory criteria 1: Identify the reporting entity

This statement is made by Retail Zoo Holdings Pty Ltd ACN 169 039 721 (**Retail Zoo**).

Mandatory criteria 2: Describe the structure, operations and supply chains of the reporting entity

Structure

Retail Zoo is a casual food and beverage franchisor and operator with a portfolio of four distinct brands across approximately 355 franchise stores and 60 company-owned stores in Australia as at 30 June 2020. Retail Zoo's brands are Boost, Betty's Burgers & Concrete Co, CIBO Espresso and Salsas. In addition to its operations in Australia, Retail Zoo has an international presence as a Master Franchisor of the Boost brand and system to master franchisees operating approximately 240 stores in 14 territories as at 30 June 2020.

Operations and supply chains

Retail Zoo is headquartered in Melbourne, Australia. As at 30 June 2020, Retail Zoo directly employed approximately 130 employees at its headquarters and approximately 2000 employees within its company-owned stores.

Retail Zoo's franchisees in Australia are estimated to directly employ approximately 5000 people, and its master franchisees outside of Australia (or their sub-franchisees) are estimated to directly employ approximately 2450 people.

Retail Zoo engages suppliers throughout its business, particularly to support Retail Zoo's company-owned stores and franchised network. Retail Zoo's largest spend categories are:

- fresh and frozen produce (primarily: fruits, meats, poultry and frozen yoghurts);
- coffee beans;
- beverages;
- equipment;
- packaging; and
- services to construct new stores or refurbish existing stores.

In undertaking its activities, Retail Zoo has over 160 approved suppliers who provide goods and services to support each of Retail Zoo's brands and its headquarters.

Retail Zoo's franchisees and master franchisees are contractually required to use suppliers approved by Retail Zoo, and for some goods and services are required to use suppliers nominated by Retail Zoo.

Mandatory criteria 3: Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity	Mandatory criteria 4: Describe the actions taken by the reporting entity to assess and address modern slavery risks
Operations	
<p>1. Retail Zoo engages a large number of employees, some of whom may be less aware of their rights and/or vulnerable to exploitation.</p>	<p>Retail Zoo considered whether modern slavery practices exist within its own workforce, noting that:</p> <ul style="list-style-type: none"> • Retail Zoo’s headquarters and company-owned stores are all located in Australia. Australia is estimated to have a low prevalence of modern slavery; • Retail Zoo has a number of policies to encourage expected behaviours within its operations, including a “Speak Up” policy (which acts similar to a Whistleblower policy), Code of Conduct, OH&S policy and workplace behaviour policy. The Speak Up policy allows employees to raise concerns in a confidential manner, and is periodically promoted to all employees by Retail Zoo’s human resources team. A modern slavery issue or concern has not been reported to Retail Zoo under any of its policies; • Retail Zoo has an inhouse human resources team, who can be accessed in multiple ways by employees including via a HR Hotline; • Retail Zoo provides all its employees access to an Employment Assistance Program (EAP). The EAP provides confidential psychological counselling, and introductory legal advice (non-work related), at no cost; and • Retail Zoo has a thorough recruitment and on-boarding process, which includes a requirement that each new employee reads and completes a quiz to confirm they understand Retail Zoo’s policies. <p>After considering this risk, Retail Zoo concluded that it is a low risk that modern slavery exists within its own workforce.</p>
<p>2. In some areas of Retail Zoo’s business, Retail Zoo uses contractors or service providers (for example, in respect to cleaning offices, equipment maintenance and off-shore processing). Retail Zoo does not have the same level of</p>	<p>Retail Zoo has identified each of its contractors and service providers. These entities have been engaged subject to internal governance controls, which require delegated officers to consider various risks including working conditions. In addition, the nature of the services</p>

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<p>visibility or control over these persons, as compared to its own employees. As a result it is possible that these persons may engage individuals who are less aware of their rights and/or vulnerable to exploitation, such as in respect to working conditions and wage compliance. While practices such as substandard working conditions and underpayments are not “modern slavery” as defined by the Act, these practices can be harmful and may escalate to modern slavery if not addressed.</p>	<p>provided (such as professional services), are not generally considered to be associated with modern slavery. After considering this risk, Retail Zoo concluded that it is a lower risk that modern slavery exists within its operations as compared to its supply chain. As a result, in the year ending 30 June 2020, Retail Zoo focused on supply chain mapping, with the intention to expand further on its operation review in the year ending 30 June 2021.</p>
<p>3. Retail Zoo’s franchisees and master franchisees (or their sub-franchisees) directly employ the persons who work in their stores and businesses. Retail Zoo does not have the same level of visibility or control over these persons as compared to its own employees, particularly in respect to those employees who do not work in store or are located outside of Australia. While Retail Zoo has a number of controls in place to monitor the operations of its franchisees and master franchisees, the nature of the industry is such that franchisees and master franchisees may engage individuals who are less aware of their rights and/or vulnerable to exploitation.</p>	<p>Retail Zoo has contracts with each of its franchisees which require them to comply with workplace laws and regulations in the operation of their franchised businesses.</p> <p>In respect to its franchisees in Australia, Retail Zoo:</p> <ul style="list-style-type: none"> • conducts random audits on compliance with workplace laws, particularly in respect to the correct payment of wages and entitlements; • encourages franchisees to use technology solutions to assist in ensuring correct payment of wages and entitlements to employees; • employs a team of business consultants who work with each franchisee to understand their business, and require standards (including working conditions) are met; • promotes to the employees of each franchisee the “HR Hotline” (and other contact details) which they can use for any employment, wage or entitlement query or concern; and • facilitates an online training portal which addresses workplace expectations. <p>After considering this risk, Retail Zoo concluded that it is a low risk that modern slavery exists within the workforce of its Australian franchisees.</p>

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Supply chains		
1.	Retail Zoo may procure some goods from suppliers that are either located in, or source goods from, countries or regions that are estimated to have a higher prevalence for modern slavery. As a result, these goods have an increased modern slavery risk.	<p>Retail Zoo has taken a number of actions in an effort to assess and address modern slavery risks in its supply chain, including:</p> <ol style="list-style-type: none"> Retail Zoo has mapped its approved major suppliers, the Retail Zoo brand(s) they support, the goods or services they provide, and the country of origin of any goods. <p>In conducting this exercise:</p> <ul style="list-style-type: none"> Retail Zoo considered the ranking of countries in Table 4 in Appendix 2 of the Walk Free Foundation's 2018 Global Slavery Index (GSI) which sets out the estimated prevalence of modern slavery in each country, and identified two suppliers which it considered to have an increased modern slavery risk as they source goods from a country specified in the top 50 of that ranking system (Nominated Region Suppliers). Retail Zoo identified all of its major suppliers who supply goods to company-owned or franchised stores through the Retail Zoo supply chain (Nominated Goods Suppliers). In doing so, Retail Zoo identified: <ul style="list-style-type: none"> one of its suppliers procures its goods from a region which the GSI identified as having a higher prevalence for modern slavery for that product; coffee procured by Retail Zoo's CIBO Espresso brand is from countries outside the GSI top 100 ranking of those with estimated prevalence of modern slavery, and the Australian supplier is UTZ certified (refer https://utz.org); frozen fruit and fruit concentrate is procured from countries outside the GSI top 75 ranking of those with estimated prevalence of modern slavery; and
2.	Retail Zoo may procure some goods which have been identified as having a higher prevalence for modern slavery when sourced from certain countries, such as apparel (uniforms) and electronics (computers and mobile telephones). In addition, Retail Zoo procures some goods produced by industries that have in the past been criticized for modern slavery practices (such as coffee beans and fruit farms). As a result, these goods have an increased modern slavery risk.	
3.	Retail Zoo has low visibility of the supply chain of its approved suppliers. It is a risk that modern slavery exists in the supply chain of approved suppliers of which Retail Zoo (and potentially its supplier) is not aware, including in respect to the production, processing, packaging and transport of goods.	
4.	Retail Zoo may not be aware of all suppliers used by franchisees, particularly master franchisees (or their sub-franchisees). It is a risk that modern slavery exists in the supply chain of unapproved suppliers engaged by its franchisees.	

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	<ul style="list-style-type: none"> ○ fresh produce for retail stores is sourced from Australia, except in a small number of occasions where an international supplier may be required due to lack of supply in Australia. <ol style="list-style-type: none"> 2. In an effort to better understand its supplier's supply chains and modern slavery understanding, Retail Zoo sent a questionnaire to more than 50 of its suppliers, with a particular focus on the Nominated Region Suppliers and the Nominated Goods Suppliers. As at 30 June 2020, 26 of these suppliers had responded to the questionnaire, many of which included their own modern slavery or similar ethical sourcing policies and/or confirmed that they themselves were required to submit a modern slavery statement. 3. Retail Zoo communicated to major suppliers its expectation that they minimize any potential or actual modern slavery risks within their supply chains and operations, including by implementing policies and procedures. 4. Retail Zoo undertook supplier risk assessments for certain procurement activities in an effort to identify the level of risk in potential arrangements. 5. Retail Zoo updated its standard supply agreement template with a clause which specifically addresses anti-slavery laws and sets out Retail Zoo's expectations. 6. Retail Zoo has directed a number of its approved suppliers to the Supply Chain Sustainability School website (https://www.supplychainschool.org.au/), in an effort to assist them understand modern slavery risks.

Mandatory criteria 5: Describe how the reporting entity assesses the effectiveness of these actions

While Retail Zoo has not discovered any specific modern slavery issues within its supply chain or operations, the actions taken have:

- provided management with a greater insight of Retail Zoo's supply chain and operations;
- provided an opportunity for Retail Zoo to communicate its expectations to its major suppliers in respect to modern slavery;
- educated key personnel on modern slavery risks; and
- improved a number of processes, in an effort to mitigate modern slavery risks within Retail Zoo's operations and supply chain.

In FY21, Retail Zoo will seek to:

- introduce technology solutions to assist with supply chain mapping, such as SEDEX;
- further map its supply chain using questionnaire responses, the modern slavery statements submitted by its suppliers and following further consultation with suppliers. The continued supply chain mapping will also seek to expand on Retail Zoo's operational suppliers;
- further communicate with its master franchisees to explain modern slavery and Retail Zoo's expectation that they take steps to reduce modern slavery risks, including undertaking a risk assessment and implementing supplier due diligence that considers modern slavery risks;
- provide further education on modern slavery to procurement employees, in an effort to improve supplier due diligence in light of modern slavery risks;
- audit Nominated Region Suppliers and Nominated Goods Suppliers. Initially, Retail Zoo is likely to focus on those suppliers situated in Australia, however it is envisaged that future audits will also include suppliers outside of Australia and the locations where some suppliers source their goods.

Mandatory criteria 6: Describe the process of consultation with any entities the reporting entity owns or controls

Retail Zoo's entities have common directors, and each of Retail Zoo's brands are supported by the same teams in its headquarters. This statement has been considered by Retail Zoo's Board of Directors and Senior Executives.

Mandatory criteria 7: Any additional information

Not applicable.

This statement was approved by the Retail Zoo board on 22 March 2021.

Nishad Alani
Director
Retail Zoo Holdings Pty Ltd