

The logo for SCA, consisting of the letters 'SCA' in a bold, white, sans-serif font. The letters are slightly overlapping, with the 'S' and 'C' sharing a vertical stroke. The logo is centered within a large, light blue circle that is part of a series of concentric circles on a blue background.

SCA

**MODERN SLAVERY
STATEMENT 2022**



MODERN SLAVERY STATEMENT 2022

This statement sets out actions taken by Southern Cross Media Group Limited ACN 116 024 536 and its related bodies corporate (together, **SCA**) to address modern slavery and human trafficking risks in our business and supply chain for the year ended 30 June 2022 (**Reporting Period**). It has been prepared in accordance with the *Modern Slavery Act 2018* (Cth).

SCA requires group entities to comply with SCA's corporate policies, including the assessment and mitigation of modern slavery risks. Where appropriate, SCA has also consulted with entities in which it has non-controlling interests to review their management of modern slavery risks.

OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

Organisational structure

Southern Cross Media Group Limited is an Australian public company listed on ASX.

Our business

SCA is one of Australia's leading media companies reaching more than 95% of the Australian population through its radio, television and digital assets. Under the Triple M and Hit network brands, SCA owns 99 stations across FM, AM and DAB+ radio. SCA provides national sales representation for 23 other regional radio stations. SCA broadcasts 92 free to air TV signals across regional Australia, reaching 4.4 million people a week, with Network 10 television programming and advertising representation across Australia's East Coast, Seven Network programming in Tasmania and Darwin, and Seven, Nine and Ten programming in Spencer Gulf. In 2021, SCA launched LiSTNR, an audio entertainment platform. SCA's premium brands are supported by social media, live events, video, online and mobile assets that deliver national and local entertainment and news content.

SCA's total workforce on 30 June 2022 was approximately 1600, all based in Australia.

More information about SCA's business operations and strategy is available on our website:
<https://www.southerncrossaustereo.com.au/>.

Our supply chain

SCA's supply chain is not complex and is designed to efficiently acquire necessary goods and services for our operations. The goods and services we acquire include office supplies, technology, broadcasting equipment, music and other content licensing, merchandise, IT infrastructure and support services, banking services, marketing services, merchandise, and audit, tax, legal and other professional services.

Through our procurement and supplier onboarding process, SCA seeks to obtain products and services from suppliers who are reputable, substantial commercial entities. In many instances, SCA has used the same suppliers over several years.

While most of our supply chain expenditure is in Australia, SCA sources some goods and services from global suppliers who have operations in places such as the United Kingdom, the United States of America, Singapore, Hong Kong, Japan and Indonesia. Of the suppliers based overseas, the industries in which these suppliers predominantly operate are IT equipment, IT platforms, communications infrastructure, banking and legal advice. In these instances, we most often deal with Australian-based subsidiaries of our global suppliers.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAIN

In accordance with guidance published by the Australian Government's Department of Home Affairs, SCA has assessed risks in its operations and supply chain that may cause or contribute or be directly linked to modern slavery practices.

Risks in our operations

We consider the risk of modern slavery practices in SCA's operations and supply chains is low. SCA's operations are conducted entirely within Australia where there is considerable regulatory oversight of the working conditions of our employees and contractors. SCA has established systems and processes to assure compliance with applicable workplace and related regulatory requirements. SCA's workforce includes a small number of visa workers in professional roles, and we also have systems and processes to ensure their rights are upheld.

However, we acknowledge there can still be risks of modern slavery within our day-to-day operations and supply chains. We have identified potential modern slavery risks in the following areas:

- procurement of hospitality services
- labour hire
- office cleaning services.

We believe these industries present the highest risk because they are typically characterised by lower wages, potentially lower skilled workers, and often involve subcontracting arrangements that obscure direct accountability and responsibility from the contracting entity. Coupled with inconsistent regulatory enforcement, these factors can result in fewer protections for workers in these industries.

Risks in our supply chain

Using the resources recommended by the Australian Government's Department of Home Affairs (including the Global Slavery Index), we consider the highest risks of modern slavery in SCA's supply chains lie in our procurement of the following goods and services:

- IT/technology equipment
- communications infrastructure
- promotional merchandise.

These industries are often characterised by systemic low wages, downward cost pressures,

and increased labour intensity often driven by demanding purchasing practices. Goods produced by these industries are often imported from countries where there are heightened risks of trafficking and labour exploitation.

IT and electronics are considered high risk imports for Australian companies. IT and technology equipment procured by SCA is typically manufactured in Asia where manufacturing entities in some countries are considered to have systemic modern slavery problems and inherently exploitative work conditions.

ADDRESSING MODERN SLAVERY RISKS

Operational measures

SCA tries to minimise the risk of modern slavery by implementing responsible purchasing and procurement practices. These include ensuring prompt payment and working with suppliers (particularly overseas suppliers and suppliers in higher risk industries) to plan orders in a way that considers the interests of workers and avoids dramatic fluctuations in workload.

Governance and policy commitments

SCA's policies and operational procedures set expectations for our staff and the responsible conduct of our business. To address the risk of modern slavery in our operations and supply chains, SCA has continued to refine policies and procedures, including with respect to employee conduct, staff training and due diligence when procuring suppliers. We have clarified our governance structure with respect to modern slavery and have determined that the Head of Legal and Corporate Affairs has responsibility for ensuring compliance with modern slavery legislation as well as reporting modern slavery risks and mechanisms adopted to address these risks to the board.

Our Supplier Code of Conduct (**Code**) sets out SCA's expectations and the minimum standards of behaviour required of our suppliers in the areas of ethical business practices, conflicts of interest, environmental impacts and health and safety. It also specifically addresses labour, human rights and modern slavery standards. The Code is publicly available on SCA's corporate

website and is provided to our major suppliers during the contract procurement and negotiation process.

In accordance with the Code, we expect suppliers to engage and manage people ethically and to comply with all laws, regulations and standards in respect of modern slavery, including human trafficking, exploitation, forced labour and child labour. The Code requires suppliers to monitor their compliance and notify SCA if they become aware of a reasonable risk of a breach. We also expect suppliers to take reasonable steps to address, remedy and prevent the recurrence of any breach of the Code. These requirements are designed to enable SCA to identify risks. If requested, SCA would be willing to assist suppliers in any remediation process.

SCA has also developed standard contractual clauses for major suppliers (and others we consider operate in high-risk areas) requiring them to comply with relevant modern slavery laws and standards. We aim to incorporate these key clauses in all contracts with relevant suppliers and emphasise the importance of compliance with these terms in our supplier agreements.

Supply chain diligence

In addition to the mechanisms listed above, SCA continues to use its Supplier Questionnaire (**Questionnaire**) to review our suppliers' operations, supply chain and modern slavery compliance. We request our suppliers complete the Questionnaire where:

- the value of the entire contract is at least \$500,000;
- the annual value of a contract is at least \$350,000; or
- the supplier operates in a high-risk country, or the nature of the supplier's goods or services falls into a high-risk sector, regardless of the contract value.

We may require suppliers who operate in industries with increased risk to review and refresh their previous responses to us at regular intervals.

Due to the nature of our business, with the vast majority of our supply chain being within Australia, we consider this mechanism is proportionate to the risk faced by SCA's business model.

During the Reporting Period, we received and reviewed from 18 suppliers responses to our Questionnaire or other information about their management of modern slavery risks (such as their own modern slavery statement provided a response to our Questionnaire. Throughout this Reporting The value of SCA's contracts with these suppliers during the Reporting Period ranged from \$300,000 to \$1.65 million. We also require those suppliers who operate in industries with increased risk to review and refresh their previous responses to us at regular intervals. To date, 92 suppliers have responded to our Questionnaire or provided us with other relevant information about their management of modern slavery risks.

We monitor responses to our Questionnaires to identify trends and emerging risks that warrant further investigation or action. If we consider a supplier's response to be inadequate or concerning, we will further investigate and engage with the supplier to address and resolve these concerns. Where necessary, SCA also seeks informed advice and conducts its own research about the risks of any new goods or services we procure.

Training

To help build awareness of modern slavery and assist in identifying potential modern slavery risks, we provide all employees with information about SCA's obligations under modern slavery legislation as well as our processes to assess and address these risks.

In the previous reporting period, we distributed a Modern Slavery Fact Sheet to all employees to improve awareness of modern slavery, and to illustrate how our employees can mitigate modern slavery risks and call out any actual or potential incidents. We maintain these training materials on our employee intranet.

Recently, we expanded employee induction training to include a modern slavery module. This module sets out the potential modern

slavery risks within SCA's operations and supply chain, how staff can identify and mitigate modern slavery risks, and the process to report any indicators or suspected instances of modern slavery within SCA's supply chain. This training ensures all new employees are aware of SCA's position regarding modern slavery and how SCA values upholding human rights in its operations and wider supply chain.

Grievance mechanisms

We offer various internal channels for employees to seek guidance, report concerns, or raise grievances in relation to workplace conduct, including modern slavery, fraud, unethical activity or other irresponsible acts. We encourage our people to raise concerns as soon as possible with their manager, a member of the senior leadership team or the Head of Legal and Corporate Affairs. If an employee does not feel comfortable speaking with any of these people, we encourage them to raise their concern via our internal Speak Up Program or our Whistleblower Policy and whistleblower hotline. These channels are accessible by our employees, contractors, and other parties via our employee intranet or via our external whistleblower hotline, Your Call. We provide employees and contractors with information about how to access these procedures at the point of induction. Reports can be made anonymously. Corporate officers nominated in our policies are trained to conduct necessary investigations and, when required, to take corrective action.

Remedial action

Where required, SCA will aim to assist any suppliers with particularly high modern slavery risks or any actual incidents of modern slavery. If these circumstances arise, we will consider contributing to an action plan to remedy any issues with these suppliers. We would also consider engaging with affected suppliers to provide further training on addressing modern slavery risks. If these actions are not feasible, SCA would look to terminate its contract with an offending supplier, particularly if any breach were severe or repeated.

CONSULTATION

SCA has consulted with entities within the SCA group over which it does not have a controlling interest. This consultation involved a discussion of how these organisations are seeking to identify and address modern slavery risks as well as sharing of ideas and resources. We shared our modern slavery training materials so these could be appropriately adapted and distributed to the employees in these entities. These other entities also shared relevant data and responses from their suppliers regarding modern slavery to help SCA monitor risk across the SCA Group.

COVID-19

Throughout government restrictions imposed due to the COVID-19 pandemic, the sharp decrease in the number of employees working from our offices (particularly in metropolitan offices) resulted in a reduction in the use of office supplies such as paper, stationery, tissues etc. As noted in the guidance published by the Australian Government's Department of Home Affairs, the manufacture of some office supplies has an increased risk of exploitative labour, so a reduction in our consumption of these goods was positive. We also engaged less frequently with hospitality and cleaning service providers during this period. While this reduced SCA's operational risk in respect of these services, it also diminished our oversight of these functions because there were fewer employees in the office to notice signs of exploitation of any workers in these areas.

As our employees now return to the office, we have sought to maintain reduced consumption of office supplies by shifting more operations to a digital paperless format. We have also ensured our employees are trained to identify signs of modern slavery and then seek out relevant grievance mechanisms to address any modern slavery risks.

MEASURING EFFECTIVENESS

In the past year, we have not received reports of any instance of modern slavery through our grievance mechanisms.

We significantly increased the number of employees trained to recognise and address modern slavery risks by incorporating modern slavery training into our induction program. All new employees are required to complete this training and longer standing employees have received our modern slavery fact sheet.

We will continue to measure our effectiveness in mitigating modern slavery risks to our business by tracking the number of suppliers that respond to our Questionnaire (or otherwise provide relevant information about their modern slavery standards).

Next year, we plan to broaden review of our supply chain by assessing our major advertising clients' approach to addressing modern slavery.

We will also review our Supplier Code of Conduct, Questionnaire, training materials, and risk assessment processes each year to ensure they remain up to date and effective in assessing modern slavery risks.

This statement has been endorsed by the Board of Southern Cross Media Group Limited.



GRANT BLACKLEY
Chief Executive Officer
19 August 2022