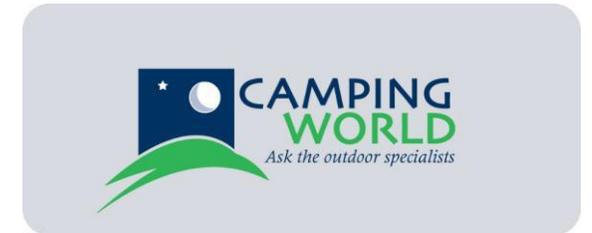


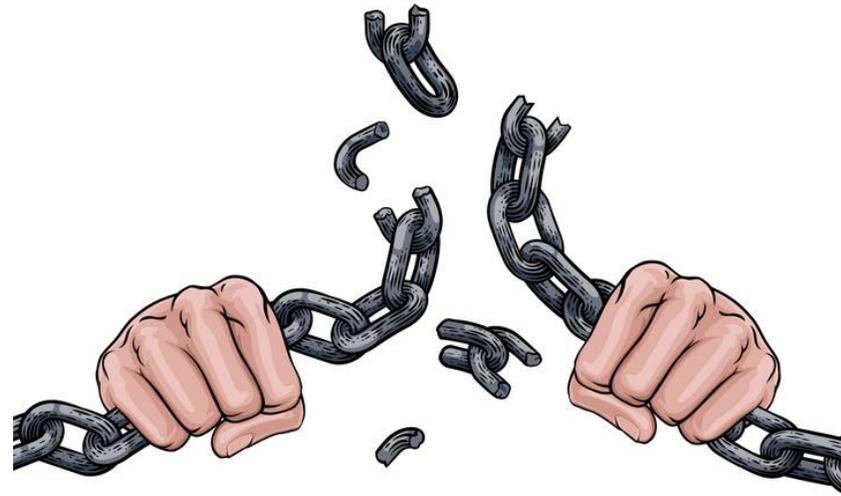
Modern Slavery Statement

Reporting Year FY 2022–2023



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This Modern Slavery Statement is published by Associated Retailers Limited (ARL) ACN 004 520 030 in accordance with its obligations under the Modern Slavery Act 2018 (Cth) for the financial reporting period

1 July 2022 - 30 June 2023 (inclusive). Established in 1956 Associated Retailers Limited is one of Australasia's largest independent retail buying groups that operates as a co-operative with retail stores across Australia & New Zealand.

The statement sets out the actions taken by Associated Retailers Limited in identifying and addressing risks of modern slavery in its operations and supply chain as well as the effectiveness of those actions.

Foreword from Franco Godinich

ARL is proud to present our fourth Modern Slavery Statement. This statement provides an update on our progress during FY 22/23 and also outlines our objectives for the year ahead.

Although we did not achieve all our FY 22/23 objectives we made good progress in ensuring our supplier partners showed improvement in areas of concern and continue to work with them to ensure continuous improvement.

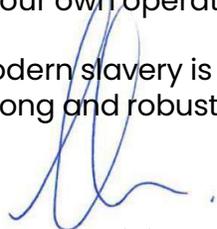
We continue to retain a zero tolerance approach to any breaches of modern slavery, it is a requirement that our suppliers comply with the standards and principles of the Modern Slavery Act 2018 and Human Rights Charter and continue to work closely with our supplier partners to tackle this issue.

Preventing and addressing our own involvement in modern slavery remains central to ARL's sustainability approach.

We support and respect the protection of internationally proclaimed human rights and endeavor to make sure ARL identifies and manages the modern slavery risk.

As strong advocates for the modern slavery reporting requirements in Australia, ARL is committed to maintaining and improving systems and processes to avoid complicity in modern slavery or human rights violations related to our own operations, supply chain and services.

Modern slavery is a complex issue and we are committed to continuing to play our part by building a strong and robust framework in order to identify, mitigate and remediate these issues..



Franco Godinich
Chief Executive Officer
Associated Retailers Limited



This Modern Slavery Statement has been reviewed and approved by the Board of Directors of Associated Retailers Limited 4th December 2023

Our Structure, Operations & Supply Chain

About Associated Retailers Limited Established in 1956 Associated Retailers Limited (ARL) is one of Australasia’s largest independent retailer buying groups that operates as a co-operative with retail stores across Australia and New Zealand. The principal activities of ARL include the licensing of ARL owned brands: Camping World, Compleat Angler, Mensland, Shoex, SportsPower and Toyworld providing its members with retail, marketing and support services. Product ranges include Toys, Bikes, Sports Equipment, Camping Products, Fishing Products, Clothing and Footwear.

Across the group, stores stock a curation of over 500+ international and local brands including 15 of our own brands.

Our structure & operations

Associated Retailers Limited operations are headquartered in Oakleigh Victoria Australia and Auckland New Zealand. Our retail group has over 300 stores nationally and with the exception of one company owned Toyworld in Townsville all stores are independently owned and operated.

As of June 30 2023 we directly employed 60 people in Australia including both permanent and casuals throughout our three sites across 10 different business units including Brand Buying Groups, Marketing, Finance, IT and Logistics.

Our Product Supply Chain

Our product supply chain consists of international brands and local brands as well as our own brands. ARL Owned Retail Brands are home to over 500+ International and Local brands sourced from brand partners. Our own brand/label business comprises 15 brands across Toys, Sporting Equipment, Apparel, Fishing and Camping. In FY 2022–2023 these brands were Playworld, Gym Tech, Aqua Tech, SportsPower, Bertini, Compleat Angler, Angler Tech, Icon, Nitro, Yakamito, Live Native, Konan, Camping World, Outdoor Equipped and Feral X.

As at 30th June 2023, we currently source with 9 independently owned factories. China (7), Taiwan (1), Vietnam (1)

Our Non-trade Supply Chain

In our non-trade supply chain we transacted with 18 suppliers during the reporting period which provided goods and services to our membership across categories such as logistics, international freight forwarding, packaging and cleaning.

Governance and Accountability

ARL believe in practicing strong and effective governance and are committed to maintaining a robust human rights due diligence system. The ultimate accountability for ARL’s due diligence efforts is held by the ARL Executive Team including ensuring modern slavery risks are managed within our CSR Framework.

500+

International & Local Brands

15

Own Label Brands

9 Independent factories in 3 countries producing our own brands



Our Own Brands



Addressing environmental impacts

In addition to our continuing partnerships with TreadLightly and Terracycle in FY22/23, we worked closely with our supplier partners to reduce the amount of non recyclable packaging used in shipping products. In addition in our apparel areas, a conscious decision was made to work with supplier partners that had the environment as their priority. As part of our CSR initiatives and environmental impact reduction achieved the following:

- Reduced plastic hangers used in shipping TCF products across 10% of our suppliers i.e. shirting reusing existing hangers in-stores
- Ensured that suppliers are using recyclable bags to pack garments for shipment.
- Across our TCF Brands engaged with new suppliers that produce products from recycled items including plastic bottles, in an environmental way.
- Commenced the transition from plastic bags used in our SportsPower and Toyworld Stores to paper bags.



Identifying & Addressing Risks in Our Operations & Supply Chain

ARL acknowledges modern slavery takes many forms and includes situations of coercion, threats or deception to exploit victims and undermine their freedom including human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, and the worst forms of child labour.

We place high expectations on staff & supply chain partners to uphold the minimum standards relating to environmental impacts, human rights, labour standards and health & safety standards outlined in The ARL Supplier Code of Conduct.

Our focus is to ensure we have greater visibility of various risks which potentially exist across different areas of our business, continual review and improvement of our existing actions and controls to mitigate these.

Assessment tools and supplier questionnaires were used in FY 2022-2023 these questionnaires provide in-depth information in regards to our supplier partners and their operations.

Risks are assessed by country, inherent sector, commodity and worker group against our business operations and in our supply chain.

Suppliers are categorized based on country of origin and their volume of supply. A gap analysis is conducted to estimate the probability of risk within our supply chain.

To support our assessment we have used the risk profile of individual countries and commodity based on the Global Slavery Index and 2020 ITUC GLOBAL RIGHTS INDEX as a benchmark.



Risks in our operations

ARL's operations are based in Oakleigh Melbourne Victoria, Dandenong South, Melbourne Victoria, Auckland NZ and a retail store in Townsville. In Melbourne our support office consists of 10 different business units including Branded Buying Groups, Marketing, Finance, IT and Logistics the overall risk profile of our operations continues to be low.

To avoid risk of modern slavery within our operations ARL continues to conduct a rigorous recruitment selection process for all hiring decisions which includes obtaining documented proof of age and an individuals right to work in the country. We have a suite of policies to support our zero tolerance approach to bullying.

Our commitment to conducting business in an open and ethical way is supported through our Code of Conduct addressing bribery and money laundering. The health and safety of our employees is always paramount.

ARL's company handbook addresses equal employment opportunities. As part of our induction process all new employees receive a copy of all policies and have them explained. All staff have access to our policies and [handbooks via General Staff Information on our Network](#)

Policies are reviewed annually by our Audit & Risk Committee.

Actions taken in our operations

In FY 22/23 our continued key focus of embedding our CSR and Modern Slavery framework within our organizations culture remains.

Appropriate system suitability continues to delay some initiatives including on-line training modules, our CSR working group and risk assessments of our logistics carriers which will be ongoing into FY23/24

As part of our induction process and Code of Conduct new ARL team members undergo training on corporate social responsibility , Modern Slavery and sustainability.

Product category buyers continue to be reminded of their obligations in regards to the Modern Slavery Act when negotiating with new suppliers and the need for compliance to our code of conduct CSR framework and extensive supplier questionnaire assessments. Our two new own brand suppliers were on-boarded utilizing our current tools for assessment and agreed to our Code of Conduct. A new on-boarding process for new own-brand suppliers is still to be implemented but delayed due to minimal change in our own label supplier base.

Risks in our operations are managed by a robust governance framework, reporting regime, risk-assessment process and policy suite. These controls are over-seen by the Audit & Risk Committee.



Grievance mechanisms

ARL believes in a workplace culture that encourages all our employees, contractors and business partners to report any concerns or circumstances which may give rise to the risk of slavery or human trafficking.

The report process is designed to make it as easy as possible for people to make disclosures about any concerns. Employees are encouraged to report to their managers or to the person who is their key contact at ARL.

A separate email address modern.slavery@arl.com.au is available as a point of contact for any modern slavery related queries or reporting. There were no concerns relating to human rights or modern slavery violations during the reporting period.

Risks in our own-brand supply chain

During FY 2022 -2023 there was minimal change to our own label supplier base

Our 2022-2023 risk assessment identified that out of the 9 own-brand factories used all 9 are located in countries with a higher presence of modern slavery risk indicators.

In this reporting period we re-issued the Supplier Code of Conduct and continued our questionnaire process to identify any changes in our factories over the past 12 months. Risk indicators around the composition of the work force including % of women workers, the use of agency and migrant labour, the availability of grievance mechanisms and union participation, as well as the International Labour Organisation (ILO) indicators of forced labour such as excessive overtime were reviewed.

Completed questionnaires were returned by 9 out of the 9 suppliers (100%). Of the 9 completed 8 factories were able to provide documentation relating to audits conducted via third parties and certification received with all compliant including our two new factories in Vietnam and Taiwan. Once again the only risk factor identified is potential for excessive overtime. This issue occurred last year and the factory was terminated. An awareness of this will continue throughout FY23/24.

Factory audits and remediation

We continue to utilize audit information and certification provided by 8 of our largest own label factories to verify compliance utilizing the modern slavery assessment framework.

Information received from audits in FY21/22 indicated that 1 factory with a low risk indicator was deemed unsatisfactory and despite further requests for information we were unable to confirm compliance. This factory was terminated in FY 22/23.

Factory level risk assessment

Our Modern Slavery Factory Assessment Questionnaire in conjunction with external audit information provided continues to provide us with a clear picture of compliance in our factories in lieu of physical audits conducted by our business. Our assessment includes General Modern Slavery Responses - policies and processes, training for workers on modern slavery risks, previous breaches. Supply chain management - to assess risks further up the chain and identified risks. Child Labour - compliance to United Nations ILO Conventions and identification and age checks including age of youngest worker. Forced Labour, Bonded Labour, Human Trafficking policy and processes, Retention of documents, security deposits, monetary fines and the approach the factory has taken towards addressing human rights risks. Employment Conditions - contract, accommodation, ability to leave, payment of legal entitlements, published working hours policy. Grievance & Redress Mechanisms - mechanism to raise concerns, how these are monitored, action taken in addressing human rights risks and reports including remediation processes and effectiveness of actions.

The assessment in FY22/23 demonstrated that our own label factories continue to have a low level of reliance on seasonal workers with 98% permanent and a 62/38% male to female ratio. All factories had worker representatives however union representation continues to be low. The average age of the youngest worker across the factories is 21 years old. 90% of assessed factories were able to provide written copies of Modern Slavery Policies and Procedures including policies supporting working hours, overtime and minimum payments. The remaining factories were able to clearly document policies and were verified by external audit documentation.

All factories continue to use complaint boxes as a mechanism to raise grievances. 70% of the factories had complaint lines which was an improvement on last year. Which was 50%.



Actions taken in our own-brand supply chain

During FY22/23 ARL has continued to use our questionnaire and declaration process within our own-brand supply chain in order to assess risk. This will continue to be required annually from all suppliers.

Two new suppliers were on-boarded in FY 22/23.

Supplier manuals incorporating the Supplier Code of Conduct and CSR Framework have been issued to all own label suppliers and factories and were resent again through the assessment process.

We will also encourage our own-brand suppliers to undertake online training, external audits and certification on modern slavery risks in order to support their awareness and understanding of ARL's values and policies.



Risks in our wholesale supply chain

Due to lower visibility within our wholesale supply chain it is harder to assess and measure modern slavery risk. We recognize that the probability of modern slavery within the supply chain exists based on country of origin and risk profile of those countries and commodities.

According to the Global Slavery Index 6, over 70% of Australia's imported clothes are sourced from countries where the apparel industry is considered at risk of using modern slavery.

We can determine a significant proportion of products are produced in countries and industry sectors with high inherent risk ratings given the range of apparel and footwear brands offered throughout our SportsPower and Mensland stores.

ARL are committed to ensuring a robust and dedicated approach to minimize any risk of modern slavery across our supply chain and will continue to utilize our supplier questionnaires and compliance documentation from our supplier partners.

Suppliers unable to provide information will then be reassessed as to their suitability as a preferred supplier.

Actions taken in our wholesale supply chain

Although we do not own or are able to directly control our third-party brand partners we recognize that we have a responsibility to influence and increase visibility wherever possible in order better manage and mitigate their own modern slavery risks.

Due to the fact that we do not own or are able to directly control our wholesale suppliers, our approach is one of greater engagement and educational support.

As with our own-brand supply chain we initially started our audit process by asking suppliers to fill in our questionnaire and declaration. As with the previous reporting period we have continued a process where our large suppliers can submit their Modern Slavery Statements and declaration. This allows for greater focus on small suppliers where the probability of risk is higher. We have continued to use mapping and gap analysis throughout this period.

During this reporting year we had greater engagement with smaller TCF 3rd party suppliers. Utilizing our supplier assessment questionnaire we reviewed the compliance of an additional 16 TCF suppliers and 1 service provider that are non reporting high risk suppliers. This process did not identify non conformance with supplied responses taken as factual.

We continue to actively encourage all of our wholesale supply chain partners to continue to undertake online modern slavery training in order to better gain a greater awareness of this area as well as our Supplier Code of Conduct and trading terms to bridge the gap for compliance.

Evaluating The Effectiveness Of Our Actions

ARL are committed to conducting regular process reviews as we seek further visibility within all our supply chains.

During this reporting year, we identified through our internal audit process that our current supplier questionnaire is significantly more robust allowing greater visibility to identify and analyze all Modern Slavery risks and indicators both current and future.

As new and emerging risks occur this document will require re-evaluation however for now it is providing the transparency required. Suppliers are also now better prepared in providing the required information.

The level and quality of information collected as part of our actions this reporting period continues to give us confidence in our ability to identify and address non-compliance, improve our outcomes and ensure our efforts have greater impact.

Although we have no known evidence of Modern Slavery occurring in our supply chain, we have identified suppliers that we will work closely with to improve the quality of documentation provided.

During this reporting period, we have no known evidence of modern slavery within our operations, current own- brand or wholesale suppliers.



Update on Commitments

As outlined in our FY 2022–2023 Modern Slavery Statement key actions were prioritized for delivery in the reporting period.

Action Items for 2022–2023

Our approach in 2022–2023 is to review, maintain and improve activities and processes previously implemented. We have analyzed the 3 key areas of internal, external and process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training for all staff. Evaluate the implementation of on-line modules to support. *On-going*
- Establish a dedicated CSR working group to assess current CSR status and develop a CSR integrated strategic plan. *Delayed FY23/24*

External

- Increase visibility of modern slavery risk or abuse by improving own-brand supplier questionnaire and declaration compliance to 100%. *Achieved*
- Engage with non-reporting smaller wholesale suppliers to self report utilizing our supplier questionnaire and declaration process to identify modern slavery risks. *Achieved*
- Engage ETA to conduct independent audits of our 3 largest (Volume) own-brand suppliers. *On-Hold Utilised other external audits*

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations. *Achieved*
- Undertake risk assessments across logistics carriers. *Delayed FY23/24*
- Roll-out to all suppliers new Supplier Code Of Conduct. *On-going*
- Design and implement new on-boarding process and documentation suite for new own-brand suppliers. *Delayed FY23/24*

Planned Activities For Financial Year 2023–2024

In response to the ongoing risks of Modern Slavery we continue to identify key priorities to manage and mitigate to Modern Slavery risks in our operations and supply chain.

Approach for 2023–2024

Our approach in 2023–2024 is to review, maintain and improve activities and processes previously implemented. We have analyzed the 3 key areas of Internal, External and Process Improvement requirements and activities.

Internal

- Re-run modern slavery awareness training for all staff. Evaluate the implementation of on-line modules to support.
- Establish a dedicated CSR working group to assess current CSR status and develop a CSR integrated strategic plan.
- Identify and implement environmentally conscious suppliers across ARL Brands

External

- Increase visibility of modern slavery risk or abuse by reviewing own-brand supplier questionnaire and declaration compliance to 100%
- Continue to engage with non-reporting smaller wholesale suppliers to build their awareness in managing modern slavery risks. Audit 35 Suppliers FY 23/24

Process Improvements

- Continue to implement robust due diligence on working conditions in factories through more detailed supplier questionnaires and annual supplier declarations
- Undertake risk assessments across logistics carriers.
- Roll-out to all suppliers new Supplier Code Of Conduct.
- Design and implement new on-boarding process and documentation suite for new own-brand suppliers.

Appendix

This Modern Slavery Statement was prepared in accordance with the mandatory reporting criteria set out in the Modern Slavery Act 2018

Mandatory criteria	Mandatory criteria	Page Numbers
1. Identify the reporting entity	1. Contents	02
2. Describe its structure, operations and supply chains	2. Our Structure, Operations & Supply Chain	04 - 05
3. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity any entities the reporting entity owns or controls.	3. Identifying & Addressing Risks In Our Operations & Supply Chain	06-10
4. Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.	4. Our Actions to Assess & Mitigate Modern Slavery Risks In Our Operations & Supply Chain	06-10
5. Describe how the reporting entity assesses the effectiveness of actions being taken to assess and address modern slavery risks.	5. Evaluating The Effectiveness Of Our Actions	10
6. Describe the process of consultation with any entities the reporting entity owns or controls.	6. N/A no controlled or owned entities	N/A
7. Provide any other relevant plans.	7. Update on Commitments Planned Activities FY 2023-2024	11 - 12