

# GLOBAL RETAIL BRANDS

## 1. FY20 MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

Date: 22 April 2021

### 1.1 About Global Retail Brands and Global Retail Brands Australia

This joint statement is presented by Global Retail Brands Pty Ltd and its subsidiary entity Global Retail Brands Australia Pty Ltd both incorporated and operate in Australia (together 'Global Retail Brands').

Global Retail Brands has been operating in Australia since 2005 primarily as a homewares and kitchen retailer and is a 100% Australian owned company, and includes House, Robins Kitchen, MyHouse, Footy Fan Direct, Pet House and Your Home Depot. The company is headquartered in Melbourne, Victoria, but maintains over 200 stores across all Australian states and territories.

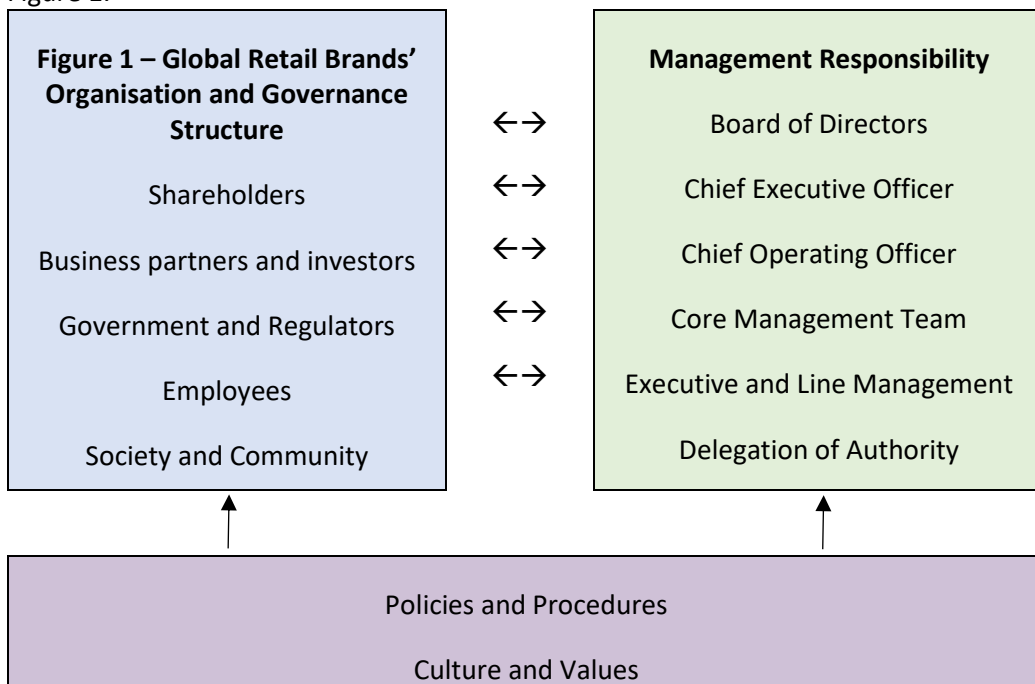
In addition to a physical presence Australia-wide, Global Retail Brands also operates the online ecommerce websites for the above-mentioned brands.

Global Retail Brands recognises the increasing globalisation of its industry, particularly relating to operations and supply chains. With over \$100 million in consolidated revenue in the last financial year, Global Retail Brands is formally required to maintain and update a modern slavery & human trafficking statement. In line with the requirements of the *Modern Slavery Act 2018* (Cth), Global Retail Brands has compiled this statement which is intended to assist in reducing modern slavery and human trafficking.

### 1.2 Global Retail Brands' structure, operations and supply chains

#### Structure

Global Retail Brands' organisation and governance structure is represented by the diagram in Figure 1.



## Business processes and risk management

Global Retail Brands is an Australian proprietary company, led by a board of directors (**Board**) with the Chief Executive Officer (**CEO**) and Chief Operating Officer overseeing day to day operations of the company. Underneath the Board, the CEO and the COO, there are the management teams who handle the management of departments or business units as well as individual stores in Global Retail Brands' network. Delegation of authority principles exist to enable leadership across all levels of the business.

Management responsibility interacts and is accountable to Global Retail Brands' stakeholders on a day-to-day basis. These stakeholders include shareholders, business partners and investors, the Government and regulators, employees, and more generally the wider community.

Overarching Global Retail Brands' organisation and governance structure is the company's policies and procedures, culture and values and business processes and risk management.

### Operations

Global Retail Brands currently employs 1,729 permanent and casual employees and has a further 83 agency employees and independent contractors engaged across its head office, warehouses and retail stores.

Global Retail Brands operates primarily as a homewares and kitchen retailer in Australia, with its operations including the workers it employs in its centralised and store operations and in warehousing and distribution.

### Supplier Chain

Global Retail Brands appreciates its supply chain constitutes the products and services (including labour) that contribute to the company's own products and services, including products and services sourced in Australia or overseas.

Global Retail Brands has a global supply chain made up of approximately 960 contracted merchandise and non-merchandise suppliers. Global Retail Brands' supply chain relationships include suppliers from the following sectors: Merchandise Sourcing, Packaging, Consulting and Other Professional Services, E-Commerce, Information Communications and Technology, Logistics and Transport, Marketing, Office Supplies, Print and Promotional Goods and Services and Property Services

Approximately 20% of Global Retail Brands' contracted suppliers are merchandise suppliers. They are categorised as either in-house and affiliated brand suppliers or third-party brand suppliers. As a retailer, Global Retail Brands does not typically deal directly with manufacturers, but rather local importers or distributors. For the in-house and affiliated brands, which make up of most of its product offering, being approximately 86 -90% of its merchandise products, Global Retail Brands engages one local affiliate supplier, Playcorp Pty Ltd (Playcorp). For third-party brands which make up the remainder of its merchandise products, Global Retail Brands contracts with 192 wholesale importers or reseller businesses, 186 of which are local entities.

As a proud Australian business, Global Retail Brands is committed to engaging Australian suppliers wherever possible. Over 98 per cent of Global Retail Brands' total procurement spend is within Australia through direct, first tier suppliers. However, Global Retail Brands recognises the products and services that contribute to its own products and services extend beyond those

received from direct, first-tier suppliers. Global Retail Brands' supply chain also includes products and services used by indirect, second-tier suppliers and beyond.

Global Retail Brands understands that approximately 95% of its in-house and affiliated products supplied by Playcorp are sourced in China from 171 factories, with the remaining 5% of products sourced in India and Slovakia.

### **1.3 Risks of Modern Slavery Practices in the operations and supply chains of Global Retail Brands**

Risks of modern slavery practices means the potential for causing, contributing or being directly linked to modern slavery through operations and supply chains. Modern slavery has the potential to exist in Global Retail Brands' supply chain in a number of ways, including by child labour, debt bondage, forced labour and human trafficking.

Global Retail Brands appreciates the following risks in its operations and supply chains:

1. Risks that Global Retail Brands may *cause* modern slavery practices;
2. Risks that Global Retail Brands may *contribute* to modern slavery practices; and
3. Risks that Global Retail Brands may be *directly linked* to modern slavery practices.

Considering Global Retail Brands' supply chains, as described above, it considers the third risk the most likely (if any), that Global Retail Brands may be directly linked to modern slavery practices.

Global Retail Brands is highly aware of the risk that its operations, products or services may be connected to modern slavery through the activities of another entity Global Retail Brands has a business relationship with, including those suppliers which maintain a majority of operations outside Australia. These business relationships include all entities in the Global Retail Brands supply chain, including entities Global Retail Brands does not have a contractual relationship with. It also includes all business partners and investees and borrowers but does not include customers who purchase Global Retail Brands' products.

Global Retail Brands considers products and services arising from the Product Manufacturing sector to be of the highest risk of modern slavery in its supply chain. Global Retail Brands appreciates its most severe modern slavery risks may not align with the volume or cost of the products and services procured.

Further, Global Retail Brands realises products and services procured from China, India and Slovakia may constitute some of the highest modern slavery risks. This is due to a variety of factors, which may include some countries maintaining poor governance, weak rule of law, conflict, migration flows, and socio-economic factors like poverty.

Global Retail Brands is committed to continually improving how it works with business, government, suppliers and society to meet moral and ethical obligations to combat modern slavery and human trafficking. Global Retail Brands is strongly committed to working with its suppliers to ensure that there is no modern slavery from its supply chain.

### **1.4 Due Diligence and Risk Management**

Global Retail Brands considers the risk of modern slavery within its direct business operations to be low, particularly given the degree to which its products and services are sourced in Australia. Most of Global Retail Brands' products are either sourced locally or procured through Australian

distributors. However as foreshadowed above, Global Retail Brands recognises its supply chain and customers can be indirectly exposed to modern slavery and human trafficking risks.

As Global Retail Brands identifies greater risks and leverage among overseas manufacturers of its in-house and affiliated product brands, which as discussed are predominantly in China, it maintains an agreement with its direct supplier, Playcorp, to ensure that Playcorp's overseas operations and supply chains address modern slavery and ethical sourcing risks. Global Retail Brands understands that Playcorp in turn engages an affiliated company (Facilitator) based in Shanghai to facilitate purchases between Playcorp and Chinese suppliers, which can include the Facilitator conducting the following procedures:

- vetting of new suppliers prior to engagement, including requiring independent audit reports in relation to the supplier's practices and facilities on a regular basis or as required;
- conducting or arranging ethical audits and inspections on a regular basis or as required at any time, without notice;
- enforcing mandatory requirements for suppliers to adhere to social, ethical and environmental policies which include the following provisions—
  - o all workers are over the legal minimum age. Where a limit does not exist, workers must be over the age of 16;
  - o workers are paid a fair wage relative to local standards;
  - o workers are not required to lodge unreasonable deposit or identity papers that make it impossible for them to leave of their own free will;
  - o workers are not subject to physical abuse or intimidating behaviour;
  - o workers' accommodation is safe, hygienic and separate from all production units;
  - o workers are provided a safe working environment that meet acceptable standards of hygiene;
  - o the supplier is not allowed to sub-contract any of the production without the Facilitator's written confirmation and any sub-contracted supplier must also adhere to the same policies and standards;
  - o the supplier does not use bonded or slave labour; and the supplier demonstrates a willingness to improve upon any identifiable areas of concern.

Global Retail Brands has commenced a review of Playcorp's and its Facilitator's ethical sourcing policies and risk assessment procedures as well as their compliance in relation to these measures. Furthermore, Global Retail Brands intends to provide feedback where applicable and continuously monitor their practices moving forward.

Global Retail Brands works with its stakeholders to identify and understand the impacts of its activities. Due diligence is implemented to prevent and mitigate adverse impacts arising from Global Retail Brands' activities. This due diligence refers to an ongoing management process to identify, prevent, mitigate and account for how Global Retail Brands addresses actual and potential adverse human rights impacts in its operations and supply chains.

## Governance

Good governance is essential to the long-term sustainable success in eliminating modern slavery. Good governance is ingrained at Global Retail Brands and is the collective responsibility of all levels of management and even more widely extends to all employees. The risk of modern slavery in Global Retail Brands' operations and supply chain is assessed within Global Retail Brands' corporate-wide governance and risk management framework. Responsibility for assessing and addressing modern slavery risks have been assigned to a senior manager, and Global Retail Brands' board is briefed regularly and appropriately.

## Contractual Arrangements

Through contractual arrangements and procurement principles, Global Retail Brands' suppliers and contractors are required to comply with Global Retail Brands' Policies.

Global Retail Brands has now introduced modern slavery related clauses in its standard terms and conditions of supply and new vendor trading agreements which place an obligation on suppliers to comply with Modern Slavery laws and provides Global Retail Brands rights of audit to assist in identifying unethical practices.

## Grievance and feedback

Global Retail Brands has a number of mechanisms for stakeholders and other third parties to anonymously report suspected or actual illegal activities, breaches of human rights, and/or company policies.

Global Retail Brands has implemented a Whistle-blower Protection policy that allows Global Retail Brands employees and contractors to raise concerns in a confidential manner. This includes concerns relating to modern slavery.

Grievances can also be received via direct correspondence, social media or through bodies such as the Human Rights Commission and the Department of Home Affairs.

Where concerns are raised, Global Retail Brands will conduct an investigation in accordance with regulatory requirements and applicable policies and procedures, and will address any concerns as appropriate. Global Retail Brands' grievance procedures ensure all grievances are managed and investigated in a comprehensive, timely and transparent manner.

## Training and Communication

Global Retail Brands intends to have its direct employees attend risk awareness training which will include information on modern slavery.

Modern slavery requirements and updates will be communicated to all Global Retail Brands employees during team meetings and onsite training sessions to ensure compliance with this statement across Global Retail Brands' entire business.

### **1.5 Actions to date**

Actions taken to date in order to minimise the risks of modern slavery within Global Retail Brands include:

- commenced a review of Playcorp's and its Facilitator's ethical sourcing policies and risk assessment procedures as well as their compliance in relation to these measures.

- undertook a gap analysis of Global Retail Brands' current policies and procedures against the Australian Modern Slavery Act;
- commenced the use of anti-modern slavery clauses in its vendor trading agreements;
- preparing to commence the implementation of an Ethical Sourcing Policy across its business units;
- preparing to commence the use of a Supplier Code of Conduct which sets out Global Retail Brands' minimum expectations for all suppliers regarding workplace conditions, environmental management, human rights and modern slavery risks; and
- preparing to commence the use of a compliance statements and statutory declarations (where possible) with a focus on high-risk suppliers, which represents an additional commitment to work with Global Retail Brands to reduce slavery from its organisation and supply chain. If this is not possible, Global Retail Brands will be clearly communicating its expectations to suppliers, including by ensuring that modern slavery issues are specifically addressed in supplier contracts, prequalification and other relevant mechanisms.

#### How Global Retail Brands assesses the effectiveness of actions

Global Retail Brands continues to assess the effectiveness of its actions in comparison to industry standards and practices.

There are a range of ways Global Retail Brands demonstrates how they assess the effectiveness of its actions, including:

1. Regularly checking risk assessment processes to ensure they remain up to date.
2. Processes to provide for regular engagement and feedback.
3. Conducting internal audits and/or monitoring of specific steps Global Retail Brands has taken to assess and address modern slavery risks.
4. Tracking the actions taken and measuring the impact.
5. Working with suppliers and the Facilitator to check how they are progressing, including any actions they have put in place to address modern slavery risks.

Global Retail Brands will continuously develop consultation process to ensure that the entities it owns are aware of their obligations and further Global Retail Brands' goal to avoid the use of modern slavery up and down its supply chain.

## **1.6 Joint Reporting**

As indicated above, this statement has been prepared jointly by Global Retail Brands Pty Ltd (**GRB**) and its subsidiary entity Global Retail Brands Australia Pty Ltd (**GRBA**).

Both entities take a collaborative approach to combating modern slavery, with GRB ensuring that all of its relevant areas, and those of GRBA, have been identified, assessed and addressed and are aware of actions they need to take and the modern slavery risks relating to these areas.

GRB understands it is required to determine the appropriate consultation it needs to have with GRBA, and takes the level of consultation necessary to reflect the relationship between GRB and GRBA, that is sufficient to ensure that modern slavery risks relating to both entities have been appropriately identified, assessed and addressed. There is meaningful and ongoing dialogue between the entities, which may include, from time to time, meetings between each entities' secretaries and/or briefings for the boards of each entities, as appropriate.

## 1.7 Looking Forward

Global Retail Brands has set the following priorities moving forward:

1. **Reviewing Policies and Procedures** – to continue to ensure Global Retail Brands' current policies and procedures are best practice and fulfil the requirements of the Australian Modern Slavery Act.
2. **Modern Slavery Training** – to all staff involved in or overseeing procurement to ensure they are able to identify and manage modern slavery risks and commissioning the creation of e-learning modules, one for all Global Retail brands employees and one focused on its supply chain, which will be targeted at relevant teams.
3. **Due Diligence and Risk Assessment** – creating more streamlined and formalised due diligence, risk assessment and assurance processes, which may include the investigating services that provide third party audits and the implementation of new software or platform in relation to modern slavery.
4. **Analysing supply chains** – including through the requesting of information from direct suppliers about sub-suppliers (including country of origin), engaging with key suppliers to understand how they are addressing modern slavery risks, working with other entities to carry out joint assessments of supply chains, using traceability processes and identifying existing credible assessments.
5. **Engagement and Collaboration** – with suppliers to ensure they understand Global Retail Brands' requirements in avoiding modern slavery risks.
6. **Corporate Memberships** – become more actively involved in Corporate Associations to share information and discuss issues on human rights.
7. **Improve supplier and Facilitator awareness** – of modern slavery risks and how they may contribute to modern slavery through awareness-raising and training.

This statement was approved by the Boards of Global Retail Brands Pty Ltd and Global Retail Brands Australia Pty Ltd.

Signed by:



**Darron Gary Kupshik**  
Managing Director