



**Modern Slavery Statement**  
**December 2021**

Vita Group Limited  
ABN 62 113 178 519

Note: This statement covers Vita Group Limited (the parent company in Vita Group) and each of its subsidiaries within the Vita Group (together referred to as we, us, our, Vita) for the 2020/2021 reporting period. A complete list of the entities in the Vita Group as at 30 June 2021 as set out in 2021 Annual Report can be downloaded from our website at [vitagroup.com.au](http://vitagroup.com.au).

## About Vita Group

Vita Group Limited is a publicly listed (ASX:VTG) Australian retailer with more than 25 years of expertise in consulting with customers and providing products and services that add value to their way of life. Our vision is *to make Vita a great place* to be for our team members, customers, partners and investors, as well as the communities we're proud to be part of.

Vita's values guide us in how we work together to make Vita a great place to be. Our eight values are the foundation of our strategy and ongoing success and are reinforced in our organisational processes through regular team feedback and performance reviews. Of particular importance in our modern slavery action plan is the Vita value *Always do the right thing*.



# Modern Slavery Action Plan

## 2020/2021: Modern slavery risk management initiatives

In 2020/2021, Vita continued to embed processes to manage modern slavery risks and gain a deeper understanding of the associated impacts across our supply chain.

Taking the learnings from the operational gap analysis performed in the prior reporting period, we developed a modern slavery policy and formalised roles and responsibilities to ensure that we manage the risks and action plan effectively.

Vita was not able to execute all of the action items it had envisaged in the prior reporting period because of senior management's time being diverted to discussions with Telstra Corporation Limited (**Telstra**) following Telstra's announcement on 11 February 2021 that it intended to transition to full Telstra ownership for its brick-and-mortar Telstra-branded retail stores. The discussions resulted in Vita announcing the sale of its Retail Information and Communication Technology and Sprout businesses to Telstra on 24 September 2021 which completed on 12 November 2021 (**Divestment**).

Despite this, Vita continued to engage with tier 1 (direct) suppliers to implement corrective actions to ensure we are fulfilling our obligations.

Pleasingly, having had a longstanding commitment to sustainable development, Sprout achieved two best practice ISO certifications – Best Practice Quality Management System (ISO9001) certification and Best Practice Environment Management System (ISO14001) certification in March 2021. Both certifications demonstrate an organisation's product or service meet the expectations of its customers and reflect Sprout's commitment to sustainability and creating technology that enhances the world not just today, but into the future.

## 2021/2022: Next steps

While Vita Group is no longer a reporting entity under the *Modern Slavery Act 2018* (Cth) as a result of the Divestment discussed above, Vita Group will be focusing on the environmental impacts of Vita Group and Artisan with a view to becoming more environmentally friendly and reducing waste. Vita Group will also continue with its commitment to responsible and ethical business practices, protecting human rights and promoting diversity in accordance with its existing policies (refer below for further detail).

## Reporting Criteria 1 & 2

### Organisational structure, operations and supply chain

Vita Group Limited (the parent company in Vita Group) is a company incorporated in Australia and our registered office is located at 77 Hudson Road, Albion, QLD 4010. As stated above, a complete list of the entities in the Vita Group as at 30 June 2021 as set out in 2021 Annual Report may be downloaded from our website at [vitagroup.com.au](http://vitagroup.com.au).

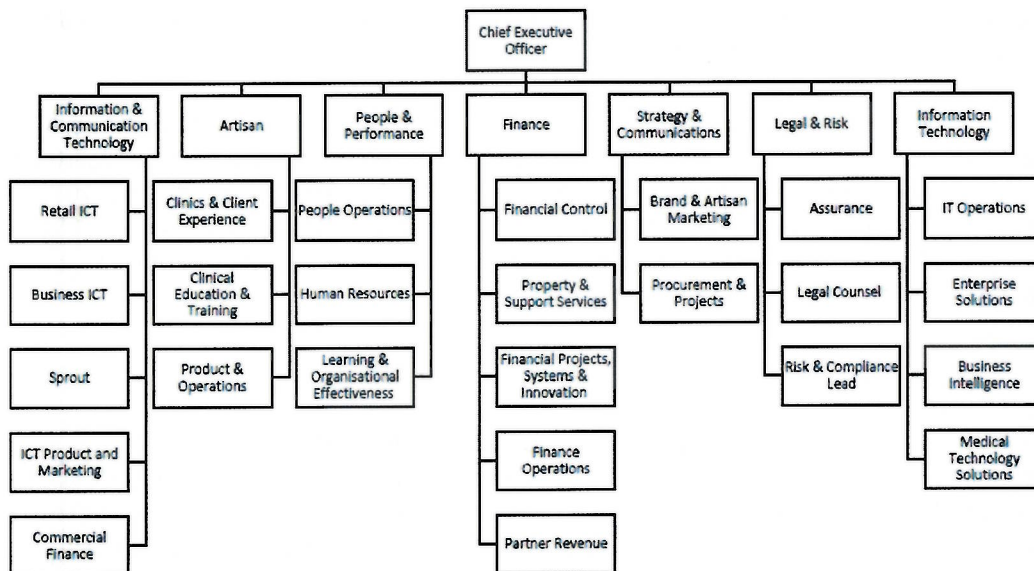
Vita's principal activities relate to the sales of products and services through its customer-facing points of presence in Australia. During the reporting period, Vita's businesses included more than 100 Vita-owned Telstra retail stores, its Telstra Business ICT channel, the sale of consumer electronics via its accessories brand Sprout, and the network of more than 20 branded and non-

branded Artisan Aesthetics Clinics operated through a wholly-owned subsidiary Artisan Aesthetics Group Pty Ltd.

As at 30 June 2021, Vita's total workforce was approximately 1,463, including an indirect workforce of approximately 24 contractors, and 18 people located in the Philippines. Vita's indirect workforce is governed by a range of contractual arrangements depending on the type of work performed. Vita manages risks associated with labour rights across its total workforce via various policies including its Whistleblower Policy, Code of Business Practice and Ethics and Diversity Policy. For further information about Vita's strategy, financial performance, and leadership team, refer to Vita Group's website <https://www.vitagroup.com.au>.

### Vita Group organisational structure

As at 30 June 2021, Vita was organised as two key customer-facing channels (ICT and Artisan) and several support areas.



# Reporting Criteria 3: Modern slavery risks in operations and supply chain

In the 2020/2021 period, we determined that the modern slavery risks identified in our operations and supply chain during the prior reporting period continue to be relevant to our business and operations.

## Operational risks

In our 2019/2020 modern slavery gap analysis, areas for improvement in addressing modern slavery risks were identified across five key categories:

- Management systems
- Human resources and recruitment
- Procurement and supply chain
- Risk management
- Customers and stakeholders

Our analysis identified the presence of human rights and labour rights risks, and gaps and opportunities for better managing our response to modern slavery risks.

## Supply chain risks

Below is a summary of the key findings in relation to Vita Group's supply chain risks. Although this data was gathered during the 2019/2020 period, it remains pertinent to our actions within the current reporting period.

### *High level findings*

- Analysis of spend data indicates there is a moderate to high level of modern slavery risk in Vita's supply chain
- Approximately 40% of our FY 2019/2020 spend is potentially high risk for modern slavery
- Around 300 suppliers are considered potentially high risk for modern slavery
- 14 of our 26 spend categories are potentially high risk for modern slavery
- Levels of potential risk vary significantly between Vita's various operating entities

### *Supply chain overview*

In the prior reporting period, our procurement team, supported by external experts, analysed over \$100 million of procurement data for potential modern slavery risk against four key risk indices. In this reporting period, we reviewed our current supply chain risks based on the following key risk indices:

- **Industry sector**  
Specific industry sectors (for example manufacturing, ICT, construction etc) are deemed as high risk in international and national guidance documentation.
- **Commodity/product**

Specific products and commodities deemed as high risk by the US Department of Labor's 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.

- **Geographic location**  
While Vita predominantly uses Australian suppliers, it is recognised that goods and services may come from countries other than those of suppliers' headquarters which may have an elevated risk of poor labour standards and modern slavery.
- **Workforce profile**  
Supplier analysis has reviewed the type of labour involved in the production of goods and services, particularly where children, low skilled, vulnerable or migrant labour is used, or where the work is deemed as '4D' work (Dirty, Dull, Degrading or Dangerous).

### *Risk by Brand and Division*

As identified in the prior reporting period, potential modern slavery risk varies significantly between Vita's brand and internal divisions, largely due to the types of goods and services procured to meet operational requirements. For example, Sprout and Artisan Aesthetic Clinics have higher levels of potential risk due to their procurement of consumer stock items. This contrasts with corporate functions that have higher spend with lower risk suppliers such as professional services and government agencies. This information will continue to inform our future efforts to manage modern slavery risk across our brand and corporate suppliers.

## **Reporting Criteria 4: Actions taken to assess and address risk**

Vita's modern slavery gap analysis undertaken in the prior reporting period informed the development of our modern slavery action plan and three-year roadmap.

Vita's focus in 2020/2021 was to implement the highest priority actions identified in the prior reporting period, including raising awareness about modern slavery risks and implications across our organisation.

### **Modern slavery action plan and roadmap**

Continuing the work on our three-year roadmap, we undertook the following actions:

- Procurement policy and refresh supplier code of conduct
  - Developed a procurement policy
  - Refreshed our supplier code of conduct
  - Developed a supplier modern slavery engagement and communications strategy
  - Developed general clauses for supplier contracts for all high-risk contracts
  - Established a supplier monitoring program (including labour hire and outsourcing contracts)
- Modern slavery awareness and training program
  - Created modern slavery awareness and training program for staff
- Risk and governance framework
  - Expanded our current risk framework
  - Further mapped operations against potential risk of modern slavery and exploitation

- Reviewed and refreshed our existing governance framework for managing modern slavery risk
- Commenced creation of a new governance framework strictly for the Artisan channel which includes a component for reducing modern slavery risks

Training for all Vita Group team members has been a key focus and we have progressed creation of dedicated modern slavery learning modules. Vita developed a modern slavery policy identifying roles and responsibilities with associated training to support all team members to understand manage risks. Modern slavery risk was integrated into our risk assessment framework. Having recognised in the previous reporting period risks existed in some of Vita's supply chains, Vita continued to work to address those risks through engagement with tier 1 suppliers.

As stated above, Vita was unable to execute all the action items it had envisaged in the prior reporting period because of the Divestment.

## Our policies

Vita has a range of policies and processes to help identify and manage human rights and labour rights risks. We continuously refresh policies to better reflect legislative requirements including modern slavery. The following policies reference our commitment to responsible and ethical business practices, protecting human rights and promoting diversity:

- Code of Business Practice and Ethics
- Whistleblower Policy
- Risk Management Policy
- Anti-Bribery and Corruption Policy
- Diversity Policy

Access relevant policies and Corporate Governance Statement at:  
<https://vitagroup.com.au/shareholders/corporate-governance/>

## Reporting Criteria 5: Effectiveness Assessment

During 2020/2021, we continued to track the implementation of our modern slavery risk management program through the set of process indicators developed in the prior reporting period.

Utilising the Sedex platform, nine of Sprout's suppliers completed Self-Assessment Questionnaires. The responses were analysed and reviewed.

With the support of an external consultant, Vita prepared a corrective action plan based on a BSCI audit of five of those suppliers. BSCI audits focus on 13 performance areas which assess entities against labour protection and social responsibility standards in line with the Amfori BSCI Code of Conduct. Aligned with the UN Guiding Principles on Business and Human Rights, and the International Labour Organisation's Fundamental Conventions, the Code of Conduct guides entities to monitor their supply chain, build competence and knowledge, and engage in constructive dialogue with stakeholders.

One area of focus for Sprout was to engage its Chinese suppliers on their overtime practices and determine the root cause of workers accepting overtime, in particular, whether this may result from receiving low wages.

As part of our action plan, we contacted all five suppliers to find out more information about these practices. Their responses were consistent; minimum wage is paid, so it is considered common practice to work overtime to give workers the opportunity to save money for their future. Therefore, offering overtime is a must to ensure retention of workers.

The overall analysis of the five suppliers was that their practices are 'acceptable', that is, having an acceptable level of maturity that requires remediation plan and a professional follow-up audit. The remediation plan and follow-up audits have been adopted by Sprout and will be actioned as recommended in the Report.

### **Continuous improvement**

Addressing modern slavery risk is complex and challenging. This Statement reports on the work that Vita has completed in the second year of our modern slavery program. The work undertaken in 2020/2021 has been aimed at expanding our modern slavery risk management and reporting framework, continuing to assess our priority suppliers and raising awareness about modern slavery among our Board, management and team.

## **Reporting Criteria 6: Process of consultation with entities owned or controlled**

Each of Vita Group's subsidiaries (including Sprout) were part of the Modern Slavery risk management planning and implementation process, and work under the Vita Group policies and procedures. Each of Vita Group's subsidiaries were consulted on an ongoing and regular basis as part of Vita Group's modern slavery program and on the development of this statement, by providing a copy of this statement to the relevant board.

## **Reporting Criteria 7: Other Information**

### **Principles of the United Nations Global Compact (UNGC)**

Our approach to sustainable supplier management continues to be informed by the ten principles of the UNGC which form a part of Vita Group's commitment to sustainability. In 2020, Vita Group established an Environmental and Sustainability Working Group comprised of team members from across the business, including with representation from functions such as procurement, product design, logistics, marketing, communications as well as our senior leadership team. The working group is guided by the United Nations Sustainable Development Goals (SDGs) in its actions and provides a monthly report to the Group Leadership Team and the Vita Group Board outlining progress against key actions and highlights risk and issues.



## Divestment

Refer to '2020/2021: Modern slavery risk management initiatives' above for further information regarding the Divestment.

This Statement was approved by the Board of Directors of Vita Group Limited in its capacity as the principal governing body of Vita Group Limited on 17 December 2021.



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Pete Connors  
Vita Group CEO and Director

