



Modern Slavery Statement FY22

Contents

| | |
|--|----|
| Introduction | 3 |
| Our structure and operations | 4 |
| Our operations and supply chain | 4 |
| Identifying and managing modern slavery risks | 6 |
| Our modern slavery risks | 6 |
| Assessing risks in our operations & supply chain | 7 |
| Supply Chain Due diligence | 8 |
| Understanding our operations & supply chain | 9 |
| Supplier due diligence questionnaire | 10 |
| Our actions to manage modern slavery risk | 11 |
| Actions to address risk | 11 |
| Policies in our operations | 12 |
| Business conduct & remediation | 13 |
| Assessing our effectiveness | 14 |
| Future activities | 15 |
| Process of consultation | 16 |
| Appendix | 17 |



Our vision

‘To be a united force in Tasmanian food and grocery retailing, with a thriving network of independently-owned stores, trusted and favoured by our local communities’



Introduction

Tasmanian Independent Retailers (TIR) recognises that Modern Slavery is a crime and a violation of fundamental human rights. We are aware that Modern Slavery takes various forms, including slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another to exploit them for personal or commercial gain.

TIR is committed to ensure there is no modern slavery or any scope for modern slavery in our supply chain or in any part of our business operations. This is our first statement, and we will continue to encourage and strive towards a culture where all employees are aware of their responsibilities in identifying any potential modern slavery practices and bringing it to the attention of the board of directors.

This Modern Slavery Statement has been prepared in accordance with the Australian Modern Slavery Act 2018 (the Modern Slavery Act). It describes the risk of modern slavery in our own operations and supply chains during FY22 and the actions we are taking.

The following operations are included under the TIR Group:



Other interests

TIR holds a 40% interest in Statewide Independent Wholesalers (SIW) with Woolworths Limited (60%). SIW and Woolworth are reporting entities as defined in the Modern Slavery Act 2018 and have submitted a joint Modern Slavery Statement.

Our operations & supply chain

Tasmanian Independent Retailers

TIR’s primary role is to facilitate and support cooperative members and IGA Retailers in the key areas or advocacy, merchandising, marketing and promotions, and member services.

TIR is a 40% co-owner of SIW with Woolworths. SIW supplies goods to Woolworths and TIR in Tasmania, whilst Woolworths and TIR are responsible for negotiating trading terms and managing the relationship with their respective suppliers. TIR also owns Island Fresh Produce.

Island Fresh Produce

TIR acquired Island Fresh Produce (IFP) in 1995 and it is now one of Tasmania’s leading fruit and vegetable distribution wholesalers, supplying both independent retailers and hospitality customers across Tasmania.

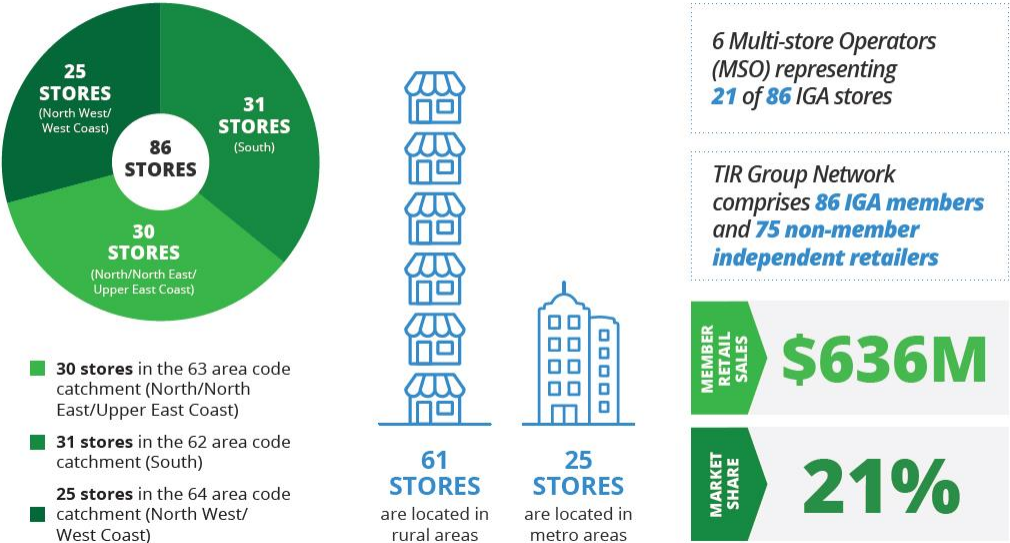
As a Tasmanian business, IFP supports local growers by focusing on sourcing fresh fruit and vegetables from Tasmanian farmers where possible and sources additional produce from markets across Australia. IFP services its members and customer network from its composite DC facility in Launceston. IFP is 100% owned by TIR.

Our Co-operative Members

TIR’s Member Network consist of 86 IGA retail outlets across Tasmania trading under the IGA or IGA X-press banners. Most of the network is represented by single store operators (SSO) with 6 multi store operators (MSO) representing 21 of the 86 IGA retail outlets.

TIR “Group” Network consists of 86 IGA Members and 75 Non-Member retail stores.

OUR LOCATION SPREAD OF OUR 86 MEMBER STORES



Our operations & supply chain

TIRs suppliers can be categorised into 3 broad categories

1

Suppliers of goods for resale

Suppliers provide goods for resale which are labelled with a trademark not owned by TIR.

2

Goods not for resale suppliers

Goods not for resale (GNFR) suppliers provide non-tradeable goods and services that TIR procures to support its operations, including running its member stores and corporate function. Some examples include transport services, store fixtures and services, marketing materials, IT hardware and packaging materials.

3

Indirect suppliers

Indirect suppliers supply both goods and services to proprietary suppliers, Indirect suppliers do not have a direct trading relationship with TIR.

35-55% of fruit & vegetables sourced in Tasmania

Whilst we have a global network of suppliers, IFP our fruit and vegetable business has a Tasmanian-first sourcing policy to provide our customers with quality local-grown fresh produce as a first priority. In FY22 and depending on availability, between 35-55% of fresh produce, by volume, was sourced from our supply partners from all over Tasmania.

Our modern slavery risks

Given the nature of our operations, we recognise that modern slavery risks can occur both in our operations and supply chain.

We have therefore included a Principal Risk and a subcategory risk in our Enterprise Risk Management Framework that is monitored by our Risk and Audit Committee:

Principal Risk

Responsible Sourcing & Supply Chain

The risk that we may be unable to effectively deliver day to day services, capital operational or change program without a sustainable, resilient, cost-effective supply of goods, services and high calibre third party contractors. In addition, there is a risk the products we sell are unsafe, not ethically sourced or meet the integrity that our customers expect.



Sub category risk

Modern Slavery

There is a risk within our supply chain and operations that we source goods and services from suppliers and contractors who operate in areas of higher risk leading to the perception of or potential for risk factors of modern slavery.

In consultation with our Heads of Departments we have commenced a risk assessment process to understand our Tier 1 Suppliers* to better understand where potential issues exist, where greater risks may arise and where to prioritise our future focus our efforts.

These assessments consider not only modern slavery risks, but also broader human rights risks which could indicate a supplier has inadequate controls in place to prevent against modern slavery.

During FY22, TIR has not identified any instances of modern slavery in its supply chain or own operations. As outlined in Our Future Focus (page 15), we use insights obtained via NGO, our supplier due diligence checks and business conduct mechanisms (page 12), to continue identifying which countries, sectors, products and services pose the highest risks.

See page 9 for a map of our operations and supply chain risks

*Tier 1 are those that we buy directly from.

Assessing risks in our supply chain & operations

Risks in Our Operations

TIRs operations are based in Tasmania, Australia. However, we recognise that we operate in some sectors which are at higher risk of modern slavery based on the inherent characteristics of those sectors, including:

- Labour in our warehouses and transport operations; and
- Cleaning.

We consider the actual risk of modern slavery in our own operations to be low, based on the following key factors:

- The majority of TIR' team members within the above mentioned higher-risk areas are directly employed by TIR, which means we have direct control of contractual and employment arrangements to ensure they are appropriate and lawful.
- We have implemented policies and procedures and business conduct channels (refer to page 12) to minimise the likelihood of modern slavery and to provide avenues for reporting.

Risks in our Supply Chain

Fruit & Vegetables: It is important to us that our fruit and vegetables are sourced locally which is why 100% of suppliers for IFP are based in Australia. Despite being a typically "low risk" country, we recognise horticulture is an area of risk because of the risks of deceptive recruitment, debt bondage and forced labour in supply chains. This is based on the nature of the industry, its reliance on third party labour providers and the high prevalence of migrant and vulnerable workers often working on a casual or seasonal basis.

Non-trade suppliers: Our biggest non-trade categories include apparel, IT, fixtures and fittings, logistics, packaging and marketing. For TIR, there are risks of modern slavery in our extended supply chain with the following having the greatest:

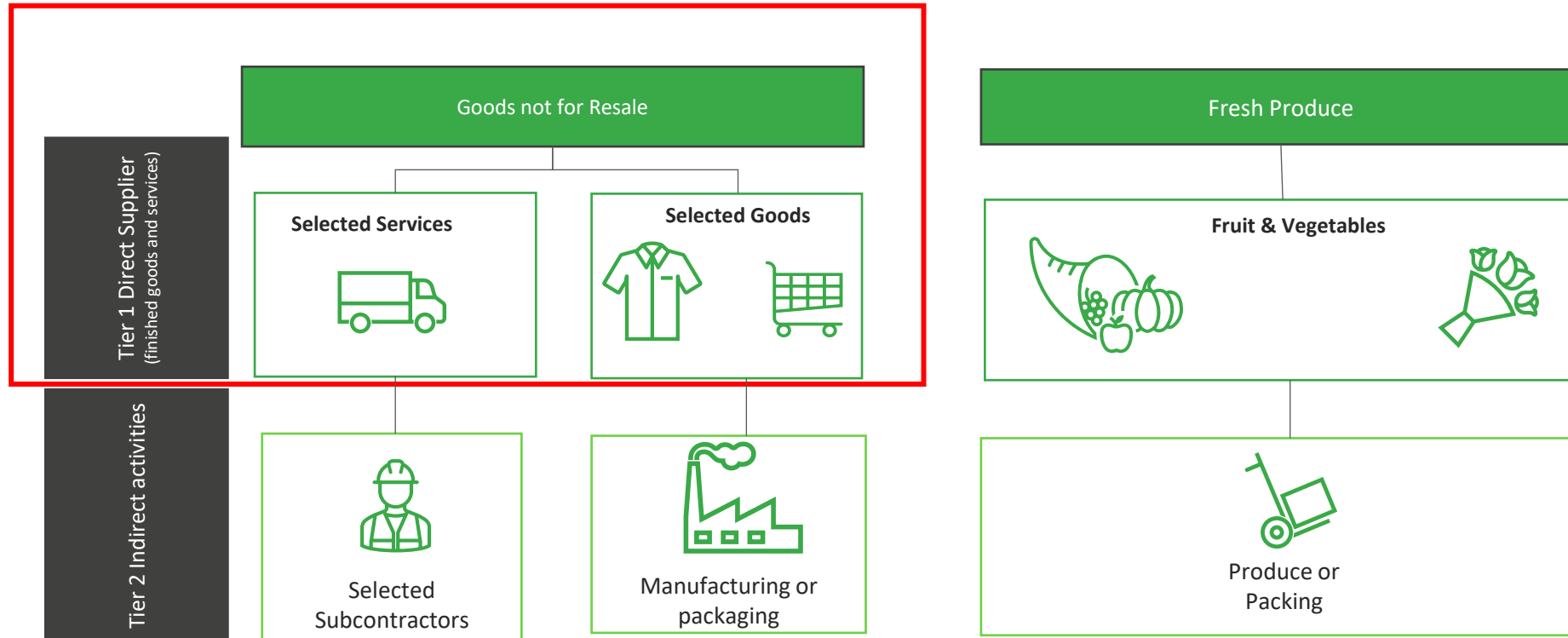
- Excessive working hours
- Underpayment of wages and benefits,
- Deceptive recruitment,
- Exploitation of migrant workers,
- Bonded or forced labour.

Supply chain due diligence

This year TIR commenced due diligence checks over its Tier 1 suppliers using a supplier due diligence questionnaire.

The diagram below and the red outline marks the FY22 in scope focus areas across our supply chain. Our scope will continue to evolve and expand to other areas of our supply chain as we progress.

Refer to Pages 9-10 which outlines how we have started to use the information from our due diligence checks to understand our operations and supply chain risks areas.



Understanding our operations & supply chain

Using the information from our in-scope tier 1 suppliers through the due diligence questionnaire and knowledge of our operations, we have started to map the countries, sectors and risks across our operations & supply chain.

Modern slavery risks

- 1. Forced or bonded labour
- 2. Exploitation of migrant workers
- 3. Deceptive recruitment
- 4. Underpayment of wages
- 5. Child labour
- 6. Excessive working hours
- 7. Human trafficking.

Further detail on responses received from our suppliers can be found on page 10.



Supplier questionnaire outputs

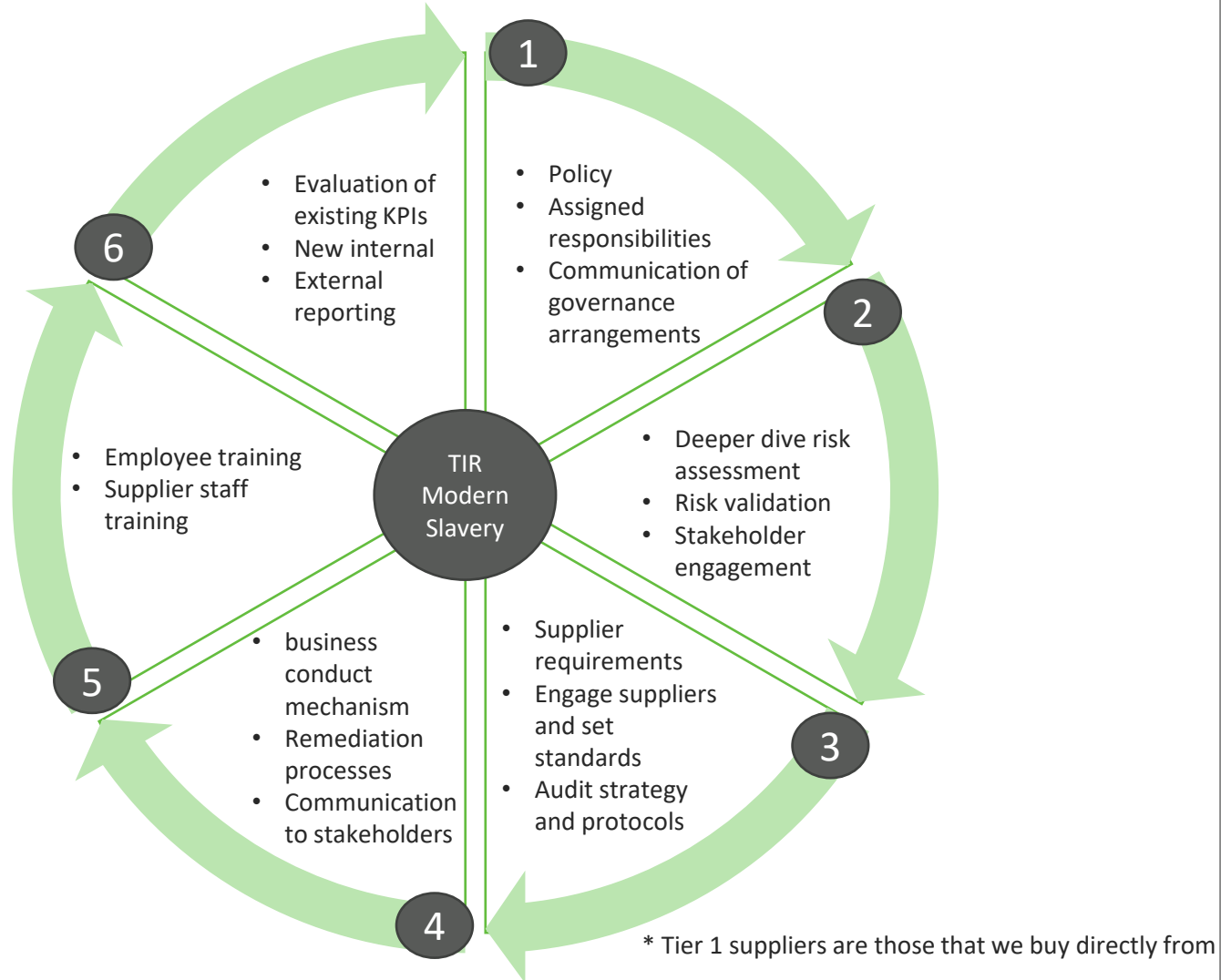


The following are high level outputs and actions from the review of responses received from our Supplier Due Diligence questionnaire:

- Our direct Suppliers are at medium to low risk of modern slavery within their own operations.
- There is proportion of our Suppliers who are sourcing goods from geographically high-risk countries and most of these have controls such as supplier audit procedures and pre-engagement checks. We have recorded a small number instances where suppliers are sourcing from high-risk countries, with no due diligence checks undertaken. Where this has been identified, we will work with these suppliers to encourage introduction of adequate and reasonable checks to minimize their exposure to modern slavery.
- Where applicable, Suppliers have submitted an Australian modern slavery statement to the relevant regulators/ authority.
- A large proportion of our Suppliers have policies and procedures in place, that were either supplied as part of their submission or referenced as publically available documents, these, included: Ethical Trading Policy; Human Rights, Whistleblower, Supplier Code of Conduct; Quality Management System and Supplier Audit Procedures.
- Many of our larger Suppliers have undertaken audits as part of the supplier assessment prior to engagement; and are members of the Sedex Members Ethical Trade Audit, that provides for an ethical audit methodology.
- The results confirm that for the most part, our Suppliers are taking positive actions and where there are concerns, these were expected due to the small size of the Suppliers operations. We will work with these Suppliers to encourage them to introduce adequate and reasonable checks.

Actions to address our risks

We have developed a 6-step approach to address modern slavery risks in our supply chain and operations. These will form our key initiatives and our FY23 focus areas.



Six Step Approach

1. Governance: Leverage existing policies and implement new ones needed to communicate modern slavery commitment to staff, suppliers and members. (Page 12)

2. Risk Assurance: Map broad operations and Tier 1 suppliers* in supply chain to identify and consider modern slavery risks.

3. Due Diligence: Screen high risk operations and supply chains agreements and implement protections to address modern slavery risks. (page 6-9)

4. Business Conduct and Remediation: Review escalation, investigation and response plans to ensure allegations or actual incidents of modern slavery would be appropriately managed.

5. Training: Train teams to understand modern slavery risks as well as their role and responsibilities in managing such risk.

6. Monitoring and Reporting: Review reporting mechanism to assist management in evaluating progress against commitment and invest in areas for improvement.

Policies in our operations

As part of our continuous improvement and future focus we are undertaking a review of policies and procedures that play a role in embedding ethics throughout our business what we expect from our suppliers, consultants and contractors working with or for TIR.

The following policies have been developed to prevent modern slavery

| Policy | Description |
|-------------------------------------|---|
| Modern Slavery Policy | Our commitment to address modern slavery risks in our operations and Supply Chain. |
| Code of Conduct | The expected behaviours of our employees, team members, and contractors. |
| Health, Safety and Wellbeing Policy | Our commitment to provide a safe and healthy work environment for our employees, members customers, contractors, suppliers and visitors. |
| Business Conduct Policy | Applies to suspected or actual unethical, illegal, corrupt, fraudulent or undesirable conduct, or any breach of the TIR' Code of Conduct. |



Business Conduct & Remediation

Its important to have business conduct mechanisms in place that create a safe environment for all that work for and with TIR to report acts of potential unethical behaviours.

TIRs Business Conduct and Speak Up

At, TIR we are committed to driving the highest levels of ethics and integrity in the way we do business. We understand that this is crucial to maintain the trust of our stakeholders and protect our reputation as an ethical business.

Our values, Code of Conduct, and policies guide our everyday conduct. We all have a professional responsibility to speak up and report unethical behaviour.

To support this, we have a Business Conduct Policy and provide several mechanisms for concerns and complaints to be raised, with the option to do so confidentially and anonymously. TIR' business conduct channel can be used by anyone, including Cooperative Members, Suppliers and employees, to raise complaints or concerns about human rights issues. Our avenues for reporting includes a dedicated email address:

SpeakUp@igatas.com.au

All reports received are triaged and investigated by a Business Conduct Investigation Officer appointed by the Risk and Audit Committee.

A copy of this Policy will always be available on internal and external TIR and IGA websites.

In FY22 we did not receive any notifications of ethical conduct breaches relating to our supply chain through our business conduct channels.

Assessing the effectiveness of our approach

At TIR we are embarking on changing the way we manage risk, bringing modern risk and audit management techniques that will be crucial in supporting our network of businesses and future ambitions.

We started our uplift by forming a Risk and Audit Committee – a sub committee to the TIR Board. The TIR Risk and Audit Committee is now responsible for, reviewing Business Conduct Reports, championing the Business Conduct and Moderns Slavery Policies and overseeing their implementation and effectiveness.

During FY22 we commenced our six-step approach (page 9) to help us better understand modern slavery risks within our operations and supply chain including:

Due Diligence Supplier Program participation

Our Supplier Due Diligence program has asked a proportion of our high spend tier1 suppliers to assess their own operations. The statements received have helped inform our response and take away actions.

Business Conduct

We have undertaken a review of our business conduct mechanisms and implemented a clearer process to made it easier to report using a dedicated email address SpeakUp@igatas.com.au .

Monitoring

We have undertaken spot check reviews of the equipment and fresh produce that comes into warehouse. This includes assessing and validating the quality of fixtures and fitting and the suppliers of the packed fresh produce supplied for various products throughout the year.

Capacity Building & Training

We have commenced on modern slavery online training and will make it compulsory for all our Department Heads and Team Leads.

The Risk and Audit Committee will continue working to set up other mechanisms to support their oversight responsibilities relating to modern slavery. These are set out Future Focus (page 15)

Future activities

Due Diligence

- Continue to implement and embed the TIR Modern Slavery 6 step improvement plan.
- Expand assessments and due diligence activities within high-risk Fresh Produce, GNFR and Corporate Services.
- Review the effectiveness of policies and procedures internal reporting avenues
- Monitor risk-based assurance activities monitored through our Risk and Audit Committee.

Governance

- Continue to develop and roll out policies and procedures in relation to governing our operations and supply chain, ensuring our commitment to ethical behavior is clearly outlined.
- Review our procurement procedures and contracts to ensure they include modern slavery contract clauses and prequalification requirements.

Education and Training

- Promote eLearning training to teams and coop members to increase awareness of modern slavery.
- Increase learning for suppliers on human rights and the activities TIR is undertaking to prevent these abuses from taking place.
- Create educational materials to support our supply chain.
- Roll out a 'safe to speak' initiative promoting ethical behaviours across our business.

Collaborate

- Set up a collaboration working group with SIW and Woolworths to share approaches and increase awareness across our supply chain.
- Increase learning for suppliers on human rights and the activities TIR is undertaking to prevent these abuses from taking place.
- Develop relationship with external organisations like NGOs to understand current trends and insights.

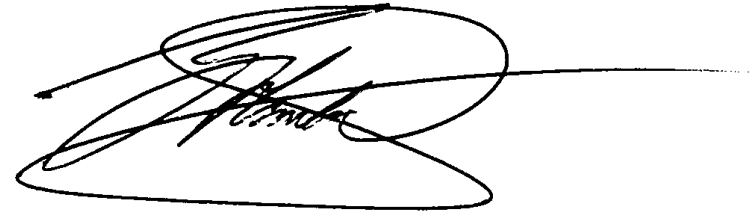
Process of consultation

Where TIR held a “controlling interest” in an entity during FY22 we met with the appropriate organisational representative to share our approach and provide information to help guide the drafting of this Modern Slavery Statement and inform their entities own submission.

The CEO and TIR Board have reviewed and approved this Statement.

A handwritten signature in black ink, appearing to read 'M Baxter'.

Michael Baxter, Chair TIR Board

A handwritten signature in black ink, appearing to read 'Grant Hinchcliffe'.

Grant Hinchcliffe, CEO of TIR

Appendix

This Modern Slavery Statement was prepared in accordance with the criteria set out in the Modern Slavery Act 2018 (Cth) (Australia).

The table below outlines where information related to each mandatory reporting criteria can be located within the report.

| Mandatory Criteria | Location of information |
|---|--|
| Identify the reporting entity | <ul style="list-style-type: none"> • Our operations and supply chain (Page 4-5) |
| Describe the structure operations and Supply chain of the reporting entity | <ul style="list-style-type: none"> • Our operations and supply chain (Page 4-5) |
| Describe the risk of modern slavery practices in operation and supply chain of the reporting entity and any entities that reporting entity owns or controls | <ul style="list-style-type: none"> • Our modern slavery risks (Page 6-7) • Understanding our operations & supply chain (Page 9) |
| Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls to assess and address those risk including due diligence and remediation processes | <ul style="list-style-type: none"> • Assessing risks in our operations & supply chain (Page 7) • Supply chain due diligence (Page 8) • Mapping our operations and supply chain (Page 9) • Supplier due diligence – Outputs (Page 10) • Actions to assess and address risk (Page 11) • Our policies (Page 12) • Business conduct & remediation (Page 13) |
| Describe how the reporting entity assesses the effectiveness of such actions | <ul style="list-style-type: none"> • Assessing the effectiveness of our approach (Page 14) |
| Describe the process of consultation with any entities that the reporting entity owns or controls | <ul style="list-style-type: none"> • Process of consultation (Page 16) |
| Provide any other information that the reporting entity, or the entity giving the statement, considers relevant | <ul style="list-style-type: none"> • Future activities (Page 15) |