

## Modern Slavery Statement 2024

### OVERVIEW

Ritchies Stores Pty Ltd (Ritchies) is proudly Australian owned and operated and a leader in the independent retail supermarket and liquor industry.

We work closely with our main wholesaler, Metcash, our suppliers, retail colleagues and customers to foster ethical and responsible practices to mitigate against modern slavery risks and the abuse of human rights.

This year, we have improved our capability in the modern slavery space by subscribing to new modern slavery risk assessment software, iPRO. This will enable us to identify priority risk areas and provide a clear picture of our supply chain structure to further develop our due diligence processes.

We continue to review our procedures, respond to findings and to train our team on the added benefits this new technology offers our business to minimising the risk of occurrence of human rights transgressions in our business and supply chains.

### **SUPPLY CHAINS AND OPERATIONS**

#### **1. Ritchies' structure, operations and supply chain**

##### **a. Structure**

We are a private company.

Our head office is based at Unit 10/1095 Frankston-Dandenong Road, Carrum Downs, Victoria 3201.

We employ about 6,000 staff and own and operate 75 supermarkets and 72 liquor stores across Victoria, New South Wales and Queensland (**Store Network**).

We do not own or control any other entity.



**b. Operations**

All our stores operate under the IGA, Cellarbrations and Bottle-O brands, owned by Metcash Trading Limited (**Metcash**).

**Trade supplies - about 70% from Metcash**

Metcash is our main wholesaler. Metcash sources, procures and supplies Ritchies about 70% of the products that we sell through our Store Network.

Metcash has a sophisticated modern slavery and ESG risk assessment and risk management framework. As an IGA owner and operator supplied principally by Metcash, Ritchies enjoys the benefits of the Metcash expanded and enhanced procurement program to protect human rights.

Ritchies relies on Metcash' independent due diligence of its product and services supply chains, so far as modern slavery risk identification, assessment, mitigation and remediation in products sourced from Metcash are concerned.

**Trade supplies - about 30% from Direct suppliers (non-Metcash) & Operations**

In 2024, we continue to evolve our independent modern slavery risk assessment, identification and mitigation processes for products that we source directly from suppliers outside of Metcash (**Directs**), and for our general business operations (**Operations**).

Directs represent about 30% of products on our shelves, representing about 1,000 non-Metcash suppliers.

**UNDERSTANDING OUR MODERN SLAVERY RISKS**

Our primary focus to date has been on our Directs supply chain. Most of our Directs tend to be smaller businesses, not presently required to report under the Act.

We collaborate with and maintain strong relationships with Metcash, Directs, retail peers and our professional advisers to understand our obligations and implement processes that minimise modern slavery risks in our supply chains.

As we had limited success engaging with Directs using our manual system of awareness raising and assessment, this year we invested in bespoke software to help us create a culture of supplier accountability and transparency that helps both our Directs and Ritchies when assessing potential modern slavery risks. This will facilitate industry and geography insights, calculated risk scores for our suppliers and more specific information on areas of risk exposure in Ritchies' business.

Simultaneously, we intend to assess our operations and ensure compliance with relevant laws and regulations. Our buying team is trained to recognise and understand the various forms of human rights abuses and where they might exist.

This awareness, training and assessment, supplemented by iPRO training topics for deeper detail, continues as a dynamic process in our daily business practices and forms part of the “S” in our new and emerging ESG framework at Ritchies.

### Product Supply Chains

This year, higher risk categories of products and raw materials identified by Metcash are:

- Coffee
- Seafood
- Tobacco
- Domestic agriculture (Australia)
- Fresh products
- Garden care
- Crops & vineyards



### Operations Supply Chain

We have identified the following potential modern slavery risks in our Operations supply chain:

- Cleaning
- Solar panels
- Electronics

### Supply Chain – Directs & Operations

In 2024, we have attempted to address “supplier fatigue” and previous disappointing questionnaire response rates by subscribing to iPRO, a modern slavery risk assessment software provider that works with many suppliers. With this software technology, we expect to improve our capabilities in modern slavery risk assessment by:

- Automating supplier categorisation and reminders;

- Collecting and collating information from supplier responses, which in prior years proved challenging using a manual system;
- Distilling and identifying the potential risks for human rights abuse in our and our suppliers' supply chains;
- Educating our non-reporting, smaller trade and business operations suppliers on the forms and risks of human rights abuse;
- Giving our non-reporting, smaller trade and business operations suppliers access to policy templates from the iPRO platform to assist them to understand the issues, undertake their own risk assessments and implement their own procedures in modern slavery risk assessment; and
- Encouraging participation in the modern slavery risk assessment process by enabling suppliers who have completed the iPRO assessment, to approve its reuse in response to further risk assessment requests from other businesses.

Higher risk trade suppliers and contractors to our Operations are currently receiving the iPRO form of risk assessment for response, in tranches, over the next three months.

iPRO will improve our endeavours and we anticipate a detailed summary of our enhanced capacity in modern slavery risk assessment and due diligence processes by the end of 2025.

## **ADDRESSING AND MITIGATING OUR RISKS**

### **2. Actions taken by Ritchies to assess and address risks of modern slavery**

We continue to work toward developing a deeper understanding of the factors that contribute to risk of modern slavery by:

- Raising team and supplier awareness of the nature of human rights abuses globally
- Identifying the geography, industries and activities most likely at risk of human rights abuses
- Subscribing to iPRO, a dedicated modern slavery risk assessment software tool, applying the suggested risk mitigation actions, enabling us to create remediation plans to suit our business and repeat, update and review our processes annually
- Collaborating with Metcash and other retail peers in the IGA network on:
  - modern slavery risk tools, identification and assessment techniques

- higher risk suppliers or supplier activities
- sharing due diligence like social audits and assessment techniques
- Encouraging team members to report on modern slavery risks and or incidents and to look beyond the product on the shelf, to the history of its genesis, manufacture, packaging and freight
- Developing internal capabilities to implement the iPRO modern slavery risk assessment tool, interpret its reports and share them with our team and affected suppliers, where appropriate
- Ensuring our buyers do not range new product until the supplier has completed the iPRO assessment. If a supplier does not co-operate and respond meaningfully, we will consider imposing possible sanctions against the supplier's highest risk products
- Inviting our Operations contractors to commence the iPRO risk assessment
- Establishing a culture that encourages a forum for reporting of suspected modern slavery/human rights risks in our products and supply chains
- Inviting larger suppliers in our Directs to share their independent social audit reports, where obtained.

## **MEASURING OUR EFFECTIVENESS**

### **3. How Ritchies assesses the effectiveness of its actions**

Our review of our effectiveness in 2022 and 2023 indicated that our bespoke supplier questionnaire created in 2021 was not sufficiently effective. Our manual system presented us with a number of challenges; it was labour intensive (numerous manual follow ups required to encourage supplier co-operation), limited our ability to improve upon poor response rates, made assessing response content cumbersome and deprived us of broader global learnings offered by specialist software in this space.

Committed to improving our practices, processes and procedures to address potential modern slavery risks in our Directs and or Operations supply chains, we invested in a subscription to the iPRO modern slavery risk assessment software.

We continue to develop our modern slavery risk assessment and mitigation framework and measure our effectiveness by:

- Inviting our Directs, and in early 2025, our Operations contractors, to complete the iPRO risk assessment tool
- Increasing the exposure of Directs and Operations suppliers, our team and retail peers

to modern slavery online training modules provided by Metcash

- Continuing to press for the modern slavery compliance warranties in our supplier contracts and in our supplier onboarding procedures
- Pursuing any reported modern slavery risk concerns in our Directs and Operations supply chains
- Reviewing the above for effectiveness post-IPRO Implementation, with the aim to continuously improve our effectiveness
- Raising human rights abuses and modern slavery risks at every monthly national operations group meeting
- Collaborating with Metcash and our retail peers
- Assessing our software produced modern slavery reports for objective measures to gauge effectiveness each year against a set of common metrics



## PLANS FOR THE FUTURE

### 4. Framework for 2025

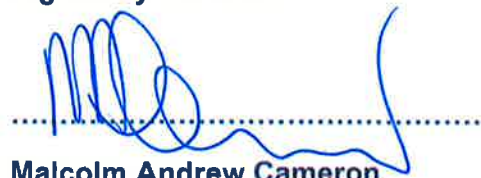
Ritchies' focus for 2025 is to:

- Utilise the risk assessment process offered by iPRO to prioritise categories of risk in our Directs and Operational supply chains (at this stage we have invited assessment participation from 500 of about 1000 Directs)
- Continue to review our team's product sourcing practices to reduce the risk of modern slavery by providing them with training and information on this subject and including the Metcash training module in our inductions process for new employees
- Focus on high-risk countries of origin, industries and products, to identify, coach and or cull those posing modern slavery risks
- Develop our internal buyer capabilities to reinforce awareness of human rights abuses at all levels of our supply chains
- Give access to our Directs and Operations contractors to the Metcash produced online modern slavery training module, where necessary
- Collaborate with external experts to eliminate risks associated with modern slavery by learning more about how, globally, larger businesses with greater resources are tackling the modern slavery problem
- Build on our new ESG framework to include modern slavery as part of our "S" in our social risk framework
- Educate our Directs and Operations contractors on how to identify modern slavery risks in their own business operations and supply chains for the better good

We believe that collaboration with our industry suppliers, retail peers and contractors is key to our continued learnings and improvements in this developing area.

Approved by the Board: December 2024

Signed by the Chair:



Malcolm Andrew Cameron

