

Modern Slavery Statement 2022

This statement has been prepared and published in accordance with the Modern Slavery Act 2018 (Cth). It sets out the steps taken by The Reject Shop Limited (ABN 33 006 122 676) (“TRS” or the “Company”) during the year ending 3 July 2022 (“FY22”) to prevent modern slavery in its business operations and supply chain.

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| Introduction | <p>TRS recognises that slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour, human trafficking and deceptive recruiting for labour or services (“Modern Slavery”) is a global and growing issue given the rapid rise in global migration, existing in every region in the world and in every type of economy, whether industrialised, developing or in transition. No sector or industry can be considered immune or untainted.</p> <p>TRS is committed to respecting human rights and implementing policies, procedures and internal checks to eradicate any form of Modern Slavery from its operations and supply chain. We all have a responsibility to be alert to the risks, however small, in our business and in the wider supply chain. TRS team members are expected to report concerns, using the appropriate reporting channels, and management are expected to act upon them.</p> |
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| Reporting entity, our business structure, operations and supply chain | <p>The Reject Shop Limited ABN 33 006 122 676 is a listed company, and our shares are quoted on the Australian Securities Exchange (ASX).</p> <p>TRS operates in the discount variety retail sector in Australia, with its head office at 245 Racecourse Road, Kensington, Melbourne, Victoria, serving a broad range of value-conscious consumers who are attracted to low price points, convenient shopping locations and the opportunity to purchase a bargain.</p> <p>We offer a wide variety of general consumer merchandise in over 373 leasehold retail stores Australia-wide (as at October 2022), employing over 3,500 team members, with a particular focus on everyday needs (such as toiletries, cosmetics, homewares, personal care products, hardware, basic furniture, household cleaning products, kitchenware, confectionary and snack food) and lifestyle and seasonal merchandise (such as seasonal gifts, cards and wrap, toys, leisure items and home decorations).</p> <p>TRS aims to be a trusted and respected Australian retailer. To achieve this TRS is committed to conducting and managing our business in a manner that reflects our high ethical and moral values, while ensuring Australians never have cause to question our quality or price.</p> <p>For many years we have sourced our products from a variety of locations nationally and internationally. Inherent in our practices has been the objective of sourcing product from countries which we believe support workplace safety and ensure appropriate employment conditions are in place (including fair pay). Similarly, we aim to source from local suppliers that maintain appropriate governance practices to ensure employment rights are upheld.</p> |
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| Risks of Modern Slavery practices in our operations and supply chain | <p>We have an international supply chain in which we do not own or operate factories, and we are rarely the largest customer of an individual factory. We recognise that we have a responsibility across our supply chain to ensure our goods are made in an ethical, legal and responsible manner.</p> <p>As TRS sources the majority of its general consumer merchandise from several countries that are considered to have high human rights risks, TRS has identified that our most salient human rights risks are as follows:</p> <ul style="list-style-type: none"> • Labour rights (human rights) including: <ul style="list-style-type: none"> ○ forced or compulsory labour ○ wages and benefits ○ work hours ○ child labour |
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| | <ul style="list-style-type: none"> • Freedom of association • Health & Safety • Anti-discrimination • Anti-bribery and corruption • Access to grievance mechanisms <p>TRS sources a high proportion of its fast-moving consumer goods from Australian based suppliers. TRS notes that a number of these suppliers are committed to a high level of compliance with Modern Slavery legislation, including the Modern Slavery Act 2018 (Cth). Consequently, TRS considers the risk of Modern Slavery practices to be low for its Australian based suppliers.</p> |
| <p>Our Policies, Governance and Grievance Mechanism</p> | <p>Modern Slavery Policy</p> <p>TRS is committed to a high level of compliance with Modern Slavery legislation, including the Modern Slavery Act 2018 (Cth). The legislation defines modern slavery as including eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, the worst forms of child labour and deceptive recruiting for labour or services.</p> <p>TRS has developed a Modern Slavery Policy, which confirms that TRS is committed to contributing to ending modern slavery.</p> <p>The Modern Slavery Policy was approved by the Board of Directors in February 2021 and is accessible on TRS' website.</p> <p>Corporate Code of Conduct</p> <p>To help ensure a consistent approach to managing human rights risks, including those related to Modern Slavery, TRS has an established corporate code of conduct which forms the basis of a shared view of TRS, its mission and its ethical standards for senior management and TRS team members. This is essential for our long-term performance and sustainability, as well as to protect and enhance the interests of our shareholders and other stakeholders.</p> <p>TRS' Code of Conduct has been adopted by all team members (including senior executives and non-executive directors). The Code of Conduct encourages all TRS team members to report any breaches of the code to senior management or the People and Culture Team.</p> <p>Whistleblowing Policy</p> <p>We also operate a Whistleblowing Policy, aimed principally at TRS team members but also available to others working in our supply chain to report actual or suspected wrongdoing or misconduct.</p> <p>Supply Chain Standards</p> <p>We have also established a business policy and minimum standards that we expect our agents, suppliers and service providers to meet. Strict adherence to these requirements enables TRS to improve safety throughout its entire supply chain network, provide the lowest overall supply chain costs, from supplier to store, and promote the appearance and integrity of products for customers. We expect all our agents, suppliers and service providers to meet and sustain the same high standards for safety, and the performance standards as we set for ourselves.</p> <p>We require our agents, suppliers and service providers to comply with our code of practice that is all products must comply with Australian Standards and Regulations, all products must be safe to use and fit for purpose and all products must comply with product labelling, barcode format and carton marking standards.</p> <p>In selecting our agents, suppliers and service providers, we evaluate not only the product but the ethical standards of our agents, suppliers and service providers representatives. They must preserve the confidentiality of information obtained in the course of their relationship with TRS, understand the importance of providing complete information to TRS in order to assist in decision-making, be consistent, predictable,</p> |

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| | <p>trustworthy and cooperative, alert TRS to circumstances potentially affecting performance, cost and availability or scheduling and fully comply with all applicable laws, rules and regulations in each jurisdiction in which they do business, including foreign countries.</p> <p>Ethical Sourcing Policy</p> <p>TRS' Ethical Sourcing Policy sets out our commitment to source products in an ethical manner. The principles that guide the way we operate include: complying with all laws; respecting workers' rights; acting with integrity, honesty and fairness; and respecting the environment. To this end, our Ethical Sourcing Policy outlines the minimum ethical requirements and expectations for all our suppliers, wholesalers and agents are to comply with when producing and supplying goods to TRS. It is our expectation that all of our suppliers adhere to the higher of (or affords greater protection of) the following: core labour standards established by local laws and regulations in the countries in which they operate; or, standards which have been established by world bodies (including the United Nations) and other international and national retailers.</p> <p>The Ethical Sourcing Policy was approved by the Board of Directors in June 2022 and is accessible on TRS' website.</p> |
| <p>Actions taken by TRS including Due Diligence and Remediation Processes</p> | <p>TRS continues to assess the risk of Modern Slavery in its business operations and supply chain. We consider that the biggest risk of Modern Slavery is in our product supply chain and therefore this is where we have focused our efforts to date.</p> <p>The COVID-19 pandemic has prevented team members from travelling to factories in overseas jurisdictions. Factory inspections are a key component of our ongoing risk mitigation strategy, which we will seek to reinstate when international business travel resumes.</p> <p>TRS has completed the following activities.</p> <ul style="list-style-type: none"> • training on Modern Slavery has been provided to the supply chain team members; • a Modern Slavery Policy has been developed and approved; • an Ethical Sourcing Policy has been developed and approved; • contractual documents have been updated to require compliance with Modern Slavery legislation; and • an experienced Quality & Product Compliance Manager has been employed who will work with the Company Secretary, Merchandise team and Supply Chain team to further embed our Modern Slavery Policy and the processes and procedures necessary to support that policy. <p>TRS is a member of SEDEX (Supplier Ethical Data Exchange). We intend to continue to use our SEDEX membership to help assess the performance of our business partners. Initially, our focus is on business partners based in Pakistan, Philippines, India and Thailand given that these countries have the highest vulnerability to modern slavery (as assessed by the Walk Free Foundation) within our business partner network. Over the coming years, we will expand our assessment to other countries.</p> |
| <p>Effectiveness of actions being taken</p> | <p>We will conduct internal audits to assess the effectiveness of the actions we have taken to address Modern Slavery in our merchandise and supply chain, and work with business partners to check how they are progressing any actions they have put in place to address Modern Slavery risks.</p> <p>We will also assess the effectiveness of our training via feedback from participants (i.e. whether it is fit for purpose and effective in raising awareness amongst team members and suppliers).</p> |
| <p>Looking forward</p> | <p>During FY23, TRS will progress the following initiatives to further embed our Modern Slavery Policy.</p> <ul style="list-style-type: none"> • Continue to provide training on modern slavery for team members in the merchandise and supply chain functions. In particular, a comprehensive 'buying ethically' workshop will be conducted for all members of TRS' Merchandise team. • Ongoing development of tools for suppliers to increase their awareness of the risk of modern slavery. • Further develop a self-assessment questionnaire focusing on modern slavery risks |

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| | <p>for existing international suppliers to better understand TRS' risk profile.</p> <ul style="list-style-type: none">• Improve the supplier onboarding process to capture a greater level of detail on the awareness and risk of modern slavery. |
| Statement availability | <p>This statement is made pursuant to section 16 of the Modern Slavery Act 2018 and constitutes the modern slavery statement of The Reject Shop Limited ABN 33 006 122 676 for the year ending 3 July 2022, to prevent Modern Slavery in our business operations and supply chain.</p> <p>It has been approved by the Board of The Reject Shop Limited ABN 33 006 122 676 on 28 November 2022.</p> <p>This statement will be made available to all on TRS' website. Any questions about this statement should be directed to the contact person below.</p> |
| Contact Person | Michael Freier, Company Secretary, companysecretary@rejectshop.com.au |

For and on behalf of the Board of Directors of The Reject Shop Limited ABN 33 006 122 676



Steven Fisher
Chairman
28 November 2022