



New Aim Pty Ltd – Modern Slavery Statement

1 July 2023-30 June 2024 (FY24 Statement)

Introduction

This statement is made on behalf of New Aim Pty Ltd (ACN 115 804 432) (**New Aim**) and its related bodies corporate and is made pursuant to section 13 of the *Modern Slavery Act 2018* (Cth) (**Act**).

This is New Aim's fifth Modern Slavery Statement. Modern slavery is an umbrella term that refers to situations of exploitation that an individual cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power.¹ However, modern slavery can take many forms as defined in the Act.

New Aim is opposed to all activities which lead or contribute to human rights abuses, including modern slavery. New Aim is fully committed to operating ethically and responsibly. This statement outlines how New Aim identifies, mitigates, and addresses our modern slavery risks within our supply chains and operations.

New Aim's ability to review our supply chain, which includes indirect suppliers, is challenging due to our business-to-many (B2M) business model and the wide range of products and services offered. Despite this, through adopting a risk-based approach and collaborating with stakeholders and suppliers, New Aim is committed to continually reviewing and improving our modern slavery risk management processes.

Our purpose

New Aim is an ecommerce enabler, offering solutions to retailers, suppliers, and consumers. Our B2M model is reliant on procurement and technology to reach business-to-business (**B2B**) and business-to-consumer (**B2C**) market segments.

Our structure

New Aim is an Australian proprietary company. Currently, New Aim employs staff in Australia primarily in the brand, channel, finance, HR, data and analytics, digital product delivery, logistics and quality management teams.

New Aim also operates a holding company in Hong Kong, New Aim Hong Kong Co., Limited (**HKNA**), which holds a wholly owned subsidiary in China, Guangzhou New Aim E-commerce Co., Ltd (**GZNA**). The latter employs staff in China and engages primarily in IT and procurement.

Our operations

Our core business activities are procurement, dropshipping and reselling a range of home decor, indoor and outdoor furniture, fixtures and fittings, bedding and manchester, fitness

¹ See Amazon MSS – "Global Estimates of Modern Slavery", The International Labour Office, Walk Free Foundation, and International Organisation for Migration, p 16, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf





equipment, children's toys, home and portable electrical goods, tools and DIY equipment, pet products and other home, personal and electronic items.

We conduct our core business activities through the following four business models:

(a) Dropshipzone

Dropshipzone is our B2B retail platform. New Aim is both a supplier on Dropshipzone and also the operator of the platform.

- New Aim provides warehousing, packing, logistics and delivery services to the end consumer for products sold under New Aim's house brands (**New Aim Brands**) purchased through Dropshipzone by retailers.
- There are also third-party suppliers that sell their own products to retailers through Dropshipzone (**DSZ Suppliers**). Retailers will market and offer for sale products listed on Dropshipzone. DSZ Suppliers are responsible for fulfilling orders for those products, meaning DSZ Suppliers provide retailers with all backend services, including warehousing, packing, logistics and delivery to the end consumer.

(b) Online Marketplaces

New Aim sells goods direct to consumers through a range of online marketplaces. We currently sell direct to consumers through marketplaces such as Amazon, eBay, Catch, Mydeal, Kogan, Bunnings, Myer, WooliesX, Barbeques Galore and Mysale.

(c) Direct to consumer websites for New Aim Brands

We market and sell products under the New Aim Brands direct-to-consumer (**D2C**) via brand websites, which include:

- Artiss (<https://artiss.com.au/>) – indoor furniture products;
- Cefito (<https://www.cefito.com.au/>) – bathroom and kitchen fittings;
- Devanti (<https://devanti.com.au/>) – home appliances and electronics;
- Everfit (<https://everfit.com.au/>) – fitness equipment;
- Gardeon (<https://gardeon.com.au/>) – outdoor furniture;
- Giselle Bedding (<https://gisellebedding.com.au/>) – mattresses and bedding;
- Jingle Jollys (<https://jinglejollys.com.au/>) – Christmas trees & lighting.
- I.Pet (<https://ipet-au.com/>) – pet supplies;
- Keezi (<https://www.keezi.com.au/>) – children's toys;
- Rigo (<https://www.rigokids.com.au/>) – children's bicycles and ride-on vehicles;
- Weisshorn (<https://www.weisshorn.com.au/>) – outdoor equipment.

(d) Dropshipping partnerships



During this reporting period, we had bespoke dropshipping arrangements with a number of retail partners, including Harvey Norman, Coles, Costco, David Jones, Kitchen Warehouse, Everything Caravan & Camping, Lasoo, Ineda and Baby Bunting. Where we enter into a dropshipping arrangement with a retailer, the customer enters into a contract with the retailer when they purchase the product from the retailer's site, however New Aim maintains the inventory of this stock and fulfils the customer's order on behalf of the retailer.

Our supply chain

New Aim had a large number of vendors performing various roles across our supply chain during this reporting period. These vendors fall into the following categories:

- approximately 18% of New Aim's total vendors are DSZ Suppliers that sell on our B2B platform Dropshipzone. These categories of products include: home appliances, audio and video equipment, auto accessories, baby and children's products and toys, Christmas products, electronics, food and beverage, furniture, gifts and novelty products, hampers, health and beauty, home and garden furniture and products, outdoor recreational products, pet care, sports and equipment, and tools.
- approximately 52% of New Aim's total vendors provide local operational support to our Australian operations (including providers of delivery, shipping, logistics, labour hire, and facilities management services, including cleaning and catering).
- approximately 7% of New Aim's total vendors provide local operational support to our China operations (including providers of labour hire, and facilities management services, including cleaning and catering).
- approximately 36% of New Aim's total vendors supply the products sold under New Aim's in-house brands, which are sold to retailers via Dropshipzone or otherwise sold through our D2C, marketplace or dropship models. These products include home decor, indoor and outdoor furniture, fixtures and fittings, bedding and manchester, fitness equipment, children's toys, home and personal electronics, tools and pet products.

Assessing our risks of modern slavery

New Aim undertook a high-level risk assessment to identify risks of modern slavery practices within our operations and supply chain, and within the operations and supply chains of our wholly-owned subsidiary in China. We have included the operations of, and suppliers to GZNA in our risk assessment.

In undertaking this modern slavery risk assessment, we assessed our suppliers against the following risk matrix:

- **Commodity risks:** certain products procured by New Aim or our suppliers will be associated with elevated risks of modern slavery because of the prevalence of modern slavery in the labour practices used by suppliers of some raw materials. High risk raw materials include cobalt and other minerals used to manufacture electronics and IT equipment, and cotton used to manufacture bedding and soft furnishings.

- **Industry or sector risks:** some of New Aim's suppliers operate in sectors or industries which are known to be inherently high risk for modern slavery as a result of the limited visibility over labour practices due to convoluted labour arrangements and cross-border operations. Commercial cleaning and international shipping present elevated risks in this regard.
- **Geographic risks:** some of New Aim's suppliers are considered to carry a greater level of risk on the basis that they have operations or supply chains in countries understood to have a high occurrence of modern slavery practices. For example, New Aim procures a large proportion of the goods we supply to our customers via the D2C websites, marketplaces, Dropshipzone and dropshipping arrangements from China, which is identified as having an elevated level of risk for modern slavery by the Global Slavery Index (GSI).
- **Workforce risks:** some personnel employed or contracted by New Aim or our suppliers are particularly vulnerable to modern slavery practices both overseas and within Australia. For example, migrant or base-skilled workers, foreign nationals working on temporary visas and workers employed through labour hire arrangements are more vulnerable to modern slavery practices because of their precarious access to employment, lack of legal protections in some jurisdictions, including China, and the current limitations on our visibility over their working conditions.

New Aim acknowledges that because our core business activities include the procurement of a large range of home and personal products for resale, our supply chains for these products are deep and complex. This presents difficulties for New Aim when identifying and assessing our modern slavery risks, as we currently have limited visibility over suppliers deeper in our supply chains. New Aim has identified the need to improve our understanding and oversight of modern slavery risks in our supply chain. Our proposed actions to better identify and assess these risks are set out in the 'Actions' section of this statement.

Operational risks

New Aim understands that instances of forced labour within Australia predominantly occur in industries with a high percentage of temporary and migrant workers, which include logistics services (such as warehousing, transportation and shipping) and commercial cleaning. These are services which are central to New Aim's core business activities. In respect of GZNA, risks of modern slavery arise particularly in the context of labour hire providers and their labour practices.

Logistics

New Aim's operations involve warehousing, transportation and shipping the products we supply via our D2C, Dropshipzone, marketplace and dropshipping channels. Workers in these industries, in Australia and internationally, are understood to be exposed to risks of modern slavery practices due to the prevalence of the following risk indicators:

- Offshore manufacturing, production and logistics suppliers are often used due to the reduced labour costs, however this can indicate sub-standard wages for workers and less stringent regulatory protections in these jurisdictions. We procure international shipping services and local warehousing services and some of them operate in jurisdictions with low labour costs and limited regulatory protections for workers' rights such as China.
- Reliance on vulnerable workers, including:

- base-skilled workers;
 - migrant workers or foreign nationals on temporary visas; and
 - temporary or contracted workers engaged through third party labour hire providers or employment agencies.
- Potentially hazardous work, including repetitive manual labour.

We note that many of the logistics and operational support services we procure are provided by large Australian businesses who are themselves reporting entities under the Act including Australia Post, Coles, Amazon Web Services, Officeworks, and Seek among others. We have reviewed the statements for these entities submitted for previous reporting periods, and we consider that these entities are taking steps to appropriately assess and address modern slavery risks in their operations and supply chains.

As outlined in this statement, New Aim operates a B2B platform, Dropshipzone. In October 2022 Dropshipzone became a marketplace whereby DSZ Suppliers contract directly with retailers through the Dropshipzone platform. Given our intermediary position within this business model, we include a requirement for DSZ Suppliers in the onboarding contract to adhere and acknowledge New Aim's Ethical Sourcing Policy, which is available for viewing on the Dropshipzone website.

Labour hire providers

New Aim recognises that the risk of modern slavery is elevated for the workers we contract through labour hire arrangements for our customer service operations in China and our warehousing operations in Australia. Workers contracted through labour hire arrangements are at higher risk of being subject to modern slavery practices because these arrangements frequently operate at low-cost margins, employ from vulnerable worker populations reliant on precarious work, including base-skilled workers and foreign workers on temporary visas, and give New Aim limited oversight over their employment terms and working conditions.

New Aim uses five employee agencies in China to supply workers for customer service, marketing, quality control based roles based in China. During this reporting period we did not have any staff from these agencies. Overall we have 4% temporary staff in China office. There is a minimum wage legislated in Guangzhou, China and the company makes sure we are above the required minimum wage. The temporary workers work in the same office as our employed staff. The temporary workers are Chinese nationals and are not subject to any visa or immigration conditions.

New Aim also uses three employee agencies to fulfil temporary warehouse roles in our Australian warehouses, particularly during peak periods. Taken as an average across the reporting year, approximately 4% of our warehouse workers were engaged through labour hire arrangements with these three agencies during the year. New Aim has made a committed effort to reduce its use of labour hire arrangements, evident in a 16% reduction compared to FY23. In respect of our own employees fulfilling the warehousing roles, 17% held working visas for the reporting period. We continue to undertake checks of visa documentation and completed the VEVO process to ensure that workers were eligible to be employed prior to their commencement of employment.

We are committed to engaging with the employee agencies during the next reporting periods to determine how we can improve our engagement with visa holders from migrant or non-English speaking backgrounds to ensure they are provided with documents and resources in their own languages.

Facilities maintenance

We understand that facilities maintenance services, in particular commercial cleaning, also carry heightened modern slavery risks in Australia due to multiple layers of contracting and the use of labour hire arrangements. In FY23, New Aim had five providers of commercial cleaning services which support our Australian operations. Whilst New Aim has yet to, we intend to engage with these providers to better understand and mitigate risks of modern slavery practices in our procurement of services.

Supply chain risks

Suppliers of products sold as our New Aim Brands and supplied via our D2C, B2B and dropshipping models are primarily located in jurisdictions with a higher risk for modern slavery.

China is identified as carrying a higher risk for modern slavery in the GSI. New Aim understands that none of our first-tier suppliers of the New Aim Brand products are listed on the Uyghur Forced Labour Prevention Act (**UFLPA**) Entity List or in the Australian Strategic Policy Institute Uyghurs for Sale report (**ASPI Report**),² which identify entities that have a known connection to forced labour practices in Xinjiang.

However, in respect of New Aim's total suppliers, New Aim does not have information on whether our suppliers subcontract to other manufacturers or suppliers, or where they source raw materials or labour to manufacture the products we procure from them. In particular, we acknowledge that the following goods which are known to carry increased risks for modern slavery are goods we procure, or may be used in manufacturing the products we procure, from our Chinese suppliers:

- electronics;
- cotton;
- textiles;
- thread/ yarn;
- polysilicon used in solar panels;
- plastic or wooden toys; and
- building materials such as bricks.

New Aim currently has limited visibility over our second and third tier suppliers. Some of the products New Aim procure carry inherent risks of modern slavery because of the modern slavery risks associated with the sourcing of raw materials used in manufacturing of those products. These include:

- **Cotton** – New Aim procures a wide array of bedding and soft furnishings, including quilt covers, hammocks and baby nursing products, made with cotton. Cotton is widely recognised as a product which is commonly produced with forced labour and child labour in a number of high risk jurisdictions internationally. The production of cotton, and its use in manufacturing other goods, is frequently characterised by the use of vulnerable and low-skilled workers as well as the repetitive and labour intensive nature of the work.

² UFLPA Entity List, <https://www.dhs.gov/uflpa-entity-list>; ASPI 'Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang', <https://www.aspi.org.au/report/uyghurs-sale>.

- **Electronics** – New Aim procures a large number of personal and home electronics, as well as fitness equipment and car accessories. In Australia, electronics are the imported product considered most high risk for modern slavery practices. Electronics are manufactured using cobalt which is primarily sourced from the Democratic Republic of Congo (**DRC**). Risks of forced labour and child labour are known to be especially high in the artisanal cobalt mining industry in the DRC. The manufacturing of electronics is predominantly undertaken in China, Vietnam and other jurisdictions with heightened risks of forced labour.
- **Timber** – New Aim procures an array of indoor and outdoor furniture and children's toys made from timber. Globally the forestry industry has been identified as relying on systemic forced labour in lower tiers of the supply chains. This is both due to illegal logging and timber smuggling practices, the hazardous and low-skilled nature of the work, and high reliance of vulnerable workers.³ New Aim has gathered detailed information in respect of all of its timber product suppliers (approximately 160 suppliers in FY24) and has undertaken risk assessments with respect to compliance with timber due diligence requirements.

Actions taken in FY24 to address those risks

This section sets out the actions New Aim has taken in FY24 and proposed actions which we intend to implement in future reporting periods.

Modern Slavery risk assessment

In FY23, New Aim undertook high level modern slavery risk assessments of our operations and supply chains for FY20 to FY23, to inform development and implementation of these policies and processes. This high level review included identifying what products our tier 1 suppliers supply to New Aim, where they are located, and what categories of suppliers and products would be considered high risk for modern slavery.

Supply Chain Risk Committee

New Aim continued to operate its Supply Chain Risk Committee throughout FY24. The committee meets quarterly and is a cross-functional committee of senior executives and managers across New Aim's supply chain and operations. The Committee oversees implementation of ethical procurement initiatives, including modern slavery and timber due diligence compliance, product compliance, and risks involved in supply chain. The Committee will continue to play an important oversight role throughout FY25.

³ "In Asia, much of the illegal timber is transported to Singapore, South Korea, and China, where it is processed, labelled as legal, and exported to the US and Europe. In Russia, for example, there has been a major issue with illegal logging operations in the Russian Far East region that contains old-growth temperate hardwood forests. Ninety-six percent of this illegal wood is exported to China where it is mixed in with legal woods and sold on the international market. Workers employed in illegal logging, which is primarily controlled by violent criminal groups, are inherently more vulnerable to human trafficking since they have a legitimate fear of reprisal for leaving their jobs without permission or walking away from debts. As they are engaged in illegal activities, they are less likely to be comfortable filing grievances with authorities." – Responsible Sourcing Tool
(https://www.responsible sourcingtool.org/download/reports/JTIP_ExecutiveOrder_Report_2017_06.pdf#page=89 ; <https://www.responsible sourcingtool.org/visualizerisk>)

Timber due diligence

As part of New Aim's commitment to increasing oversight of our suppliers, we collected data from our timber suppliers to assess whether there are any suppliers at most risk of illegal logging in their supply chains. New Aim considers this to be an important step in building our due diligence capabilities across the entirety of our operations and supply chain and will continue to collate and review this data in future reporting periods. Of the total number of suppliers for New Aim products 37% provide timber products and all these suppliers have been audited under the Timber Due Diligence policy. With the questionnaire and documents provided, 100% of suppliers were found to be adhering to the process.

Development of supplier policies and engagement

In the last reporting period (FY23), New Aim developed an Ethical Sourcing Policy and Modern Slavery Supplier Questionnaire which was responded to by 5% of New Aim first-tier suppliers. For FY24, New Aim has continued to actively send out its Questionnaire to its suppliers, in addition to providing our Ethical Sourcing Policy. The Ethical Sourcing Policy covers New Aim's commitments to workplace health and safety, the prevention of child labour, wage exploitation, and harsh or inhumane treatment, reducing waste and pollution, anti-bribery and corruption provisions and respect for privacy.

The Supplier Questionnaire includes questions on the general operations of our suppliers and additionally requires our suppliers to directly report on how they assess and address modern slavery risks in their own operations and supply chains. New Aim successfully audited 8% of its suppliers in FY24, which is in addition to those suppliers audited in FY23. New Aim is contemplating the introduction of an automated Questionnaire process, and will seek to implement such a system in the future.

Internal awareness raising

During FY23, New Aim successfully conducted Modern Day Slavery training across our staff in Australia and China to raise employees' awareness of modern slavery and New Aim's obligations under the *Modern Slavery Act 2018* (Cth). New Aim provides this training via our employee management platform which is available to all employees.

Future actions

1. Building on previous actions

Building on the actions implemented during this reporting period, over the next reporting period New Aim will continue incorporate the Modern Day Slavery process as a part of onboarding new suppliers for New Aim Brands which have been identified as presenting higher risks of modern slavery practices, namely suppliers supplying the following goods:

- electronics;
- cotton;
- textiles;
- thread/ yarn;
- polysilicon used in solar panels;
- plastic or wooden toys;
- timber; and

- building materials such as bricks.

New Aim actively engage with suppliers providing these goods, as well as any residual suppliers of New Aim Brand products. New Aim will also continue to collect information from its existing suppliers to make sure they are aware of the risks of Modern Day Slavery and follow New Aim's Modern Day Slavery Policy.

2. Supplier Questionnaire Follow up.

In the next reporting period, New Aim will continue to engage our first-tier suppliers of New Aim Brands to complete the Supplier Questionnaire in accordance with our process. We have started this process and will continue information gathering from our suppliers in China. New Aim intends to explore options to automate obtaining questionnaires from its suppliers and introduce enhanced Risk Assessment tools during FY25.

3. Dropshipzone supplier audit.

As referenced in our FY23 statement, New Aim maintains its commitment to audit 3rd party Dropshipzone suppliers to make sure they are adhering to New Aim's ethical sourcing policy.

Effectiveness of actions

As per our commitment made in the previous reporting period, New Aim has begun to implement measures to assess and address modern slavery in our operations and supply chain. New Aim will continue to develop mechanisms to provide data on the effectiveness of our actions in the coming reporting periods. Measures taken in this reporting period include:

- Modern slavery training was delivered to employees in Australia and China via our employee management platform. Overall, the feedback from employees regarding the training has been very positive. New Aim will continue to undertake modern slavery training for all employees annually.
- We confirm that all New Aim's suppliers remain compliant with New Aim's timber due diligence process and Ethical Sourcing Policy; and
- New Aim has maintained the requirement that our operations and procurement teams provide suppliers with our Supplier Questionnaire during the onboarding process. Collection of the Supplier Questionnaire will continue throughout FY25.

New Aim is committed to ensuring meaningful progress is made in each reporting period and we look forward to sharing how we have developed our modern slavery risk management capabilities in the next reporting period.

Other relevant information

During this reporting period, New Aim operated as a single reporting entity with a wholly-owned subsidiary. New Aim has sought supply chain information from and consulted with the leadership team of the supply chain department at our wholly-owned subsidiary, GZNA, in relation to its supply chain management processes and policies in preparing this statement.

This statement is made in accordance with section 13 of the *Modern Slavery Act 2018* (Cth) and was approved by the board of New Aim Pty Ltd, on the date below.



Signed by

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Fung Lam
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Fung Lam
Director
New Aim Pty Ltd

Date: 19-Dec-2024