

Chrisco[®]

THE CHRISCO GROUP

AUSTRALIA • NEW ZEALAND

Modern Slavery Statement FY20



FROM OUR CEO	3
1. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS	4
2. RISKS OF MODERN SLAVERY PRACTICES	10
3. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS	16
4. ASSESSMENT OF ACTIONS TAKEN TO ADDRESS RISKS	21
5. MOVING FORWARD	22

A list of the *Modern Slavery Act 2018* section 16 mandatory criteria and reporting requirements, and where they have been addressed in our modern slavery statement, are at Appendix A.

From Our CEO

I am pleased to present Chrisco's first modern slavery statement, prepared to meet reporting requirements under the *Modern Slavery Act 2018* (the Act). This statement outlines the actions that have been taken by Chrisco to identify, assess, and address modern slavery risks across our operations and supply chains for the year ending 30 June 2020.

Chrisco makes this single joint modern slavery statement on behalf of the following entities:

- Chrisco Hampers Australia Limited (NZBN 9429037963507, ABN 41 080 852 535);
- Chrisco International Holdings Limited (NZBN 9429045898129);
- Chrisco Hampers Limited (NZBN 9429037333386);
- Chrisco Distribution Limited (NZBN 9429035341345); and
- Chrisco IP Limited NZ (NZBN 9429034998274).

Whilst some of the entities listed above may not be reporting entities for the purposes of the Act, we have adopted a 'business-wide approach', and this statement applies to all of Chrisco's operations. This statement has been prepared in consultation with all the entities listed above, our procurement teams and related suppliers.

Chrisco has clear goals of identifying and taking steps to mitigate any instances of modern slavery or serious exploitation of workers that may be present in our operations or supply chains. This includes any trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour. We will continue to work towards our goals in FY21.



Geoff Spong
Chrisco CEO & Managing Director



This Modern Slavery Statement was approved by the Board of Chrisco on 4th March 2021.

1. Our Structure, Operations and Supply Chains



The Chrisco Group is a privately-owned company and acts as the purchasing agent for Chrisco Hampers Australia Ltd.

Chrisco is a company registered in New Zealand that has been operating in Australia since 1997, with our head office located in Granville (Sydney), New South Wales. Chrisco offers a broad range of goods including food hampers, merchandise, gift cards,

furniture, appliances, toys, gifts and homewares and other merchandise to consumers predominantly via lay-by typically over a 52-week period.

Chrisco does not operate physical retail outlets, but instead promotes and sells its goods via a catalogue and its website at www.chrisco.com.au. Consumers can place orders for hampers and other merchandise from Chrisco by completing an order form (available from a catalogue or by downloading and printing it from the Chrisco website), making an online order via the Chrisco website, or placing an order over the telephone.

Chrisco has operations in Melbourne, Brisbane and Sydney, where a wide range of products are received and packed into hampers to be sent to our customers. In certain circumstances a 'depot collect' is established where Chrisco cannot deliver directly to the customer. Chrisco employs 90 full time staff in New Zealand, Australia and Canada.





Chrisco sells and delivers Christmas Hampers containing foodstuffs and wider consumer goods to 100,000+ customers in Australia (80%) and New Zealand (20%). Its core capabilities are the procurement, sale, purchasing and distribution of quality products against regular purchase savings plans (layby).

Chrisco has over 100 different Christmas Hampers and gift items and customers are able to pick and choose their hampers - from a wide range of food, electronics, toys and household wares - up to 14 months in advance of delivery. Regular payment plans allow the cost of purchases to be spread over an extended period.



Our Products

Chrisco provides our customers with a wide, varied and constantly updated range of products which include the following:



In terms of expenditure, the products that we spend the most on are usually sourced from major brands that have their own modern slavery measures and initiatives in place, and most of these businesses are required to issue their own modern slavery reports. For that reason, we have not focussed on these large businesses for the purposes of this first year's review but have dedicated our resources to the review and assessment of our smaller suppliers. Where we have

been able to access modern slavery statements or ethical sourcing information for our larger suppliers, we have included links to that content in this statement.



Gift Cards – We source gift cards from major retailers who are required to have their own modern slavery reporting processes and have issued modern slavery statements. These include [Coles Group Limited](#), JB Hi Fi, Harvey Norman, Supergifts, [Woolworths](#), [EB Games](#), Myer, Just Group Ltd, Priceline, Blackhawk Network Australia Pty Ltd (City Beach, Cotton On) and Big4 Holiday Parks.



Meat (Beef, Chicken, Pork)

We use Australian meat producers and suppliers with whom we have well-established, long-term relationships. These suppliers are mostly family-owned businesses that specializing in high quality meat sales to the domestic and export market. Some of our meat suppliers, including Bartter Enterprises (Steggles

Brand), Pacific Meats (Tara Valley Brand), and ([B.E Campbell \(NSW\) Pty Ltd \(Bruemar Brand & Zammit\)](#)), who have published their own modern slavery statement for FY20.

Seafood – We source tuna products from [John West](#) who has a published statement, and cooked prawns from our Australian wholesaler who sources locally and from overseas.



Coffee and Chocolate – we source from a range of suppliers including [Nestle](#), [Lindt](#), and [Cadbury Chocolates](#).



Electronics – We source products from Nintendo, Harvey Norman Commercial (Dyson), Bissell Australia Pty. Ltd., Fisher & Paykel Australia Pty Limited, JB Hi Fi Group, Panasonic Australia Pty Ltd and Stanley, Black & Decker (Australia) Pty. Ltd. and we are a certified Apple reseller.



Consumer Goods – We sell quality toys and sporting goods that are sourced from leading major international brands including [Sony](#), [Lego](#), [Crayola](#) and [NERF](#). Most of these large businesses also report on their modern slavery compliance or have their compliance information published online.



Goods not for re-sale



To support our head offices, warehouses and local operations we also procure the above type of goods not for re-sale and have included these in our modern slavery risk assessment process.



2. Risks of Modern Slavery Practices

Chrisco's supply chains and operations are extensive, and we are in the initial stages of our modern slavery due diligence and supplier review process. By their nature, some of the products and services that we source have an inherent risk of modern slavery due to:



Geographic

- the **geographical locations** from which we source our products (e.g. China);



Product Type

- the **type of product** (e.g. toys, electronics, homewares);



Raw Materials

- the **raw materials and natural resources** in our products (e.g. cotton, coffee beans, cocoa beans, tuna and meat products);



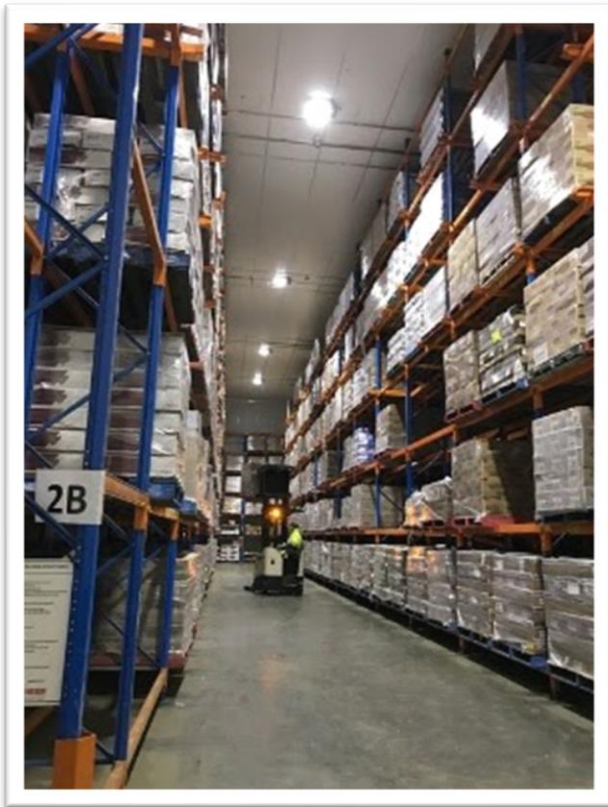
Service Type

- the **type of service** (e.g. cleaning, logistics, call centres, labour recruitment services).



We have focussed our FY20 modern slavery supplier review on the factories and suppliers that we engage overseas to produce or source our products, and the higher-risk services that we source locally.

This assessment has been done using publicly available resources including the Walk Free Foundation's *Global Slavery Index*, and information made available through suppliers, licensors, industry associations and government organisations.



The majority of Chrisco products are sourced from agents (our tier 1 suppliers) in Australia, with the majority of our tier 2 suppliers (other than food suppliers) based in China. We have also identified a small number of Tier 2 suppliers in Vietnam and the USA.

Chrisco is aware that there are widely reported modern slavery risks in China, which include the use of forced or bonded labour, deceptive recruitment, child labour, exploitation of migrant workers and the underpayment of workers.

The *Global Slavery Index 2018* (GSI) reports that forced labour mainly occurs in the production of labour-intensive goods for export, including in the manufacturing and construction sectors. We are also aware of allegations of forced labour being used in Chinese factories in the Xinjiang and Dandong regions. We are also aware that the impacts of the COVID 19 pandemic may have increased the modern slavery risks in our supply chains, due to pressure being placed on factories as a result of shutdowns and labour restrictions.

We have begun the process of tracing and reviewing the sourcing of all of our suppliers, with the goal of ensuring that we are not knowingly buying products that are manufactured or sourced from areas that are suspected of using forced labour, or from suppliers that engage in modern slavery practices.



Our FY20 Supplier Review



For the purposes of preparing this first statement, Chrisco sent a modern slavery related supplier questionnaire to a selection of our suppliers who provide products and services that were identified by our modern slavery working group as 'high risk'. These businesses supply some products and services to Chrisco in the following categories:

- **toys and sporting goods**
- **homewares**
- **stationery**
- **electrical**
- **cleaning services**
- **communications**

During FY21, Chrisco will expand this supplier review process to cover other products and services in our supply chains, with a goal of further improving the transparency over our supply chains. Some of the feedback and information obtained as a result of this process is outlined in the focus sections below.

We also reviewed some of our 'not for resale' products and services suppliers, with a focus on cleaning services and communications. During FY21, Chrisco will expand this survey process to cover other products and services in our supply chains, to further improve the transparency over our supply chains.



Chrisco's Toys and Sporting Goods Suppliers

Chrisco sells quality toys and sporting goods that are sourced from leading major international brands including Sony, Lego, Crayola and NERF. Most of these large businesses make modern slavery statements or have their compliance information published online.

During our focused supplier review, we obtained detailed information from one of our suppliers of licensed/ branded products including Disney, Ravensberg, Eurotrike, Schleich and Galt. Our investigations revealed that our supplier has a very good understanding of its product supply chain, is an AB SEDEX platform member, and that an Ethical Sourcing Policy (ESP) is provided to



their suppliers (tier 2). Their tier 2 suppliers are required to sign an agreement and provide a list of facilities (tier 3) where their products are produced, prior to any orders being placed. All new suppliers also receive new supplier guides and longform supply contracts which reference the ESP. Our supplier has a full time Chinese national auditor employed on the ground in China, who makes contact with all of their new suppliers, and procures copies of social audits undertaken by the supplier/factory. If there is no current audit information available, our supplier's auditor discusses the requirements and helps the factory prepare for initial or follow up audit. This audit is then arranged with preferred audit types e.g. SEDEX, WRAP, BSCI,



QIMA or ICTI. Our supplier has also developed their own Ethical Sourcing Audit process that they either pay for, or share the cost of with factories, to ensure the required auditing is undertaken at reasonable cost. All factories that supply our supplier are required to submit to a new/updated audit every 2 years. Our supplier's ESP policy is also required to be re-signed on an annual basis.



Chrisco's Electrical & Homewares Suppliers

Chrisco sells quality electrical and homewares products that we source from leading major international brands including Sony, Samsung, Breville, Hisense, Panasonic, Haier, Dyson, Wiltshire, Sleepmaker, Sealy and Tefal.

Most of these large businesses make modern slavery statements or have their compliance information published online.

Some of our smaller electrical suppliers have indicated that they conduct factory audits using their own staff, and independent third-party contractors for China and New Zealand and independent auditors for factories in Taiwan, Israel, the United States, the United Kingdom, Germany, and Brazil.



We will be conducting further review of our electrical and electronic product suppliers during FY21. Chrisco is also aware that some of our homeware products (such as bed linens and pillows) have an inherent high risk of modern slavery in their production due to the nature of the product, the work involved in its manufacture, and because cotton is a raw material that is often linked to incidences of modern slavery.



Our initial review results have found that at least one of our bedding and linen suppliers is a member of amfori BSCI - which enables companies to trade with purpose by improving social performance in their supply chain - and has BSCI and BEPI accreditation. Our supply was also committed to conducting factory audits before a supplier is engaged and also regular audits.

We will continue our review of high risk products moving forward in FY21.



Chrisco's Cleaning and Communications



Like most major retailers, Chrisco relies on large businesses to provide cleaning and waste management services such as [Shred-X](#), J.J. Richards, Veolia, Sanokil and Rentokil. Most of these large businesses also report on their modern slavery compliance or have their compliance information published online.



We focussed our FY20 supplier review on the smaller companies and business who provide us with cleaning and communications services (including call centre services). Whilst no major concerns or incidences of modern slavery were identified, Chrisco is aware that these are high modern slavery risk areas, and our due diligence in this space will continue moving forward.

3. Actions Taken to Address Modern Slavery Risks

During FY20, Chrisco has worked to address our identified modern slavery risks and has taken the following actions to address those risks.



Board Level Commitment

The Chrisco Board is committed to:

- encouraging a culture of compliance within Chrisco, that includes the eradication of modern slavery from its supply chains and operations.
- ensuring that each relevant staff member in his or her business unit (e.g. buyers, procurement staff) understands this commitment and has received training on modern slavery risks;
- updating current and putting in place new procedures, systems and documentation to address modern slavery in our operations and supply chains; and
- committing resources to the preparation of modern slavery statements to meet reporting requirements.

Chrisco has established a **modern slavery working group**, overseen by our Chief Commercial Officer and Compliance Officer, and has committed resources to continuous improvement in this space. Reports on the preparation of this statement were made to the Board during FY20.

Improving Our Transparency

As this is our first year of reporting, Chrisco has spent a considerable amount of time planning for the preparation of this statement and has begun the process of supplier review. During FY20 we conducted a detailed desktop review of our first (and some second tier suppliers, and during FY21 we will continue this process with goal of further identifying any modern slavery risks in our supply chain and operations. We will continue to work with our first tier suppliers to get more information about their production and facilities and also the workforce they engage (as part of their own operations or as tier 3). We will also be taking steps to identify the regions and locations from which our high risk raw materials and natural products (e.g. foodstuffs) come.

Update and Development of Internal Policies and Processes



During FY20, we have devoted considerable resources to the updating and development of its range of corporate and social responsibility policies.

These policies communicate our standards and requirements to the business partners in our supply chain.

The **Chrisco Supplier Code of Conduct** sets out fundamental requirements for all of our suppliers and business partners (including all authorised sub-contractors or raw materials suppliers). The requirements of this Code will need to be satisfied by all suppliers to Chrisco, and we will be working with our smaller and higher risk suppliers to have them agree and commit to the Code during FY21, as a starting point for this process. We are also in the process of developing a set of **Chrisco Global Sourcing Principles** which will set out the fundamental requirements and minimum standards that must be followed by Chrisco suppliers. It is also expected that these will be rolled out during FY21.

Once we have finalised our Code and Principles, we will start work on further developing our modern slavery compliance program and will put in place **Supplier Remediation Guidelines** to provide general guidance to our staff (and any independent or external auditors) if there is a need to remediate or address issues that are identified as non-compliance with the fundamental requirements of our Code of Conduct or Principles.

Chrisco is also in the process of updating its **Whistleblower Policy** to supports the disclosure by individuals of wrongdoing occurring within Chrisco. We support and will foster an environment in which staff and suppliers can report and raise any modern slavery-related concerns, and in which Chrisco can respond and rectify any compliance concern in a timely and appropriate way.

Development of Strong Supplier Relationships

Chrisco has a professional purchasing department with years of experience in their areas of expertise. During normal (pre-pandemic) years our staff attended trade shows, product demonstrations and obtained samples as part of our long-standing agreements with our suppliers. All our suppliers must



sign and return our **Supply & Trading Term Agreement**. We also work consistently with our suppliers to accommodate them, and provide reasonable lead times. Suppliers must provide accurate product data, as requested, before purchase orders can be raised. This project runs from February through to the end of March each year. Suppliers are responsible, at all times, to ensure we have the latest and correct product data. This data is used to manage our warehouse operating system including generating purchase orders and receipting product.

Development of Modern Slavery Training

During FY20 Chrisco has developed online Modern Slavery Training modules that will be made available to all our relevant staff and suppliers. This training has been designed to assist staff to understand modern slavery and reporting requirements, and to allow the identification of modern slavery related issues in Chrisco's supply chain and operations. This online training has commenced for our key staff and Chrisco will keep a record of all training offered and completed by its staff and suppliers during the full training roll-out in FY21.



4. Assessment of Actions Taken to Address Risks

During FY21 Chrisco will focus on measuring and evaluating the effectiveness of the actions we have taken so far to address the modern slavery risks in our supply chains and operations.

We are also committed to addressing any issues that come to our attention through our Whistleblower process, and to providing and promoting an avenue for workers to bring any issues of non-compliance with our code and principles to our attention.



Review of Supplier Audits

During FY20 we conducted some review of our supply chain and we will continue to review the responses we have received from our direct suppliers, and request further information from them as necessary.

As part of the development of our review process, we will take steps to gather information relevant to our modern slavery risks, and conduct checks on general compliance matters such as factory licences, building layouts, fire drill records, health and first aid certificates, working hours, wage records, pay slips, injury records and environmental impact assessment reports and approvals.

We will also request that where available, suppliers provide access to due diligence or audit reports, and where we identify supplier non-compliance issues, we will require the supplier to identify corrective actions and timeframes for completing these actions. Chrisco will continue to work with all our suppliers in FY21, to improve standards where it can, and to ensure the requirements of our new code and principles are adhered to.

5. Moving Forward



During FY21 we will extend the scope of our supplier review and focus on our other high risk areas, whilst also gathering more detailed information from the suppliers who were the subjects of our FY20 review. We will also work on a review of our vendor procurement processes, and work with our buyers and procurement team to develop new ways to address our modern slavery risks. We will also be seeking opportunities to work with our overseas suppliers and community organisations. This may include the roll out of modern slavery training to our interested suppliers and also meetings and factory visits (when the COVID 19 situation makes overseas travel possible).

In the meantime, our newly formed modern slavery working group will continue monitor media and news from industry groups to identify emerging human rights risks in the geographic locations from which we source our products, so that we can inform our buyers and procurement teams about current and emerging modern slavery risks. We will also begin planning on the update of our website to include details about our modern slavery and corporate/ social responsibility initiatives.

Appendix A

The *Modern Slavery Act 2018* section 16 mandatory criteria and reporting requirements and where they have been addressed in our statement:

1. Identification of the reporting entity

This is addressed on page 3.

2. Description of our structure, operations, and supply chains

This is addressed on pages 4-9.

3. Description of the risks of modern slavery practices in our operations and supply chains and any entities we own or control

This is addressed on pages 10 and 11.

4. Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)

This is addressed on pages 12-20.

5. How we assess the effectiveness of our actions

This is addressed on page 21.

6. Description of the process of consultation with any entities the reporting entity owns or controls

This is addressed on page 2.

7. Any other relevant information

This is included on pages 13-15, where we discuss some case studies of supplier review process and page 22 where we discuss our goals moving forward.