

# Brand Developers Aust Pty Ltd

## MODERN SLAVERY STATEMENT 2021



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## INTRODUCTION

This Modern Slavery Statement (the “**Statement**”) is made by Brand Developers Aust Pty Ltd, whose registered office is at 2 Riverside Quay, Southbank, VIC (ACN 115 139 565) (the “**Company**”) for the period from 1 April 2020 to 31 March 2021, pursuant to the *Australian Modern Slavery Act (2018)* (the “**Act**”) and was approved by the Directors of the Company, as the principal governing body of the Company, on 24 December 2021 and signed by a Director of the Company.

This Statement sets out the steps taken by the Company during the financial year ended 31 March 2021 to assess and address the risks of modern slavery in its business and supply chains.

Modern slavery includes slavery, servitude, forced labour, forced marriage, child labour, debt bondage, deceptive recruiting for labour or services and human trafficking.

This statement will also include actions the Company is undertaking to respect human rights throughout its business activities.

Verisk Maplecroft’s labour rights indices<sup>1</sup> show that over the last five years, modern slavery, child labour, discrimination, health and safety and decent wages are some of the issues that have worsened. These declines are happening at a global level, but they are affected most where the bulk of global goods are manufactured. For instance, a number of Southeast Asia’s primary manufacturing hubs have been downgraded to ‘extreme’ risk in Verisk Maplecroft’s Modern Slavery Index.

The ongoing impact and fallout of COVID-19 are only expected to increase this trend.<sup>2</sup> Of all the forms of human rights violations, forced labour is the most prevalent, with an estimated 25 million people affected in many countries, including Australia.<sup>3</sup>

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<sup>1</sup> Verisk Maplecroft (2021). *Human Rights Outlook 2021*.

<sup>2</sup> Obokata, T. (2020). *Impact of the coronavirus disease pandemic on contemporary forms of slavery and slavery-like practices*. New York, NY: United Nations - Human Rights Council.

<sup>3</sup> International Labor Office (2017). *Global Estimates of Modern Slavery*.

As a global business, we recognise our responsibility to our employees and to those we deal with throughout our supply chain, to have the right to live free from exploitation. We are committed to doing our part to ensure that slavery in any form does not occur within our supply chain or operations.

We support the United Nations' *"Guiding Principles on Business and Human Rights"*<sup>4</sup> implementing the United Nations' *"Protect, Respect and Remedy Framework."* In particular, we recognise that it is our responsibility to:

- (a) Avoid causing or contributing to adverse human rights impacts through our own activities, and address such impacts if/when they occur; and
- (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations or products by our business relationships, even if we have not contributed to those impacts.

We also adhere to the principles set out in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's *"Declaration on Fundamental Principles and Rights at Work."*<sup>5</sup>

This Statement outlines our approach to preventing slavery within our operations and supply chain. We will review and update our Statement annually.

## 1. Mandatory criteria 1 and 2 (Section 16.1.a and 16.b of the Act) – Reporting Entity, Structure, Operations and Supply Chain

### **Reporting Entity**

Brand Developers Aust Pty Ltd. is an Australian entity and had a consolidated revenue of at least AU\$100,000,000 for the reporting period. Consequently, the company is a *"reporting entity"* within the meaning of Section 5 of the Act.

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<sup>4</sup> Office of the High Commissioner for Human Rights (2011), *Guiding Principles on Business and Human Rights*.

<sup>5</sup> International Labor Office (1998). *Declaration on Fundamental Principles and Rights at Work*.

## Structure

Brand Developers (referred to as the “**Group**” or “**Brand Developers**,” “**BDL**” or “**we**”) is a direct response marketing group in Australia and New Zealand. We use our direct response television, digital, retail, and live events divisions to launch, market and sell leading consumer products. These products may be sold under the Group’s own-brands or under third-party brands with whom Brand Developers partners.

Brand Developers Limited (the “**Parent Company**”) is a New Zealand company (NZBN 9429031624053) headquartered in Auckland. The Parent Company owns 100% of the shares in Brand Developers Aust Pty Ltd (ABN 70 115 139 565), the Company.

The Company owns five subsidiaries, none of which traded during the reporting period, namely “As Seen on TV Holdings Pty Limited,” “ASOTV Pty Limited,” “Perfect Fit Holdings Pty Limited,” “Tasman Debt Management Pty Limited” and “TV Shop Pty Limited.” As all the Company’s subsidiaries were non-trading entities over the reporting period, this Statement will only consider the Company and the Parent Company (although not a reporting entity within the meaning of Section 5 of the Act) whenever relevant.

## Operations

The Group develops its own products and partners with international and domestic brands to provide goods to its customers. Its main operations range from buying, planning and video advertising production through to selling our products and third-party products through direct response television, digital, retail, and live events channels.

BDL’s warehousing arrangements include two company-run warehouses in Victoria (Australia) and Auckland (New Zealand) and third-party logistics warehouses in the United Kingdom and the United States.

The Group’s global head office is located in Auckland, New Zealand and its Australian head office is located in Southbank, Victoria, where it employs staff on full-time, part-time or casual agreements across its product conception, buying, planning, advertising, film production, sales and marketing, legal and finance teams.

Some of BDL's operations are conducted through service providers in India and the Philippines.

### **Supply Chain**

Brand Developers does not manufacture products directly but instead engages third parties to produce its own-brand products and to supply third-party products.

We source products and raw materials from China, Taiwan, Israel, the United States, New Zealand, and Germany.

In this reporting period, the Group's own brand products were manufactured in factories in mainland China and Taiwan, Israel and in New Zealand. The largest proportion of own-brand products was sourced from China.

Procurement of goods for resale, goods not for resale (e.g. office supplies, IT equipment, packaging) and services (e.g. IT services, cleaning, logistics) are all part of the Group's supply chains.

Some products' supply chains are shorter whilst others can be more complex.

Although we do not own or operate the factories that produce our goods, we do recognise our responsibility to ensure honest and ethical labour practices in our supply chain.

## **2. Mandatory criterion 3 (Section 16.1.c of the Act) – *Modern Slavery Risks in our Supply Chain and Operations***

### **Modern slavery risks in BDL's supply chain**

We source information on modern slavery and broader human right risks from a number of resources including desktop research, media monitoring, non-governmental organisations, business partners and suppliers.

We are a member of SEDEX (Supplier Ethical Data Exchange), a global non-profit organisation that provides manufacturers and retailers a platform to manage responsible sourcing data and monitor continuous improvement across their supply chains. With the use of SEDEX's online platform, evaluation questionnaires and assessment tools, our insights into our supply chain improve.

BDL's Tier one suppliers will be required to complete SEDEX's Self-Assessment Questionnaires (SAQs). The SAQs collect data across four key pillars:

- **Labour Standards**  
Including wages, working hours, children and young employees, freedom of association, non-discrimination, forced labour and human rights. This forms the basis of the data used for the modern slavery risk assessment rating.
- **Health & Safety**  
Including questions on management, training, emergency and fire safety, and worker health.
- **Environment**  
Including questions on environmental management, waste, raw materials, water, energy and pollution.
- **Business Ethics**  
Including questions on bribery and corruption.

Suppliers can update their responses in the SAQs in real-time to reflect changes in circumstances. Should the change alter the risk assessment rating, a notification is received.

BDL's supply chains are multi-tiered. It may be more difficult to identify situations of modern slavery (or other human right violations) in multi-tiered supply chains.

Full visibility is currently limited to Tier one suppliers. There is an increased risk in the upstream part of the supply chain. Tier one suppliers are currently responsible for ensuring compliance and implementation across their supply chain.

BDL is working to improve visibility into Tier two suppliers, working with our Tier one suppliers to include Tier two suppliers in the SEDEX SAQ's online platform.






### **Modern slavery risks in BDL's operations**

The Group's operations are primarily conducted in New Zealand and Australia, which are both low-risk modern slavery countries. Whilst we recognise the greatest risk of modern slavery lies in our supply chain, we are also aware that our operations are not exempt from modern slavery risks.

The Group addresses modern slavery and more broadly human rights issues in its workforces under various policies including the Groups' Code of Conduct and its Diversity and Inclusion Policy.

### Main modern slavery risks by country of sourcing

Modern slavery risks vary depending on the country of sourcing of products or services.

	Country	Risk
	New Zealand	Migrant labour exploitation
	Australia	Migrant labour exploitation
	China	Forced Labour, freedom of association, excessive overtime
	India	Forced labour, bonded labour, migrant labour exploitation
	Philippines	Forced labour, bonded labour

### 3. Mandatory criterion 4 (Section 16.1.d of the Act) – *Addressing the Risks of Modern Slavery*

#### 3.1 Addressing Modern Slavery Risks in our Supply Chains

##### **Supply chain - Due diligence process**

Brand Developers recognises that its supply chain operates in geographical locations with a higher risk of potential modern slavery and broader human right risks.



We have therefore started a due diligence program to identify any potential human right violations with our Tier one suppliers. In the future, we aim to introduce a due diligence process deeper into our supply chain.

Our due diligence process is based on the human right due diligence principles set out in the United Nations “*Guiding Principles on Business and Human Rights*” (Section 17ff).<sup>6</sup>

The due diligence process consists both in preventative measures which assist our buyers in selecting suppliers based on potential human right related risks, and in monitoring measures.

Our due diligence actions include:

- Pre-screening documentation to be completed by potential suppliers and forms to be completed by existing suppliers
- Audits of manufacturing sites

Tier one factories producing BDL’s own-brand goods are audited regularly, however given global travel restrictions in 2020 and 2021 due to the COVID-19 pandemic, some in-person audits have not been conducted. These will resume when travel restrictions are removed.

BDL carries out all audits in China, and New Zealand, and independent third-party contractors are used in other jurisdictions.

Other Tier one suppliers may be audited (by BDL or by an independent auditor) based on a risk-assessment approach and factors such as the type of goods or services and country of origin.

- Use of SEDEX (Supplier Ethical Data Exchange) online monitoring tool and risks reports to monitor results and progress.

The data from the audits and SAQ’s are used to evaluate BDL’s ongoing relationship with our suppliers.

- Tier 1 suppliers’ adherence to BDL’s principles and policies:

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<sup>6</sup> OHCR (2011). *Guiding Principles on Business and Human Rights*.

BDL's Tier one suppliers are required to sign and adhere to principles and policies which are included in:

- Our supplier agreements where applicable and/or
- Our Supplier Code of Conduct.

These documents include BDL's expectations and our suppliers' obligations in terms of modern slavery and broader human rights issues. Any situation of non-compliance will give rise to a corrective action plan being imposed and could lead to the contractual relationship being terminated by BDL.

### **Supply chain – 2021 overall risk assessment**

In this reporting period, BDL has not identified any modern slavery incident in the supply chain across BDL's Tier 1 suppliers.

However, BDL is aware that modern slavery risk sites exist, since third-party factories are located in China and some of the business services and customer service providers are based in India and the Philippines. Furthermore, the risks of modern slavery are heightened further into the supply chain where BDL has less clarity on their operations. BDL will need to identify sub-suppliers and assess them in the future. BDL will work with our Tier one suppliers to raise awareness of modern slavery in their supply chain.

### **Supply chain – Mapping**

BDL is using the SEDEX platform to map its Tier one manufacturers. BDL recognises the need to map the supply chains beyond Tier 1 suppliers to ensure our products are ethically produced. Mapping the supply chain is complex and is an ongoing process.

## **3.2 Addressing Modern Slavery Risks in our Operations**

### **Operations – Policies and procedures**

BDL assesses and addresses modern slavery and broader human right risks in its operations through its legal department.

Australia and New Zealand, where BDL's operations are located, are considered low-risk regions based on published modern slavery indices.<sup>7</sup>

However, BDL has put in place policies and procedures within its operations in order to further reduce modern slavery and broader human right risks.

BDL recognises that there is risk in the employment of vulnerable workers in Australia and New Zealand, therefore we have robust practices in place in our operations to ensure that employees are treated fairly and with respect, are of age to work, working of their own free will, and they are paid in accordance with local standards and that they have the same minimum employment rights as local workers.

Our Australia and New Zealand entities also have the following policies and practices in place to protect employees:

- Group Code of Conduct
- Grievance Resolution Procedure
- Diversity and Inclusion Policy

### **Operations - Training**

Modern slavery awareness training uses SEDEX's e-learning module for staff involved in procurement. Staff working with suppliers will be required to join the e-learning platform. All relevant employees will be required to complete this training annually.

### **3.3 Incidents of modern slavery or broader human right issues - Policy**

As mentioned above, BDL has not identified any human rights incidents within its supply chain and operations over the reporting period.

Should an incident be identified in the future, BDL's policy will be as follows:

- 1) Influence the supplier to put an end to the human rights violations and organise assistance for the victims through local organisations;
- 2) If the issue is immediately remedied, organise regular in-person audits through a specialised service provider and monitor the situation;

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<sup>7</sup> Verisk Maplecroft (2021). *Human Rights Outlook 2021*.

- 3) If the issue is not immediately remedied, alert the local police authority and a local anti-trafficking organisations and terminate BDL's relationship with the supplier with immediate effect.
4. *Mandatory criterion 5 (Section 16.1.e of the Act) – Measuring Effectiveness*

BDL reviews the effectiveness of its modern slavery risk management program by:

- Reviewing its policies on a regular basis
- Reviewing risk assessments and audits conducted
- Monitoring modern-slavery metrics:
  - Percentage of suppliers covered by its Code of Conduct
  - Percentage of factories audited against its modern slavery policy
  - Number of supply chain actors traced
  - Percentage of suppliers' sites in high-risk areas
  - Percentage of site visits
  - Number of procurement employees trained on modern slavery
  - Number of modern slavery issues and other issues identified
  - Number of grievances identified
  - Number of issues remediated
- Corrective actions are taken following the above data analysis

5. *Mandatory criterion 6 (Section 16.1.f of the Act) – Consultation Process with Owned or Controlled entities*

As mentioned in Paragraph 1 above, the Company owns five subsidiaries, none of which traded during the reporting period. As all the Company's subsidiaries were non-trading, no consultation took place with them on the subject of modern slavery and this Statement did not consider them.

## LOOKING AHEAD

BDL will work on incorporating modern slavery and broader human rights considerations into contractual provisions.

BDL will also continue to build its capacity and effectiveness in managing modern slavery risks within its supply chain and operations. This is an ongoing commitment by BDL to gain clarity on and awareness of cases of modern slavery.

We are committed to continuing to increase our levels of transparency, deeper into our supply chain. We are initially focusing on our own-brand products supply chain but our aim in the future will be to trace all suppliers involved in the manufacturing of all products to continue to assess modern slavery risks and any broader human right risks the Group might contribute to.

In accordance with the Modern Slavery Act 2018, this Statement was approved by the Directors and signed by:

**Paul MEIER**

**Director**

Signed



Date 24.12.2021