



## New Aim Pty Ltd – Modern Slavery Statement

1 July 2019-30 June 2020 (FY20 Statement)

### Introduction

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

This is New Aim’s first 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.<sup>1</sup> 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 the modern slavery risks within our supply chains and operations.

New Aim’s ability to review its 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 their modern slavery processes.

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<sup>1</sup> 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](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf)

### 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 with employees in Australia, primarily in the brand, category, customer service, data and analytics, digital product delivery, logistics and quality management teams.

### 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 equipment, children's toys, home and personal electronics, 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:

#### 1 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.

#### 2 Online Marketplaces

New Aim sells goods direct to consumers through a range of online marketplaces. During this reporting period, we sold direct to consumers through eBay, Catch, Mydeal, Bunnings, Temple and Webster and Graysonline.

### 3 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;
- 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.

### 4 Dropshipping partnerships

During this reporting period, we had bespoke dropshipping arrangements with a number of our largest retail partners, including Harvey Norman, Costco, Zanui and Big W. Where we enter into a dropshipping arrangement with a retailer, the consumer enters into a contract with the retailer when they purchase the product from the retailer’s website, however New Aim maintains the inventory of this stock and fulfils the order on behalf of the retailer.

### Our supply chain

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

- approximately 3% of New Aim’s suppliers 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 33% of New Aim’s suppliers 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 64% of New Aim’s suppliers provide the products sold under New Aim’s in-house brands, which are sold to retailers via Dropshipzone or otherwise sold through our 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

At the time of preparing this statement, New Aim has undertaken a preliminary risk assessment to identify risks of modern slavery practices within our operations and supply chain during the reporting period. In undertaking this modern slavery risk assessment, we developed the following risk matrix to assess modern slavery risks in our supply chain:

- **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, timber used to manufacture furniture, 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, Dropshipzone, marketplaces and dropshipping arrangements from China, which is identified as having an elevated level of risk of 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 limitation 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. At the time of preparing this statement, 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.

#### Logistics

During the reporting period, New Aim's operations involved 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, DHL, Officeworks, and Seek among others. At the time of preparing this statement, we reviewed the statements that 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. During this reporting period, New Aim contracted directly with retailers to supply New Aim's branded goods and third party goods. This provided a level of oversight of New Aim's retail products and operations but did not extend this oversight to third party goods. At the time of preparing this statement, New Aim adopted a new model by which DSZ Suppliers contract directly with retailers through the Dropshipzone platform, which requires new methods of engagement with our DSZ Suppliers. In light of this, New

Aim is committed to engaging with DSZ Suppliers to provide and require DSZ Suppliers' compliance with an ethical sourcing policy.

#### Labour hire providers

As at the date of preparing this statement, New Aim has identified that elevated risks of modern slavery exist 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.

During the reporting period, New Aim contracted directly with a company in Guangzhou, China to carry out our customer service function. There is a minimum wage legislated in Guangzhou and the company we engaged pays above the award minimum wage. We are informed that the company did not use any labour hire providers to source their employees. The workers were Chinese nationals and are not subject to any visa or immigration conditions.

New Aim did not use employee agencies to fulfil temporary warehouse roles in our Australian warehouses, employing workers directly on a casual basis. In respect of our workers which held visas during the reporting period, we undertook checks of visa documentation and completed the VEVO process to ensure that workers were eligible to be employed.

#### 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 FY20, New Aim had three providers of commercial cleaning services which support our Australian operations. New Aim understands that our providers were not members of the Cleaning Accountability Framework and acknowledges that we do not have detailed oversight of the providers' employment practices.

At the time of preparing this statement, New Aim has committed to increasing engagement with our cleaning providers in future reporting periods to better understand and mitigate risks of modern slavery in their cleaning operations and our procurement of services. Details of actions we propose to take in future reporting periods are set out in the 'Actions' section of this statement, and our FY21 and FY22 modern slavery statements.

### *Supply chain risks*

Suppliers of products sold as our New Aim Brands and supplied through our D2C websites, Dropshipzone, B2B and dropshipping models during this reporting period were 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 based in China which supplied the New Aim branded products to Australia for this reporting period 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**),<sup>2</sup> which identify entities that have a known connection to forced labour practices in Xinjiang. At the time of preparing this statement, we have conducted a high level risk assessment of these suppliers through media searches and review of independent third party sources to verify that our suppliers were not linked to publicly-available reports or allegations of modern slavery practices.

However, given the different regulatory environment in China and practical barriers to conducting in person audits, New Aim faces difficulties obtaining information on the procurement and employment practices of our tier 1 suppliers in China. We do not currently have information in relation to how our Chinese suppliers' source their employees, whether they subcontract to other manufacturers or suppliers, or where they source raw materials or labour to manufacture the products we procure from them. We acknowledge that, of the goods we procure or which may be used in manufacturing the products we procure, the following categories were higher risk for modern slavery in this reporting period:

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

New Aim has limited visibility over our second and third tier suppliers. At the time of preparing this statement, New Aim has identified for action the development and implementation of an ethical sourcing policy and supplier questionnaire to deepen our understanding of our tier 1 suppliers' employment and sourcing practices.

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<sup>2</sup> 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>.

Some of the products New Aim procures 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.
- **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 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.<sup>3</sup> At the time of preparing this statement, New Aim has committed to engaging with our timber suppliers to obtain more detailed information in respect of their sourcing practices in future reporting periods.

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<sup>3</sup> “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 sourcing tool.org/download/reports/JTIP\\_ExecutiveOrder\\_Report\\_2017\\_06.pdf#page=89](https://www.responsible sourcing tool.org/download/reports/JTIP_ExecutiveOrder_Report_2017_06.pdf#page=89);  
<https://www.responsible sourcing tool.org/visualizerisk>)



### Actions to address modern slavery risks in our operations and supply chain

This section sets out the actions New Aim has taken in FY20, the actions we are currently undertaking at the time of preparing this statement, and proposed actions which we intend will be implemented in FY23 and future reporting periods. In FY20, we obtained data from some of our suppliers regarding their commitments to ethical procurement practices which revealed that approximately 50% of our suppliers at that time had certificates from the Business Social Compliance Initiative (**BSCI**). BSCI requires certified suppliers to commit to implementing ethical sourcing practices in their supply chains.

At the time of preparing this statement, New Aim is in the process of developing and implementing our modern slavery risk management policies and processes to build our internal capability to identify, assess and address modern slavery risks in our operations and supply chain. In the FY22 reporting period we undertook high level modern slavery risk assessments of our operations and supply chains for FY20, FY21 and FY22, to inform the development and implementation of these policies and processes. This high level review included identifying what products our tier 1 suppliers supply to New Aim and where they are located.

As noted elsewhere in this statement, New Aim is aware that we currently have limited oversight over the procurement and employment practices of our tier 1 suppliers. At the time of preparing this statement, New Aim has committed to:

- building internal capabilities around modern slavery, including through developing New Aim's ethical sourcing policy and implementing staff training on modern slavery risks;
- developing due diligence mechanisms to identify, assess and engage with our tier 1 suppliers providing high risk products or operating in high risk industries;
- developing methods of supplier engagement to increase external awareness of modern slavery risks across our supply chain, including through use of a supplier questionnaire; and
- providing New Aim's policies on ethical sourcing to our suppliers, as well as making our policies publicly available.

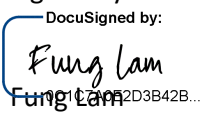
### Effectiveness of actions

At the time of preparing this statement, New Aim has committed to developing mechanisms to provide data on the effectiveness of our actions to address modern slavery risks in our operations and supply chain. These mechanisms will include measures to assess supplier responses to our newly implemented ethical sourcing policy and supplier questionnaire, as well as monitoring how internal awareness of modern slavery risks increases over the next reporting periods.

Other relevant information

During this reporting period, New Aim operated as a single reporting entity. This statement is therefore made in accordance with section 13 of the Act and was approved by the board of New Aim on the date below.

Signed by

DocuSigned by:  
  
Fung Lam

Director of New Aim

Date 15-Dec-2022