

The Mix Australia Pty Ltd
Modern Slavery Statement FY20

thermomix

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shop



This modern slavery statement, published in accordance with the Modern Slavery Act 2018, sets out the steps taken by The Mix Australia Pty Ltd (ACN 88069944930) to identify and address its modern slavery risk over the period 1 July 2019 - 30 June 2020 (FY20).

The registered office of The Mix Australia Pty Ltd is 30 Ledger Road, Balcatta WA 6021.

In order to prepare this statement, our modern slavery working group consulted our relevant management, procurement and buying staff.

This modern slavery statement was approved by the Board of The Mix Australia Pty Ltd on 24 February 2021.

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A message from The Mix Australia

We are pleased to present The Mix Australia's first modern slavery statement, which has been prepared to meet reporting requirements under the Australian Modern Slavery Act 2018 (Cth).

TMA welcomes these new Australian reporting obligations as a positive initiative that will allow our business to further demonstrate its commitment to honesty, transparency and ethical sourcing.

In order to prepare to meet our new reporting obligations, we conducted a desktop review and assessment of our suppliers. This was aimed at identifying risk of any instances of modern slavery – such as forced labour, child labour, debt bondage, unsafe or unhealthy working environments, involuntary overtime and restrictions workers rights to freedom of association - anywhere in our supply chain and operations.

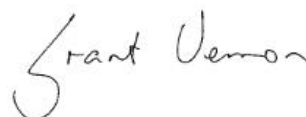
We determined that our initial focus should be on the products we source from overseas and sell through TheMix shop online, and also on the suppliers of services we use to support our businesses in Australia and New Zealand. The decision to focus on these areas was due to the identification of these products and services as 'higher risk'.

Our supplier review and modern slavery risk assessment process will continue to require an investment of significant time and resources. However, we will not shy away from this process and properly meeting our reporting obligations. In this first statement, we have been open about the potential modern slavery risks we can see may exist in our supply chains, and honest about how much transparency we have over our full supply chain. Our identified modern slavery risks and limitations will shape our plans moving forward.

Our FY20 supplier and modern slavery review provided TMA with valuable information to allow the development of our modern slavery KPIs (as outlined in this statement). We will be working over the next few years meet these and see them as an essential tool that will allow us to measure TMA's progress in this area. During FY20 we also developed our supplier code of conduct and rolled out the first stage of modern slavery training for our relevant staff. TMA will continue our important work in this area in FY21.



24 February 2021
Grace Mazur
Managing Director



24 February 2021
Grant Vernon
Chief Operating Officer

1. OUR STRUCTURE, OPERATIONS AND SUPPLY CHAINS

About Us

The Mix Australia Pty Ltd (TMA) (ACN 88069944930)
<https://thermomix.com.au/pages/thermomix>

Our organisation is headed by our Managing Director and co-founder, Grace Mazur. Grace is supported by our Executive Director, Bianca Mazur who is in charge of the Sales, Development, Marketing, Publications, Brands and Communications teams.

Our Chief Operating Officer, Grant Vernon manages our Finance, Warehouse, People & Culture, Ecommerce, Customer Experience, Service, Business Transformation and our Mix Shop Operations teams.



The Thermomix was introduced into the Australian market by Grace in 2001. TMA is the sole Australian distributor of Thermomix machines, which are made by Vorwerk International. We are proud that TMA has become the world's leading independent Thermomix distributor.

The Thermomix is demonstrated and sold by over 2500 Thermomix Consultants, who run virtual or in-home cooking experiences for current model Thermomix machines.

TMA employs approximately 150 staff to support our customers and consultants, including a Perth-based customer service centre. Our business has also expanded to include offices in Melbourne, Brisbane and TMNZ in Auckland, New Zealand.

Products we sell

Thermomix Machines, Parts and Accessories



Our current Thermomix model, the TM6, replaces over 20 traditional kitchen appliances - allowing our customers to chop, beat, blend, whip, weigh, mill, knead, mince, cook and more. The Mittelsten Scheid family have been at the helm of the Vorwerk company for over 135 years.

The Thermomix design has evolved and improved over the years to create one of the world's most celebrated and versatile kitchen appliances.

The Vorwerk family business, has always practiced corporate and social responsibility. Vorwerk has reported that it has engaged in many social and environmental projects across the world, including the establishment of the Vorwerk Family Fund, which raises money for the SOS Children's Villages in Vietnam, India, and Costa Rica.

Vorwerk employees, sales partners, management, and the owner family themselves all participate in fundraising and have volunteered helping to build houses and communities for women and children across the globe.

Authentic Vorwerk replacement parts, accessories and recipe chips are only available in Australia at TheMix Shop online store (along with other TMA products).



Cooking and Homeware products sold on TheMix Shop

TheMix Shop proudly sells Thermomix and Vorwerk products, as well as a trusted range of quality kitchenware including:



Bakeware, including our Rose Gold Line, and specialty items such as doughnut pans and madeleine moulds, silicone baking mats and consumable parchment liners and sheets.



Specialty bread making equipment including proofing bowls, lame tools and baguette trays.



A diverse range of recipes can be found in our Thermomix cookbooks, recipe chip and Cook-key (and via wi-fi at Cookidoo.com)



Outdoor entertaining drinkware, utensils, BBQ and travel accessories.



A broad range of cleaning and storage products including silicone freezer trays, vacuum sealer and bags and yogurt jars.



Cake and cupcake baking accessories including silicone moulds, decorating equipment, displays and travel storage items.

Services we engage



TMA utilises a range of services to that are required to support our head office, to promote and deliver our products and to host our events. These include suppliers of freight distribution, logistics, cleaning services, security, communications and recruitment services.

We are aware that some of these supply sectors, source lower-skilled workers, recent migrants, overseas students and other workers who may be at risk of exploitation or may become victims of modern slavery practices. TMA may also rely on recruiters or third-party labour hire services, which can also have modern slavery risk for businesses.

2. OUR RISKS OF MODERN SLAVERY PRACTICES

TMA is dedicated to the process of eradicating modern slavery anywhere in our supply chain or operations. We want our decisions and sourcing practices to reflect and align with the pride we have in our brand and reputation as a responsible Australian business.

In working towards our modern slavery goals, we have relied on published guidance from the Walk Free Foundation, Chartered Institute of Purchasing and Supply (CIPS) and Verité. We have utilised this advice to develop a plan for TMA to work to reduce and hopefully eliminate the risk of modern slavery occurring our supply chains, either as a direct or indirect result of our procurement practices¹.



During FY20 TMA has worked to understand which parts of our business are most vulnerable to modern slavery risk.

We have identified that there are certain business characteristics which make TMA more vulnerable to modern slavery risks which include:

- having a supply chain with multiple tiers, some of which are not within our immediate control;
- doing business across borders to source products that are made (or include raw materials that are sourced) in countries that have weak regulatory environments - for example, if we source products from lower cost countries such as China, India and Thailand; and
- possible reliance on the labour of migrant workers, working in Australia, who may have been recruited by labour agencies or brokers to service industries we use such as freight, logistics, IT and cleaning.

Based on our FY20 supplier review, we have determined that the highest modern slavery risks for TMA may exist in relation to:

- the imported products sold on TheMix Shop website; and
- the services used to support our head office, customer support, freight and logistics.

¹ Tackling Modern Slavery in Supply Chains, A Guide 1.0, Walk Free Foundation (2014).

Supply Chain Transparency Risk

The Mix sources products from wholesalers in Australia and also by direct dealings with overseas factories or their supply agents. These are the cooking and homeware products that we sell on the TheMix Shop website - <https://thermomix.com.au/pages/themix-shop>.

We are aware that the modern slavery risks we have in relation to the product we sell in TheMix shop stem from the fact that we do not have full transparency over the suppliers and factories that produce our products, and do not have control over where the raw materials that are used to make those products are sourced.



During FY20 we conducted a supplier review to identify all of our suppliers and all of the product types sold in TheMix Shop. This process involved an initial high-level review of the entire TMA supply chain, to determine which products and suppliers we likely to be high, medium or low risk.

During this process we identified some suppliers and products that represent an ‘on paper’ risk for TMA in terms of modern slavery based on the type of product they produce, the raw materials used to make the product they supply and the location of production. These are the product types detailed in the next section of our statement.

TMA understands that it will need to do further supply chain review and take steps to investigate the source of some of the ‘higher risk’ products that we sell. This work will be done to ensure there are no modern slavery practices such as the use of forced labour, debt bondage, child labour, forced overtime or denial of freedom of association at any stage in the production of the products we source and sell.

We are aware that we have significant work to do, especially where we have numerous supplier tiers involved in the sourcing of a product.

For some of the products we sell, we have no information to hand about the manufacture of those products, or the raw materials used in their production.



We are aware of this transparency-related risk, and we are planning and taking steps to ensure it is addressed, and that we maintain visibility over our supply chain moving forward.

Product Risk

TMA sells a relatively narrow range of products - being Thermomix machines (accessories & parts), cooking and homeware products.

For the purposes of this first modern slavery statement we determined that the best way to review and describe our modern slavery risk as a business for FY20, was to group our product types, and have the risks of modern slavery that we have identified.

We took this approach as it allows us to discuss the risks that exist in all the links of our supply chains and operations, across the range of product types that we sell.

We also discuss modern slavery risk associated with service-related inputs for these products - such as shipping, freight, logistics, cleaning and packaging later in this statement.



Electrical and Technology Product Risks

We have considered our modern slavery risks associated with the manufacture of the electronic and electrical products we sell (e.g. Thermomix machines made by Vorwerk). These include:

- risks associated with the production of the raw materials that are used by the manufacturer (Vorwerk) to produce those products; and
- risks associated with the factory and other labour required to manufacture those products.



Electronic and technology products are manufactured using a wide array of metals and minerals, including copper, aluminium, titanium, and gold. Plastics made from petroleum products and other chemicals are also used. The Walk Free Foundation suggests that suppliers of products that contain ‘conflict minerals’ such as gold, should take steps to ensure the traceability of these minerals to at least the smelter level².

The Thermomix machines, accessories and parts that we sell are made by Vorwerk which has an international reputation for producing superior quality products. In 2018, Vorwerk published a ‘Sustainability Report’ which set out its sustainability and corporate and social responsibility initiatives. Vorwerk’s suppliers of raw materials, finished parts and consumables are required to meet Vorwerk’s quality, environmental and safety requirements. Vorwerk requires its serial suppliers to sign a purchase agreement containing a ‘Compliance Module’ which is an agreement on compliance with legal, ecological, and social requirements by the supplier and its upstream suppliers.

Vorwerk also committed to the California Transparency in Supply Chain Act (CTSCA) in March 2018 – with a commitment to SA8000 Standard (based on internationally recognized standards of decent work, including the Universal Declaration of Human Rights, ILO conventions, and national laws). Vorwerk also has a “Code of Conduct on Social Responsibility”.

² Tackling Modern Slavery in Supply Chains, A Guide 1.0, Walk Free Foundation (2014).

Given the complexity of most supply chains, TheMix is fortunate to be able to assess our risks in relation to the Thermomix machines, accessories and parts, based on information that is supplied directly by our direct supplier and manufacturer, Vorwerk.

Vorwerk has reported that it focusses on responsible behaviour in all of its corporate activities. Vorwerk Engineering, which manufactures Thermomix products, has factories located in three locations – Wuppertal (Germany), Cloyes-sur-le-Lor (France) and Shanghai (China). Vorwerk has recently advised The Mix that the main production site for the machines we sell in Australia and New Zealand is located in France. The German site produces the electronic drive (motor), and some Thermomix quantities, in peaks or high seasons. While the core product is produced mainly in France, partly in Germany, all relevant accessories, such as the Spatula or Measuring Cup are produced in Western Europe (Germany and Austria).

Vorwerk reported that its French site, Vorwerk Engineering, is certified according to the OHSAS 18001 Occupational Health and Safety Standard. TMA is aware that even when a particular manufacturer within the chain implements safeguards against trafficking or other labour abuses in its own facilities, that there may be modern slavery risks involved in the sourcing of the inputs on which it relies, or in the supply chain into which its own products feed. This is why we will continue to work closely with our direct supplier to monitor and address any modern slavery risks moving forward.

Cotton Product Risks

At TMA we sell products made from cotton such as aprons, cleaning cloths, scourers, nut milk bags and promotional caps.

Cotton as a raw material is a high-risk product in terms of modern slavery. It has been widely reported that Uzbekistan, Turkmenistan and the region of Xinjiang (China) have oppressive Government regimes that employ forced labour on a massive scale to power their cotton industries.

Over 80 percent of China's cotton is grown in Xinjiang, and it is estimated that one in five cotton products globally is from this region³. It has been suggested that 20 percent of the world's cotton comes from China, and 85 percent of that comes from Xinjiang. Since 2017 it is claimed that more than a million Uyghurs and members of other Turkic Muslim minorities have disappeared into a vast network of 're-education camps' in the far west region of Xinjiang in a government-led program of cultural genocide⁴. Businesses have been keen to take steps to avoid the use of cotton produced in Xinjiang in their products, but have reported that it is a real challenge to identify the region where the cotton used in products comes from, given how much cotton comes from Xinjiang, and how hard it can be to trace the movement of raw materials inside China⁵.



There are inherent modern slavery risks for TMA as it does not have full transparency over the supply chain of products made from cotton. Like other businesses who usually buy direct from wholesalers in Australia or overseas, suppliers may not know (or will not disclose) where the cotton used in the production of goods that TMA sells is grown and picked. This is a problem because much of the forced labour in Xinjiang, for example, is involved in producing cotton rather than finished products⁶. This means that even if TMA takes steps to restrict any direct purchase of cotton products

3 <https://www.sustainalytics.com/esg-blog/untangling-the-complex-threads-of-modern-slavery/>

4 <https://www.aspi.org.au/report/uyghurs-sale>

5 <https://www.nbcnews.com/news/china/major-brands-try-determine-if-cotton-their-clothes-uyghur-forced-n1240756>

6 <https://www.business-humanrights.org/en/latest-news/china-clothes-made-with-cotton-produced-by-forced-labour-in-xinjiang-is-likely-being-sold-in-us-think-tank-says/>

from supplier in a particular region (as we will do in our TMA Supplier Code of Conduct), it will be very difficult to completely rule out that cotton from Xinjiang is being used in a product that TMA sells.

TMA does however understand, that even if it has no direct contractual relationships with suppliers that may be using forced labour, this does not mean there is no obligation for TMA to investigate the sourcing of cotton as a raw material for its products. This obligation will inform our product and supplier choices moving forward. We will also be seeking guidance for Government on how Australian businesses can work to identify the source cotton that is used in imported products, when this information becomes available in the future (which we expect will happen if the Government passes proposed legislation to ban the import goods made with forced labour⁷).

In addition to the raw material cotton sourcing risk, TMA's cotton products also have inherent modern slavery risks based on their production process and the location of their production.

We are aware that China is a high-risk country in terms of modern slavery. The Walk Free Foundation has reported that much China's rapid economic development has been the result of a domestic economy specialising in the production of labour-intensive, cheap goods for export⁸. Cotton products, including those made in the manufacturing and garment sectors, are often made by using forced labour somewhere in the supply chain.

TMA sells cotton bread bags and reusable produce bags that are made in China. We have identified that the bread and produce bags we sell are made by a B Corp certified business in China, who report that these products are made both sustainably and ethically. B Corp Certification measures a company's entire social and environmental performance and evaluates how the company's operations and business model impact workers, community, environment, and customers⁹. Our supplier has advised that they ensure that all their manufacturers in China pass all internationally approved standards in both social and environmental audits i.e. for the environmental audits - ISO 14001 and for social responsibility - SA8000.

We have not yet fully investigated the supply chain for our aprons that are made in China. We will continue our supply chain review in FY21 to gather as much information about their production as possible.

TMA sells an Everyday Cleansing Cloth that has been marked as 'Made in India' but we have not yet fully investigated the supply chain for this product. TMA is aware that India is also a country that has a high modern slavery risk. It has been reported that migrant workers from India are used as forced or bonded labour, for example when they pay illegal recruitment fees to local agents in order to work overseas¹⁰.

7 https://www.aph.gov.au/Parliamentary_Business/Bills_LEGislation/Bills_Search_Results/Result?bld=s1284

8 <https://www.globallslaveryindex.org/2018/findings/country-studies/china/>

9 <https://bcorporation.net/certification>

10 Tackling Modern Slavery in Supply Chains, A Guide 1.0, Walk Free Foundation (2014).

Pulp and Paper Product Risks

At TMA we sell products made from paper pulp such as baking paper, parchment paper and cookbooks. We also sell wooden products including rolling pins and a bread knife with a wooden handle.



TMA is aware that timber and forestry products have an inherently high risk of modern slavery. Risks in this sector include:

- hazardous/undesirable work
- vulnerable, easily replaced, and/or low-skilled workforce
- migrant workforce
- presence of labour contractors, recruiters, agents or other middlemen in labour supply chain
- long, complex, and/or non-transparent supply chains¹¹.

The Mix's risks in regard to the pulp, fibre-based or wood products that are the raw materials for our paper products will be higher where we don't have visibility over our own supplier's supply chains. This will also be the case if some of our suppliers upstream from the first tier operate in higher risk geographic areas. TMA is aware that there have been reports that forced labour can occur in logging, and may include threats, violence, poor living and working conditions, a lack of formal contracts, and non-payment of wages.

In order to investigate this risk, and as part of our FY20 supplier review, we contacted our cookbook supplier to gather information about the type of wood that is used to make the pulp that becomes the paper used in our cookbook range. Our supplier advised that the source timber for the paper they use is a species of Eucalyptus that is grown in both Australia and Thailand. Our cookbook suppliers advised that they use paper for our cookbooks where all the forest sources are known - and these sources are either legal, low risk and/or Forest Stewardship Council (FSC) or PEFC

¹¹ <https://www.responsiblesourcingtool.org/visualizerisk>

accredited. The suppliers also advised they always try to use a Publishers' Database for Responsible Environmental Paper Sourcing (PREPS) 3 star paper as standard. The PREPS database holds technical specifications and details of the pulps and forest sources of papers that the group members use. Based on the forest source information, each paper is risk assessed and awarded a grade of 1, 3, or 5 using the PREPS Grading System¹². Paper that is graded 1 is considered the highest risk as these contain unknown or undesirable forest sources. The assessment considers the country of origin of the wood fibre and how the forest sources have been managed.

We also did some due diligence into the sourcing of eucalyptus wood pulp from Thailand in an effort to identify any potential modern slavery risk. We found that Eucalypt has been planted in Thailand since the 1950's. In 2019, the FSC looked at four aspects of labour rights (as specified in the ILO Fundamental Principles and Rights at Work) that were relevant to wood harvested in Thailand and found Thailand to be 'low risk'. The FSC found there were no sources of forced labour that they could identify, that Thai laws in relation to child labour were upheld and in place, that there were policies in place to require equal opportunity and to prevent discrimination and that Thailand had ratified conventions to allow freedom of bargaining¹³.



Based on our FY20 review, we have determined that the modern slavery risk relating to the growing and harvesting of the wood pulp that is used to make paper for our cookbooks is low. However, the FSC has advised that any buyers of paper products made from timber should make their own assessments, and base their sourcing on clear evidence that the supplier has policies in place that guarantee core labour rights. This is advice we will be following moving forward, and we will continue to gather information from our suppliers in relation to their sourcing of the wood pulp used to make all our paper products.

TMA has also conducted some due diligence into the production of the actual paper that is used to make our Thermomix cookbook range. The timber (which we identified above is sourced in Australia or Thailand) is processed into pulp at a mill in China, and then made into paper in Japan before being transferred to our supplier in Australia. As outlined in this statement, we are aware of modern slavery risks associated with the production of products in China, and we will therefore be conducting further supplier review during FY21, so that we can understand where the paper is made in China and other aspects of the production of our cookbooks.

¹² <https://publishinggetsgreen.wordpress.com/2014/04/30/preps-publishers-database-for-responsible-environmental-paper-sourcing/>

¹³ 'Centralised National Risk Assessment for Thailand' (16 April 2019) Forest Stewardship Council.

Rattan, Bamboo and Wood Product Risks

TMA sells rattan proofing baskets and bamboo products such as bookstands, glass tumblers (with a bamboo lid), bowl sets, bowl brushes and skewers. We also sell products made of beechwood, such as our wooden rolling pin and beechwood muddler. These products are sourced either from our first-tier wholesalers in Australia or imported directly from our overseas suppliers. During FY20 we commenced a review of the potential modern slavery risks associated with the sourcing of these products, and this investigation and due diligence will continue moving forward. Following our request, the supplier of our rattan proofing baskets provided TMA with detailed information about their workforce and conditions at their production in Yulin City, Guangxi, China. Our suppliers advised that they have:

- a total of 49 employees (41 productive employees and 8 non-productive employees) with eight being male and 41 female;
- the youngest employee noted during their audit was 22 years old;
- all the employees, including management staff and production workers were directly hired by their facility, with no part time workers or temporary workers used;
- an established an effective grievance mechanism where workers can use the suggestion boxes to delivery advice, or told with workers representation and supervisors to raise the compliant directly; and
- two worker representatives that were elected by employees and that they meet the management once per three months to communicate workers' information; an established policy on anti-discrimination which states that the factory will not discriminate against workers based on physical condition, gender etc.



The supplier has also advised that their factory has a proper wages and benefit paying system, which includes paid statutory holidays, sick leave, annual leave, marriage leave and maternity for workers. Workers' attendance records are recorded by a fingerprint recorder attendance system and the factory has regulated working hours of 8 hours per day, 5 days per week. TMA also sells bamboo products such as bookstands, glass tumblers (with a bamboo lid), bowl sets, bowl brushes and skewers. These are sourced either from our first-tier wholesalers in Australia or imported from overseas. Our supplier of beechwood is located in China's bamboo hometown - Anji county, Zhejiang province. During FY20, we will gather more information from the suppliers of these products and include these in our future statements.

Silicone-based Product Risk

At TheMix we sell silicone-based products such as lids, seals, spatulas, brushes, bowls, cups, moulds and oven trays.



These are sourced either from our first-tier wholesalers in Australia or imported from overseas. Liquid silicone rubber (LSR) is a high purity platinum-cure silicone widely used for injection moulding. Silicone is made of carbon, hydrogen, oxygen and silicon (which comes from silica that is derived from sand). The LSR industry is mainly led by the United States, Europe and China¹⁴. China is the world's most competitive market due to China's large number of manufacturers and has grown rapidly in the past few years. TMA is aware of reports human rights violations involved in some sand mining operations in India¹⁵ and that this is an issue in many parts of the world. However as TMA does not have full transparency over our supply chain as yet, during

FY21 we will be seeking further and more detailed information from our suppliers of silicon products, about the sand and raw materials used to make our silicone products.

Our ThermoMat, Oven ThermoMat and Barbeque ThermoMat products are made from durable flexible silicone, by our direct supplier based in Anhui Province Yang Lei, China. TMA does not have full transparency over the supply chain for our supplier, and we are aware that this is a risk due to reports of forced labour of Uyghur workers being used in some facilities in Anhui province, as reported by the Australian Strategic Policy Institute¹⁶.

We will therefore be addressing this risk to TMA by seeking more detailed information from our silicone products supplier (and our other suppliers) about the demographics of their factory workers and to seek their written assurance that there is no forced labour being used in any part of our supply chain. We will also be gathering more detailed information on:








- where the raw materials used to make our products are sourced, and how many tiers are in the supply chains for our products;
- the number of workers involved in the production of our products;
- the percentage of female workers;
- the percentage of male workers;
- the percentage of migrant workers;
- whether there are workplace agreements in place in the factories in which our products are made;
- whether the workers in our supply chain have access to trade unions; and
- any measures that have been taken by the supplier to assist workers who have been impacted by the COVID-19 pandemic.

¹⁴ <https://www.benzinga.com/content/15702449/liquid-silicone-rubber-lsr-market-2020-top-countries-data-global-industry-analysis-by-trends-size-sh>

¹⁵ <https://www.nationalgeographic.com/environment/article/inside-india-sand-mining-mafia>

Services Risk

We have outlined the types of services that we engage to support our business earlier in this statement. During FY20 we identified some of the suppliers that we use and where it has been made available publicly, we have provided a link to their modern slavery statements and other relevant information below. During FY21 we will continue our review and assessment of our services related risk.

 <p>Freight and Logistics</p>	<ul style="list-style-type: none"> • Australia Post/ StarTrack (MS Statement) • CS Express (MS Statement) • Fedex Express (MS Statement UK) • TNT Express (MS Statement UK) • UPS SCS (Australia) Pty Ltd (UPS Slavery and Human Trafficking Statement) • Other local and small business partners
 <p>Communications</p>	<ul style="list-style-type: none"> • Telstra (MS Statement) • Carat Australia Media Services Pty Ltd (Dentsu Japan Inc) (MS Statement UK) • Other local and small business partners
 <p>Cleaning and Waste Removal Services</p>	<ul style="list-style-type: none"> • SIMS E-Recycling (NZ) Ltd (MS Statement) • Other local and small business partners
 <p>Security</p>	<ul style="list-style-type: none"> • We use third-party local and small business partners for our security • Other local and small business partners
 <p>Recruitment & Training</p>	<ul style="list-style-type: none"> • SEEK (MS Statement) • Michael Page International (Australia) Pty Ltd (Page Group) (MS Statement UK) • Hudson Global Resources (Hudson RPO) (MS Website Statement UK) • Other local and small business partners
 <p>Promotions and Events</p>	<ul style="list-style-type: none"> • We use third-party local and small business partners and venues for our promotion and event needs. • Other local and small business partners
 <p>Staff Amenities including Uniforms and Linens</p>	<ul style="list-style-type: none"> • AlSCO Fresh & Clean (NZ) (MS Statement UK)- for CLEAN UK-based division of AlSCO Inc. • Other local and small business partners

3. ACTIONS TAKEN TO ADDRESS MODERN SLAVERY RISKS

Board Level Commitment

At TMA we understand that we have a responsibility and a duty not to tolerate any forms of modern slavery in our supply chains or operations.

We understand that a significant amount of work will be required to gain full transparency over our supply chains and operations, and we will be devoting the time and staff resources needed to complete this process. We are also focussed on ensuring that the supply partners we work with are aware of and adhere to our requirements in regard to the treatment of all workers who form part of our supply chain and operations. The adoption of our TMA Supplier Code of Conduct and its roll out during FY21 will be our firm, public commitment to addressing modern slavery risk, and we will also publish information about our efforts and initiatives in relation to Corporate and Social Responsibility on our website.



Supply Chain Review and Assessment

During FY20 our external compliance consultants, who form part of our Modern Slavery Working Group (MSWG), reviewed our lists of the suppliers. The MSWG established that The Mix has gaps in terms of the amount and type of information that we collect and review in relation to our overseas and local suppliers of goods and services. In order to address this, Supplier Questionnaires were developed and sent to suppliers that were identified as high risk based on the type of product that they supplied TMA and the region/ country in which those products were made. The questionnaire asked suppliers about their understanding of their own supply chains and asked them to report on any steps that they may have taken to address modern slavery risk.

The responses that we received to our FY20 survey were not very helpful in terms of gaining an understanding of how many tiers are involved in our supply chains and where the factories or suppliers that produce our products actually source their raw materials. This is why we are focussed on more work in this area in FY21, so that we can gain greater visibility. The quality of the information that was provided by suppliers during this process was varied, based on the supplier's understanding of the requirements and the reasons behind the need for their response. Some of our suppliers understood that their handling of modern slavery risk is important to TMA, as we need to report annually on this risk and also further our modern slavery goals. During this first round, most of our first tier wholesale suppliers provided little or no information to assist in our process. One of the suppliers contacted advised that the products they supplied to us were sourced through sourcing agents (based in Hong Kong) and that they (our first tier suppliers) do not actually have any information on the factory in which they were made. They also indicated that 'Regardless, we don't share our factory contacts with anyone'. This type of response by suppliers is in keeping with the challenges that the Walk Free Foundation has suggested that many Australian businesses will face during this due diligence process, such as limited access to complex supply chain information, the suppliers' lack of response due to fear of recrimination, obstruction and possible misleading or deceptive conduct by people in various links of the supply chain¹⁷.

Update and Development of Internal Policies and Processes

The Mix Supplier Code of Conduct

During FY20 we developed our TMA Supplier Code of Conduct (Code) which we are aiming to have implemented within our business before the end of our second year of reporting (i.e. FY21). This Code has been developed to be in line with the Principles outlined in International Labour Organization (ILO) standards, the Ethical Trading Initiative (ETI) Base Code and accepted best ethical and sustainable business practice. The Code requires that our suppliers read, understand and adhere to the Code, and also sign and return a Supplier Commitment that needs to be returned to TMA. We will also take steps to ensure the Code is known to all our staff and consultants, across all levels of TMA.

Critically, the Code advises all our suppliers that we expect them to provide full transparency over their supply chains and operations, including disclosure to TMA of the sources of manufacturing and raw materials used in the production of our products and any other relevant information relating to

¹⁷ Walk Free Foundation Submission to Inquiry Establishing a Modern Slavery Act in Australia (28 April 2017)

the supply of goods or service to TMA. Based on our experience of the first review of our suppliers, we want to work with our suppliers to encourage them to do their own due diligence where necessary, so that they are able to be part of the modern slavery solution. We consider that this requirement for full transparency, while it may seem contrary to standard business practice for some suppliers now, will become the norm across the world as a result of more and more countries introducing reporting requirements. We will be working with all of our suppliers to assist them to understand why TMA is implementing our supplier Code, and the role that our valued suppliers will have in helping TMA to address its modern slavery risks.

We will be supporting our suppliers and working to assist them to come to terms with this way of doing business, where large businesses are required to provide proper and honest reports on the source of the products that they sell. Traditional procurement that was focused only acquiring the best product for the best price will need to be addressed by all Australian businesses, and the focus will need to include other aspects such as the social compliance of the supplier.

Our Supplier Code will require all our supplier to take all steps necessary to ensure that there is no:

- slavery or forced servitude of any kind;
- trafficking in persons;
- forced, compulsory, bonded, indentured or prison labour;
- debt bondage;
- labour facilitated by any form of coercion or deception; or
- child labour;

in any part of their supply chain.

We also have an expectation that our suppliers will make inquiries in relation to any authorised subcontractor's own operations and supply chains, to ensure this requirement is upheld in relation to TMA's whole supply chain.

The Code requires our supplier to ensure that any business partners used for outsourcing of production or supply of raw materials retain all necessary information and documentation to allow verification of their compliance with all aspects of our Code. The Code also sets out restrictions on the sourcing of particular raw materials or products in our supply chain, such as cotton, where those raw materials have been sourced from high risk areas.

We acknowledge that the roll out and implementation of the Code will take significant work and effort on our part, but we also know that addressing modern slavery is a very important business and moral obligation, and will be required if big businesses in Australia want to do their part to eliminate modern slavery.

Our Code also includes requirements that our suppliers:

- comply with all relevant and applicable local laws;
- adopt and adhere to conditions of employment that respect worker's rights;
- provide a healthy and safe workplace to all workers involved in the production of the products that we sell;
- ensure that all workers that form part of our supply chain are paid a living wage;
- ensure workers who form part of our supply chain are not required to work excessive or involuntary overtime;

- recognise the right of workers to freedom of association and collective bargaining – such as the right to join a union and have this recognised by their employer; and
- treat their workers with respect and dignity and do not discriminate in recruitment, hiring or employment.

We will also be undertaking a process of review of our vendor and supplier contracts to insert a reference to adherence to the Code, and also specific modern slavery provisions. During FY21 we will also be focussed on the development of TMA Ethical Sourcing Guidelines and our Supplier Remediation Policies, which will set out detailed information and advice for our suppliers in relation to compliance with the requirements outlined in our Code.

Whistleblower Policy

We will be adding modern slavery related provisions and reporting provisions in our Whistleblower Protection Policy which is currently in place. The Mix also has an effective Complaints Handling System (CHS) which is consistent with the relevant Australian Standard AS/NZ 10002:2014 Guidelines for complaint handling management in organisations.

Modern Slavery Training

During FY20 The Mix developed and online Modern Slavery Training modules for relevant staff or suppliers. This training is specifically designed to assist TMA staff to understand modern slavery and our reporting requirements, and to allow the identification of modern slavery issues in TMA's supply chain and operations. This training covered topics including:

- What is Modern Slavery?
- Modern slavery risk reporting requirements in Australia and Overseas
- Why does your business need to address and report on its modern slavery risks?
- Complex supply chains
- Goods not for resale
- Example - Modern slavery in the cleaning industry
- How does modern slavery happen?
- High modern slavery risk countries or geographical areas
- Example country - India
- Example country - Australia
- High modern slavery risk industries and sectors.

Modern Slavery training has commenced and the staff in following positions have been identified as an appropriate first round of trainees:

- Chief Operating Officer
- People & Culture Manager
- Executive Manager - People & Change
- Executive Manager - Finance
- Group Manager - Ecommerce
- Group Manager - Business Transformation
- eCommerce Administrator

- The Mix Shop Operations Manager
- Purchasing Officer
- Group Manager - Marketing
- Campaign and Relationship Manager
- Executive Manager - Sales
- Executive Assistant/Office Manager
- Group Manager - Marketing & Communications
- Group Manager - Customer Experience
- Leadership Development Manager
- Group Manager - Field Engagement

Eleven of the 17 staff enrolled in the training have now fully completed the first module of modern slavery training. The remaining staff will complete the training during FY21, and TMA will keep a record of all training offered and completed by its staff and suppliers during the full training roll-out in FY21. As part of our modern slavery compliance program we will also be developing training for Management and Senior Staff and specific tailored training for our buyers and procurement teams.

4. ASSESSMENT OF ACTIONS TAKEN TO ADDRESS RISKS

Supplier Reviews

The details of the supplier review process we have conducted so far, and its limitation and value as part of our first review year has been noted. The results of this process have formed the basis of our future planning in terms of supply chain review. Our assessment of the situation is that it will take many hours of due diligence and planning to gather and review the supplier and raw material information that we need in relation to the products we sell on TheMix Shop site. We will be focussed on gathering accurate information for as many products as possible, back as far through the supply chain as possible so that we can genuinely put in processes to mitigate risk.

Our Modern Slavery KPIs

We are aware that will not be able to take proper steps to assess the actions we have taken to address our modern slavery risks, unless we have a set of measurable values that demonstrate how effective our efforts are. TMA does not currently have a specific process to allow the assessment and measurement of our modern slavery initiatives. Therefore, during FY20, we developed Key Performance Indicators (KPIs) that we will put in place, with a goal to meet them before the end of our 2023 financial year.

The KPIs that we will measure our modern slavery actions to address risk moving forward are:

1. TMA will provide 100% of new and current TheMix shop suppliers with a copy of the TMA Supplier Code of Conduct (in an appropriate language for that supplier) and will guide and educate those suppliers as to its contents and requirements of the Code.
2. TMA will take steps to ensure that 100% of new and current suppliers sign and return the Supplier Commitment page that forms part of our Code and returned this to TMA.
3. TMA will provide 100% of new and current suppliers with a copy of TMA's Global Sourcing Principles and will guide and educate those suppliers as to its contents and requirements of those Principles.
4. TMA will provide 100% of its new and current suppliers with a one page fact sheet on its modern slavery initiatives, requirements and expectations with TMA contact information made available.
5. TMA will take steps to ensure that 100% of new supplier contracts include modern slavery causes and a reference to the modern slavery compliance obligations the supplier has to meet (including a reference to the TMA Supplier Code of Conduct and the TMA Ethical Sourcing Principles).
6. TMA will ask all its vendors and suppliers to provide information about their modern slavery compliance as part of their annual review, which will include a survey each to gauge their understanding of modern slavery risks and the actions taken to address these. This will include a survey of TMA suppliers that are in a high-risk geographic areas or in areas where risks may have increased due to COVID-19.

7. TMA will take steps to establish an email address and/or hotline to ensure that workers in any part of TMA's supply chain have a confidential and safe process for raising any concerns. TMA will also take steps to ensure that 100% of emails sent to TMA or its Whistleblower contact email, that have modern slavery content, will be addressed and remediation of those issues will begin within a three-month time period from receipt of the email.
8. TMA will take steps to develop a plan for proper checks and audits to be done on suppliers and factories that TMA deals with directly to source products for sale on TheMix Shop including factory visits (if appropriate and possible) and or review of modern slavery audit reports or self-assessments to be provided by our suppliers or factories.
9. TMA will review its supplier sourcing processes to ensure that our key modern slavery standards and requirements flow through all aspects of supplier sourcing and management, including supplier contracts, Request for Tender (RFT) and purchasing processes, auditing and compliance action and performance standards for procurement staff.
10. TMA will list modern slavery as a risk on TMA's risk register and this will be regularly reviewed by TMA's risk team; and
11. TMA will commit to an annual review of its response to modern slavery by senior management, the results of which will be reported to the Board within 3 months of the conduct of the review, and will form the basis for its annual reporting under the Modern Slavery Act 2018 (Cth).

We will work on the implementation of these modern slavery KPIs into our business during FY21, and report on our progress as measured against these in next annual modern slavery statement.

5. MOVING FORWARD

Ongoing Commitment to Transparency

We will continue to devote time and resources to publishing a proper and well researched annual modern slavery statement. TMA's annual modern slavery statement will be published on our website and made available to staff at TMA internally.

We are also committed to a process of continuing transparency and will be working during FY21 to address the gaps we have identified in relation to information gathered from our suppliers about their own suppliers and the contacts from whom they source raw materials. TMA will also be investigating the need to engage in any supplier remediation processes as we work to implement human rights and modern slavery related practices and procedures.

Development and Continuation of Strong Supplier Relationships

TMA understands that through our purchasing decisions, especially those made in relation to the products that we sell on TheMix Shop website, we have the capacity to improve the working conditions of all workers in our supply chain and operations and to reward our suppliers who treat workers with dignity and respect.

Monitoring and Awareness

TMA will continue to monitor modern slavery related media and news in order to identify any emerging human rights risks that may be present in the industry or geographic locations from which our products are sourced. This will include Government guidance on cotton sourcing from the Xinjiang region in China, the recent initiatives of the Australian Government in relation to the banning of imported goods made with forced labour and on supplier treatment of workers during the COVID-19 situation. We are aware that as a responsible corporate citizen, we need to play our part to mitigate and work to eradicate modern slavery.