



**Where the  
locals matter**

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## METCASH SPEAK UP

Metcash appreciates our stakeholders partnering with us to uphold our commitment to high standards of conduct and behaviour. If you have concerns about modern slavery or potential human rights issues in our operations or supply chain, we encourage you to reach out to us. Your voice is important, and we are here to listen. You can contact us using the information to the right, and can choose to remain anonymous when communicating with us.

### Metcash Employees and Direct Suppliers

<http://www.talkintegrity.com/metcash/>

Phone: 1800 835 587 (Australia)/0080 5100 5200 (New Zealand)

### Workers in Metcash Supply Chains

Worker Voice Platform

<http://metcash.ethicspoint.com/>

Metcash acknowledges the Traditional Custodians of the lands on which we live and operate, and we pay our respects to Elders past, present and emerging.

# Group CEO Statement



**I am pleased to present Metcash's Modern Slavery Statement for 2023, a year that has included further advancements in our efforts to minimise the risk of modern slavery and further improve our disclosures.**

Our commitment to ethical conduct and corporate responsibility is reflected in our policies, procedures and practices related to anti-slavery. We strive to protect those most vulnerable to exploitation and slavery-like contexts by working closely with our suppliers, retail partners and communities.

This year we expanded our sustainability agenda and deepened our programs of work aimed at mitigating modern slavery in our supply chain. We made changes to our modern slavery awareness training, including expanding the scope and reach, and implementing the procedures for reviewing and responding to audit findings. We also launched a new worker voice platform to improve our ability to hear directly from potentially vulnerable workers in our supply chain.

Our Sustainability Report, combined with this statement, communicates the diverse programs and efforts we have undertaken in the past year to further reduce the risk of modern slavery in our supply chain and operations. Although we have made progress, we acknowledge it is a process of continuous improvement.

In FY24 we look forward to the first meeting of our cross-pillar Modern Slavery Working Group. Working in tandem with our ESG Council, this group will help us tap into our collective expertise and promote unified efforts.

We continue to welcome feedback and engagement from our stakeholders as we strive towards our goal of creating a sustainable future. Thank you for your ongoing interest and support of our efforts to combat modern slavery.

Sincerely,

A handwritten signature in black ink, appearing to read 'Doug Jones'. The signature is fluid and cursive, with a small flourish at the end.

**Doug Jones**  
Group CEO and Executive Director

# 1. About this Statement

## 1.1 REPORTING ENTITIES

This modern slavery statement (the **Statement**) is made by Metcash Limited (ABN 32 112 073 480) on behalf of itself and the following reporting entities:

- Metcash Food & Grocery Pty Ltd (ABN 67 004 391 422)
- Australian Liquor Marketers Pty Ltd (ABN 52 002 885 645)
- Mitre 10 Australia Pty Ltd (ABN 98 009 713 704)
- G Gay Hardware Pty Ltd (ABN 74 167 759 220)
- Tasmania Hardware Pty Ltd (ABN 46 159 847 462)
- Sunshine Hardware Pty Ltd (ABN 95 129 140 085)
- Total Tools Holdings Pty Ltd (ABN 57 138 595 525)
- Metcash Food and Grocery Convenience Division Pty Ltd (ABN 57 000 226 399) (together, **Metcash**).

References to 'our' and 'we' in this Statement refer to Metcash Limited and its majority owned and controlled subsidiaries (including reporting entities), and managed joint venture operations (Metcash or Metcash Group).

This Statement sets out information required by the *Modern Slavery Act 2018* (Cth) (the **Act**) describing the risks of modern slavery in our business and actions we have taken to address those risks during the reporting period ended 30 April 2023 (**FY23**).

## 2. FY23 enhancements

This year further enhancements were made in the key areas of prevention, detection and remediation of modern slavery, as well as in the level of disclosure in our Modern Slavery Statement (**Statement**). We have also listened and responded to feedback from stakeholders on last year's Statement, which included suggestions that we consider the following actions and disclosures:

- Inclusion of case studies in the Statement
- A description of what we have found to work or not work
- The establishment of a grievance mechanism accessible throughout the supply chain
- Providing further capacity building and training for stakeholders
- Consideration of our approach to investigating freight and shipping working conditions.

We have taken these suggestions on board and responded accordingly. A brief summary of the enhancements made this year is provided below:

### PREVENTION

#### Capacity building and training:

Continuing our commitment to modern slavery education and training, we proactively ensured the completion of outstanding training modules by our employees. Additionally, a series of internal webinars was introduced, leading to increased participation and significantly improved training results. All Merchandise/Procurement team members were offered specialised training as well as access to the training module online, with 537 staff members and 97 suppliers now having completed our Modern Slavery awareness training.

We also completed a comprehensive external assessment of our systems across our three pillars to share best practice and to further align approaches. This led to training workshops involving leaders from each pillar, facilitating a shared understanding of our due diligence framework. Insights gained from this activity have been key to shaping our roadmap for ensuring more uniform application of our processes.

### DETECTION

We conducted a thorough review of due diligence and oversight processes across our buying processes, including contractor and supplier onboarding and management. Empowering our staff with greater knowledge to understand the steps involved in the supply chain and to identify and respond to suspected cases of modern slavery or exploitation. This also enabled us to consider which areas of freight and shipping are the most relevant to include in our 'hotspot' analysis to be conducted in FY24.

#### Grievance mechanisms:

Our new partnership with NAVEX Global will improve the accessibility of our grievance mechanism for vulnerable individuals in our supply chains. NAVEX's expertise in ethics and compliance solutions enhances our ability to triage and respond to grievances transparently, fostering accountability and a secure reporting environment. We will be rolling out a communication program in FY24 to increase awareness of the improved accessibility.

### REMEDIATION

#### Sharing learnings and taking practical steps:

We extended our remediation framework in FY23 to provide clear guidance to our team on practical steps in response to incidences of forced labour. We have faced challenges and delays in closing out significant non-conformances identified during supplier audits in the Food pillar and, as a result, increased our collaboration with the relevant suppliers, establishing clear engagement expectations and escalation points. Some of these supplier discussions have been shared internally as case studies and learnings across the Group and are contained in this Statement. We also refined our five-step remediation framework to ensure the timely resolution of issues and to deliver continuous improvement.

# 3. Structure, operations and supply chain

## 3.1 METCASH OVERVIEW

Metcash is Australia’s leading wholesale distribution and marketing company, providing independent retailer services across its Food, Liquor and Hardware pillars. The Company’s centralised procurement, logistics and marketing functions enable independent retailers to be the Best Store in Their Town. Sustainability is a key focus for Metcash which means considering the environmental and social aspects of our actions and working closely with suppliers, retail partners and communities to achieve our goal of being Australia’s sustainable wholesaler of choice.

As an ASX-listed company, Metcash is accountable to a broad range of stakeholders, including its shareholders, employees, suppliers and customers. We are committed to maintaining high standards of corporate governance and transparency and strive to ensure that our approach to modern slavery meets the expectations of stakeholders. Metcash’s suppliers, retail partners and independent retailers are encouraged to adopt ethical and sustainable practices, ensuring that the Company operates in a responsible and sustainable manner.

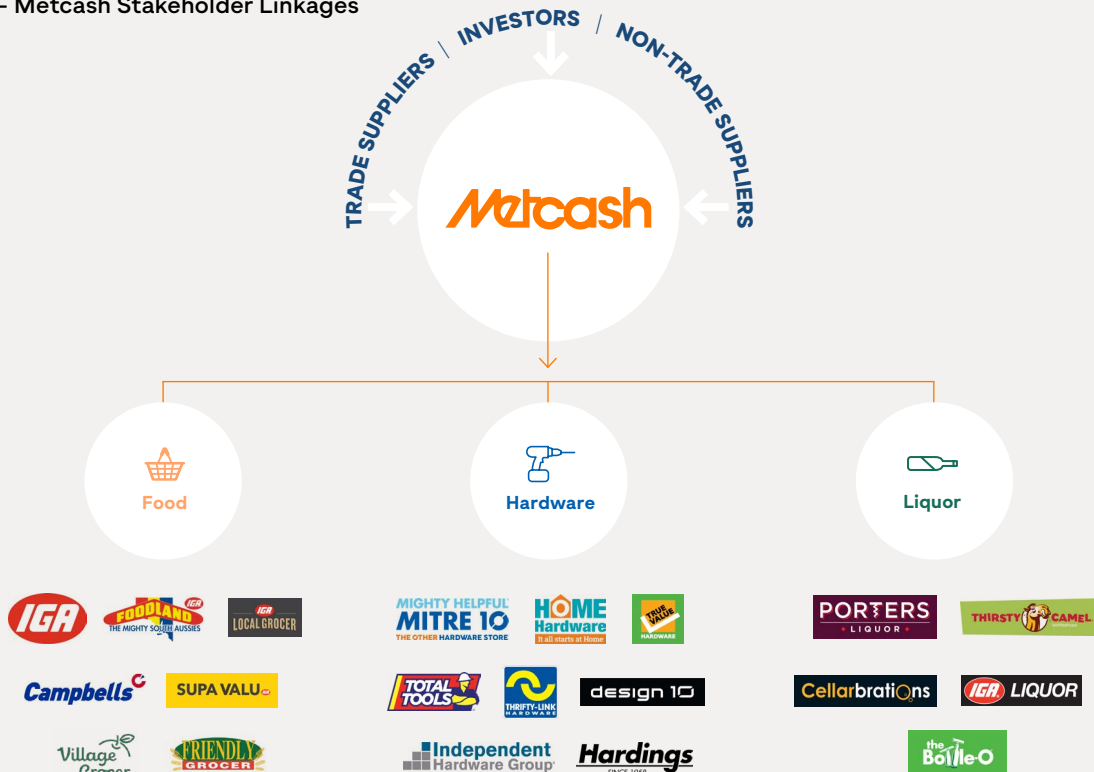
<p><b>Our Purpose</b> Championing Successful Independents</p>	<p><b>Our Values</b> Independence is worth fighting for; in treating our people, retailers and suppliers the way we like to be treated; and in giving back to the communities where we live and work.</p>	<p><b>Our Vision</b> We are passionate about independents and support them to be the best store in their town; and their communities to thrive. We aim to be the business partner of choice and help create a sustainable future. For our employees we aim to be a favourite place to work.</p>
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### Awards and recognition

Metcash has been recognised with prestigious awards and accreditations that highlight our commitment to excellence, diversity and employee wellbeing. These include:

- 2022 NSCA Safety Excellence Award for Best Solution for a Work, Health and Safety Risk (Large Business)
- Employer of Choice for Gender Equality citation from the Workforce Gender Equality Agency (WGEA)
- FlexCareers FlexReady certification
- Gold accreditation from Mental Health Australia

Figure 1 – Metcash Stakeholder Linkages



### 3. Structure, operations and supply chain continued

## METCASH ORGANISATIONAL STRUCTURE

### Corporate

Metcash Corporate encompasses essential support functions that underpin our operations and revenue-generating pillars: Food, Hardware and Liquor. It provides strategic guidance, operational support and centralised services, including procurement of goods not for resale, logistics and marketing; fostering efficiency, compliance and collaboration throughout the organisation.

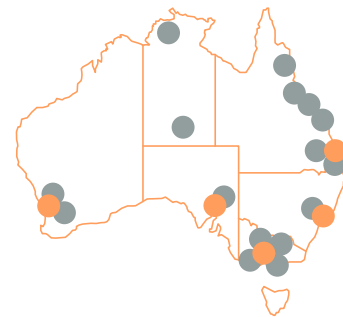
#### Food

Metcash's Food pillar is dedicated to supporting a network of over 1,600 independently owned supermarkets across Australia, including the well-known IGA and Foodland banners.

Our diverse range of stores are committed to being the Best Store in Town, tailored to meet the unique needs of their local communities. With a focus on providing quality products at competitive prices, our retailers offer the convenience of a local store combined with the advantages of a national network. They actively engage with their communities through initiatives such as the Community Chest program, supporting local charities, clubs, schools and other community initiatives. In addition to IGA and Foodland, our network also includes IGA Local Grocer, SupaValu IGA, Village Grocer and Friendly Grocer.

**Figure 2 – Food Distribution Centres**

- Major metro distribution centres
- Regional distribution centres



#### Hardware

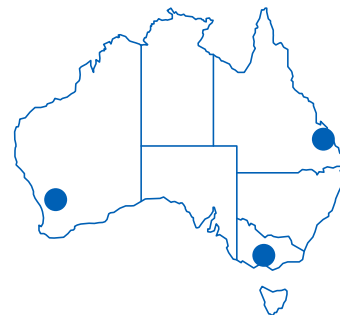
Metcash's Hardware pillar includes the Independent Hardware Group (IHG), which is the largest independent hardware group in Australia. With flagship brands such as Mitre 10 and Home Hardware, IHG supports over 1,500 stores across the country, catering to a diverse range of Trade and DIY customers. Other brands within the IHG network include True Value, Thrifty Link, Design 10 and Hardings.

The Hardware pillar also includes Total Tools Holdings, franchises of Australia's largest professional tools retail network, of which Metcash owns an 85% share, as well as majority ownerships in a number of Total Tools stores.

Committed to supporting independent operators, the Hardware pillar fosters a culture of low cost, transparency and sustainable growth within the hardware sector.

**Figure 3 – Hardware Distribution Centres**

- Distribution Centres



#### Liquor

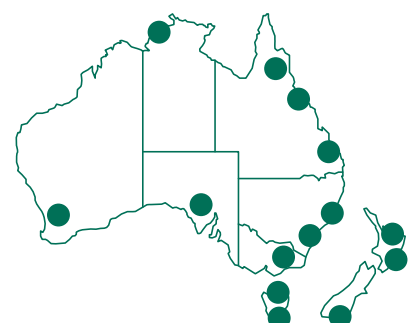
Metcash's Liquor pillar is the second largest supplier in the Australian liquor market, serving almost 90% of independent liquor stores. Within our Independent Brands Australia (IBA) network, we proudly showcase national brands such as Celebrations, The Bottle-O, IGA Liquor, Porters and Thirsty Camel.

With a robust retail network spanning over 5,450 tier one bannered stores across Australia and New Zealand, we ensure broad market coverage.

Our Australian Liquor Marketers (ALM) division goes beyond retail, supplying over 14,000 liquor customers. This includes large and small contract banner groups, un-bannered liquor stores, on-premise establishments and eCommerce retailers.

**Figure 4 – Liquor Distribution Centres**

- Distribution Centres



### 3. Structure, operations and supply chain continued

#### 3.2 OPERATIONS

Metcash operates across Australia and New Zealand, serving over 5,000 bannered independent retailers through distribution centres located in major cities and smaller regional centres. We also supply tens of thousands of wholesale customers through our network in both countries.

##### Widest distribution network in Australia

Metcash services independent retailers in Australia and New Zealand, including Cape York and Cooktown in the North East, Dampier and Broome in the North West, Albany and Denmark in the South West and Tarwin Lower and Foster in the South East.

#### 3.3 SUPPLY CHAIN

Our supply chains at Metcash are complex and global. They involve various industries and cover both products for sale and goods and services not for resale. In 2023, we had over 12,000 supplier arrangements across our pillars.

These suppliers, both direct and indirect, play a vital role in growing, manufacturing and transporting raw materials and finished goods. In addition, we depend on suppliers for diverse support services, including premises security, maintenance, as well as outsourcing certain accounting and Information Technology (IT) functions to overseas service providers.

In Food, these suppliers provide products to a network via 20 distribution centres across metropolitan and regional Australia. In Liquor, we supply approximately 90% of independent liquor stores in Australia through our 14 distribution centres across Australia and New Zealand. In Hardware, our IHG business supplies more than 1,500 stores nationwide through three distribution centres.

Figure 5 – Example Supply Chain Visualisation



## 4. Identifying modern slavery risks

### 4.1 APPROACH TO RISK MANAGEMENT

Metcash recognises modern slavery is a global issue affecting millions of people, including an estimated 41,000<sup>1</sup> victims here in Australia. We seek to contribute to the elimination of modern slavery by aligning our strategy for assessing and mitigating modern slavery risks with the United Nations Guiding Principles on Business and Human Rights (UNGPs), and acknowledge our role in preventing and addressing modern slavery in our operations and supply chains.

Our approach to modern slavery risk management is based on the three-part continuum outlined by the UNGPs. Firstly, we ensure our own operations comply with relevant laws and regulations, including comprehensive internal human resources procedures and controls. Secondly, we work with our suppliers to prevent modern slavery by maintaining strong relationships and engaging in ongoing dialogue to minimise potential contribution to exploitation. Thirdly, we identify and assess high-risk procurement categories and geographies to reduce the risk of modern slavery in our extended supply chain.

To strengthen our risk management efforts, we will be updating our risk assessment in FY24 to identify our high-risk categories and recalibrate our focus on the most salient risks to workers in the supply chain. Our aim is to mitigate the risk of modern slavery in the most impactful way, in accordance with the UNGPs. These steps are in addition to our enterprise wide Group Risk, Compliance and Controls function, which holds responsibility for our Risk Profile and Risk Management Framework across the organisation.

### 4.2 RISK ASSESSMENT

Metcash engaged Edge Impact to conduct a Social Life-Cycle Assessment (**S-LCA**) analysis of our organisation's procurement activities. S-LCA is a methodology that screens our procurement data against internationally recognised risk databases (including the Social Hotspot Database and Global Slavery Index) and a comprehensive media and literature database. The analysis ranks our procurement categories according to inherent modern slavery risk, as well as by spend to summarise the hotspots and their drivers. This approach enables us to take targeted actions to mitigate modern slavery risks.

Our S-LCA helped us to understand and visualise geographic risk factors within our supply chains. The findings from this analysis are summarised in figure 6 which seeks to illustrate our sourcing activities of high-risk commodities from the countries they are sourced from. Geographic risk factors are important to consider as they relate to the characteristics of countries or regions where our suppliers operate, such as the prevalence of modern slavery, the strength of labour laws and enforcement and the effectiveness of local governance and the rule of law.

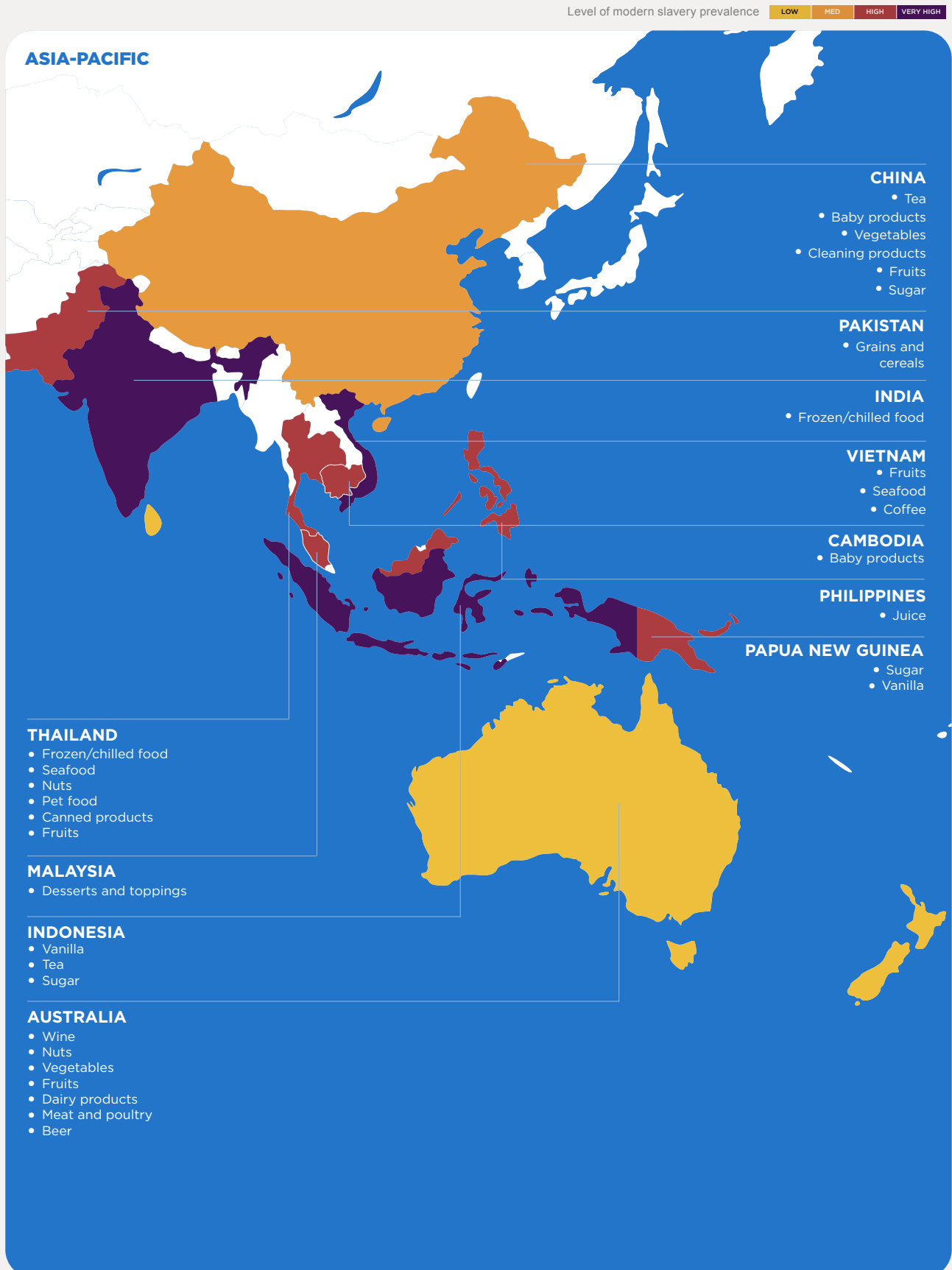
1. Source from: <https://www.walkfree.org/global-slavery-index/country-studies/australia/>



4. Identifying modern slavery risks continued

Figure 6 – Metcash Commodity Risk Map

**METCASH MODERN SLAVERY RISK**

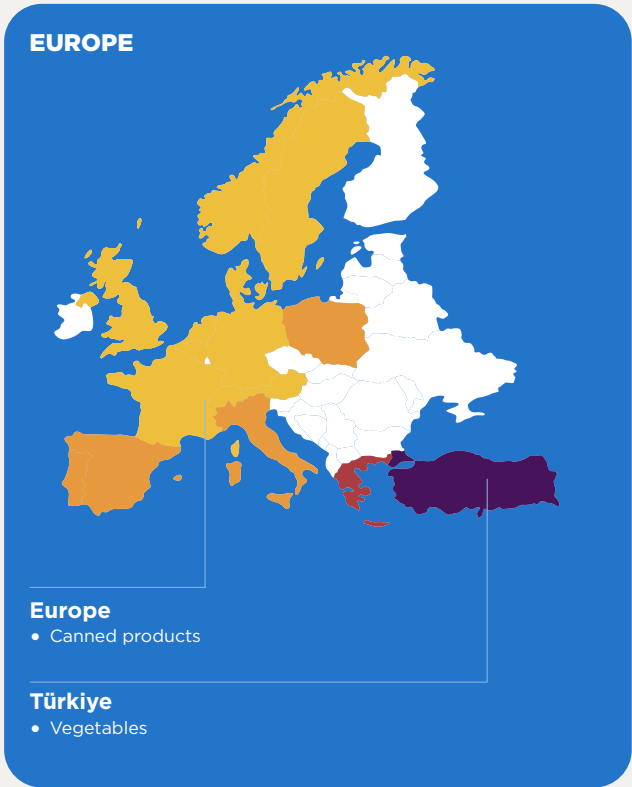
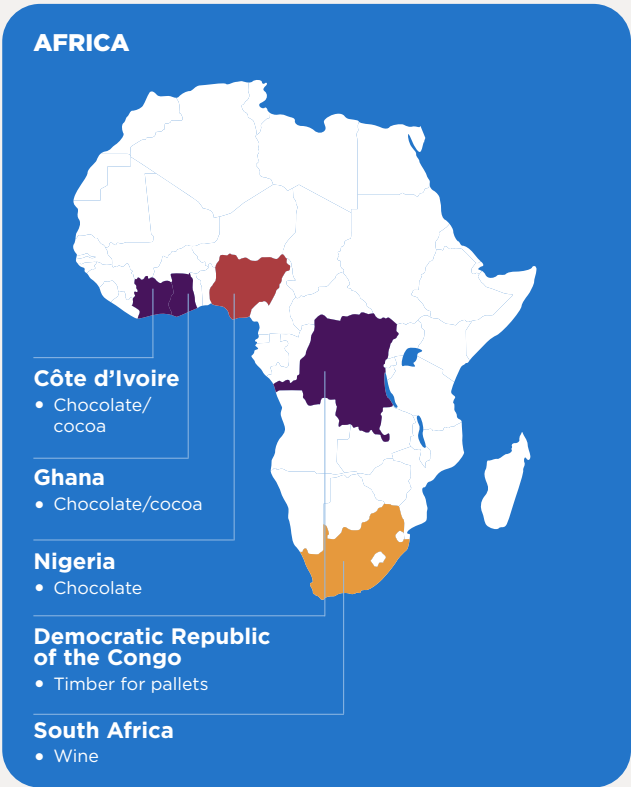


4. Identifying modern slavery risks continued

Figure 6 – Metcash Commodity Risk Map (continued)

METCASH MODERN SLAVERY RISK

Level of modern slavery prevalence **LOW** **MED** **HIGH** **VERY HIGH**



## 4. Identifying modern slavery risks continued

### 4.3 PRIORITISATION

Our approach is driven by focusing on areas that have the greatest impact. We analysed the outputs of the S-LCA and worked with our teams to prioritise focus areas. We considered three important criteria: human rights impact, prevalence and opportunity for stakeholder engagement.

Through a human rights lens, we focus on addressing issues with the gravest potential for negative human rights impacts in our operations and supply chains. This involves evaluating the risks of modern slavery throughout our value chain and assessing the severity of potential human rights violations.

Using this risk-based lens, we identify areas within our operations and supply chain with the highest prevalence of modern slavery. This includes consideration of both high-risk geographies and high-risk industries, and is priority-weighted based on our annual procurement expenditure.

The stakeholder engagement lens allows us to identify opportunities for meaningful interventions, where we can actively engage key stakeholders to understand their perspectives on the potential impacts of our operations and supply chain. It is our experience that our most impactful interventions are with our direct suppliers, with our leverage becoming more limited deeper in the supply chain.

By considering these lenses, we identified five high-risk modern slavery categories in our supply chain:

- Work uniforms
- Garden care categories
- Canned seafood
- Australian agriculture
- Freight including maritime freight

### 4.4 DRIVERS OF MODERN SLAVERY IN PRIORITISED CATEGORIES

Aligned with the Australian Government’s recommended approach, we adopted the principles outlined in the UNGPs to assess our modern slavery risks. Within our identified priority risk areas, we analyse our potential involvement in modern slavery and other human rights violations through three perspectives: as a cause, a contributor, or through direct links to the harm. This breakdown enables us to thoroughly understand and address the various dimensions of our association with human rights risks.

**Cause:** A business may cause modern slavery or other human rights harm where its actions directly result in modern slavery occurring.

**Contributor:** A business may contribute to modern slavery or other human rights harm where its actions or omissions facilitate or incentivise modern slavery.

**Direct links:** A business may be directly linked to modern slavery through its services, products or operations. This includes situations where modern slavery may occur in businesses’ extended supply chain.



Work Uniforms

#### Contributor

An organisation like Metcash could contribute to modern slavery within the purchase of work uniforms by procuring from countries with limited labour controls or from suppliers lacking traceability in their raw material sourcing. An absence of traceability raises concerns about sourcing from production regions that may involve forced labour.

#### Direct links

An organisation like Metcash could be directly linked to modern slavery in the procurement of work uniforms if a uniform supplier subcontracts part of the production process to facilities or subcontractors that engage in forced labour or fail to uphold fair labour standards. Metcash becomes associated with modern slavery through its connection with these suppliers.



Garden Care

#### Contributor

In garden care categories, an organisation like Metcash may inadvertently contribute to modern slavery through the cultivation of natural rubber and timber. These activities are directly linked to high-risk areas associated with modern slavery, including forced labour and labour exploitation.

#### Direct links

An organisation like Metcash may have a direct connection to modern slavery in garden care categories if there is evidence of forced labour or labour exploitation within the supply chain of natural rubber and timber products. This direct association with suppliers involved in these practices poses a risk to the organisation.

## 4. Identifying modern slavery risks continued



### Canned seafood

#### Contributor

A wholesaler like Metcash may contribute to modern slavery if their actions or omissions create conditions that incentivise or facilitate the use of forced labour in seafood sourcing. For example, knowingly or unknowingly engaging with suppliers that employ forced labour or subject workers to abusive working conditions on fishing vessels or in processing plants, or by putting significant cost pressure on suppliers, leading them to cut corners on labour rights and employ workers under exploitative conditions to meet the demand for low-cost seafood products.

#### Direct links

A wholesaler like Metcash could be directly linked to modern slavery if their seafood supply chain involves intermediaries or suppliers who source from regions or countries with known instances of forced labour. For instance, if the wholesaler's suppliers purchase seafood from regions where forced labour is prevalent, such as certain parts of Southeast Asia, and those suppliers do not have robust due diligence mechanisms in place to ensure the absence of modern slavery practices.



### Australian Agriculture

#### Contributor

In the Australian agriculture sector, an organisation like Metcash may unintentionally contribute to modern slavery by placing excessive pressure on suppliers to meet unrealistic cost and time demands. This pressure can lead subcontractors to resort to exploitative labour practices to fulfill these requirements. Additionally, purchasing from suppliers flagged with forced labour risk indicators significantly contributes to the exploitation of vulnerable individuals within the agricultural industry.

#### Direct links

An organisation like Metcash can be directly connected to modern slavery in Australian agriculture through its extended supply chain. For example, if the company's suppliers source raw materials, such as fruits or vegetables, from farms where indications of forced labour or labour exploitation exist, the organisation becomes directly associated with these risks.



### Freight

#### Contributor

Wholesalers, including an organisation like Metcash, can inadvertently contribute to modern slavery in the freight category. This can occur through certain actions or practices that directly result in modern slavery:

- **Subcontracting to transport providers:** Wholesalers may cause modern slavery by subcontracting transportation services to providers that exploit drivers or fail to uphold fair labour practices. These providers may subject their workers to long working hours, low wages, poor working conditions, or even human trafficking.
- **Pressure for cost reduction:** Wholesalers may cause modern slavery by exerting excessive pressure on transportation suppliers to reduce costs without considering the potential impact on labour conditions. This pressure can incentivise suppliers to cut corners, leading to the use of exploited labour to meet the cost demands.

#### Direct links

Organisations like Metcash require the indirect use of freight services across the globe. Wholesalers may be directly linked to modern slavery deep within their supply chain, including worker exploitation of truck drivers in regions with weak regulations and enforcement.

## 5. Addressing and mitigating risks

Metcash adopts a systematic approach to identify and address potential modern slavery risks within our supply chain and operations. Our Metcash Modern Slavery Framework is designed to offer flexibility, while centred around three core objectives:

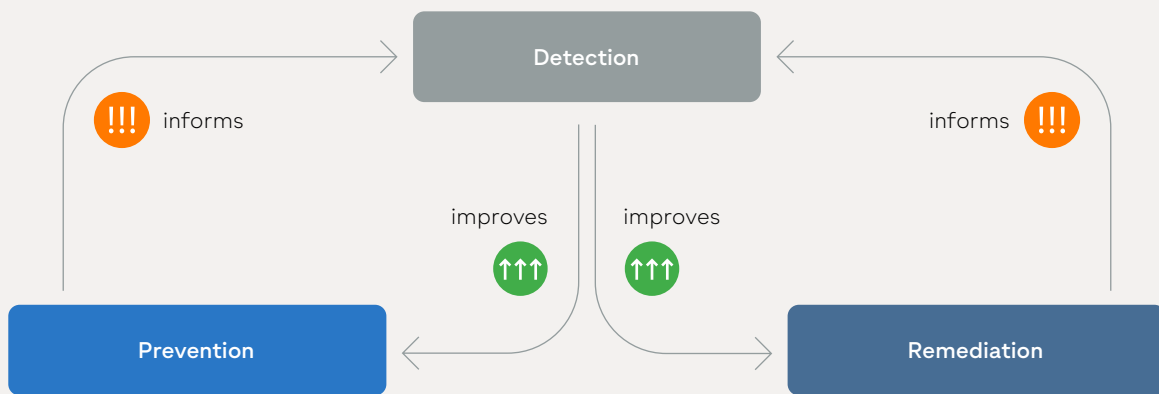
1. Cultivating a culture that prioritises transparency and the protection of individuals, embedding these principles throughout our operations and supply chains, striving to prevent modern slavery by increasing awareness among employees and suppliers.
2. Establishing a due diligence framework and seeking to foster a culture where our people feel empowered to speak up without fear of reprisal when reporting incidents related to modern slavery.

3. Developing internal capabilities to effectively respond to and remediate the harm experienced by individuals affected by modern slavery.

By adhering to these objectives, we actively work towards mitigating modern slavery risks and ensuring the well-being of individuals throughout our operations and supply chains.

Our modern slavery framework is underpinned by three areas: prevention, detection and remediation. The diagram below shows how each are interrelated with learnings and improvements in one area assisting the others in dynamic continuous improvement.

**Figure 7 – Metcash Modern Slavery Framework**



### 5.1 GOVERNANCE

Our governance structure starts with oversight by the Metcash Board who is responsible for overseeing the Company’s strategy, including its response to potential modern slavery risks, supported by committees.

The Audit, Risk and Compliance Committee (ARCC) supports the Board in overseeing the effective management of material risks to Metcash’s business, including modern slavery.

The Group Leadership Team is accountable for the overall implementation of Metcash’s Modern Slavery initiatives, while the ESG Council is responsible for incorporating modern slavery risk mitigation actions and measures into the business.

The governance structure is shown on the right, however addressing modern slavery requires the input of a multitude of stakeholders across the business. The table on the next page depicts how each relevant department contributes to our program of work.

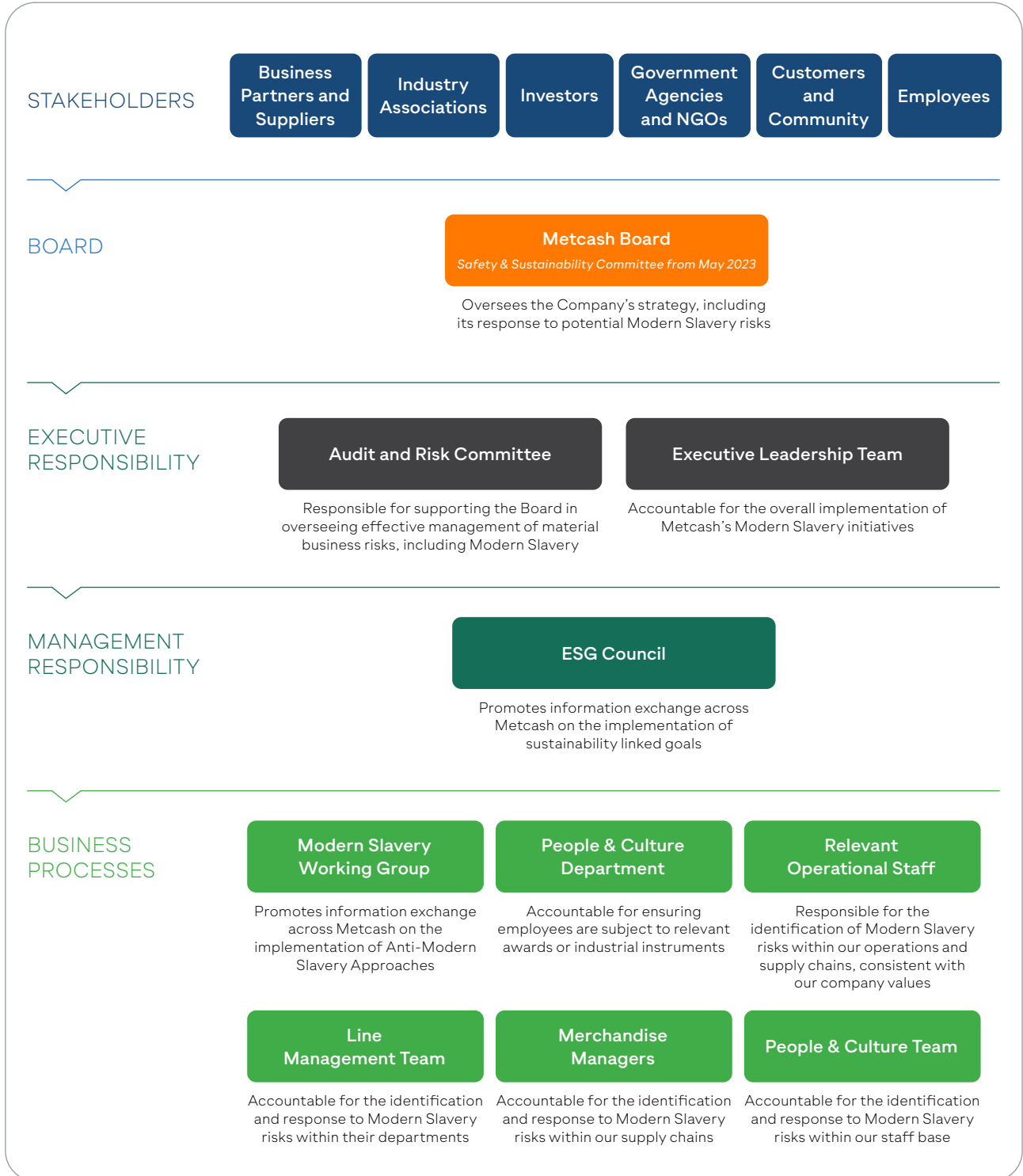
*Note that the Safety and Sustainability Committee has been established commencing 1 May 2023 as the primary mechanism for maintaining Board oversight of ESG at Metcash.*

**Figure 8 – Metcash Group ESG Structure**



5. Addressing and mitigating risks continued

Figure 9 – Metcash Governance Framework



## 5. Addressing and mitigating risks continued

### 5.2 POLICY FRAMEWORK

At Metcash, we uphold our core values through a robust set of policies that govern our operations and guide our employees and suppliers. The following policies inform our approach to Modern Slavery.

Policy area	Relevance to our anti-slavery approaches
<b>Anti-slavery Policy</b>	Applying company-wide; this policy outlines our commitment to minimising modern slavery risks in our operations and supply chain. It outlines our expectations for the behaviour and actions of both our employees and suppliers. Our Anti-Slavery Policy aligns our approach with the UN Guiding Principles on Business and Human Rights Framework, reinforcing our dedication to combating modern slavery.
<b>Recruitment Policy</b>	Our recruitment policies are designed to promote fairness, equity and non-discrimination. These practices ensure eligibility to work in Australia and compliance with labour laws, ensuring that our processes align with these principles.
<b>Code of Conduct</b>	Sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of our business and people. Specifically, this policy calls on our team to uphold Metcash's commitment to being a good corporate citizen while engaging in business activity and to speak up about any behaviour, conduct or affairs that are inconsistent with this commitment.
<b>Speak Up Policy</b>	The Metcash Speak Up Policy covers a wide range of issues, including unethical behaviour, illegal activities and violations of our Code of Conduct. It also addresses concerns related to modern slavery, abuse of authority, harassment, discrimination, victimisation and bullying. This policy provides procedures for reporting and addressing such conduct.
<b>Supplier Engagement Terms</b>	Articulates our expectation that workers within our supply chain are employed fairly, treated with dignity and their human rights are respected.
<b>Supplier On-Boarding Procedures</b>	Our commitment to ensuring human rights are protected extends to our supply chain and our expectations are communicated through our supplier engagement terms. Our onboarding process includes completion of a questionnaire exploring how our suppliers respond to these expectations and where necessary requests information that helps verify those responses.
<b>Category Management Plans</b>	Our category management plans provide guidance to our merchandise managers on how to mitigate the risks of modern slavery in each of our identified high-risk category areas (Australian agriculture, Canned seafood, Work uniforms, Garden care categories, Distributed Support Services and Freight).

## 5. Addressing and mitigating risks continued

### 5.3 CAPABILITY AND AWARENESS

We are committed to equipping our team members with the necessary knowledge and tools to effectively manage and mitigate the risks of modern slavery. As part of this commitment, we have implemented role-specific training programs that cover various aspects of modern slavery awareness, prevention and mitigation.

In 2023, we took significant steps to enhance the salience of our Modern Slavery training initiatives. Our Merchandising teams benefited from externally facilitated webinars that provided them with a deeper understanding of modern slavery, its different forms and key indicators within our operations and supply chains. We also ensured that our teams were informed about our due diligence procedures and equipped with the necessary tools to carry out their roles effectively.

These training sessions served as a platform for fostering collaboration and knowledge sharing across our pillars. We encouraged information exchange among our teams to learn from each other's approaches and experiences, enabling us to design a roadmap for further alignment of our strategies and practices in combating modern slavery.

This collaborative approach strengthens our overall risk management efforts and cultivates a culture of transparency, accountability and continuous improvement throughout our operations and supply chains.

Training	Overview	Audience
<b>Modern Slavery Awareness Training</b>	The purpose of Modern Slavery Awareness training is to educate individuals about the issue of modern slavery, its different forms and the indicators to identify potential risks within supply chains and operations. This training aims to raise awareness, increase understanding and empower participants to recognise, and help prevent instances of modern slavery. By providing knowledge and tools, Modern Slavery Awareness training helps Metcash take proactive measures to mitigate the risk of modern slavery, promote ethical sourcing and labour practices.	Merchandise Managers
<b>Due Diligence Training</b>	The purpose of Due Diligence training is to provide our Merchandise Managers with the knowledge and skills necessary to effectively assess, monitor and address modern slavery risks within the supply chain. This training equips Merchandise managers with a deep understanding of due diligence procedures, tools and best practices, enabling them to identify potential vulnerabilities and implement appropriate mitigation strategies. By undergoing Due Diligence training, Merchandise managers play a crucial role in safeguarding against modern slavery, ensuring compliance with regulations and promoting responsible and ethical sourcing practices throughout the organisation.	Merchandise Managers

### RAISING AWARENESS

Metcash is committed to continually raise our teams' capabilities in addressing modern slavery risks in our operations and supply chains. This year we continued our focus on our merchandise team completing the online training module and have increased completion of our online module from 111 in FY22 to 537 in FY23.

To strengthen our efforts, Metcash plans to incorporate modern slavery awareness training into our Code of Conduct training for staff. This expansion will extend the baseline awareness beyond our targeted group of merchandise management and procurement staff to reach our entire workforce.

This initiative will dramatically raise awareness of this important issue, not just within the organisation but within the many communities where we operate. The training will provide an overview of modern slavery, including its definition, types, and prevalence in global supply chains.

The training will cover Metcash's policies and procedures for preventing and addressing modern slavery risks, including the reporting process for potential modern slavery incidents. Our intention is that this training will be delivered through our online learning platform, and be accessible to the staff involved in supply chain management.

The inclusion of modern slavery awareness training in the Code of Conduct training will contribute to raising awareness and understanding of modern slavery risks among Metcash staff, creating a culture of awareness and accountability for modern slavery risks.





5. Addressing and mitigating risks continued

5.4 DUE DILIGENCE PROCESSES

The due diligence framework is applicable to all Metcash pillars, as illustrated below. It offers comprehensive guidance to the pillars on how to identify, assess and mitigate risks associated with product categories.

Figure 10 – Metcash Due Diligence Steps

PLAN	1	 <b>Identify category risk</b>	Clear understanding of inherent risk
SOURCE	2	 <b>Align expectations</b>	Obtain legal proof of supplier understanding
	3	 <b>Evaluate supplier controls</b>	Evaluate evidence of suppliers controls
MANAGE	4	 <b>Monitor performance</b>	Ensure suppliers are taking steps to mitigate risk
	5	 <b>Address issues</b>	Escalate and assign corrective actions to address specific risks
	6	 <b>Review progress</b>	Review supplier risk profile before contract renewal

Stage	Summary						
<p><b>1</b> Identify Category Risk</p>	<p><b>Clear understanding of inherent risk profile</b></p> <p>We have training programs that assist staff to identify the inherent risks within their category before approaching suppliers. This enables them to consider high-risk geographies, industries and entities. Additionally, each pillar has identified specific categories that require increased due diligence activities.</p>						
<p><b>2</b> Align Expectations</p>	<p><b>Obtain proof of supplier understanding</b></p> <p>Metcash staff have a suite of tools available to establish the minimum standards of conduct required for suppliers. Depending on the type of procurement being undertaken, this includes a combination of any of: Contract Terms, the Supplier Code of Conduct, the Ethical Sourcing Policy, the Anti-Slavery Policy, Supplier Communication Pack and Supplier Training Module.</p>						
<p><b>3</b> Evaluate Supplier Controls</p>	<p><b>Evaluate evidence of supplier controls</b></p> <p>To ensure alignment in our business practices, including the treatment of people, we require high-risk suppliers to complete a self-assessment questionnaire. This questionnaire captures important details about their policies, practices and performance in various areas of business conduct. It serves as a valuable tool for assessing supplier alignment with our values and principles. By gathering this information, we make informed decisions during the contract award process and establish partnerships with suppliers who share our commitment to responsible and ethical business practices.</p> <p>Over 90% of private label suppliers to Metcash Food have completed their SEDEX Self-Assessment Questionnaire. The required certifications, as listed below, contain provisions for labour rights, child labour, wages and socially ethical trading.</p> <table border="1"> <thead> <tr> <th>Certification</th> <th>Relevant category (within Private Label scope)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Aquaculture Stewardship Council (ASC)</li> <li>Marine Stewardship Council (MSC)</li> <li>Global G.A.P. (Good Agricultural Practice)</li> <li>Best Agricultural Practice (BAP)</li> </ul> </td> <td>Seafood</td> </tr> <tr> <td> <ul style="list-style-type: none"> <li>Rainforest Alliance/UTZ</li> <li>Fairtrade</li> <li>Cocoa Horizons</li> </ul> </td> <td>Private label single ingredient tea, coffee, cocoa, and cocoa used in private label solid chocolate blocks</td> </tr> </tbody> </table>	Certification	Relevant category (within Private Label scope)	<ul style="list-style-type: none"> <li>Aquaculture Stewardship Council (ASC)</li> <li>Marine Stewardship Council (MSC)</li> <li>Global G.A.P. (Good Agricultural Practice)</li> <li>Best Agricultural Practice (BAP)</li> </ul>	Seafood	<ul style="list-style-type: none"> <li>Rainforest Alliance/UTZ</li> <li>Fairtrade</li> <li>Cocoa Horizons</li> </ul>	Private label single ingredient tea, coffee, cocoa, and cocoa used in private label solid chocolate blocks
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## 5. Addressing and mitigating risks continued

Stage	Summary
<p><b>4</b> Monitor Performance</p>	<p><b>Ensure suppliers are taking steps to mitigate risks</b></p> <p>Metcash takes a proactive approach to monitoring supplier performance in mitigating modern slavery risks. Ongoing and regular communication with suppliers fosters transparency and enables collaborative efforts to address modern slavery. Instead of relying on auditing and compliance, Metcash prioritises a partnership approach with suppliers and industry groups. This includes discussing modern slavery risks during review meetings to monitor performance and address new risk areas. While we continue to mature and standardise our approaches, performance monitoring utilises findings from the Supplier Assessment Questionnaire or audit results to develop tailored action plans that suppliers commit to in mitigating modern slavery risks. By adopting this approach, Metcash seeks to ensure suppliers continue to meet cost and quality expectations while actively working towards modern slavery mitigation.</p> <p><b>Use of SEDEX</b></p> <p>The Metcash Food Pillar utilises SEDEX to monitor supplier performance in mitigating modern slavery risks. This allows Metcash to review corrective action plans and follow up on any outstanding critical non-conformances. By leveraging SEDEX, the Food pillar at Metcash maintains effective oversight existing of social audits and ensures that suppliers are taking appropriate measures to address modern slavery risks.</p> <p>In FY23, 195 social audits were conducted within the Food Pillar supply base via the SEDEX platform. All critical corrective actions either have a remedial action plan in place, or are awaiting for the certification body to confirm that actions have been satisfactorily completed.</p> <p><b>Scheduled Audits – Total Tools</b></p> <p>One approach to our use of schedule audits is in our Total Tools business which utilises a system for monitoring supplier performance regarding Modern Slavery and Human Rights in sourcing arrangements with factories, including international suppliers.</p> <p><b>Audit Process:</b> Qualified, independent third-party providers conduct inspections of the factories. New suppliers must obtain a Social Audit PASS result before first purchase order. Existing suppliers are audited regularly based on a predetermined schedule.</p> <p><b>Audit Outcomes:</b> Factories that meet all requirements are audited every two years. Factories with non-critical non-conformances undergo annual audits with corrective action plans. Factories with critical non-conformances require a successful re-audit before supply is resumed.</p>
<p><b>5</b> Address Issues</p>	<p><b>Escalate and assign corrective actions to address specific risks</b></p> <p>Metcash takes a proactive approach to addressing specific risks by escalating and assigning corrective actions when necessary. If a supplier falls below an agreed threshold in their actions or audit results, corrective action is initiated. This response is based on clear internal understanding or red flags to identify the need for escalation. The protection of vulnerable people is the central focus, including remediation of any harm to workers. Key internal team members are notified to collectively manage the issues. Collaborative actions, such as providing training, resources and support, are employed to build capacity where appropriate. Lessons learned from this process are embedded to strengthen future contracts and interactions.</p>
<p><b>6</b> Review Progress</p>	<p><b>Review supplier risk profile before contract renewal</b></p> <p>During contract renewal, our team members review supplier risk profiles and their performance in relation to modern slavery risk. We consider factors such as changes in the supplier's industry or geographical location that may impact their risk profile. We also assess if we have sufficient information to confirm the supplier's efforts to mitigate modern slavery risks, such as their completion of a self-assessment questionnaire or satisfactory audit results. We identify key actions required from the supplier for us to continue our business relationship, such as providing audit results or completing the self-assessment questionnaire.</p> <p>This evaluation process ensures that we maintain supplier relationships with a strong focus on mitigating modern slavery risks.</p>

## 5. Addressing and mitigating risks continued

### CASE STUDIES

#### Close-out of non-conformances

##### Problem

Despite improved reporting and follow-up actions implemented in April 23, Metcash Food Pillar experienced delays in closing out significant non-conformances identified during supplier audits for several suppliers. After reviewing outstanding non-conformances through direct communication with the suppliers, significant progress was demonstrated for the majority of identified sites. However, two cases from a supplier in the agriculture sector required escalation to management in order to support resolution.

##### Actions taken

Metcash collaborated with the supplier sites to follow up on outstanding non-conformances. This process established clear social compliance expectations, allowed for understanding of the issues, and identified and agreed an appropriate action plan with the Ethical Sourcing Team.

This case served as a basis to evolve Metcash's approach to social compliance case support. It led to the development of a five-step framework that leverages internal relationships from the Ethical Sourcing Team to the Trading Manager. The procedure was trialled in this instance and will be refined and adapted over the next year.

##### Results and benefits

- Improved collaboration and communication with the Metcash trading team, Ethical Sourcing team and suppliers.
- Managed and tracked the resolution of non-conformances, reducing risks and ensuring compliance.
- Alignment of the commercial, technical and ethical sourcing pillars resulted in increased leverage and influence in driving audit closeouts.
- Strengthened supplier relationships through proactive engagement.
- Ongoing refinement of the procedure for continuous improvement.

#### Upstream collaboration

After the initial round of Supplier Assessment Questionnaires, we contacted our suppliers to clarify missing information or answers that were potentially indicative of unsatisfactory conditions. As a result of our contact, one of IHG's suppliers developed their own Anti-Slavery Policy, encompassing their supply chain, and garnered the commitment of each responsible management figure from 13 material suppliers within their supply chain. This new policy aligns with the Metcash Anti-Slavery Policy. This initiative of working with the supplier and collaborating about changes that can be implemented, showed how raw material and parts suppliers can be influenced towards continuous improvement.

#### Verification of documents

Also following our initial Supplier Assessment Questionnaires, a supplier answered in their response that workers were not in control of their own travel documents, such as passports. For Metcash, this is a critical indicator of elevated modern slavery risk. The supplier was contacted for further information, provided with a copy of our Anti-Slavery Policy, directed to complete the modern slavery training module and clarify all responses in their initial Supplier Assessment Questionnaire. The supplier confirmed that incorrect information had been provided and would follow up by providing Metcash with the relevant social compliance audit for their facility. The case study highlighted the need to verify the accuracy of responses and to ensure that our questionnaires are directed to the correct contacts, particularly when critical indicators are flagged.

## 5. Addressing and mitigating risks continued

### 5.5 GRIEVANCE AND REMEDIATION

The Metcash Grievance and Remediation processes are designed to ensure a consistent approach to addressing and remediating concerns or cases of modern slavery. Our framework is centred around protecting vulnerable people and providing a transparent, repeatable process, that can respond to the unique circumstances of each event. It prioritises the reporting of harm, protection of victims and prevention of future harm. Through this framework, we aim to effectively respond to incidents of modern slavery, ensure the well-being of those affected, remediate harms and work towards preventing similar incidents in the future.

#### 5.5.1 Grievance mechanisms

At Metcash, we prioritise transparency and accountability, which is why we have established the “Speak Up” whistleblower hotline. This hotline allows employees, suppliers and associates to address their grievances. We understand that the distributed nature of our supply chain can present challenges in terms of accessibility for workers seeking to reach out to us. To overcome these obstacles, we have partnered with NAVEX One.

We believe that everyone should have a safe and confidential means to report suspicions or instances of modern slavery. By implementing NAVEX One, we can provide an efficient and user-friendly platform that supports anonymous reporting of concerns. With interpreter support available in over 150 languages, we can cater to the diverse workforce and supply

chains we work with. This partnership strengthens our commitment to maintaining high standards of conduct and behaviour across our operations.

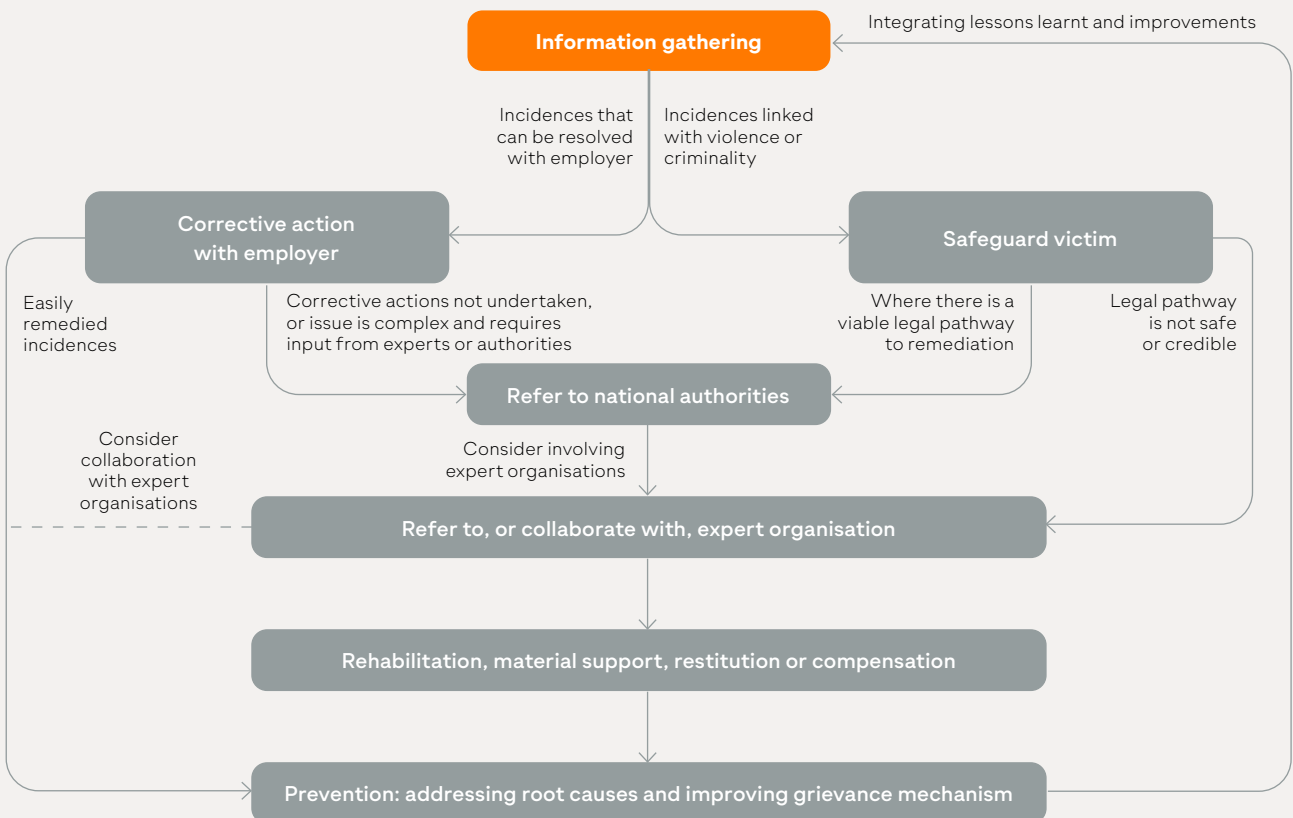
#### 5.5.2 Remediation framework

Metcash recognises the importance of remediation in preventing and correcting the harm experienced by victims of modern slavery. Remediation can involve a range of actions, including providing access to health, legal or psychosocial services, facilitating repatriation, providing financial compensation, and issuing an apology or recognition of harm caused.

Our framework corrects and remedies issues in partnership with national authorities and expert third parties. The Metcash Remediation Plan provides a framework for responding to reports or instances of modern slavery with the primary goal of protecting the victim.

This year we expanded the guidance associated with our Remediation Framework with the drafting of a remediation process document. In our efforts to enhance the accessibility of our grievance systems, we recognise that we are also increasing the likelihood of identifying potential issues that require investigation and remedy, in accordance with our established framework. Certain steps in the framework necessitate external support in order to ensure we meet our goal of protecting the potential victim. To ensure our preparedness for such situations, we conducted a partnership analysis with the assistance of an external consultant, and are currently in the process of establishing relationships with the identified partners.

Figure 11 – Metcash Remediation Framework



## 5. Addressing and mitigating risks continued

### 5.6 INDUSTRY COLLABORATION

Metcash has actively engaged in collaborations with various industry organisations and initiatives to combat modern slavery and promote ethical practices within our supply chain. These include:

#### Fair Farms

Metcash encourages private label suppliers to be members of either Fair Farms, BSCI or SEDEX. Metcash encourages fresh produce suppliers to join the Fair Farms program and accepts accreditation as part of the supplier assessment process. We intend to extend opportunities to include promoting the program to non-private label growers, enhancing worker engagement during audits and tracking the progress of supplier memberships.

#### Forest Stewardship Council (FSC) and Programme for Endorsement of Forest Certification (PEFC)

Metcash requires all IHG sourced timber to comply with their Responsible Timber Sourcing Policy. In this policy it is outlined that sourcing preference is given to Forest Stewardship Council (FSC) and/or Programme for Endorsement of Forest Certification (PEFC) certified timber. These third-party certification standards are aligned with the International Labour Organisation’s Core Conventions and contain sections against slavery and other forms of forced or involuntary labour.

#### National Retail Council Modern Slavery Committee

In 2023, Metcash continued its involvement with the National Retail Council Modern Slavery Committee, collaborating with prominent Australian companies in the FMCG and consumer durables industries. The Committee focused on identifying emerging issues and high-risk categories, facilitating peer collaboration and enhancing collective efforts in modern slavery due diligence, remediation, traceability and supply chain transparency. The Committee also addressed legislative changes, industry trends and strives to reduce compliance burdens for shared suppliers by adopting consistent standards and requirements.

### OUR PROGRESS IN NUMBERS

Metcash employees who have completed Modern Slavery Training Modules

**537** ↑

(FY22: 111)

Own brand supplier sites completed the SEDEX self-assessment questionnaire

**228** ↑

(FY22: 168)

Number of our suppliers who have completed Modern Slavery voluntary training modules

**97** ↑

(FY22: 69)

#### Completion of Supplier Assessment Questionnaire

**81%**

Hardware Suppliers  
(FY22: 37%)

**95%**

Supermarket Suppliers  
(FY22: 44%)

**74%**

Liquor Suppliers  
(FY22: 35%)

## 6. Assessing the effectiveness of our actions

PREVENTION

**Education and Training**

Continue implementing modern slavery training to support the identification and management of modern slavery risk.

This year we took proactive measures to increase completion rates of our training modules amongst employees. Additionally, we offered a series of internal webinars, which proved to be successful in terms of participation and yielded significant improvements in our training results.

Continue to develop and roll out training/capacity-building initiatives around due diligence processes and tools for different roles and responsibilities.

This year we conducted an assessment of our prevention systems to address modern slavery across our three pillars. As a result, we organised training workshops with leaders from each pillar to share knowledge and insights. During these workshops, we consolidated our resources from across Metcash and aligned them with our due diligence framework for each pillar. This training package provided further understanding of our tools and their application within our framework.

The valuable insights gained from this activity have guided us in shaping our future roadmap for continuous improvement. We have incorporated the lessons learned into our plans to enhance our efforts in combating modern slavery and to ensure that our practices align with best practices and legal requirements.

Develop partnerships with external stakeholders who can provide intelligence and insight about the modern slavery risks, i.e. NGOs, trade unions, research academics.

This year, we conducted a thorough analysis of potential partnerships to identify business relationships, support workers in remediation efforts and gather insights from multiple stakeholders for shaping our future strategies. Our ongoing conversations with relevant parties led us to sign an agreement with NAVEX, a platform that enhances accessibility to grievance mechanisms for vulnerable individuals in our supply chains. We are excited about piloting this system and the potential it holds for improving accessibility to our grievance systems.

6. Assessing the effectiveness of our actions continued

DETECTION	<b>Embed Due Diligence processes</b>	Review due diligence and oversight processes to ensure consistent application across all forms of buying processes, including contractor and supplier onboarding and management processes.	As part of our extensive gap and opportunities assessment, we identified opportunities to align our systems to maintain better oversight and ensure more consistent application of our approaches across pillars. It was encouraging to see how quickly our team adopted approaches from other areas of our organisation. We were able to provide further clarity around roles and responsibilities for the implementation of modern slavery actions through the development of a modern slavery governance chart, and we empowered staff with greater knowledge to identify and respond to suspected cases of modern slavery or exploitation.
	<b>Grievance Mechanisms</b>	Develop partnerships with organisations experienced in both working with vulnerable groups on human rights issues and designing and operating grievance mechanisms.	As noted, we recently teamed up with NAVEX Global to improve the accessibility of our grievance mechanism for vulnerable individuals in our supply chains. NAVEX Global is a trusted provider of ethics and compliance solutions, specialising in reaching deep into the supply chain to ensure accessibility. Their platform will enhance our ability to gather, handle and resolve grievances or complaints within our supply chain, fostering transparency, accountability and a secure reporting environment.
	<b>Embed Due Diligence processes</b>	Develop a communication strategy to support increased accessibility to Metcash’s grievance mechanisms.	This is scheduled to be rolled out more extensively in FY24.

REMEDIATION	<b>Embed Due Diligence processes</b>	Establish clear procedures for the front line (management staff) to respond to incidences of forced labour, which are victim-centric and include engaging with an NGO to partner and provide support to victims as part of a remediation response.	This year we extended our remediation framework to include further guidance to our team on the practical steps to be taken. This guidance built on the framework already in place and leveraged the insights from our recent partnership analysis.
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## 7. Next steps

Metcash is committed to combating modern slavery in both our own operations and throughout our supply chain. We are committed to taking the following significant actions in terms of leadership governance, responsible sourcing programs and collaborative partnerships with key stakeholders.

### Capacity building:

- Scheduled more extensive training on modern slavery for the Metcash Board – February 2024.

### Responsible Sourcing:

- Continuing to strengthen Responsible Sourcing practices and enhancing our existing policies.
- Ongoing expansion and advancement of our due diligence efforts, with a focus on identifying priority categories and aligning key performance indicators (KPIs).
- Defining our role in addressing worker exploitation in shipping.
- Continued evaluation of supplier compliance through Supplier Assessment Questionnaires (SAQs) and monitoring of progress among high-risk suppliers.
- Expansion of SEDEX audits across pillars to provide more comprehensive oversight.
- Widening the scope of Modern Slavery training across Metcash.

### Collaborative Partnership:

- Development of organisational tools and resources to aid suppliers in remediation and continuous improvement.
- Capacity building initiatives for suppliers in relation to modern slavery.
- Expansion of industry partnerships to bolster knowledge and maximise our collective influence.
- Launch of a worker voice program among suppliers enhancing grievance mechanisms.
- Collaborating with external experts to eliminate risks associated with modern slavery.

These actions underscore our commitment to combatting modern slavery and reflect our commitment to ethical business practices across our operations and supply chain.



## 8. Consultation process

This Statement is made pursuant to section 13(1) of the Modern Slavery Act (Commonwealth) 2018. It constitutes the joint statement of the Metcash Group Limited and covers the reporting period 1 May 2022 to 30 April 2023. The Statement was prepared in consultation with our controlled entities (including the reporting entities).

As an integrated group of entities, where Metcash has operational control, common policies, systems and governance processes, the consultation process occurs at a Metcash Group level, both in respect of our reporting entities and each other and our reporting entities and their controlled entities. Key functional support staff responsible for Metcash's operations and supply chains were consulted and these teams contributed to the preparation of this Statement, prior to its review by Metcash's Executive Leadership Team which is collectively responsible for the management of our operations and supply chains. Following review by our Executive Leadership Team, the Statement was considered by our Board for approval.

Our retail partners are largely independently owned and operated; however we do have minority interests in some operations. While we seek to assist and consult with our retailers on issues of modern slavery, including through training, knowledge sharing and retailer forums, they are ultimately responsible for compliance with the Modern Slavery Act as it applies to them and where required prepare and submit their own Modern Slavery Statements.

The Statement has been reviewed and approved by the Metcash Board on behalf of itself and each of the reporting entities on 31 October 2023.



**Doug Jones**  
Group CEO and Executive Director



Metcash Limited (ABN 32 112 073 480)