

2022 Modern Slavery Statement



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About this Statement

This Modern Slavery Statement serves as a review of the actions the BSR Group has taken to assess and address the risk of modern slavery within our operations and supply chain during the reporting period 1 July 2021 – 30 June 2022.

It has been prepared in accordance with the *Modern Slavery Act 2018 (Cth) (Act)* and the Australian Government *Guidance for Reporting Entities* and is issued by BSR Australia Limited on behalf of all the BSR Group's reporting entities and controlled subsidiaries.

1 A message from our CEO

Slavery is an abhorrent practice. Globalisation has helped lift millions of people out of poverty but has also increased the risk of vulnerable workers being exploited through increasingly complex and fast-moving global supply chains.

To deliver on our commitment of ensuring that all goods and services provided by the BSR Group are free of any modern slavery requires that we interrogate every aspect of our operations, and those of our business partners, fearlessly and fully and to act decisively should any unlawful practices be identified.

This is the fourth modern slavery statement the BSR Group has published, the third we have submitted to the Australian Border Force and my first as CEO. It follows on from our history of not only meeting but exceeding legislative requirements.

*As our operations expanded during this reporting period, the BSR Group has continued to improve its modern slavery practices through its involvement with the National Associated Retail Traders of Australia's (NARTA) Modern Slavery Initiative (**MSI**). The MSI streamlines our collection of modern slavery information from our major consumer electrical goods suppliers providing a strong foundation for our due diligence enquiries. It has also provided a framework for the collection of information from non-Consumer Electronics & Appliance suppliers (such as furniture) which continue to grow as part of our business.*

On behalf of the BSR Group, I am proud to submit our Modern Slavery Statement for the financial year ending 30 June 2022.



Gavin Carter
CEO
29 December 2022

2 Our structure and operations



The BSR Group is comprised of a parent company BSR Australia Ltd (ACN 122 529 695) (**BSR Australia**), an unlisted public company, and the following wholly owned subsidiaries:

- BSR Franchising Pty Ltd (ACN 122 556 094) (**BSR Franchising**).
- Stan Cash Superstore Pty Ltd (ACN 160 223 914) (**Stan Cash Superstore**).
- Stan Cash Online Pty Ltd (ACN 142 725 997), the holding company of Stan Cash Superstore.

BSR Group has established a Modern Slavery Working Group comprised of senior executives of BSR Australia. In developing this statement, BSR Australia consulted with all subsidiaries. The consultation process involved a review of the potential risks of modern slavery within each subsidiaries' operations and supply chains, and the establishment of a group-wide approach to address and report on these risks.

2.1 BSR Franchising

BSR Franchising undertakes the following business operations:

- ⊛ **As franchisor** to a network of Australian retail stores operating in the electrical and furniture goods sectors, under the brands *Betta Home Living*, *Designer Appliances* and *Furniture Zone*, and as a service provider to retailers operating under their own brands. Currently the Group's franchise network extends to over 200 independent retail businesses across Australia.
- ⊛ **As joint venturer** in the retail business *Whitford's Home Appliances* providing marketing assistance and supplying goods to the store network for resale.
- ⊛ **As logistics partner** holding stock for resale in warehouses.
- ⊛ **As retail operator** through five company owned electrical and furniture stores, *Betta Home Living Underwood*, *Betta Home Living Cannon Hill*, *Betta Home Living Hervey Bay*, *Betta Home Living Belmont*, and *Betta Home Living Camberwell*.¹
- ⊛ **As online retailer** of electrical and furniture goods via the following websites:
 - www.betta.com.au
 - www.designerappliances.com.au
 - www.furniturezone.com.au
- ⊛ **As a commercial supplier** of electrical and bathroom goods via the brands *RT Edwards Commercial* and *BSR Commercial*.
- ⊛ **As supplier of appliances** through our insurance partners.

- ❖ **As direct importer** of furniture, electrical, kitchen and bathroom goods for resale under the brands *BSR Direct, Betta Direct, Torino, and Norj*.
- ❖ **As retailer** of Australian made furniture under the brand KoZee Living. and Australian made mattresses and beds under the Eversleep brand.

2.2 Stan Cash

Stan Cash Superstore undertakes the following business operations:

- ❖ **As online retailer** of electrical and furniture goods via the following websites:
 - www.stancash.com.au
 - www.billyguyatts.com.au
- ❖ **As retailer** of electrical and furniture goods via its retail shops in Brooklyn and Keilor in Melbourne, Victoria.
- ❖ **As direct importer** of electrical goods for resale.

3 Our supply chains

Our direct import product range consists of upholstered and timber furniture along with electrical appliances and front of wall plumbing.

Furniture finished goods are sourced from China, Vietnam, Thailand, and Malaysia.

Electrical and front of wall plumbing finished goods are sourced from China, Turkey, and Italy.

Limiting our procurement to well-resourced suppliers within discrete geographic areas which have verifiable international client bases allows us to deliver on our commitment to the abolition of modern slavery within our supply chains by:

- (a) restricting our dealings to suppliers experienced in complying with recognized international brands' procurement requirements including those relating to ethical sourcing of components and modern slavery;
- (b) avoiding smaller factories which may be incentivised to take advantage of perceived commercial benefits of engaging in unlawful business practices; and
- (c) engaging with internationally recognised logistics operators with readily verifiable business practices which comply with all relevant legislation including modern slavery laws.

Our wider supply chain includes engagement with local wholesale importers and resellers. Through our governance processes (including annual supplier self-audits and certification) we ensure these business partners' business practices:

- (d) are ethical;
- (e) align with the BSR Group's values; and
- (f) meet all relevant legislative requirements.

4 Potential modern slavery risks

We have identified the following modern slavery risks which may arise through our business activities or relationships, either directly or indirectly:

- Non-compliance with health and safety requirements.
- Unlawful or unsafe working hours.
- Underpayment of wages.
- Forced labour, child labour.
- Freedom of association.
- Broader non-compliance with human rights including employee rights to equality, fair pay, safety, and privacy.

5 Our governance of modern slavery risks

BSR Group takes all reasonable steps to eliminate modern slavery in our supply chains and business operations and acknowledge our role and responsibility in seeking to safeguard human rights through ethical and sustainable business practices.

To identify and mitigate risk, BSR Group has the following systems in place:

5.1 Modern Slavery Policy

We have developed a Modern Slavery Policy which sets clear objectives around our supplier engagement process, grievance mechanisms and supplier collaboration.

5.2 NARTA Modern Slavery Initiative

BSR Group is a member of the National Associated Retail Traders of Australia (**NARTA**) and utilises this membership to share and benefit from NARTA's Modern Slavery Initiative (**MSI**), an industry focused program which supports businesses in reviewing practices within their supply chain to deliver best-in-class ethical standards and meet reporting requirements under the Act.

NARTA facilitates the collection of modern slavery content from consumer electronics suppliers (non-direct import) via a standardised reporting system. NARTA then shares that content with its members to assist them in meeting modern slavery reporting requirements. Through this process a higher level of transparency across the industry is achieved.

BSR's Modern Slavery Working Group has incorporated the MSI data to streamline our collection of annual modern slavery content from many of our major suppliers.

5.3 Annual Compliance Questionnaire

We require all suppliers to complete an annual Compliance Questionnaire to:

- (a) verify the supplier's status as a "reporting entity" under the Act or otherwise;
- (b) describe any identified risks of modern slavery in their operations and supply chains and actions taken to address those risks; and

- (c) provide details of all policies and procedures implemented to monitor, identify, investigate, disclose, and remediate any instances or potential instances of modern slavery.

All Group suppliers must have compliant modern slavery policies or equivalent which must be provided:

- (d) during onboarding;
- (e) at contract renewal, or
- (f) annually (for longer contracts).

5.4 Supplier Contracts

Whenever possible, appropriate modern slavery clauses have been adopted into our contracts with all suppliers (including suppliers of transportation and logistics services) and product manufacturers. This includes our product supplier agreements which are updated on an annual basis.

Appropriate modern slavery clauses include obligations requiring suppliers to:

- ⇒ warrant compliance with modern slavery laws.
- ⇒ take reasonable steps to eliminate modern slavery risks within their supply chains or the supply chains of their subcontractors.
- ⇒ notify us in the event of actual or suspected incidences of modern slavery in their business operations or supply chain that has a connection to our business.
- ⇒ agree to our right to terminate the agreement if the supplier breaches any of the modern slavery provisions of the agreement.

5.5 Reporting suspicions of slavery

BSR Group maintains a Whistleblowing Policy, which is available internally on our employee intranet and externally at www.bsrgroup.com.au. Under the policy, all personnel, and other whistleblowers can report any conduct which raises suspicions of breaches of the Modern Slavery Policy. We update our whistleblower policy regularly and provide staff whistleblower training.

5.6 Training

All employees undergo an induction process where our policies, procedures and expectations are outlined. In addition, specific training on our Modern Slavery Policy and incident reporting is provided at least annually.

5.7 Key performance indicators

BSR Group has the following key performance indicators in place to measure its effectiveness in taking all reasonable steps to reduce the risk of modern slavery:

- ⇒ Annual review of modern slavery statement and policies.
- ⇒ Programmed communication and personal contact with the supply chain to ensure their understanding of, and compliance with our expectations.

- Review of supplier responses to annual Compliance Questionnaire regarding modern slavery risks and mitigation.
- Sharing and receiving modern slavery compliance information regarding indirect furniture and electrical suppliers via its membership with NARTA.
- Programmed site audit of supplier manufacturer factories located overseas (to be re-introduced following COVID disruptions).

6 Assessing the effectiveness of our Actions

Assessment of our performance against the key performance indicators is essential to delivering on our commitment to eliminate modern slavery. For this reporting period:

- ✓ The proportion of staff completing our Modern Slavery training has increased year on year.
- ✓ The return rate of Annual Compliance Questionnaires has improved year on year.
- ✓ The number of suppliers reporting incidences of modern slavery remains **NIL**.
- ✓ The number of suppliers demonstrating unacceptable business practices remains **NIL**.
- ✓ The proportion of Agreements containing appropriate modern slavery provisions has increased year on year.
- ✓ The number of site audits planned is considered reasonable in the circumstances.

We shall continue to take all reasonable steps to monitor our suppliers and will recommence strategic physical audits of overseas suppliers and manufacturers when travel is practicable again. We will continue to improve our processes moving forward to reduce the risk of modern slavery in our supply chains. Specific actions for the coming year include:

- expand training via Webinars to include new stores.
- expand KPI measurement to improve quality of analysis.
- expand annual Compliance Questionnaire to include requirement to provide KPI analysis to track improvements and identify future training requirements.

7 Board Approval

This statement was approved by the Board of Directors of BSR Australia Ltd and adopted by all BSR Group subsidiaries on December 29, 2022.



Garry Thyer
Chairman of the Board