



New Aim Pty Ltd – Modern Slavery Statement

1 July 2021-30 June 2022 (FY22 Statement)

Introduction

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

This is New Aim's third Modern Slavery Statement. Modern slavery is an umbrella term that refers to situations of exploitation that an individual cannot refuse or leave because of threats, violence, coercion, deception, or abuse of power.¹ However, modern slavery can take many forms as defined in the Act.

New Aim is opposed to all activities which lead or contribute to human rights abuses, including modern slavery. New Aim is fully committed to operating ethically and responsibly. This statement outlines how New Aim identifies, mitigates, and addresses our modern slavery risks within our supply chains and operations.

New Aim's ability to review its supply chain, which includes indirect suppliers, is challenging due to our business-to-many (**B2M**) business model and the wide range of products and services offered. Despite this, through adopting a risk-based approach and collaborating with stakeholders and suppliers, New Aim is committed to continually reviewing and improving our modern slavery risk management processes.

Our purpose

New Aim is an ecommerce enabler, offering solutions to retailers, suppliers, and consumers. Our B2M model is reliant on procurement and technology to reach business-to-business (**B2B**) and business-to-consumer (**B2C**) market segments.

Our structure

New Aim is an Australian proprietary company.

Currently, New Aim employs staff in Australia primarily in the brand, category, customer service, data and analytics, digital product delivery, logistics and quality management teams. On 1 January 2022, New Aim incorporated a wholly owned holding company in Hong Kong, New Aim Hong Kong Co.,

¹ See Amazon MSS – "Global Estimates of Modern Slavery", The International Labour Office, Walk Free Foundation, and International Organisation for Migration, p 16, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf

Limited, which holds a wholly owned subsidiary in China, Guangzhou New Aim E-commerce Co., Ltd. The latter employs staff in China, engaged mainly in IT and procurement.

Our operations

Our core business activities are procurement, dropshipping and reselling a range of home decor, indoor and outdoor furniture, fixtures and fittings, bedding and manchester, fitness equipment, children's toys, home and personal electronics, tools and DIY equipment, pet products and other home, personal and electronic items.

We conduct our core business activities through the following four business models:

(a) Dropshipzone

Dropshipzone is our B2B retail platform. New Aim is both a supplier on Dropshipzone and also the operator of the platform.

- New Aim provides warehousing, packing, logistics and delivery services to the end consumer for products sold under New Aim's house brands (**New Aim Brands**) purchased through Dropshipzone by retailers.
- There are also third party suppliers that sell their own products to retailers through Dropshipzone (**DSZ Suppliers**). Retailers will market and offer for sale products listed on Dropshipzone. DSZ Suppliers are responsible for fulfilling orders for those products, meaning DSZ Suppliers provide retailers with all backend services, including warehousing, packing, logistics and delivery to the end consumer.

(b) Online Marketplaces

New Aim sells goods direct to consumers through a range of online marketplaces. We currently sell direct to consumers through marketplaces such as Amazon, eBay, Catch, Mydeal, Kogan, Bunnings, Myer, Woolies X, Barbeques Galore, Westfield Direct, Mysale, and Graysonline.

(c) Direct to consumer websites for New Aim Brands

We market and sell products under the New Aim Brands direct-to-consumer (**D2C**) via brand websites, which include:

- Artiss (<https://artiss.com.au/>) – indoor furniture products;
- ArtissIn (<https://artissin.com.au/>) - indoor furniture products;
- Cefito (<https://www.cefito.com.au/>) – bathroom and kitchen fittings;
- Cosy Club (<https://cosyclub.com.au/>) - bedding;
- Devanti (<https://devanti.com.au/>) – home appliances and electronics;
- Everfit (<https://everfit.com.au/>) – fitness equipment;

- Gardeon (<https://gardeon.com.au/>) – outdoor furniture;
- Giselle Bedding (<https://gisellebedding.com.au/>) – mattresses and bedding;
- I.Pet (<https://ipet-au.com/>) – pet supplies;
- Keezi (<https://www.keezi.com.au/>) – children’s toys;
- Rigo (<https://www.rigokids.com.au/>) – children’s bicycles and ride-on vehicles;
- Weisshorn (<https://www.weisshorn.com.au/>) – outdoor equipment.

(d) Dropshipping partnerships

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

Our supply chain

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

- approximately 17% of New Aim’s suppliers are DSZ Suppliers that sell on our B2B platform Dropshipzone. These categories of products include: home appliances, audio and video equipment, auto accessories, baby and children’s products and toys, Christmas products, electronics, food and beverage, furniture, gifts and novelty products, hampers, health and beauty, home and garden furniture and products, outdoor recreational products, pet care, sports and equipment, and tools.
- approximately 33% of New Aim’s suppliers provide local operational support to our Australian operations (including providers of delivery, shipping, logistics, labour hire, and facilities management services, including cleaning and catering).
- approximately 5% of New Aim’s suppliers provide local operational support to our China operations (including providers of labour hire, and facilities management services, including cleaning and catering).
- approximately 45% of New Aim’s suppliers provide the products sold under New Aim’s in-house brands, which are sold to retailers via Dropshipzone or otherwise sold through our D2C, marketplace or dropship models. These products include home decor, indoor and outdoor furniture, fixtures and fittings, bedding and manchester, fitness equipment, children’s toys, home and personal electronics, tools and pet products.

Assessing our risks of modern slavery

New Aim undertook a high-level risk assessment to identify risks of modern slavery practices within our operations and supply chain, and within the operations and supply chains of our wholly-owned subsidiary in China. New Aim's wholly owned subsidiary in China, Guangzhou New Aim E-commerce Co., Ltd, was incorporated into New Aim's company structure in the second half of FY22. Prior to this, New Aim engaged a separate entity which provided exclusive services to New Aim, including IT and procurement, through a services agreement. When this entity was wound up in FY21/22, its workforce transferred to Guangzhou New Aim E-commerce Co., Ltd. Due to our previous supplier relationship, we had some oversight over the procurement and employment processes of this entity but now have greater visibility. We have included the operations of, and suppliers to, Guangzhou New Aim E-commerce Co., Ltd in our risk assessment.

In undertaking this modern slavery risk assessment, we assessed our suppliers against the following risk matrix:

- **Commodity risks:** certain products procured by New Aim or our suppliers will be associated with elevated risks of modern slavery because of the prevalence of modern slavery in the labour practices used by suppliers of some raw materials. High risk raw materials include cobalt and other minerals used to manufacture electronics and IT equipment, and cotton used to manufacture bedding and soft furnishings.
- **Industry or sector risks:** some of New Aim's suppliers operate in sectors or industries which are known to be inherently high risk for modern slavery as a result of the limited visibility over labour practices due to convoluted labour arrangements and cross-border operations. Commercial cleaning and international shipping present elevated risks in this regard.
- **Geographic risks:** some of New Aim's suppliers are considered to carry a greater level of risk on the basis that they have operations or supply chains in countries understood to have a high occurrence of modern slavery practices. For example, New Aim procures a large proportion of the goods we supply to our customers via the D2C websites, marketplaces, Dropshipzone and dropshipping arrangements from China, which is identified as having an elevated level of risk for modern slavery by the Global Slavery Index (**GSI**).
- **Workforce risks:** some personnel employed or contracted by New Aim or our suppliers are particularly vulnerable to modern slavery practices both overseas and within Australia. For example, migrant or base-skilled workers, foreign nationals working on temporary visas and workers employed through labour hire arrangements are more vulnerable to modern slavery practices because of their precarious access to employment, lack of legal protections in some jurisdictions, including China, and the current limitations on our visibility over their working conditions.

New Aim acknowledges that because our core business activities include the procurement of a large range of home and personal products for resale, our supply chains for these products are deep and complex. This presents difficulties for New Aim when identifying and assessing our modern slavery

risks, as we currently have limited visibility over suppliers deeper in our supply chains. New Aim has identified the need to improve our understanding and oversight of modern slavery risks in our supply chain. Our proposed actions to better identify and assess these risks are set out in the 'Actions' section of this statement.

Operational risks

New Aim understands that instances of forced labour within Australia predominantly occur in industries with a high percentage of temporary and migrant workers, which include logistics services (such as warehousing, transportation and shipping) and commercial cleaning. These are services which are central to New Aim's core business activities. In respect of Guangzhou New Aim E-commerce Co., Ltd, risks of modern slavery arise particularly in the context of labour hire providers and their labour practices.

Logistics

New Aim's operations involve warehousing, transportation and shipping the products we supply via our D2C, Dropshipzone, marketplace and dropshipping channels. Workers in these industries, in Australia and internationally, are understood to be exposed to risks of modern slavery practices due to the prevalence of the following risk indicators:

- Offshore manufacturing, production and logistics suppliers are often used due to the reduced labour costs, however this can indicate sub-standard wages for workers and less stringent regulatory protections in these jurisdictions. We procure international shipping services and local warehousing services and some of them operate in jurisdictions with low labour costs and limited regulatory protections for workers' rights such as China.
- Reliance on vulnerable workers, including:
 - base-skilled workers;
 - migrant workers or foreign nationals on temporary visas; and
 - temporary or contracted workers engaged through third party labour hire providers or employment agencies.
- Potentially hazardous work, including repetitive manual labour.

We note that many of the logistics and operational support services we procure are provided by large Australian businesses who are themselves reporting entities under the Act including Australia Post, Coles, Amazon Web Services, Officeworks, and Seek among others. We have reviewed the statements for these entities submitted for previous reporting periods, and we consider that these entities are taking steps to appropriately assess and address modern slavery risks in their operations and supply chains.

As outlined in this statement, New Aim operates a B2B platform, Dropshipzone. In October 2022 Dropshipzone became a marketplace and DSZ Suppliers will now contract directly with retailers

through the Dropshipzone platform. The changes in our contractual relationships with DSZ Suppliers for the use of our platform therefore limit New Aim's oversight of, or leverage to influence, labour practices in DSZ Suppliers' operations and supply chains. In response to this new model, we will include a requirement for DSZ Suppliers to adhere to New Aim's Ethical Sourcing Policy and will implement a system to monitor this compliance in future reporting periods.

During the reporting period, COVID-19 had less impact than FY20 and FY21. New Aim found that our purchasing volume and operations remained largely stable, with some slight delays to fulfilment, shipping and supply of products. New Aim's staff in China are based in Guangzhou, which did not experience lockdowns during the reporting period. New Aim's staff in Australia are based in Melbourne. Office staff worked remotely as per Victorian State Government requirements and recommendations. Essential workers, largely based in New Aim's warehouses, were permitted to work onsite at our warehouses and followed COVID-19 protocols.

Labour hire providers

New Aim recognises that the risk of modern slavery is elevated for the workers we contract through labour hire arrangements for our customer service operations in China and our warehousing operations in Australia. Workers contracted through labour hire arrangements are at higher risk of being subject to modern slavery practices because these arrangements frequently operate at low-cost margins, employ from vulnerable worker populations reliant on precarious work, including base-skilled workers and foreign workers on temporary visas, and give New Aim limited oversight over their employment terms and working conditions.

New Aim uses two employee agencies in China to supply workers for customer service roles based in China. On average less than 2% of our customer service team in China is comprised of workers employed through labour hire arrangements with these two agencies during the reporting period. There is a minimum wage legislated in Guangzhou and the agency we engage pays above the required minimum wage. The agency workers work in the same office as our employed customer service staff. The agency workers are Chinese nationals and are not subject to any visa or immigration conditions.

New Aim also uses four employee agencies to fulfil temporary warehouse roles in our Australian warehouses, particularly during peak periods. One of these agencies is Sidekicker, which is a controlled entity of Seek, a reporting entity under the Act. We have reviewed the Seek modern slavery statement which covers the operations and supply chain of Sidekicker to obtain comfort that the agency pays its staff in accordance with their entitlements under appropriate awards or enterprise bargaining agreements. Across the reporting year, approximately 40% of our total warehouse workers were engaged through labour hire arrangements with these four agencies. In respect of our own employees fulfilling the warehousing roles, approximately 47% held working visas for the reporting period. We continued to undertake checks of visa documentation and completed the VEVO process to ensure that workers were eligible to be employed prior to their commencement of employment.

We are committed to engaging with the employee agencies in the next reporting periods to obtain additional data on, and determine how we can improve our engagement with visa holders from migrant or non-English speaking backgrounds, to ensure they are provided with documents and resources in their own languages.

Facilities maintenance

We understand that facilities maintenance services, in particular commercial cleaning, also carry heightened modern slavery risks in Australia due to multiple layers of contracting and the use of labour hire arrangements. In FY22, New Aim had three providers of commercial cleaning services which support our Australian operations. New Aim is aware that one of our providers is becoming a member of the Cleaning Accountability Framework in the next reporting period. New Aim intends to engage with this provider and our other providers in future reporting periods to better understand and mitigate risks of modern slavery practices in our procurement of services.

Supply chain risks

Suppliers of products sold as our New Aim Brands and supplied via our D2C, B2B and dropshipping models are primarily located in jurisdictions with a higher risk for modern slavery.

China is identified as carrying a higher risk for modern slavery in the GSI. New Aim understands that none of our first tier suppliers of the New Aim Brand products are listed on the Uyghur Forced Labour Prevention Act (**UFLPA**) Entity List or in the Australian Strategic Policy Institute Uyghurs for Sale report (**ASPI Report**),² which identify entities that have a known connection to forced labour practices in Xinjiang.

However, in respect of New Aim's suppliers of New Aim Brand products, New Aim does not have information on whether our suppliers subcontract to other manufacturers or suppliers, or where they source raw materials or labour to manufacture the products we procure from them. In particular, we acknowledge that the following goods which are known to carry increased risks for modern slavery are goods we procure, or may be used in manufacturing the products we procure, from our Chinese suppliers:

- electronics;
- cotton;
- textiles;
- thread/ yarn;
- polysilicon used in solar panels;
- plastic or wooden toys; and

² UFLPA Entity List, <https://www.dhs.gov/uflpa-entity-list>; ASPI 'Uyghurs for sale: 'Re-education', forced labour and surveillance beyond Xinjiang', <https://www.aspi.org.au/report/uyghurs-sale>.

- building materials such as bricks.

New Aim currently has limited visibility over our second and third tier suppliers, but intends to undertake due diligence to deepen our understanding of the lower tiers of our supply chain in future reporting periods. New Aim's commitment is set out in further detail in the 'Actions' section of this statement.

Some of the products New Aim procures carry inherent risks of modern slavery because of the modern slavery risks associated with the sourcing of raw materials used in manufacturing of those products. These include:

- **Cotton** – New Aim procures a wide array of bedding and soft furnishings, including quilt covers, hammocks and baby nursing products, made with cotton. Cotton is widely recognised as a product which is commonly produced with forced labour and child labour in a number of high risk jurisdictions internationally. The production of cotton, and its use in manufacturing other goods, is frequently characterised by the use of vulnerable and low-skilled workers as well as the repetitive and labour-intensive nature of the work.
- **Electronics** – New Aim procures a large number of personal and home electronics, as well as fitness equipment and car accessories. In Australia, electronics are the imported product considered most high risk for modern slavery practices. Electronics are manufactured using cobalt which is primarily sourced from the Democratic Republic of Congo (**DRC**). Risks of forced labour and child labour are known to be especially high in the artisanal cobalt mining industry in the DRC. The manufacturing of electronics is predominantly undertaken in China, Vietnam and other jurisdictions with heightened risks of forced labour.
- **Timber** – New Aim procures an array of indoor and outdoor furniture and children's toys made from timber. Globally the forestry industry has been identified as relying on systemic forced labour in lower tiers of the supply chains. This is both due to illegal logging and timber smuggling practices, the hazardous and low-skilled nature of the work, and high reliance of vulnerable workers.³ New Aim is currently in the process of gathering more detailed information in respect of our approximately 60 suppliers of timber products in order to undertake risk assessments, which we intend to progress in the next reporting period.

³ "In Asia, much of the illegal timber is transported to Singapore, South Korea, and China, where it is processed, labelled as legal, and exported to the US and Europe. In Russia, for example, there has been a major issue with illegal logging operations in the Russian Far East region that contains old-growth temperate hardwood forests. Ninety-six percent of this illegal wood is exported to China where it is mixed in with legal woods and sold on the international market. Workers employed in illegal logging, which is primarily controlled by violent criminal groups, are inherently more vulnerable to human trafficking since they have a legitimate fear of reprisal for leaving their jobs without permission or walking away from debts. As they are engaged in illegal activities, they are less likely to be comfortable filing grievances with authorities." – Responsible Sourcing Tool

(https://www.responsible sourcing tool.org/download/reports/JTIP_ExecutiveOrder_Report_2017_06.pdf#page=89;
<https://www.responsible sourcing tool.org/visualizerisk>)

Actions taken in FY22 to address those risks

This section sets out the actions New Aim has taken in FY22 and proposed actions which we intend to implement in future reporting periods.

Modern Slavery risk assessment

In FY22, New Aim undertook high level modern slavery risk assessments of our operations and supply chains for FY20, FY21 and FY22, to inform development and implementation of these policies and processes. This high level review included identifying what products our tier 1 suppliers supply to New Aim, where they are located, and what categories of suppliers and products would be considered high risk for modern slavery.

As a result of this risk assessment, we are implementing actions to increase our due diligence of high risk products and suppliers in future reporting periods.

Ethical Procurement Committee

New Aim established an Ethical Procurement Committee during this reporting period. The committee meets quarterly and is a cross-functional committee of senior managers across New Aim's supply chain and operations. The Committee oversees implementation of ethical procurement initiatives, including modern slavery and timber due diligence compliance and will continue to play an important oversight role going forward.

Timber due diligence

As part of New Aim's commitment to increasing oversight of our suppliers, we collected data from our timber suppliers to assess whether there are any suppliers at most risk of illegal logging in their supply chains. New Aim considers this to be an important step in building our due diligence capabilities across the entirety of our operations and supply chain and will continue to collate and review this data in future reporting periods.

Development of supplier policies and engagement

New Aim began drafting a dedicated Ethical Sourcing Policy and Supplier Questionnaire which we will finalise and action in the next reporting period. The Ethical Sourcing Policy covers New Aim's commitments to workplace health and safety, the prevention of child labour, wage exploitation, and harsh or inhumane treatment, reducing waste and pollution, anti-bribery and corruption provisions and respect for privacy.

The draft Supplier Questionnaire includes questions on the general operations of our suppliers and additionally requires our suppliers to directly report on how they assess and address modern slavery risks in their own operations and supply chains. We are committed to reviewing engagement with, and responses to, the Supplier Questionnaire once it is rolled out to our suppliers.

Internal awareness raising

New Aim provided modern slavery training to our staff in Australia and China to raise employees' awareness of modern slavery and New Aim's obligations under the Act. New Aim will continue developing the scope of this training and intends to provide it to staff on an annual basis.

Future actions

1. Building on previous actions

Building on the actions implemented during this reporting period, over the next three reporting periods, New Aim will focus on engaging with our tier 1 suppliers of New Aim Brands which have been identified as presenting higher risks of modern slavery practices, namely suppliers supplying the following goods:

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

New Aim will develop a workplan to engage with suppliers providing these goods, as well as any residual suppliers of New Aim Brand products. As noted above, New Aim engaged with our timber suppliers to understand their timber sourcing and harvesting practices during this reporting period. We will build upon this engagement to include a specific focus on modern slavery risks, noting that timber has overlapping modern slavery and environmental risks.

2. Implementing our Supplier Questionnaire.

In the next reporting period, we will be finalising and commence providing our Supplier Questionnaire to our first tier suppliers of New Aim Brands to complete in accordance with our workplan. Our workplan focusses on engaging with our suppliers in China at first instance over a three-year period. It is anticipated that by ensuring completion of the Supplier Questionnaire, New Aim will gain additional visibility over second tier suppliers in our supply chain and particularly understand whether any first tier suppliers source material from second tier suppliers in Xinjiang.

3. Implementing our Ethical Sourcing Policy

In the next reporting period, New Aim will finalise and commence disseminating our Ethical Sourcing Policy to our first tier suppliers in accordance with our workplan along with the Supplier Questionnaire. Suppliers will be expected to meet the ethical standards set out in the Ethical Sourcing Policy and take corrective action if there is any non-compliance with these standards, including reporting such instances to New Aim. New Aim recognises that the standards may be new to some suppliers and is committed to working with them. New Aim's Ethical Sourcing Policy will also be made available on our website and to DSZ Suppliers.

Effectiveness of actions

As New Aim is in the preliminary stages of implementing our modern slavery actions, we have not yet begun the monitoring and assessment of the effectiveness of the actions taken to assess and address modern slavery risks in our operations and supply chain. New Aim is committed to developing mechanisms to provide data on the effectiveness of our actions over the next three reporting periods. These measures include:

- monitoring the completion of modern slavery training annually by New Aim employees in Australia and China, and ensuring the inclusion of New Aim's finalised Ethical Sourcing Policy in this training;
- monitoring the follow up of suppliers that are assessed to be above low risk in respect of timber procurement as part of our timber due diligence processes, including considering corrective action in accordance with New Aim's timber due diligence manual and Ethical Sourcing Policy;
- implementing a requirement that our operations and procurement teams provide suppliers with our Supplier Questionnaire during the onboarding process, prioritising our first tier suppliers in China over the next three years;
- monitoring the number of completed Supplier Questionnaires and identifying which suppliers are taking adequate steps to mitigate and/or prevent modern slavery risks within their own supply chains, compared to suppliers which are not engaged with modern slavery risks;
- monitoring and internal reporting on engagement with suppliers that have not completed the Supplier Questionnaire or which provided responses which are inconsistent with New Aim's Ethical Sourcing Policy to better understand the risks that arise, any steps that are being taken to address that risk and identify opportunities to support improvement in their practices of assessing and addressing modern slavery risks which may be present in their own operations and supply chains; and
- developing formalised terms of reference and position descriptions incorporating modern slavery for the Ethical Procurement Committee personnel to assess the work of the Committee and develop accountability for modern slavery risk assessment and risk

management/ mitigation, which will ultimately be integrated into New Aim’s broader risk management framework.

New Aim is committed to ensuring meaningful progress is made in each reporting period and we look forward to sharing how we have developed our modern slavery risk management capabilities in the next reporting period.

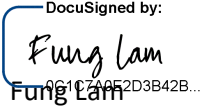
Other relevant information

During this reporting period, New Aim operated as a single reporting entity with a wholly-owned subsidiary. New Aim has sought supply chain information from and consulted with the Head of Buying at our wholly owned subsidiary, Guangzhou New Aim E-commerce Co., Ltd, in relation to Guangzhou New Aim E-commerce Co., Ltd’s supply chain management processes and policies in preparing this statement.

This statement is made in accordance with section 13 of the Act and was approved by the board of New Aim Pty Ltd, on the date below.

Signed by

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Fung Lam

Director of New Aim
Date 15-Dec-2022