

## MODERN SLAVERY STATEMENT – FY2021

27 October 2022

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This Modern Slavery Statement (“**Statement**”) is made pursuant to the Modern Slavery Act 2018 (Cth) (“**Act**”) by Cover Syndicate Pty Ltd ACN 614 038 765 and relates to the financial year 1 July 2020 to 30 June 2021 (“**Financial Year**”).

### ABOUT OUR BUSINESS

#### *Operations*

Cover Syndicate Pty Ltd trades as QBD Books (“**QBD**”). QBD is primarily a retailer of books and to a far lesser extent, educational products and ancillary book products.

#### *About*

At QBD we believe reading is a timeless form of entertainment, and that the importance of a book to help us learn and understand cannot be underestimated. Every day, we give people an opportunity to explore over 2 million books at affordable prices.

Founded in the late 1800's, QBD is Australia's largest Australian owned and operated book retailer. Since 2016 the company has expanded to a network of over 82 stores located in major shopping centres in every Australian state and territory, employing 836 team members on 30 June 2021.

With millions of titles available across all genres, including the latest Australian Geographic products, we have a book for every interest.

Our passionate team members' vast knowledge and continued commitment to customer service has ensured an extremely strong following, allowing us to offer what we believe is the best loyalty program in the industry, increasing the discount opportunities for our customers.

#### *Policy and principles*

QBD is strongly opposed to any form of modern slavery and is dedicated to eliminating all forms of modern slavery from within its business and supply chain.

QBD recognises that it plays a role in the global effort to eradicate modern slavery.

#### *Sourcing*

QBD sources almost all of its product through distributors, which in turn provide a platform for various publishers. These distributors are Australia based with a negligible amount sourced directly from the United Kingdom and the United States. Overall, the three largest suppliers account for more than 70% of annual purchases. Of these three suppliers, two already comply with the Australian Border Force (“**ABF**”) Modern Slavery Statement requirements as their turnover is in excess of \$100m per year. The third supplier has not reached the threshold to begin reporting, but they comply with their parent company's international Modern Slavery policy.

QBD has long-term supply relationships (i.e. more than 5 years) with the vast majority of its suppliers.

According to QBD's largest supplier's Modern Slavery Statement, which is consistent in practice with most other suppliers to QBD:

*“We procure goods and services from a wide variety of providers, which encompass the manufacturing, storage and distribution of our publishing, audio and digital content. We generally have long term relationships (i.e., more than five years) with our suppliers.”*

*Our suppliers predominantly operate within Australia except that we and our related Penguin Random House group companies engage some large printing companies operating from the United States, China and Japan.”*

## **Supply chain**

QBD recognises that all supply chains carry the risk of modern slavery, which includes manufacturing to material sourcing and harvesting of raw materials.

According to the Global Modern Slavery Index, goods sourced directly or indirectly from China by QBD’s suppliers present a higher risk of modern slavery. This supply includes books printed in China and products that QBD suppliers have sourced from other suppliers within Australia, which may consist of materials sourced from China and other higher risk jurisdictions.

## **Assessing and addressing the risk of modern slavery**

Managing the risk of modern slavery in QBD’s supply chain is a key operational consideration and QBD is committed to conducting its business in a moral and ethical manner which recognises the need to establish and maintain corporate governance practices which comply with legal and regulatory frameworks.

QBD suppliers, who are in turn serviced by printing suppliers, remain committed to the Book Chain Project. The Book Chain Project is a collaboration of leading publishers working together to drive social and environmental responsibility in their product supply chains. The publishers expect all product suppliers to commit to working towards the Book Chain Standards (“BCS”) set out in the attached Book Chain Supplier Code of Conduct (“BCSCC”).

The BCSCC is a comprehensive document which includes:

- Responsibilities of the publisher
- Responsibilities of direct suppliers to the publishers
- Responsibilities of agents
- Sharing of information between all parties
- Labour standards
- Health and safety standards
- Environmental standards
- Subcontracting standards
- Recognition of land and the rights of Indigenous people

Printing suppliers are required to undertake annual approved and independent audits against the BCSCC. These audits include unfettered access to:

- a) the site for inspection;
- b) full, transparent records; and
- c) randomly selected employees for confidential interviews.

The audit reports also confirm whether suppliers have written policies prohibiting modern slavery and have provided training to relevant employees. Where an audit reveals minor non-compliance not directly related to modern slavery, it is expected that these issues are addressed and reported.

Through the Book Chain Project, all founder member publishers (including other key publishers) have access to the audit results.

QBD has a zero tolerance to modern slavery in all forms and will cease the supply relationship with any supplier that participates in or condones modern slavery.

## **Assessment**

Book Chain Project member publishers and other publishers which have adopted the BCSCC form the vast majority of product supplied to QBD. Non-publisher suppliers are also required to comply with the Modern Slavery Act 2018. An annual check is performed by QBD to ensure that suppliers are compliant.

As the industry as a whole has proactively developed this supplier code of conduct QBD does not believe there to be a substantive risk of modern slavery in its business operations, which includes its support office in Queensland and its retail stores across Australia.

QBD has comprehensive HR policies to ensure it complies with industrial relations laws, employment entitlements in the National Employment Standard ("NES") and General Retail Industry Award ("GRIA").

This "Modern Slavery Statement - FY2021" has been approved by the Cover Syndicate Pty Ltd (ACN 614 038 765) board.

Signed,

A handwritten signature in black ink, appearing to be 'N. Croydon', written over a horizontal line.

Nicholas Croydon

Director and Chief Executive Officer