

# SYDNEY TOOLS®

## MODERN SLAVERY STATEMENT



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This Modern Slavery Statement (Statement) is made in accordance with the Australian Modern Slavery Act 2018 (Cth). This Statement is made by Sydney Tools for the financial year ending 30 June 2022.

This statement will identify the current steps in place to assess and prevent modern slavery in our business and supply chains.

## **OUR REPORTING ENTITY**

Sydney Tools Pty Ltd is the sole reporting entity and is solely responsible for the management and control of Sydney Tools operations.

As an essential service provider, our decisions and actions have the potential to significantly impact our people, customers and communities.

Sydney Tools understands the importance of responsible procurement and ensures that ethical, environmental, and social considerations for part of our decision-making processes.

As a result, we have taken a proactive approach to identifying modern slavery risks across our operations and supply chain.

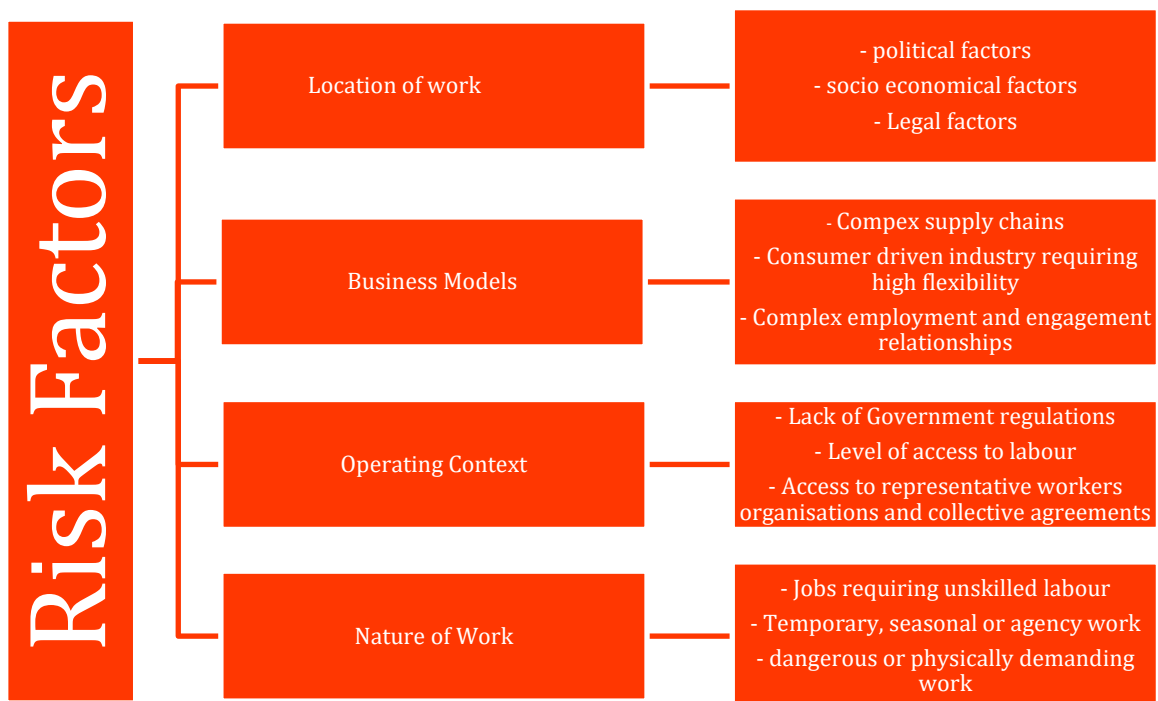
Sydney Tools is committed to:

1. Preventing modern slavery within the organisation and supply chain
2. Ensure risks of modern slavery are reported in a timely manner
3. Adhering to legal obligations for reporting and risk management of modern slavery
4. Promoting a workplace culture in which protects human rights and encourages all employees to contribute to the prevention of modern slavery.

## OUR MODERN SLAVERY RISK AREAS

The behaviours and practices which constitute modern slavery are serious human rights violations. In accordance with the Australian Modern Slavery Act 2018 (Cth), Modern Slave Labour is defined as acts including human trafficking, slavery, servitude, forced labour, debt bondage, forced marriage, child labour and deceptive recruiting for labour or services. In addition, we also consider exploitation of migrant workers, gender inequality, poor working conditions and poor health and safety assessments.

Sydney Tools utilises the Risk Model below to determine where our operations and supply chains may present modern slavery risks.



Sydney Tools recognises that our operations and supply chains are complex and diverse in nature. In delivering the best tools, we operate in some locations and supply chains that may have an elevated exposure to the risk of modern slavery.

Approximately 87% of our suppliers are based in Australia, and 13% in other countries such as the United States, Japan, Korea, China, Taiwan and Europe.

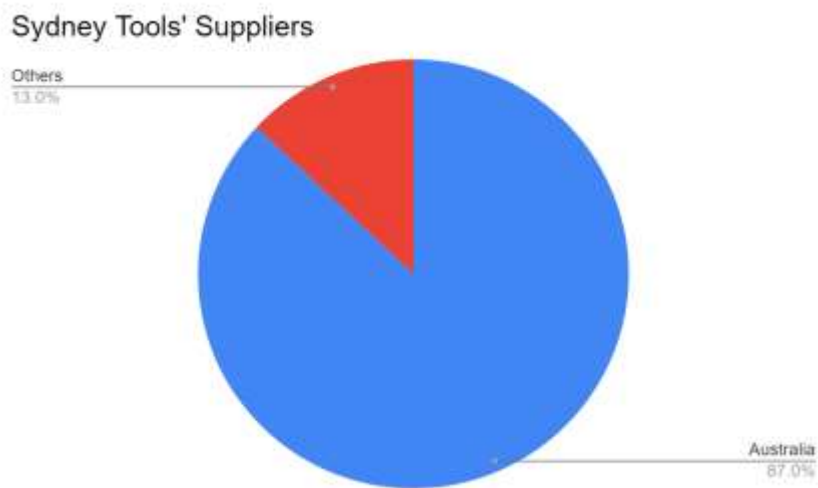


Figure 1. Sydney Tools' Suppliers

Sydney Tools employees and the employees of Australian suppliers are protected by Industrial Relations Legislation, National Employment Standards, Modern Awards, and employment contracts. We also note both Sydney Tools employees and employees of Australian suppliers are also protected by Australian regulators who have the power to enforce legislative requirements that aid in managing and protecting employees from slave labour.

As Sydney Tools engages with suppliers both locally and globally, it is evident that certain suppliers may present a higher risk of modern slavery on the grounds of the jurisdiction and industry within that country.

Suppliers based in United States, Korea, Japan, and Europe were assessed to have moderate risks of modern slavery. However, Sydney Tools have identified that China posed to have a higher risk of modern slavery based on their vulnerability impacted by the low-income levels, lack of public services to their official city of residence and poverty.

Sydney Tools understands modern slavery risk refers to the potential adverse impact on the organisation can have on labour-related rights. Modern Slavery risks may arise due to issues present in the countries and regions in which we operate and from which we source, the type of products and services we acquire and the specific entities we engage. As such our modern slavery risk profile continuously evolves as potential modern slavery risks may change over time. These changes can reflect internal factors such as establishing new policies and procedures.

Sydney Tools will continuously conduct risk assessments of our supply chain by taking into account:

- The risk profile of individual countries based on the Global Slavery Index
- The business services rendered by the suppliers
- The presence of vulnerable demographic groups
- A news analysis and the insights of labour and human rights groups

This assessment will determine our response and the risk controls that we implement.



## ASSESSING THE EFFECTIVENESS

Sydney Tools has a zero-tolerance policy against modern slavery and acknowledges the challenges that sourcing from international suppliers bring regarding worker's freedom of movement and association of rights. Sydney Tools is committed to delivering products and services to the community in a way that is consistent with our values and protects human rights.

We have developed and implemented a Modern Slavery Response Protocol which outlines the steps to report modern slavery exploitation and any instances of modern slavery in our supply chains and worksites is encouraged to follow these steps:

1. If someone is in immediate danger, or a child is concerned, dial 000
2. Do not engage further with the supplier on the allegation
3. Do not attempt to further investigate or verify the allegation
4. Maintain privacy and confidentiality of complainants where necessary.

### Policies

Sydney Tools operates the following policies for identifying and preventing slavery and human trafficking in our operations:

- Code of Conduct - our code encourages employees to do the right thing by clearly stating the actions and behaviour expected of them when representing the business. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain.
- Purchasing Code - we have updated our Purchasing Code and supplier contracts to make explicit reference to slavery and human trafficking.

## Education

Sydney Tools is dedicated to educating their employees on the following:

- ⇒ Various forms of modern slavery in which people can be held and exploited;
- ⇒ The size of the problem and the risk it has to our organisation;
- ⇒ The signs of slavery and human trafficking, including unrealistically low prices;
- ⇒ How to respond if they suspect any conduct of slavery and/or human trafficking;
- ⇒ What internal and external help is provided to victims;
- ⇒ What terms and guidance should be provided suppliers in relation to slavery procedures and controls;
- ⇒ What steps our organisation should take if a supplier fails to implement anti-trafficking and anti-slavery policies and procedures
- ⇒ A confirmation from employees that they will abide by our anti-slavery policy.

Sydney Tools aims to continuously develop and implement targeted education and engagement activities to lift knowledge and awareness of modern slavery risks for high-risk areas/activities. Sydney Tools raises awareness of modern slavery issues by putting up posters and sending an email that is focused specially on modern slavery to all our staff outlining:

1. Our commitment in the fight against modern slavery;
2. Red flags for potential cases of slavery or human trafficking; and
3. How employees should report suspicions of modern slavery.

Sydney Tools has a number of mechanisms for employees and third parties to report behaviours that are not aligned with its expectations and the expectations of its customers. A human resources unit has been established to receive complaints and can be contacted at [admin@sydneytools.com.au](mailto:admin@sydneytools.com.au) or on 02 8199 1199. All suspected and actual corrupt conduct can be reported to Human Resources on [admin@sydneytools.com.au](mailto:admin@sydneytools.com.au) or on 02 8199 1199. However, if someone is in immediate damage, or a child is concerned, dial 000. Once we have received complaints or allegations, we do not engage further with the supplier on the allegation and do not attempt to further investigate or verify the allegation.



## Risk Assessment

Sydney Tools has a risk assessment sheet used to assess modern slavery risks and understand their supply chain visibility.

General Modern Slavery Questions	Yes	No	Please describe
1. Does your organisation have policies and processes to identify, investigate and eliminate the risk arising from modern slavery?			
2. Does your organisation have a team responsible for overseeing modern slavery risks that arise in relation to the goods/services that you deliver?			
3. Do you provide training to your employees on modern slavery risks			
4. Does your organisation perform screening or due diligence checks of prospective suppliers to assess the risks of modern slavery that may occur in its operations and supply chains?			
5. Does your organisation require your suppliers to conduct due diligence for modern slavery risks on their suppliers			
6. Does your organisation operate or have suppliers in which operates in countries identified as high risk for modern slavery?			
7. Does your organisation provide goods/services that are known to high a high modern slavery risk factor?			
8. Have you had any instances known or suspected Modern Slavery in your supply chain or claims or adverse media attention in relation to human rights practices within your supply chain?			
9. Are there any original identity related documents of workers retained?			
10. Does your organisation deduct wages, impose monetary fines, and/or withhold pay or pay entitlements of workers?			
11. Are workers paid their legal entitlements?			
12. Are all workers provided with a written contract in a language they understand?			
13. Are workers free to lawfully resign their employment without restriction or penalty?			
14. Do workers have a complaint mechanism to anonymously raise concerns related to labour conditions or workplace grievances and access appropriate remedy?			

## Supplier due diligence

Sydney Tools conducts due diligence on new suppliers during on-boarding and on existing suppliers at regular intervals. This includes:

- Assessing risks in the provision of particular services
- Auditing the suppliers, and their health and safety standards, labour relations and employee contracts
- Requiring improvements to substandard employment practices
- Sanctioning suppliers that fail to improve their performance in line with our requirements

We require suppliers to attest that:

- They don't use any form of forced, compulsory or slave labour
- Their employees work voluntarily and are entitled to leave work
- They provide each employee with an employment contract that contains a reasonable notice period for terminating their employment
- They don't require employees to post a deposit/bond and don't withhold their salaries for any reasons
- They don't require employees to surrender their passports or work permits as a condition of employment

## Measuring how we perform

Sydney Tools has defined a set of key performance indicators and controls to combat modern slavery and human trafficking in our organisation and supply chain. These include:

- How many stake holders or human resource managers are aware of modern slavery risks and the actions required to be taken to resolve any issues in which may arise?
- Ongoing promotion and awareness of the modern slavery risks to our suppliers.
- What are the findings of our cross-functional Human Rights team, which reviews how we are addressing modern slavery and human trafficking?

Sydney Tools has is committed to evolve the organisation to ensure they combat modern slavery within our organisation and supply chain by implementing the following:

<b><u>Area</u></b>	<b><u>Priority recommendations to strengthen our Modern Slavery Policy</u></b>
<b>Policy</b>	Constant review of our code of conduct, due diligence policy and outsourcing policy to be consistent with current legislation and regulations.
<b>Risk Assessment</b>	Further improving Sydney Tools supplier risk assessment to ensure greater alignment with modern slavery legislations.
<b>Assess effectiveness</b>	Insights from our supplier’s due diligence reports and our constant review of monitoring procedures will drive actions to assess and further improve the effectiveness of our approach.
<b>Integrated findings</b>	Stronger engagement with directors and managers and encourage employee’s voices to be heard.

Sydney Tools is dedicated to assessing the effectiveness of our modern slavery risk management framework as we continue to lay the groundwork for an increasingly vigorous modern slavery risk management policy and procedure, the data insights we collect through supplier and client due diligence improves paving a more effective assessment of our framework. We are committed to communicating transparently regarding the risk of modern slavery in our operations and supply chain.

## RETAIL OPERATIONS AND SUPPLY CHAIN

### Retail operations:

Sydney Tools is one of Australia's largest wholesaler and retailer for industrial tools, consumables, and accessories for almost 20 years. Sydney tools currently operates over 70 retailer stores across Australia and operates an e-commerce store being one of Australia's largest wholesaler



and retailer providing a range of industrial, construction, trade power tools and safety gear.

Our commitment to our customers is that we will match any advertised price for the same stocked items. We pride ourselves on customer satisfaction before, during and after each sale. We provide on-site sales and technical expertise from our business development managers and account management team to ensure we provide technical expertise and service to customers. In addition to providing tools, servicing, and repairing tools from our major brands are just as important to our business. For the convenience of our customers, Sydney Tools has 25 workshops located within our store network including our largest workshop located at our Sydney Tools head office. Sydney Tools utilises warehousing, distribution, importing, freight and logistics and repair centres in which forms an integral part of our retail operations.

## Supply Chain

Sydney Tools takes great care and works very closely with suppliers, to ensure they adhere to high levels of professionalism and ethical standards. We have a strong reputation for offering the best brands at the best prices. Some of our major brands include Milwaukee, Makita, DeWalt, Hikoki, Festool, Paslode, Ramset, Husqvarna, Stanley, Fein, UniMig and Cigweld. We supply premium quality tools, consumables and accessories to all industries including the construction, mining, agriculture, and the automotive industry.

Our core beliefs and key values include delivering the highest quality service, range, guidance, and equipment at the most competitive pricing, as well as upholding fairness and integrity.

In addition to our well-known Australian suppliers, Sydney tools has its own private label range of products such as Typhoon, Weka. Our private label range of products are manufactured primarily at an international supplier's factory. Products which have internationally sourced components are subjected to our risk assessment and management processes.

At Sydney Tools we request Suppliers comply with all Laws and ensure that the Deliverables and use of them by the customer as contemplated in the contract will comply with all laws including but not limited to the Disability Discrimination Act 1992 (Cth), the Modern Slavery Act 2018 (Cth) (where applicable to the Supplier) and the Human Rights Act 2019 (Qld) (where applicable to the supplier). Sydney Tools and its suppliers must not, and must take reasonable steps to ensure that its supply chain does not, undertake acts which could constitute an offence involving modern slavery and must implement due diligence procedures for its supply chain to ensure compliance with the Modern Slavery Act 2018 (Cth), where that Act applies to the Supplier. We establish a relationship of trust and integrity with all our suppliers, which is built upon mutually beneficial factors. Our supplier selection and on-boarding procedure includes due diligence of the supplier's reputation, respect for the law, compliance with health, safety and environmental standards, and references.



## **CONSULTATION**

There are no other entities owned or controlled by Sydney Tools. However, in the process of preparing this statement, Sydney Tools consulted with suppliers. The directors and senior managers were engaged during the reporting period and in preparation of this statement.

This statement was approved by Jason Bey as the Sole Director of Sydney Tools Pty Ltd on 2 December 2022.



**Sydney Tools Pty Ltd** ACN 112 852 285

**Jason Bey**

Sole Director

