

# Modern Star Pty Ltd

## Modern Slavery Statement

2024



**Modern Star Pty Ltd** (ABN 31 101 306 950)  
Level 1, 122-126 Old Pittwater Road, Brookvale, NSW 2100 Australia  
PO BOX 1126, Dee Why, NSW 2099 Australia  
P +612 9907 5279 W [modernstar.com](http://modernstar.com)

# About this Statement

This statement is submitted by the Modern Star Pty Ltd (also referenced as Modern Star or the Group) and prepared to meet the mandatory requirements of the Modern Slavery Act 2018 (Commonwealth) (the Act), for the financial year ended 30 June 2024 (FY24), and addresses the risk of modern slavery in Modern Star's supply chain and own business operations.

This is a joint statement covering the Modern Star Group and all its operating entities as described in section **1.1 Reporting Entities**. This statement covers each of the 7 criteria, and describes how Modern Star seeks to identify, assess and address risks of modern slavery across our own operations and in our supply chain. It also includes how we assess the effectiveness of our approach.

Copyright: this Statement cannot be reproduced (in whole or in part) in any form without the express written permission of Modern Star Pty Ltd.

## Questions or Concerns

This statement is prepared with the utmost care. If you have any questions or concerns about this modern slavery statement, our approach to minimising modern slavery in our supply chain or own operations, or in regard to ongoing practices in our operations and or supply chain, we encourage you to make contact with our ESG & Compliance team.

To contact, email **Sydney-compliance@modernstar.com**.

Alternatively, it is possible to provide an (anonymous) report of concern associated with modern slavery or human rights issues within our operations or supply chain, through our third-party whistleblower program Stopline. To make a confidential disclosure, visit <https://modernstar.stoplinereport.com> or call **1300 30 45 50**.




## Acknowledgement of Country

Modern Star respectfully acknowledges the Traditional Owners of the lands on which we live and work across Australia. We pay our respects to Elders past and present, and recognise their enduring connection to land, waters, and communities. We honour the deep cultural heritage, histories, and traditions of Aboriginal and Torres Strait Islander peoples and acknowledge their invaluable role as custodians of these lands.

We are committed to fostering a spirit of reconciliation and collaboration as we work towards ethical business practices. We recognise the importance of preserving and celebrating the rich histories, cultures, and traditions of First Nations peoples, while acknowledging the injustices of the past.

In honouring the Traditional Owners, we embrace the values of cultural diversity and inclusion. We are dedicated to building a future guided by respect, understanding, unity, and inclusion, where these principles are reflected in our actions, decisions, and approach to responsible and ethical practices.



# Contents

<b>Criteria 1. Identify the Reporting Entity</b>	<ul style="list-style-type: none"> <li>• 1.1 Reporting Entities</li> </ul>	4
<b>Criteria 2. Our Structure, Operations &amp; Supply Chains</b>	<ul style="list-style-type: none"> <li>• 2.1 About the Modern Star Group</li> <li>• 2.2 Group Structure and Geographical Footprint</li> <li>• 2.3 Our Operations</li> <li>• 2.3 Our Supply Chain &amp; Procurement</li> <li>• 2.4 Our Governance Framework</li> </ul>	6 6 7 7 9
<b>Criteria 3. Identifying &amp; Assessing Modern Slavery Risks</b>	<ul style="list-style-type: none"> <li>• 3.1 Our Risk Assessment Framework</li> <li>• 3.2 Risks in our Own Operations</li> <li>• 3.3 Risk in Our Supply Chain</li> </ul>	11 12 13
<b>Criteria 4: Actions to Address Modern Slavery Risks</b>	<ul style="list-style-type: none"> <li>• 4.1 Actions to Address Risks in Our Own Operations</li> <li>• 4.2 Actions to Address Risks in Our Supply Chain</li> <li>• 4.3 Targeted Product-Specific Risk Mitigation</li> <li>• 4.4 Processes for New and High-Risk Suppliers</li> </ul>	22 22 24 24
<b>Criteria 5: Assessing the Effectiveness of our Actions</b>	<ul style="list-style-type: none"> <li>• 5.1 Modern Slavery Program Review Framework</li> <li>• 5.2 Key Effectiveness Indicators (KPIs)</li> <li>• 5.3 Continuous Improvement</li> <li>• 5.4 FY24 Program Achievements</li> <li>• 5.5 Commitments for FY25</li> <li>• 5.6 Recommendations for Enhanced Effectiveness</li> </ul>	26 26 27 27 28 28
<b>Criteria 6: Consultation with Entities owned by Modern Star</b>	<ul style="list-style-type: none"> <li>• 6.1 Consultation Approach and Frequency</li> <li>• 6.2 Integration and Alignment of Policies</li> <li>• 6.3 Roles and Responsibilities</li> <li>• 6.4 Training and Capacity Building</li> <li>• 6.5 Ongoing Monitoring and Continuous Improvement</li> </ul>	29 30 30 30 31
<b>Criteria 7: Other Relevant Information</b>	<ul style="list-style-type: none"> <li>• 7.1 Reflections on Progress and Challenges</li> <li>• 7.2 New Initiatives and Future Commitments</li> <li>• 7.3 Our Commitment to Stakeholder Collaboration</li> <li>• 7.4 Commitment to Continuous Improvement</li> </ul>	31 32 34 34



## Message from our CEO

Modern Star is proud to present our 2024 Modern Slavery Statement, reflecting our determined commitment to combating modern slavery risks in our supply chain and driving continuous improvement. This marks our fifth statement under the Australian Modern Slavery Act, and it embodies our dedication to upholding the highest ethical standards in everything we do.

As Australia and New Zealand's leading supplier partner of educational resources and toys to early childhood centres, schools, after-school services, retailers and toys shops, our mission remains clear: We exist so that everyone can learn, lead and play.

We recognise that our impact extends far beyond the products we deliver. It includes the communities, individuals and environments connected to our supply chain. Protecting human rights of the workers in our supply chains are non-negotiable principles that guide our operations. We strive to build a supply chain based upon the principles of respect, transparency, accountability.

Our commitment to ethical sourcing goes beyond compliance obligations. It is central to our purpose and values. We are working with all stakeholders towards a shared vision of an ethical, sustainable, and increasingly just future.

We remain committed to continuous improvement, consistently evaluating and enhancing our policies, processes and practices to uphold the highest standards.

Let us work together in supporting ethical practices and bringing about lasting change in global supply chains. Together, we can shape a future where education, play and learning flourish with full respect for human dignity.

A handwritten signature in black ink, appearing to read 'Mal McHutchison'. The signature is stylized with a large 'M' and a long horizontal stroke at the end.

Mal McHutchison

Chief Executive Officer

19 November 2024

This statement is approved by Modern Star's Board at a Directors meeting held on 18 December 2024.



# Criteria 1.

## Identify the Reporting Entity

This report has been prepared by the Modern Star Group as a Joint Statement. The reporting entities covered by this Statement are Modern Star Pty Ltd, and Modern Teaching Aids Pty Ltd. The Statement also includes all other entities that Modern Star wholly owns and controls, which can be found in section 1.1.

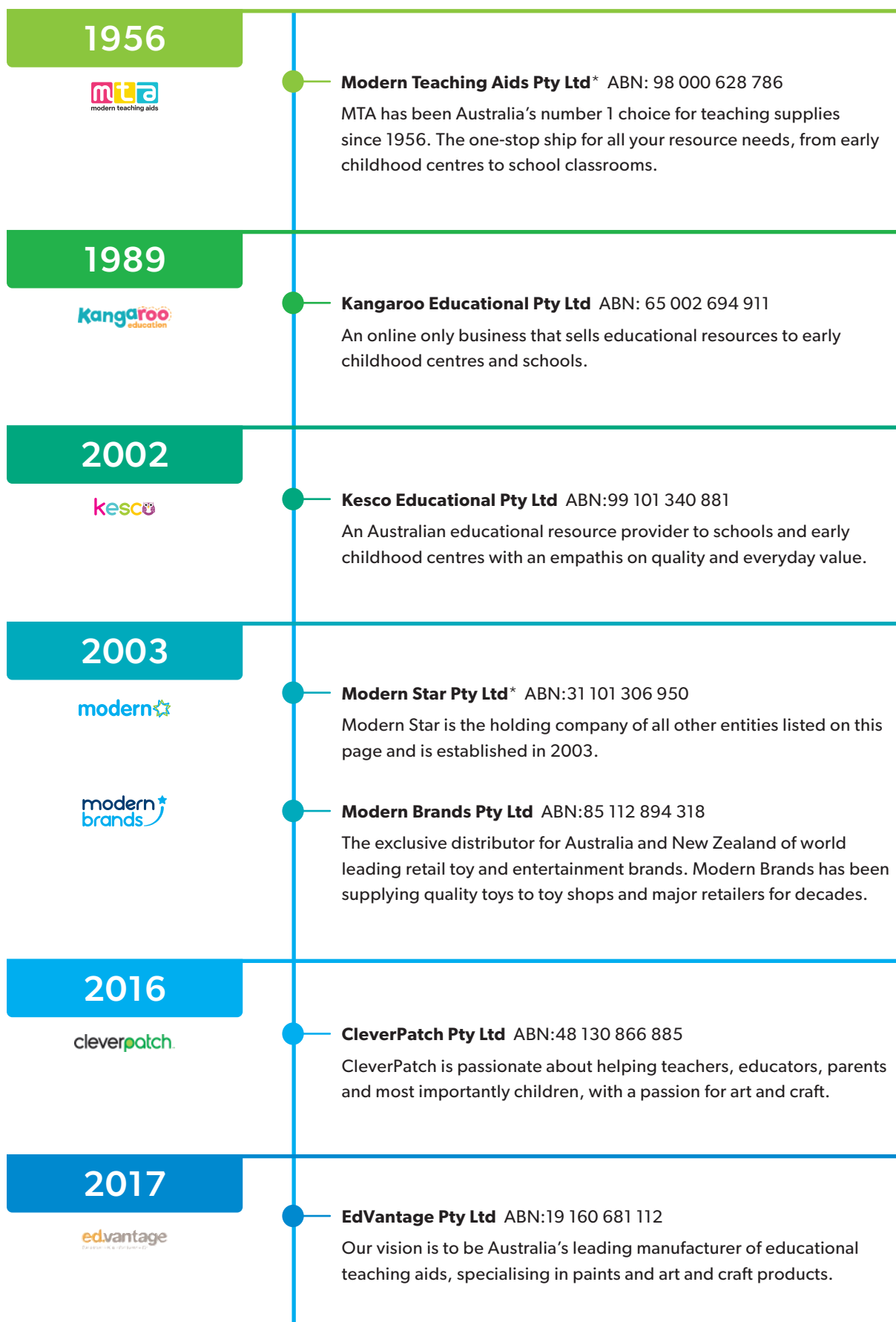
As the parent company, Modern Star is responsible for coordinating modern slavery compliance across its Group entities.

### 1.1 Reporting & Included Entities



# 1.1 Reporting & Included Entities

The Modern Star Group has prepared this statement on its own behalf and all its controlled entities, including newly acquired ones. Below is an overview of the history of the Modern Star Group, and more information about each of the reporting (marked with \*) and included entities included in this statement.



<p><b>2018</b></p> <p><b>zart</b></p>	<p><b>Zart Art Pty Ltd</b> ABN:24 621 120 321</p> <p>Zart Art is a supplier of art and craft materials, stationery and educational products. Besides our comprehensive range in our online store, we also provide professional learning opportunities for educators and individuals.</p>
<p><b>2019</b></p> <p><b>Educating Kids</b></p>	<p><b>Educating Kids Pty Ltd</b> ABN:31 091 745 818</p> <p>Dedicated to education for early years. We believe in making beautiful resources available to all children.</p>
<p><b>2021</b></p> <p><b>RHS</b></p> <p><b>BATGER</b></p>	<p><b>Ross Haywood Sports Pty Ltd</b> ABN:85 108 820 828</p> <p>RHSports is the largest wholesale supplier of sports equipment in Australia, supplying the education sector, clubs, government organisations and corporate entities.</p> <p><b>RE Batger Pty Ltd</b> ABN:50 000 293 550</p> <p>Batger is one of Australia's largest educational and commercial furniture manufacturers and suppliers. Established in 1953, we are proudly Australian owned. We manufacture from our factory in Sydney and believe that Australian-made quality and world-class standards should be affordable.</p>
<p><b>2022</b></p> <p><b>Elizabeth Richards</b></p>	<p><b>Elizabeth Richards Pty Ltd</b> ABN:85 661 117 719</p> <p>Elizabeth Richards' goal is to create inspiring, inclusive and innovative learning spaces for all children. Elizabeth Richards prioritises sourcing products from local manufacturers whenever possible.</p>
<p><b>2023</b></p> <p><b>HART SPORT</b></p>	<p><b>Hart Sport Pty Ltd</b> ABN:85 664 465 034</p> <p>Hart Sport is the manufacturer and supplier of sporting goods and fitness equipment, with the aim to help people stay active. Their customers include schools, sporting clubs, businesses, fitness centres, government organisations &amp; thousands of individuals.</p>

# Criteria 2.

## Modern Star Structure, Operations and Supply Chains

2.1 About Modern Star

2.2 Group Structure and Geographical Footprint

2.3 Operations

2.3 Supply Chain & Procurement

2.4 Governance Framework





## 2.1 About Modern Star

Modern Star Group and its entities have grown into Australia and New Zealand's leading partner for educational resources and toys, serving early childhood centres, primary and secondary schools, after-school programs, major retailers, and toy shops. Our mission is to empower learning, leadership, and play by providing high-quality educational resources and toys that engage children and students, support educators, and inspire creativity and exploration.



Our customers are split into the following channels:

### Educational Resources

Products and learning materials developed for educational environments, including resources for literacy, science and mathematics, art and craft material, school furniture, sports equipment and audio-visual equipment.



### Educational Toys

Educational toys and games for children, distributed through major retail and specialty outlets across Australia and New Zealand.



## 2.2 Group Structure & Geographical Footprint

Modern Star Group operates with staff, offices and warehouses located throughout Australia and New Zealand, including:

- **Offices:** Brookvale, Beresfield, Girraween, Hallam, Brunswick East, Aspley and Auckland.
- **Warehouses:** Beresfield, Brendale, Hallam and Auckland.
- **Manufacturing Locations:** Girraween, Aspley and Bayswater

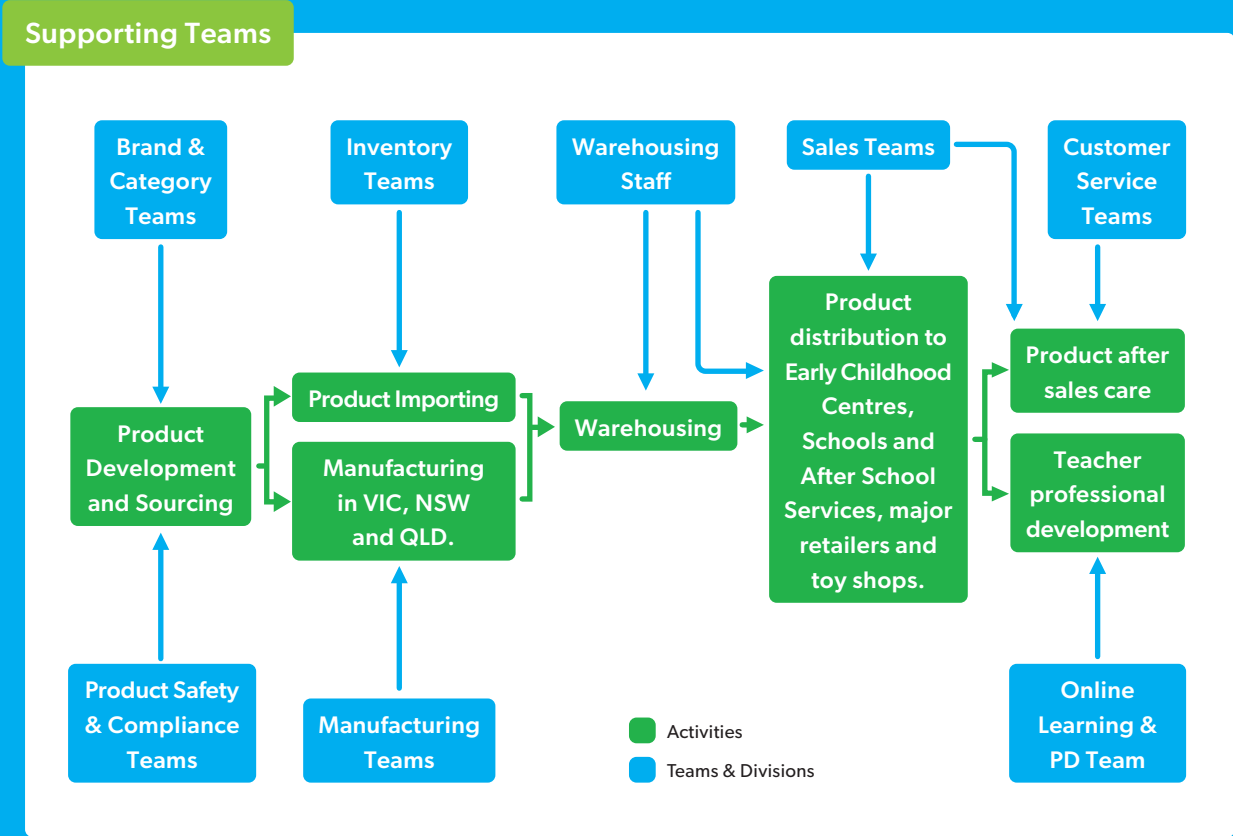


By June 2024, Modern Star employed and contracted 703 staff members in Australia, New Zealand, China and the Philippines. Of these employees, Modern Star directly employed 637 staff members in Australia.

Our Modern Star reporting entities are listed in 1.1 Reporting Entities. Recently acquired entities are integrated into Modern Star’s modern slavery program.

## 2.3 Operations

The following teams and divisions all work together to provide our customers with the highest quality of products and services, from product sourcing and development all through after sale service. These departments are supported by a range of support functions such as sales, marketing, operations, IT, finance and design teams.

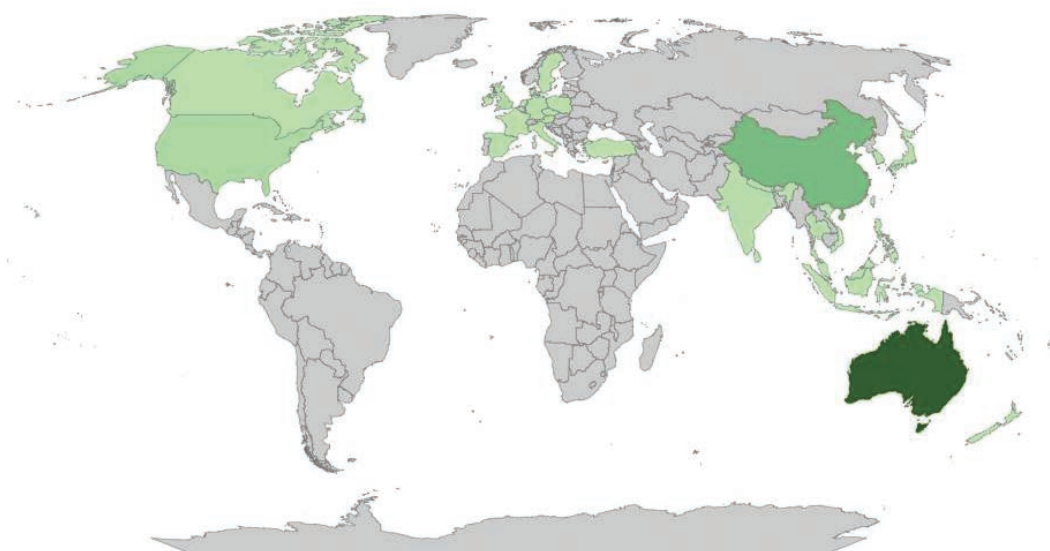


## 2.3 Supply Chain & Procurement

Modern Star has a large and complex supply chain and includes **1325 Tier 1 stock suppliers** spanning **33 countries**. Our products cover a wide range of categories. We are continuously working on gaining further insights in our Tier 2 suppliers. With many of our suppliers we have multi-generational partnerships, with decades of business together.

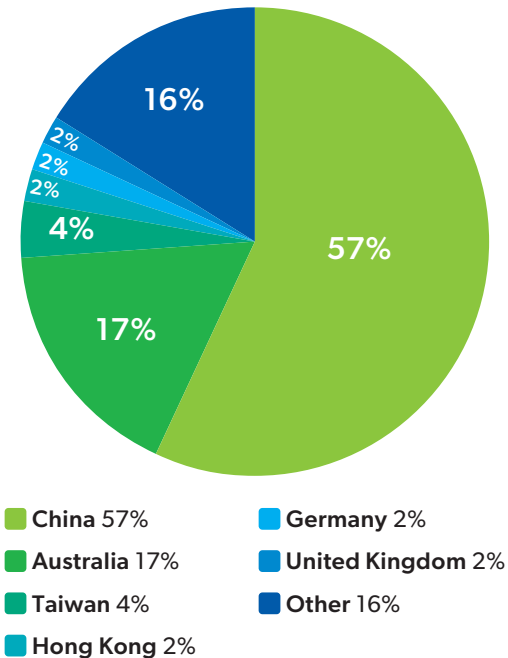
### 2.3.1 Geographical Location of Stock Suppliers

Tier 1 Stock Suppliers					
Country	Suppliers	Country	Suppliers	Country	Suppliers
Australia	815	Canada	7	France	2
China	245	Israel	6	Czech Republic	2
US	45	Italy	6	Malaysia	2
UK	37	Poland	6	Nepal	2
Taiwan	33	Denmark	5	Vietnam	2
Hong Kong	28	The Netherlands	5	Singapore	2
Germany	15	Sweden	5	Sri Lanka	2
India	10	South Korea	4	Turkey	1
New Zealand	10	Japan	3	Ireland	1
Thailand	9	Austria	3	Philippines	1
Spain	8	Indonesia	2		



## Tier 2 Suppliers

Our known Tier 2 suppliers are predominantly located in China and Australia.



## 2.3.2 Product Ranges

Modern Star's main target markets are schools and early childhood centres, toy shops and major retailers. Our product offering includes over 30 major product categories. Our main procurement and manufacturing categories consist of (but are not limited to):



Art & Craft



Furniture



Toys, Puzzles  
& Games



Janitorial  
Products



Educational  
Resources



Science  
Equipment



Sporting  
Goods



Robotics &  
Technology



Audio-Visual  
Technology



Stationery



Musical  
Instruments



Books

Modern Star additionally procures a range of non-stock items to support our growing operations in Australia and New Zealand, including ICT equipment, software, office furniture, warehousing equipment, transport, utilities, advertising, consultants and more.



## 2.4 Governance Framework

The responsibility of the implementation of our modern slavery program and ethical sourcing strategy involves all entities, and a wide range of teams and departments. From product sourcing and supplier onboarding to the management of human rights issues, minimising the risk of modern slavery in our own operations and our supply chain is a responsibility of all employees.

### 2.4.1 Responsible Teams involved in the Modern Slavery Program

#### Senior Management and the ESG & Compliance Team

Modern Star's **Senior Management Team**, alongside the **ESG & Compliance Team**, is accountable for implementing and maintaining our modern slavery program across all Group entities. The Senior Management Team delegates operational responsibilities to our Group ESG & Compliance Manager, who – together with her team – achieves compliance through due diligence of our supply chain through strict documented processes.

#### Modern Slavery Working Group

The **Modern Slavery Working Group**, comprising leaders from each reporting entity, works together to ensure compliance by coordinating risk management efforts, tracking progress, and implementing our Ethical Sourcing Policy in a consistent way across our entities.

#### Category, Brand and Product Teams

The **Category, Brand and Product Teams** manage the direct relationships with suppliers. This includes requesting our Ethical Sourcing Policy to be signed, and to request valid and recent factory audit reports.



## 2.4.2 Policies

Modern Star has implemented a comprehensive set of policies and procedures – reviewed regularly – which detail our values, ways of working and expectations for our own employees as well as all other involved parties, including our suppliers. This policy framework ensures that all stakeholders clearly understand our expectations and in return can expect a consistent approach in implementing these expectations.

The following policies are most relevant to our approach in minimising the risk of modern slavery in our supply chain and addressing and mitigating suspected or confirmed modern slavery anywhere in our operations and supply chain.

### Ethical Sourcing Policy

Our Ethical Sourcing Policy (ESP) is the heart of our modern slavery program. It outlines our expectations of suppliers around social and environmental obligations and requirements and ensures that our supply chain complies with legal and contractual obligations.

Our ESP specifically refers to the prohibition of modern slavery and child labour, fair working conditions, freedom of association, non-discrimination and harsh or inhumane treatment, anti-bribery and corruption, ethical sourcing of raw materials, environmental protection and grievance mechanisms. It also requires our supply chain to complete their own human rights due diligence.

### Human Rights Policy

Our Human Rights Policy is our commitment to respecting and promoting human rights across our own operations, supply chain and communities. By outlining our key principles in alignment with international human right standards and industry best practices, we strive to identify, mitigate and address human right risks of our own employees and all workers in our supply chain.

### Child Labour Policy

Our Child Labour Policy outlines our commitment to respecting and protecting the rights of children to a safe and healthy environment, protection from harm, and access to education. The policy outlines our expectations of suppliers, as well as a remediation process for suspected or identified child labour.

### Modern Slavery Risk Assessment Policy

The Modern Slavery Risk Assessment Policy is our new policy to ensure a consistent and proactive approach in identifying and assessing the risk of modern slavery in our supply chain, and to mitigate these risks effectively. The process consists of four steps: identifying high-risk areas, data collection and analysis, evaluating and rating, and mitigation actions.

### Modern Slavery Remediation Policy

The Modern Slavery Remediation Policy is another new policy, with the purpose to outline Modern Star's approach to remediating instances of modern slavery identified in the supply chain. The aim is to protect and support affected individuals, support suppliers to correct and remediate the root cause, and to restore ethical standards.

### Code of Conduct

Our Code of Conduct ensures Modern star conducts business to the highest standards of ethics, integrity, and behaviour when dealing with its employees, suppliers, customers, or other business partners. It outlines a set of standards and expected ethical behaviour which are required to support the company's legal, moral and ethical standards.

### Timber, Pulp & Paper Sourcing Policy

Our Timber, Pulp and Paper Sourcing Policy aims to ensure that the timber used in any of our products is legally harvested, with a transparent chain of custody. This policy focuses more on the protection on the environment and deforestation, but there is a documented correlation between illegal logging and modern slavery. Therefore, by protecting the forests, we are indirectly protecting the workers in this supply chain.

### Whistleblower Policy

A modern slavery program can't exist without the availability of a reporting system where unethical wrongdoing can be reported without fear of intimidation, disadvantage or reprisal. Our whistleblower policy aims to protect employees and all other stakeholders, who want to confidentially report any reportable conduct in relation to modern slavery and human rights violations. This can be done directly to Modern Star, or via our independent third-party hotline Stoplevel.

# Criteria 3.

## Identifying and Assessing Modern Slavery Risks

Modern Star acknowledges the risk of modern slavery in our global and multifaceted supply chain. We recognise that diversity in product types, regions and supplier arrangements can increase our exposure to modern slavery risks. In this chapter, we provide a detailed overview of risk assessments within our own operations and global supply chain. By applying the Modern Star modern slavery assessment framework to our supply chain and operations, we aim to identify risks of modern slavery.

### 3.1 Our Risk Assessment Framework

### 3.2 Risks in our Own Operations

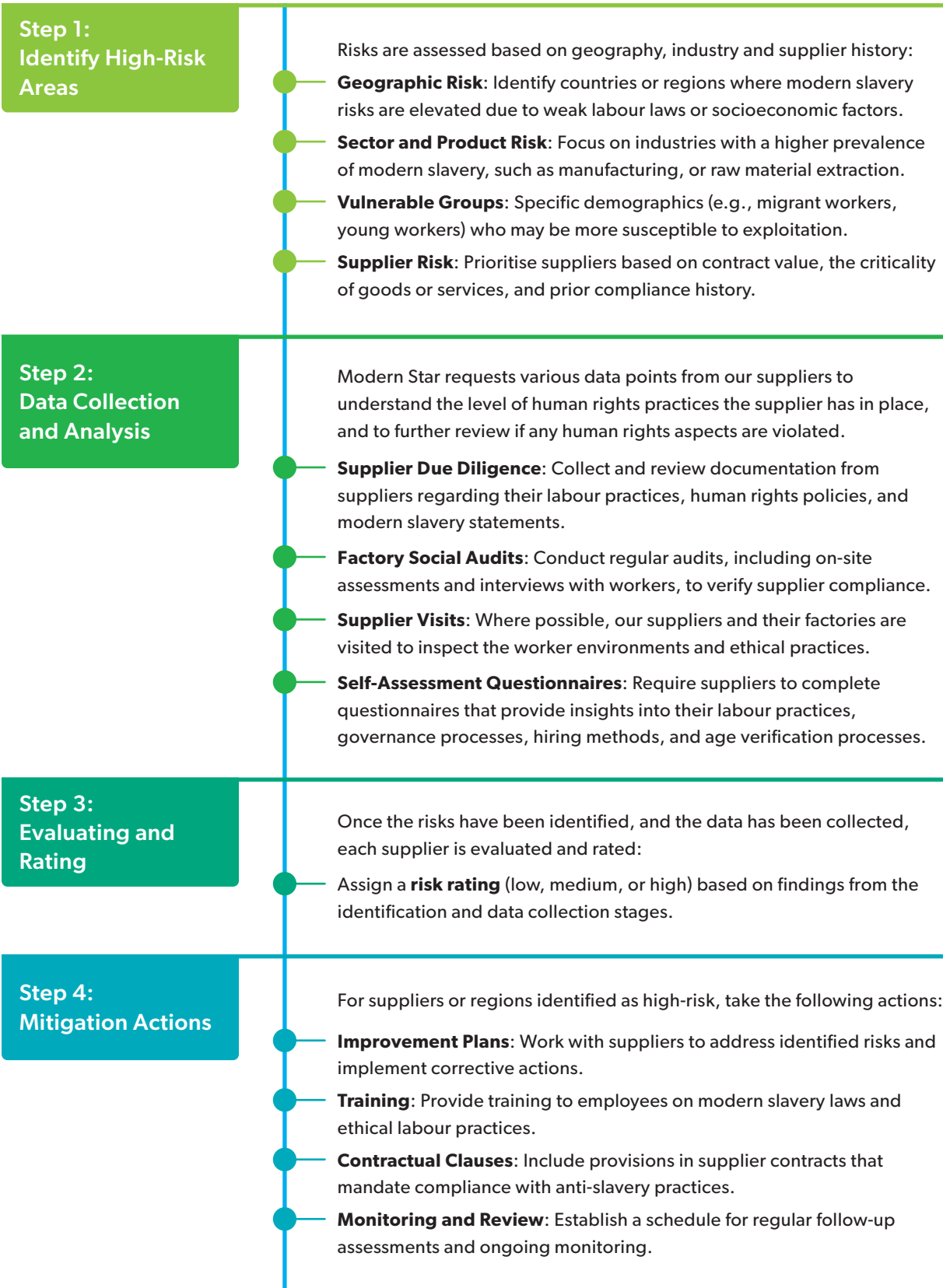
### 3.3 Risk in Our Supply Chain



# 3.1 Risk Assessment Framework

Our assessment is grounded in international frameworks such as the **UN Guiding Principles on Business and Human Rights (UNGPs)**, the **Global Slavery Index (GSI)**, the **ETI Human Rights Due Diligence Framework**, and the **Corruptions Perceptions Index (CPI)**.

Our Modern Slavery Risk Assessment Policy provides a clear framework to assess our supply chain. Our risk assessment process consists of the following steps:





Through these tools, we systematically review risk factors, evaluate human rights impacts, and develop strategies to mitigate risks. Our process includes identifying both **actual** and **potential human rights impacts**, acting on findings, and implementing corrective measures to mitigate identified risks.

**Key Questions in Risk Evaluation:** To determine our involvement in potential adverse human rights impacts, we ask:

1. Is there an actual or potential adverse human rights impact?

2. Do our business activities increase the risk of this impact?

3. Do our business activities wholly contribute to this adverse impact?

If all three questions yield a “Yes,” we classify this as an impact caused by our business. If only the first two questions are affirmative, we assess our role as contributing to the impact and implement measures accordingly.

### 3.2 Risks in our Operations

Modern Star operates four primary types of facilities: **offices, warehouses, manufacturing sites, and retail locations**. Modern Star has undertaken risk assessment of its own operations, conducted annually, with the aim to identify any practices within our direct operations that could contribute to or be linked to modern slavery.

#### Identified Risk Area: Young Workers in Manufacturing

Our risk assessment has highlighted our manufacturing facilities as potential areas of concern. Given the hazardous nature of some tasks performed in these locations, there is a risk that young workers could be employed and exposed to unsafe or hazardous conditions. We recognise the importance of ensuring that all work environments adhere to strict safety standards, particularly for vulnerable groups such as young workers, and we are committed to implementing proactive measures to prevent exposure to high-risk tasks for underage or untrained personnel.

**Risk Factors:**

**Third-party agency employment:** Outsourcing agency recruitment can make oversight challenging.

**Hazardous conditions:** Manufacturing tasks may involve risks unsuitable for young workers

**Mitigation Efforts:**

We have a **zero-tolerance policy** for employing young workers in hazardous environments and actively monitor manufacturing locations to prevent unsafe employment practices.

We **conduct annual audits** on our third-party agency to ensure age-verification processes are in place.

We have **strict age-verification** processes in place.

#### Overall Operational Risk Level

Given that our workforce is predominantly employed in Australia and New Zealand, we have direct visibility over working conditions. Employment terms adhere to Australian and New Zealand labour standards, which minimises modern slavery risks in our direct operations. Additionally, our ISO 9001 and ISO 14001 certifications support risk mitigation through stringent international health, safety, and environmental standards.

# 3.3 Risk in Our Supply Chain

While we classify the risks of modern slavery in our operations as low, we recognise that our complex and global supply chain may expose us to modern slavery risks in countries where we have less control over employment practices and workers’ environments. Modern Star’s due diligence is focused on **suppliers of own brand products and other high-expenditure suppliers** where we have the greatest influence.

Our risk assessment focuses on both the geographical risks and industry and product-specific risks, which are then combined with our own information of our suppliers, including historical compliance issues, the volume of the goods manufactured on our behalf, and the criticality of the procured goods.



## 3.3.1 Key Modern Slavery Risk Factors

We recognise that certain categories of goods, particularly raw materials and labour-intensive products, pose higher risks of modern slavery. Given the complexity of our supply chain, the diversity of the regions we purchase goods from and the types of products we source and manufacture, we recognise that there is a risk of the prevalence of modern slavery in our supply chain. Modern Star has identified several potential risk factors in our supply chain based on public data (GSI, ETI Base Code, UNGPs), which include:



Forced, Bonded  
and Indentured  
Labour



Deceptive  
Recruitment



Child  
Labour



Reliance on Lower-  
Skilled Labour



Dangerous  
Working  
Conditions



Absence of  
Grievance  
Mechanisms



Exploitation  
of Migrant  
Workers



Retention of  
Personal Identity  
Documents



Excessive  
Working Hours



Complex  
Supply Chains



Underpayment  
of Wages



High Levels of  
Sub-Contracting

### 3.3.2 Vulnerable Worker Groups

We recognise that certain workers are particularly vulnerable to exploitation. These vulnerable workers groups include:

Children

Women

Migrant  
workers and  
low-skilled  
labour

Seasonal  
workers

Contract  
workers

### 3.3.3 Geographical Risks

Our supply chain spans **33 countries**, each carrying varying degrees of modern slavery risk. We apply a risk-based approach, utilising the **Global Slavery Index** and country-specific research to assess these regions. While many of our Tier 1 suppliers operate in low- or medium-risk countries, we recognise that some goods are produced in higher-risk locations such as (but not limited to) **China, India, Thailand, and Taiwan**.

We apply the geographical risks to both our Tier 1 suppliers, and own known Tier 2 suppliers.

#### Risk Factors

**Lower regulatory oversight on labour rights:** Less government protection and regulation to prevent modern slavery.

**High reliance on low-skilled labour and migrant workers:** These workers are often vulnerable to exploitation due to limited job options, language barriers, and a lack of familiarity with local labour protections, making them more susceptible to exploitative practices.

**Fewer channels for reporting exploitation:** The absence of a grievance mechanism or whistleblower hotline make it harder for employees to report modern slavery.

#### Available Mitigation Actions

We conduct due diligence for Tier 1 suppliers, especially those in **higher-risk regions**, and regularly assess their compliance with our Ethical Sourcing Policy. We request from our Tier 1 suppliers to provide us with their **Factory Compliance Schedule**, so we can request audit reports from Tier 2 factories, which are often located in higher risk regions.



### 3.3.4 Sector and Product-Specific Risks

Modern Star acknowledges that certain product categories in our supply chain may present heightened risks of modern slavery due to labour intensity, use of hazardous materials, complex subcontracting chains, or geographic location. Below is a detailed assessment of these high-risk categories, including key risk factors and mitigation strategies. Identified product-specific categories relevant to Modern Star businesses are:



Toys & Sporting Goods



Packaging Materials & Raw Commodities



Textiles and Handicrafts



ICT Equipment & Electronics



Sea Freight & Logistics



#### Toys and Sporting Goods

A large portion of our product range consists of toys and sporting goods.

##### Risk Factors

**Forced Labour:** The high demand for low-cost, manual assembly in toy and sporting goods production can lead suppliers to rely on exploitative labour practices to meet tight deadlines and cost requirements.

**Unsafe Working Conditions:** The use of paint and varnishes in toy manufacturing and machinery used in sporting goods manufacturing can create environments where inadequate safety measures put workers at risk of injury and exposure.

**High Levels of Subcontracting:** The production of numerous small components in toys and sports equipment often involves multiple subcontractors, increasing the risk of weak oversight and exploitative labour practices down the supply chain.

**Child Labour in Some Production Regions:** In regions where toy and sporting goods production relies on low-skilled labour, child labour may be used to cut costs, especially where local regulations and enforcement are weak.

##### Available Mitigation Actions

Require suppliers to provide **independent audit reports** verifying safe working conditions.

Conduct **age verification checks**, particularly in regions with high risks of child labour.

Request suppliers to provide **evidence of direct employment practices**.

Increase **supplier training** on forced labour and safety standards.





## Packaging Materials and Raw Commodities

This includes timber, plastics and chemicals. Although we don't directly purchase these products from our suppliers, our suppliers will require to purchase these materials from their suppliers in order to manufacture our products.

### Risk Factors

**High Levels of Subcontracting:** The extraction and initial processing of raw materials often involve multiple layers of subcontractors, making it difficult to monitor labour practices and increasing the likelihood of labour abuses going undetected.

**Environmental Degradation:** Raw material extraction, such as deforestation for timber, frequently leads to significant environmental damage, which can harm local communities and increase displacement and economic vulnerability.

**Potential for Child or Bonded Labor in Raw Material Extraction:** Industries like deforestation for timber are particularly vulnerable to child and bonded labour due to remote operations, weak labour protections, and poverty, which drive families to rely on exploitative labour to survive.

**Lack of safety measures for hazardous chemical handling:** Hazardous working conditions may expose workers to unsafe situations. There is also an increased risk that young workers are exposed to hazardous work.

### Available Mitigation Actions

Request **traceability documentation** from suppliers to verify responsible sourcing of materials like timber and plastics.

Ensure supplier adherence to **environmental and safety standards** through third-party certifications (e.g., FSC for timber).

Mandate **annual factory audits** for high-risk suppliers to check compliance with Modern Star's Ethical Sourcing Policy.

## Textiles and Handicrafts

### Risk Factors

**Forced Labour:** The high demand for low-cost textile and handicraft production can lead to forced labour practices, especially in informal workshops where workers may be coerced into working excessive hours without fair pay.

**Child Labour:** In textiles and handicrafts, the need for delicate, detailed work can result in children being employed, particularly in regions with limited enforcement of minimum age laws.

**Exploitation of Migrant and Low-Skilled Workers:** Migrant and low-skilled workers in these sectors are often vulnerable to exploitation due to low wages, lack of legal protections, and language barriers that make it difficult for them to assert their rights.

**Unsafe Conditions for Handling Dyes and Chemicals:** Workers in textiles and handicrafts frequently handle dyes, solvents, and chemicals without adequate protective equipment, leading to health risks from prolonged exposure to toxic substances.

### Available Mitigation Actions

Implement **chemical safety standards** for handling dyes, adhesives, and other materials.

Ensure compliance with **age verification policies** and conduct spot-checks in partnership with local auditors.

Require suppliers to **disclose subcontractors** and enforce visibility across the supply chain.

Conduct **on-the-ground assessments** (through third-party auditors) for chemical and worker safety compliance.

## ICT Equipment and Electronics

### Risk Factors

**Bonded Labour:** Workers in electronics manufacturing and mining for raw materials, such as cobalt, may be trapped in debt bondage due to recruitment fees and exploitative contracts, especially in regions with minimal labour protections.

**Excessive Working Hours:** The ICT and electronics industries often face high production demands, leading to excessive overtime and long shifts, sometimes enforced to meet tight delivery schedules for global markets.

**Poor Health and Safety Practices:** Handling hazardous chemicals, such as those used in semiconductor manufacturing or electronics assembly, and operating high-powered machinery frequently occurs without sufficient safety measures, exposing workers to significant health risks.

**Labour Exploitation in Assembly and Raw Material Extraction Stages:** The extraction of minerals like lithium and cobalt and the assembly of electronics often rely on low-wage labour with limited rights, creating high risks for exploitation and unsafe conditions.

### Available Mitigation Actions

Partner with **certified suppliers** (such as those adhering to the Responsible Business Alliance's Code of Conduct)

Require suppliers to **conduct annual audits** to verify worker conditions, especially for facilities with prolonged working hours.

Engage with suppliers with **transparent hiring and labour practices**.

## Sea Freight and Logistics

### Risk Factors

**Isolation of Workers:** Workers on cargo ships and in long-haul transportation often spend extended periods isolated at sea or on remote routes, limiting their access to support and increasing their vulnerability to exploitation.

**Absence of Grievance Mechanisms:** Seafarers and transport workers frequently lack accessible grievance channels, making it difficult for them to report abuse or unsafe conditions, especially on vessels registered in countries with weaker labour protections.

**Restricted Movement:** Workers in sea freight, particularly those on ships, may have their movement restricted both onboard and in foreign ports, preventing them from leaving exploitative situations or seeking help.

**High Reliance on Migrant Labour with Limited Legal Protections:** The industry relies heavily on migrant workers who may face legal and language barriers, making them more vulnerable to poor working conditions and limited recourse if their rights are violated.



### Available Mitigation Actions

Partner with logistics providers that adhere to **ethical standards** and provide workers with **grievance mechanisms**.

Engage freight providers with a **strong compliance record** and third-party labour certifications.



### 3.3.3 Vulnerable Worker Populations

Our due diligence has identified several vulnerable groups that are at increased risk of modern slavery. The risk factors for these vulnerable worker populations when employed in sectors and product categories as listed in section 3.3.2, are listed below, as well as potential mitigation actions.



#### Migrant Workers

##### Risk Factors

**Limited Legal Protections:** Migrant workers may lack legal residency, or work permits in host countries, making them more vulnerable to exploitation and fearful of reporting abuse due to possible deportation or fines.

**Language and Cultural Barriers:** Language differences can prevent migrant workers from understanding contracts, workplace rights, and reporting channels, making it easier for exploitative employers to withhold fair wages or impose unfair conditions.

**Debt Bondage from Recruitment Fees:** Many migrant workers pay significant recruitment fees to secure jobs, often taking on debt, which forces them to stay in exploitative conditions to pay off the debt.

**Dependency on Employers for Basic Needs:** In sectors like sea freight, textiles, and electronics manufacturing, employers may provide (and control) food, housing, and transport, restricting workers' movement and making it difficult for them to leave exploitative jobs.

**Isolation in Remote Work Locations:** In fields like sea freight, mining, and agriculture, workers are often in isolated or confined environments, reducing access to external support, legal aid, or grievance mechanisms.

##### Available Mitigation Actions

**Implement Ethical Recruitment Practices:** Enforce policies with suppliers and contractors to eliminate recruitment fees for workers, adopting a zero-fee recruitment policy and partnering with certified, ethical recruitment agencies.

**Strengthen Grievance Mechanisms:** Establish anonymous, multilingual grievance reporting channels and hotlines for migrant workers.

**Increase Training and Awareness:** Provide migrant workers with comprehensive, culturally appropriate training on their rights, health and safety standards, and grievance procedures in their native languages.

**Conduct Regular Audits and Site Inspections:** Perform unannounced audits with a focus on migrant worker protections, verifying wage payments, working hours, and living conditions, especially in high-risk areas and suppliers.

**Implement Supplier Codes of Conduct:** Require suppliers to adhere to strict labour standards, specifically addressing migrant worker rights, and conduct annual reviews of supplier compliance with these standards.



## Women and Low-Skilled Workers

### Risk Factors

**Gender Discrimination in Pay and Employment Conditions:** Women are often offered lower wages and fewer benefits compared to male counterparts for similar roles, increasing their economic vulnerability and dependence on exploitative jobs.

**Higher Risk of Sexual Harassment and Abuse:** In isolated environments or male-dominated industries (e.g., sea freight, logistics), women may face higher risks of harassment, abuse, or exploitation with little recourse for reporting or seeking support.

**Concentration in Low-Skilled, Informal Jobs:** Women are often concentrated in lower-paid, informal, or temporary roles (e.g., in textiles, electronics assembly, and packaging), which tend to lack job security, protections, and benefits, making them more susceptible to exploitation.

**Dependency on Employers for Family and Childcare Support:** Many women, particularly migrant workers, may depend on employers for child support services or accommodations, making it harder for them to leave exploitative work situations.

**Limited Access to Grievance Mechanisms:** Cultural or social barriers can make it difficult for women to report abuse, discrimination, or unsafe conditions, particularly in sectors or regions where there are gender biases and where women's voices may not be prioritized.

### Available Mitigation Actions

**Establish Safe and Confidential Reporting Mechanisms:** Create gender-sensitive, confidential grievance reporting channels, including hotlines staffed by trained professionals, to support women in safely reporting abuse, harassment, or exploitation.

**Access to Family and Childcare Support:** Where possible, work with suppliers to provide safe childcare options or family accommodations for women workers, reducing dependency on employers and allowing more control over their work conditions.



## Young Workers

### Risk Factors

**Lack of Awareness of Rights and Protections:** Young workers, especially those entering the workforce for the first time, may be unfamiliar with labour rights, making them more susceptible to exploitation by unscrupulous employers.

**Concentration in Low-Skilled, Hazardous Roles:** Young workers are often employed in entry-level or low-skilled positions, which can expose them to hazardous conditions (e.g., handling chemicals in textiles or operating machinery in electronics) without adequate training or protection.

**Vulnerability to Coercion and Abuse:** Due to their inexperience and lack of power in the workplace, young workers are more easily coerced into accepting unfair conditions, such as excessive working hours or low wages, with limited ability to negotiate or leave.

**Risk of Educational Disruption:** Young workers, particularly in lower-income regions, may be forced to abandon schooling to work in sectors like textiles, raw commodities, or manufacturing, which can trap them in cycles of poverty and limit their future opportunities.

**Isolation and Dependency on Employers:** In cases where young workers are far from home or family (such as in migrant or seasonal work), they may be isolated and dependent on their employers for housing, meals, and transportation, increasing their vulnerability to exploitation.

### Available Mitigation Actions

**Enforce Minimum Age and Safe Work Conditions Policies:** Implement strict policies to verify workers' ages and ensure that young workers are not assigned to hazardous roles; conduct regular audits to confirm compliance with age and safety standards.

**Provide Specialised Training and Supervision:** Require that young workers receive appropriate training, mentorship, and supervision, particularly for tasks that involve equipment, chemicals, or other risks, to ensure their safety and skill development.

**Implement Safe Reporting Channels for Youth:** Create confidential, youth-friendly grievance mechanisms where young workers can report abuse, harassment, or unsafe conditions without fear of retribution or job loss.

**Encourage and Support Education Continuation:** Partner with suppliers to establish programs that support the education of young workers, such as flexible work hours that allow for schooling or vocational training partnerships that provide a pathway to skill development and safer work opportunities.

**Include Youth Protection Provisions in Supplier Codes of Conduct:** Require that suppliers adhere to clear standards for the employment of young workers, including prohibitions on hazardous work, minimum age requirements, and protections against exploitation, with regular reporting to verify adherence.



## Children

### Risk Factors

**Economic Vulnerability of Families:** In low-income regions, families may rely on children to contribute to household income, making children more vulnerable to exploitative labour practices in industries like textiles, raw commodities, and small-scale manufacturing.

**Suitability for Low-Skilled, Labor-Intensive Tasks:** Children are often recruited for labour-intensive tasks that require manual dexterity (e.g., assembling small toy parts, sewing textiles, or sorting minerals) where there is high demand for cheap, unskilled labour.

**Lack of Access to Education and Alternatives:** In regions without accessible education, children are more likely to work in hazardous jobs, as they lack alternative pathways for development and may be pressured to work from a young age.

**Limited Ability to Advocate for Their Rights:** Children lack knowledge of their rights and legal protections, making them easier to exploit and less likely to report abuse, hazardous conditions, or unfair treatment by employers.

**High Risk of Exploitation in Isolated or Informal Work Environments:** Many children work in informal or remote locations (e.g., small-scale mining or home-based textile work), where there is little oversight and a higher risk of abuse, long hours, and exposure to unsafe working conditions.

### Available Mitigation Actions

**Enforce Strict Age Verification Policies:** Implement and monitor strict age verification checks in all hiring processes, ensuring no children are employed, directly or indirectly, through contractors or suppliers, particularly in high-risk regions and roles.

**Collaborate with Schools and Community Programs:** Partner with local schools, community organizations, and NGOs to support educational access and after-school programs, providing children with alternatives to entering the workforce.

**Conduct Regular Audits with a Focus on Child Labor:** Perform routine, unannounced audits of suppliers and high-risk sites to verify that no child labour is used and ensure any labour violations are swiftly addressed and remediated.

**Include Strict Child Labour Prohibitions in Supplier Contracts:** Require suppliers to comply with international standards prohibiting child labour, such as those outlined by the International Labour Organization (ILO), and hold them accountable through contractual obligations and regular reporting.





# Criteria 4.

## Actions to Address Modern Slavery Risks

To address and mitigate the risks of modern slavery in our operations and supply chain, Modern Star has developed comprehensive policies, procedures, and targeted actions. These efforts aim to identify, assess, and address modern slavery risks in a manner that aligns with internationally recognised frameworks. Since 2014, Modern Star has enhanced our modern slavery risk management approach, and this has evolved into a robust framework based on continuous improvement.

### 4.1 Actions to Address Risks in Our Own Operations

### 4.2 Actions to Address Risks in Our Supply Chain

### 4.3 Targeted Product-Specific Risk Mitigation

### 4.4 Processes for New and High-Risk Suppliers





## 4.1 Actions to Address Risks in Our Own Operations

Modern Star recognises that while the risk of modern slavery within our direct operations is low, vigilance is essential. We have implemented specific policies and actions to address any potential vulnerabilities within our internal operations.

### Potential Risk Area: Young Workers in Manufacturing Locations

We have implemented a range of controls to ensure that young workers in our manufacturing facilities are not exposed to hazardous work. These controls include:

#### Child Labour Policy

Our Child Labour Policy prohibits the employment of individuals under 18 in manufacturing environments with potential exposure to hazardous activities. Relevant employees are trained on this policy to ensure it is implemented correctly.

#### Age Verification and Agency Audits

We conduct regular audits of third-party employment agencies to confirm robust age-verification mechanisms are in place, ensuring young workers are not placed in manufacturing or hazardous roles. We also have our own robust age-verification mechanisms in place.

#### Zero Tolerance for Hazardous Roles for Young Workers

Modern Star's manufacturing locations do not allocate any workers under the age of 18 to hazardous tasks to ensure young workers are not exposed to hazardous working conditions.



## 4.2 Actions to Address Risks in Our Supply Chain

Given our complex, global supply chain, Modern Star has prioritised modern slavery risk mitigation within supplier relationships, focusing on high-risk suppliers, regions, and product categories. The following actions highlight our approach to mitigating modern slavery risks.

### Policy and Contractual Requirements

- 1 Updated Ethical Sourcing Policy (ESP)**

The ESP is applicable to all suppliers and includes a robust right-to-audit clause. It specifically prohibits forced labour, child labour, and other forms of modern slavery. All new suppliers must sign the ESP, and we are actively transitioning existing suppliers to the updated version.
- 2 Supplier Self-Assessment Questionnaire**

A survey has been developed to identify where workers in our supply chain might be more exposed to modern slavery risk, due to the lack of policies or procedures.
- 3 Supplier Contracts**

Our supplier contracts now include binding provisions requiring compliance with the ESP, Code of Conduct, and other ethical sourcing requirements. Suppliers agree to be held accountable to our standards, allowing Modern Star to take remedial action as necessary.
- 4 Whistleblower Protection**

Our third-party whistleblower agency, Stopline, allows confidential and anonymous reporting of any suspected breaches of human rights policies. This service is available to internal staff and external stakeholders.
- 5 Risk Assessment Policy and Remediation Policy**

The development of our risk assessment policy and remediation policy provide a robust framework to consistently assess our supply chain, and to provide a clear step-by-step process in case of suspected or confirmed modern slavery in our supply chain.

### Due Diligence Improvements

- 1 Targeting Non-Compliant and or High-Risk Suppliers**

We prioritise high-risk suppliers for onboarding to our ESP and Sedex, and suppliers who have yet to sign our ESP, as those suppliers expose a bigger risk of modern slavery in our supply chain.
- 2 Factory Audits**

In FY24, we increased our factory audit frequency, particularly for higher-risk suppliers. Audits are conducted by independent third-party auditors. We also employ an accredited China-based auditor who also coordinates any necessary corrective action plans.
- 3 Increased Factory Visits**

In FY24, there has been a significant increase in factory visits by our product teams and senior management.

## System Improvements

- 1 Supplier Risk Profile Tracking System**

We developed a tracking system to monitor high-risk suppliers and prioritise high risk suppliers.
- 2 Real-Time Monitoring**

Through our CRM system, we receive notifications of expiring memberships and audit reports, allowing us to engage suppliers proactively for updates and renewals of reports and memberships.

## Training and Awareness

- 1 Employee Training**

Our modern slavery training program is mandatory for all new relevant employees and is incorporated into our onboarding process. Annual training sessions cover modern slavery awareness, red flags, and reporting procedures.
- 2 Senior Leadership Training**

Members of our Senior Leadership Team receive training on policy updates and modern slavery issues relevant to their roles.

## Integration of Acquired Businesses

- 1 Modern Slavery Program Implementation**

Upon acquisition, we integrate new businesses into the Modern Star Modern Slavery Program, requiring alignment with our policies and onboarding to our ESP within the first 12 months.
- 2 ESP Target for Acquisitions**

Newly acquired suppliers are reviewed and assessed by applying our risk assessment process. The top 50% of suppliers by spend are required to sign our ESP within the first year post-acquisition, and suppliers in high-risk geographic areas and product-related risk categories are prioritised.

## Responsibilities and Reporting

- 1 Dedicated ESG & Compliance Team**

Our Group ESG & Compliance Manager and team oversee the Modern Slavery Program, tracking progress and implementing corrective measures.
- 2 Monthly Reporting**

We track and report on our progress monthly to the Senior Management Team and the Board.

# 4.3 Targeted Product-Specific Risk Mitigation

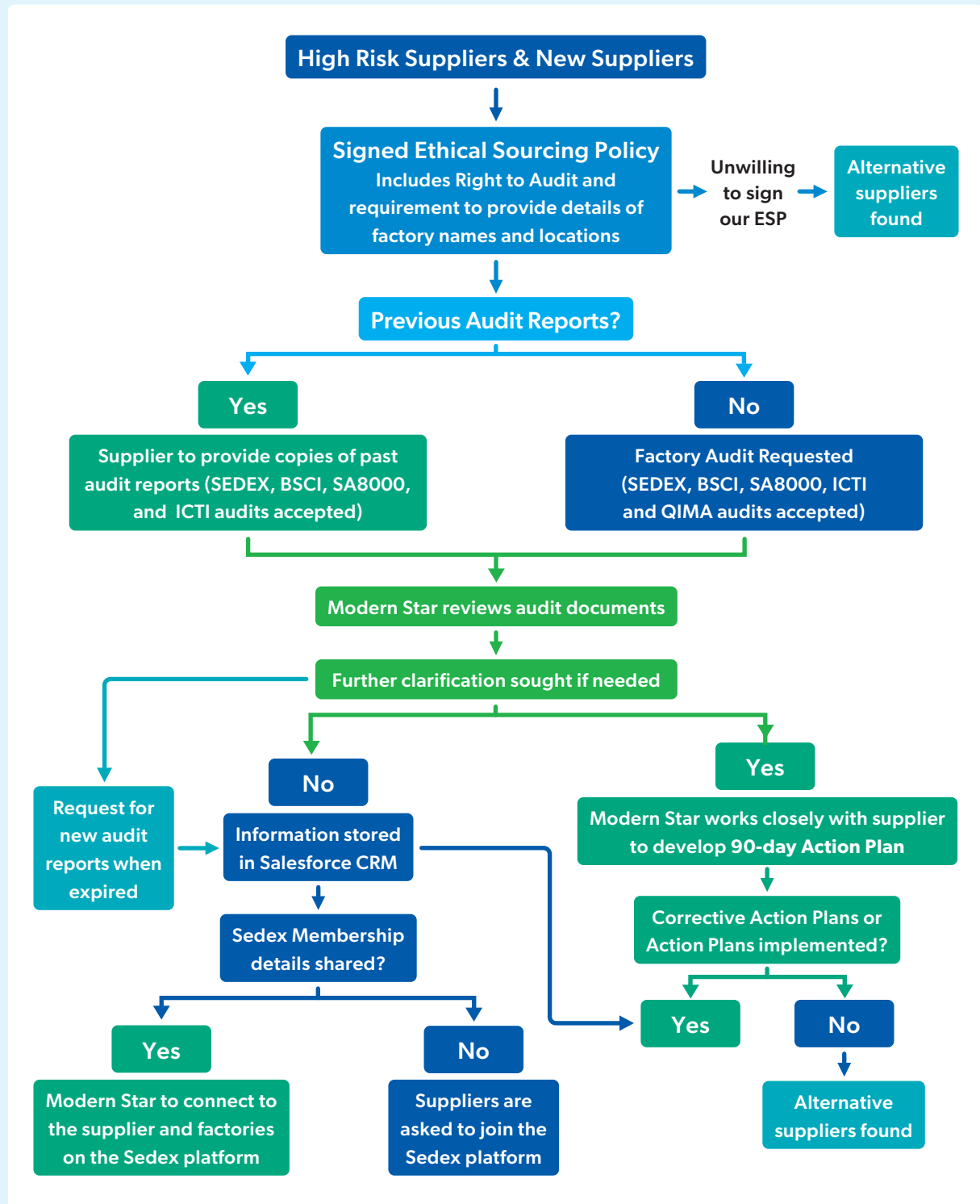
Building on our product-specific risk assessment from Criteria 3, we have implemented the following actions tailored to each product category, aimed at addressing their unique vulnerabilities:

Product Category	Key Mitigation Actions
Toys and Sporting Goods	<ul style="list-style-type: none"><li>Regular third-party audits with age-verification requirements.</li><li>Regular factory site visits to confirm safe working conditions for labourers.</li></ul>
Packaging and Raw Materials	<ul style="list-style-type: none"><li>Prioritise suppliers who provide FSC or PEFC certifications for timber sourcing of packaging and raw materials.</li><li>Request chain of custody for timber products to ensure legally logged timber.</li></ul>
Textiles and Handicrafts	<ul style="list-style-type: none"><li>Spot-checks to confirm compliance with child labour laws, chemical safety, and worker protection policies.</li><li>Sample factory site visits to confirm safe working conditions for labourers.</li><li>Request factory audits from independent third-party auditors.</li></ul>
ICT and Electronics	<ul style="list-style-type: none"><li>Third-party audits focused on bonded labour prevention in assembly sites.</li></ul>
Sea Freight and Logistics	<ul style="list-style-type: none"><li>Collaboration with logistics providers who have implemented anti-human trafficking and modern slavery policies.</li><li>Logistics providers who have implemented grievance mechanisms for logistics workers.</li></ul>



## 4.4 Processes for New and High-Risk Suppliers

Modern Star's approach to new and high-risk suppliers is comprehensive, involving a three-part assessment of **Ethical Sourcing Policy**, **audit report availability**, and **Sedex membership**. All new suppliers, as well as existing high-risk suppliers, are required to complete these assessments as part of our due diligence program. This process is ongoing and continuously reassessed.



# Criteria 5.

## Assessing the Effectiveness of Our Actions

Modern Star is committed to continuous improvement in monitoring, assessing, and enhancing the effectiveness of our modern slavery program. By increasing transparency and strengthening oversight, we aim to improve awareness, identify areas for improvement, and reduce the risk of modern slavery in our operations and supply chain.

### 5.1 Modern Slavery Program Review Framework

### 5.2 Key Effectiveness Indicators (KPIs)

### 5.3 Continuous Improvement

### 5.4 FY24 Program Achievements

### 5.5 Commitments for FY25







## 5.1 Modern Slavery Program Review Framework

Our effectiveness assessment framework operates across three levels—monthly, quarterly, and annual reviews. This structure enables consistent oversight and the flexibility to adjust strategies as needed:

### 1. Annual Review

Our Modern Slavery Statement and progress reports are reviewed and signed off by the Board, which holds ultimate accountability for modern slavery compliance.

### 2. Quarterly Review

Senior Management conducts quarterly reviews of modern slavery-related KPIs to ensure that goals are met, progress is documented, and strategies are adjusted based on ongoing learnings.

### 3. Monthly Reporting

Modern slavery updates are shared with the Board monthly, providing frequent insights into compliance progress, emerging risks, and developments within the Modern Star Modern Slavery Program.

## 5.2 Key Effectiveness Indicators (KPIs)

To monitor progress and measure the effectiveness of our actions, Modern Star tracks several key indicators. These KPIs focus on governance, risk management, supplier engagement, and awareness-building.



### Governance and Oversight

**Board and Executive Engagement:** Regular reports to the Board and Executive Leadership Team ensure that modern slavery compliance remains a high priority.

**Supplier Risk Profile Database:** We maintain an updated supplier risk profile, which includes modern slavery data for each supplier, reviewed quarterly to reflect any changes in supplier risk status.

### Supply Chain and Procurement Compliance

**Supplier Compliance:** We continuously review the percentage of suppliers who have signed the Ethical Sourcing Policy (ESP) and ensuring this is continuously improving.

**Supplier Audit Completion Rate:** Tracking of factory audits completed, with a target for high-risk suppliers to undergo annual audits. Active follow up with suppliers to renew expired audits.

**Sedex Membership and Engagement:** A constantly increasing number of top-spend suppliers with active Sedex memberships, helping us achieve better supply chain visibility and manage risk. We actively follow up with suppliers who approach an expiration date of their membership.

### Awareness and Training

**New Employee Training:** New employees who will be in direct contact with our supply chain will receive an introduction to our modern slavery program and training about modern slavery.

**Modern Slavery Training:** Annual targeted training for all employees in direct contact with suppliers on modern slavery to identify signs of modern slavery and understand their role in mitigating risks of modern slavery in the supply chain.

### Continuous Metrics Improvement

**Supplier Risk Re-Assessment:** Regular re-assessment of high-risk suppliers and newly integrated suppliers to ensure ongoing compliance and identify any emerging risks.

## 5.3 Continuous Improvement

Given the complex nature of modern slavery risks, Modern Star is committed to continually refining and strengthening our modern slavery risk management. We understand that new risk factors may arise as our supply chain evolves, so our program is built on a foundation of continuous improvement:

### Annual Modern Slavery Program Review

We perform an annual review of our modern slavery policies and procedures, adjusting them to reflect learnings, new risks, and industry developments.

### Resource Allocation

We allocate additional resources, including personnel and software upgrades, to support our modern slavery initiatives and improve tracking capabilities.

### Supplier Risk Profiling

We use data from the Global Slavery Index (GSI) and Sedex to update supplier risk profiles, identifying high-risk suppliers and adapting our engagement strategies based on these insights.

### Risk Assessment Improvements

We continuously review best practices and industry standards to review and improve our risk assessments, to effectively identify and mitigate risks.

## 5.4 FY24 Program Achievements

Our achievements in FY24 reflect significant strides in supplier engagement, policy integration, and employee awareness:

- 1 ESP Compliance**

Of our top-spend suppliers (representing 90% of our total spend), 97% have signed the ESP or provided comparable policies. For new suppliers, 100% compliance with the ESP has been achieved before trading.
- 2 Increased Sedex Memberships**

We have actively encouraged Sedex membership among suppliers, reaching 57% membership among our top-spend suppliers, enhancing visibility into their labour practices.
- 3 Integration of Acquired Businesses**

All recently acquired businesses are now fully integrated into our Modern Slavery Program, and their suppliers are progressively signing the ESP, aligning with Modern Star's compliance requirements.
- 4 Employee Training**

Our eLearning course has been assigned to 77 employees across 12 different business units. This includes members of our Senior Management and Leadership Teams, product development teams and procurement.

## 5.5 Commitments for FY25

Our commitments for FY25 build on our current program, aiming to broaden our compliance reach, deepen our supplier engagement, and enhance monitoring practices:



### ESP Compliance Expansion

Increase target supplier coverage from 90% to 95% of total spend, focusing on ESP sign-ups and Sedex engagement for higher compliance across the supply chain.

### Factory Audit Focus

Increase the number of high-risk supplier factory audits and in-person visits by Modern Star representatives of high-risk factories annually.

### Supplier Remediation Plans

Develop a tiered remediation plan framework for suppliers with low factory audit scores, with progress tracked quarterly to ensure timely and meaningful improvements in labour conditions.

### Supplier Scorecard Implementation

Introduce a Supplier Scorecard system to track and report on each supplier's compliance progress, including metrics on Sedex membership, ESP sign-up, and audit completion rates.

### Digitalised ESP Rollout

Streamline the ESP process by digitalising the policy, making it more accessible to suppliers and reducing administrative delays in policy sign-up.

### Improved supplier self-assessment questionnaires

Identify risk areas by rolling out the supplier self-assessment questionnaires to an increased number of high-risk suppliers.

### Training Expansion

Expand training coverage to include refresher courses for roles in direct contact with our supply chain, ensuring ongoing awareness and commitment to modern slavery prevention. Additional training sessions around updates of our policies and processes.

### Supplier Training Programs

Introduce training material to high-risk suppliers, focusing on human rights practices, policies, modern slavery red flags, and effective complaint mechanisms.



# Criteria 6.

## Consultation with Entities Owned by Modern Star

Modern Star Group is committed to ensuring that all entities within our corporate structure align with our modern slavery risk management framework. This includes consistent application of our Ethical Sourcing Policy, Code of Conduct, and human rights protections across all entities. To achieve this, Modern Star has developed a structured consultation and integration approach with each entity it owns or controls, ensuring a unified and effective response to modern slavery risks.

### 6.1 Consultation Approach and Frequency

### 6.2 Integration and Alignment of Policies

### 6.3 Roles and Responsibilities





## 6.1 Consultation Approach and Frequency

Modern Star engages in regular and systematic consultation with its controlled entities through both formal and informal channels. Key methods include:

1

**Monthly Compliance Meetings:** Representatives from each entity, including members of the Senior Leadership Team, Category Managers, and the ESG & Compliance Team, participate in monthly compliance meetings. During these meetings, we discuss each entity's progress on modern slavery targets, compliance updates, and any challenges encountered.

2

**Monthly Reporting:** A monthly progress report is submitted to the Board, which includes input from all controlled entities. This report covers the status of modern slavery actions, identified risks, and updates on supplier compliance. This allows Modern Star to monitor alignment with the Group's policies and identify areas where additional support or resources may be needed.

## 6.2 Integration and Alignment of Policies

To ensure uniformity in our approach to modern slavery, Modern Star mandates that each controlled entity adopt and implement the same core policies, including (but not limited to) the:



**Ethical Sourcing  
Policy (ESP)**



**Child Labour  
Policy**



**Human Rights  
Policy**



**Whistleblower  
Policy**

These policies are rolled out to all newly acquired entities within the first 12 months. Each entity must integrate these policies into its supplier management practices, procurement processes, and employee training programs. Additionally, entities are required to complete due diligence checks, including audit requirements, for all new suppliers in alignment with Modern Star's ethical standards.



## 6.3 Roles and Responsibilities

The Group ESG & Compliance Team oversees the alignment of controlled entities with Modern Star's modern slavery program. Key responsibilities are as follows:

### Group ESG & Compliance Manager

Manages the Group's modern slavery strategy and works directly with the product teams of each entity to monitor and support policy implementation.

### Product (Development) Teams

The product teams of each entity (category managers, brand managers and product development managers) foster the relationships with our suppliers and supply chain. These teams are responsible for the execution of the Modern Star Modern Slavery Program.

# Criteria 7.

## Other Relevant Information

Modern Star's commitment to ethical sourcing is supported by various certifications, memberships, and initiatives:

### ISO 9001 and 14001 Certifications:

Certain Modern Star entities are ISO 9001 and 14001 certified, to ensure compliance with quality and environmental standards.

### ATA Sustainability Committee:

Modern Star is a member of the Australian Toy Association (ATA) sustainability committee which meets regularly to discuss ideas and projects around recyclability and sustainability for toys at end of life.

### FSC Promotional License Holder:

Many Modern Star's products are Forest Stewardship Council (FSC) certified which sets best practice standards for responsible forest management ensuring social, environmental and financial indicators are met. We are continually working towards sourcing more FSC products and have developed our own range of exclusive FSC certified educational equipment and resources.

### Illegal Logging Compliance:

Modern Star adheres to the Australian Illegal Logging Prohibition Act for responsible timber sourcing.

### APCO Member:

Modern Star is a member of the Australian Packaging Covenant Organisation (APCO). Modern Star reports on its packaging output annually.







# Modern Slavery Statement 2024



**Modern Star Pty Ltd** (ABN 31 101 306 950)

Level 1, 122-126 Old Pittwater Road, Brookvale, NSW 2100 Australia

PO BOX 1126, Dee Why, NSW 2099 Australia

**P** +612 9907 5279 **W** [modernstar.com](http://modernstar.com)