

## **Booktopia Group Limited Modern Slavery Statement 2021**

Booktopia Group Limited ACN 612 421 38 is pleased to deliver its second Modern Slavery Statement under the Modern Slavery Act 2018 (Cth) (**Modern Slavery Act Statement**) for the reporting period 1<sup>st</sup> July, 2020 to 30<sup>th</sup> June, 2021.

### **Our reporting entities**

This Modern Slavery Act Statement is made by Booktopia Group Limited on its own behalf and for Booktopia Pty Ltd ACN 096 845 126 as reporting entities under the Modern Slavery Act 2018 (Cth) (together, "Booktopia Group" or "Booktopia"). The structure, operations and supply chain and approach Booktopia has taken to identify, address and mitigate the risks of modern slavery is outlined here.

### **Our Approach**

The term 'modern slavery' refers to a range of serious forms of exploitation including forced labour, debt bondage, servitude, forced marriage, the worst forms of child labour, human trafficking and slavery.

Booktopia understands and acknowledges that modern slavery may be present without our knowledge in Booktopia's operations and supply chain. Booktopia is committed to developing its understanding of the modern slavery risks in its operations and supply chain.

We intend to constantly work in partnership with our suppliers, customers, business partners and other stakeholders to promote ethical practices which minimise the risks of modern slavery in Booktopia's operations and supply chains.

### **Structure, Operations and Supply Chain of the reporting entity**

Booktopia Group Limited is the parent company of the Booktopia group of companies. Booktopia is an online book retailer that listed on the Australian Securities Exchange in December 2020, having sold items to more than 5 million customers since establishment in 2004. Booktopia is headquartered in Lidcombe in Western Sydney and has over 270 staff around Australia.

Booktopia also sells eBooks, DVDs, audiobooks, magazines, maps, calendars, puzzles, stationery and cards.

Booktopia Group Limited has one operating entity – Booktopia Pty Ltd, which conducts its business in four main areas:

- Online Retail, through its flagship online stores [www.booktopia.com.au](http://www.booktopia.com.au) and [www.angusrobertson.com.au](http://www.angusrobertson.com.au) and other online marketplaces and channels in Australia and New Zealand
- Distribution, through its brand Booktopia Publisher Services
- Publishing, through its Booktopia Publishing Services operation and main imprint Booktopia Editions
- Administration and other services provided for the above



It is governed by a Board of Directors, supported by an Executive team and other managers, supervisors and team leaders.

The following is a summary of the above operations and supply chains that were analysed as being in scope for consideration of the Modern Slavery Act.

#### Online Retail Operations

Individuals, businesses and government departments purchase products from Booktopia's websites and other third-party sales channels such as affiliate websites and marketplaces eg eBay and TradeMe NZ, in Australia and New Zealand.

#### Distribution Operations

Booktopia Publisher Services has a business development team employed by Booktopia and based around Australia, offering its products to a large number of retailers throughout Australia, who sell to the public.

All products are distributed to retailers by Booktopia from its Sydney Distribution Centre by Australia Post and other courier services.

#### Publishing Operations

Booktopia publishes books in Australia under its own imprint, Booktopia Editions. This involves Booktopia engaging with authors and literary agents to source the rights to publish both local and international titles into the Australian market and producing the books for sale; from editing and designing to printing and distributing. Booktopia Publishing has relationships with local editors and designers and both local and international printers.

#### Administration and Other Operations

Booktopia has a large number of business functions performed by internal staff, as well as a large number of online and offline goods and services providers who form the backbone of the Booktopia business. Areas of administrative operations include: marketing, sales, accounts, R&D and technical services, commercials and logistics.

#### Booktopia's Supply Chain

Booktopia sources the products it both distributes and sells from a large number of book publishers and distributors located in Australia, the United States of America and United Kingdom.

All products are received into, stored and shipped from its Sydney-based distribution centre. Local and international parcel and logistics companies move product as freight into and out of Booktopia from its suppliers and to its customers.

Booktopia employs its own staff with very little use of long-term contractors and also utilises an Australian-owned and operated local labour hire company to provide additional staffing for functions in its Distribution Centre.

Customer service and administration is primarily conducted in Australia, with additional assistance from an offshoring company based in the Philippines, which is founded, majority-owned and managed by an Australian executive team.

Booktopia has a large number of product and service suppliers across its business to enable it to operate; including of significance:

- Automation and other machinery providers and consultants
- Packaging consumables providers
- Website hosting, SaaS and IT-related service provider
- Marketing and advertising platforms and services
- Accounting, legal and other consulting service providers

## **Potential Modern Slavery Risks in Operations and Supply Chains**

Booktopia has assessment tools and policies for the purpose of assessing the modern slavery risk in its operations. The assessment tools consist of a ranking system that prioritises types of suppliers and the potential risks according to several criteria, including location of operation, public or private, size, type of supply.

### Operational Risks

Booktopia's employment policies, management and operational practices operate within Australia's Fair Work legislative framework and the principles enunciated in the Modern Slavery Act and for it to not be a cause of slavery nor to contribute to it, and to do whatever it can to not be directly linked to slavery of any kind.

There may be risks that permanent, casual, contractors, outsourced or labour hire staff hired or engaged by Booktopia are at risk of, or in slavery.

Areas of potential higher risk include:

- *contract labour used in our Distribution Centre* – our regular labour hire company may contract staff to Booktopia that may be more vulnerable to modern slavery eg migrants from countries where Modern Slavery risks are higher
- *outsourced labour teams provided by our offshore outsourcing partner* – our outsourcing partner in the Philippines may contract staff to Booktopia that are in or at higher risk of modern slavery.

There may also be risks that employees fall into slavery while employed or engaged.

### Supply Chain Risks

As described above, Booktopia has a variety and volume of suppliers directly in the supply of product that it resells (book publishers and distributors) and in ancillary operational activities (IT, automation, parts, stationery etc). There may be risks that these suppliers are engaged either directly or upstream in slavery, either knowingly or unknowingly.

Areas of potential higher risk include:

- *paper forming part of the products we sell* – our main products - physical books - are formed by upstream third-party publisher and printer suppliers
- *Booktopia's printing services* – Booktopia engages printing companies directly in China to print and bind books for delivery into Australia
- *labour services used by our transportation and courier partners* – Booktopia utilises international freight forwarders to bring product from other countries into Australia
- *robot and other equipment manufacturers* – Booktopia operates sophisticated robotics, automation and packaging systems manufactured outside Australia
- *stationery and other general office supplies* – these are manufactured both locally and internationally
- *administrative systems eg Google office systems and advertising, other marketing systems, accounting and administrative systems* – Booktopia uses a wide variety of internet-based and locally installed system providers who may operate in higher-risk environments in other countries

## **Actions Taken to Assess and Address Risks**

### Identifying Risks

During the reporting period, Booktopia continued the identification and assessment of its own Operations and also its external Supply Chains both locally and internationally to ascertain their risk profile in relation to the potential contribution, link or exposure to modern slavery. These are described below.

### Assessing and Addressing Operational Risks

During the reporting period, Booktopia rolled out a Modern Slavery Training module to all employees engaged by Booktopia. This took the form of an online presentation sent to all employees, as well as in printed form for employees who did not have access to online means.

Importantly, as well educating our staff about what modern slavery is, the presentation also contains useful content around how to help identify whether someone may be in, or potentially at risk of, modern slavery and who to contact both within Booktopia and externally.

The training module was also incorporated into the employee's induction process that is conducted by our Human Resources team. Below is a page showing the outline of the content presented in the module.

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As part of ongoing due diligence, Booktopia reviewed its own recruitment policies and processes and those of its labour hire partners in light of the Australian Government's Fair Work legislation. It also considered whether those policies and processes were consistent with the principles underpinning the Modern Slavery Act and other human rights guidance, such as the UN Guiding Principles on Business and Human Rights.

We also completed due diligence via interview and responsive documentation of its two main labour suppliers – one Australian and one domiciled in the Philippines and interviewed the principals of those organisations; in both cases we received responses and additional documentation (eg Anti-Modern Slavery Policy) which satisfied Booktopia that they had systems and protections in place for the protection of workers, including with respect to identifying and responding to potential modern slavery issues.

### Supply Chain Risk Profiling

Every new supplier that Booktopia engaged with underwent a priority ranking described above to initially assess whether the organisations were likely to be engaged in Modern Slavery. Booktopia confirmed the existence or not of a Modern Slavery Statement against a targeted list of its suppliers and sent its modern slavery questionnaires to a section of these. These were generally larger suppliers, and those who operated in higher-risk countries such as China.

The Booktopia Publishing division engaged the services of two printing companies with operations or partners in China. Due diligence was specifically conducted that included Booktopia's Head of

Publishing communicating with the principals of those companies about their offshore operations and relationships and further, Booktopia's Modern Slavery Supplier Questionnaire was subsequently sent to the principals of the company for response. In both cases, Booktopia received the questionnaire responses, as well as various supporting documentation such as Modern Slavery Policies, Ethics and Conduct Policies and a Whistleblower policy. Booktopia became satisfied that these companies had systems and protections in place for the protection of workers, including with respect to identifying and responding to potential modern slavery issues].

The results of these activities in summary are that Booktopia is confident that the majority of its suppliers have systems in place to minimise the risk of modern slavery practices. There is a very small number of offshore suppliers to Booktopia in countries that are considered higher-risk for modern slavery practices, and these will be continuously assessed and engaged with.

Profiling and engaging is still a work in progress with existing suppliers and as new suppliers are engaged, with more extensive profiling to be conducted in FY22. Booktopia is also investigating various automated tools that may be able to assist it with Modern Slavery assessment and due diligence processes in its supply chains.

## **Assessing the Effectiveness of its Actions**

During the reporting period, as a measurement to assess the rollout of the training, all staff who undertook the training were required to signify that they had taken the training and understood the content, which was successful.

To assess the effectiveness of the actions of Booktopia's Human Resources department to monitor for modern slavery risks, during the reporting period it was required to report all occurrences of potential modern slavery, along with any employees or candidates who may be at risk of modern slavery..

The receipt of Booktopia's Modern Slavery Questionnaire responses from higher-risk companies as well as additional documentation such as Policies, Code of Ethics and other supporting material from these companies enabled Booktopia to assess that its diligence into targeted suppliers's risks to modern slavery was effective. Moreover, its methods of engagement was such that no company refused to supply the information to Booktopia, which suggests effective engagement with suppliers on the topic.

As there were no remedial actions conducted during the reporting period, no assessment of the effectiveness of remedial actions were conducted.

## **Consultation**

Booktopia is committed to consultation and cooperation between the Board, its owned entities, management, staff and its partners.

During the reporting period, the reporting entities consulted with all entities they own and control with regards to the onboarding of new suppliers and operations of existing suppliers. The reporting entities are centrally managed by a shared management team and their Modern Slavery operational and compliance obligations are overseen by a single, centralised function reporting to the Chief

Commercial Officer which services all entities in the Booktopia group of companies. Regular consultation with business unit managers was conducted as required with regards to the program or specific due diligence work.

This modern slavery statement was prepared by the team which oversees Booktopia's modern slavery risk management program and processes. It was prepared with input from Booktopia's management team, which oversees the reporting entities and other members of the corporate group. Following consultation and feedback with management, the statement was then provided to the Board for approval.

## **Supporting Policies**

Booktopia again reviewed and identified the following Policies that assisted it to drive culture, management and processes towards reducing Modern Slavery risks across its business:

- Whistleblower Policy
- Anti-Bribery and Corruption Policy
- Employee Code of Conduct
- Diversity Policy
- Discipline and Termination Policy
- Procurement policy and framework
- Modern Slavery Policy

## **Initiatives and Commitments**

Initiatives that Booktopia is committed to implementing in following Reporting Period are:

- Further implementation of the cross-functional Modern Slavery working group to implement policy and review and monitor activities
- Further rollout of business-wide material and training to increase awareness of Modern Slavery
- Broader rollout of the Modern Slavery Supplier Questionnaire to targeted suppliers based on risk profile together information and documentation regarding their Modern Slavery activities and risk management practices
- Assessment of automated tools for management of the Modern Slavery program at scale

## **Grievance and Remediation Processes**

The Directors and Management of Booktopia are committed to high standards of conduct in all business activities and facilitating a culture where staff feel comfortable reporting or raising concerns about illegal, unacceptable, unethical or undesirable conduct. Booktopia's Whistleblower Policy and Modern Slavery Policy outlines comprehensive reporting procedures and mechanisms which enable employees or third parties to report concerns regarding misconduct including in relation to modern slavery. Should a reporting party wish to remain anonymous, they can report online, by phone or by email through our independently operated whistle blowing system. Investigations of alleged misconduct is conducted in a manner that is confidential, fair and objective. Where issues are investigated and substantial substantiated, Booktopia is committed to taking appropriate action.

This Modern Slavery Statement was approved by the Booktopia Group Limited Board on 21st December, 2021.



Tony Nash, CEO