



Modern Slavery Statement

Complete Office Supplies Pty Ltd FY2021

This statement covers the activities of Complete Office Supplies Pty Ltd (ACN 001 634 715) (**COS**) during the year ended 30 June 2021.

This modern slavery statement is made under the *Modern Slavery Act 2018* (Cth) and sets out the actions we have taken to assess and address modern slavery risks in our operations and supply chains.

Since our first modern slavery statement last year, we have implemented improved initiatives and strategies with a focus on targeting supply chains that may facilitate modern slavery. Our focus has been the roll out of our Supplier Terms and Conditions across the supply chain to set the minimum expectations of doing business with COS including the collection of key information relating to modern slavery risk.

About us

At COS, we recognise that respecting the human rights of those affected by our business activities is important. We endeavour to make a positive and real difference to our immediate and greater community through our operations and wider supply chain.

We scrutinise every element of the supply chain and place a high level of importance on the behaviour of the total supply chain, as we believe this is where COS can make the most significant impact. A core focus of managing the relationships with our suppliers is ensuring that they share COS' commitment to social and environmental responsibilities. COS places preference with suppliers practicing ethically responsible methods of sourcing and manufacturing whilst maintaining world best practice labour standards.

Our Structure

COS is a company incorporated in New South Wales, Australia and our registered office is located at 25 Nyrang Street, Lidcombe New South Wales 2141.

As a wholly owned subsidiary of D & M Lyone Holdings Pty Ltd, COS is a family owned and operated business. COS' employees are engaged by Complete Office Staffing, a related entity which is also a wholly owned subsidiary of D & M Lyone Holdings Pty Ltd'. COS does not have any owned or controlled entities.

Our Operations

COS is Australia's largest privately owned business-to-business cleaning and office products supplier. COS was founded in NSW in 1977 by Dominique Lyone, with COS now managed by his daughters and co-CEOs Belinda and Amie Lyone. In the last 45 years, COS has grown to become a national supplier to both Government and Corporate Australia, offering a next day delivery service for thousands of products for every room in an office to over 20,000 customers across Australia.

Our operations span across Australia, with employees, warehouses and an extensive driver network in every state and territory. COS is committed to keeping Australian workers healthy and productive by offering thousands of products to the Australian market. We are the proud employer of over 500 Australians. We also engage a variety of transportation services who to deliver to our Australia wide network as well as recruit casual labour via hire agencies during peak periods in our warehouses.

COS has a minority interest in the Muru Group, through our investment in Muru Office Supplies (ACN 601 516 545) (**MOS**). MOS is a majority Indigenous owned company that provides office supplies and stationery, as well as IT products and solutions. MOS use the operations and supply chains of COS to deliver to their customer base. MOS are responsible for the employment of their own employees which in FY21 remains at five, all based in Australia. Although we do not manage this joint venture, COS is committed to supporting MOS with assessing and addressing its own risks of modern slavery.

COS have an annual commitment of a minimum of \$1M donation to the Lyone Foundation. The Lyone Foundation is focused on supporting Australian based charities focused on human welfare in Australia.

Our Supply Chain

We source products from over 200 suppliers from a number of countries including but not limited to Australia, China, Indonesia, Malaysia, USA, UK, France and New Zealand. Our suppliers are primarily located in Australia (representing 75% of total supplier spend), however we acknowledge the majority of products we procure are manufactured overseas. We have identified key countries where the products we procure are manufactured (based on a percentage of supplier spend). The most significant countries include China (35%), Australia (22%) and Indonesia (8%).

The main types of goods and services that we procure are products that are used in an office environment that we resell through to our customers. These can be grouped into a number of key categories including cleaning and bathroom supplies, office products, educational supplies, office furniture, technology, kitchen and catering supplies, mailroom and packaging supplies, personal protective equipment, as well as print and promotional products.

We engage our suppliers in an annual supplier management program. Each year suppliers go through an annual review process including the updating of their company information, a recommitment to the current COS Ethical Sourcing Policy as well as an annual product range review.

We also have a number of other suppliers, including cleaning services for our office and distribution centres, suppliers of packaging goods for our warehouses, and maintenance service providers for our warehouse equipment. As noted above, we also engage a variety of transportation services who to deliver to our Australia wide network as well as recruit casual labour via hire agencies during peak periods in our warehouses.

Modern slavery risks

We recognise that modern slavery may impact our business activities and we endeavour to take responsibility for reducing the risk that we might contribute to modern slavery through our operations and supply chains.

Risk assessment methodology

We utilise a risk assessment methodology which considers a number of indicators of modern slavery risks including geographic location and the level of automation in the production of goods.

Using this methodology, we undertook risk assessments of modern slavery risks in our operations and supply chains over the reporting period to consider the extent to which we cause, contribute to, or are directly linked to modern slavery practices. These risk assessments have confirmed that our operations and supply chain continue to have a medium potential for modern slavery risks.

Since our previous reporting period, we have not identified any further areas of risk. Our key area of vulnerability remains our exposure to manufacturing processes as well as some jurisdictions with an elevated risk.

Our broader risk profile is summarised in the table below.

Risk profile

Risk	Description of risk
<i>People Reliance/ Level of Automation in Manufacturing Process</i>	<p>We acknowledge that manufacturing processes that rely heavily on manual labour have an increased risk of unfair labour practices, particularly in developing countries.</p> <p>We have identified certain product categories, that as a result of their manufacturing process, have a higher risk than others.</p>
<i>Geographic/ Country of Manufacture</i>	<p>Embedded at heart of the modern slavery is the local labour law and employment laws of individual countries. Local regulations establish the minimum conditions relating to employment, such as minimum working age, minimum hourly wage and freedom to leave.</p> <p>We have identified a number of elevated risk jurisdictions in our supply chains, including China, Indonesia, and Malaysia.</p>

Actions to assess and address risk

We understand the importance of working collaboratively with our employees, suppliers and the broader industry to combat modern slavery. Over this reporting period, we have made significant progress in implementing further steps to assess and address modern slavery in our operations and supply chains. These additional steps include the rollout of our supplier terms and conditions and self assessment questionnaires across all suppliers identified as medium risk in the previous reporting period.

Due diligence

As noted above, we undertook risk assessments to identify any key modern slavery risks that existed within our operations and supply chains. It was identified that our highest risk was in the products we procure and resell to our customers and this was the key focus area for this reporting period. All product suppliers were given a risk rating under our Modern Slavery Risk Assessment Framework (which as noted above is based on a matrix of geographic location and the level of automation in the production of goods).

In FY2021, we did not identify any high risk suppliers.

We identified twelve significant suppliers (significant defined as an annual purchase of more than 0.7% of annual purchases) as presenting a medium risk of modern slavery.

Governance and accountability framework

An internal modern slavery working group leads the assessment of our risks of modern slavery and implement actions to address those risks. The Modern Slavery working group comprises the General Manager – Strategic Sourcing & Marketing, Manager – HR and Compliance, as well as two Group Category Managers (who are responsible for the appointment and management of suppliers). Since our last reporting period we have further embedded this working group into our business and have expanded membership to include Manager – Import Category.

Policies and procedures

Our policies and procedures ensure we have strong frameworks to enable us to assess and address modern slavery risks. These policies and procedures include:

- a Modern Slavery Risk Assessment Framework to give all suppliers a risk rating; and
- Supplier Terms and Conditions– which were introduced for our Local Tier 1 Suppliers (being those suppliers with which we have preferred supplier arrangement in place);
- Ethical Sourcing Policy – which was modified to add an overview of modern slavery;

- our supplier introduction process – which includes a modern slavery risk assessment;
- Self-assessment questionnaire – which audits the ethical business practices and modern slavery risks within our Local and Import Tier 1 Suppliers being defined as suppliers with annual purchases of more than 0.7% of total purchases: and
- Grievance mechanism – which allows employees to easily and anonymously raise concerns of modern slavery within our operations and supply chains.

Training

We also continued to provide training for members of the modern slavery working group. This training was used as an essential element for guiding the assessment of risk in our operations and supply chains and implementing actions to mitigate these risks. Several members of the modern slavery working group also attended webinar training and engaged with subject matter experts within our customer and supplier network.

We have also conducted targeted training for all sales staff, category managers and leadership positions to raise awareness of modern slavery risks and how they arise in our operations and supply chains,

COVID-19

The COVID-19 pandemic has brought further challenges to modern slavery and highlighted social and economic inequalities worldwide. COS has assessed the impact of COVID-19 pandemic on its practices and risks to modern slavery.

COVID-19 has impacted the actions we had planned, or were in the midst of implementing, to assess and address risks of modern slavery. One of these measures included visits to overseas factories.

During the peak of COVID-19, we sought information as to how our suppliers were protecting their workers – including work from home flexibility. In particular, our focus was on vulnerable workers unable to work from home during the pandemic to understand how our suppliers were managing cleaning & PPE available alongside guaranteed wages, redeployment of workers and safe return of migrant workers.

Assessing our effectiveness

We are committed to reviewing the effectiveness of our actions by:

regularly reviewing our modern slavery processes, with senior management meeting annually to consider whether we are appropriately identifying and evaluating our modern slavery risks; and extending the function of the modern slavery working group to include conducting an annual review of our processes, policies and actions, to ensure we are appropriately identifying and evaluating our modern slavery risks.

We also monitor our performance against a number of key performance indicators. These include monitoring;

- the number of suppliers participating in our responsible sourcing program as a percentage of total procurement spend;
- the percentage of our procurement complying with sourcing policies;
- the number of supplier factory audits completed; and
- the number of incident & corrective action measures taken in response to actual or suspected incidences of modern slavery

Consultation

COS does not own or control any entities and consultation was therefore not undertaken with any other entities.

During FY2021, there was consistent consultation and collaboration between the executive leadership of COS and the modern slavery working group within COS.

Prior to being put to the sole director of COS for review and approval, this statement was reviewed by Co-CEOs, General Manager – Strategic Sourcing, Group Category Manager – Productivity & Collaboration, Group Category Manager – Innovation, Health & Wellbeing, as well as General Manager – People & Culture.

Related activities

We passionately support the Lyone Foundation which was established to assist small to medium sized Australian charities, with a focus on human welfare to create a more prosperous future for disadvantaged, vulnerable and marginalised Australians. In the next reporting period we will explore if there any charities working in the modern slavery area that we may be able to support.

Our customer network comprises some of the largest companies in Australia as well as state and federal governments. Across FY21 we have consistently been in consultation and collaboration regarding the creation of policy to address ethical sourcing and mitigation strategies. We have hosted several of these discussions and also attended forums created by peak bodies in the procurement industry.

FY2022 focus

In FY2022 we will focus on implementing improved initiatives and strategies with a focus on targeting supply chains that may facilitate modern slavery. These strategies will include:

- a review of our risk assessment methodology to incorporate learnings from previous reporting periods (including but not limited to identifying factories with a dormitory onsite);
- Introduction of modern slavery training into the staff induction process relevant staff in procurement, recruitment and compliance roles, to raise awareness of modern slavery risks and how they may arise in our business;
- Introduce refresher modern slavery training to relevant staff in procurement, recruitment and compliance roles, to maintain awareness of modern slavery risks and how they may arise in our business;
- rolling out the Supplier Terms and Conditions that set out the minimum expectations for our suppliers to our Tier 2 Local Suppliers (being suppliers with purchases greater than 0.4% of total purchases regardless of preferred supplier status)) as well as third party labour providers related to compliance to our Ethical Sourcing Policy including addressing modern slavery risks in their business;
- releasing the Self-Assessment questionnaire seeking responses from Tier 2 Local & Import Suppliers (being suppliers with purchases greater than 0.4% of total purchases] and Service Suppliers (non trade) which audits their ethical business practices and modern slavery risks; and
- extending our grievance mechanism for concerns of modern slavery to both our suppliers and members of the public.

This statement was approved by Dominique Lyons as the sole director and principal governing body of COS on 23 December 2021.

This statement was signed by Dominique Lyone as the sole director of COS on 23 December 2021.



Dominique Lyone
Founder & Sole Director