

RITCHIES

Where the Community Benefits

ACN 005 041 814

Modern Slavery Statement 2021

1. Ritchies Stores Pty Ltd (Ritchies) as reporting entity

Ritchies is a reporting entity as defined by the *Modern Slavery Act 2018 (Cth) (Act)*, having a consolidated revenue in excess of AU\$100 million.

2. Ritchies' structure, operations and supply chain

a. Structure

Ritchies is a private company incorporated in Australia based at Unit 10/1095 Frankston-Dandenong Road, Carrum Downs, Victoria 3201. It employs about 6,000 staff in head office and across 75 supermarkets and liquor stores it owns in Victoria, New South Wales and Queensland (Store Network).

Ritchies does not own or control any other entity.

b. Operations

All Ritchies' stores operate under the IGA brand, owned by Metcash Trading Limited (Metcash). Metcash is Ritchies' main wholesale supplier.

Store Network

Metcash (as wholesaler) sources, procures and supplies about 70% of the products that Ritchies sells through its Store Network.

Ritchies relies on Metcash' independent due diligence of its supply chain, so far as modern slavery risk identification, assessment, mitigation and remediation in respect of these products and their supply chains are concerned.

c. Supply Chain

Ritchies procures the balance of about 30% of its products for its Store Network directly from about 1,000 other (non-Metcash) suppliers (**Direct Suppliers**).

In 2021, Ritchies' modern slavery risk identification and assessment processes focussed on this category of grocery and liquor supplier only.

Business Operations

Modern slavery risks in other aspects of Ritchies' business operations will be brought into focus in 2022 and 2023.

3. Actions taken by Ritchies to assess and address risks of modern slavery

Between March and September 2021, Ritchies has:

- a. Uploaded its Modern Slavery policy onto its internal induction platform;
- b. Formulated and despatched a survey to its 1,000+ Direct Suppliers;
- c. Appointed a modern slavery team to monitor modern slavery enquiries from Direct Suppliers;
- d. Updated its new supplier application form to include its modern slavery survey as part of its new supplier onboarding processes;
- e. Arranged for its buyers to participate in modern slavery training modules prepared by Metcash and others to raise awareness and knowledge and to assist them to identify countries, industries and products with high human rights risk indicators;
- f. Collaborated with Metcash and other reporting entities in the IGA network on modern slavery risk identification and assessment techniques and ways in which to mitigate against supplier fatigue.

4. How Ritchies assesses the effectiveness of its actions

About 25% of Direct Suppliers responded to the survey. This is not surprising given most are small, local Australian businesses that are not required to report under the Act.

Ritchies will continue to review its terms and conditions with all suppliers to reinforce its commitment to reducing modern slavery risks across the globe and to encourage its suppliers to do likewise.

Survey results of Ritchies' Direct Suppliers show that:

- a. Over 70% have no modern slavery policy, no personnel dedicated to oversee modern slavery risk, have little visibility over their supply chain and did not engage in any due diligence to identify, prevent and mitigate modern slavery risks in their operations and supply chains;
- b. Over 80% have no staff trained on how to identify, assess and respond to modern slavery risks; and

- c. Over 90% were not aware of any modern slavery risks or incidents in their supply chain and were not aware of low-skilled migrant workers in their operations and supply chains.

5. Framework for 2022

The results in item 4 above dictate that Ritchies' main focus for 2022 will be to:

- a. Seek further clarity on modern slavery risks identified by its Direct Suppliers in the survey undertaken to date, to understand what they are and how they are being addressed;
- b. further train and educate its procurement team on identifying modern slavery risks or incidents likely in its Direct Suppliers;
- c. educate its smaller Direct Suppliers on identifying and preventing modern slavery risks or incidents in their operations and supply chain;
- d. rolling out its due diligence and survey to suppliers of other operational parts of its business (advisers, cleaning, electrical, equipment, landlords etc); and
- e. considering options to assist management to record and administer its modern slavery risk identification and assessment processes.

Ritchies will continue to monitor and assess the effectiveness of its modern slavery risk identification and assessment practices throughout 2022 with a view to improving them and its understanding of its obligations in this developing area.

Approved by the Board: 21 December 2021

Signed by the Chair:


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Malcolm Andrew Cameron