



# **Shaver Shop Group Limited**

## Modern Slavery Statement

For the year ended 30 June 2020

# 1. About Us

Shaver Shop Group Limited (ACN 150 747 649) (**Shaver Shop, company or we**) is a speciality retailer of male and female personal grooming products and aspires to be the market leader in personal care and grooming solutions for men and women across Australia and New Zealand. We pride ourselves on having the best product knowledge in our core categories of any retailer in the world.

Shaver Shop was founded in 1986 in Melbourne and retains its national support office in this city. As at 30 June 2020, we operated over 120 Shaver Shop stores across Australia and New Zealand of which 6 of these stores were operated by one franchise group in NSW. In February 2021, Shaver Shop acquired these franchise stores to become a wholly corporate owned business. Shaver Shop offers customers a wide range of quality brands at competitive prices, supported by excellent staff product knowledge and customer service. The Company's specialist knowledge and strong track record in the personal care and grooming segments enable it to negotiate exclusive products with suppliers.

Shaver Shop sources products from major manufacturers who seek to create functional and innovative products to meet customer's needs and wants in the hair removal and personal care product categories. The Company's core product range includes male and female hair removal products such as electric shavers, clippers and trimmers, long term hair removal solutions for women and men as well as wet shave items. Complementary to its core product range, Shaver Shop retails various products across

the oral care, hair care, massage and female beauty categories.

Shaver Shop staff and franchise owners have been servicing the wants and needs of customers for 35 years. We have built a business that is passionate about providing customers with the right advice for their individual needs, at the right price.

## Governance structure

Shaver Shop's Board and Audit, Risk and Compliance Committee has responsibility for establishing a framework of risk management across the Shaver Shop group. The Audit, Risk and Compliance Committee assists the Board in its responsibilities relating to:

- Identifying areas of risk and assessing the effectiveness of Shaver Shop's risk management framework;
- Supporting a prudent risk and risk aware approach to business decisions within the Shaver Shop organisation

The Audit, Risk and Compliance Committee is chaired by an Independent non-executive director and meets at least four times per year.

Shaver Shop has developed a cross functional working group with representatives from Buying and Merchandising, Human Resources and Finance that is working with external counsel to help identify modern slavery risks and implementing our modern slavery compliance activities.

## Operations

Shaver Shop offers customers a wide range of quality brands, at competitive prices. We employ 783 staff, in 123 locations around Australia and New Zealand, including our national support office in Chadstone, Victoria. These staff are employed full time (31% of team members), part time (8% of team members) and on a casual basis (61% of team members). They hold a variety of positions, from staffing our retail premises, to managing stock to support office executive and administrative roles. In the 2020 financial year, Shaver Shop made payments of approximately \$29.2 million in relation to employment and employment related costs.

Our primary operations relate to the purchase and resale of personal care and grooming products for men and women. We operate via 121 retail locations across Australia and New Zealand as well as through our websites ([www.shavershop.com.au](http://www.shavershop.com.au) and [www.shavershop.co.nz](http://www.shavershop.co.nz)) and various online marketplaces. Our stores are primarily located in large shopping centres. Online orders are generally allocated to the nearest store to the customer's delivery address and picked, packed and despatched by our retail store team members. We also fulfil online orders from a 3rd party warehouse facility primarily during peak trading periods in the lead up to Christmas and offer customers the option of buying online and collecting from store (Click & Collect).

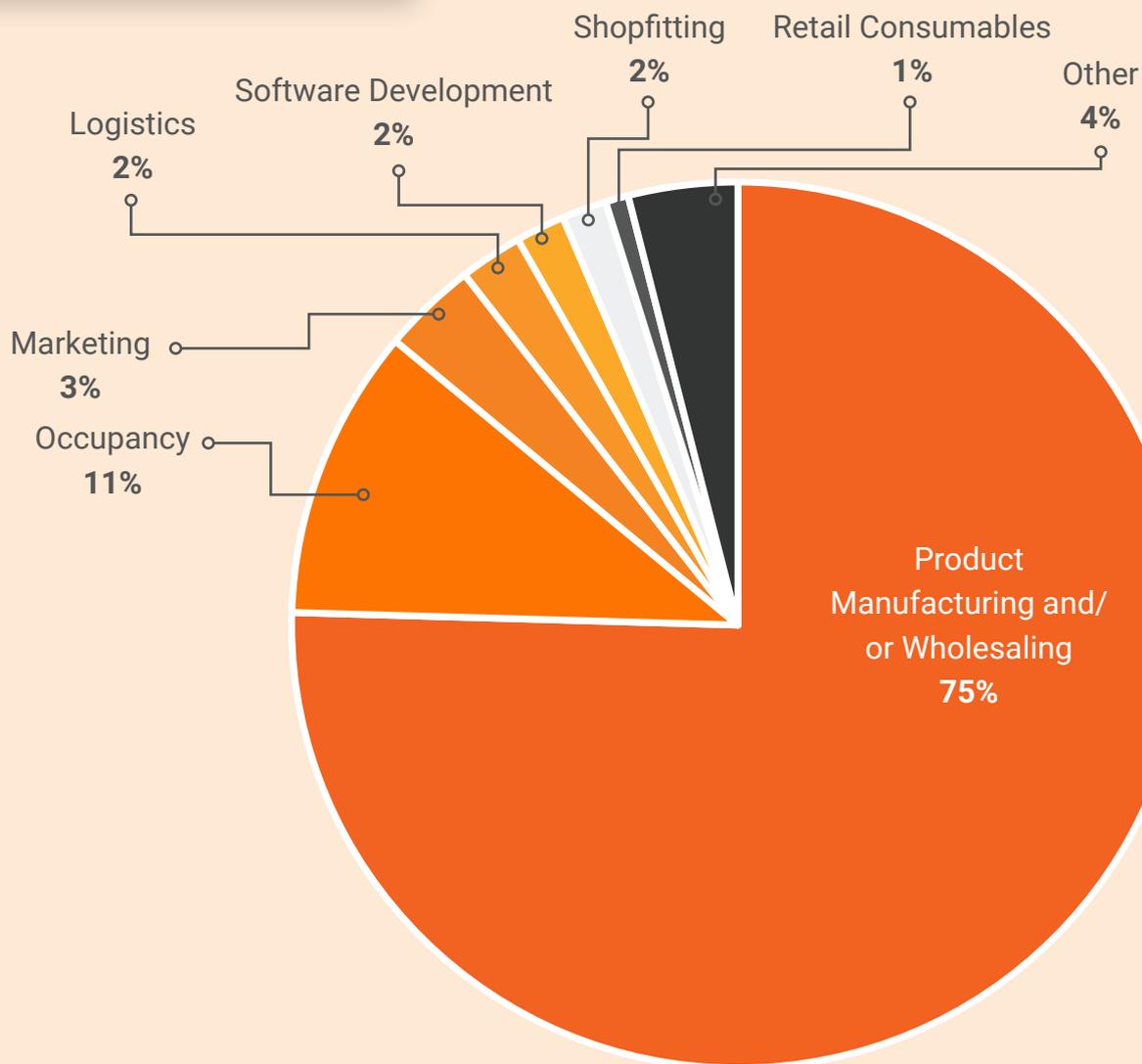
All procurement and other corporate and administrative responsibilities for the group are managed centrally at Shaver Shop's national support office.

## Supply Chain

Shaver Shop recognises that our corporate and social responsibilities reside in both our own direct activities and our supply chains, and seeks to purchase products and services that are ethically produced. We look for suppliers that demonstrate a commitment to implementing policies and practices consistent with, and complementary to, our own.

As well as being responsible for selection of the stock for our company operated stores, we also recommend the stock that is available for our franchisees to sell to customers.

## Supply chain spend by industry



Shaver Shop had approximately 500-550 active suppliers in the 2020 financial year with approximately \$180 million in total procurement expenditure (excluding employment costs). Approximately 65% of all purchases were for products that Shaver Shop has either sold or expects to sell through its stores or online. These products are manufactured or assembled in many different countries around the world including: China, Germany, the United Kingdom, the United States of America, Australia and Japan.

Shaver Shop's third largest category of supply chain expenditure (9% of total expenditure)

are lease payments for its retail stores and national support office. Shaver Shop operates predominantly in large shopping centres in major metropolitan and regional cities across Australia and New Zealand. Shaver Shop's landlords are predominantly divisions of large, publicly listed entities that own and operate a number of shopping centres across Australia.

The remaining 14% of total spend is spread across freight and logistics providers, marketing agencies and advertising companies, software developers and shop fitting, retail consumables companies for Shaver Shop's retail stores and other industries.

## 2. The risks of modern slavery in our operations and supply chain

### In our operations

We consider that the risk of modern slavery in our workforce is low. This is largely due to the regulations in the retail sector, as well as contractual rights of our employees and the policies and procedures that we have adopted to ensure that their rights are protected. Our full-time and part-time staff are paid above the rates outlined in the General Retail Industry Award. Shaver Shop employs all team members directly and does not use labour hire or similar firms. Shaver Shop prides itself on having unparalleled product knowledge in our core categories and providing exceptional customer service. Our team members are therefore Shaver Shop's most important assets. Accordingly, Shaver Shop regularly invests in education and training of our team to ensure we continue to provide the exceptional customer experience we have become known for. In addition to product and sales based education, our training program includes reviewing Shaver Shop's suite of policies including its Code of Business Ethics, Diversity Policy, Whistleblowing Policy and Anti-bribery and Corruption Policy.

### In our supply chain

Shaver Shop has 12 key stock suppliers that make up approximately 70% of its total procurement (excluding employment costs). While these suppliers are mostly the local subsidiaries of reputable global companies, we recognise that they may have risks of modern slavery in their own supply chains given their size, global presence, and mass variety of product offerings.

In line with the United Nations Guiding Principles on Business and Human Rights, we adopted a risk based approach in assessing the human rights risks in our supply chain. Given our largest suppliers manufacture in many companies around the world, we believe there is a higher inherent risk with these suppliers. We looked at the industry of each of our suppliers in order to assess the modern slavery risks associated with that supplier.

We recognise that our top suppliers by spend, may have a higher risk of modern slavery in their supply chain by virtue of their sector risk, but are also conscious that some of our smaller suppliers may also have inherent risks as set out in the table below:



### Stock

The stock that we supply to customers is our greatest modern slavery risk. This stock is manufactured in a variety of different locations, including China, Germany, United Kingdom, United States, Australia and Japan. We understand many of these suppliers source parts or inputs to their products from many other suppliers which are then assembled into a finished product that is sold to Shaver Shop.

Because the bulk of our stock purchases are for electrical appliances that are produced in large volumes, there are strict ANZ codes of compliance that our suppliers and Shaver Shop must adhere to in order to meet required safety standards. We understand that the manufacture and/or assembly of these products (in most cases) is a highly automated process using robotics and automation to drive efficiency and consistency.

Whilst there is inherent risk with this area of our supply chain, based on the feedback received so far from stock suppliers, many of which are also required to report on their own modern slavery compliance, we have been comforted by their understanding of, and commitment to, addressing modern slavery risks in their businesses and supply chains.



### Premises

Some of our major suppliers are our landlords. They provide us with premises, as well as maintaining common areas and security. We appreciate that the construction, maintenance and cleaning of common areas is exposed to modern slavery risk. Typically security services are also provided by our landlords, which is also an industry that has been linked to modern slavery.

In the property development industry, the prevalence of opaque subcontracting arrangements and frequent use of labour hire companies increase the risks of modern slavery. Additionally, the industry often relies on low-skilled workers, who may also be migrants with low levels of English. The use of building materials such as concrete, timber, steel, quarried stone products, glass, construction films, textiles and other goods all carry inherent modern slavery risks. Producers of these materials often operate in high-risk locations.



### Cleaning

The cleaning industry is considered high-risk for modern slavery largely due to the nature of the workforce and the often opaque nature of operations. The cleaning sector does not require tertiary qualification in many instances and as such, the workforce is often low-skilled. On top of this, those who enter the cleaning sector are often from migrant populations who have a limited understanding of their legal

## Sector

## Generally known modern slavery risks<sup>1</sup>

rights or a limited understanding of English. As a result, those employed in the cleaning industry, who fall into the aforementioned circumstances, have a restricted ability to bargain with their employers, or those with whom they contract.

Whilst there is inherent risk in this industry, Shaver Shop does not generally employ external contractors for cleaning its stores. Shaver Shop employs a cleaning contractor for its National Support Office in Melbourne.



### Uniforms

There is high-risk of modern slavery in the production of uniforms, given they are made up of a combination of high-risk suppliers, such as those manufacturing cotton, embellished textiles, and garments. Factories for clothing manufacturing are notoriously non-compliant with employment regulations, laws and standards, and many large clothing companies have been found to have such suppliers in their supply chain.

Our third party supplier of store uniforms outsources the manufacture of our garments to an Australian based company. Shaver Shop has sought to further understand the source of the fabrics used in our uniforms to assess any modern slavery risk that may exist.



### Transport

Most of the products we sell are manufactured overseas and are delivered to us by ship. We understand that there is a significant risk of modern slavery in shipping, which can involve crew being onboard for extensive periods and not being able to leave the ship.



### IT equipment and software

Modern slavery risks are present in the supply chains that provide IT companies with the necessary materials to produce electronic goods, and parts of those goods. For example, cobalt is an essential component of rechargeable lithium-ion batteries. More than half of the world's cobalt is mined by the Democratic Republic of Congo, where according to UNICEF, approximately 40,000 miners are children. Another problematic material sourced for IT equipment is mica. India produces 60% of the globe's mica. The most prevalent areas of mica production are in Jharkhand and Bihar where a third of the population in these areas live below the poverty line.

<sup>1</sup> The risks outlined in this table are general and not relate to any actual instances of modern slavery in the supply chain of our first tier suppliers.

### 3. Actions taken to assess and address the risks, including due diligence and remediation processes

Shaver Shop has adopted a Code of Business Ethics, Whistleblower Policy, Anti-Bribery and Corruption Policy and Modern Slavery Policy. These policies, together with Shaver Shop's values work in concert to set the minimum standards Shaver Shop expects from its employees and third party suppliers. These expectations are also being incorporated into Shaver Shop's standard trading terms and conditions.

Shaver Shop has created a multi-departmental working group which includes representatives from Buying and Merchandising, Finance and Accounting and Human Resources to identify areas of risk and to develop processes to evaluate and manage these risks and perform associated supplier due diligence.

As outlined above, based on the highest risk areas and industries identified, we have sent questionnaires to these suppliers to better

understand any modern slavery risks and are in the process of reviewing the responses received to date to identify any material risks or exceptions to Shaver Shop's policies and standards.

Shaver Shop has also engaged a third party to undertake a review of its payroll systems and processes to minimise the risk of Shaver Shop not remunerating its team in accordance with the required minimum standards.



## 4. How we assess the effectiveness of our actions

During the course of the next reporting period, we will continue to seek responses to the modern slavery questionnaires that have already been issued and seek to further understand modern slavery risks with additional suppliers.

We will work to continue incorporating modern slavery terms and conditions into new and existing supplier contracts.

We will review our progress against our modern slavery plans at least annually and provide an update to the Board on our progress in addressing inherent or actual modern slavery risks in our business.

We will also review, at least annually, our grievance mechanisms (including any whistleblower reports) to identify whether any of the reports reflect modern slavery incidents or risks.



## 5. Consultation with any entities owned or controlled

The working group that formed in relation to modern slavery is responsible for their disciplines across all of our business. They all contributed to our modern slavery project and the development of this statement.

**This statement was approved by the Board of Shaver Shop Group Limited**

Signed,



**Cameron Fox**

CEO and Managing Director  
Shaver Shop Group Limited

**25th March 2021**



