



Modern Slavery Statement

March 2021

Vita Group Limited

ABN 62 113 178 519

Table of Contents

About Vita Group	3
Modern Slavery Action Plan	5
Reporting Criteria 1 & 2	6
Reporting Criteria 3: Modern slavery risks in operations and supply chain	9
Reporting Criteria 4: Actions taken to assess and address risk	13
Reporting Criteria 5: Effectiveness Assessment	16
Reporting Criteria 6: Process of consultation with entities owned or controlled	18
Reporting Criteria 7: Other Information	19

Note: This statement covers Vita Group Limited (the parent company in Vita Group) and each of its subsidiaries within the Vita Group (together referred to as we, us, our, Vita). A complete list of the entities in the Vita Group as at 30 June 2020 is available in the Vita Group Annual Report (<https://annualreport.vitagroup.com.au/>).

About Vita Group

Vita Group is a publicly listed (ASX:VTG) Australian retailer with more than 25 years of expertise in consulting with customers and providing products and services that add value to their way of life. Our vision is *to make Vita a great place* to be for our team members, customers, partners and investors, as well as the communities we're proud to be part of.

We achieve this through our network of brands:

Artisan Aesthetic Clinics – our own premium medical aesthetics brand that empowers our clients to look and feel their confident best, through the latest aesthetic technology and techniques from cosmetic injectables and laser and light-based therapies to body treatments.

Telstra – where we own and operate more than 100 Telstra retail and business points of presence, providing information and communications technology products and services to customers.

Sprout – our own technology accessories brand that's stocked in more than 300 retail locations Australia-wide.

Vita's strategy is brought to life within its 'strategy house'.



Vita Group Modern Slavery Statement

Vita's core values guide us in how we work together to make Vita a great place to be. Our eight values are the foundation of our strategy and ongoing success and are reinforced in our organisational processes through regular team feedback and performance reviews. Of particular importance in our modern slavery action plan is the Vita value *Always do the right thing*.



Modern Slavery Action Plan

2019/2020: Modern slavery risk management initiatives

In 2019/2020, Vita worked to analyse modern slavery risks and impacts across our supply chain. With the support of expert advisers, our leadership team conducted a thorough operational gap analysis of our value chain, representing all aspects of our business.

A cross-functional Modern Slavery Working Group was formed, which developed a comprehensive action plan, that will inform our approach to managing risks and doing the right thing. We documented and prioritised our tier 1 (direct) suppliers and supply categories against modern slavery risk indicators and undertook a detailed assessment of our highest risk electronics goods suppliers. Engagement with these suppliers will continue as they implement the required corrective actions to ensure we are fulfilling our obligations.

2020/2021: Next steps

Our plan for 2020/21 is to implement the highest priority actions, including raising awareness about modern slavery risks and implications across our organisation. A training needs analysis will further inform the roll out of dedicated modern slavery learning modules for all Vita Group team members.

We will develop and promote our modern slavery policy and formalise roles and responsibilities to ensure that we manage the risks and action plan effectively. Modern slavery risk will be integrated into our risk assessment framework as well as our risk management policies and procedures, and we will continue to update policies, procedures and contracts to ensure the right actions take place.

Beyond 2021

Beyond 2021 we will review, extend, evaluate and improve our modern slavery risk management program. Our priority will be to establish performance standards and evaluation criteria for our suppliers and contractors, continue to develop and review corrective action plans with identified high risk suppliers and undertake mapping of our priority tier 2 suppliers.

Further supporting our compliance across our full supply chain, we will roll out a pre-qualification questionnaire for all suppliers that will become part of our tendering processes. We will continue to enhance our general management systems and training programs to ensure we are meeting the requirements of modern slavery legislation.

Reporting Criteria 1 & 2

Organisational structure and operations

Vita's principal activities relate to the sales of products and services through its customer-facing points of presence. Vita's businesses include Telstra retail stores, its Telstra Business ICT channel, the network of branded and non-branded Artisan Aesthetics Clinics and the sale of consumer electronics via its accessories brand Sprout.

Vita Group at a glance – Key facts

- Vita operates a network of more than 20 skin health and wellness clinics providing skin care treatments and products to clients.
- Vita has a Master Licence Agreement with Telstra Corporation Limited (telecommunications provider) until 30 June 2025, which authorises Vita Group to sell agreed products and services on its behalf, through more than 100 Vita-owned Telstra retail stores across Australia.
- Vita services the ICT needs of enterprise and government clients through its Vita Enterprise Services channel.
- Vita operates several Telstra Business Technology Centres across Australia, selling agreed products and services to small business customers on behalf of Telstra.
- Vita sells technology hardware and accessories via its proprietary accessories brand Sprout, which is distributed across more than 300 retailers in Australia.

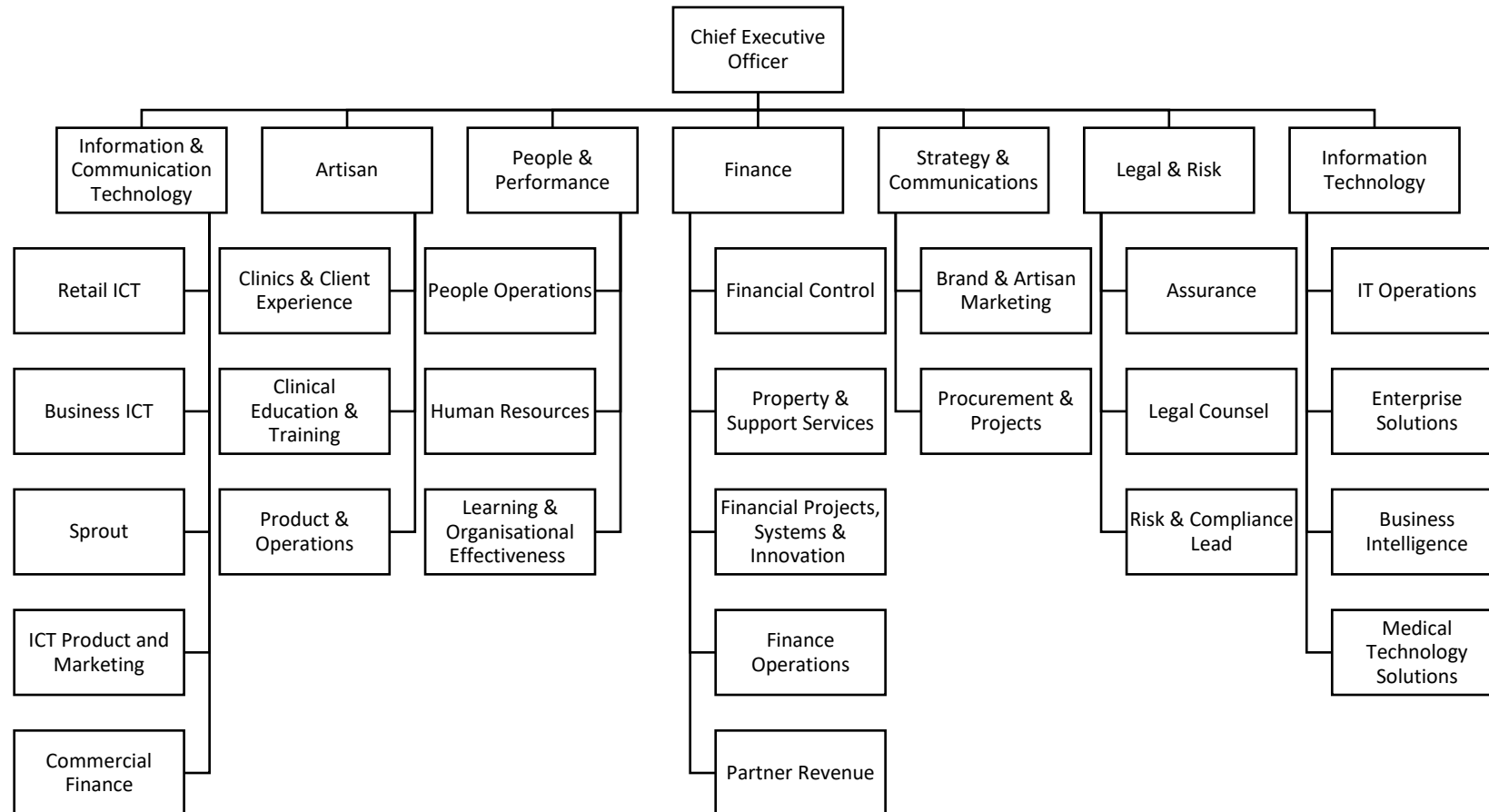
Our People

- As at 30 June 2020, Vita's total workforce was approximately 1,500, including an indirect workforce of approximately 20 contractors, and 20 people located in the Philippines.
- Vita's indirect workforce is governed by a range of contractual arrangements depending on the type of work performed.
- Vita manages risks associated with labour rights across its total workforce via various policies including its Whistleblower Policy, Code of Business Practice and Ethics and Diversity Policy.
- Vita recognises that poor labour practices are present in some parts of the sectors it operates and as outlined in Vita Group's Code of Business Practice and Ethics, we are committed to conducting our business according to the highest standards of honesty, integrity, respect and fairness when dealing with all of stakeholders.

For further information about Vita's strategy, financial performance and leadership team, refer to Vita Group's website <https://www.vitagroup.com.au>.

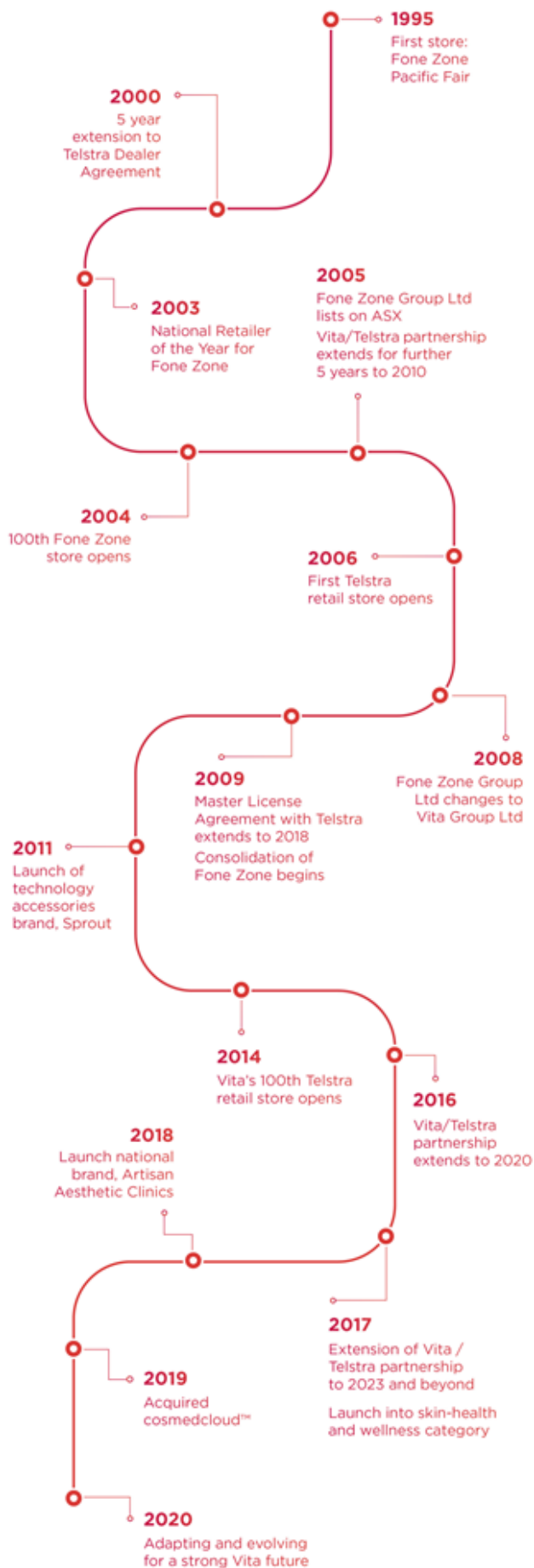
Vita Group organisational structure

Vita is organised as two key customer-facing channels (ICT and Artisan) and several support areas.



Vita Group’s timeline

Vita Group has a proud history of enhancing customers’ ways of life through consultative sales and exceptional service for more than 25 years.



Reporting Criteria 3: Modern slavery risks in operations and supply chain

Vita's focus in 2019/2020 was to enhance our understanding of modern slavery risks in our operations and supply chain. With the support of external expertise, we undertook a modern slavery awareness and gap analysis workshop that included our Extended Leadership Team (ELT) representing areas including legal, risk, compliance, procurement, project management, finance, product, operations, property and support services, human resources, and people operations. This initial workshop informed the development of our modern slavery risk management program.

With an extensive and diverse supply chain, our efforts in 2019 focused on obtaining a deeper understanding of our supply chain risks and operational processes to manage those risks. We have documented and prioritised our tier 1 (direct) suppliers against modern slavery risk indicators and identified 14 high risk procurement categories.

We will undertake further due diligence of priority suppliers in 2020/21.

Operational risks

Modern slavery gap analysis

Vita undertook a modern slavery gap analysis to identify areas of improvement across five key categories:

- Management systems
- Human resources and recruitment
- Procurement and supply chain
- Risk management
- Customers and stakeholders

Our analysis identified gaps and opportunities for better managing our response to modern slavery risks, and more broadly our human rights due diligence. Whilst we have made some progress towards enhancing our governance framework specific to modern slavery, we acknowledge that there is further improvement to be made. Importantly, Vita's board, management team, and extended leadership team is committed to identifying and addressing modern slavery risks in our operations and supply chain and have committed resources to this process.

Vita's modern slavery action plan was developed collaboratively with key representatives across our organisation and establishes a clear pathway toward the required improvements. The action plan and three year roadmap are included in [Criteria 4](#) below.

Our policies

Vita has a range of policies and processes to help identify and manage human rights and labour rights risks. While we are working to refresh several policies and procedures to better reflect modern slavery legislative requirements, the following policies reference our commitment to responsible and ethical business practices, protecting human rights and promoting diversity:

Vita Group Modern Slavery Statement

- Code of Business Practice and Ethics
- Whistleblower Policy
- Risk Management Policy
- Anti-Bribery and Corruption Policy
- Diversity Policy

Access relevant policies and Corporate Governance Statement at:

<https://vitagroup.com.au/shareholders/corporate-governance/>

Supply chain risks

After reviewing the supply chain and conducting an initial risk assessment, we have several findings that need to be addressed. Below is a summary:

High level findings

- Analysis of spend data indicates there is a moderate to high level of modern slavery risk in Vita's supply chain
- Approximately 40% of our FY 2019/2020 spend is potentially high risk for modern slavery
- Around 300 suppliers are considered potentially high risk for modern slavery
- 14 of our 26 spend categories are potentially high risk for modern slavery
- Levels of potential risk vary significantly between Vita's various operating entities

Supply chain overview

In 2020 the procurement team, supported by external experts, analysed more than \$100 million of procurement data for potential modern slavery risk against four key risk indices.

- **Industry sector**
Specific industry sectors (for example manufacturing, ICT, construction etc) are deemed as high risk in international and national guidance documentation.
- **Commodity/product**
Specific products and commodities deemed as high risk by the US Department of Labor's 2018 List of Goods Produced by Child and Forced Labor, the Global Slavery Index (GSI) and other international guidance materials.
- **Geographic location**
While Vita predominantly uses Australian suppliers, it is recognised that goods and services may come from countries other than those of suppliers' headquarters which may have an elevated risk of poor labour standards and modern slavery.
- **Workforce profile**
Supplier analysis has reviewed the type of labour involved in the production of goods and services, particularly where children, low skilled, vulnerable or migrant labour is used, or where the work is deemed as '4D' work (Dirty, Dull, Degrading or Dangerous).

Data at a glance

Vita Group entities and sub-entities analysed:	3
Total Spend:	\$105,230,889
Total Suppliers:	759
Supplier Spend range analysed (largest to smallest)	\$8.8M - <\$100
Number of spend categories (goods and services)	26
Category spend range (largest to smallest)	\$24M - \$16,000

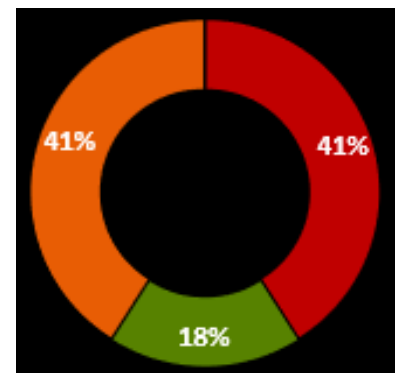
Important notes:

- The focus in FY 2019 / 2020 has been on engaging higher spend and higher risk suppliers. It is recognised that there may be significant risk amongst the extended supply chain, and this will be incorporated into future risk assessments.
- To provide a more accurate picture of potential supply chain risk and improve transparency, spend associated with Telstra and the Australian Tax Office were excluded from the analysis to avoid artificially skewing the outcome to an overall lower risk profile.

Risk by Spend

Analysis of approximately \$100 million of spend across Vita’s entities identified 41% of spend as potentially high risk for modern slavery. This is largely due to the spend on shop fit-outs and technology accessories.

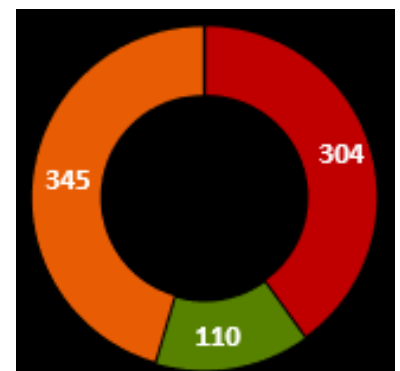
A further 41% of spend was categorised as potentially medium risk of modern slavery and includes spend on media, marketing, utilities, rent and logistics services.



Risk by Supplier

Analysis of suppliers indicates that 304 suppliers, or approximately 40% of the 759 suppliers analysed, are potentially high risk of modern slavery with a further 345 (or 45%) considered medium risk.

Whilst many direct suppliers based in Australia represent a lower risk, a significant proportion of stock items such as consumer electronics and aesthetic products, as well as ICT equipment, are manufactured overseas, predominantly in countries considered to have a higher risk of modern slavery.



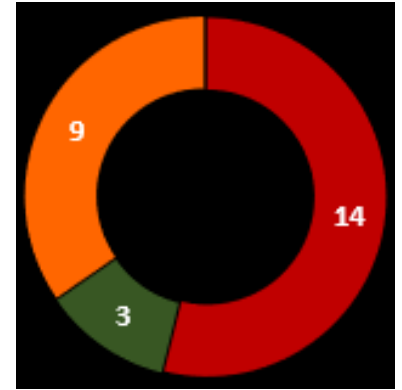
Based on this information, we will gather additional data on the geographic location of our highest risk tier 1 and tier 2 suppliers. This will enable us to gain a better understanding of potential risk in our extended supply chain both in Australia and internationally, prioritise the engagement of high-risk suppliers and take appropriate practical action to manage it.

Risk by Spend Category

Based on the four risk factors outlined above, 14 of our 26 spend categories are potentially high risk for modern slavery.

Our five highest risk categories are:

- ICT consumer stock items
- Building, construction and fit-out services
- Aesthetic consumer stock items
- Electronic and comms equipment
- Property and facility maintenance services (e.g. security and cleaning services)



These five categories account for more than 95% of our high risk spend.

Higher levels of modern slavery risk associated with these spend categories is due to country of manufacture (primarily China and other parts of Asia) and the industry sectors involved (construction, ICT, security and cleaning).

Nine of the 26 spend categories represent medium risk for modern slavery, with approximately 60% of this spend being for real estate and property management services such as rental space for shop fronts and clinics.

Risk by Brand and Division

Potential modern slavery risk varies significantly between Vita's brand and internal divisions, largely due to the types of goods and services procured to meet operational requirements.

For example, Sprout and Artisan Aesthetic Clinics have higher levels of potential risk due to their procurement of consumer stock items. This contrasts with corporate functions that have higher spend with lower risk suppliers such as professional services and government agencies.

This information will inform our future efforts to manage modern slavery risk across our brand and corporate suppliers.

Reporting Criteria 4: Actions taken to assess and address risk

Vita's modern slavery gap analysis has informed the development of our modern slavery action plan and three-year road map.

Modern slavery action plan and road map

A cross-functional team, which included members of our management team, worked collaboratively to develop a focused modern slavery action plan and a three-year road map. These include actions for enhancing our approaches to modern slavery governance, due diligence, risk and compliance, procurement and supply chain systems and processes, supplier engagement and monitoring, awareness, training and communications.

The following actions were completed as part of our first reporting period.

- **Modern Slavery Working Group**

We formed a working group with representatives from across our operations to lead our modern slavery risk management program and implement our action plan and road map. Working group members participated in a modern slavery awareness survey to establish a baseline knowledge level. Close to 60% of our working group members could provide only a broad definition of modern slavery at the start of our program. This has now increased substantially and will be one of the measures used to inform our effectiveness assessment in future.

- **Supplier risk identification and prioritisation**

We reviewed and prioritised our highest spend suppliers against modern slavery risk indicators and identified 14 high-risk procurement categories. We will focus our 2020/21 supplier due diligence program on our five highest spend and highest risk categories.

- **Modern Slavery Roadmap**

Our focus for year one was on reviewing existing systems and processes for managing operational and supply chain modern slavery risks, determining our highest risk and highest priority suppliers and building a modern slavery risk management framework. Year two will focus on implementing key actions and enhancing our due diligence processes for our priority suppliers across our operational divisions. Year three will focus on monitoring and reviewing progress as part of our commitment to continual improvement.

Action Plan overview

Year 1 April 2019 – March 2020 Establish Framework	Year 2 April 2020 – March 2021 Implement Priority Actions	Year 3 April 2021 – March 2022 Review, Extend, Evaluate and Improve
Gap analysis completed	Expand risk framework and further map operations against potential risk of modern slavery and exploitation	Undertake mapping of high-risk suppliers to Sprout (at a minimum to tier 2)
Action plan and three-year roadmap developed	Review and refresh governance framework for managing modern slavery risk	Document roles, responsibilities and accountabilities and develop ongoing KPIs for modern slavery risk management
Working Group established	Develop procurement policy and refresh supplier code of conduct	Integrate modern slavery findings into Board and management reports and staff meetings
Senior Leadership Team engaged	Develop general clauses for supplier contracts and include in all high-risk contracts	Establish stand-alone confidential modern slavery hotline and review worker voice data collection options for at risk workers in supply chain
Tier 1 suppliers identified and prioritised according to modern slavery risk	Develop supplier modern slavery engagement and communications strategy	Establish supplier pre-qualification questionnaire and stakeholder communications strategy
Joined Sedex and conducted desk top review/analysis of 9 priority suppliers to Sprout	Establish supplier monitoring program (including labour hire and outsourcing contracts)	Continue to assess and monitor high risk/high priority suppliers
	Create modern slavery awareness and training program for staff and incorporate into induction training	Develop corrective action plans with highest risk suppliers and monitor implementation

Sprout / Sedex Case study

Sprout is a 'proud to be Australian' brand launched by Vita Group in 2011. From small beginnings, Sprout is now the largest single-branded tech accessory provider in Australia and is sold in more than 300 retail locations nationally.

Like most companies in the consumer tech accessory space, Sprout sources stock items largely from suppliers based in China and other parts of Asia. To ensure we conduct our business according to Vita Group's [Code of Business Practice and Ethics](#), nine key Sprout suppliers were required to join the Sedex platform in 2020.

Suppliers completed the Sedex Self Assessment Questionnaire (SAQ), each responding to more than 300 questions on their workforce, factory conditions, environmental management practices and other aspects of their business.

Sprout is working with external experts to undertake a detailed analysis of the SAQ responses and supporting documentation to better understand the challenges and opportunities in Sprout's global supply chain. The outcomes of the analysis will inform supplier corrective action plans and to better manage and mitigate potential worker rights and environmental risks within our suppliers' operations. It will also inform our ongoing supplier relationship management processes and our own risk management systems.

The Sprout team has formed positive working relationship with its suppliers and this process, based on honesty and mutual respect, will enable all stakeholders to protect and respect worker rights and the environment.

Reporting Criteria 5: Effectiveness Assessment

By improving transparency about modern slavery there will be increased business awareness of modern slavery risks, providing us with the ability to improve overall workplace practices. We have implemented a comprehensive modern slavery program review framework comprised of monthly, bi-annually and annual review processes and ongoing development of KPIs.

- **Annual Review**
Our annual Modern Slavery Statement is reviewed and signed off by the Board
- **Quarterly Review**
Modern slavery progress is reported to our Audit, Compliance and Risk Committee on a biannual basis.
- **Monthly Review**
Modern slavery progress is reviewed by Vita Group’s Modern Slavery Working Group monthly.

Effectiveness indicators 2019/2020

From 2019/ 2020, we developed a set of process indicators to track the implementation of our modern slavery risk management program. These are included below:

Indicator or target	In progress	Completed
Establish cross-departmental Modern Slavery Working Group		✓
Engage and update Board and Leadership Team on modern slavery risks and issues regularly		✓
Document all Tier 1 suppliers		✓
Develop modern slavery supplier risk dashboard and identify high risk suppliers based on spend and modern slavery risk indicators		✓
Identify operational gaps, and develop action plan and roadmap		✓
100% of supplier-facing staff trained on modern slavery (eLearning modules completed)	✓	
Invite 9 priority suppliers to join SEDEX and review SAQ responses		✓
Develop supplier risk-based reports for 9 priority suppliers and issue CAPs	✓	
Incorporate modern slavery contract clauses in all high risk supplier contracts	✓	
Develop and implement stand-alone Modern Slavery Policy	✓	
Embed modern slavery risk management into enterprise risk framework and risk forums	✓	

Continuous improvement

Addressing modern slavery risk is complex and challenging. This Statement, which is our first statement under the Modern Slavery Act 2018, reports on the work that Vita has completed in the first year of our modern slavery program. The work undertaken in 2019/2020 has been aimed at establishing a sound modern slavery risk management and reporting framework, assessing our priority suppliers and raising awareness about modern slavery among our Board, management and team.

With a continuous improvement approach to our modern slavery risk management program, we will evolve and improve over time, as we and the business community learn more about the risks of modern slavery in operations and global supply chains.

Reporting Criteria 6: Process of consultation with entities owned or controlled

Each of Vita Group's subsidiaries (including Sprout) were part of the Modern Slavery risk management planning and implementation process, and work under the Vita Group policies and procedures. Each of Vita Group's subsidiaries are consulted on an ongoing and regular basis as part of Vita Group's modern slavery program comprised of monthly, bi-annually and annual review processes.

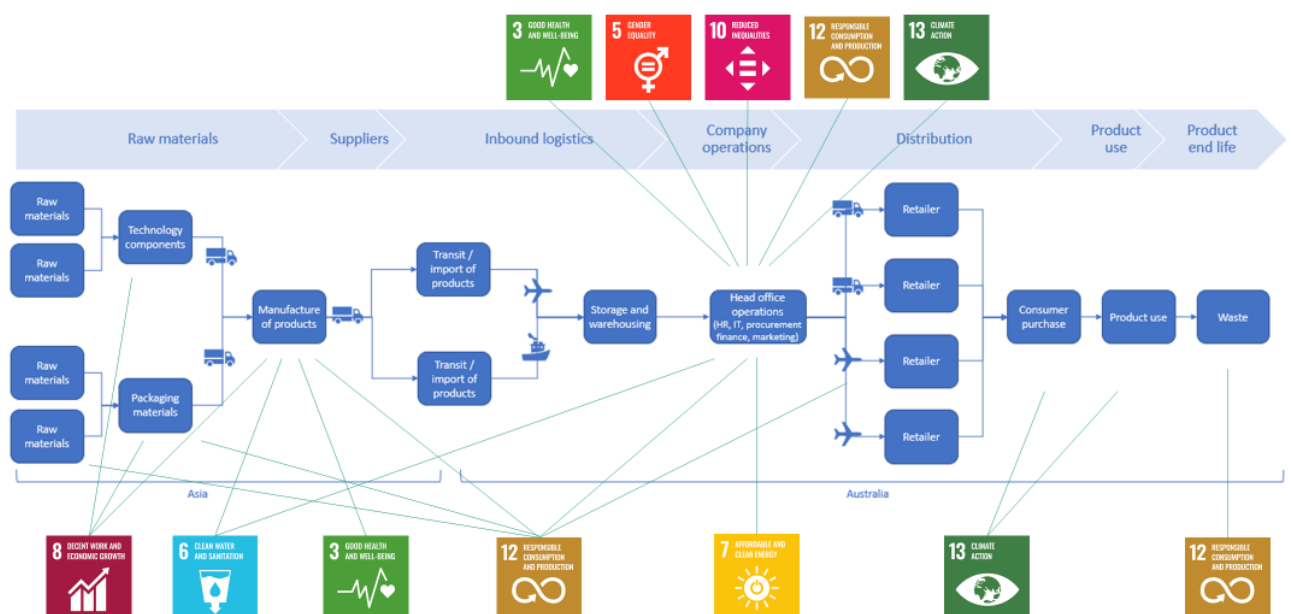
Reporting Criteria 7: Other Information

Our approach to sustainable supplier management is informed by the ten principles of the United Nations Global Compact (UNGC) and forms a part of Vita Group's commitment to sustainability.

Vita established an Environmental and Sustainability Working Group In 2020, which is comprised of team members from across the business, with representation from functions such as procurement, product design, logistics, marketing, communications as well as our senior leadership team. The working group uses the United Nations Sustainable Development Goals (SDGs) to guide its actions.



The team has reviewed the end-to-end supply chain and operations of the business in relation to the SDGs (with particular reference to Sprout's supply chain from raw materials to product end-of-life) and has determined key SDGs that are relevant for immediate focus. An action plan has been drafted, focused on improving performance in key indicators against each of the SDGs identified.



Vita Group Modern Slavery Statement

The team meets at least monthly to review progress and collaborate on key actions. The plan for 2021 involves further collaboration with the broader community, including working with suppliers, industry bodies and organisations that share Vita's commitment to sustainability, including addressing Modern Slavery risks. We also plan to involve community feedback and input from customers, shareholders and the communities that we are part of.

To date the team has collaborated with and / or learnt from:

- The Australian Packaging Covenant Organisation (which the Sprout team is now a member of)
- Mobile Muster (which the Sprout team intends to join)
- SD Strategies (consultant)
- Sedex (consultant)
- Wesfarmers Sustainability team (collaboration)
- Griffith University (learning)

The working group provides a monthly report to the Group Leadership Team and a monthly report to the Vita Group Board, which outlines progress against key actions and highlights risk and issues.

This Statement was approved by the Board of Directors of Vita Group on 18 March 2021.



Maxine Horne
Vita Group CEO