

Modern Slavery Statement FY21/22



Simba Global



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Introduction

This statement has been prepared to align with the requirements of the Australian Modern Slavery Act 2018 (the Act), following a review of Simba’s supply chains and operations.

This statement sets out the actions taken by **Simba Global Pty Ltd ACN 613 005 039** (“**Simba**”, “**we**” and “**our**”), an Australian reporting entity, to comply with the requirements of the Act, to identify, assess and address modern slavery risks across our operations and supply chains over the Australian financial year ending 30 June 2022 (the **current reporting period**).

Modern Slavery can occur in a multitude of forms including servitude, forced or bonded labour and human trafficking, all of which include the deprivation of one person’s liberty by another in order to exploit them for personal or commercial gain.

At Simba, we pride ourselves on the quality of our products and the depth and longevity of our relationships with suppliers. As a family-owned business, family is at the centre of everything we do, from our management team to our values. Acting with family in mind means ensuring we are investing in sustainability and ethical sourcing - for our family, the families of our employees and the families of workers in our supply chain.

To support this, we have implemented a broad set of shared policies, processes and controls, detailed within this statement. In addition to these efforts, we recognise there is more to be done to improve our capability to identify, mitigate and remediate our risks of, and any contribution to, modern slavery. As we enter our fourth reporting period, we look forward to continuing to work with our suppliers, customers, and employees to find new ways to strengthen our due diligence systems and the breadth of our reporting.

Throughout the current reporting period, we have been challenged by the adverse impact that COVID-19, which continues to impact our auditing schedule. Over the last year, we have still been unable to visit our suppliers with our overseas teams in China but have been able to visit just 5 suppliers in India and one in Bangladesh. However, we have continued to conduct video conferences as an interim measure. While we have been able to commence local quality audits with our inspection teams, we are still awaiting permission to commence 3rd party social audits, as well as permission for our senior procurement teams to visit suppliers in person.

Structure, operations and supply chains



Simba, with headquarters in Melbourne, is our reporting entity and is the Australian subsidiary of Magnum Asia Pte Ltd (Magnum Asia), headquartered in Singapore.

Simba is an Australian entity, which carries on business in Australia as part of a wider corporate group.

Magnum Asia and its subsidiaries are a global textiles sourcing, warehousing, and distribution group that services commercial, institutional, hospitality, retail, corporate, resort and promotional markets across Australia, New Zealand, much of Asia and the United States.

Simba has three major business divisions which it owns and controls in Australia (the **controlled entities**): Commercial, Retail and Promotional Business divisions. Each division sources and in some instances undertakes minor manufacturing of textiles and associated products for the Australian market.

Simba supplies textiles including linen, towels, medical textiles, and corporate apparel to a diverse range of customers such as those in the hotel, food and beverage, healthcare and retail industries.

Magnum Asia's direct operations are spread over eight countries with offices in the United States, Australia, New Zealand, China, India,

Singapore, Pakistan and Bangladesh. Our Group's operational footprint is displayed in the diagram above.

Employees

Internationally, our operations employ approximately 125 staff.

Our staff are across roles in sales, procurement, management, logistics and warehousing, retail and customer service, finance, quality and development. A breakdown of our staff as of 30 June 2022 is provided in Table 1 below:

Country	Australia	New Zealand	Singapore	India	China	Philippines	Bangladesh	Pakistan
Headcount	95	3	3	8	5	5	1	5
Role type								
Full time	50	3	3	8	5	5	1	5
Part time	15							
Contract or labour hire	30							

Goods and services

We procure both finished products for resale as well as goods and services for use in our operations. We source the majority of our products from 22 suppliers who are concentrated in India, China and Pakistan, and one supplier in Bangladesh.

We have defined a key supplier as one with whom we spend more than 0.5% of our total procurement spend. While we acknowledge risk is not necessarily commensurate with expenditure, we plan to work with our more prominent suppliers in the short-medium term, with the view to cover all our suppliers in time. We value long term relationships with our suppliers, as evidenced by the average length of our supplier relationships being 10 years. Beyond our partnerships, our involvement in manufacturing is limited to finishing products manufactured by our suppliers.

In addition to sourcing finished goods and components for our products, we procure a range of goods and services for use in our operational facilities. We source a range of services from third party service providers, including IT, logistics, warehousing and labour hire. We utilise an Australian-based labour hire firm to source additional workers for our Australian warehouse as necessary to fulfill demand. Our use of this service is relatively minimal, and we rarely employ more than two staff members at a time through the service, preferring to hire workers directly where possible.

The table below details all our suppliers broken down into Goods for sale, Goods not for sale and Services.

Country	Goods for sale	Goods not for sale	Services	Total
Australia	14	38	174	226
New Zealand	13	17	45	75
Singapore		3	5	8
Pakistan	11	4	4	19
China	23	4	5	32
India	17	5	5	27
Bangladesh	1			1
France	1			1
Hong Kong			3	3
Usa			2	2
Philippines		2	1	3
Total	80	73	244	397

Our commitment and approach

Honesty and respect are core to our business model and guide our approach to managing and addressing the risks of modern slavery in our supply chains.

In recent years, we have increased our focus on sustainable and ethical sourcing, putting in place several policies, procedures and controls designed to begin to identify and manage our modern slavery risks. In addition to these recent efforts, we acknowledge there is room for us to improve the breadth and depth of our approach in order to improve our capability to identify, mitigate and remediate our risks of, and contribution to, modern slavery.

We have several shared policies, processes, and contractual controls in place relevant to modern slavery across our operations and supply chains. Within our operations, our employees are governed by policies including the:

- **Sustainability Policy** – reinforces our ethical procurement commitment, states our minimum expectations in the areas of Business ethics, Labour Rights, Child Labour, Working conditions, Discrimination, Working Hours, Wages and the Environment and sets a clear direction for both our suppliers and employees.
- **Employee Code of Conduct** – sets out the social and ethical standards of behavior expected of our employees.
- **Corporate Social Responsibility Policy** – sets out our business' expectations pertaining to a range of social and environmental issues including human rights.
- **Grievance Policy and Procedure** – sets out guidance on the process for employees to raise concerns and notes the responsibilities of those involved.

To these policies already in place, we have added this year the:

- **Family and Domestic Violence Support Policy** – sets out to inform, educate and provide guidance to the workplace about the issues surrounding Family and Domestic Violence.
- **Workplace Gender Equality Policy** – sets out to inform and educate the workplace about our obligations in regards to the Workplace Gender Equality Act, 2012, and forms part of the broader Simba Global Diversity and Inclusion strategy.

Partnerships with suppliers

When it comes to our supply chains, our approach is to create strong, sustainable, and enduring partnerships with our suppliers based on responsibility, ethics and respect which we believe are fundamental for the growth and reward of both parties.

To support this, all of our suppliers are expected to comply with the requirements set out in our Supplier Manual, which is updated periodically in line with changing business needs. Our Supplier Manual sets out that all suppliers must comply with the legal requirements of the countries in which they operate and International Labour Organization (ILO) standards and notes we will not tolerate the use of child labour.

Our suppliers are required to sign a declaration noting they have read, understand and will comply with the requirements and conditions set out in the Supplier Manual. To further enhance our controls, and to make clear our focus on ethical sourcing, we amended our standard purchase order form to include a reference to and requirement to comply with the expectations set out in our Supplier Manual. Every update to the Supplier Manual is conveyed to each supplier – either in person, or through video conference. Each supplier is encouraged to voice any concerns they may have with the changes, so we can work through them proactively. Our policy on sustainability non-compliance makes it clear to the supplier that should they be in continued breach of our policies and with no real attempt to rectify the breach, that Simba reserves the right to terminate the relationship.

In our last Supplier Manual revision, we included a requirement for our supplier's employees to have access to a grievance mechanism, and we are pleased to report that this has been embraced by all suppliers.

During the current reporting period, Simba continued to actively engage and consult with its controlled entities in the risk assessment, due diligence and remediation processes, as required under the Act and, in the preparation and development of this statement.

Due diligence in practice

In addition to our policy framework and contractual controls, the nature of our business and our focus on quality mean we have oversight over many of our suppliers' factories around the world.

Prior to every shipment of our goods leaving a supplier's factory, a member of our quality team visits the factory to inspect the finished goods as well as the production process on the factory floor. For the suppliers that make up 88% by value of our purchases, this means a visit at least once per week. While these inspections are primarily used to ensure the consistency and quality of our products, our quality control team are briefed to identify and report concerns around modern slavery or poor labour practices back to our head of procurement. We also commenced a process to train our quality team to become Sustainability auditors, and ensure that during their quality audits, they are also following up on the non-conformances detailed in the current 3rd party audit conducted at the supplier's premises and report back on these to management team, following an inspection. This process will be incorporated into our inspection procedures during this reporting period.

Recognising the limitations of this approach in isolation, we also utilise independent third-party social audits to provide additional insight into the labour conditions within our supply chain. All our critical suppliers, who make up approximately 80 per cent of our supplier universe are regularly audited against the BSCI, SA8000 or SMETA audit frameworks. While these reports are currently evaluated by the Heads of Procurement, our aim is to employ a Sustainability Officer, for whom this will be their main accountability across our group, including collaborating directly with our suppliers to monitor and improve their performance against social standards. We expect this appointment to be made in the next reporting period.

Third Party Audit Program

We had plans to roll out our own 3rd party social audit program, and not rely on 3rd party audits conducted on behalf of another customer in the last reporting period. Unfortunately, Covid-19 has continued to stymie these efforts, and this is now planned for the next reporting period.

Risk identification, assessment and mitigation

During the current reporting period, we consulted with the senior management of Simba and our controlled entities to share information, frame our expectations, raise awareness, and understand our combined approach to addressing and mitigating our modern slavery risks.

As part of the preparation and development of this statement, a working group comprising the Simba senior leadership/management team and the general managers of our Commercial, Retail and Business divisions of the Simba group, consulted in connection with the risk identification, assessment, and mitigation of our modern slavery risks.

In this reporting period, we continued to engage with an independent third party to support us in better assessing the inherent risks of modern slavery in our supply chains. Working closely with this consultant, we evaluated the five areas of potential modern slavery risk across our supply chains that we had previously identified in previous reporting periods: forced labour, child labour, debt bondage, forced marriage, and human trafficking. To determine our exposure to these five categories of risk, we examined the inherent country and industry risks associated with our key tier 1 suppliers.

While our risk assessment was limited to tier 1 suppliers, in evaluating inherent risk we considered at a high level the risk profiles of many of our identified tier 2 suppliers as well.

Risks in our supply chain

We evaluated our 27 preferred tier 1 finished goods suppliers in addition to suppliers of operational services such as waste management and IT services.

Through this assessment, we identified a number of inherently higher risk suppliers in our supply chain, with the majority of these found to be of medium inherent risk.

For our operational service suppliers, we evaluated several of our most prominent procurement categories for our Australian operations, including financial services, freight, IT and telecommunications, computer hardware, labour hire, and natural gas and electricity. Overall, our exposure to modern slavery risks through these categories is considered to be of medium inherent risk, with one category, computer hardware, identified as inherently higher risk and the majority considered low risk. Our inherent medium risks are associated with freight, IT, telecommunications and security.

Risks in our operations

To date, we have focused our energy on undertaking a risk assessment over our supply chains as opposed to our own operations.

We have done so with the broad view that our supply chain holds greater risks and uncertainty than our own operations, over which we have better information and a greater degree of control.

Globally, we have operations in eight countries including the United States, Australia, New Zealand, China, India, Pakistan, Singapore and Bangladesh. With the exception a small number of staff in Australia, hired through a labour hire agency, all of our staff are hired through our Australian office. As part of our recruitment process, we conduct reference checks and request a copy of personal identification as proof of age. While we acknowledge there is more that could be done to improve the depth of our understanding of the risks, given the controls in place and the level of oversight, we do not believe there is a significant risk of modern slavery in our own operations.

Based on the risk assessment, our regular interactions and oversight of our suppliers and our review of our suppliers' social audit reports for this reporting period, Simba is not aware of any instances of modern slavery caused by, contributed to, or linked to our supply chains or operations. We understand however, that modern slavery risks are continually evolving and as such, we are planning to continue to assess modern slavery risks on an ongoing basis and, to refresh our supplier risk assessment, to review the effectiveness of our actions, and to immediately address any remediation action required, when required, from time to time.

Effectiveness of Simba's actions

As a company in the early stages of its modern slavery due diligence journey, we are still improving our approach to measuring the effectiveness of our actions. To date, this has been focused on tracking the performance of our suppliers over time.

We conduct an internal Supplier Performance Review each quarter to track suppliers' progress against a range of commercial and supply chain metrics in addition to performance against sustainability and social standards set out in the Supplier Manual and our Sustainability Policy. This review is conducted by our Procurement heads. We hope to appoint a Sustainability Officer in the near future, who will then also be involved in this process. Following these reviews, suppliers are provided with a copy of their supplier assessment report which details their score out of 100 in addition to an action plan identifying areas and actions for improvement. Suppliers are rewarded for continual improvement, with suppliers who score less than 75 points losing their "approved supplier" status.

We acknowledge that until recently, the goal for Simba was to ensure that all our suppliers had 3rd party social audits that gave the supplier a pass, no matter how marginal. On the appointment of the Sustainability Officer, we will be proactively tracking non-conformances and close outs arising from these 3rd party audits and will create a metric to ensure continual improvement.

Striving for continuous improvement

Simba strives to comply with the spirit and intent of the Act. Our shared policies, processes and controls are embedded into and managed simultaneously across Simba and its controlled entities.

While we are proud of our longstanding relationships with suppliers and the actions we have taken to improve our due diligence systems and remediation processes, we acknowledge that modern slavery due diligence is an ongoing and evolving process. With this in mind, we will endeavour to undertake the following actions in FY23 and look forward to continuing to work with our suppliers, customers and employees to continue to find new ways to strengthen our systems and processes over the coming years.

In the next reporting period, we will work to:

1. Appoint a Sustainability Officer to strengthen our due diligence and sustainability processes.
2. Continue the education of our general managers and quality control staff to better equip them to identify labour rights violations and modern slavery risk factors in their routine quality inspections. Sedex Auditor training will commence in March 2023.
3. Formalise the process for our Quality Control team to report labour right violations and modern slavery risk factors.
4. Ensure all Tier 1 factories have valid SMETA or SA8000 audits.
5. Begin the mapping of Tier 2 suppliers with the aim of commencing to audit these suppliers in 2024.
6. Increase the use of audit reports to ensure we are collaborating directly with our suppliers to improve performance.
7. Include the Sustainability Officer in all reviews of audit reports in suppliers' quarterly performance reviews.

Approval of statement

Simba is committed to the spirit and intent of the Modern Slavery Act.

On 12 December 2022, based on the recommendations of the CEO of Simba and its controlled entities, in consultation with their senior leadership/management teams, including the general managers of the Commercial, Retail and Business divisions, the Board of Directors of Simba - the principal governing body of the Australian reporting entity, unanimously resolved and approved the Simba 2022 Modern Slavery Statement and Annexure pursuant to the Modern Slavery Act 2018 (Cth).

The Board authorised Ahmed Ebeid, a Director and the Chief Executive Officer, as the responsible member of Simba and its controlled entities, to sign this Statement in accordance with the Act.



Ahmed Ebeid

Director and CEO, Simba Global Pty Ltd

Date: 12 December 2022

Modern Slavery Act 2018 (Cth) – Statement Annexure

Principal Governing Body Approval

This modern slavery statement was approved by the *principal governing body* of

Simba Global Pty Ltd (ACN 613 005 039)

as defined by the *Modern Slavery Act 2018* (Cth) 1
("the Act") on

12 December 2022

Signature of Responsible Member

This modern slavery statement is signed by a *responsible member* of

Simba Global Pty Ltd (ACN 613 005 039)

as defined by the Act 2

Ahmed Ebeid

Director and Chief Executive Officer



Modern Slavery Act 2018 (Cth) – Statement Annexure

Mandatory criteria

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

Mandatory criteria	Page number(s)
a. Identify the reporting entity.	3
b. Describe the reporting entity's structure, operations and supply chains.	4, 5, 6
c. Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	7, 8, 9, 10, 11, 12, 13
d. Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	7, 8, 9, 10, 11, 12, 13
e. Describe how the reporting entity assesses the effectiveness of these actions.	10, 11, 12, 13, 14, 15
f. Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	10, 11, 12, 13, 14, 15
g. Any other information that the reporting entity, or the entity giving the statement, considers relevant.†	Not required

* If your entity does not own or control any other entities and you are not submitting a joint statement, please include the statement 'Do not own any other entities' instead of page number.

† You are not required to include information for this criterion if you consider your responses to the other six criteria are sufficient.

1. Section 4 of the Act defines a principal governing body as: (a) the body, or group of members of the entity, with primary responsibility for the governance of the entity; or (b) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed body within the entity, or a prescribed member or members of the entity.

2. Section 4 of the Act defines a responsible member as: (a) an individual member of the entity's principal governing body who is authorised to sign modern slavery statements for the purposes of this Act; or (b) if the entity is a trust administered by a sole trustee—that trustee; or (c) if the entity is a corporation sole—the individual constituting the corporation; or (d) if the entity is under administration within the meaning of the Corporations Act 2001—the administrator; or (e) if the entity is of a kind prescribed by rules made for the purposes of this paragraph—a prescribed member of the entity.