

# Modern Slavery Statement 2023

## INTRODUCTION

Ritchies is proudly Australian owned and operated, a leader in the independent supermarket and liquor industry and committed to operating and acting ethically and responsibly.

We are passionate about our service to customers and communities local to our Store locations.

We work closely with our main wholesaler, Metcash, our suppliers, retail peers and customer communities to identify and mitigate the risks of modern slavery in our supply chains as much as is reasonably possible.

We respect our positive obligation as a large organisation to protect the oppressed and vulnerable. We have embarked upon several initiatives internally to combat modern slavery across our Store Network, improving our awareness, training, practices and procedures and those with whom we engage.

We continue to expand the reach of our procedures, undertake random desktop audits where appropriate and respond to findings accordingly.

We endeavour to improve our practices and procedures in a manner and style that aligns with our core values and culture and which mitigates against modern slavery practices in our supply chains. We continue to develop our internal practices and procedures so we can improve our effectiveness combatting modern slavery over time.

## OUR OPERATIONS AND SUPPLY CHAIN

### 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 more than 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. We employ 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 product and services supply chains, so far as modern slavery risk identification, assessment, mitigation and remediation 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 (**Directs**).

As only 25% of grocery and liquor Directs responded to our modern slavery survey in 2021, in 2023, we:

- re-distributed it to Directs who failed to respond in 2021 and 2022; and
- commenced compilation of our operations suppliers for attention in 2023 and 2024 (**Operations**).



## OUR MODERN SLAVERY RISKS

Ritchies acknowledges that modern slavery is a global issue affecting millions of workers every year, including in Australia where we conduct our operations.

We seek to align our learnings with those of Metcash and our retail peers to engage in dialogue and share experiences about best practices to minimise the potential for and reduce modern slavery risks in both our operational and product supply chains. We continue to improve our internal processes and risk assessment practices to identify and mitigate against modern slavery risks.

Ritchies acknowledges that pressures on global supply chains following the combined impacts of COVID19, worker shortages and natural disasters have likely increased the likelihood of exploitation of the broader international workforce, particularly for women, children, migrant and contract workers who might be more vulnerable to exploitation in the form of withheld, delayed or non-compliant wages, withholding of necessary eligibility documentation, restricted or poor accommodation conditions, excessive working hours, poor working conditions generally, harsh or inhumane treatment, denied access to grievance mechanisms and the like.

### Product Supply Chain

We have identified the following product categories in our supply chain that carry potential risks for modern slavery:

- Fresh produce (fruit & vegetables);
- Fresh meat (including seafood) and deli products
- Freezer foods
- Pantry foods
- Baby products and toys
- Health and beauty products
- Stationery and magazines
- Tobacco
- Pet food
- Liquor
- Clothing
- Household goods and homewares
- Lithium batteries.



Ritchies relies upon Metcash's independent due diligence of its product supply chains for modern slavery risk identification, assessment, mitigation and remediation.

## Operations Supply Chain

Ritchies has also identified the following operational activities in its supply chain that have the potential for modern slavery risk:

- Cleaning
- Solar panels
- Electronics.

## ACTIONS TAKEN TO ADDRESS OUR RISKS

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

We continue to work toward developing a deeper understanding of the factors that contribute to risk of modern slavery by increasing staff awareness, training and risk assessment procedures by:

- a) undertaking random desktop audits and select reviews of policies and procedures of our Directs.
- b) Presenting our modern slavery online training module, produced by Metcash, to:
  - i our buyers and other staff to raise awareness of modern slavery risks and assist them to identify countries, industries and products with high human rights risk indicators;
  - ii our product suppliers in our onboarding process, to raise awareness of modern slavery risks and to assist them to identify countries, industries and products with high human rights risk indicators relevant to their supply chains.
- c) Collaborating with Metcash and other reporting entities in the IGA network on modern slavery risk identification and assessment techniques.
- d) Appointing a person responsible for the recording all new and existing suppliers who have / have not completed our modern slavery survey and assisting, where required.
- e) Implementing a process to ensure that our buyers do not range new suppliers until they have completed our modern slavery survey, viewed our Metcash produced online training module, or provided evidence of their own modern slavery policy and or statement (where applicable).
- f) Assessing our Directs and ranking them from 1 (low risk) – 5 (highest risk) having regard to the likely modern slavery risk their products represent. Higher risk product categories have been re-sent our modern slavery survey to complete.

- g) Redirecting suppliers that decline to complete our survey, to our Metcash produced online training module.
- h) Pressing our suppliers to complete our survey, where a supplier or product is rated higher risk (4 or 5 on Ritchies' risk assessment scale) and has not responded to our modern slavery survey. If our requests are unsuccessful in producing the required co-operation and response, we will as a business consider possible sanctions against the supplier's highest risk products.
- i) Requesting our larger and more sophisticated Directs (such as Monde Nissin, Conga, Royal Foods), to supply us with their current modern slavery policies, practices and procedures.
- j) Digitally saving and storing on a secure database all modern slavery survey responses completed by our suppliers.
- k) Recording a supplier's Sedex member number against their supplier profile in our records, where that supplier subscribes to Sedex.
- l) Recording our Operations contractors and commencing the risk assessment rating process for each.
- m) Establishing a corporate culture that promotes transparency and encourages a forum for reporting of suspected modern slavery risks in our supply chains, without fear of reprisal.

For example, this year, in response to a customer's report of suspected modern slavery practices by a then current supplier of cacao products and our resultant enquiries, the offending cacao line was voluntarily discontinued by the supplier.

## **ASSESSING THE EFFECTIVENESS OF OUR ACTIONS**

### **4. How Ritchies assesses the effectiveness of its actions**

Ritchies recognises the importance of measuring the effectiveness of its actions to mitigate the risk of modern slavery. We are committed to improving our practices, processes and procedures to address modern slavery risks that might arise in any part of our operations and product supply chains.

In 2022, Ritchies considered the effectiveness of its actions as modest. There is room for improvement, so we have continued to develop our modern slavery risk assessment and mitigation framework by:

- a) Increasing the exposure of suppliers, staff and affiliates to our modern slavery online

training modules.

- b) Pressing for the inclusion of warranties as to modern slavery compliance in our supplier contracts.
- c) Actively pursuing any reported modern slavery concerns in our product and operations supply chains.
- d) Developing the metrics above and reviewing their effectiveness with the aim to continuously improve our effectiveness in this space.

We also continue to canvass an appropriate and reliable tool that will meaningfully assist under-resourced businesses to tap into modern slavery risks identified and reported by others worldwide.

## **OUR FUTURE ACTIVITIES**

### **5. Framework for 2024**

Ritchies' focus for 2024 is to:

- a) Question and investigate our Directs and Operations supply chains on an ad hoc basis, focussing on high risk countries of origin, industries and products, to identify any modern slavery risks.
- b) Improve our internal rating system, drawing from information from Metcash and retail and supplier peers.
- c) Press for the completion by suppliers rated 4 or 5 to complete our required modern slavery survey, the Metcash produced online training module and/or otherwise provide evidence of their own modern slavery compliance regime.
- d) Using our own internal risk rating system, require contractors supplying our business operations with a risk rate 4 or 5, to complete our modern slavery survey and the Metcash produced online training module.
- e) Update our website to include links to our survey and the Metcash produced online training module.
- f) Build on our ESG framework to include modern slavery.
- g) Continue to educate our Directs on how to identify modern slavery risks in their operations and supply chains.

We believe that collaboration with our industry suppliers, retail peers and contractors is key to continued improvement in this developing area.

## CONSULTATION

### 6. Our Consultation Process

Throughout this reporting period, Ritchies has consulted with Metcash, other suppliers, retail peers and advisers to workshop how increasing awareness, understanding, compliance and reporting requirements under the Act can mitigate the risks of modern slavery.

Risk assessments and reported modern slavery incidents are tabled at our State and National level operations group meetings where the senior leadership teams discuss identified modern slavery risks in our supply chain and further information and or investigation is considered. Our teams exchange ideas on how best to discover risks that can potentially exist deeper within our local, national and international supply chains.

We continue to provide training on modern slavery for new employees as part of our induction process so that new team members understand the risks, identify the signs and are empowered to participate in creating supplier appropriate responses to suspected modern slavery incidents.

**Approved by the Board: 18 December 2023**

**Signed by the Chair:**

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*Malcolm Andrew Cameron*  
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**Malcolm Andrew Cameron**

