



---

GODFREYS GROUP PTY LTD  
**MODERN SLAVERY STATEMENT**

---

1 July 2019 to 30 June 2020





*Photo top*

*Optim Shampooer*

*Photo bottom*

*iVac Steamy Wonder*



---

# TABLE OF CONTENTS

---

## INTRODUCTION

*Godfreys: **A history*** 4

## CRITERIA 1:

*Reporting **entity*** 5

## CRITERIA 2:

*Our structure, operations and **supply chain*** 6

## CRITERIA 3:

*Risks of **modern slavery*** 12

## CRITERIA 4:

*Actions Godfreys **has taken*** 16

## CRITERIA 5:

*Measuring **effectiveness*** 19

## CRITERIA 6:

*Process of **consultation*** 20

## CRITERIA 7:

*Looking **forward*** 21

---

## GODFREYS A HISTORY

---

### INTRODUCTION

Godfreys is one of the largest specialty retailers of domestic and commercial floorcare and associated cleaning products in Australia and New Zealand. Godfreys offers an extensive range of company-owned brands, exclusively licenced brands and a number of third-party brands.

Godfreys is an iconic Australian retailer with a trading history of more than 90 years. Godfreys was founded by Godfrey Cohen in 1931 during the Great Depression. At the time, vacuum cleaners were sold door-to-door and could not be purchased in store in Australia, so Godfrey began selling reconditioned vacuum cleaners through his father's furniture store in Bourke Street, Melbourne.

*From there, Godfreys has grown to almost 200 stores across Australia and New Zealand. Godfreys' multichannel offering is a mix of company owned and franchised stores located in standalone 'superstores', shopping centres and retail shopping strips. Godfreys' products are also distributed through wholesale channels.*

Godfreys leads the market with a clear strategy for product development, a strong sales culture focused on continuous training and good old-fashioned hard work. Innovation is in Godfreys' DNA and is a key pillar of its strategy. Godfreys sees itself as a 'one-stop destination' in the floorcare and associated cleaning products space, able to accommodate and thrive at a range of different price points.

This modern slavery statement is for the reporting period of 1 July 2019 to 30 June 2020. This is Godfreys' first modern slavery statement.

Godfreys opposes modern slavery in all its forms and this statement sets out the steps Godfreys is taking to address any risks of modern slavery in its organisation and supply chains.



---

CRITERIA 1:  
**REPORTING ENTITY**

---

**GODFREYS GROUP PTY LTD**  
**ACN 602 722 985**

---

IS THE REPORTING  
ENTITY ON BEHALF OF  
THE GODFREYS GROUP

## CRITERIA 2: STRUCTURE, OPERATIONS AND SUPPLY CHAIN

### GODFREYS GROUP STRUCTURE

Godfreys Group Pty Ltd<sup>1</sup> is a private company headquartered in Victoria, Australia and is the head entity of the Godfreys Group.

All entities in the Godfreys Group are wholly-owned and controlled by a common board and executive leadership team. All entities in the Godfreys Group are based in Australia, except for New Zealand Vacuum Cleaner Co Ltd (operating entity in New Zealand) and Electrical Home-Aids (Suzhou) Ltd (operates the Godfreys China buying office). The same policies, procedures and governance structure are applied to all entities of the Godfreys Group.

The main Australian trading entity of the Godfreys Group is Electrical Home-Aids Pty Ltd. The balance of the entities in the Godfreys Group lease sites or do not have operational relevance to the Godfreys Group.

■ **Godfreys Group Pty Ltd**  
ACN 602 722 985

■ **Electrical Home-Aids Pty Ltd**  
ACN 007 539 577

■ **International Cleaning Solutions Group Pty Ltd**  
ACN 120 157 191

■ **International Cleaning Solutions Pty Ltd**  
ACN 119 462 798

■ **Godfreys Finance Company Pty Ltd**  
ACN 602 729 019

■ **Godfreys Franchise Systems Pty Ltd**  
ACN 007 873 681

■ **Australian Vacuum Cleaner Co Pty Ltd**  
ACN 004 568 441

■ **Hoover Floorcare Asia Pacific Pty Ltd**  
ACN 086 345 575

■ **Electrical Home-Aids (Suzhou) Ltd**  
Registration number  
320594400034162

■ **New Zealand Vacuum Cleaner Co Ltd**  
Company Number 1075877

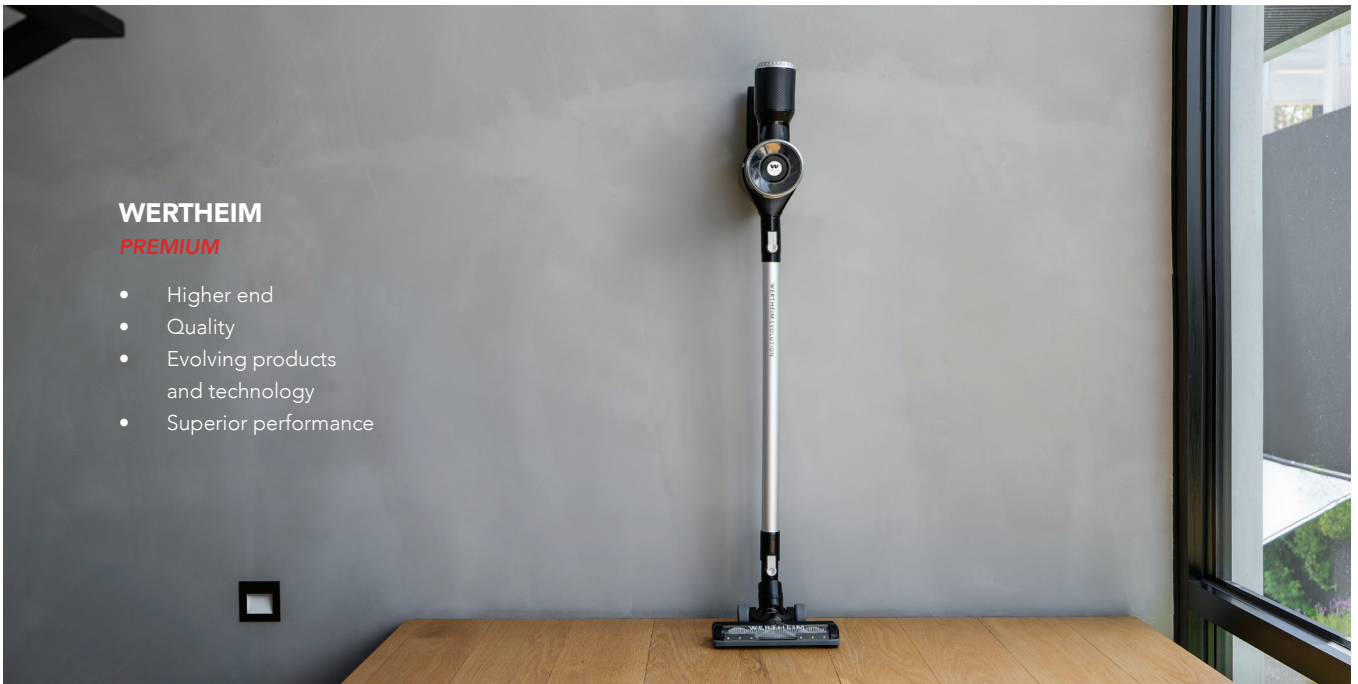
<sup>1</sup>Our registered office is at Brandon Business Park, Building 3, Level 1, 530-540 Springvale Road, Glen Waverly VIC 3150



---

## GODFREYS: **OUR BRANDS**

---



### **WERTHEIM** *PREMIUM*

- Higher end
- Quality
- Evolving products and technology
- Superior performance



### **OPTIM** *BEST BUY*

- Entry level value offers



### **iVAC** *GOOD*

- Everyday value options
- Competitive features for modern living



### **SAUBER** *BETTER-BEST*

- Focused on performance, technology and longevity

# GODFREYS OPERATIONS

Retail Stores

## AUSTRALIA & NEW ZEALAND

Godfreys retails domestic and commercial floorcare and associated cleaning products in Australia and New Zealand. Our retail stores span across Australia and New Zealand and are predominantly based in NSW, VIC and QLD as follows:

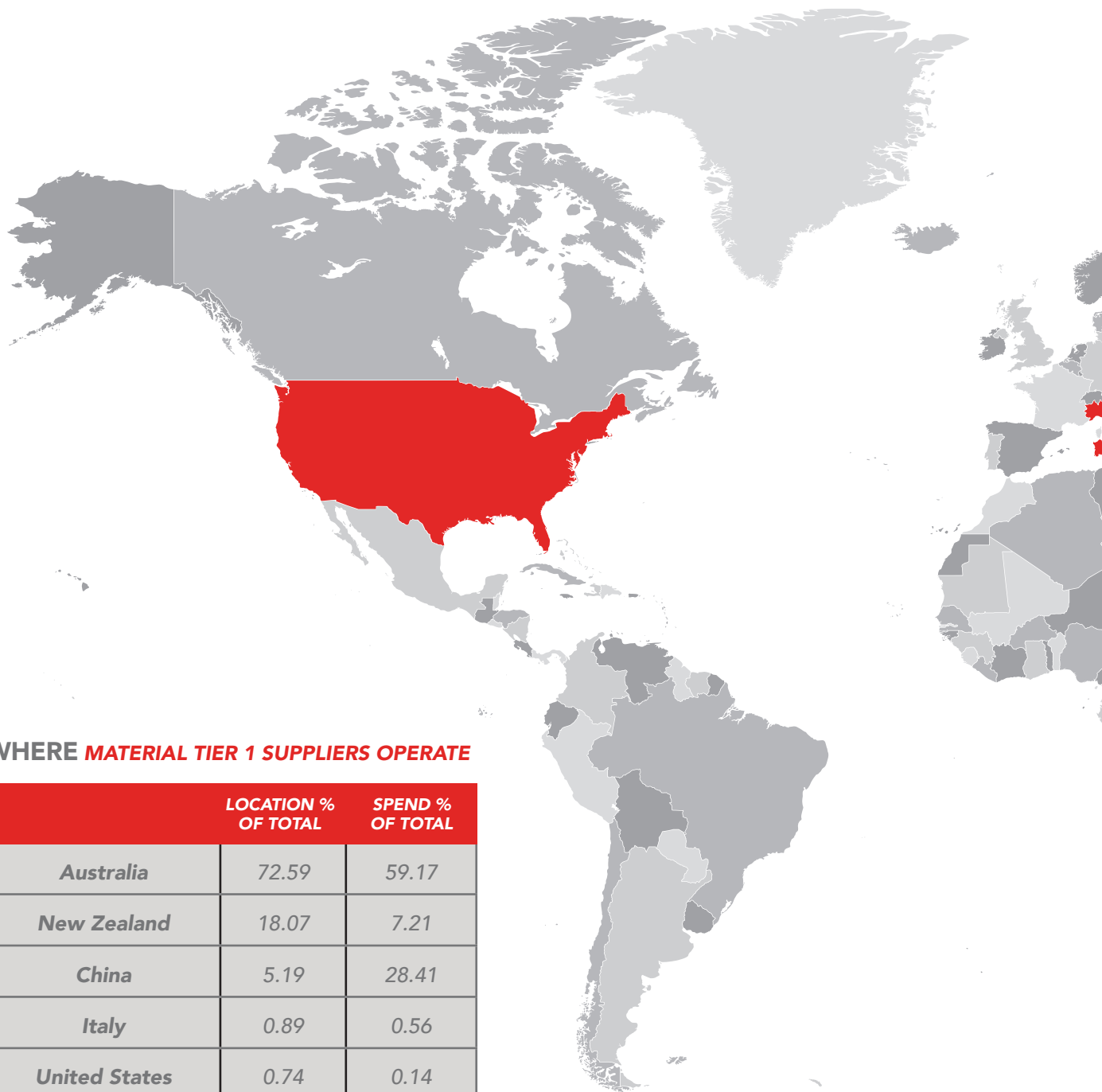
STATE	FRANCHISE SITES	COMPANY SITES
NSW	16	33
VIC	24	17
QLD	8	26
SA	7	10
WA	12	10
TAS	1	5
ACT	0	3
NT	0	0
NZ	14	16
<b>TOTAL</b>	<b>82</b>	<b>120</b>

Godfreys comprises of approximately 478 employees. Employees in Australia and New Zealand are directly employed by Godfreys and indirectly employed by our franchisees. Our overseas employees are employed on a long-term via a labour hire entity.



***Godfreys' immediate tier one supplier relationships are generally long term.***

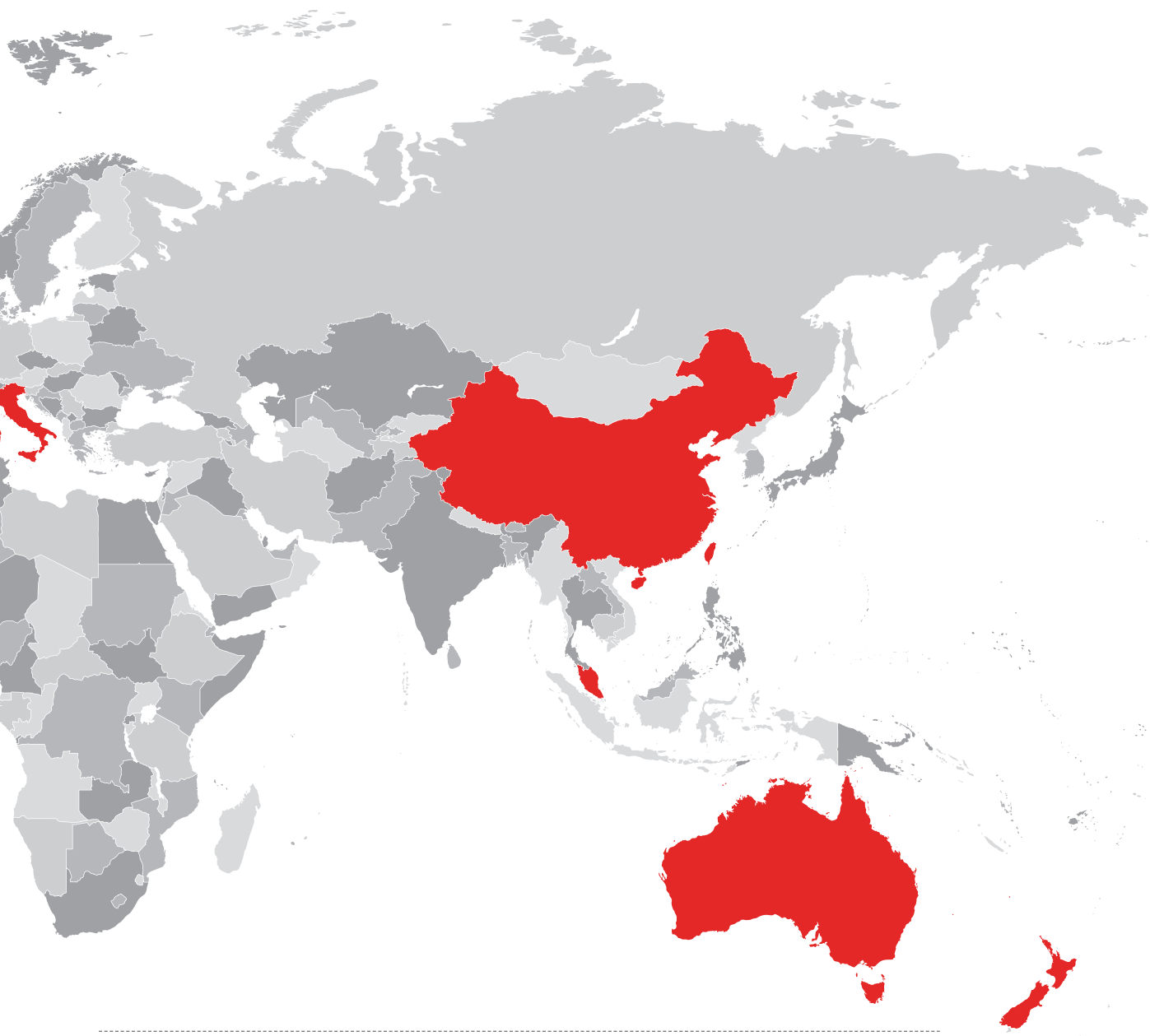
***Godfreys rarely engages in short term supplier agreements, except for when business needs emerge (for example, hiring a forklift for its warehouse).***



**WHERE MATERIAL TIER 1 SUPPLIERS OPERATE**

	LOCATION % OF TOTAL	SPEND % OF TOTAL
Australia	72.59	59.17
New Zealand	18.07	7.21
China	5.19	28.41
Italy	0.89	0.56
United States	0.74	0.14
Hong Kong	0.59	0.83
Switzerland	0.30	2.31
Singapore	0.15	1.06

*This sets out where Godfreys material tier 1 suppliers operate and compares against annual spend percentage.*



## GODFREYS GLOBAL SUPPLY CHAINS

### ◆ Retail

*Lessors, fit-out providers, furnishing providers, cleaning services and sourcing employee uniforms.*

### ◆ Distribution

*Freight services (national and international), software, maintenance and design of our online store.*

### ◆ Repair

*Our repair capabilities are predominantly based in Australia and occasionally based in China. For repair services we source repair tools, spare parts and also personal protective equipment for employees.*

### ◆ Products

*Inventory including vacuum cleaner parts, software, components, electrical components, personal protective equipment and freight services.*

### ◆ Business administration and franchisee agreement

*Business administration services such as legal advice, insurance, underwriting agencies, IT service providers, OH&S auditors and professional services across Australia.*

---

## CRITERIA 3: RISKS OF MODERN SLAVERY

---

Operations and Supply Chains

Godfreys understands that modern slavery practices can include trafficking persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour services and the worst forms of child labour.

Godfreys recognise that risks of modern slavery practices can be amplified by the following factors:

- **Vulnerable populations**  
such as migrant and seasonal workers and low skilled workers;
- **High risk industries**  
such as electronics, apparel, uniforms and cleaning;
- **High risk locations**  
such as geographic regions that have conflict, corruption, displacement and fail to protect human rights; and
- **Risky business models**  
such as labour hire and outsourcing.

Godfreys considers these factors when completing its risk assessments and scoping exercises to identify risks of modern slavery in its operations and supply chains.

In the reporting period, Godfreys commenced investigations on its operations and tier one suppliers. When considering whether Godfreys causes, contributes to or is directly linked to modern slavery, Godfreys considers the following:

### Operations

Godfreys considers that its risk is low within its operations that it causes, contributes to or is directly linked to modern slavery. All employees are paid market wages in accordance with Australian and New Zealand legislation.

### Supply Chains

Deeper analysis is required by Godfreys with regard to modern slavery risks in its supply chains. In the reporting period, tier one suppliers were prioritised for due diligence. Therefore, there is a risk that modern slavery presents further down Godfrey's supply chains. In terms of whether Godfreys causes, contributes or is directly linked to modern slavery in its supply chains:



Photo top  
Optim  
Hand Vac

Photo bottom  
iVac X20 with  
Crevice Tool

Photo right  
iVac 2020 Range



## CAUSE

### **Analysis & Training**

Based on analysis of Godfreys' operations in the reporting period, Godfreys is of the view that it does not cause modern slavery. In the next reporting period, Godfreys will be rolling out employee training, which will help identify any risks that may cause modern slavery.

## CONTRIBUTES TO

### **Suppliers & Risks**

Godfreys recognises that acts or omissions can incentivise modern slavery. Godfreys frequently liaises with its suppliers regarding timeframes and costs however in recognition of these risks, is reviewing its procurement practices. This will be reported on in more detail in the next reporting period.

## DIRECTLY LINKED TO

### **Auditing & Improvement**

Godfreys acknowledges that it may be connected to modern slavery through its relationship with suppliers. At this stage Godfreys is analysing its tier one suppliers and will be commencing further analysis on its supply chains in the next reporting period using a targeted risk-based approach. High risk areas for Godfreys includes manufacturing of vacuum cleaners, plastics and uniforms.

Godfreys recognises that a high-risk area of operations is the manufacturing process. By operating the main manufacturing processes in China this may present higher risks than operating in Australia as indicated by the Walk Free Foundation modern slavery prevalence index.<sup>2</sup>

In the reporting period Godfreys sought to improve oversight over its overseas operations. This uncovered potential modern slavery risks with a key supplier. Godfreys has taken proactive and comprehensive steps to fully assess and address the risks of the supplier. The supplier will receive an onsite audit by an independent specialist and Godfreys will continue to improve its oversight over this entity in the next reporting period.

“

**Additionally, COVID-19 presented new pressures on Godfreys' supply chains. We experienced difficulties sourcing inventory, particularly overseas to the extent that stock was required to be air freighted to Australia. Further, we experienced store closures due to government mandated lockdowns, and were required to source personal protective equipment for staff and franchisees.**

In order to meet consumer demand Godfreys needed to source new suppliers within short time frames. Godfreys was also required to establish new supply chains to acquire the necessary PPE. We recognise that the necessity to engage with new suppliers rapidly may present risks of modern slavery and new suppliers will require due diligence.

”

<sup>2</sup> As indicated at Table 4, Australia is ranked at 163/167 in the estimated prevalence of modern slavery whereas China is ranked at 111/167.

Global Slavery Index, 2018 GST, Table 4, available at: <<https://www.globalslaveryindex.org/2018/methodology/prevalence/>>

---

## CRITERIA 4: **ACTIONS GODFREYS HAS TAKEN**

---

### REPORTING

As this is the first reporting period for Godfreys, the focus was to implement a number of actions, systems and processes to lay the foundations of a modern slavery compliance program going forward. To summarise, Godfreys:

- engaged a third party to provide modern slavery compliance guidance and a technology solution to establish and implement the Godfreys “know your supplier portal” (“**Portal**”);
- implemented a procedure and process for conducting due diligence on suppliers;
- conducted due diligence on tier one suppliers via the Portal;
- implemented a modern slavery policy;
- implemented a supplier code of conduct;
- established a modern slavery committee (“**Committee**”) to regularly report to the Godfreys Executive Leadership Team on the activities being undertaken by the Committee;
- established fortnightly meetings between the Committee and legal advisors;
- implemented an employee training program on modern slavery risks;
- ensured that all contracts with new suppliers contain a modern slavery contract clause; and
- put in place remediation processes via the Portal in the event that modern slavery risks are identified with suppliers.

*The above actions have been undertaken by the reporting entity on behalf of the broader Godfreys Group. Measures and actions undertaken by the head entity extends to the subsidiaries in the Godfreys Group.*



**Above:** Portal dashboard summary of all tier one suppliers and risk characterisation. The left graph summarises all suppliers and their most recent rating. The right graph summarises each supplier's risk rating in comparison to their target risk.

## PORTAL

**A significant action that Godfreys took in the reporting period was to implement the Portal.**

All Godfreys existing tier one suppliers were entered into the Portal. In order to prevent modern slavery risks, any new suppliers that Godfreys wishes to engage are entered into the Portal and must complete the due diligence process. By undertaking this due diligence process at the beginning of the supplier relationship we maximise our leverage to work with the supplier to minimise risks and increase oversight of any new supplier entering into our supply chains.

The Portal provides for a high level overview of all suppliers via a dashboard, with the ability to track suppliers, track remediation and generate reports. Each Godfreys supplier has a target profile to be "low risk". Any supplier not deemed "low risk" is remediated and tracked via the Portal.

Suppliers are assessed via the Portal in three stages:

- a high level risk matrix assessment;
- high level independent due diligence screening using publicly available information; and
- issued a "know your supplier questionnaire".

The "know your supplier questionnaire" encompasses a range of questions to assess a supplier's modern slavery risks and also broader questions to ensure a robust supplier relationship e.g. if the supplier has the necessary insurance in place or if the supplier has processes to preserve or protect natural resources. In the reporting period, via the Portal, 629 suppliers were screened for risks of modern slavery.

Of the 629 suppliers who received a screening, all suppliers who were identified as high risk were issued with a "know your supplier questionnaire". The responses to the questionnaires were subject to independent legal review and legal recommendations, including remediation recommendations, were made.

**Going forward, suppliers will be subject to an annual review of due diligence automated via the Portal.**



MATRIX  
**ASSESSMENT**  
 & SCREENING  
 .  
**629**

Assessed **629 suppliers** via high level risk matrix comprising 100% of Godfreys first tier suppliers

Screened **629 suppliers** using publicly available information comprising 100% of Godfreys first tier suppliers

Issued 7 questionnaires to suppliers considered **high risk**

**57%** COMPLETED QUESTIONNAIRES  
 4 OUT OF 7



COMPLETED QUESTIONNAIRES  
**LEGAL RECOMMENDATION ACTION ITEMS**



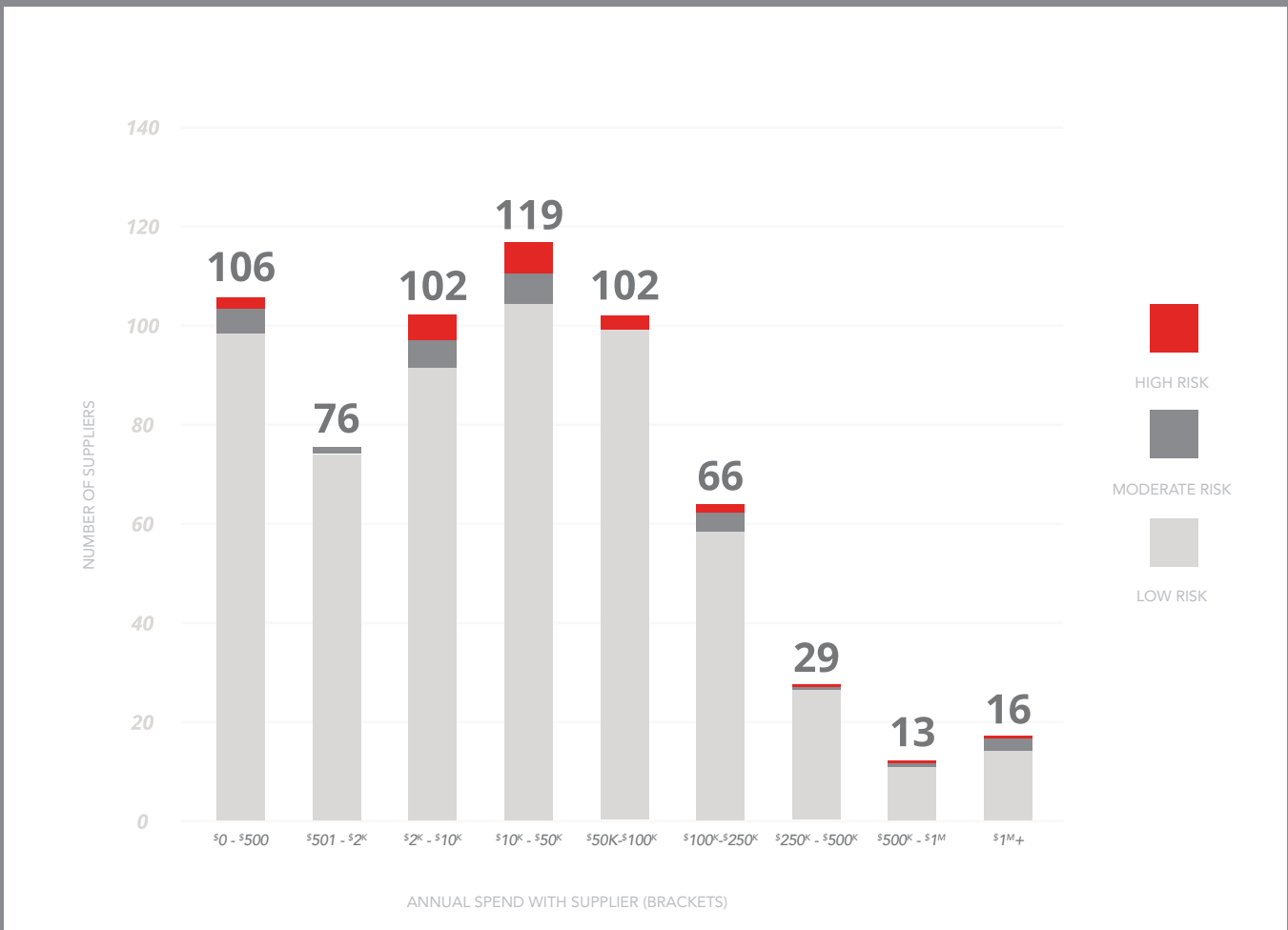
## CRITERIA 5: MEASURING EFFECTIVENESS

Godfreys recognises the need to continually assess its actions, consider if they are effective and improve its processes and systems. In the reporting period Godfreys laid the foundations for a robust modern slavery compliance program. In the next reporting period, Godfreys intends to take a number of steps to assess its modern slavery risks and assess effectiveness of actions taken in its first reporting period.

**This includes:**

- **appointing a third party to assess our actions and provide overall guidance;**
- **conducting an internal audit on due diligence processes including:**
  - the number of suppliers who have completed due diligence;
  - the number of suppliers we are tracking for remediation including liaising directly with suppliers;
  - the number of contracts that contain modern slavery contract clauses;
  - compliance with the modern slavery policy including due diligence being completed on new suppliers;
  - number of suppliers to complete modern slavery training; and
- **conduct an audit on the number of employees to complete modern slavery training.**

The progress of modern slavery initiatives will be constantly reviewed by the Committee and the Committee will present to the executive leadership team regularly on any developments, issues or risks.



ABOVE: Graph indicating each supplier separated into annual spend brackets and risk rating. Portal data will be used to ensure Godfreys systematically approaches due diligence on suppliers.

---

## GOVERNANCE

---



Wertheim Evolution

### MODERN SLAVERY POLICY

In the reporting period Godfreys implemented a modern slavery policy. The policy sets out key procedures to establish the Committee, implement a structure for employee training, instil a reporting mechanism and establish onboarding procedures for new suppliers.

Since inception of the modern slavery policy, all suppliers with a projected annual spend of \$5,000 must be screened and all suppliers with projected spend over \$30,000 must complete a “know your supplier” questionnaire.

Godfreys will review the modern slavery policy annually to ensure it remains relevant to our supplier’s risks and continually improves our risk assessment and remediation processes.

### SUPPLIER CODE OF CONDUCT

In the reporting period Godfreys implemented a Supplier Code of Conduct. This sets out clear expectations that our suppliers must follow and reporting requirements for suppliers.

All suppliers receive a copy of our Supplier Code of Conduct and are required to declare that they have read and accept the terms of the document.

Further, the Supplier Code of Conduct expresses Godfreys’ commitment to human rights and rejection of any form of modern slavery.

#### **Modern Slavery Committee**

*Godfreys has established the Committee to oversee progress in light of identified risks, industry standards and to coordinate reporting of risks.*

*The Committee is comprised of persons in the following roles; Chief Financial Officer, Accounts Payable Manager, Head of Product, Head of People and Culture, Head of Service and Repairs, Head of Logistics, and General Manager Quality & Engineering.*

*The Committee reports directly to the executive leadership team on a quarterly basis as to the status of our modern slavery activities. The executive leadership team provides direction to the Committee. Additionally, the Committee meets with legal advisors every fortnight to obtain guidance regarding modern slavery compliance obligations.*

---

## EMPLOYEE TRAINING

Godfreys recognises the need to build capability of our employees through targeted training of our procurement and leadership teams, as well as management personnel, to identify potential red flags of modern slavery and the actions required to respond effectively.

In the reporting period Godfreys established separate employee training programs to explore how to identify and report modern slavery risks. Godfreys will make training more widely accessible to all employees in the next reporting period. COVID-19 restrictions permitting, in the next reporting period Godfreys hopes to deliver these trainings face-to-face rather than electronically.

All employee training reiterates Godfreys' encouragement for all employees to report genuine concerns about modern slavery risk relating to our people, business or supply chains. Godfreys will investigate all reports of modern slavery made to the Chief Financial Officer, or made in accordance with Godfreys Whistleblower Policy.

## REMEDIATION PROCESS

The procedures used to assess and identify modern slavery risks provide a robust platform for us to be able to undertake tailored remediation processes for any suppliers that present modern slavery risks. The recommendations consider the severity of the risks and whether they should be addressed immediately or reviewed periodically.

*Remediation processes may include:*

- *undertaking further due diligence;*
- *requesting further information on specific risks that were apparent throughout a questionnaire;*
- *providing modern slavery training to the supplier;*
- *auditing the supplier;*
- *site audits;*
- *requesting that the supplier stop or change certain activities; or*
- *reviewing certain answers to a suppliers questionnaire in more detail in a subsequent year if they have not changed.*

Our preferred course of action will always be to work with the supplier to remedy any risks rather than terminating the relationship.



Photo top

Wertheim Evolution

Photo bottom

Wertheim Elegance

---

## CRITERIA 6: PROCESS OF **CONSULTATION**

---

*Risk Assessment and Implementation*

*The reporting entity governs and controls the entities in the Godfreys Group. On this basis, this statement is a group wide response. Key areas of the Godfreys Group were engaged including managers, procurement, people and culture, and leadership. As these teams operate for the entire group, consultation across the entities in the group was extensive. All risk assessing and implementation of initiatives apply across the group. The Board has general oversight of the process.*

GODFREYS

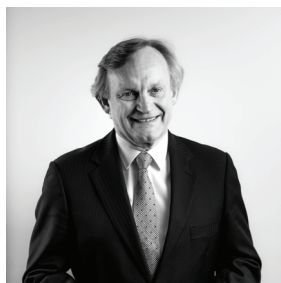
---

## CRITERIA 7: MESSAGE FROM **THE CHAIRMAN**

♦

*LOOKING FORWARD*

---



For Godfreys' first reporting period, Godfreys has largely focused on implementing systems and processes to lay the foundation of a robust modern slavery compliance program.

Godfreys is confident that the steps taken within the reporting period have established a robust foundation to identify, address and mitigate modern slavery within its supply chains. Godfreys looks forward to building on this foundation to enhance and improve its modern slavery compliance.

This modern slavery statement for the reporting period was approved by the Godfreys Board.

A handwritten signature in black ink, which appears to read "G Hancock". The signature is fluid and cursive.

GRANT HANCOCK  
*Chairman*

