

Modern Slavery Statement 2021



SGH
SPOTLIGHT GROUP HOLDINGS

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Introduction

01.

Spotlight Group Holdings Pty Ltd (**SGH**) recognises and accepts its social and corporate responsibility to work to identify and address any modern slavery or serious exploitation that may be present in its operations or supply chains. This includes any incidences of trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

This statement has been prepared to meet reporting requirements under the *Modern Slavery Act (Cth) 2018* (the Act) and outlines the actions that have been taken by SGH to identify, assess, and address the modern slavery risks across our operations and supply chains for the year ending 30 June 2020.

SGH makes this joint modern slavery statement on behalf of all reporting entities within the group including the following:

- Spotlight Pty Ltd (ABN 39 564 861 886)
- Spotlight Limited (NZ Company no. 553661)
- Spotlight Pte Ltd (Singapore Registration no. 199504453C)
- Spotlight Stores Sdn Bhd (Malaysia COID 1063748-V)
- Anaconda Group Pty Ltd (ABN 53 955 173 782)
- Mountain Designs Holdings Pty Ltd (ABN 58 627 475 085)
- DS Opco Pty Ltd (ABN 83 095 018 803)

and any other entities SGH owns or controls. Whilst some of the entities within SGH may not be reporting entities for the purposes of the Act, we have adopted a 'group-wide approach', and this statement applies to all of SGH's operations.

This statement has been prepared in consultation with the management, procurement teams and related suppliers for each of the above Brands. As has been necessary, other areas of the business have been consulted in regard to the preparation of this statement.



Avi Gilboa
Group Managing Director

This modern slavery statement was approved by the Board of Spotlight Group Holdings on 26th March 2021.

Modern Slavery Act 2018 section 16 mandatory criteria and reporting requirements

We have addressed these in our statement as follows:

- 01. Identification of the reporting entity**
This is addressed on page 3.
- 02. Description of our structure, operations, and supply chain**
This is addressed on pages 6 - 12.
- 03. Description of the risks of modern slavery practices in our operations and supply chains and any entities we own or control**
This is addressed on pages 14 - 20.
- 04. Description of the actions we have taken to assess and address these risks (including due diligence and remediation processes)**
This is addressed on pages 22 - 29.
- 05. How we assess the effectiveness of our actions**
This is addressed on page 30.
- 06. Description of the process of consultation with any entities the reporting entity owns or controls**
This is addressed on page 3.
- 07. Any other relevant information**
This is included on page 31 where we discuss the development of supplier relationships, monitoring and awareness, partnerships and an ongoing commitment to transparency.



About us

SGH is best known for its retail division – **Spotlight Retail Group (SRG)** which manages the following retail brands:

SPOTLIGHT

ANACONDA

Harris Scarfe



SGH is headquartered in South Melbourne, Victoria, Australia and its interests also include:

- a group property portfolio – managed under the **Spotlight Property Group (SPG)**;
- investment interests;
- other shareholdings, a family office and a charitable foundation – the **Spotlight Foundation**.

SGH operates over 250 retail premises, across four countries, and employs over 9,800 staff.

01. Introduction

SRG Brands

Spotlight is one of the largest fabric, craft, party and home interiors retailer in Australasia. Spotlight's key product ranges are home décor, manchester, window furnishings, sewing, craft and party supplies, as well as kitchen and dining products, bath accessories and curtains and blinds.

Spotlight is a family owned and operated Australian business with stores throughout Australia, New Zealand and Asia. Spotlight employs more than 6,200 team members. Since the 1970s, Spotlight has grown to include 139 stores, with outlets across four countries. The first New Zealand store opened in Wairau Park in January 1996. Currently there are 19 Spotlight stores scattered around New Zealand and the business has cemented itself as one of the major retailers in the country. The first store in South East Asia opened in Singapore in 1995 and thereafter stores were opened in Malaysia in 2014.

Spotlight procures products from 25 countries



Australia | Cambodia | Canada | China | Denmark | Egypt | Germany | Hong Kong | India | Italy | Japan | Malaysia | Netherlands | New Zealand | Pakistan | Philippines | Singapore | South Korea | Spain | Taiwan | Thailand | Turkey | United Kingdom | USA | Vietnam

Anaconda is one of Australia's largest camping and adventure superstore retailers. It was founded in 2004 with the aim of providing customers with a one-stop shop for outdoor, adventure and sporting equipment providing the largest range of outdoor products in Australia. Anaconda has over 69 stores across Australia.

Mountain Designs was established in the late 1960s and the brand was acquired by SGH in early 2018, with a vision to restore the brand to its peak position in the Australian outdoors market. SGH re-launched Mountain Designs in Winter 2019 with a range of men and women's apparel, hiking, camp and everyday outdoor gear, referencing the brand's heritage throughout the range. Mountain Designs has supported many professional explorers and mountaineers and sponsored a number of overseas expeditions and Australian adventuring firsts. Mountain Designs products are available online at mountaindesigns.com and in Anaconda stores Australia-wide.

Anaconda & Mountain Designs procures products from 12 countries



Australia | China | Hong Kong | India | Italy | New Zealand | South Africa | Spain | Taiwan | Thailand | United Kingdom | USA

Harris Scarfe is one of Australia's longest trading retailers, with over 160 years of experience. Lanyon & Harris opened their first store in Adelaide in 1850. In 1920 the company was rebranded to Harris Scarfe, the name we all know it as today.

Harris Scarfe is a small format department store with a product range that includes range includes sheets, quilts, pillows, pots, cutlery, glasses, kitchen accessories, women's and men's fashion, underwear, business wear, shoes and sports clothing. There are 48 retail stores across the metro and regional areas of South Australia, Victoria, Tasmania, New South Wales, ACT and Queensland. Harris Scarfe employs over 1500 staff across Australia.

Harris Scarfe procures products from 5 countries



Australia | China | Hong Kong | India | Poland

Founded in 1973, by brothers Morry Fraid and Ruben Fried, SRG has grown to become a major player in the Australasian marketplace.

SGH Operations

Founded in 1973, by brothers Morry Fraid and Ruben Fried, SRG has grown to become a major player in the Australasian marketplace. SRG directly employs more than 9800 people across its operations.

The SRG brands have a shared set of values: People, Success & Excellence. These values are underpinned by a best-in-class team and product training programs, 'Talk Back to the Boss' open communication policies, and a long history of putting community values and engagement first, supported by the Spotlight Foundation.

In parallel with (and facilitating) the growth of the SRG retail store network, SGH has acquired and developed a substantial retail and commercial property portfolio, across Australia and New Zealand. SGH is a landlord to over 300 tenants, as well as housing a significant number of SRG stores themselves.

In more recent years, SGH has continued to diversify its interests, through the Group's ownership stakes in a variety of other operating businesses, the development of a diversified investment portfolio including an active and fast growing property finance business, and the Spotlight Foundation, which seeks to make grants and donations to a range of worthy causes each year.

ANACONDA

69

Retail stores throughout Australia

SPOTLIGHT

139

Retail stores throughout Australia, New Zealand, Malaysia & Singapore

Harris Scarfe

48

Retail stores throughout Australia

01. Introduction

SRG Divisions

SRG operates a shared services model with the Melbourne-headquartered group supporting the retail brands in finance, IT, supply chain, marketing, human resources and payroll.

Across Brand Divisions

Marketing	Information Technology	Finance
Digital & Omni Channel	Supply Chain Distribution Centre	Property & Store Development

New Zealand Divisions

NZ Retail Operations	SRG Human Resources & Finance	NZ Support Group - Product
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Asia Divisions

Asia Retail Operations	SRG Human Resources & Finance	Asia Support Group - Product
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SRG Product Sourcing

All SRG procurement is undertaken via our procurement and buying teams from our head office in South Melbourne, Australia. Products that SRG sources from overseas are sourced through multiple avenues however approximately 10% of goods are sourced through our external sourcing agent - **Glowstar Global Sourcing Organisation (Glowstar)**.

Glowstar has approximately 80 registered third-party factories which produce and supply directly to SRG. Products sourced through Glowstar include in the areas of bedding, bedding accessories, towels, bath

accessories, window furnishings, fabrics, arts and crafts, outerwear, sleepwear, underwear and socks, footwear, bags and luggage, stationary, rainwear and fashion accessories. Glowstar is a subsidiary of **Caprice Australia Pty Ltd (Caprice)**. Caprice's head office is located in South Melbourne, Australia and its sourcing office is located in Wuxi Jiangsu, China. Caprice has a total of 183 employees, 101 of whom are located in Australia and 82 located in China. Caprice has developed a comprehensive **Ethical Sourcing (ES) Program**, the elements of which are outlined in section 5 of this report. The goods that Glowstar supplies SRG are produced in factories, which are not owned or operated by Glowstar or Caprice, but are contracted to produce goods for SRG. The majority of the Glowstar supplier factories are located in China, with a small number located in India, Pakistan, Vietnam and Bangladesh.

SRG departments also use other overseas sourcing agents to source product on our behalf or deal directly with our suppliers. If the product is sourced from a non- Glowstar overseas vendor then SRG buyers follow this basic process:

- SRG meets the new factory via international fairs / via introduction email (or as circumstances permit during the COVID19 pandemic).
- SRG requests information about which companies they currently supply to in Australia and/or the United States of America (to gain an understanding of the level of the factory and its standards) and obtains a copy of any available factory certifications e.g., BSCI, WRAP, SEDEX, SMETA, ISO, ICS, RWS, PGS Audit; and
- SRG provides the suppliers with its Trading Terms and Vendor Compliance requirements.

Whilst an SRG representative does not visit every factory that SRG purchases from, or inspect all goods prior to shipping, SRG staff have made visits to most of our large suppliers.



Risks of Modern Slavery Practices

02.


SGH's supply chains and operations are complex and extensive, and we are in the initial stages of our modern slavery due diligence and supplier review process. By their nature, the retail products that we procure and sell have an inherent risk of modern slavery in their production. This is due to the geographical locations from which we source our products and raw materials, and the type of products that we sell.

We have therefore focussed our FY20 modern slavery risk assessment on the factories and suppliers that we engage overseas to produce products sold in SRG retail stores. This assessment has been done using resources including the Walk Free Foundation's Global Slavery Index, and information available through suppliers, licensors, industry associations and government organisations. We recognise that as we do not have direct visibility and control over the hiring, terms or working conditions of all of the workers in our supply chains and operations, that this limits our ability to monitor our modern slavery risk. For example, if one or more of our suppliers, source factories or third-party labour recruiters engages in modern slavery practices, this could occur without our knowledge. We have therefore focussed on improving the transparency in our retail operations and will further plan and develop our approach towards the balance of SGH's dealings moving forward.

SRG Overseas Suppliers China, Hong Kong and Taiwan

The widely reported modern slavery risks in China, where the majority of our products are sourced, include forced or bonded labour, deceptive recruitment, child labour, exploitation of migrant workers, underpayment of workers (or not paying a living wage). The Global Slavery Index 2018 (GSI) reports that forced labour mainly occurs in the production of labour-intensive goods for export, including in the manufacturing and construction sectors. We are also aware of allegations of forced labour being used in Xinjiang and Dandong to work in Chinese factories.

We have begun the process of tracing and reviewing our textile suppliers, with the goal of ensuring that we are not knowingly using cotton sourced from those areas (or working with any suppliers who may be suspected of using forced labour). The higher risk products that SRG obtains from China include:

SPOTLIGHT	ANACONDA 	Harris Scarfe
<ul style="list-style-type: none"> Textiles Housewares & Decor Curtains & Blinds Wood Products & Handicrafts Craft Supplies Haberdashery Jewellery Goods sourced by Importers & Agents 	<ul style="list-style-type: none"> Textile & Garment Production Bags & Luggage Sporting Goods Footwear Goods sourced by Importers & Agents (ie. Sporting Goods, Apparel & Footwear) 	<ul style="list-style-type: none"> Textile & Garment Production Bed, Bath & Home Decor Sporting Goods Apparel & Footwear Bags & Luggage Electrical Goods sourced by Importers & Agents

02.
Risks of Modern Slavery

India and Pakistan

India is recognised as having modern slavery risks associated with the production of apparel and homewares. The GSI reports that while the bonded labour system has been formally abolished and criminalised, recent research indicates that bonded labour is still prevalent in India. Instances of forced labour have been reported among local and migrant domestic workers, who find themselves coerced into hard physical labour. It has been found that women, especially those that are economically disadvantaged, face an increased risk of exploitation. The higher risk products that SRG procures from India include:

SPOTLIGHT	ANACONDA 	Harris Scarfe
Textiles ----- Handicrafts ----- Craft Supplies ----- Decor & Rugs	Textile & Garment Production ----- Sporting Goods ----- Goods sourced by Importers & Agents (ie. Sporting Goods, Apparel & Footwear)	Textiles ----- Bedlinen ----- Napery ----- Towels

United Kingdom

SRG is aware that there have been reports of modern slavery occurring in the UK relating to the use of forced or bonded labour, deceptive recruitment, exploitation of migrant workers and the underpayment of workers. The higher risk products that SRG procures from United Kingdom include:

SPOTLIGHT	ANACONDA 	Harris Scarfe
Textiles (Specialty & Novelty Fabrics) ----- Wigs ----- Craft & Hobby Supplies ----- Shape Cutting & Die Cutting Machines	Sporting Goods ----- Goods sourced by Importers & Agents (ie. Sporting Goods, Apparel & Footwear)	No current suppliers in the United Kingdom

SRG's head office is located in Melbourne, with warehouses and retail operations across Australia and New Zealand.

SRG Local Suppliers

SRG's head office is located in Melbourne, with warehouses and retail operations across Australia and New Zealand. As most of our staff are employed by SRG in Australia, this lowers the risk of modern slavery occurring in regard to our directly employed workers. Whilst opportunities to exploit or traffic workers within Australia are limited - because of its strong migration controls, geographic isolation, high degree of regulation, and strong compliance and enforcement - we have recognised that many workers in the above sectors and industries may be from vulnerable populations. We understand that there are modern slavery risks for us when we contract for cleaning services, security arrangements, freight, distribution, construction, store fit outs and logistics. We are also aware that these service providers often rely on a workforce that includes migrants, low-skilled workers or people from cultural or linguistically diverse backgrounds.

SRG may also rely on recruiters or third-party labour hire services, which increases our modern slavery risks, especially if the workers we rely on come from vulnerable backgrounds.

The higher risk products and services that SRG sources locally in Australia include:

SPOTLIGHT	ANACONDA	Harris Scarfe
Goods sourced by Importers & Agents (Textiles, Toys & Sporting Goods) ----- Office Supplies ----- Furniture ----- Contractors & Maintenance	Goods sourced by Importers & Agents (Apparel & Footwear) ----- Textiles ----- Office Supplies ----- Contractors & Maintenance	Candles & Diffusers ----- Office Supplies ----- Furniture ----- Contractors & Maintenance

02. Risks of Modern Slavery

Consideration has been given to whether there are risks for SGH when engaging labour-intensive services to support its head office, facilities management, retail facilities and logistics such as:



During FY21, we will continue to work to identify our risks in this area.

Focus on 'higher risk' products sold by SRG

As we have only recently commenced our modern slavery supply chain review, we will be focussed during FY21 and beyond on identifying and reviewing the supply of our 'higher modern slavery risk' products. Based on Global Slavery Index information, the following products and raw materials represent a high risk for SRG:

- **Cotton** – especially any cotton products or raw material sourced from Kazakhstan, Tajikistan, Turkmenistan, Uzbekistan. We aim to investigate our supply chains and operations with the goal of not knowingly sourcing cotton (or cotton-based products) from these regions or from the Xinjiang and Dandong regions in China, due to allegations of forced labour being prevalent in these regions.

- **Garments** – Apparel and Clothing Accessories – especially any of these products that may be made in, or sourced from Argentina, Brazil, China, India, Malaysia, Thailand or Vietnam;
- **Carpets** – especially those made in India and Pakistan;
- **Electronics and Electrical Items** – especially those made or sourced from China or Malaysia;
- **Timber** – especially any timber based products that have been sourced from Brazil, North Korea or Peru.

COVID-19 Increased Risks

We are aware that during the COVID 19 pandemic, the risks of modern slavery in our supply chain may have increased, and that there would have been less opportunity for this to be monitored or addressed by us (and our direct suppliers) due to travel restrictions. During FY21 we will look at ways we can monitor and address this risk.



Actions Taken to Address Risks

03.

We have taken the following actions in FY20 to address our identified modern slavery risks. We will continue to review and address the modern slavery risks in our operations and supply chains moving forward.

Board Level Commitment

The SGH Board is aware of its social and corporate responsibility to work to identify and address any modern slavery or serious exploitation that may be present in its operations and supply chains. SGH has established a modern slavery working group and committed resources to continuous improvement in this space.

Supplier Review and Audit Processes Glowstar

SRG procures approximately 10% of its products ‘for re-sale’ and ‘not for re-sale’ through **Glowstar**, which as previously noted, is a subsidiary of **Caprice Australia Pty Ltd (Caprice)**. Caprice has prepared modern slavery statements at the end of FY19 and FY20 which state that it is opposed to slavery in all its forms, including human trafficking, slavery and slavery like practices, such as forced labour and child labour.

In FY19, Caprice and Glowstar have reported that they undertook a number of actions to further strengthen its Ethical Sourcing program including:

- formally activating a **Purchase Order blocking system** that ensures no new orders can be placed with a factory unless it has a valid ethical sourcing audit and does not exceed factory production capacity levels (to minimise the risk of unauthorised subcontracting);
- commencement of the rollout of the **Caprice factory capacity building visit program**. The factory visits are conducted by Caprice compliance personnel, following a set one-day format, and are designed to ensure our supplier factories fully understand and have the capacity to meet ethical sourcing requirements;

- strengthened resourcing within its **Ethical Sourcing compliance team** with two new full-time employees; and
- a stated goal to extend the scope of its ethical sourcing program to include **high risk tier 2 and 3 supplier factories by the end of FY23**.

During FY20, 15 factories that supply product to SRG were audited by Glowstar on our behalf. The comprehensive audit process includes providing SRG with photos of the:

Factory Gate	Factory Building	Office	Guard Building	Canteen & Canteen Certificate	Dormitory	Warehouse
Business License	Construction Certificates	EIA Certificates	Fire Safety Certificates	Underground Water License	Pollutants Discharge License	Boiler Inspection Certificate
Elevator Inspection Certificate	Elevator Operator Certificate	Pressure Vessels Inspection Certificate	Electrical Certificate	Forklift Operator Certificate	First Aid Certificate	Health Certificate
Safety Operation Operator Certificate	Fire Hydrant	Fire Sprinkler System	Evacuation Plans	Boiler	Fire Alarm System	Smoke Detector
Fire Extinguisher	Electronic Attendance Recorder	First Aid Kit	Emergency Exit	General Photos of the Factory and its production		

03.
Actions taken to Address Risks

The Audit reports prepared by Glowstar set out any major or minor issues that are to be addressed by use of a corrective action plan which is put in place, if required, following the audit. Steps in a corrective action plan can include addressing issues that are classified as ‘major issues’ examples of which are:

Emergency exit light is not illuminated	The factory did not provide social insurance to all employees	Some workers did not wear PPE in the workshop	Chemicals used in the workshop were not labelled properly
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or ‘Minor’ issues that may occur such as:

Working hours & minimum wage was not posted in the factory for workers to easily access	All workers weekly working hours exceeded 40 hours	No meeting record provided for review
The factory did not provide second container in ‘Chemicals Used’ area	The factory did not conduct building inspections on a regular basis	The factory did not conduct internal audits to monitor & evaluate ethical standards

International Suppliers

International Suppliers to SRG are currently required to agree to its **International Vendor Trading Terms** which include social responsibility requirements, which include that they will:

- not use child labour and engage workers in accordance with all local laws, regulations and industry standards;
- not use forced, bonded or prison labour;
- not require workers to lodge ‘deposits’ or original identity papers with them or their subcontractors and ensure that workers are free to leave their or their subcontractors employment after reasonable notice;

- allow workers the right to associate, form and join trade unions and to bargain collectively in a peaceful manner and ensure, that where a right to freedom of association and collective bargaining is restricted under law, that they and their subcontractors will allow for independent and free association and bargaining.
- treat employees with dignity and respect and not use threats of physical punishment or other physical abuse;
- exercise non-discriminatory hiring and employment practices (ie not discriminate on the basis of race, caste, colour, gender, religion, political opinion, union membership, nationality, social origin, sexual orientation, age, disability, marital status, or other distinguishing characteristics);
- provide workers with a safe and healthy workplace including safe operating procedures, access to clean drinking water, toilet facilities, adequate lighting, ventilation and fire safety;
- comply with all applicable working hour laws, regulations and industry standards and ensure workers are not required to work, in excess of 60 hours per week, ensure that overtime is voluntarily taken up by Workers and ensure that all workers are entitled to on average at minimum one day off per week;
- provide wages not lower than the minimum wages set by the local governments in the cities where they and their subcontractor’s facilities are located and ensure that wages are sufficient to provide discretionary income;
- comply with all applicable laws and regulations in respect of protecting the environment and maintain procedures for notifying local authorities in the event of an environmental accident resulting from their operations.

03. Actions taken to Address Risks

Goods not for Re-sale

SRG goods 'not for re-sale' are sourced through our Procurement Manager (a member of our Property and Store Development team), who directly sources these from vendors in China. Current suppliers to SRG have been in place for 2+ years. The usual practice is for the Procurement Manager to visit factories, but this was not possible this year due to the COVID19 pandemic. Suppliers are asked to complete a **Contract Summary and Sign Off** and to agree to the **Property and Store Development Procurement Policy**.

Improving Our Transparency

During FY20 we conducted a detailed desktop review of our first (and some second tier suppliers). Throughout FY21 we will extend the scope of our review to gather additional information from Glowstar and our other suppliers on the factories that produce SRG products including details such as:

- number of workers;
- percentage of female workers;
- percentage of male workers;
- percentage of migrant workers;
- presence of workplace agreements;
- access to trade unions;
- whether the supplier has provided a signed commitment to the SRG Code of Conduct or Glowstar Ethical Sourcing Code; and
- measures that have been taken by the supplier to assist workers who have been impacted by the COVID-19 pandemic.

We will also be reviewing our supply chain to gather more information about the goods and services that SGH procures independently of Glowstar Global Sourcing.

Update and Development of Internal Policies and Processes

During FY20, SGH devoted considerable time and resources to the updating and development of its range of corporate and social responsibility policies. These policies communicate our standards and requirements to the business partners in our supply chain.

The **SRG Code of Conduct** sets out fundamental requirements for all of our suppliers and business partners (including all authorised sub-contractors or raw materials suppliers). The requirements of this Code will need to be satisfied by all suppliers to SRG, and we are working with our suppliers to have them agree and commit to the Code during FY21. This will work alongside and compliment the Glowstar Ethical Sourcing Code, and will cover the goods and services that SGH procures independently of Glowstar.

We have also developed a set of **SRG Global Sourcing Principles** which set out the fundamental requirements and minimum standards that must be followed by our suppliers. These are currently under review and it is expected that these will be rolled out during FY21.

SGH is working on a set of **Supplier Remediation Guidelines** to provide general guidance to SRG staff and its auditors if there is a need to remediate or address issues that are identified as non-compliance with the fundamental requirements of the Code of Conduct or Principles.

Development of Modern Slavery Training

During FY20, and to address the challenges of the COVID-19 environment, SGH has developed online Modern Slavery Training modules for relevant staff or suppliers.

This training is designed to assist staff and suppliers to understand modern slavery and reporting requirements, and to allow the identification of modern slavery related 'red flags' in SRG's supply chain and operations.

Training has commenced and will continue to be rolled out to key staff. SGH will keep a record of all training offered and completed by its staff and suppliers during the full training roll-out in FY21.

Cooperation with External Agencies and Community Initiatives

We have implemented requirements for doing business with SGH that are based on the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration on Human Rights, the International Labour Organisation's (ILO) Core Conventions, the Ethical Trading Initiative (ETI) Base Code (which is founded on the conventions of the ILO), national legislative requirements and accepted best ethical and sustainable business practice.

We also support and work through the following initiatives and organisations.

Spotlight Foundation

Embodying the family values of SGH's founders, the Spotlight Foundation has a commitment to supporting those in need, both locally and overseas. The Spotlight Foundation provides financial support to more than 50 organisations in fields as diverse as health and research, welfare, the arts, education, and women's enterprises in developing countries. The Spotlight Foundation also maintains an education scholarship, recognising the power of education to change people's lives for the better.

World Vision – Wrap with Love

Spotlight in partnership with World Vision Australia proudly supports Wrap With Love, a grassroots organisation making and distributing blankets to displaced, refugee and homeless communities around the world. Spotlight customers can knit or crochet squares and blankets to be collected and distributed by Wrap with Love. Spotlight stores will serve as a national collection point for keen knitters and crocheters to drop off their "squares" to then be made into warming blankets by the dedicated team of volunteers at Wrap With Love. This year Wrap With Love has also been instrumental in providing blankets to Australian families affected by the summer's devastating bushfires.

Over the last 15 years, World Vision has distributed around 150,000 'Wrap with Love' wraps to vulnerable children and families in countries around the world including Afghanistan, Burundi, Malawi, Somalia, Iraq, Lesotho and Zimbabwe - providing in many cases life-saving warmth in the most dire circumstances.

Commitment to a Living Wage

SGH is committed to promoting conditions that support every worker's opportunity to receive a 'living wage' (i.e. remuneration for their work that allows a decent standard of living including food, water, housing, education, healthcare, transport, clothing and other essential needs).

Our recently developed SRG Supplier Code of Conduct will require that our suppliers work to ensure that all workers are paid a fair living wage for the region in which they work – which should be at least the minimum wage required by applicable laws. Suppliers must also ensure that workers are provided all legally mandated benefits.

Good360

The Spotlight Foundation, Spotlight Stores & Anaconda have recently been supporting Good360. Good360 is a matchmaker, it repurposes surplus brand-new goods and directs them to Australians who need them most. Their goal is to make sure that nothing useful lies unused.

Spotlight Crafts for a Cause

Spotlight celebrates every maker who provides their time and their skills to give to others. In this spirit we have created Spotlight Crafts for a Cause, a Facebook community for like-minded crafters to come together and share the work they are doing and the causes they are supporting. The purpose of this group is to bring together the willing makers and the causes with a need. Volunteers are able to donate their time, abilities or supplies to help each other around Australia and New Zealand.

Australian Packaging Covenant

SRG is a signatory to the Australian Packaging Covenant (APC) and as a member of the Australian Packaging Covenant Organisation (APCO) it is committed to reducing the environmental impacts of consumer packaging via improvements in packaging design, higher recycling rates and better stewardship of packaging.

Assessment of Actions Taken

04.

We are focused on measuring and evaluating the effectiveness of the actions we have taken to address modern slavery risks in our supply chains and operations. This will continue to be our focus moving forward. One of the ways we currently track our performance is to conduct audits and checks on compliance by our suppliers with our expected standards. We are also committed to addressing any issues that come to our attention through our Whistleblower process, and to providing and promoting an avenue for workers to bring any issues of non-compliance with our code and principles to our attention.

Review of Supplier Audits

During FY20 Glowstar conducted audits on factories they engage for our benefit and we will continue to review these reports and take any further actions that are deemed necessary. As part of the audit process, they gather information relevant to modern slavery, human trafficking and other risks and conduct checks on general compliance matters such as factory licences, building layouts, fire drill records, health and first aid certificates, working hours, wage records, pay slips, injury records and environmental impact assessment reports and approvals.

Audit Follow-Ups

Where the SRG or Glowstar due diligence or audit process finds supplier non-compliance issues we will require the supplier to identify corrective actions and timeframes for completing these actions. Corrective Action Plans are currently submitted to SRG after each Glowstar audit. It lists the action points to be followed up and improved, and the required timeframe for this to happen. In the event that factories are found to have modern slavery issues, Glowstar set time frames for re-audit and checks to be done when issues of concern or non-compliance are identified.

SRG will continue to work with Glowstar and all its other suppliers in FY21, to improve standards where it can, and to ensure the requirements of the code and principles are adhered to.

Moving Forward

05.

During FY21 we will continue to proactively and regularly conduct due diligence for modern slavery risks internally and within our supply chains and operations.

Supplier Relationships

We will continue to work in partnership with our suppliers to facilitate ongoing improvement in order to benefit both their workers and to improve our business practices. Throughout FY21 we will endeavour to have our first tier and all known second tier suppliers commit in writing to adherence with our new SRG Code of Conduct and SRG Global Sourcing Principles.

Monitoring and Awareness

Our modern slavery working group will continue to monitor media and news from industry groups to identify emerging human rights risks in the geographic locations from which we source our products.

Partnerships

In future we will seek further opportunities to work with our overseas suppliers and community organisations that can assist us to mitigate our modern slavery risks. This will include seeking the advice and guidance from Glowstar as to how we can best assist suppliers that we rely on for our products.

Ongoing Commitment to Transparency

During FY21 we will be further updating our 'Practices and Policies' page to include our modern slavery initiatives, We feel that this publication is a valuable way for SRG to communicate the elements of its modern slavery and human rights program, and to also demonstrate our commitment. This will allow our customers to make informed decisions, and show that SRG is working towards its goal of being an ethical, transparent and responsible business.

