



Beacon
LIGHTING

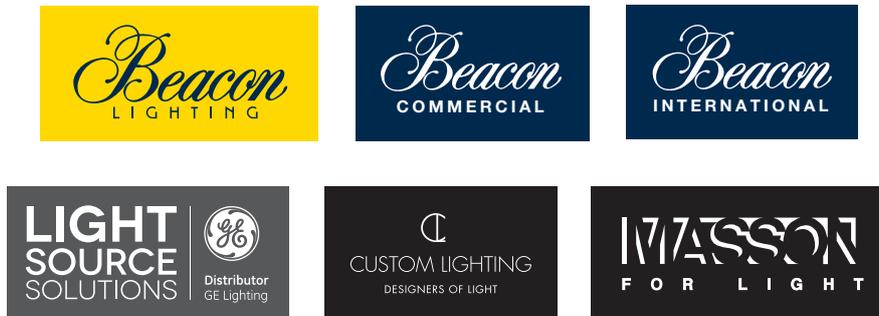
Joint Modern
Slavery Statement
FY2020

Beacon Lighting Group Limited
ACN 164 122 785

Introduction

The Beacon Lighting Group understands the important role that the Group can play in respecting and promoting human rights and eradicating modern slavery. This Modern Slavery Statement is made in accordance with the Australian Modern Slavery Act 2018 (Cth). The Statement describes the risks of modern slavery in the operations and supply chains of the Beacon Lighting Group and includes information on the actions taken to address those risks for the financial year ending 28 June 2020 (FY2020).

This Joint Modern Slavery Statement has been prepared by Beacon Lighting Group Ltd, Beacon Lighting Corporation Pty Ltd and the Brightlite Unit Trust, being the relevant reporting entities under the Modern Slavery Act 2018. The Statement covers all entities controlled by the above three entities including each of the entities which own the following businesses:



Modern slavery describes situations in which coercion, threats or deception are used to exploit victims and undermine their freedom. Modern slavery can take many forms including slavery, servitude, forced labour, debt bondage, deceptive recruiting for labour or services, child labour and forced marriage. In line with our philosophy and core values, minimising the risk of modern slavery in our operations and supply chains remains a critical focus for the Beacon Lighting Group.

The Modern Slavery Statement for FY2020 is the first for the Beacon Lighting Group. Throughout the financial year, Beacon Lighting has established new processes to complement the existing processes which are intended to assist in managing modern slavery risks throughout the Group's operations and supply chains. For several decades, key Beacon Lighting Executives have been visiting and reviewing our supply chain partners throughout China and other parts of the world. There have been many situations when the Group has worked with our supply chain partners to improve their processes and performance.

In the years ahead, the Beacon Lighting Group will focus on further enhancing and rolling out our modern slavery risk management strategy to further reduce the Group's exposure to modern slavery risks, as well as, seeking to work with service providers and suppliers to provide appropriate remediation of modern slavery risks in their supply chains.

During FY2020, the Group has introduced new processes to assist in the managing of modern slavery risks throughout the Group's operations and supply chains. These new processes have included but are not limited to:

- Prior to the impact of COVID-19, key Executives, including the Executive Chairman and CEO were able to visit, review and work with the operations of new key supply chain partners in China.
- The Beacon Lighting team in China were officially employed by the Group's Chinese company. The responsibilities of the China team include working with service providers and suppliers in this critical region and assisting in managing modern slavery risks in the supply chain.
- The establishment of the Whistleblower Policy encourages the reporting of instances of suspected unethical, illegal, fraudulent or undesirable conduct involving the Group's operations and supply chains.

Process of Consultation

In preparing this Joint Modern Slavery Statement, a process of consultation across the Beacon Lighting Group and its reporting entities have helped to facilitate the preparation of this Statement. All Beacon Lighting Group entities operate under a common set of governance policies and programs. This includes the programs through which modern slavery risks in our operations and our supply chains are assessed and managed. The process of consultation has included the engagement of the Executive Management Team and Board of Directors within the Group.

Structure, Operations & Supply Chains

Beacon Lighting is Australia's leading lighting retailer and an emerging wholesale supplier of lighting and energy-efficient products to the commercial industry in Australia and other parts of the world. The relevant Beacon Lighting Group reporting entities under the Modern Slavery Act 2018 were:

- The Beacon Lighting Group Ltd which is the publicly listed entity for the Group which also employs a small number of executives.
- The Beacon Lighting Corporation Pty Ltd which is the holding company for each of the unit trust entities within the Group.
- The Brightlite Unit Trust which is the main operating entity within Australia which includes the Beacon Lighting stores and Beacon Commercial.

At the end of FY2020, the Beacon Lighting Group operated the following trading businesses:

- 108 Beacon Lighting company stores.
- 3 Beacon Lighting franchised stores.
- 5 Beacon Lighting Commercial sales offices.
- Beacon International operating in Hong Kong, Germany, United States of America and China.
- Light Source Solutions Globes operating in Australia and New Zealand.
- Light Source Solutions Roadway.
- Masson for Light.
- Custom Lighting.
- Beacon Lighting Wholesale.
- Beacon Energy Solutions (which was closed down during FY2020).

The Beacon Lighting Group has more than 1,000 team members with the majority working in Beacon Lighting stores throughout Australia. The remaining team members in Australia are employed in two distribution centres in Derrimut (VIC) and Parkinson (QLD), the Store Support Centre in Mulgrave (VIC) and the Commercial offices around Australia. Beacon Lighting also has team members working in Hong Kong, Germany, United States of America and China.

The Group also has a small number of contractors who are engaged for specific projects from time to time.

Further information about the Beacon Lighting Group structure, operations and corporate governance practices are available at: www.beaconlightinggroup.com.au

The Beacon Lighting Group's principal product categories are lights, fans, globes and energy efficient products. More than 92% of the products sold by Beacon Lighting are designed, developed, imported and distributed by the Group. Due to the vertically integrated supply chain structure of the Group, Beacon Lighting has a high level of visibility of our service providers and supplier operations and in turn their modern slavery risks.

The remaining products sold by Beacon Lighting are purchased from local wholesalers. More than 85% of the products sold by Beacon Lighting are sold under exclusive private labels including Lucci, LEDlux, Fanaway and MFL. The core Beacon Lighting Group product range consists of up to 4,000 exclusive products.

The majority of products sold by the Beacon Lighting Group are purchased from overseas buying agents (i.e. service providers) and to a lesser extent, direct from the product manufacturers. The Beacon Lighting Group also owns a small manufacturing capability in Australia. The high proportion of products purchased originate from manufacturing capabilities and supply chains in China.

The Beacon Lighting Group also procure a diverse range of goods and services in connections with Stores, Distribution Centres, Store Support Centre and other Offices. These goods and services also include but are not limited to office suppliers, cleaning services, store development services and other services.

Impact of COVID-19 on Modern Slavery

The impact of the COVID-19 pandemic has presented new modern slavery risks for the Beacon Lighting Group. In response to the pandemic, many governments have enforced international border closures and restricted travel within their internal borders. This has restricted the ability of the Beacon Lighting Group team to travel and to meet and work with our Service Providers and Suppliers. In response to this situation, the Beacon Lighting Group has undertaken the following initiatives:

- The Group has continued to honour all contracts and purchase orders that were raised prior to and during the COVID-19 pandemic.
- The Group has also utilised modern technology to have regular and direct communication meetings with our Service Providers and Suppliers which has enabled Beacon Lighting to continue to support their operations.
- Where possible, the Beacon Lighting Group China team and our Buying Agents in China have continued to visit and work with our Chinese Service Providers and Suppliers.

Approach to managing Modern Slavery Risks in our Operations and Supply Chains

The Beacon Lighting Group's supply chains are diverse and extend through several different geographic regions which always expose the Group to potential modern slavery risks.

MODERN SLAVERY POLICY

The Beacon Lighting Group will establish a Modern Slavery Policy which articulates the Group's commitment to respecting and promoting human rights and to addressing modern slavery risks in our operations and supply chains. In the policy, the Group will commit to uphold internationally recognised human rights and to:

- Identifying and addressing modern slavery risks which may occur in our operations.
- Conducting risks assessments to determine which parts of our operations and supply chains are at material risk of modern slavery so that efforts can be focused on those areas.
- Meaningful engagement with our suppliers to determine which parts of our operations and supply chains are at most material risk of modern slavery so that efforts can be focused on those areas.
- Complying with all applicable laws.

The Modern Slavery Policy will apply to all entities within the Beacon Lighting Group, Beacon Lighting Group Team Members, Service Providers and Suppliers. For our Service Providers and Suppliers, it is expected that they will always act in a way that is consistent with the Policy and adopt a similar policy which incorporates provisions for the identification and eradication of modern slavery risks in their operations and supply chains. Any non-compliance with the Modern Slavery Policy will result in the Beacon Lighting Group working with the Service Provider or Supplier to take corrective action. Where corrective action is not able to be achieved, the contractual relationship with the Service Provider or Supplier may be suspended or terminated.



MAPPING OF THE SUPPLY CHAIN

The Beacon Lighting Group will undertake mapping of the supply chain and undertake a risk assessment to determine the most material risks to the Group. The initial focus will be on the modern slavery risks associated with tier one suppliers, that is those suppliers that supply goods or services directly to the Group. For the most material suppliers at risk, they will be asked to complete risk assessments and if necessary, risk audits to confirm compliance with our Modern Slavery Policy.

GOVERNANCE ARRANGEMENTS

The Beacon Lighting Group will establish a cross functional team responsible for managing the modern slavery risks of the Group. This team will report directly to the Beacon Lighting Group Board of Directors. This team will also prepare the Modern Slavery Statement which will be approved by the Boards of each reporting entity each year.

TRAINING

Each Beacon Lighting Team Member with roles that are relevant to the policy will receive training on the Modern Slavery Policy and any supporting processes applicable to their role.

Conclusion

The Beacon Lighting Group understands the importance of eliminating modern slavery and the role that the Group can play in eliminating this unacceptable practice from our supply chains. The Group has taken the first steps in this long journey. The Beacon Lighting Group is committed to playing our role and to work with our Service Providers and Suppliers when required.

This statement was approved by the Board of Directors of the Beacon Lighting Group Ltd, Beacon Lighting Corporation Pty Ltd and Brightlite Nominees Pty Ltd (as the trustee of the Brightlite Unit Trust) on 16 March 2021.



Glen Robinson

Chief Executive Officer

Beacon Lighting Group Ltd

Date of Signing: 16 March 2021



Glen Robinson

Chief Executive Officer

Beacon Lighting Corporation Pty Ltd

Date of Signing: 16 March 2021



Glen Robinson

Chief Executive Officer

Brightlite Nominees Pty Ltd
(as trustee of the Brightlite Unit Trust)

Date of Signing: 16 March 2021

WHISTLEBLOWER PROTECTION POLICY

The Beacon Lighting Group has an accessible and well-publicised reporting mechanism for concerns or disclosure in relation to modern slavery reporting which allows for confidential and anonymous reporting and provides protection from reprisal. There are clear processes for investigating and reporting on the issues raised through this reporting mechanism.

MEASURING EFFECTIVENESS

The Beacon Lighting Group will have a focus on developing systems and processes to measure the effectiveness of the Modern Slavery Policy. Going forward, the Beacon Lighting Group has a goal of expanding the range of Service Providers and Suppliers who will be subject to the risk assessments and risk audits and where appropriate, assist those parties in taking the necessary corrective actions.